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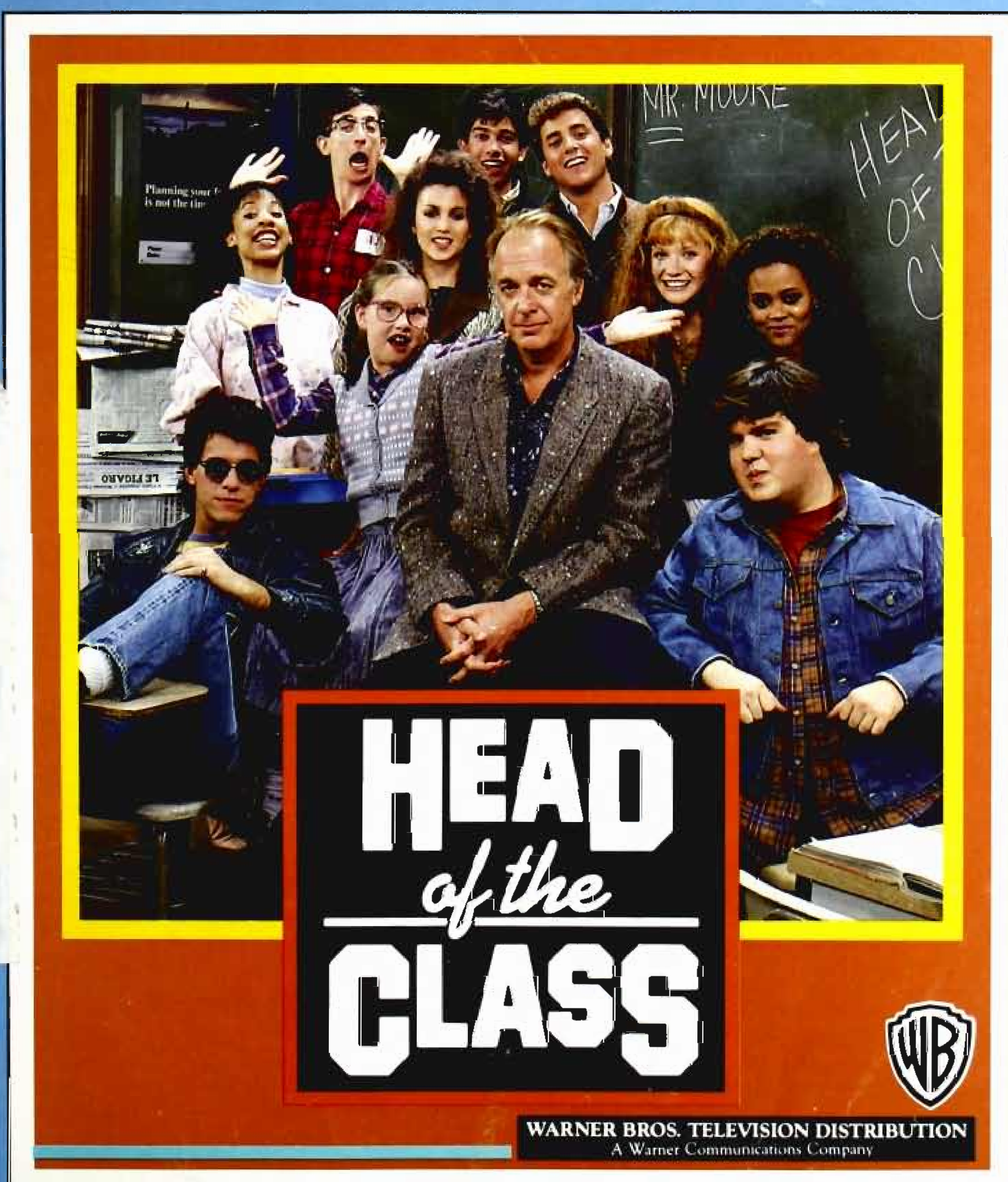

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Publisher's Letter

Europe opens its pocketbook to U.S. program suppliers

United States television programming sales overseas, especially to Western Europe, are under increasing competitive pressures from foreign broadcasters who, ironically, once eschewed Hollywood production values as "too commercial." Now it seems that TV viewers around the globe have more in common than many state-owned broadcasters realized. They liked Hollywood's commercial values. And with the explosion of private, commercial television around the globe, broadcasters and producers find themselves imitating U.S. standards in order to become successful distributors themselves.

Indeed these same European producers claim to have gone Hollywood one better, claiming their pacing is faster, their scripts sharper, and so forth. That's fine, because after all the talk, it's the viewers who decide and everything else will flow from that.

Frost & Sullivan. But before we begin to write off America's influence—or even dominance—in the business of supplying TV programs around the globe, up pops a rather comprehensive study from the market research firm of Frost & Sullivan in New York. According to the study, the evolution of private commercial telecasting in Western Europe already is generating well over $800 million for U.S. distributors, and that figure—despite European import quotas—is expected to hit the $2.7 billion mark by 1992. That's a pretty hefty number. The study, reported in the October 3 issue of TV/RADIO AGE as well as our October international issue, says that total U.S. TV program sales worldwide now stand at $1.3 billion, expected to grow to $3.6 billion in 1992.

While Western Europe will account for the lion's share of U.S. program exports, Frost & Sullivan appears to be pretty bullish on Japan, seeing that country's $318 million spending on U.S. programs soar to $715 million by 1992. While the European figures seem to be on the money, we question the report's optimistic evaluation of the Japanese market. Even factoring in the emerging DBS system in Japan and the strength of the yen against the dollar, most U.S. program suppliers don't see Japan so wide open for U.S. shows. They cite language and cultural barriers among the principal roadblocks to U.S. exports.

Overseas sales have grown from a lackluster sidelight for U.S. suppliers into a big-time business. Indeed, many smaller U.S. distributors, unable to make a go of it in the U.S. television market, have managed to hang on, supported by overseas revenues while they get on their feet in the U.S.

Some tail. Right now, according to Frost & Sullivan, primetime programs supplied to the networks will total about $1.66 billion in 1988, up only slightly from $1.53 billion in 1987. But the cost of programming to the syndication and cable markets, excluding feature films, was 80% higher than the networks' for a total of $2.97 billion. This combined $4.6 billion figure is expected to grow at a modest 10–15% over each of the next five years, nowhere near the hot pace of Western European sales.

"It seems predictable," concludes Frost & Sullivan," that by 1995 European program sales may grow to equal those in the U.S. . . . Given more dynamic growth in Europe than the U.S. and continued demand for American programming there, in Japan and elsewhere, it is quite likely that, for many U.S. producers, the tail will begin to wag the dog."

Sey. Paul

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Final Edition

Battlecry sounds again: Save free TV! broadcasters await marching orders; but question is: Does the public care?

Does the public really care about so-called "free" television? Will an aggressive on-air promotion blitz warning about the dangers of the public paying for what it now gets free do anything to alter the communications evolution in America? Or is the renewal of the "free" vs. pay-TV war, which broadcasters fought and lost almost a decade ago, best left buried in time?

These are just a few of the questions that a newly formed Committee for Free TV is wrestling with as it tries to decide just how far out on a limb it's safe to go.

The committee is the brainchild

"There were a lot of people in the room and everyone had a different viewpoint and we were going around in circles."

of Milton Maltz, chairman of Malrite Communications. He organized the meeting at ABC headquarters in New York on Sept. 29 (TV/RADIO AGE, Oct. 3), and it included about 30 representatives from each of the three networks, the NAB, INTV and most of the major broadcast groups.

"We didn't really accomplish much," said Levitt Pope, president of Tribune's WPIX (TV) New York. He said the discussion by so many people about so many issues resulted in "nothing of substance" coming out of the meeting.

Ben McKeel, TV vice president for Nationwide Communications agreed: "There were a lot of people in the room and everyone had a different viewpoint and we were going around in circles."

McKeel, who along with five others makes up the working task force to draft recommendations to the full committee, asks, even putting aside the larger question of "Does the public care?" about the issue, what should the scope of such a campaign be? For example, he said, should it be narrowly focused to include on-air promotions extolling the virtues of free TV, or should it have a much broader mandate to include lobbying or the formation of a Television Information Office-type organization (the NAB has voted to disband TIO)?

McKeel said the working group is scheduled to meet later this month and draft recommendations.

Maltz organized. Maltz has been trying to get the committee organized for months. In a prepared statement he circulated to the committee, Maltz warned: "Free television has been taken for granted for more than 40 years by viewers, public officials, business and the licensees themselves. Today, free,

Milton Maltz

"It is time the greatest marketers in the world start telling their story and selling the benefits of free television."

advertiser-supported TV is endangered. Increasingly, cable and VCR's are siphoning programming away from free TV; other technologies, whether DBS, optical fiber or MMDS, threaten to accelerate the trend. The ultimate result is no more choice or variety for the American people. Instead, they will be expected to pay for what they once got for free through the American system of broadcast TV...

"It is time that the greatest marketers in the world—TV broadcasters—start telling their own story and selling the benefits of free television... We must together design and launch an ambitious advertising and promotion campaign to educate and inform the American public that the preeminance and survival of free broadcast TV is in their hands.

"This is not an anti-cable campaign, but a pro-free TV effort."

But Maltz's cable comment to the contrary, the tone of the meeting, according to many present, was

(Final Edition continued on page 12)

Beam sells two affiliates

Beam Communications has sold its NBC affiliate WDAM-TV Laurel-Hattiesburg, Miss. and its CBS affiliate WCFT-TV Tuscaloosa, Ala. to Heritage Broadcasting Group, a Detroit firm headed by Marie Iacobelli. Clyde Haehnle, senior vice president at R. C. Crisler & Co., Cincinnati-based broker that handled the deal, said the stations went at 12 times 1988 cash flow.

Beam, which reportedly sold the stations in conjunction with a restructuring of debt, retains NBC affiliate WPBN-TV Traverse City, Mich. and its satellite WTOM-TV Sheboygan, Wisc., and KYEL-TV Yuma, also an NBC affiliate. Heritage operates WXXA (TV) Albany-Schenectady-Troy, and independent, and AM-FM combos in El Paso and Wheeling, W. Va.

'A very different CBS' set to debut, as network preps new promotion drive

CBS will be staffing up its California-based in-house promotion unit—"but not to any major degree," said George Schweitzer, CBS/Broadcast Group senior vice president for communications.

Backer Spielvogel Bates, New York, has been dropped from the creative aspects of the CBS account—a year after landing the estimated $40 million account—but continues to handle media planning and print advertising for CBS.

George Schweitzer

CBS' promo staff, which numbers 35 in Los Angeles, now "will be much more station-oriented, retail-oriented" in its promotion, Schweitzer said. The focus now will be on content of programs rather than the "generic" approach, "The days of generic flagwaving are over," he said. "We'll advertise each show to its audience on its own merits."

"We will not be creatively handcuffed again."

CBS lately has been calling on a handful of "three or four" West Coast agencies on a project basis, including Jacobs & Gerber and Chuck Blore's radio promotion shop. That approach means greater flexibility, Schweitzer said, adding, "We will not be creatively handcuffed again."

The new effort, including "all-new music and graphics," will be on the air by Oct. 24 "at the latest," he vowed, saying it will promote "a very different CBS... a much brighter much livelier promotion."

"Much brighter." On the paid media side, Schweitzer said, CBS will be "spending more and going places we haven't been before and targeting audiences much more."

Backer Spielvogel Bates had been roundly criticized at CBS' affiliates convention last June for its proposed generic "Television You Can Feel" campaign, which was then shelved. Since CBS was left with no summertime promotional push for the fall season except continuing last year's "CBS spirit—oh yes," the network will "start from ground zero," as Schweitzer put it.

ABC uses Grey Advertising, and NBC hired D'Arcy Masius Benton & Bowles last July, replacing AC&R/CCL.

Battlecry sounds again: Save free TV!

(*Continued from page 10*)

decidedly anti-cable. Even Maltz, speaking off-the-cuff at the opening of the meeting, said, "These cable guys have been getting away with murder."

Also, INTV president Preston Padden saw the campaign as a vehicle for focusing attention on the must-carry debate.

But Bob Kreek, president of the Fox TV stations, said he wants the campaign to focus not on the public but on advertisers. "We've got to bring the advertisers back from cable, radio, coupons in-store ads—all these other options—and back to broadcast TV."

The meeting caught cable officials by surprise, and one cable executive, speaking not for attribution, said such a meeting raised all kinds of antitrust questions.

—Jack Loftus

Cabler bumps Tennessee indie for Turner's TNT

When Turner Network Television made its cahle bow on Oct. 3, at least one indie, WFLI-TV Chattanooga, found itself suddenly downgraded by the local cable carrier.

To the indie, TNT's arrival had an explosive impact. Though it was not quite gone with the wind on the Chattanooga Cable TV system, WFLI was bumped from channel 28 to 31, the last channel on the dial. TNT now occupies channel 28.

Chattanooga Cable, owned by Scripps-Howards's TeleScripps Cable Co., serves parts of Georgia and Tennessee.

At WFLI Ying Benns, general manager, lamented that her station no longer has the full cable coverage it once had. That will have "some effect" on local and spot sales, she guessed, but "it's hard to say how much... Some viewers can still get us on UHF."

Likely growth in local ad revenues undoubtedly is a key factor in TNT's solid welcome by the cable community, industry sources said. Systems are getting four commercial minutes an hour to sell locally, more than the norm in cable.

"We won't make a fuss... We'll just hang in there."

No fuss? Prior to a meeting with TeleScripps execs on Oct. 5, Benns said, "We want to see an improvement... We won't make a fuss" if the system can restore some of WFLI's lost coverage and viewership.

Following that meeting, Benns said that TeleScripps will continue to "keep us on Channel 31 and partial coverage... I cannot say it is good... We'll just hang in there." She added that the cable system promised to explore ways to help the station.

(Final Edition continued on page 14)

N.Y. State enters bitter dispute between The Garden & Cablevision; are Yankees ready to tango, too?

The New York State Consumer Protection Board is now trying to resolve the feud between Madison Square Garden Network—the regional cable network in New York—and Cablevision Systems, the largest cable system in the region.

The long-simmering dispute over how MSG should be marketed and sold to Cablevision's 500,000 regional subscribers reached the boiling point recently when the network went off the system. The controversy involves major corporations, clashing personalities, money (lots of it) and Major League Baseball. As for the public, it's caught right in the middle.

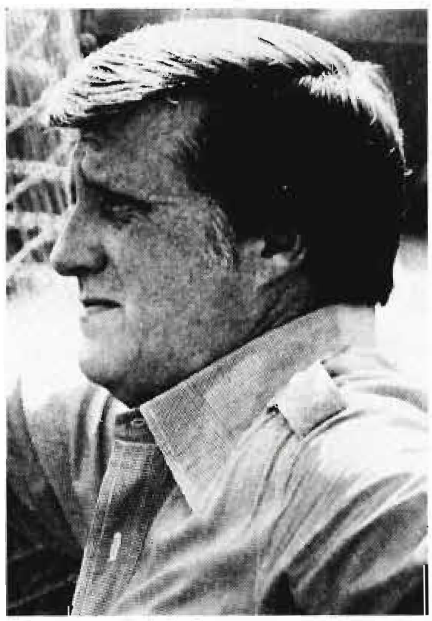
MSG Network, owned by Gulf & Western (Paramount, Simon & Schuster, etc.) markets itself as an advertiser-supported basic cable service and is the home network for the N.Y. Rangers (hockey) and Knicks (basketball) among other big-time events from "the world's most famous arena." The network makes money by selling ad time and charging cable systems a flat fee per basic-subscribing household. More than two-million cable homes in New York, New Jersey and Connecticut pick up MSG.

Cablevision, however, has long refused to sell MSG as part of its basic cable package and instead markets MSG as part of its own Sportschannel pay service. Unlike most other cable systems in the tristate area, MSG has no channel of its own on Cablevision, so in addition to the loss of identity, MSG can't sell those 500,000 basic-service customers on Cablevision's systems to its advertisers.

With G&W behind it, MSG may well afford to talk tough, threatening to keep fans in the dark until Cablevision comes around. But Cablevision has demonstrated some pretty deep pockets of its own, for example, by ponying up $550 million to acquire the Long Island and Cleveland cable operations of Viacom—a move that will bring Cablevision about 124,000 customers on Long Island and another 75,000 in Ohio—for a total of 1.3 million customers in 11 states. And just to sweeten the pot for Viacom, Cablevision tossed in an extra $25 million for a 5% share in Showtime/The Movie Channel.

With Cablevision getting bigger all the time, MSG Network, under the direction of Bob Gutkowski, needs unrestricted access to those basic-service customers in order to provide the network with the kind of clout and revenue it needs to move into the big time. That's where the New York Yankees come in.

Bob Gutkowski, *head of Madison Square Garden Network, may have pulled the coup of his career by wooing the Yankees away from Cablevision and onto MSG.*



George Steinbrenner, *Yankees owner, will be laughing all the way to the bank.*

Chuck Dolan, *president of Cablevision Systems, is furious over an impending Yankees-MSG television deal.*

Tit for tat. For years, Cablevision president Chuck Dolan has regarded MSG as little more than a second-rate network and Gutkowski a minor player. Dolan, after all, had bigger fish to fry, and the linchpin of his Sportschannel service was the exclusive pay TV rights to most pro sports events in the area—the Mets, the Yankees, Islanders and Devils hockey and Nets basketball. Cablevision had a virtual monopoly on the New York sports scene (the Knicks and Rangers are owned by MSG).

Then one day Gutkowski had an idea. He convinced the powers that be at G&W that the Yankees could be had for approximately $500 million—that's "had" in terms of exclusive TV rights: cable, pay and over the air. It's understood that Gutkowski and Yankees' principal owner George Steinbrenner are on the verge of making just such a deal, taking advantage of a window in the Yankees' contract with Cablevision giving Steinbrenner a

(Final Edition continued on page 16)

No gold medal for Brokaw newscast; Olympics do more harm than good

Tom Brokaw couldn't bring home the gold from Seoul.

In contrast with Peter Jennings, whose *World News Tonight* on ABC got a ratings lift to No. 1 during the two weeks of the Calgary Winter Olympics last February, NBC's newscast stayed in third place, and even lost some audience since the Olympics began.

Gerald Jaffe, NBC's vice president for research, explained, "We lost clearances on the west coast due to the [newscast's] feed patterns" conflicting with the Olympics coverage. Consequently, *Nightly News'* coverage dwindled to 94% during the two weeks of the Seoul Olympics, versus 99% ordinarily.

Tom Brokaw *failed to get the boost from the Olympics that ABC got during its coverage of the Calgary Winter Games.*

David Poltrack, CBS' senior vice president for planning and research, agreed that NBC's "Olympics patina" was offset to a degree by "some dislocation on the west coast." So far, he felt, "it's hard to read what the impact of the Olympics will be on their newscast."

In New York, Brokaw's numbers rose significantly during the Games to a 20 share, versus a 13 in the summer. The post-Olympics data show Brokaw's New York performance back where he was before the Olympics, with shares in the low to mid teens.

At ABC, Paul Sonkin, vice president of audience research, agreed that the preemptions and NBC having to push its newscast into an earlier time slot in some time zones were factors. He couldn't resist one barb, however. "Possibly it's the show itself," said the admittedly biased ABC exec.

Some agency sources felt that the full impact of Brokaw's visibility at Seoul during the Olympics as well as the heavy two-week promotion he and his newscast got within the coverage would show up in the Nielsens for the week ending Oct. 7. But they didn't. For the first post-Olympics week, ending Oct. 7, CBS' newscast led with a 10.2/20, followed by ABC's 9.9/21 as NBC again brought up the rear with a

N.Y. State enters dispute between The Garden & Cablevision

(*Continued from page 14*)

buyout option.

Suddenly, MSG is no longer a second-rate network and Gutkowski no minor leaguer; and Dolan is furious.

But Dolan also knows that to be successful, MSG will have to market a big chunk of the Yankees games as part of its basic cable network service, and by keeping MSG off Cablevision Dolan can seriously hamper MSG's run for the big time.

Final appeal. MSG went off Cablevision on September 14, the date its contract expired, and for the past few weeks the two sides have not spoken. Shortly before MSG went off Cablevision, Gutkowski made an offer to keep MSG on Cablevision's pay tier for a 90-day cooling-off period while talks continued. But Dolan rejected the offer, according to MSG.

"We were prepared to stay on for 90 days under their terms while we talked," said an MSG official, "but they said no."

Since no further talks appear to be forthcoming, Richard Kessel of the New York State Consumer Protection Board in Albany contacted both sides in an attempt to mediate the dispute. So far, however, he hasn't been successful.

Cablevision's virtual monopoly on pay-TV sports in New York would be broken by the Yankees' defection to MSG Network.

Meanwhile, with the Rangers hockey season now underway, a microwave (MMDS) company is taking advantage of the blackout on Cablevision by pitching its MSG pay service to subscribers. MSG licenses its service to the company, Microband.

To show the bitterness of the dispute between Cablevision and MSG, both companies held press conferences on the same day last August to denounce the other. Cablevision accused MSG of being "manipulative," while the Garden accused Cablevision of being an "unregulated monopoly."

The whole broohaha was summed up by Madison Square Garden's corporate president Richard Evans, who said, "It's like a labor strike. Nobody wins."

Wall St. unsure Knight-Ridder can get top dollar for its eight TV affiliates

Knight-Ridder will not have an easy time selling its eight TV affiliates—not if they're looking for the cash-flow multiples of recent years.

That appears to be the consensus of Wall street and the brokerage community following the news that the eight stations were on the block. However, there was also a feeling that they represented a good deal for the right party, since not many medium-size affiliates have been available.

Says Greg Dougherty, senior vice president of Henry Ansbacher Inc., "People now realize that a lot of buyers overpaid for TV stations in recent years and now have heavy debts to service. Shoppers are now taking longer to make up their minds."

There's also concern about the future level of business for TV affiliates as well as disappointment about station time sales this year, added Dougherty.

Performance factor. Curtis Alexander, an analyst for Eberstadt Fleming, feels the performance of the Knight-Ridder stations leave something to be desired. He projects revenues of $105 million this year, with a cash flow of $29 million, a 28% margin after depreciation and amortization are factored in.

At a cash-flow multiple of 14 times, Alexander put the group's value at about $400 million. He doubts the stations could be sold for $450 to $500 million, as some have estimated, and says to some estimates of the group's value are well below $400 million.

One Wall Streeter said some of the station prices set by buyers these days are down to 11.5 times cash flow.

Ed Atorino, managing director at Smith Barney, estimates K-R Broadcasting cash flow at $35.9 million in '86 and $31.8 million in '87. He figures about the same cash flow in '88 as in '87. As for business this year, he sees revenues up 2% through August.

Lots of debt. K-R's decision to sell its TV station group, after buying three of the eight stations from Gannett over two years ago, followed their assumption in July of a large debt to buy Dialog Information Services for $353 million and 7.5% of the Storer Cable operation for $112.5 million.

Alexander said Knight-Ridder paid 17.7 times cash flow for Dialog in a bidding war that included AT&T, Dun & Bradstreet, Dow Jones and Mead Data Central, the second biggest data base company after Dialog. He also noted that the K-R stations only represent 5% of the company's sales and 4.7% of earnings.

K-R kicked off its station acquisitions campaign in 1978, when it bought three stations from Poole Broadcasting, WTEN (TV) Albany, WPRI-TV Providence and WJRT-TV Flint. In 1981 it bought WTKR-TV Norfolk for $48 million from Landmark; in 1983, WKRN-TV Nashville from General Electric for $38 million and in 1986 KOLD-TV Tucson, KTVY (TV) Oklahoma City and WALA-TV Mobile from Gannett for $160 million.

Feature package from Col TV

Columbia Pictures Television will introduce its first feature film package to stations under the merger involving Columbia-Embassy Television and Tri-Star Television.

The package, Columbia Showcase I, consists of 22 titles which have won a combined 40 Oscar nominations, according to Barry Thurston, president, syndication at CPT. These include such film goodies as *Tootsie, A Passage to India, Hope and Glory, A Soldier's Story* and *Murphy's Romance*.

Showcase I will be sold on a cash basis, with six runs over four years, said Thurston. Titles will be released for airing beginning next fall according to availability date. Release dates are through 1993 in some cases.

First two markets being pitched will be New York and Los Angeles. Plans call for future packages to be released every 12–18 months, depending on the release output from Columbia Pictures and Tri-Star Pictures, said Thurston.

Action Media buys 50% of Casablanca IV

Action Media Group has bought 50% of Casablanca IV in a coventure arrangement entailing the formation of a new company, Casablanca/AMG.

The new firm will handle clearances of both AMG product, with the exception of *The Wrestling Network*, and Casablanca's. AMG will continue to sell its own barter shows, as a separate entity but now will sell barter shows from Casablanca, under its own name.

Both parties will coproduce shows that may be syndicated by outside entities. Included in the new deal is *Crimes of the Century*, a first-run weekly series from Casablanca that will be launched in January. Another Casablanca show, *Celebrity Secrets*, will be sold by LBS Communications, under marketing arrangement struck before the AMG deal, notes Rick Pack, AMG president and chief operating officer. Robert Sillerman, who recently purchased Seltel for about $20 million, is a minority stockholder in AMG.

Crimes of the Century, which was offered for a fall 1988 start, was pulled back because of clearance problems. But according to Richard Gold, Casablanca president, the docudrama series has cleared 67% of the U.S. households—enough to make it a go, he says. The series is being offered via barter, with four minutes for local sale and three retained by the new venture.

The half-hour game show *Celebrity Secrets* will be marketed on a cash-plus-barter basis, said Gold, with Casablanca keeping two 30s in each episode. *Celebrity Secrets* will be hosted by Bob Eubanks, and Gold said a pilot, which cost a hefty $400,000, will be shown to reps this week in New York.

Secrets features five different celebrities each week.

9.6/20.

During the second full week of Olympics coverage, ending Sept. 30, NBC's newscast averaged a 9.6 rating and 21 share, trailing CBS' 9.8/20 and ABC's 10.0/20. For the week ending Sept. 23, week one of the Olympics, CBS led the dinner-time news ratings with a 10.1/20, while its rivals were in a virtual tie (9.8/21 for NBC and 9.8/20 for ABC).

In the pre-Olympics week ending Sept. 16, meanwhile, CBS' Dan Rather led with a 10.8/22 average as ABC ran second at 10.3/21 and NBC finished a close third at 10.1/20.—**Jim Forkan**

Granite closes deals for two midwestern television stations

The newly formed Granite Broadcasting has closed its first two acquisitions—of WEEK-TV Peoria, Ill., from Price Communications and KBJR-TV Duluth, Minn., from RJR Communications. Both are NBC affiliates.

Approved by the FCC as a minority-ownership situation, the acquisitions launch Donald Cornwell, a former investment banker with Goldman Sachs, and Stuart Beck, an attorney, into broadcast management careers. Cornwell said both will devote full time now to the broadcast venture.

Cornwell owns 55% of voting stock and Beck 45%. Cornwell adds that more than $10 million in equity has been raised from institutions and individuals including James L. Greenwald, chairman of Katz Communications, which continues to represent both stations; talk show host Oprah Winfrey; Goldman Sachs and "friends from Goldman Sachs."

Robert Rich, principal shareholder of RJR, also is an investor and a director of the company but, according to Cornwell, has elected not to remain in a management capacity. Robert Kalthoff, former vice president of Beam Communications, another investor, will be president of the company's Midwestern Television Group—now consisting of these first two stations—and will operate out of the Duluth station.

Rating Council resolves a dispute, decides not to validate methodology

The dispute at the Electronic Media Rating Council over whether to extend its examination of rating service methodology has been resolved—for the moment, anyway—in favor of confining its basic function to auditing the services.

The issue, debated at the September 23 meeting of the EMRC board, was whether to validate methodology or stay with the current policy of examining whether a rating service "does what it says it does."

John D. Sawhill, vice president and general manager of WJAR-TV Providence, who was elected chairman of council, said that it was decided that "at this time, it is not effective to get into validation." The council, he reported, wants to avoid "adversarial points of view." It cannot, he maintained, get into who is doing best, for example, as between the Arbitron and Nielsen local TV rating services.

If the EMRC went ahead on validation, said Sawhill, it would usurp other research going on, such as that by the Committee on Local Television Audience Measurement (COLTAM). "We should do what we do better and work more closely with the rating services."

EMRC will be satisfied that rating services just do what they say they do.

Sawhill had been described as in favor of getting the EMRC into validation, with the support, among others, of the retiring council chairman, Gary Chapman, who is in charge of the broadcast division of Freedom Newspapers (see *Final Edition*, September 19). One insider believes support for the validation policy reflects a fear among broadcasters of the effect of people meters when they become installed in local TV audience measurement. They are especially worried about data on children's viewing levels, he said. Another source expressed the opinion that the issue of validation was still up in the air.

In addition to Sawhill's election as chairman, Tom McClendon of Cox Communications was elected vice chairman and David Poltrack of the CBS Broadcast Group assistant secretary and assistant treasurer. Melvin Goldberg, executive director of the council, remains secretary/treasurer.—**Al Jaffe**

Jacquemin promoted at Buena Vista TV

Robert Jacquemin has been promoted to president, a newly created position, at Buena Vista Television. He had been senior vice president of the Walt Disney Co. subsidiary.

As president, Jacquemin will be in charge of all operating activities relating to the company's first-run and off-network programming. He reports directly to Richard H. Frank, president of Walt Disney Studios.

Jacquemin said his appointment will not change Buena Vista's programming direction. But he does see Disney stepping up its production efforts in all areas of programming, except in the network prime-time area. "It will be business as usual for me, but I see the production end expanding, including new opportunities on the networks and for co-ventures overseas."

Bob Jacquemin

Jacquemin joined Disney in 1985. Before that, he was executive vice president, sales and marketing at Paramount Domestic Television and Video Programming.

(Final Edition continued on page 18)

Local morning news hits the spot for NBC O&Os

The recent expansion of its early morning local news by WNBC-TV New York is only the latest example of local news emphasis in that daypart by NBC-owned stations. And it will be followed by two remaining owned stations in expanding their early morning local news.

With the cancellation of the NBC Television network's 15 minute business show, *Before Hours*, which ran on WNBC-TV from 6:30 to 6:45, general manager Bud Carey decided to expand his local *Morning Edition* with Jane Hanson, which had aired 6:45 to 7, to a half hour. This took place Sept. 19.

But the object in expanding the local news show was not just to fill a hole, or to add local inventory. Other NBC-owned outlets had shown there were audience opportunities in early morning local news.

NBC TV stations president Al Jerome points out that both NBC's Cleveland and Denver stations have long done well with early morning local news. WKYC-TV Cleveland, for example, has been running *Today in Cleveland*, a news-and-talk show, for years. It runs 6:30 to 7 and has personality overtones, being anchored by news reporter Dell Donahoo and public affairs host Tom Haley. The show

Jane Hanson *anchors WNBC-TV's newly expanded "Morning Edition" from 6:30–7. The result has been a ratings boost of more than 40%.*

Al Jerome, *president of the NBC owned TV stations, says there are big audience opportunities in early morning local news.*

regularly corrals shares in the 30s, says Jerome.

In Denver, KCNC-TV has run an hour-long (6–7) local news show for seven years. Noting that Gannett's KUSA-TV also telecasts an hour of local news at that time, Jerome points out that over the seven-year period, the HUT level during that hour has risen from six to 18.

"Today in L.A." The experience of these two stations was not lost on John Rohrbeck, general manager of KNBC-TV Los Angeles. In May 1986, he started *Today in L.A.*, running it from 6:30 to 7 in place of *NBC News at Sunrise*, which was moved to a half-hour earlier, replacing an exercise show.

Sunrise doubled the audience of the exercise show, Jerome says, going from about a 1/8 to a 2/17, while *Today in L.A.* just about doubled the audience of *Sunrise*, going from about 2/15 to 4/27. Thus, while *Sunrise* did not increase its audience, it held on to it even though it ran a half hour earlier in a lighter-viewing time period.

Furthermore, this led WRC-TV, NBC's Washington outlet, to start its own early morning news show this summer, following the July 4 weekend. As part of a news rejuvenation on the station general manager Allan Horlick started *News 4 This Morning* at 6:30 to 7, replacing *Sunrise*, which was moved a half hour earlier. *Sunrise* replaced a checkerboard of public affairs shows, which had been getting less than one ratings, Jerome says.

As in the case of Los Angeles, *Sunrise* kept its rating, though it ran a half hour earlier in a lighter-viewing time period. But *News 4 This Morning*, says Jerome, went from about a 2/14 for *Sunrise* to a 3/18. He concedes, however, that the ratings are still too early to call.

Looking good. Meanwhile WNBC-TV's early *Morning Edition* anchored by Jane Hanson is looking good after two weeks though that situation is obviously too early to call. But Jerome still likes to point out that after about two weeks the 6:30 to 7 time period is up 42%.

NBC stations are discovering skyrocketing audiences for local early news.

That leaves Chicago and Miami among the NBC O&Os. WMAQ-TV Chicago was set to expand its 15 minutes of local news in the morning to a half hour sometime in the near future, says Jerome. The Windy City outlet is now running 15 minutes of local news at 6:45, preceded by 45 minutes of *Sunrise*. The decision to go for the local half-hour was made by WMAQ-TV's new general manager, Bob Morse.

And WTVJ(TV) Miami, which has been operated by NBC since last November, will begin a half

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Sidelights

Chuck Southcott does it his way in reformatting KMPC for 35-plus

KMPC-AM Los Angeles, flagship of Gene Autry's four-station Golden West Broadcasters, has become the musical home of "the interpretative performer" in middle-of-the-road music.

With its sixth format change in 16 years, the once powerful MOR mogul of southern California, is attempting to ensnare a 35-plus audience and get away from the much older demographic which had been listening to its previous big band and pre-rock 'n' roll programming through various format changes. The station had sought to find a secure niche for itself after talk and a range of new evergreen musical formats began to change the southern California marketplace.


Chuck Southcott

On Oct. 3, the station, 50,000 watts in daytime and 10,000 at night, went fullbore into playing what new program director Chuck Southcott calls "the greatest hits of all time" after one year of airing Transtar's live syndicated "AM Only" service.

Southcott, who during his 32 years in L.A. radio has competed against KMPC at non-rock AM stations, KGIL and KPRZ, feels "there's a range of music which has long been ignored, music by the interpretative performer like Frank Sinatra and Barbra Streisand. We're giving them a lot of airplay."

Under the format developed by Southcott, who has worked as both a disc jockey and program director in L.A., KMPC is playing a combination of single record chart hits and familiar songs by familiar artists. He and John Felz, the station's operations manager, are computerizing a list of 3,000 tunes from which the station's personalities can freely select material for their air shifts.

In addition to playing music by artists not normally heard on AM radio any more—like Jack Jones, Steve Lawrence, Eydie Gorme, Anita Bryant, Johnny Mathis and Count Basie, for example—KMPC has also introduced 24-hour traffic advisory, one hour of old radio dramas from 7–8 p.m. weeknights, a greater emphasis on personality radio, and starting Oct. 24, a two-hour sports call-in show weeknights from 5 to 7.

The station's seven-person news staff has a continuing banter with the DJs.

Bill Ward, president of the Golden West Broadcasters radio division who oversees KMPC, sees an opportunity for a resurgence in ratings and listenership, tied into what he calls the "revision" of the station's music. While Ward says the station remains profitable, he does admit that if ratings improve from the 2.0 in the Arbitron summer book, "advertising will also improve."

Ward points to changing market conditions in which pop music-oriented KFI has gone to a talk format, with the exception of the morning Gary Owens-Al Lohman show; soft adult contemporary KIQQ(FM) is in the process of being sold; and former FM beautiful music outlets KBIG and KJOI have become more contemporary pop. "There's no place to hear music by a lot of the artists who we are playing," he says.

Can KMPC return in 1988 to the vaunted No. 1 position it held as an MOR kingpin of the '60s? "I don't think we can return to the position we held in the '60s when there was no FM competition," admits Ward. "We will be happy staying in the twos. With so many competitors in the market [87 stations of which 49 are measured in the ratings], you can make nice money being in the top 10. Being a high two, you can be number seven or eight in the market."

In the latest Arbitron summer ratings, urban contemporary KPWR-FM remains the No. 1 station with a 7.4, followed by contemporary hits KIIS-AM-FM, 6.9; talk KABC-AM, 5.7; adult contemporary KOST(FM), 5.0; and album-oriented rocker KLOS (FM), 4.3. During its heyday, KMPC used to reap 17 ratings in the Pulse and Hooper surveys, according to Southcott.

KMPC is banking on its DJ line-up and its growing list of artists as the one-two punch for attracting listeners to add to those who tune in for the strong sports roster of Angels baseball (owner Autry's team), UCLA football and basketball and Rams football.


Johnny Magnus

The 6–10 a.m. drive shift is the domain of Robert W. Morgan, who replaced KMPC's legendary morningman Dick Whittinghill in 1979, followed by Scott O'Neil, 10–3 a.m. (with the station on and off for 10 hour of early morning local news (also 6:30 to 7) on January 1, when its CBS affiliation runs out. The preceding half hour will be occupied by *Sunrise*. Dick Lobo, general manager of WTVJ(TV), made the decision.

Wrapping up all these changes, Jerome comments, "This is not just a windfall. The reason for doing it is viewership. The lineup of *Sunrise*, local news and *Today* is a good lineup."

NBC budgets for local morning news have gone up 45% in the last 10 years.

Jerome could not resist a bit of philosophy. "We are flooded with distribution systems," he says, noting that the broadcast station is no longer the sole funnel for programming.

So, "What is our longtime role?" It's to transmit local news, public information, public affairs, Jerome says. "Our [station] budgets for these has increased to about 40 to 45% over the past 10 years." Some stations ae cutting back on news, says Jerome, but not the NBC O&Os.

ABC & CBS show little improvement during 'Today' hiatus

ABC's *Good Morning America* and CBS' *This Morning* had hoped to benefit from *Today*'s absence from the early morning, but NBC's Seoul Olympics coverage won the daypart, although not by as much as it had projected.

"The Olympics did better than we normally do with *Today*," said Gerald Jaffe, NBC's vice president for research projects. "The other guys didn't benefit because we put on competitive programming."

NBC had the Olympics morning data broken down for the 7 a.m. to 10 a.m. span Monday through Friday. For the week ending Sept. 23, Week 1 of the Olympics, NBC averaged a 5.3 Nielsen rating and a 27 share. Although that was 18.5% below NBC's early morning projections, it still was above *Today*'s levels. During the pre-Olympics week, *Today* scored a 4.5/19 for 7 to 9 a.m. time.

For Week 2 ending Sept. 30, NBC's Olympics coverage, hosted by Jane Pauley and Gayle Gardner, slipped closer to *Today* levels, with a 4.7/26.

No bragging. However, *GMA*'s numbers also dropped off that week. After having done well the first week—its 4.1/19 average posting a slight uptick from 4.0/19 the week before—*GMA* slid to a 3.8/18 during the second Olympics week. (The ABC program had scored a 4.0/19 in the week ending Sept. 16.)

CBS' *This Morning* averaged a 2.4/11 in its first Olympics face-off, then inched up to a 2.5/12 in week 2—thus matching its performance for the week before the Olympics.

At ABC, Paul Sonkin vice president of audience research, said that during week 1 of the Summer Games, "Some new audience came in for the Olympics. HUTs increased, total viewership increased."

"Today"—*It's still No. 1.*

At CBS, David Poltrack, senior vice president for planning and research, said, "The important thing from our perspective is that a year ago CBS had a 2.0" and now is at 2.5. After gaining, as did its rivals, from the Hurricane Gilbert watch in September, *This Morning* stayed in the 2.4 to 2.5 range throughout the Olympics."

Without *Today* present, he added, "our hope was that we'd get some sampling, and we're convinced that has happened."

Some viewers no doubt switched back and forth from news to the Olympics, Poltrack said, so "the big test" will be for CBS to hang onto those viewers.

Local news wraparounds grow

Wrapping local news broadcasts around network evening news is becoming an increasing practice. A Television Information Office study of early evening news programming reveals that 140 affiliates telecast 30 minutes of news both before and after the network news during May. The TIO found that that's an increase of 19 affiliates over May a year ago and 32 more than May '86.

The study, based on Nielsen data about 627 affiliates, also showed that while more half-hour local newscasts in early fringe time follow the network news than precede it, there appears to be a recent shift in the other direction. However, almost all affiliates with one-hour newscasts precede the network news.

It was also found that most affiliates switching to 90-minute local newscasts air the entire show before the network news.

TV Business Barometer

August local TV increased 6.3%

Local TV time sales showed a percentage increase in August that was just about the same as in July. This means that it was acceptable but nothing to brag about. It also means local business for the summer is running a little behind the first quarter and the second quarter in growth rate. But local is still running ahead of national business in percentage gain for the eight-month period.

Local time sales were up 6.3% in August, compared with an increase of 2.8% for spot. Local was not only ahead of spot in the August percentage increase, but in dollars, too.

The volume of local time sales was $504.6 million, up from $474.7 million the year before and well ahead of spot's August time sales, which came to $452.1 million.

August was the second month this year in which local dollar billings were higher than spot's. Local topped spot in March also.

While the local percentage increase in August was about the same as in July, the Standard Broadcast Month (SBM) situation differed. August was a four-week SBM this year and a five-week SBM last year. On the other hand, July was a five-week month this year and a four-week month last year.

Therefore, August was a little better than it looked and July was a little worse than it looked. This is because some of the smaller stations report on an SBM, though most of the sample reporting to *TV Business Barometer* employ the calendar month for comparison year-to-year.

For the eight months through August, local time sales are now $3,744.3 million, up from $3,457.9 million during the corresponding period last year. That's an increase of 8.3%.

The local total compares with $3,915.4 million for spot, but the latter is only up 5.1%. Spot is now only $171.1 million ahead of local for the eight-month period.

The medium-size stations had the biggest increase in local billings during August (see numbers below), while the other two brackets were about tied in percentage increase.

As for network compensation, August turned in the worst performance of any month so far this year, following a July that registered the biggest percentage increase.

Network comp in August was off 3.8%, while the July figure was up 3.4%. The station take in August came to an estimated $40.0 million, compared to $41.6 million the year before.

For the year-to-date network comp stood at $306.8 million, as against $307.3 million for the eight months of last year. That represents a decline of 0.2%.

August

Local business +6.3%

(*millions*)

1987: $474.7 **1988: $504.6**

Changes by annual station revenue

Under $7 million	+5.0%
$7–15 million	+10.5%
$15 million up	+5.3%

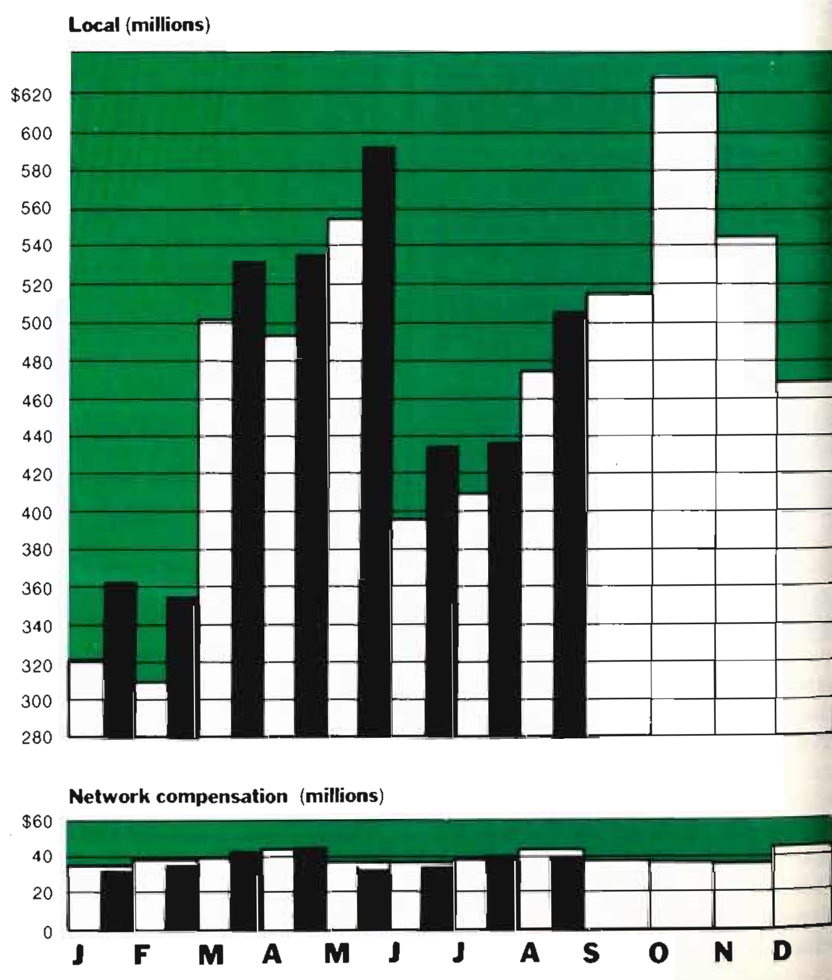
Network compensation −3.8%

(*millions*)

1987: $41.6 **1988: $40.0**

Changes by annual station revenue

Under $7 million	−1.1%
$7–15 million	−3.1%
$15 million up	−4.3%



:obert W. Morgan

ears); Jim Lange 3–7 p.m., who ame to KMPC from Autry's San rancisco AMer KSFO in 1983; ohnny Magnus, "the Prince of 'arkness," with the station on and ff 15 years, who favors jazz and lues music; and Don McCulloch, iidnight–6 a.m. since 1982, who outhcott calls an "interim" over-ight host, as the station has been dvertising for the timeslot. But, dds Southcott, McCulloch could ndeed stay in that slot.

On weekends, Pete Smith, with ie station 26 years, and Larry Mc-ay, are the regular hosts, filling in oots where there are no sports or ndicated programming.

ive-day week. KMPC's well-paid ersonalities work five days, which outhcott, who plans to do some irtime himself, admits is an un-sual situation for major market adio.

All the tunes are being tempo ated from one to 10. The slowest allad gets a one, "the most raging ptempo" tune is a 10. The DJs iust play a certain percentage of its from different time periods om the '50s to now. During a one-our block, an average of 15 songs hould get played, with one-third one-half coming from both stan-ard and chart listings. Everything as to have "solid adult appeal." etween 10–12 commercials are in in an average hour; the top rice for a 60-second spot is $300.

There is room in the format for ew tunes by the likes of Johnny lathias, Toni Tennille, Linda onstadt and Bobby McFerrin, for xample. Notes Southcott: "We're not here to break hits, but we will certainly be the first station to play new tunes" by artists such as these.

The DJs strike to build links with their audiences. They speak regularly on the phone to callers, and there are conversations between hosts and newsmen. The station's seven-person news staff, directed by Bob Steinbrinck, just doesn't read the news on the hour (and half-hour during drivetime) and and then fade away. Their banter with the DJs gives them a greater on-air presence. The station recently switched from UPI to NBC News at its prime audio service.

Scott O'Neil has his 6,000 member "lunch bunch" club which regularly wins money and trips to places in and out of the state. Morgan, during his stint, has been giving away a free trip on TWA in a phone-in sports quiz contest. When Morgan held his "booster bowl" where listeners play flag football, some 10,000 showed up for the festivities.

—Eliot Tiegel

DATES TO REMEMBER!

The Television/Radio Age **"ROAD TO NATPE"**© series is in its 10th consecutive year.

This exclusive five-part series explores, in detail, what stations are looking for in each daypart, new product availabilities and the projected needs of independents, affiliates and advertisers.

This series takes the reader through **INTV** into **NATPE** and **BEYOND.**

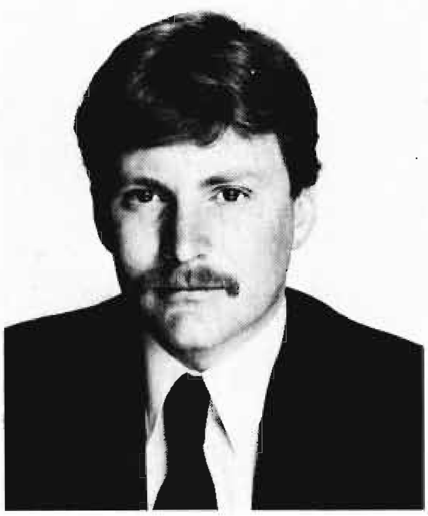
Companion pieces will further explore subjects such as barter alliances, the shifting of advertising dollars from network to syndication, the growing importance of international program acceptance in the launching of new product and the development of production consortiums.

Television/Radio Age's exclusive program syndication coverage will continue through the **post-NATPE** period and throughout the year.

BBC strengthens its U.S. operations as Masters joins Reynolds in New York; British on the acquisition trail, too

The BBC is giving its U.S. presence some added clout by tapping Jack Masters as president and chief executive of BBC/Lionheart TV. At the same time, the British company is looking around for potential acquisitions in the U.S.

Masters, who will be based at the BBC's U.S. headquarters in New York, joins the company Nov. 1, reporting to John Reynolds, head of BBC North America. Masters is leaving Samuel Goldwyn Co., where he is vice president for national TV sales.



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Masters succeeds Frank R. Miller who left BBC/Lionheart earlier this year when it reorganized and moved its headquarters from Los Angeles to New York.

Reynolds took over the top BBC job in the U.S. last February. He had been general manager in charge of coproductions for the BBC worldwide. In the U.S., Reynolds handles all BBC commercial operations—television, home video, publishing and records.

John Reynolds *says nothing will be decided until Masters is aboard and they can think things through.*

Like some of its commercial counterparts in the U.K., the giant public broadcaster has been looking to expand its business in the U.S. beyond selling programs and making coproduction deals (it coproduced *The Story of Hollywood* with Ted Turner's new TNT network, for example; and, of course, earlier bought Lionheart).

BBC expansion could involve TV, publishing, records or video.

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While acquisitions are attractive, Reynolds says the BBC's first priority in the U.S. is to sell. On the TV side, that means Masters will be out there pitching shows such as *The Singing Detective*, *East-Enders* and *Mafia Wars*.

In addition to selling, Masters will be involved in the BBC's coproduction, program acquisition and planning operations.
—Jack Loftus

'Betrothed' looking for U.S. distributor

SACIS marketing director Sesto Cifola says he hopes to name a U.S. distributor soon for the RAI-TV $25-million coproduction *The Betrothed*. Burt Lancaster, F. Murray Abraham and Danny Quinn headline a large international cast, many in cameo roles.

While the original budget was set at approximately $14 million, production overruns have escalated costs to their present level. The series now is in post-production following the recent completion of nine months of shooting in Italy and Yugoslavia. Cifola will have a 20-minute trailer, however, to show MIPCOM and MIFED buyers.

Hermes Films of Germany, Gevest of Holland and a Yugoslavian production company are the other coproducers.

In addition to the 270 speaking parts, 10,000 extras were involved.

Henson & NHK in series pact; HDTV plans

Henson International and NHK Enterprises of Japan have concluded arrangements for three major joint projects. Details of the ventures include the creation of a creature specifically aimed for presentation on high-definition TV. The two companies will collaborate on finding ways of fully utilizing HDTV for future Henson productions.

In the other ventures: Kermit, Miss Piggy and other Muppet compatriats may soon be helping the Japanese learn English in a series of programs which the organizations are planning to develop. Also, NHK has become the Japanese coproduction partner in a massive worldwide programming project contemplated by Henson.

Details of the project and 11 other international partners will be named in the near future.

november 1988

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Nov. 14—ROAD TO NATPE
Part I—(Daytime) Closes Oct. 31

Nov. 28—ROAD TO NATPE
Part II—(Late Night) Closes Nov. 14

december 1988

S	M	T	W	T	F	S
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18	19	20	21	22	23	24
25	26	27	28	29	30	31

Dec. 12—PRE-INTV ISSUE
ROAD TO NATPE
Part III—(Early Fringe) Closes Nov. 28

Dec. 26—INTV ISSUE
(distributed Jan. 3-8 in Los Angeles)
ROAD TO NATPE
Part IV—(Primetime) Closes Dec. 12

january 1989

S	M	T	W	T	F	S
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29	30	31				

Jan. 9—PRE-NATPE ISSUE
ROAD TO NATPE
Part V—(Prime Access) Closes Dec. 26

Jan. 23—NATPE ISSUE
(distributed in Houston Jan. 23-27)
A COMPLETE OVERVIEW OF ALL PRODUCT BEING INTRODUCED AT NATPE including a directory of all programmers, product and personnel
Closes Jan 9th

february 1989

S	M	T	W	T	F	S
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26	27	28				

FEB INTERNATIONAL ISSUE
(distributed in Monte Carlo, Feb 12-18)
The annual Monte Carlo Issue containing an update of international activity and a look at the new product being introduced at the market.
Closes Jan 23rd

Feb 20—POST-NATPE ISSUE
A recap of activity at NATPE including a rundown of "Go's and no Go's."
Closes Feb 6th

To place your space reservation now, please call Mort Miller in New York (212) 757-8400 or Jim Moore in Los Angeles (213) 464-3552.

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China & Soviets first timers at London Screenings

s MIPCOM draws to a close, final rrangements are being made for ne London Screenings set for Nov. -13.

Organizers hope to attract about 00 buyers this year, up from the 50 who attended last year's inaugural screenings. Of that number nly about 30 buyers will be from ne U.S., which, nonetheless, does epresent an increase over last ear, due largely to more buyers om PBS and the cable channels.

Most of the British ITV sales directors say they are not bothered y the relatively low U.S. attenance since they regularly call on .S. buyers during the year.

All buyers who do attend are nere by invitation, according to oordinator Fenella Henderson.

Among the buyers from more nan 50 countries expected, representatives from China and the Soiet Union will be attending for the rst time.

Although many of the ITV companies hold in their own screenings ach year, the joint screenings were nitiated following the demise of ne London Market. As of last year, ach ITV company is allocated one r more days to sell its product, ith the independent Producers ssn. screening all week. Thames V will continue to hold its tradional weekend screening sessions uring the last two days of the creenings.

Maxwell's plum n some danger?

obert Maxwell has bought nearly % of the French construction comany Bouygues. Bouygues is the rincipal shareholder of TF1 in hich Maxwell also has an interest.

Trading in Bouygues stock on ne French bourse has been hectic recent weeks amid speculation ne firm was about to be threatened a hostile takeover bid.

Maxwell's purchase reflected his oncern about the possibility of ouygues being purchased by peoe with whom he would not be able work.

British satellite squabbles are just so much birdfeed to most TV viewers

Ads on which satellite dish is the best, get a ho-hum reaction from the public.

For all practical purposes until now, the battle for prospective British and European satellite channel viewers has been fought largely in the trades.

British Satellite Broadcasting has been regularly announcing new film deals, its latest an exclusive arrangement with Cannon for more than 50 features, including *Salsa*, *Barfly*, *Superman IV*, *Business as Usual* and *Tough Guys Don't Dance*. That follows other deals with Warner Bros. and a coventure with Warner and David Puttnam's Enigma Productions among others.

Sky Channel has been signing up journalists and well-established British anchorpeople for its forthcoming round-the-clock news service.

For its part, Super Channel has managed to attract a certain amount of continuing attention on two fronts: first, its flirtation with affectionate suitors, including Denver based United Cable. Secondly, Richard Branson is trying to return Super Channel's principal shareholder, Virgin Group, to private ownership by reacquiring all the outstanding public shares.

But now in a public showdown, or at least an attempt at one, Sky is charging BSB with misrepresenting Sky's reception capabilities and has taken its case to the British Advertising Standards Authority. This follows a BSB ad which appeared in five national newspapers in which BSB listed the size of dishes it said would be required to receive Sky. The dish size stated in the ad is larger than the size Sky claims is needed.

As almost everyone in the trade knows at this point, BSB intends to market a small, flat dish.

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Radio Report

National spot radio strong in 3d & 4th qtrs.; 1989 outlook cautious

National spot radio took a healthy turn for the better in third quarter, and radio reps are calling the fourth quarter promising, too. Perhaps still more encouraging for the long haul, the medium appears to be broadening its advertiser base with more categories climbing aboard.

To Bill Fortenbaugh, president of Christal Radio, "Third quarter was, and fourth quarter is, a pleasant surprise. After two or three years of going nowhere—including this year's first six months, we've finally started to see real growth in many of our markets, though not all. But of 13 sales offices, only one or two are behind budget for third and fourth quarters."

Ellen Hulleberg, president, McGavren Guild Radio, reports national spot 5.3% ahead, January through August, according to *Radio Expenditure Reports*, noting that "August looks like it's 5% behind. But when it's adjusted for last year's five-week August, the month was actually 15% ahead."

She points to computers, the automotives and telephone services as strong, active categories and says McGavren Guild is looking for a 4 to 5% increase for both fourth quarter and for 1988 as a whole. And that, she adds, "is what we predicted."

Bennett Zier, vice president, sales, CBS Radio Representatives, reports the airlines "doing so well they've stopped advertising, at least for the time being. That sent us out looking for business elsewhere. We found it in the automotive and retail areas. Also, Donald Trump has been investing a nice piece of change to advertise his Atlantic City Casino. So the industry continues to outpace last year, and we continue to outpace the industry. Third quarter turned out surprisingly strong, and at this point, fourth quarter looks quite promising too."

The best. Carl Butrum, president of Eastman Radio, calls third quarter "the best of the year, by far. Our like-to-like stations are 24% ahead of last year. And the most exciting good news is the number of categories that have been increasing their use of spot."

Butrum quotes RER figures for first half showing automotive up 30%, retail stores up 41% and restaurants 35% ahead of the 1987 half. At the same time, entertainment's use of spot radio registered a 46% gain, financial services were 10% ahead, computers used 56% more spot radio, and communications—mostly telephone services—were up 19%.

Butrum adds, "The not-so-good news was that major categories like food and food stores are up only 3% and gasoline and oil only 5% ahead. And traditionally strong radio categories like airlines and travel, beer and wine, and soft drinks and farm business were flat or down."

At Major Market Radio Jeff Wakefield, senior vice president, marketing and research, reports September "looks like it should end 2 to 3% ahead. If it does, that should put third quarter 5 ½% ahead. And if that's the case, it will be one of the best quarters national spot radio has had in the past two years."

Wakefield adds that the way it's currently pacing, "Fourth quarter may turn out even better. To date, it's been pacing 6 to 7% ahead. We're writing a lot of business for October. Orders are moving so briskly, October could conceivably wind up with a 10% increase. That's especially surprising for a five-week month. They usually hurt business instead of helping, but not this October."

WCCO sports web on K-band satellite

How about a technical improvement that saves radio stations big bucks at the same time it multiplies advertiser flexibility for retail chains?

Mark Durenberger, director of development for WCCO Radio Minneapolis-St. Paul, says that while the existing Midwest Radio Network, made up of an AM-FM combo in each of six markets, reaches 5.5

"We're the first sports network to be distributed by K-band satellite."

Mark Durenberger

million listeners with one buy, the new WCCO Sports Network offers great flexibility for retail chains that keep changing their specials and need to switch copy fast. This, he explains, is because "We're the first sports network to be distributed by high-power Ku-band satellite.

He says Ku was selected because it allows affiliates to install a receiving dish "at a fraction of the normal cost. And our computerized controls mean we can change items and prices twice a day if an advertiser wants. Or we can feature different items in different markets for the same chain, or run updated price quotations from a securities or commodity broker, which keep changing throughout the day.

As for costs to stations, Durenberger says that where the average sized receiving dish most stations use to receive an ABC or NBC or CBS costs $3,000 to $15,000 for a digital system, "Our receivers are about half that size. The whole system comes in for under $1,000. And our system can be installed in 24 hours, against weeks for the normal dishes that require poured-concrete foundations.

Our receiving gear can be drilled into the ground like

;hina & Soviets irst timers at .ondon Screenings

s MIPCOM draws to a close, final rangements are being made for ıe London Screenings set for Nov. -13.

Organizers hope to attract about)0 buyers this year, up from the 50 who attended last year's inaugıral screenings. Of that number ıly about 30 buyers will be from ıe U.S., which, nonetheless, does epresent an increase over last ear, due largely to more buyers om PBS and the cable channels.

Most of the British ITV sales di-ectors say they are not bothered y the relatively low U.S. attenance since they regularly call on .S. buyers during the year.

All buyers who do attend are ıere by invitation, according to oordinator Fenella Henderson.

Among the buyers from more ıan 50 countries expected, repreentatives from China and the Soet Union will be attending for the rst time.

Although many of the ITV comanies hold in their own screenings ach year, the joint screenings were ıitiated following the demise of ıe London Market. As of last year, ach ITV company is allocated one r more days to sell its product, ith the independent Producers ssn. screening all week. Thames V will continue to hold its tradional weekend screening sessions uring the last two days of the creenings.

Maxwell's plum n some danger?

obert Maxwell has bought nearly % of the French construction comany Bouygues. Bouygues is the rincipal shareholder of TF1 in hich Maxwell also has an interest.

Trading in Bouygues stock on ıe French bourse has been hectic ı recent weeks amid speculation ıe firm was about to be threatened y a hostile takeover bid.

Maxwell's purchase reflected his oncern about the possibility of ouygues being purchased by peoıle with whom he would not be able ı work.

British satellite squabbles are just so much birdfeed to most TV viewers

Ads on which satellite dish is the best, get a ho-hum reaction from the public.

For all practical purposes until now, the battle for prospective British and European satellite channel viewers has been fought largely in the trades.

British Satellite Broadcasting has been regularly announcing new film deals, its latest an exclusive arrangement with Cannon for more than 50 features, including *Salsa*, *Barfly*, *Superman IV*, *Business as Usual* and *Tough Guys Don't Dance*. That follows other deals with Warner Bros. and a coventure with Warner and David Puttnam's Enigma Productions among others.

Sky Channel has been signing up journalists and well-established British anchorpeople for its forthcoming round-the-clock news service.

For its part, Super Channel has managed to attract a certain amount of continuing attention on two fronts: first, its flirtation with affectionate suitors, including Denver based United Cable. Secondly, Richard Branson is trying to return Super Channel's principal shareholder, Virgin Group, to private ownership by reacquiring all the outstanding public shares.

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Radio Business Barometer

August spot up 18.1% (adjusted)

There was a sudden surge of spot radio business this past August, making it the best month of the year to date, according to Radio Expenditure Reports, whose figures are based on data from reps.

The increase, it must be noted, is an adjusted figure, required by the difference, year to year, in the Standard Broadcast Month (SBM).

Billings were literally down in August from last year, but, as it turned out, August 1988 was a four-week SBM and August 1987 was a five-week SBM.

Spot radio time sales this August came to $88,116,600. This was down from $93,247,600 last year, but when the adjustment is put into effect—down-grading last year's August to a four-week figure—the August '87 total is cut to $74,598,100. So while the unadjusted result comes to minus 5.5%, the adjusted figure is boosted to plus 18.1%.

The next best month to August in 1988 was March, which was up 11.2%, also an adjusted figure and also adjusted because the current SBM was four weeks and last year's SBM was five. March shows the only other double digit percentage increase for the year-to-date.

Another fact worth noting is that the August hike follows the worst month of the year-to-date. July was down 2.6%, also an adjusted figure, since July this year was five weeks and July last year was four.

The market groups were all down before adjustment and all except one up substantially after adjustment. The exception was the top 10 markets.

The latter market group was down 8.5% before adjustment and up only 4.4% after adjustment to $32,638,300. Last year's billings of $35,668,700 were reduced to $28,535,000.

The best performing market group was the 51-plus category, down 0.7% before adjustment and up 24.1% after adjustment to $21,946,800. Last year's billings of $22,109,900 were cut to $17,687,900.

Next best performing market group was the 11th-to-25th, down 4.6% sans adjustment and up 19.3% to $20,064,000 after adjustment. Last year's billings of $21,027,000 were chopped to $16,821,600.

The final group, the 26th-to-50th markets, went down 6.7% but, after adjustment, were up 16.6% to $13,467,500. The '87 billings were cut from $14,442,000, to $11,553,600.

Year-to-date $$

Year-to-date figures, unlike those through July, are now unadjusted, since the Standard Broadast Calendar through August shows 35 weeks for both this year and last.

This year's spot radio total for eight months comes to $628,766,100, vs. $600,475,000 last year. The January–August increase comes to 4.7%.

As for market groups to date, the RER figures show the top 10 markets up 5.0% to $236,477,800, the 11th-to-25th markets up 2.1% to $137,810,800, the 26th-to-50th markets up 5.7% to $97,819,500 and the 51-plus markets up 6.1% to $156,658,600.

August

National spot **+18.1***

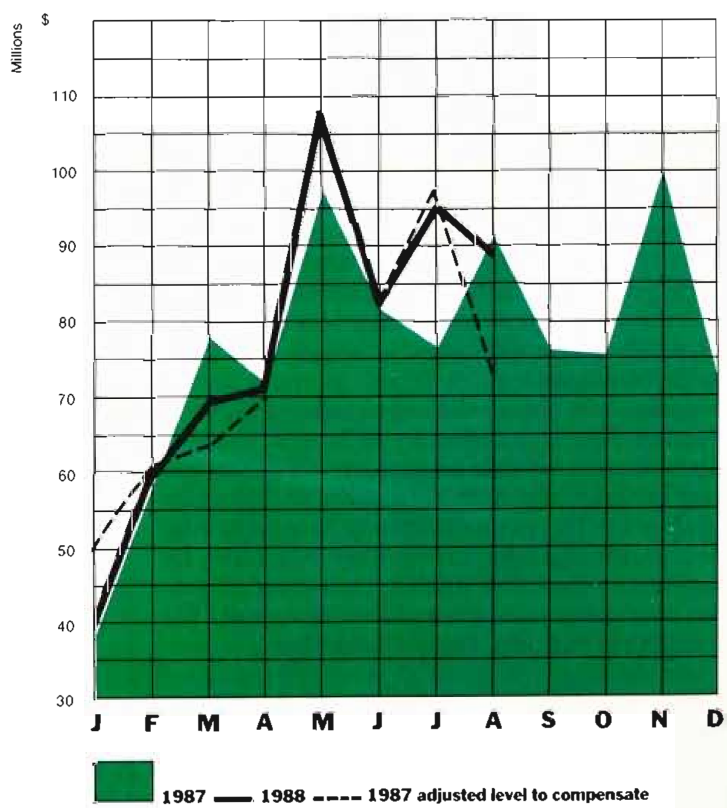
(millions) **1987: $93.2** **1988: $88.1**
1987 adjusted $74.6

Changes by market group

Market group	*Billings (mils.)*	*% chg.* 88–87*
1–10	$32.6	+4.4%
11–25	20.1	+19.3
26–50	13.5	+16.6
51+	21.9	+24.1

Source: Radio Expenditure Reports

* *Adjusted*



a telephone pole or placed in a roof bracket on top of your building."

The new radio network will broadcast Minnesota Vikings football over 50 affiliates in Minnesota, North and South Dakota, Iowa and Wisconsin and is projecting a reach of over two-million listeners. University of Minnesota football will be networked to 20-plus affiliates with an estimated reach of more than 1,250,000. And 20 stations will be rebroadcasting Minnesota North Stars hockey originated from WAYL Minneapolis.

Accent on creativity: A one-man show

A second impressive demonstration of radio creativity, all the more impressive in that it's the single-handed output of one man, is the performance of Jeff Geessen,

Jeff Geessen

production director of WLPO/WAJK(FM) LaSalle, Ill.

Geessen picked up five of the 25 Orson Welles Awards presented by the Radio Advertising Bureau to honor excellence in local radio commercial production during 1987. He took Orsons in the supermarket, department store, bank, professional services and hospital categories for his market size.

His secret of success?

Geessen says it's "being different: looking at each new client in a new way. I start by looking at the new client's business, at his competition, at his problems. Then I try to figure out how to beat his problems by first grabbing the listener's attention, then delivering a message so different, he'll remember it because he never heard one like it before. That's instead of settling for a straight presentation of the copy points the station salesman usually brings back from a new client."

His advice for agency creative people? "You know in your own gut when a great gag or a good new angle hits you. Don't waste time pulling it apart and trying to analyze why it's great from 18 different directions. Just go ahead and do it."

'War of the Worlds': The sound that sells

It was 50 years ago, back in 1938, that Orson Welles simulated a radio "news report" of Martian invasion so realistic that listeners abandoned their homes, bundled their families into cars and took off toward what they hoped was safety.

If radio can sell that kind of fiction, think what it can do for a real product.

McGavren Guild Radio likes the idea so much it's gone in with the National Endowment of the Arts to provide major funding for "the first authorized radio remake" of *War of the Worlds*, with a cast that includes the likes of Jason Robards, Steve Allen and Douglas Edwards as radio newscasters. The presenting radio station is WGBM Boston, and the production company is OtherWorld Media. And the recreation of drama, originally written by Howard Koch, is being offered free to all public radio stations in the U.S.

Over 200 public stations have signed up so far, and the national broadcast is scheduled for Halloween Eve, October 30, not long after launch of the weekly syndicated television version out of Paramount.

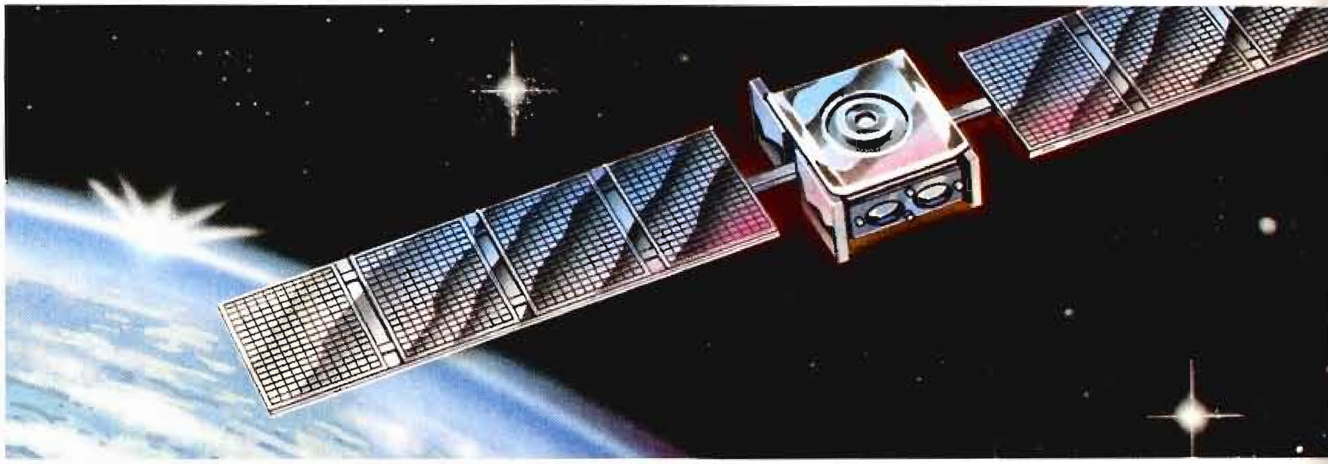
But to McGavren Guild president Ellen Hulleberg and chairman Ralph Guild of parent company Interep, *War of the Worlds* is more than art for art's sake. To them, both the original and new 50th anniversary versions are ideal demonstrations of how sound alone—words, music, and effects—can move listeners' imaginations to form their own pictures in their own heads. The way they see it, and many an agency media expert agrees, those who can stand to benefit most from such a demonstration are agency creative people.

With this in mind, McGavren has based a major creative presentation on the new production, and a trio from the award winning production team who created it: director David Ossman, producer Judith Walcutt, (a.k.a. Mrs. Ossman) and Oscar-winning sound wizard Randy Thom (for *The Right Stuff*).

The presentation premiered before agency creative guests at Windows on the World atop New York's World Trade Center, on Oct. 4, prior to hitting the road for Chicago and points west.

Awaiting the invasion *atop the World Trade Center, l. to r., George Swisshelm, TV/RADIO AGE; Jerry Greenberg, Grey Advertising; Ellen Hulleberg, McGavren Guild; Rona Greenberg; Les Goldberg, Interep.*

How did we get our system into 500 of the top 800 TV stations in just six months?



Connections in high places

Every day, the management of more and more progressive television stations across the country are taking advantage of our connections in high places to increase the revenues of their stations. Right now, the Cyclecypher System is represented in 95 of the top 100 markets *and* 198 of the 214 ADI markets.

With Cycle Sat Satellite Courier System's proprietary Cyclecypher® and either Ku-band or C-band reception, our nightly transmission schedules can reduce your recording equipment conflicts by allowing you to receive all scheduled commercials during a single feed.

And with the Cyclecypher System you can receive last minute spots and traffic instructions up to 24 hours **earlier** than by conventional distributors.

Join the growing number of TV stations across America that use the Cycle Sat Satellite Courier System to:

- **Increase station profitability**
- **Reduce or eliminate make-goods**
- **Provide easy accessibility from clients**

Sign up today by calling Cycle Sat's Broadcast Service.
Dial, toll-free, 1-800-622-1865.

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SATELLITE COURIERS

DELIVERS CLEAR SOLUTIONS

A Subsidiary of Winnebago Industries, Inc.
119 Willowglen Drive
Forest City, IA 50436
1-800-622-1865

Offices in Los Angeles, Chicago and New York.

DeWitt Helm, Jr., ANA

The cutbacks give the industry's critics "the ammunition they need to maintain that government regulation must be enacted to fill the void in protecting the marketplace."

on the record, foresee little or no disruption in their creative and buying processes, some, off the record, are concerned about a worst-case scenario whereby a logjam of commercials to be cleared could develop, thereby delaying their clients' well laid campaign plans. And several agency execs shied away entirely from discussing the matter.

Looser reins

Then, too, there could be a gradual loosening of some restrictions in advertising as there has been on the programming side—where once verboten words cropped up often in last season's primetime series.

One network ban bit the dust last year when, after decades of resistance, the Big 3 okayed an International Playtex commercial showing a live model wearing a bra. Until then, bra commercials had to show the undergarment on mannequins or on models wearing another garment underneath.

Although many thousands of storyboards are submitted for approval, relatively few are rejected. Most require some revisions, with the most troublesome involving toys and other children-oriented products; claims made in endorsement, drug and nutrition spots; and a handful of commercials that try to use sex as a selling tool and are held in questionable taste by one or more of the nets. Examples of the latter have included Jovan Inc.'s Jovan musk campaign themed "What is sexy?" and Calvin Klein Cosmetics Co.'s Obsession fragrance.

On top of such clearances, there are between 60 and 85 challenges put forth annually by advertisers who question copy and product claims made in rivals' commercials that had passed muster and got on the air. These have included last summer's Pepsi-Cola Co. Diet Pepsi campaign, in which taste-test results were keyed to Mike Tyson's heavyweight title bout.

It strikes some agency execs as unlikely that the newly truncated continuity departments can handle all this volume without some clogging in the creative and buying pipeline.

Says Harvey Herman, chairman and creative director at Harvey Herman Associates, New York, "No doubt we'll wait longer to get approvals," given the leaner standards staffs. Still, he feels that, as before, "You can call the continuity people and say you need an okay as soon as possible to get on the air" by a certain date. Generally he deals with one person regularly at each network and "It's not really an adversarial relationship."

On the other hand, he adds, "We know the rules. There's no way we're going to shoot and spend for a spot that won't be approved to go on."

Art Heller, executive vice president and director of media, programming and marketing services at Griffin Bacal Inc., whose biggest client is Hasbro Inc., the No. 1 toy company, stresses that the networks "are not going to walk away from their responsibilities," whatever the staff reductions.

He acknowledges, however, that "increased workload" could be a factor in that "something may slip through here or there that might not have before; I don't know." The greater volume spread among fewer censors could contribute to delays, he adds. "That is possible." At the same time, he says, "When advertisers have been late getting stuff to the networks, the networks have stepped up the process. Maybe that process will be slowed down now." If so, "we may advance the process on our end" by preparing spots sooner, when possible.

On the client side, Heller says, "No one called and said, 'Hey guys, the gates are down. Let's go for it.' Good advertising doesn't rely on deception."

Got prompt response

At Campbell-Mithun-Esty, Rand Pearsall, vice president and account supervisor, says, "From what I've been able to see, so far it's too soon to tell" the impact from the latest round of network cutbacks. "We had some work cleared while the cuts were going on and had no problem with clearances. We were pleasantly surprised at the very prompt response."

He adds, "The only thing we've noticed in the past year or so is they seem increasingly busier." Looking ahead, Pearsall says, "There could be a relaxation in the amount of substantiation required" from some accounts. "All commercials are different. The networks and the people within them are different in terms of how rigidly they apply the standards. So it'll take time to determine changes" due to all the manpower reductions. "I'd hope the process will stay the same. It's

Traffic jams in clearance, looser policing of spots among concerns

Agencies, stations mull aftermath of web censor cuts

By JAMES P. FORKAN

Television/Radio Age
October 17, 1988

As many as 50,000 commercials or storyboards must be screened yearly by the networks.

Despite the shrinking standards and practices departments at the cost-conscious TV networks, the advertising community is hopeful that few major problems will arise.

As they head into an admittedly uncertain new era in commercial clearances, it is hard to say whether that is wishful thinking. The full impact of the Big 3 networks' staff cutbacks is as difficult to predict as the course of Hurricane Gilbert was in the Gulf of Mexico a few weeks ago.

Thus there are more questions than answers facing the advertising agencies and their clients: Will clearances now take longer as fewer of the networks' so-called censors cope with the deluge of commercial and storyboard submissions? Will agencies encounter delays in producing spots, thereby disrupting at least some of their accounts' campaign starts in the months ahead? Will there be a backlog at not only the network level but at the stations as well, as they try to pick up some of the anticipated standards slack?

As many as 50,000 commercials or storyboards must be screened yearly by the networks, whose programming and commercials standards staffs soon will total about 75 people, down from 270 just a few years ago. At NBC, for example, eight harried people will focus on commercial clearance chores, 20 on programming matters, while half of CBS' 30 censors will focus only on commercials.

While most agency executives,

Taste-test claims made in Diet Pepsi's Mike Tyson spot were challenged by Coke.

Networks holding firm on condom advertising

One no-no category that's likely to remain taboo to the networks' revamped standards departments is condom advertising. Not even the AIDS epidemic could remove that ban, although the product now is being advertised on some local TV and radio stations and on cable services.

Don Falk, president, Schmid Laboratories, which markets Ramses condoms, says his company has had "excellent success" in placing condom spots on broadcast stations in markets ranging from New York to Providence, R.I., and on cable outlets like Turner Broadcasting System's WTBS and CNN—but not on the Big 3 networks. Their position continues to be that such advertising's acceptability should be left up to the local stations, based on their community standards.

Humor vs. fear. Ansell-Americas and Lois Pitts Gershon Pon/GGK encountered the same network roadblock for their new humorous campaign for LifeStyles condoms, which broke in late September on cable's CNN, TBS, USA Network and Lifetime. The agency, to stand out from the many public service spots that stress fear due to the AIDS disease, opted instead for humor. "We wanted to eliminate the embarrassment factor surrounding condoms," says the Eatontown, N.J.-based company's president John Silverman. "Our research shows that the current fear tactic approach may be overdone, especially with young people." Each humorous 15-second vignette has the theme line, "LifeStyles. It's a matter of *condom* sense."

In one 15, Robin Hood shops for "shampoo for the fair Marion and LifeStyles for all my merry men." In another, Azania, queen of the jungle, shops for "sunscreen, hair mousse and a year's supply of LifeStyles," to which the store clerk adds, "Good thinking, Azania, 'cause it's a jungle out there." A third features the Phantom of the Opera, who's told by a store clerk, "But you didn't have to wear that mask to ask for them."

Though condom spots remain on the nets' banned list, the Big 3 do accept public service announcements about AIDS prevention, and the latest Ad Council campaign via Scali, McCabe, Sloves is the most emphatic yet about the use of condoms to help prevent that disease's spread. The multimedia campaign, themed, "Help stop AIDS. Use a condom," has been cleared by ABC and NBC, says Ruth Wooden, the council's president, who says she has no idea which dayparts will be involved. CBS, meanwhile, has the four PSAs "under serious consideration and will make a decision shortly" as to acceptability, she adds.

In a letter the networks, Assn. of National Advertisers president DeWitt Helm, Jr. expressed the hope that the nets would "relax their current standards for dayparts placement" of the admittedly frank AIDS prevention campaign, so as to "clearly ensure that this important message reaches the widest audience possible."

The Ad Council's Wooden also hopes these PSAs air "when they'll have a major impact—on the late primetime sitcoms and dramas that attract the young adult and adult audience."

At a press conference announcing the effort, Dr. C. Everett Koop, the U.S. Surgeon General, said the spots "may offend some people, and I'm truly sorry about that" but "we must alert the public" that condom use is "very effective" in preventing AIDS transmission.

Although the networks have made no daypart commitments, and other media have made no formal commitment to run the broadcast or print efforts, Wooden says she is not concerned, as that is "normal procedure" for any of its 36 campaigns shipped to the media each year. The New York Times Co. is supporting the effort with time and space in its print, broadcast and cable properties and Time Inc. in its magazines.

Web role. The ad agency, says Murray Gaylord, executive vice president and group management rep, met with the networks "early on and their continuity people made input which was helpful, and we included it." For example, the TV 30 entitled "Macho" was "more specific" in sexual terms until the networks indicated that version would not be approved. The spot now shows a young man in a cemetery saying his brother thought "condoms weren't macho" and he died of AIDS.

Another 30 shows a seemingly healthy young woman—a person who really has AIDS—saying, "You might think people with the AIDS virus look sick . . . That's how I got it."

Only one of the four TV spots features blacks and none focuses on drug users, though a radio spot urges, "Don't shoot up . . .". However, Gaylord says those groups may be targeted in future waves.

toy commercials look so similar in format and style. The stations allow greater freedom, and "we don't take advantage," he notes.

Even with a full staff, networks' standards procedures were sometimes time-consuming, various agency people say.

Citing Griffin Bacal's experience with Hasbro, Heller says, "We usually submit storyboards first and get suggestions, then modify within the guidelines . . . The process starts with the storyboards months ahead of air date. We then go back with a rough cut or finished spots."

While one of his areas of expertise is toys, Herman says other child-directed products, such as cereals, also are hampered by network rules. Many adult-oriented products also must cope with sometimes strange prohibitions, he continues. Automotive spots must show certain claim substantiations in visual and/or audio segments, and beer spots cannot show anyone actually consuming the product on-camera, he says, despite the fact that programming has no such restrictions.

"Basically, censorship [in commercials] is a good thing, to have a certain amount of rules to keep some people from going overboard" with exaggerated claims or visuals, always been timely. We've never missed an airdate because of clearance."

Barry Wagner, BBDO's senior vice president and chief legal officer, says, "To date it hasn't affected us at all. We would be concerned if it would affect [campaign] deadlines, but there have been no noticeable differences to us so far."

The Big 3 have periodically asked for additional substantiation for claims made in some commercials and for changes in visuals, "a whole range of things," but nothing that disrupted campaign scheduling, he adds. Some claims made in a Diet Pepsi taste-test spot featuring Mike Tyson were challenged by rival Coca-Cola Co. In any case, that campaign was planned to be of short duration, notes Wagner.

"If [these departments] were done away with completely, it would be a blow to self-regulation," Wagner says, but that is not the case.

Nevertheless, the American Assn. of Advertising Agencies and the Assn. of National Advertisers have cited that concern in letters recently sent to the networks. 4A's president Leonard Matthews, for instance, fretted about "diminution of the self-regulation process," ultimately leading to government regulation. DeWitt Helm, Jr., ANA's president, made a similar point when he wrote these cutbacks "play into the hands of our critics. . . and provide them the ammunition they need to maintain that government regulation must be enacted to fill the void in protecting the marketplace."

Locally, too, there may be some bottlenecks as the stations try to fill some of the expected vacuum. Many affiliate execs have indicated that they will become more vigilant in prescreening programming and commercials since they now believe the networks will be less so, despite the Big 3's statements to the contrary. As James Sefert, president, Cosmos Broadcasting, Greenville, S.C., puts it, "We will probably have to be more watchful now, and that goes for commercials as well as programs" (TV/RADIO AGE, Sept. 19).

Until now, most stations and cable networks looked to the networks' censors to, in effect, preclear commercials: If they passed inspection at the network level, generally those commercials were readily accepted for spot buys as well.

Griffin Bacal's Heller is among those who feel the stations are becoming more involved in clearances. The reason, he says, is that complaint letters tend to come to them," so they feel the responsibility and concern" for what they broadcast. "I think they'll be looking more carefully" in the months to come.

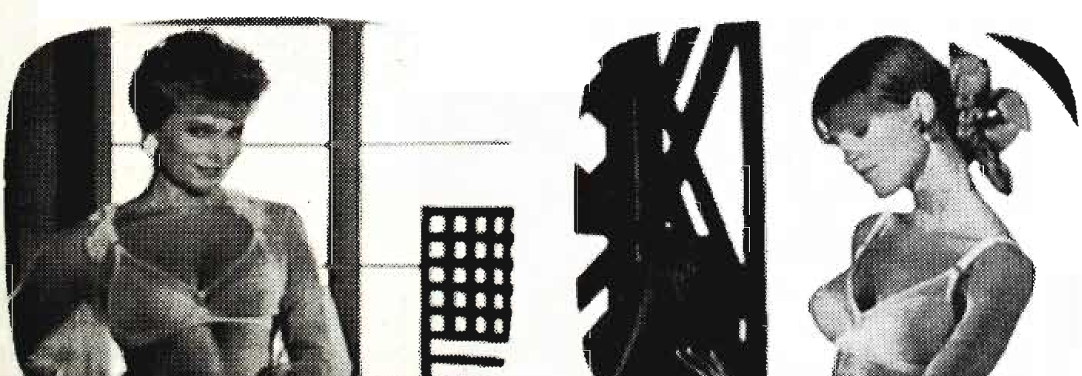
BBDO's Wagner says his agency has had a different experience. "Very little clearance is done on the spot level. Stations just don't have the sophisticated apparatus for clearing commercials."

Pearsall at Campbell-Mithun-Esty was among those hoping stations would not step up their own clearance efforts. "I'd hope not. That'd present a logistical problem. Clearance is often subjective. It's easier to deal with three people in New York and get the material to them in the same day." Dealing with individual outlets would translate into "a mountain of work" for the agencies, he feels.

Adman Herman, meanwhile, does not share their concerns. Stations are "much more reasonable and understanding" than the networks, in his view. He faults network restrictions for making most

Harvey Herman, *Harvey Herman Associates: "No doubt we'll wait longer to get approvals," but "You can call the continuity people and say you need an okay as soon as possible to get on the air."*

Now the world knows Playtex bras aren't worn over sweaters.



Butterfield study sets the tone; sales training to become more targeted

TvB's new mission places emphasis on local/retail sales

By ALFRED J. JAFFE

The theme and graphics of the Television Bureau of Advertising's upcoming annual meeting in Las Vegas October 17–19 suggest dramatic happenings in the future. The theme is "Television '89 and Beyond."

This is a reflection of a unanimous feeling among the hundreds of TV industry managers and executives queried by the Butterfield Communication Group in its comprehensive study for the bureau, which is now steering the TvB ship of state, to the effect that "broadcast television is entering a decade far more challenging than the last."

Another related theme struck by study is that general managers and general sales managers of TV stations "often feel unable to shape or control major aspects" of the ad environment.

However, the study went well beyond probing attitudes. It came up with recommendations for action, which will undoubtedly be the subject of corridor talk during the three-day meeting. And it expressed the opinion of station managers that the most promising area for holding on to and increasing their business is the local/retail field. And that's where they want the bureau to concentrate.

William Moll

Significantly, however, despite this expressed desire, there is already a surge in the bureau's effort to generate national/regional spot business as a result of the rep members doubling their dues. Consequently, the bureau will almost double the sales development team devoted to generating more national spot dollars. And the key figure in the recent restructuring of TvB is the new senior vice president for national sales, James A. Joyella.

On the local sales development side, what the bureau's board and president William Moll did was recognize the differences in station needs in the smaller vs. the larger markets. It split the local sales development structure into two—appointing one man for the top 30 markets and another for the 31-plus markets. John Krubski was hired from a syndication job to handle the larger markets, and a marketing executive already at TvB, Patrick Ryan, is taking care of managing services to stations in markets 31 downward as well as supervising the activities of TvB territory executives.

Explains Moll: "The top 30 market stations have a special need for service. They already have the tools—such as Arbitron's Target AID and organizations like Leigh Stowell and Marshall Marketing. But the 31-plus markets need the tools." In addition to these moves, the bureau is taking a new direction in building stronger bonds with ad agencies. TvB hasn't done much in that area in the past, assuming, says Moll, that the client, influenced by TvB, would, in turn, influence the agencies.

So the bureau has been creating agency/station/advertiser events in various markets. The strategy in involving the agencies is to help the ad shops foster new business development. Stations who help put on these events are asked to tie in clients not active in TV.

Typically, the stations set up a breakfast for maybe 100 to 150 clients, says Moll. "The agencies then pitch TV to the advertisers, showing examples of how it can work. Meanwhile the agencies get a chance to pick up clients." Among the markets where this has been pulled off, Moll cites Los Angeles, Sacramento and Houston.

Another major thrust of TvB under Moll, who took over the presidency about a year ago, is offering more targeted sales training so senior account executives at stations can get more business out of advertisers.

Regional conferences

One way this is being accomplished is via the restructuring of the 10 regional sales conferences being held this year into 38 sales development workshops to be held next year in 35 markets. These one-day sessions will be offered during the first four months of 1989.

The plan calls for two different types of workshops. One is for experienced TV salespeople. These will provide "practical, hands-on sessions" for those calling on agencies and larger clients. "Participants are trained in the differences between marketing and selling." The schedule calls for sessions in 24 cities coast-to-coast from January 9 to April 14.

The other type of workshop covers training sessions for those personnel "interested in developing fundamental sales skills." These will be held in 14 cities from January 11 to April 12.

Directing these workshops will be Robert H. Baker, president of Management Communications Consultants. Baker, who was executive vice president/operations for TvB, left the bureau in June to form his own sales training company. But he is continuing to work

LifeStyles condoms keep Robin Hood's men merry.

as was the case in the 1950s, prior to the NAB TV code authority. When that NAB department folded many years ago, he recalls, clearances were left up to the networks and, given each one's somewhat different criteria, "things got a little more complicated."

Some of the Big 3's limitations are "stupid," Herman contends. For instance, the Big 3 require a five-second "island" at the end of each toy spot "to display the product without any movement, without any shadows and with none of its parts touching, and showing the proper name of the product." Consequently, "There's five seconds of this static film, one-sixth of the 30 completely wasted."

Network restrictions also hamper the creative possibilities in terms of commercial setting, he continues, since "you can't put a toy in any environment not replicable by children." Hence virtually all toy spots are set in rooms or someone's backyard, he says.

Even those spots that get past the Big 3's censors may be challenged through the National Advertising Division of the Council of Better Business Bureaus. Most of these spots are challenged by competitors for possible deceptive or misleading elements.

A Hasbro Maxie doll spot, for example, was recently called potentially misleading by NAD, since the doll's car was seemingly self-propelled. Hasbro modified the spot as a result. A Mattel spot exaggerated the play value of its Boglins character puppets, NAD said. In a rather common response from the toy field, Mattel told NAD the spot had already run its course and thus would not be altered, but that it would take NAD's points into consideration for future spots.

At least two marketers that have undergone considerable past scrutiny from the censors do not foresee any similar obstacles ahead.

At Jovan Inc., Chicago, a spokeswoman says the fragrance company did go through a lengthy clearance process for its first "What is sexy?" spot for Jovan musk about a year ago. "It took a while" to get an okay from the network censors, she recalls. "Some requests [for changes] were very arbitrary, even funny, but we did accede to their requests." Jovan doubts any similar delays, as the five current 15s have been airing since last summer and will continue into 1989. A new campaign for an unspecified new product is "not controversial," she adds, "so we don't anticipate delays."

Jack Salisbury, vice president of intimate apparal at Playtex Apparel Inc., Stamford, Conn., says, "We're not doing anything controversial," so "I can't see why" there would be lengthy discussions ahead. That was not always the case. Until December '86—when CBS became the first network to give the go-ahead for a spot in which a model wears a bra—the NAB code had barred such commercials, he recalls. ABC and NBC soon followed the CBS lead.

"Playtex had lobbied at least five years, maybe more" to change NAB's mind, he says, but change did not come until after NAB disbanded its code office and left such decisions up to the networks.

Changing times was the reason for the change, Salisbury feels. "Commercial programming being what it is: *Charlie's Angels* showed attractive women scantily clad about 10 years ago," long before commercials could, the exec notes.

In fact, the two Playtex spots that have run since spring 1987—for the Eighteen Hour bra in '87 and Cross Your Heart since early this year—showed "a relatively few seconds with the woman in a bra, and it was not a risque type shot," he points out, since the product "is not sold on the basis of sex." A new spot is due some time after Jan. 1, featuring several pullouts from the existing spots, Salisbury discloses.

The roughly five-month gap between CBS' go-ahead and Playtex's first spot in May '87, Salisbury notes, was not due to network revisions but rather was "more on our side, in developing new copy and a new approach with our agency." □

ing and education plans include three others, all for station management. The most ambitious is a week-long seminar at Harvard for general managers. Taught by the faculty, the May 21–26 seminar "is planned to help general managers develop a better understanding of business strategy and their role in formulating and implementing such strategy." This succeeds the Harvard seminars for general sales managers held from 1986 to 1988.

Another session for general managers, as well as general sales managers preparing for general management, is scheduled to cover legal and technology topics. The one-day Washington seminar (February 13) will focus on three areas: technology issues, regulation and the FCC and Congress and legislation. Jointly conducting this session will be people from the TvB and National Assn. of Broadcasters.

All-level education

Finally, there will be three new workshops, three days each, "designed for sophisticated station executives who need to develop strategic marketing skills." The workshops are being offered in Washington, February 14–16; St. Louis, March 13–15, and San Francisco, April 10–12. William K. Foster, president of The Institute for Innovation, developed and will present the sessions. He has been a member of TvB's education team for the past three years.

Barbara Zeiger, who was promoted to senior vice president/training and education in the restructuring earlier this year, says, "Based on current trends and changes in our industry confirmed by the Butterfield study. . .there is a great need for TvB to offer additional education and training for all levels of general and sales management. Responding to these needs, TvB also will offer training for account executives which is more focused, hands-on, market specific in its approach."

In addition to building stronger bonds with agencies and offering more targeted training, Moll cites the importance of "networking"—stations helping stations. "All stations have proprietary research," the TvB president points out. "Let's resurrect and pool this data. It may be underused." Moll also points out that TvB is an important aid to stations in smaller markets when it comes to doing low-cost research.

Moll also stresses the importance of utilizing TvB promotion material. "Utilization of our product is the key to the success of TvB." One of the functions of TvB's territory representatives is to remind stations, particularly in the smaller markets, of what's available in the way of TvB materials. Now that the field offices have been restructured so the territory reps have fewer stations (one person has been added), there is more time for this. Says Moll, "They can call a meeting of station sales managers and show them how to use TvB material." He cites the case of Jimmie Phillips, who is now assistant general manager of WWL-TV New Orleans and who, when she was local sales manager, got regular reports from the staff on the use of TvB material.

Butterfield study is expected to have long-term impact on TvB.

Butterfield study impact

The Butterfield study is expected to have a longterm impact on TvB's operations. Not only was it comprehensive, but it was timed to be released at the beginning of a new administration, thus making it easier to change things.

The emphasis station managers placed on local sales, where they feel they have several advantages, fell into three areas: First, they naturally feel they have more control over revenues in their own markets than they do over national business, which comes through the reps. Second, there is a greater potential for growth in local vs. national sales. TV accounts for only 18% of all local ad expenditures, while the figure for national expenditures is more than 50%. Third, station managers feel that competition at the local level is known and is more predictable than at the national level.

As might be expected, the desire for greater emphasis on local than national sales development is greater among the smaller stations. The Butterfield study found that 73% of station managers in the 100-plus markets felt that TvB should direct most of its efforts toward local market development. The comparable figure for the top 100 markets was 56%.

Structural changes

The Butterfield study also led to structural and personnel changes, as noted. Besides the changes already mentioned, other appointments included Richard Severance, who had been senior vice president/national sales and was named executive vice president and general manager; Diane Healey Linen, who was brought in from the outside and made senior vice president/development, responsible for membership; and Wallace Westphal, appointed senior vice president/retail marketing.

There were no disputatious aspects to the Butterfield study, since it reflected opinions of TvB members. There was a stir created a few months ago, however, when Peter Desnoes, founder and managing partner of Burnham Broadcasting, resigned from the TvB board, charging that the group is unwilling to tackle the difficult issues facing the TV industry. What made the resignation particularly newsworthy was that Desnoes, secretary of the board, was expected to become chairman.

It was never entirely clear what issues were central to Desnoes' charge. But the group head pointed his finger at the board itself, maintaining it should be reconstituted with station general managers. The current board, he said, was top-heavy with group heads.

The current TvB chairman, James Babb, executive vice president of Jefferson-Pilot Communications, said he was puzzled over the "real reasons" for Desnoes' resignation, but, while supporting the idea of more general managers on the board, said a radical reconstitution of the group was impractical. □

Three legs to TvB sales development efforts

There are three legs to the TvB's retail sales development efforts, which the Butterfield study calls the bureau's Job One. One leg is the TvB rep in the field, one is the TvB's activities in helping stations exchange ideas about successful sales development efforts and campaigns, and the third is the work done by Wallace Westphal, recently appointed senior vice president/retail marketing and soon to be joined by another retail specialist. And overlooking it all is the Sales Advisory Committee and its Retail Development Board.

To take the last leg first, Westphal's job entails covering accounts with a regional or national scope—that is to say, retail chains. In particular he is concerned with three categories of chains: mass merchandisers, department stores and national apparel chains.

No quickies. He points out that his work involves an extended timeframe. "It takes a long time to develop a large retail account. You can't do it in a month, or even in a year sometimes." Westphal cites, in particular, the case of K mart. He has been working on the chain for five years and with somewhat greater intensity during the past two years since K mart got a new chairman/CEO, Joseph E. Antonini.

Under Antonini, K mart made a basic switch in its promotion, says Westphal, cutting back on its insert ad program in newspapers, run in-house, and putting about $40–45 million into other media, particularly TV. The TV part of it has been particularly evident during the winter and summer Olympics, with commercials emphasizing the ease of shopping at K mart stores and the variety of its goods.

Westphal worked with one of a number of consultants assembled by Antonini for the purpose of examining the basic underpinnings of K mart operations. He does not claim, of course, that he singlehandedly changed K mart's attitude toward TV. "But we helped K mart sell themselves on the need for a change in their marketing approach."

Grass-roots help. TvB's territory representative is considered a valuable resource by bureau members, as attested by letters. These express gratitude for helping a station land an account, for bringing the station up-to-date on what's happening elsewhere, or for inspiring the troops.

One recent letter to TvB's Patrick Ryan passed on a pat on the back for the bureau's man in Atlanta, Tom Conway. The letter, from Ken Adkins, general sales manager of WCIV(TV) Charleston, S.C., an NBC affiliate, told of the "tremendous assist" Conway gave in converting a new-to-television account. The account was Presson and Stroman Realtors and the account executive, Peggy Douglas, had just gotten a six-month commitment from the company. Added Akins, "They offer great potential to be a steady, longterm account."

Another recent letter went directly to Bob Fairbanks, TvB vice president in Los Angeles. It came from Wes Haugen, general sales manager of Duhamel Broadcasting Enterprises and it was in reference to Fairbanks visiting KOTA-TV in Rapid City, S.D.

The letter expressed appreciation for "sharing with us the areas of interest to other TV stations around the country, the update on new and unusual advertisers and a glimpse at what we missed by not getting to the regional seminar in Denver." The letter also thanked Fairbanks for attending the station's luncheon for real estate agents, stating that the meeting was important to the station in developing the real estate category in the market.

Giving credit. Sources at TvB suggested that letters indicating TvB's help in developing local accounts are not sent out as often as they might. Sometimes, it was said, a station manager or account executive is unwilling to admit that the bureau played an important role in getting a local account on the station.

The function of TvB as a center for information exchange is basic, and the dissemination of information about successful sales development ideas is one of the most important functions of the bureau.

One of the most successful ways of disseminating this information is through TvB's Satellite Sales News, a monthly half-hour of new business development opportunities as well as creative ideas.

A bureau memo notes, for example, that, thanks to KDKA-TV Pittsburgh, TvB was able to share the concept of a warehouse sale with its members as far back as 1985. One airing of the concept induced a number of stations, including WXIX-TV Cincinnati, KENS-TV San Antonio and WAND-TV Springfield-Decatur-Champaign, to adapt the idea to their markets. "The latter first became aware of KDKA's experience with the concept when they saw it reported on TvB's satellite feed."

with the bureau developing the "TvB Sales University," which is replacing the present regional sales conferences.

The more experienced account execs will also have an opportunity to hone their performance in one of the three-day sessions being held under the TvB/Sterling Institute series to improve sales performance. This is labeled a "marketing management program" for experienced account executives and will be held in St. Louis June 19–21.

The Sterling Institute has been a factor in TvB sales performance training for years. In addition to the above program, it will field four others throughout next year. Most are for sales management, but there is one session in Washington (July 24–26) titled "Introduction to Television Sales." The other three are for (1) general sales managers, in New York, May 15–16; (2) local sales managers, in Washington, June 5–7, and Los Angeles, November 9–11, and (3) national sales managers, in Chicago, July 10–12.

In addition to these two programs, TvB's comprehensive trainas in late-night—it will have a lesser priority. And unless the barter show itself merits a primary position on the station, it is more likely to be put into a lesser time period because there is less inventory to sell.

"If this occurs, it will have less priority on the local sales level in terms of sales attention and promotion. "If it runs past midnight, the show will be sold as part of the late-night rotation rather than as an individual program sale. It's the same with weekends."

"But if the program runs in prime access on Saturday, then it is of immediate and important concern. And whether it's cash or barter, it would be given the same priority. So it's more of a determination of what the value of the show is in terms of how important the show is to the station, and the time period, that most often determines the importance to the station. Or, of course, past performance. If the show performed well, it would get a better time period, and as such would get greater attention."

What's the value?

Carroll says the question these days is what is the value of the show. Then, to a degree, it becomes a bookkeeping function whether it's a cash or a barter show. "Most stations, on their books, have to account for the barter time in terms of expense. As a result, there is either an outlay of cash or of time which has to be accounted for in the books. So the real question is 'Would I buy the show?'".

Carroll believes that among the new fall barter entries getting a good time period comparable with *Star Trek* is *War of the Worlds*. "*War of the Worlds* falls into the same category. Stations place high value on it and, as such, are giving it a time period that is commensurate with that value in terms of its presumed ability to get audiences. Whether it's barter or cash is not really the determination. How they market it, and some other things, such as fewer spots to sell, may change the marketing plan. But that's more a nuance than the underlying concern."

But Stuart Swartz, general manager/station manager at KMSP-TV, independent in the Minneapolis-St. Paul market, has a variation on the "importance of the time period" theme. He sees the reasons for the time period being important as stemming from the advertisers themselves looking to sew up specific time slots. "There's not as much difference in our own sales efforts as there is in the time slot priorities set by our advertisers.

"I would hope that the people who are selling the time—whether they are our own sales people or the rep—are trying to sell everything on the station. But the reality is if a show is in access or in early fringe there is more demand for those time periods and/or the program that's in that time period. The pressure is self-imposed by the advertisers, not by the salespeople. We want to sell everything, whether its barter or not and whether it's for the morning or for 6 o'clock on Saturday evening."

Major investment

Clearly, to Swartz barter inventory given to syndicators in exchange for the program is nothing to sneeze at. "When I clear a barter show, it's a major investment, because all the time that is committed is worth a lot of money. In the case of a *Star Trek*, I would have to have given up half my inventory."

Swartz is so adamant on how much inventory the station should yield in barter shows that KMSP left the Fox Broadcasting lineup a few weeks ago after a study of the amount of inventory it was giving to Fox for its product. "We left Fox after we analyzed the amount of inventory Fox was taking from us vs. the amount we could sell it for."

The market recently became part of the Nielsen meter lineup, he notes, and the station is shown as doing as strong with its own Sunday night programs as it did as a Fox station. But, he says, all the inventory is the station's. "Therefore, financially, we are better off. There was an expense as a Fox staton in giving up the time that was higher than what we thought we were willing to pay."

Swartz notes the station had been part of the Fox lineup for about two years, and actually began phasing out of the Fox programming schedule in January by preempting the shows with movies on Saturdays. Of course, that the numbers on the Fox shows were unsatisfactory were also a contributing factor toward the station going its own way. On Sundays, the present schedule on KMSP-TV calls for a movie from 5–7 p.m., followed by *Natonal Geographic* and *Twilight Zone*, up to 10 p.m.

Swartz adds there's a "real cost to barter. There is no free lunch." Indeed, at WRAL-TV, CBS affiliate in Raleigh, John L. Greene, Jr., senior vice president, general man-

"Friday the 13th: The Series"

Barter: ad sales stepchild?

Stations deny downplaying promotion, revenue potential

BY ROBERT SOBEL

Many barter syndicators continue to complain that their product is being given the stepchild status in both advertising sales and promotion at the stations, but station executives are contending that it just isn't so. They assert that giving up part of the inventory to national advertisers doesn't make the program any less valuable where local sales are concerned. What dictate ad sales effort and promotional support, they say, are the time period and the program itself.

The concern of syndicators is that stations may be devaluating an otherwise good product—not making it count sufficiently in either ratings or ad revenues—so that it is naturally weakened come renewal time—if there is a renewal time.

Their feeling is that stations are giving low promotion and sales priority to barter shows, and for that matter, to cash-plus-barter programs, because there is no or a minimal cash investment in acquiring the show. But, as one stations sage put it, there is no free lunch, and giving up inventory for national sales costs money because the lost inventory has a certain value.

Also, according to the station sources, barter is not treated differently from cash programs in terms of pricing to the local advertisers. Common practice is to charge rates based on the show's performance and time period, whether the program is barter or not.

Whether a program is cash or barter matters very little in terms of selling to local advertisers, says LaRhe Vestal, program manager at WTXF-TV, Philadelphia indie. On the other hand, its performance will reflect how it's treated. "If the show is a hit or gets a high rating, it will be treated very well, as any kind of hit show is treated. Obviously, if it doesn't do well, the program will be utilized in a different sales manner."

In the case of acquired first-run shows that have no ratings history, Vestal says a similar criterion applies. "Before we buy a program, we analyze it in terms of something similar that we or somebody else has or that someone once had. An example might be *Freddie's Nightmares*, which is brand-new. However, we noticed the movie has a great box-office draw.

"We have *Friday the 13th*, from Paramount, which could be lumped in with *Nightmares* in the first-run category. We have certain expectations based on that kind of background," which in turn spurs the sales effort.

But Vestal points out that the sales emphasis is generally reflected as well by the time period the program plays. "If I had a new barter show running at midnight, it wouldn't get the same attention as if it would run at 6 p.m. The same is true if the program was cash."

Salespeople: all the same

The salespeople don't get involved in making any kind of distinction between barter and cash syndication shows, says Allen Murphy, general sales manager at KYW-TV, NBC affiliate in Philadelphia. "That's really a function of the program director, and sometimes I become involved in it. But basically whether the program is cash or barter is not the way the salespeople approach the program in the way they sell it.

"What they are selling is the audience delivery. If the program is barter or cash has nothing to do, ultimately, with the audience delivery."

A significant factor in selling the program on a local level—not whether it is cash or barter, says Bill Carroll, Katz American Television director of programming—is the time period in which the program is placed.

For example, he says, *Star Trek: The Next Generation*, which is a barter show, runs in primetime or in access on many stations. "That's a key show. It's doing very well in ratings and is an important asset for the stations. As such, because of its performance and its time period, it is given a high priority in terms of selling.

"If, on the other hand, a barter show runs as a weekend rotater and in a secondary time period—such

Allen Murphy, KYW-TV

"What they are selling is the audience delivery. If the program is barter or cash has nothing to do, ultimately, with the audience delivery."

Select Media & Maltese merge

Gutkowski and Ray Volpe form new company

By JACK LOFTUS

What began as a psychic experience (well, almost) five years ago, has culminated in a merger between Mitch Gutkowski's Select Media Communications and Ray Volpe's Maltese Cos.

The two new partners, who separately built successful syndication/production companies from scratch, have been doing business together for a few years, mostly by coproducing several short program vignettes. Their biggest collaboration is with the new half-hour game-show strip *Relatively Speaking*, launched this month.

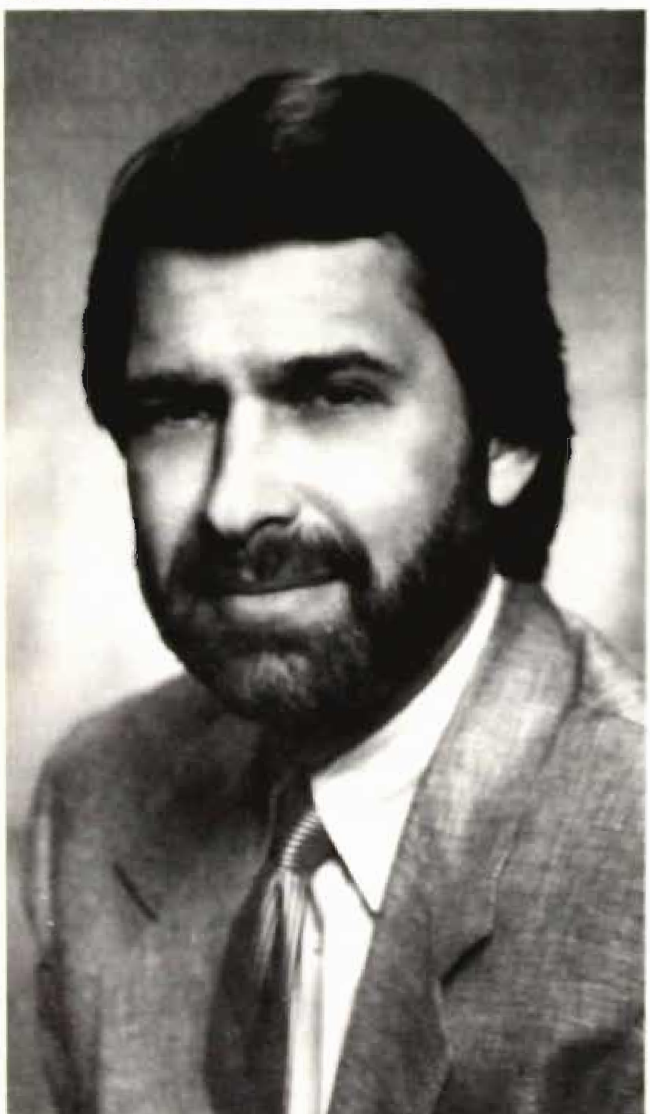
So with high hopes and plenty in the development pipeline, the two decided they can have more fun—and make more money—merged than by just doing deals together.

The strength of the partnership is Gutkowski's knowledge of the syndication and advertising sales side of the business, while Volpe brings to the table quite a background in sports marketing and promotion plus event programming.

Combined capitalization for the two companies is in the $45 million range, and the newly formed and yet-to-be-named company plans to parley its enhanced borrowing power by moving aggressively into event marketing, sports and music programming (vignettes, specials and series), and in perhaps its most ambitious scheme, theatrical film production and distribution. Sounds like a full plate and then some.

Volpe and Gutkowski say they'll give the new company a year to get settled before deciding whether to

Mitch Gutkowski



Ray Volpe

ager, says the station puts a specific cash value on the barter spots retained by the syndicator. "Our policy is that if a program has a barter spot in it, such as in cash-plus-barter shows, we attach a cash value to it, and that value is taken into account when we are negotiating for the program.

"For example, when *PM Magazine* added a 30-second spot a few years ago, we renegotiated a contract price to reflect the value of the spot. A lot of stations I know didn't do that. We don't like barter, but it's almost a way of life. And, unfortunately, a lot of stations undervalue their product without thinking it through in terms of how much the given-up inventory is worth. The inventory costs us more than we think. Also, I've seen stations overcommit to barter which has made the sales problem even worse."

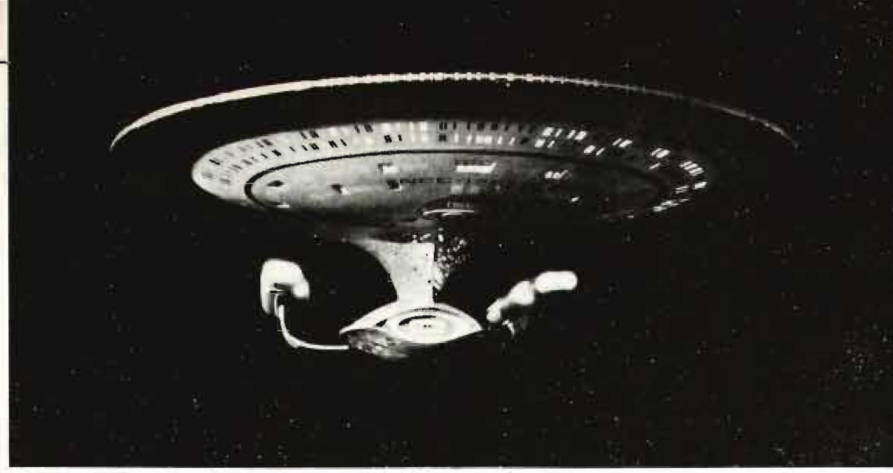
When it comes to selling the local barter elements, Greene says he believes that the station's sales personnel do not shy away from barter or approach the selling of the program differently from cash. And, he says, he doubts that they even know whether the programs are being offered via barter—except from an inventory count.

Standout programming

Neal Sabin, program manager/promotion director at Chicago independent station WPWR-TV, notes that while there is a constant danger of buying more barter programs than actually is needed, some have to be bought because they are seen as being above the rest of the pack. These, in turn, get special attention in special time periods, even though a measure of inventory is given up to the syndicator.

"The thought is, if the program performs to a high level, the inventory remaining in the show will be sold for a higher price than an average cash show." The station is so bullish on two programs it acquired, *War of the Worlds* and *Friday the 13th*, that it will run both barter shows on Fridays in primetime.

The salespeople, he continues, are excited about the acquisitions. *War of the Worlds* is being positioned as successor to *Star Trek: The Next Generation*. *Worlds* will also run on Saturdays, in a block with *Trek*, says Sabin. Barter acquisitions are kept deliberately tight at the station, continues Sabin, and there have been few rejections at this point. But if the new first-run programs don't perform, the station will have to be careful about overloading and piling up unwanted inventory.



"Star Trek: The Next Generation"

However, shows that are cash-plus-barter get more sales attention than do the all-barter shows, says Paul LaCamera, vice president/Station manager/program director at WCVB-TV, ABC affiliate in Boston. In turn, "the shows that are cash-plus-barter are the most successful and most powerful programs because they are in good time periods. The programs that are pure barter are pure barter for a reason. They are not as competitive generally as the next level.

"If you look at *Oprah Winfrey*, *Donahue*, *Geraldo* and *Jeopardy*, they are all cash-plus-barter shows. That's because they are the top-level shows, so any station will place heavy promotion, advertising and sales emphasis on those top programs." La Camera stresses that he is referring to strip cash-and-barter programs, which are the bread-and-butter of a station's business.

Even *Star Trek: The Next Generaton*, which WCVB-TV airs in primetime, is considered by La Camera as a cash-and-barter program for all intents and purposes. "It's the only barter show we have where the barter falls in favor of the syndicator—five minutes for the station and seven minutes for Paramount. Any time a syndicator winds up with 7/12ths of the inventory, it may as well be considered a cash-plus-barter program."

Too, there appears to be little difference between cash and barter programs when it comes to station promotion. Carroll at Katz says the emphasis on promotion will vary market by market, depending on the program and the importance of the time period to a particular station, not whether the show is cash or barter.

"It may be more important to an independent station, while on an affiliate station you are balancing the importance of promoting the news against promoting entertainment programming. This is true to some degree with some independents as well."

When it comes to prices charged to local advertisers by stations, barter, cash and cash-plus-barter shows are also treated equally, according to a consensus from the sources. Swartz at KMSP-TV says the station can't artificially increase the rate, because there is less inventory to sell on the local level in barter than in a cash situation. "If the show is not getting the number in ratings, it's not going to sell."

Vestal at WTXF-TV notes that rates to local advertisers depend on the show. "Some of the more popular shows we have, such as *Star Trek: The Next Generation*, which is a barter show, is the jewel in our crown of first-run. And because it has limited inventory, there is great demand to be in the show, and the limited inventory will cause the rate to be a little higher than it ordinarily would be if it weren't barter. "But I guess that would be mitigated by paying a cash license fee on the other end. If a show is not in great demand, or if we can't create demand, the rates will be similar to shows around it." □

What the partners bring to the table

Select Media Communications

Vignettes
Today in Music History
Whodunit?
Quick Schtick
Fashion in a Flash
1-Across
Healthbreak
Ask Professor Nutrition
World Class Women

Series
World Class Women

Music Videos
Cyndi Lauper (*Girls Just Want to Have Fun, Time After Time, I've Got a Hole in My Heart*)
Huey Lewis (*If This is It, Heart of Rock 'n' Roll*)
Eddie Murphy
Sheena Easton

Vignettes
7th Inning Stretch
NFL Classics
Champions
Kick-off

Home Video
Magic Johnson
New York Rangers
Spiral Zone
Mapletown
Pound Puppies

Sports
The Skins Game (golf)
The Stakes Match (tennis)
NHL Russia Series
Willie, Mickey and the Duke
The Champions (tennis)

The Maltese Companies

TV Movies
Caine Mutiny Court Martial
Escape from Sobibor

Specials
MTV Awards Show (I & II)
America's Heroes
Funny You Don't Look 200
Stars
Hollywood's Unsolved Mysteries
Centennial Celebration of Liberty

Feature Films
Matewan
Brother from Another Planet
The Coca-Cola Kid
Little Girl Lost
Hills Have Eyes III
Pound Puppies & the Legend of Big Paw

TV Series
Spiral Zone
Mapletown
First & Ten

Select Media & Maltese

TV Series
Relatively Speaking
Insport

Vignettes
Intermission
Where in America
1-Across
I Love Lower Manhattan

Specials
Victor Awards
Mrs. World
50th Anniversary of the USO

with the new company, pretty much handling the marketing side of the operation as well as linking advertisers to programs in the early stages of development.

"Advertisers clearly need to approach their media expenditures in more of a marketing vein than ever before," says Riesenberg. "Simply buying time, might work for some advertisers, but a great many more want to bring a more sophisticated approach toward the development of broadcast vehicles for their commercial message." And on that score, Riesenberg adds, "We have the expertise to know what's realistic—where the opportunities lie."

Riesenberg was senior vice president of program development for BBDO Worldwide, where he handled the Chrysler Showcase Presentation *Escape from Sobibor* and the GE Theater program *To Heal a Nation*.

The final major player in the new company is Mark Balsam, whose presence marks perhaps the most ambitious aspect of the Volpe-Gutkowski alliance. His job is to develop feature films and movies for television. The former chief executive of Film Gallery, he was responsible for the production of such films as *Matewan* and *Old Enough*. His company also distributed films such as *The Coca-Cola Kid, Brother from Another Planet* and *Angelo My Love*. He cofounded Film Gallery in 1977 and sold it to Volpe's Maltese Cos. last year.

Many companies, successful in television, have crashed and burned on the film track. CBS Productions, for example, wrote the book on that subject.

No deficit financing

But Volpe says Balsam's no stranger to feature films, knows the business and will stick to films in the \$6–8 million range. Volpe also makes it clear that the new company isn't in the deficit financing business. "We get the money first," he says, usually by presales.

One of Volpe's top priorities is to get a sports department up and going, and for that he's searching for a sports president.

Sports such as golf, tennis, volleyball, ice & field hockey, track & field, swimming & diving, and so forth, need television in order to survive, says Volpe. And with the network schedules saturated, syndication can offer more attractive packages than cable by delivering more viewers and more advertisers.

"What we will be offering these sports," says Volpe, "is frequency and exposure in different television dayparts."

He thinks, for example, that the vignette format—already a proven success—can be adapted by sports associations looking to draw bigger audiences to a tournament or series to be telecast later.

Of course, Volpe and Gutkowski aren't just content to syndicate sports or MTV-like music specials, they're also looking for a piece of the event itself.

"Our aim is to offer a better business package than anyone else in the business," says Volpe, adding, "and for the first time I'm really having fun." □

go public, acquire another company or expand the partnership.

The first project out of the gate, which they'll unveil at the NATPE convention in Houston, is a weekly half-hour show titled *Insport*, with hosts Ahamad Rashad and Robin Swoboda. It will be a behind-the-scenes look into the world of sports personalities.

Other shows in development center around the newly formed professional tennis players association and the PGA and the LPGA in golf—and even volleyball, and soccer. "All sports need more broadcast exposure," says Volpe. "None of these sports can make it at the gate, but there is a big market for them in the advertiser-supported syndication market."

Psychic experience

In a joint interview, Volpe and Gutkowski recall the first time they met. Gutkowski, who had just started Select Media—then a little-known company which in a few years would become one of the most successful and innovative suppliers of short-form vignettes—pitched a half-hour series to Volpe, who was a partner at Ohlmeyer Communications. The project centered around a Canadian psychic (Gutkowski billed her as a "futurist"), but Volpe didn't even nibble. The psychic has been lost in time, but Volpe and Gutkowski got to be friends, and when Volpe formed The Maltese Companies two years ago, he and Gutkowski teamed up on a number of shows.

In addition to *Relatively Speaking*, Select and Maltese coproduce two vignettes, *Intermission* and *Where in America*.

"We've been talking about this idea of a merger for almost a year," says Gutkowski. "I mean Ray's office is right across the street, so instead of yelling out the window to one another, we decided, hey, why not merge."

The new company (it won't be called S&M) will be structured with Gutkowski and Volpe at the top as cochairmen, plus two additional directors: Edd Griles, a partner and executive vice president of Maltese; and Claire Scully, a partner and executive vice president of Select Media.


Mark Balsam


Claire Scully


Robert Riesenberg


Edd Griles

In 1981, at the ripe age of 27, Gutkowski left the womb at BBDO, where he headed the syndication division under Arnie Semsky, and set out to make a living in the syndication business. He landed the barter business for *Saturday Night Live* (Orion) and *Taking Advantage* (Paramount). But Gutkowski knew "you gotta be different" in this business to make it in this business, and that difference happened at the 1983 NATPE convention when he teamed up with Billy Miller and Geoff Minte of Man in the Moon Productions for a 30-second vignette spotlighting outstanding contributions to music history. They called it *Today in Music History*, now in its fourth year. Four years after that meeting and a half dozen or more vignettes later, Gutkowski has not only found a niche in the syndicated wilderness but parlayed this advertising idea into a company that last year grossed $20 million, saw its operating profits rise to somewhere between $2–6 million and net profits increase 30% (TV/RADIO AGE, January 25, 1988).

Volpe, a well-known figure in the sports world, founded The Maltese Cos. two years ago. He was one of the partners of Ohlmeyer Communications, where he served as president beginning in 1982. From 1975–81 he was commissioner of the LPGA, and during that time brought to women's golf 20 network dates, 30 syndicated dates and set up the group's first international tour schedule. For three years before that he was executive vice president for the NHL.

Claire Scully has been Gutkowski's partner since he founded the company and is pretty much the financial and administrative brains behind the outfit. Scully, says Volpe without the slightest hesitation, will handle the financial and administrative side of the new company. "Without her the thing just wouldn't work," he says. "She's the one who keeps us on track and focused on one project at a time."

Griles, the No. 2 person at Maltese, was brought in as a partner when Volpe set up the company. Griles came up with the name, after the Maltese falcon, though the connection escapes Volpe. Volpe met Griles at Ohlmeyer, where the latter was executive vice president in charge of development and where he ran the first two *MTV Video Awards* shows, the *MTV Summer Concert Series* and several specials.

Another key player in the new company is Robert Riesenberg, who joined Maltese just before the merger as president of the TV production and home video divisions. He'll have the same responsibilities

Worldvision plans major programming expansion and unique ad-intensive show

Worldvision Enterprises is planning a major expansion in syndication that will entail practically all areas of the programming spectrum.

This includes first-run children's shows, a game and a comedy/music series, an all-theatrical film package and an advertiser-intensive programming concept that may turn out to be the forerunner for similar projects by other syndicators. In addition, there is a strong possibility that WE will get more heavily involved in off-network distribution if the Aaron Spelling merger comes through.

In children's, WE is set to throw its hat into the game-show ring and to distribute new and original episodes of *Huckleberry Hound*. The kids' game show is called *Skedaddle* and is due to run for six weeks in the fourth quarter (starting Oct. 23) as a replacement for one of the half-hours in the two-hour Sunday morning block, *Funtastic World of Hanna-Barbera*, according to John Ryan, president and chief operating officer at WE.

John Ryan

The host of the kids' game show, which will be produced by Jay Wolpert, is Ron Pearson, and if the numbers go well in the *World* block, it's likely the show will go into production as a strip for the fall of 1989. *Skedaddle* consists of questions and answers and zany kid stunts. Gary Montanus, WE senior vice president of marketing, says *Skedaddle* will probably replace the last-half-hour of *World*, and he sees the show getting older demos than the age group that generally watches animation. From a sales point of view, Montanus sees the game show attracting advertisers looking to reach this category of viewers.

New *'Hound'* episodes. Also, Hanna-Barbera will produce new half-hour episodes of *Huckleberry Hound*, which WE will distribute, along with originals, as a barter strip for next fall. Ryan says that *Hound* was one of the most popular cartoon shows on television a number of years back, along with *The Jetsons*, *Yogi Bear* and *The Flintstones*. By reviving *Hound*, WE is looking to follow its successful pattern of resurrecting other animated shows that have since been placed in syndication.

Worldvision is expected to launch its first all-theatrical package in 1989.

"We brought back *The Jetsons* last season, and *Yogi* is back this year with what we believe will be a very successful show, and following that line of thinking, we want to bring back *Huckleberry Hound*. Many of the station managers have been brought up with *Hound*, along with the *Jetsons* and *Yogi Bear*.

"They keep asking us about it, and we thought we would oblige them and, of course, all the other people who have grown up with *Huckleberry Hound*."

In first-run, WE has plans to bring two strips to NATPE in January, says Ryan. The exact titles for each are not yet set, but Ryan says that one will be a celebrity game show, tentatively called, *It Goes Without Saying*, from Aaron Spelling Productions, representing WE's initial first-run syndication offering under the proposed Spelling merger. The other show will be for late-night and is tentatively called *After Hours*.

Gary Montanus

Ryan says *After Hours* will be a "hip and slickly produced half-hour," to be aimed at the 18–34 demographics. The series will combine comedy, music acts and interviews. A pilot of each show is set to be produced by November, according to Ryan.

While the marketing plans on both shows are still being formulated, Montanus says the game show will most likely be offered under a cash-plus-barter license, and *After Hours* will go the straight barter route. Montanus notes the primary reason for WE to distribute the game show via cash-plus-barter is that he believes stations will want all the inventory for themselves rather than giving up a portion to national sales, in light of its predicted success. Montanus is looking for an access time slot for the game show.

Marketing of show. In the case of marketing *After Hours*, Montanus says he believes the cash marketplace is not strong enough to cover a late-night show. Also, the series will be offered on a straight barter basis because he sees a large demand from advertisers looking to reach the 18–34 demographic. In both situations, Montanus adds, the marketing is a reflection of "what the stations want and can do and what we think the advertising community is looking for."

Viewpoints

Jack Trout

Partner, Trout & Ries, in a speech to be given before the Television Bureau of Advertising 34th annual meeting. Trout and his partner, Al Ries, have developed marketing programs for such companies as American Express, Burger King, Xerox and Merck.

Long-term planning a thing of the past in new marketing strategy

It's trouble out there in television land.

It's not the runaway cost of production or the TV station's union problems or the growing competition between the networks, the independents and cable. No, the biggest problem stations face is the large number of ineffective television commercials that are cluttering up the airwaves of America. You might say, 'Hey, that's not our concern. Take that message to the marketers and their agencies." If you look at the numbers, we say it is your concern. Take packaged goods, for example. They spend $57 billion on marketing. But as of last year, $38.2 billion of it, or 67%, went into trade and consumer promotion.

And the trends are against you. Over the past decade, consumer promotions have risen by 17%. Trade deals have climbed 13%. Media advertising has risen only by 9%. This isn't a healthy number when you consider that the television industry has to share that smaller number with a lot of other more "results oriented" media like newspapers.

If you don't get involved, the pie will continue to shrink. More and more, television is under attack as a medium for underperforming. As we see it, the problem is that too many agencies and their clients are thinking "top-down" when they should be thinking "bottom-up." This is the subject of our new book, titled *Bottom-Up Marketing*, that is being published this month by McGraw-Hill.

Bottom-Up Marketing will shake the world of business right down to its roots. The book attacks some of management's most cherished concepts, including goals, mission statements and long-term strategic planning. Today's competitive environment has made the traditional "top-down" approach obsolete. What good are long-term plans when you cannot predict future competitive moves?

After years of strategic work for many of America's largest companies, the authors perfected their bottom-up approach to marketing. Their advice: Forget about "what you want to do." Focus on "what you can do." Traditional top-down marketing seems so logical. First you decide what you want to do (the strategy). Then you figure how to do it (the tactics).

Step by step

There are key steps in the process of bottom-up marketing.

1. Go down to the front. Marketing battles are fought in the minds. The place to find the answer to your marketing problem is in the mind of the prospect. Traditional top-down thinkers believe you can do your planning in the ivory tower or the conference room. They first decide what they want to do, then they go out and try to do it. That's a mistake. Most marketing goals are not achievable in any real sense of the word. You start the bottom-up marketing process by finding out what you can do and then setting up a program to do it.

2. Narrow your focus. The most difficult part of the bottom-up process is to narrow the focus. Most marketing managers do just the opposite. They try to be all things to all people. Line extension runs rampant in corporate America. Yet most of the big marketing victories have come from narrowing the focus. Federal Express didn't try to become a full line supplier of air freight services. They focused on small packages overnight. Domino's didn't try to become a pizza restaurant, pizza take-out and pizza delivery service. They focused on home delivery only. Big marketing victories are achieved by sharpening your mental knife, not by extending the line.

3. Find your tactic. What single tactic can you find that might be exploited to produce a marketing victory? The authors define a tactic as a "competitive mental angle," and you don't find one in the boardroom. You find your tactic in the mind of the prospect.

4. Build your strategy. Once a tactic has been selected, the next step in the bottom-up process is to build your strategy. The authors define a strategy as a "coherent marketing direction." Most companies do just the reverse. They start with the strategy first and then look for the tactics to execute the strategy. Top-down thinking often leads to disaster. Xerox decided to get into the computer business. Twenty years and $2 billion dollars later, they still haven't found a tactic to execute the strategy.

5. Make the changes. You can't change the marketplace. Once a mind is made up, it's almost impossible to change it. Xerox means copiers, not computers. No amount of marketing effort will overcome this simple fact. To develop an effective strategy a company has to be willing to make changes inside the company. Changes in the name, the product, the price. You can't force your way into the mind.

6. Launch a big program. Nothing ventured, nothing gained. The key word in the last step of the bottom-up process is big. You have to launch your program in a big way. And when programs start to work, you'll find more and more marketers taking dollars out of promotion and putting them into media advertising.

Down the line, it's conceivable that WE may have a block of magazine shows, each with specific subject matter. At this point, talks are underway with a magazine to link up with the WE project, says Ryan.

Alliance with Orion. In another programming-related area, WE formed an alliance with Orion back in the summer, whereby Orion will clear stations on its film package, which premieres in February, while WE handles the barter sales. First title is the movie version of *Cagney & Lacey*, and Montanus says WE is in a good sales position on the films. "They're the kind of movies advertisers want. They run the first 15 days of the month and have a primetime and a secondary window and strong titles, including *No Way Out*, *The Three Amigos* and *Johnny Be Good*."

Advertiser-intensive shows are planned

Under the agreement with Orion, WE will handle the barter sales of all the company's television projects. Montanus notes that WE has a rather small advertising sales group and therefore is not centering its barter efforts at this time on expanding its alliance tie-ins. "We are not attempting to be an International Advertiser Sales or Tele-Trib. We will take projects on a select basis.

"Our primary goal is to have the producers get a full accounting of the shows so that the producers are not being taken on just to package other programs. One of the reasons we aligned with Orion is that there were no conflicts in shows, basically. We don't have a movie package in barter, and they don't have a kids' show at this point. If we do down the line, that's fine; we can always relate the two together."

While WE has not been a major player in off-network product since the days of *Eight Is Enough*, it sees itself getting more involved in distributing shows coming off the networks. This is a distinct possibility in the wake of WE being merged with Spelling, it's pointed out by Ryan. —**Robert Sobel**

'Saturday Night Live' expects to stick to its goals despite new rulings

While there may be ongoing conflicts with the newly revamped standards and practices department at NBC, Lorne Michaels, *Saturday Night Live*'s executive producer, feels unrestricted about his late-night comedy show.

"I don't think there are any topics out of bounds for us," he says. At the same time, he notes, his goal is to be funny, "not just to be shocking," since "cable does that."

NBC lately has reorganized its so-called TV censors' staff and put programming responsibilities under a new program marketing and administration department that includes seven people based in New York.

Ideas for *SNL* have always been discussed with the censors, Michaels says, "sometimes heatedly, almost always *after* a piece is written" so as to guard against a prior censorship. These censorship duties are being shifted, he says, so "it's not as if they're being abandoned."

Now there will simply be different people to meet with and, he notes wryly, those meetings will likely be "just as exciting and just as informative" as before.

SNL "seemed natural" to its young audience when it began in 1975, Michaels recalls, but it struck others as "outrageous" since the things it did were unusual for TV at that time. "I don't think our intent was ever to be shocking," he adds.

Because it is live, he says *SNL* "will always be described as uneven." Skits that worked in rehearsal may fall flat on the air, he notes. Adding to the uncertainty is that sometimes "you don't know you'll have a host until Wednesday" before airdate.

Lorne Michaels, *producer, NBC's "Saturday Night Live," says the show will again emphasize political humor this fall. No topics are seen as "out of bounds for us."*

The series, which returned Oct. 8 for its 14th season, seems likely to continue to offend some, since the producer plans to have its first four programs concentrate on presidential politicking. Unlike the 1970s, when *SNL* was the only show dealing with political humor, today there are many others that do so, which he says forces *SNL* to "deal with it in a fresh way."

The '70s was a "more polarized" period, he continues, when *SNL* was identified more "by who wasn't on the show than who was." The initial cast members came out of the turbulent Watergate era, but the '80s is a "calmer" time and the cast reflects that, he feels.

Still *SNL* has just been turned down by Moscow for a taping in the Soviet Union. For one thing, the Russians seem to fear that *SNL*'s sketches poking fun at President Reagan might be more offensive to Americans if done from inside Russia, Michaels observes. In any case, although that trip is "still being talked about," Michaels now is of the opinion that it is "of less interest because it's a beaten path at the moment."—**Jim Forkan**

Montanus sees *After Hours* running in very late-night or post-news on affiliates and in the 9 p.m. or 10 p.m. time period on independents. "It could play after *Nightline*, on ABC," says Ryan. "We think we have a niche, in that there's nothing available like this show in late-night, so that's certainly a plus. It could work for the Fox stations as well, although we haven't thought about that. They are certainly vulnerable after their late show."

Also in 1989, WE expects to launch its initial major all-theatrical feature package (previous packages contained MOWs or mixes of MOWs and theatricals). "This is an area we haven't really been in in the past, but we plan to become a major supplier of theatrical features," says Ryan.

Montanus says WE is not looking to be another TeleTrib or IAS.

Some of the features had been produced by the Taft-Barash partnership, including *Light of Day*, *Ironweed* and *Running Man*, and will be part of the package. Some 15–20 titles will be involved, Ryan says, and an ad-hoc network will be set up for the initial run. Rollout of the films will probably be on a monthly basis, depending on the release date and the specific titles involved. WE expects to offer one major theatrical package per year, depending on the marketplace and availability of titles that WE is interested in.

Other theatricals. In addition to the Taft-Barash films, the package will consist of other theatricals either already acquired or being bought by WE, says Ryan. The titles in the package have not been seen on the networks.

At this point, WE has not yet decided on an umbrella name for the new releases. Its other packages have been using "Prime" as the key word along with numbers in chronological order of release. Prime VIII is the latest.

For this fall, WE is distributing *Starting From Scratch*, which has a lineup of "some of the best clearances anyone can get," notes Ryan. *Scratch* has more than 100 stations, representing close to 90% of the U.S. households. The series premiered in September and is being cleared mainly on Saturdays in access.

One of the unusual concepts being developed by WE in first-run is an advertiser-intensive series of weekly programs that are being developed to establish a relationship between the station and the local advertiser. Montanus explains the shows will be thematic in nature. He says he is reluctant to release too much information on the concept for competitive reasons: "I don't want anyone to get the idea, and we don't want to be copied."

However, continues Montanus, the plan is to tie in a program with a magazine on a per-show basis. "We would start one association this year, and if we have success, we will go with another the following year. Each show will have the ability to become a home video as well."

The shows will be based on a section of the Sunday newspaper and a TV series will be created from it so that stations can compete for those advertisers that buy special sections of the newspaper. For example, he continues, advertisers in the travel section can be pitched to buy advertising in a program that focuses on travel.

Ratings not important. "If the program does a one rating or a five rating is not as important as that whoever watches the show is a potential customer for the product," says Montanus.

WE is working with Television Bureau of Advertising in developing specific sales techniques for each of the shows. Each show will have its own producer, whose expertise is in a specific area, such as business or real-estate planning. Plans call for 26 episodes, with the first ready for a spring launch.

Ryan explains the project is being designed to give stations an opportunity to get incremental revenue locally that they have not been receiving. "The show will really be pitched to the sales manager to show how he can bring extra dollars to the station with a show that is tailor-made to a specific advertiser."

The shows will probably be offered to stations on a barter basis, and Montanus says he expects the national advertisers to help support the production costs of the shows.

"Huckleberry Hound," *one of the golden oldies, will go into syndication when it is combined with new episodes from Hanna-Barbera. Distribution is by Worldvision.*

Multimedia Entertainment has acquired the international rights to *The Canterville Ghost*, half-hour animated special. It premieres in the U.S. this month on the CBS-owned stations and in national syndication.

Orbis Communications has cleared a package of specials in 115 markets, including the top 30, representing 85% of the U.S. The four two-hour specials are *Who Murdered JFK? A Matter of Life and Death*, *The United States vs. Jeffrey McDonald* and *Terrorism USA*.

Also at Orbis, *Unauthorized Biography*, series of two-hour specials, has been cleared in 122 markets, including 19 of the top 20. The first special is on Jane Fonda.

Muller Media Inc. will distribute a second feature film package for Heritage Entertainment. The package includes some of Heritage's in-house production, such as *Stage Coach* and *Mr. North*.

All American Television has signed more than 120 stations to air a two-hour special, *McDonald's Charity Christmas Parade*. Among committed stations are WLS-TV Chicago, WCVB-TV Boston, WJLA-TV Washington, WFAA-TV Dallas and WATL-TV Atlanta. The show is available from Nov. 26 live or on tape through Dec. 23.

HMS Communications has cleared 77 markets, including all the top 25 stations, representing 85% of the U.S., for *Elm Street: A Halloween Nightmare*. **Program Syndication Services** is handling the barter sales for the one-hour special. *Elm Street* is a behind-the-scenes look at the making of the movie *A Nightmare on Elm Street*. The broadcast also features interviews with the cast.

MG/Perin's Gorgeous Ladies of Wrestling marks its third year in syndication with clearances on 85 stations, including nine of the top 10 markets and 16 of the top 20. Among clearances are WPIX(TV) New York, WXYZ-TV Detroit, WPWR-TV Chicago, WGBS-TV Philadelphia, and KDAF-TV Dallas-Ft. Worth.

'Ali' release in spring 1989

Muhammad Ali will be the centerpiece of a six-hour documentary series to be produced by Directors International Productions for release in spring 1990. Shooting on the series, *The Muhammad Ali Story*, will begin in January or February, according to producer/director Lindsey Clennell. The series has a budget of some $7 million, he notes, with most of the production dollars being put up by British businessmen.

DIP has exclusive world rights to produce the package for television, video and theatrical release. The series is being aimed mainly at domestic audiences, according to Clennell, who expects to line up a syndicator within a few months.

Clennell says he has been talking to Home Box Office about possible release of *Ali* on the pay-cable service, although no deal has yet been made. He notes that talks with Michael Fuchs, chairman of HBO, were held a few months back and represented the early stages of exploratory discussions.

As to a distributor, Clennell says he's looking for a major syndicator that has a large presence in the overseas market, where he sees *Ali* doing expectionally well. "*Ali* is a very special product. It's really event programming," says Clennell, "and Ali is regarded very highly abroad."

Domestically, the series will be offered to stations and/or to cable as six one-hour episodes or to be run as three two-hour programs. Each episode will include an important boxing segment such as Ali's Manila fight with Joe Frazier.

Ali will examine the fighter's personal life, business activities, media involvement, political influence and his religious beliefs in addition to Ali's important fights. Besides Ali's revelations, the series will include major names in sports, entertainment and world politics.

DIP's executive producer, John Cairns, is a partner with Clennell, in the company, which was formed in 1984. Clennell worked on a variety of shows for U.K. Independent Television from 1973–74 and later produced a number of music videos and concerts.

Syndication shorts

Samuel Goldwyn has added 15 markets as licensees of *Body By Jake*, bringing the total to 105 and more than 80% of the country. Eighty-one are network affiliates. In some cases, *Jake*, perceived originally as an early-morning show, has been upgraded to a 9 a.m. slot.

Republic Pictures Domestic Television has sold its color-enhanced feature film package in six additional markets: WUAB-TV Cleveland, WPGH-TV Pittsburgh, KSCH-TV Sacramento, WTNH-TV New Haven, KATU-TV Portland, Ore., and WOFL-TV Orlando. Films include *Rio Grande*, *Invasion of the Body Snatchers* and *The Miracle of the Bells*.

Action Media Group has added 18 markets to its *Learning the Ropes* lineup. New clearances include WBFF-TV Baltimore and KPDX-TV Portland, Ore., and brings clearances to 101 markets covering 77% of the U.S. AMG also has contracts pending with 27 more stations, covering 10.5% of U.S. households.

Bohbot & Cohn Advertising has cleared *Pillow People*, animated children's special, in more than 75% of the country. Stations in the top 10 markets are WNYW-TV New York, KCOP-TV Los Angeles, WPWR-TV Chicago, WPHL-TV Philadelphia, KTVU-TV San Francisco, WLVI-TV Boston, WKBD-TV Detroit, KTVT-TV Dallas, WDCA-TV Washington and KTXH-TV Houston.

Multimedia Entertainment will offer a new half-hour strip game show on a cash-plus-barter basis, for airing next fall. The new show, *Jumble*, is a production of Hillier & Co. in association with Procter & Gamble Productions and ME. Host is Richard Kline, and a pilot has recently been completed. *Jumble* is based on the newspaper puzzle of the same name.

Qintex Entertainment, Susan Winston Productions and **Earl Greenburg** are combining production efforts on a new weekly series, *The National Lost and Found*. The new venture is the second between Greenburg and Qintex. The first is *Flip*, teen magazine show on CBS on Saturday mornings.

A two-hour *T and T* made-for-TV movie, *Straight Line*, will be the season opener for the second season of *T and T*, during the week of Oct. 24. Date varies per market. Clearances for the series are 100-plus.

Wall Street Journal Television has expanded its news services in the U.S. and overseas. The daily broadcasts are *The Morning Minute*, one-minute report on business news and information designed for morning news shows domestically, and a three-minute report to be fed to the European Channel beginning Nov. 3. **Conus Communications** will syndicate *Minute* domestically. The Armed Forces Network has signed to air the three-minute report.

Zooming in on people

Moira Dunlevy has been promoted to senior vice president of corporate research and sales marketing at **King World Productions.** She has been vice president, research at KWP. Dunlevy joined the company in 1983 as research director and was promoted to v.p. in 1984. Prior to joining KW, she was research manager at Katz Television.

Moira Dunlevy

Deborah Curtan has been named senior vice president, current programs, comedy, at **Columbia Pictures Television.** Formerly vice president of current programs at Embassy Communications, Columbia's predecessor company, Curtan has been with the studio since 1986.

Gary Levinsohn, former international sales executive at the De Laurentiis Entertainment Group, has joined **Rich International** as vice president. Prior to DEG, Levinsohn was an executive at the financial services industry.

Janet Brownell has been named director of TV development at **Republic Pictures Productions.** Before joining Republic, Brownell spent three years at Columbia Pictures Television, initially as story analyst, then as manager, movies and miniseries.

Tom Fries has been appointed vice president of production at **Fries Entertainment.** In his new capacity, he will supervise the company's theatrical negative pickup operations. Prior to his appointment, Fries produced *Flowers in the Attic*, *Starcrossed* and *The Right of the People.*

Thomas Mazza has been promoted to executive director, programming, network television division, at **Paramount Pictures.** Previously, Mazza was vice president, research, for the television group for two years. He joined Paramount in 1983 as manager of research.

Ron Von Schimmelmann has been named vice president, television production at **MGM/UA Television.** Von Schimmelmann joins MGM/UA from the Vista Organization where he was senior vice president of production.

Michael Healy has joined **Warner Bros. Television** as director, movies and miniseries. Healy was a film critic for the *Los Angeles Daily News.*

MCA TV cable sets initial projects

MCA's new cable programming division, MCA TV Entertainment, will produce 10 two-hour movies for the USA Network's 1989–90 season and supervise production of the *The New Leave It to Beaver* series for WTBS, the Turner superstation.

The new operation, MCA's first major commitment to creating original programs for basic cable, pay and home video, is also working on the revival of *Lassie*, which has not yet found a home on cable or over-the-air broadcast TV.

The new division additionally will be working with four companies already affiliated with MCA in developing shows. They include MCA's joint venture with King World, Quantum Media, Imagine Films Entertainment and The Arthur Co. Product for cable was formerly handled by the Universal TV network division.

Operating the new division are four veteran MCA TV officials. Tom Thayer is the president; he was formerly senior vice president of films and miniseries at Universal TV. Ned Nalle is the creative affairs vice president; he had been executive vice president at Universal Pay TV.

Jim Watters is the production executive vice president; he had been senior VP of post-production for Universal Pictures. And Bob Kelley is senior VP for business affairs; he had held the same title at Universal TV.

Cable programming

Financial News Network, which will extend its *FNN: Business* into primetime, will add *FNN's Business Tonight* as an hour recap program of the day's business news from 8–9 p.m. Monday through Thursday. The new show, which will debut as part of an expanded primetime schedule beginning Oct. 31, will be hosted by Bill Griffeth. The show will also consist of a mutual fund report and segments on personal finance and business people. *FNN: Business* currently airs from 6 a.m. to 8 p.m., Monday through Friday.

Additionally, *FNN: Score*, sports information and event service, will have extended hours on the weekends, and *FNN: TelShop*, will air from midnight to 6 a.m., Monday through Thursday, and from 3 a.m. to 5 p.m. on weekends.

Showtime will air *It's Garry Shandling's Show* live on Nov. 8, Election Day, direct from production studios, at 11 p.m. EDT. Other series episodes will feature an original musical program and a visit to the set of *Frank's Place.* Guest stars to be featured in other episodes include Kurt Rambis and Tom Petty.

William L. Wallace has joined **Black Entertainment Television** as vice president of programming. Wallace had been director of business affairs for WonderWorks, Public Television children's and family consortium. He plans to launch a variety of original programming for 1989, including a late-night talk show, a weekend children's series, and a package of program specials.

Production has begun on the **HBO Pictures Third Degree Burn,** which will debut on HBO in 1989. The mystery thriller movie stars Treat Williams and Virgina Madsen.

13 initial sponsors for 'Sajak Show'

CBS-TV's *The Pat Sajak Show* is the latest entry in late night, which has become a rather busy daypart.

Set for a Jan. 9 debut, *Sajak*, a 90-minute strip program scheduled to run 11:30 p.m. to 1:00 a.m., already is on solid ground, with Tony Malara, president of CBS affiliate relations, noting that the talk show has 13 charter sponsors and has topped 85% affiliate coverage to attain "the highest clearance of any late-night program in the history of CBS."

Malara has, since the June affiliates' convention, been exhorting CBS stations to clear *Sajak*, and his efforts paid off, with outlets in Houston, New Orleans, Seattle, Minneapolis and Albany, N.Y., among those aboard. These had rejected previous CBS late-night fare. The only majors among the missing are Gillet-owned stations in Detroit, Atlanta and Cleveland, which instead chose the Paramount-syndicated *Arsenio Hall Show*.

Among the *Sajak* sponsors, Malara says, are AT&T, Bristol-Myers, Burger King, Kraft, Eastman Kodak, Quaker Oats Co., Ralston Purina and Nabisco Brands.

WB taps adman for 'Hawk' series

Warner Bros. Television, having secured a 13-week midseason order from ABC for *Hawk*, a spinoff from *Spenser: For Hire*, has chosen its producer from an unusual quarter: commercials production veteran Jerry Bernstein.

The Los Angeles-based Bernstein, who has resigned as president of the Assn. of Independent Commercial Producers and vice president of Wright Banks Films, is relocating to Washington for *Hawk*, starring Avery Brooks. (The *Spenser* series had been based in Boston.)

Spenser, which was bumped around the schedule, averaged a lackluster 10.8 Nielsen rating and 18 share; it ranked No. 72 out of 105 programs aired during the entire 1987-88 primetime season.

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TELEVISION/RADIO AGE

Station Report

October 17, 1988

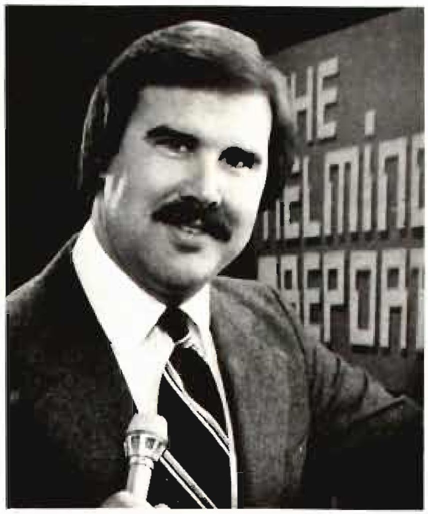
DBS feeds agricultural report to farmers

When WDAF-TV's sister company, Kansas City Teleport, started uplinking The Helming agricultural commodity and economic report to RFD-TV for redistribution to thousands of farm managers via direct broadcast satellite in late August, it was one more piece of new business for the Great American Television & Radio Co. subsidiary that got its start eight years ago uplinking Kansas City Royals baseball games for WDAF.

"All the major chemical & animal health suppliers are advertisers."

The Helming Group is a Kansas based economic and agricultural consulting firm headed by Bill Helming. His director of broadcast services, Mark Oppold, anchors most of the daily satellite feeds.

RFD-TV (for Rural Free Delivery) is a DBS transmission operation "designed to bring farmers solutions to their problems," according to its chairman, Patrick Gottsch. He adds that while his nationwide farm network broadcasts will reach only DBS dish owners initially, they may eventually be extended to rural cable systems and some low-power TV outlets.



Mark Oppold

He also has "all of the major ag chemical and animal health product suppliers lined up as advertisers." And while RFD's signal will reach what Gottsch says is "an industry accepted dish owner figure" of 2.8 million homes, he describes 60% of these as located in rural America—outside areas served by existing cable systems.

How many of that 60% are farmers and ranchers? Which ones grow corn and which grow cotton? Or raise cattle, or raise turkeys? Says Gottsch: "We'll have to find that out for ourselves. This is the first time there's ever been a DBS network for farmers. There's no Nielsen or Doane numbers for dish owners. We'll be developing it ourselves through our own interactive programs."

For instance, he says RFD's first broadcasts will offer an "almost-free" program guide. "Almost-free" means it "won't cost our viewers any money," says Gottsch. "But it will cost them the time it takes to fill out our form which asks about crops, number of acres, general demographics and the like."

Two feeds a day. In Kansas City, Bud Turner, manager of Kansas City Teleport, says RFD will be paying his operation for two feeds a day, morning and afternoon. The charge to users starts at $250 an hour for uplink to a satellite but varies by time, day of the week, satellite and frequency (there are frequency discounts for frequent use). "It's a lot less than using telephone lines to keep your reports current and frequent," says Turner. "It's the same system and charges we use for a reporter who's shooting a story here in Kansas City and wants to get it back to his station in Topeka or Omaha for his 6 o'clock news."

This the first time there's ever been a DBS network for farmers."

Turner's operation got started in the teleport business eight years ago because WDAF owned the broadcast rights to Royals baseball, "so we started downlinking their road games. Later we became a member station of Group W's Satellite News Network, and when that folded we started looking for outside business to fill the downtime when we weren't transmitting Royals-Yankees games to WPIX New York or Royals-Blue Jays games to the CBC in Toronto.

"And the business kept growing from there. Now we also feed Kansas City Chiefs football, we do two CBS News feeds a day, teleconferencing for government agencies, and one-shot news feeds for any out-of-town station that has a visiting camera crew in town."

KCET leads consortium for Hispanic TV

(*Continued from page 61*)

To enable both the Spanish version on Univision's affiliates and the English version on the PBS stations to air simultaneously (7 p.m. eastern time), former Univision news anchor Teresa Rodriguez pretaped the English version for the participating PBS stations. Funding for the dual-network effort comes from the U.S. Department of Health and Human Services.

Executive producer David L. Crippens, KCET vice president of educational enterprises, says that although Hispanics comprise 7% of the U.S. population, they represent 14% of AIDS cases reported in the last five years. "This joint Univision-Latino Consortium project will reach out to Hispanic families with the message that they can take control and become a vital component in halting the devastation of AIDS," he said.

The documentary was taped on location in Los Angeles, Miami and New Jersey, selected both because they typify the ethnic diversity within the Hispanic community and also reflect the highest incidence rate of AIDS among Hispanics.

New CBS affiliate WNHT-TV hopes to cash in on New Hampshire 'miracle'

Last February CBS picked former independent WNHT-TV Concord-Manchester, N.H., as its first new affiliate in over six years. Then on May 30 the station kicked off its first local 6 and 11 p.m. newscasts. These combined to bring WNHT a boost in national business, so now it's just appointed its first national sales representative, MMT Sales.

One reason CBS saw good potential in the station, even before it started up its own news operation, is that southern New Hampshire is one of the fastest growth markets in the U.S.

"Only part of our growth is due to the Massachusetts economical miracle. The major element has been New Hampshire standing on its own two feet."

WNHT general manager Ron Pulera says that while a lot of local residents commute to jobs in Boston, "Only part of our growth is due to the 'Massachusetts economic miracle.' And that's the smaller part. The major element has been New Hampshire standing on its own two feet with its own 'economic miracle.' This state did it with its favorable business climate and the better small town and semirural lifestyle we offer."

Pulera explains, "New Hampshire is run efficiently, so we have the lowest corporate tax, no personal income tax and no state sales tax. And we still offer a better school system."

He says this has added up to attract "clean, high tech industry and the people high tech employs—engineers and white collar technicians. That means our pay levels have to be higher than either smokestack industry or retailing, and that's what accounts for our higher household expenditure for groceries and general retail sales and so on, compared to Massachusetts—though it's true that thousands of our Southern New Hampshire residents are commuters to jobs in Massachusetts."

Money talks. Pulera says his market earned about $2.4 million in national television ad revenue and $5 million local in 1987. This year he expects the market to see $6 million in local business and $3 million in national revenue, adding, "We should get a good piece of the increased national business now that we have our CBS affiliation, our own local news, which the local newspaper critics gave a good sendoff, and now MMT, our own national rep for the first time."

Pulera's not sure yet how much his new news has contributed to the station's overall audience growth. But he does report that WMUR-TV, ABC's Manchester affiliate, "recently raised rates. And the main change for them is the same continuing market growth that benefits both of us."

He says that based on the 1986 *Survey of Buying Power*, New Hampshire could report $20,136 in total retail sales per household, against $19,436 for Massachusetts, and $4,380 in auto dealer sales per household versus $3,768 for Massachusetts. And as low as Massachusetts' unemployment rate is, at 3.9%, he says New Hampshire is even better, standing at 2.4%.

Manchester alone grew from 41,487 households in 1970 to 69,419 today. Manchester's median family income stands at $37,000.

AIDS special first

KCET leads consortium for Hispanic TV

Los Angeles public broadcaster KCET(TV) is spearheading a 114-station consortium of PBS stations located in markets with large Hispanic populations to produce or acquire Hispanic-themed television programs.

Teresa Rodriguez

But on Oct. 30 the consortium will be going a step beyond that to join forces with Univision's 466 affiliated TV stations and cable systems to present simultaneous Spanish and English language versions of *SIDA Is AIDS*. It's a one-hour documentary produced by KCET and Sylvan Productions.

(*Continued on page 62*)

Broadcast spots on AIDS

There are two more broadcast public service campaigns that aim to educate viewers about AIDS.

Will Rogers Institute, White Plains, N.Y., has shipped a 60- and 30-second PSA entitled *AIDS in the Workplace* to more than 700 stations.

Actress Morgan Fairchild says in the spots, "Any normal activity in the workplace is safe to do with someone who has AIDS," from working on the same computer terminal or typewriter to riding in the same elevator. The PSA also offers a free booklet, *About Protecting Yourself from AIDS*.

A new radio PSA campaign, themed "Take the time," has been developed by the National Assn. of Broadcasters, Washington, and Media General Broadcast Services, Memphis. The package's spots range in length from 30 seconds to three minutes.

base, which, in a major market, can reach about 200,000 names.

He also pointed out that his company has a legal opinion to the effect that the company is doing nothing unlawful. As to the element of fair business practice, Durney argues that what his company is doing is merely another form of advertising. "All radio station advertising is trying to affect the diary keeper. If you don't reach diary keepers you're wasting your time."

Does the technique work? Durney says that one quick measure of effectiveness is the degree of cooperation. "The people who cooperate are the same kind of people who will accept a diary or answer a rating service's questions on the phone." As for the rating books, if enough people switch, it will show up, Durney believes.

Durney acknowledges that the telephone is more expensive than the mass media and that his telemarketing technique is not cheap. At a $1.35 a call, a radio station has to spend from $50,000 to $100,000, depending on market size, to reach enough people to make an impact on the ratings.

Having had some success with radio TTI took on consultant Ronald E. Steiner, who operates The Marketing Communications Group out of Albuquerque, to sell a TV version. Steiner has approached about 20 stations, but hasn't had a nibble yet. "The main reason is money," says Steiner. The cost would run from about $80,000 up to $200,000 for, say, Los Angeles.

Why would a station spend that kind of money for a telemarketing campaign? One Steiner presentation, which calls for a nut of over $90,000, estimates that with an increase of one rating point in the early and late evening news the station could increase its annual revenue nearly $500,000.

The proposal says flat out that the objective of the campaign is to "Affect diary keepers (and metered households) who do a lot of news viewing," a goal that gives EMRC members the shudders.

How come radio stations will spend the money when TV stations won't? Durney says radio stations have bigger cash promotion budgets than TV stations, "who use their own air."

Appointments

Stations

Randall D. Bongarten, formerly president of NBC Radio, has been appointed regional vice president/operations for Emmis Broadcasting. As such, he'll be overseeing operations at WFAN New York and at WKQX(FM) Chicago. Before heading NBC Radio Bongarten had been vice president, general manager at WNBC New York and before that vice president/Radio Division of General Electric Broadcasting Co.

Donna Zapata has been named vice president, general manager of King Broadcasting's KREM-TV Spokane, Wash. She moves in from Los Angeles where she had been vice president and station manager of Fox Broadcasting's KTTV(TV), and before that she had been vice president, station manager at WHAS-TV Louisville.

Jay A. Rabin has been appointed general sales manager of KTVD(TV) Denver, owned by International Broadcast Systems, Ltd. He moves in from Kansas City where he had been general sales manager for KZKC-TV.

David C. Logan has been appointed director of business development for D.I.R. Broadcasting Corp. The onetime Grey media executive was most recently vice president of marketing for the ABC Radio Networks.

W. Gary McBride has been promoted to senior vice president, marketing and sales, with additional new responsibilities for managing affiliate stations of Telemundo and **Leonard P Forman** has been named senior vice president, operations and owned and operated Telemundo Group stations. Forman continues to be responsible for Telemundo Network operations and production facilities in Hialeah, Fla.

Phil Newmark, vice president, general manager of Emmis Broadcasting Corp.'s KPWR(FM) Los Angeles, has assumed the additional post of vice president, regional operations for KYUU(FM), in the process of being acquired from NBC.

Edward H. Hewson Jr. has been elected president of King Videocable Co. of Seattle. He joined King Broadcasting in 1963 and in 1965 was named manager of the then-new cable operation.

Thomas A. Rocco has joined Fox Broadcasting's WNYW(TV) New York as manager of sales development, reporting to **Rudy Taylor,** vice president and general sales manager. Rocco was formerly New York sales manager of the ABC Radio Networks.

Hypoing by phone questioned by researchers

Telemarketing—that is, selling by telephone—has become an issue in the constant quest of broadcast stations for ways to boost audiences. One particular company has come to the attention of members of the Electronic Media Rating Council, who are concerned that the telemarketing techniques employed may "distort" broadcast ratings.

The company, TransAmerica Telemarketing Inc., based in Washington, has set up a broadcast service and says that over a year's time, it has attempted to boost ratings of 28 programs on 18 radio stations. The company is trying to extend its customer base to TV stations, but has not been successful so far.

The technique essentially seeks to reach large numbers of people by telephone and persuade them to listen to or watch a particular program. The numbers are large enough so that significant amounts of diary (or meter) sample households may be influenced. If the result is that the ratings are not representative of day-to-day listening or viewing behavior, that is considered ratings distortion under the EMRC guidelines.

Thomas J. Durney, who is president of TransAmerica Telemarketing Broadcast Service, describes one aspect of the service as follows: Large numbers of small businesses (under 50 employees) are called in order to pinpoint the person who controls the workplace radio. They are asked to switch to a particular program for a week (if they don't already listen, of course) with the incentive that they may win a trip to Hawaii. Listeners get a letter from the station general manager thanking them and an entry card for the vacation contest. In a second phase of the technique, the cooperator is asked for names of his or her co-workers.

Durney, who has been vice president and general manager of WASH-FM Washington and has managed five other stations, pointed out that one fallout from this technique is to build a large data

One Seller's Opinion

Inside co-op, looking out at the broadcasters

David

Is co-op advertising a source of big revenue that broadcasters have failed to tap? The answer is: it all depends. It depends on whether broadcasters really want the business.

One of my many co-op administrative functions here at Pinpoint Marketing is to determine whether claims against manufacturer co-op programs are valid: and, if not, to give the claimee, including media, a hard time when deserved. That hard time can include: a) not paying the claim; b) cutting it back to a lower level; c) requiring more verification.

For media it can add up to extra time spent at the back end of the sale doing paper work. That's the reality. So you have to want the business enough to be willing to take solid steps in advance to avoid grief when you or your retailer file the co-op claim. You must invest in acquiring the knowhow to be able to develop enough co-op revenue to make it all worth doing.

From inside co-op, looking out at media, these six suggestions seem most likely to add meaningful dollars:

- Stop the soul searching about whether to make the investment to develop co-op. How can broadcast media abdicate a share of what must be a $10 billion revenue stream in 1989? Right now, TV and radio combined get about 18% of co-op against 65% for newspapers, Pinpoint estimates.
- Study what the newspapers do and then do it. They get 65% of co-op dollars because they are deeply involved with retailers and because they invest in specialists to develop co-op advertising. (Of course some stations do that. But where newspapers look at co-op development long term many stations give a new co-op department only six months to live.)
- Do more to build the confidence of manufacturers in broadcasting as a good co-op medium. In my days at the Radio Advertising Bureau, I thought we had done enough. Not so. Lingering doubts remain. Some manufacturers worry about broadcast and don't encourage its use. More promotion and education are needed and will pay a good return.
- Make sure your co-op sales development effort includes the same fundamentals that work in every other area of sales. Strangely, co-op is often treated as a field apart from real life. Not enough effort goes into a) selling with ideas; b) building relationships with key influentials like regional sales managers; c) building station stature with literature.
- Look for ways to provide a service to the manufacturer. Sales staffs have been down-sized. Most manufacturers know this means they are overlooking business. Can your station organize a multi-dealer promotion to save the time of manufacturer reps? The stations that provide this or other useful services will win large orders.
- Call on the industry associations to do more with co-op. At Pinpoint we often ask media organizations to notify members about a new co-op program. Some manufacturers want media calling on retailers to stimulate co-op spending. I hate to say this but: those guys in the newspaper business do it best. Radio does a lot, and is very responsive. But so far, in our experience, TV seems to give that kind of thing low priority—as if they were still back in TV's lusher days gone by.

Six suggestions. Very basic. Good luck, and if we can help you unravel a co-op problem, pick up the phone.—**Miles David,** *vice chairman, Pinpoint Marketing, Inc.*

Murray Green has been promoted to senior vice president, Television Division, Malrite Communications Group. He came to Malrite in 1977 as general manager of WNYR/WEZO(FM) Rochester and now moves up from vice president, general manager of WFLX-TV West Palm Beach, Fla.

Mike Prater is now Western regional manager for the Transtar Radio Network. He was formerly general manager of KJKC(FM) Corpus Christi and before that was with KEYS, also Corpus Christi.

Jose C. Cancela has been named vice president general manager of Spanish-language WLTV-TV Miami, succeeding **Joaquin Blaya,** recently promoted to president of the Univision Network. Cancela had been general manager of Univision's KWEX-TV San Antonio, and before that headed KTVW-TV, the Univision affiliate in Phoenix.

Robert D. Shields has been named president and general manager of Heritage Media Corp.'s WPTZ-TV Plattsburgh, N.Y. He succeeds **Carl Leahy,** now president and general manager of Heritage's WEAR-TV Pensacola, Fla., where Shields had been general sales manager.

Otis Dunnagan is the new vice president, general manager of KEYI(FM) Austin, recently acquired by Kent Burkhart's Degree Communications. Dunnagan was formerly general sales manager at KASE(FM), also Austin.

Richard Harker has been appointed general manager of WAQX(FM) Syracuse, effective with the station's acquisition by Atlantic Ventures from AGK Communications. The veteran of Duffy Broadcasting and King Broadcasting has most recently been vice president and general manager of Coleman Research.

LinaJean Armstrong has been promoted to general sales manager for Shamrock Broadcasting's WFOX(FM) Atlanta. She came to the station in 1987 from a post as sales manager for RKO/Republic Radio in Atlanta.

John W. DuBois has been named general sales manager of KICU-TV San Jose-San Francisco-Oakland. He has been with the station's parent company, the Ralph C. Wilson, Jr. TV Station Group, for 18 years and now moves up from local sales manager at KICU.

Representatives

Ed Pearson has been promoted to general sales manager, New York, for National Television Sales, Capital Cities/ABC, Inc. Pearson, who reports to **John B. Watkins,** president, National Television Sales, transfers from Detroit where he had been sales manager of the NTS office there.

Chickie Bucco has been appointed vice president, director of Katz Television's Direct Response Advertising Sales Department. She joined Katz in 1979 and has most recently been vice president, manager of the Stars sales team at Katz American Television. In her new post she replaces **Bud Bowlin** who plans to retire at year's end following 25 years with Katz.

Gary Harbison and **Marylou Goyette** have been named to new posts at TeleRep in Detroit. Harbison becomes group sales manager of the T sales team and is replaced as manager of the R team by Goyette who had been an account executive on the R aggregation.

P&G's a leader in cable spending

Procter & Gamble jumped into the lead again in June in ad expenditures on the six major cable networks, according to estimates by Arbitron's BAR subsidiary. The big package goods company has been second to Philip Morris in May. P&G continues its year-to-date lead in cable ad expenditures with an estimated total of $14.1 million, up 30%.

Total ad expenditures on the cable webs were up 13% for the first six months of this year over the same period last year. This year's half-year total came to $334,815,563. Last year the comparable figure was $266,428,242.

Among those in the top 10 for year-to date are Eastman Kodak, up 489% to $6,076,831. However, the latest Eastman total includes Sterling Drug. Likewise, Chrysler is up 292% to $5,695,750, but '88 figures include the Jeep Dealers Association. Mars was down 46% to $5,021,601.

The other six top 10 cable clients and their percentage changes for the January-to-June period are Philip Morris, up 3%; General Mills, up 21%; Anheuser-Busch, down 18%; Time Inc., up 5%; RJR Nabisco, down 14%, and Gillette, down 17%.

Spotlight On . . .

Cheryl W. Gardiner

Vice president,
Media director
Wyse Advertising
Cleveland

Wyse Advertising is the Cleveland member of the Leading Independent Agency Network and Cheryl Gardiner, a media director at Wyse, is a member of LIAN's board of directors. She says a major advantage of belonging to LIAN is that "The most current information on any market a member agency is in is just a phone call away."

She says membership is particularly useful in the case of new business: "The new client or prospective client may have distribution in some markets that aren't of major importance to our existing clients. We can call the LIAN member agencies in these markets and catch up quickly on recent developments in market growth and new industry. In the case of broadcast, we can catch up with the latest station changes: a new sports personality or weatherman at one of the TV stations, new formats or air personalities at one or more of the radio stations, particularly following a recent ownership change. And we can find out the extent of the station's promotion to support the new format. We can also find out about expansion of local cable systems into new neighborhoods. We can get a quick track on the latest supply-demand situation in respect to broadcast time inventory."

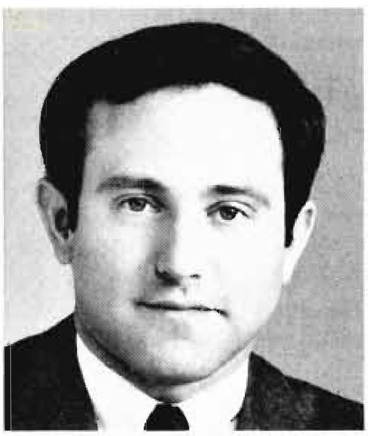
Gardiner cautions, though, that there is one proviso in all this: "The exception to all of the above is that our own clients come first, and we are all very cognizant of client confidentiality. That means that while LIAN member personnel can ask all the questions we want of our opposite numbers at other member agencies in other markets, we don't always get every question answered: only the ones that don't involve any competitive information that our own clients consider proprietary.

"Outside of that, though, our relationships with the other 18 LIAN member agencies is mutually beneficial to all. From the standpoint of our media operations, membership opens up a gold mine of information."

She adds, "The people we call are consumers in their markets as well as marketing professionals. Because we're consumers too, each of us is also tuned in to changes in the local retail picture in our own market. We see what's going on in our own local food and drug chains. And we follow the advertising of the local department stores and auto dealers and know when they have special promotions or a rebate offer going on."

FEEDBACK

Do you think the Olympic Games are too big for any one network to cover exclusively? What about permitting networks and cable services to make joint bids for the 1992 summer games in Barcelona?



"With NBC reportedly losing money, the winning commercial bidder won't want to share the Barcelona Summer Olympics. I think the three 'locomotives' will be the bidding entities at the meeting some time in November. I don't look for any of us to bid against them. But I believe there will be a cable package in Barcelona. I think you'll see just one commercial network, one cable network. Otherwise, everyone would be tripping over each other's wires. The Olympics is the only sports event not on cable. It'll be the last virgin to go."

Seth Abraham
Senior vice president of sports and program operations
Home Box Office

"The Olympics remain a terrific property and we intend to pursue Barcelona aggressively. We continue to look at cable as a partner, but there is no decision yet. Our feeling is we need to be able to control the process and to acquire the TV and cable rights so we can then decide ourselves how much, if any, cable should be apportioned. . . We will bid aggressively although the Barcelona Games will be six hours ahead and therefore pretaped for primetime. We think we will be able to put on the best events and the most dramatic moments in primetime."

Jay Rosenstein
Vice president of programming
CBS Sports
New York

"I don't think the Games are too big for one network to cover. Part of the problem is with the rights, which have gotten out of control. It's forced the networks to program more hours and show more things than the public is prepared to view. I absolutely feel as a country we should figure out a way to cover the Games and stop subsidizing the Olympic movement with U.S. television. We are paying an absurd amount for the rights, and it's time for the three networks or a consortium to be formed to decide how the Games could be divided up. There should be one bid. If divided up and instead of 180 hours on one network it was spread over five networks with 600 hours, would the total ratings be bigger and the money generated for advertising be greater than what one network is getting now? I think it would. The IOC has a regulation that only recognized networks can bid, and that has been interpreted to mean ABC, CBS and NBC, not cable services."

Don Ohlmeyer
Chairman
Ohlmeyer Communications,
Los Angeles

Wall Street Report

Broadcast stocks leaning on low side in investment firm view

More negative evaluations than positive on broadcast stocks seem to be coming out of Wall Street lately. Nevertheless, this doesn't represent an evaluation of the total industry but merely individual conditions.

On the network scene, Mabon, Nugent & Co. at least is recommending accumulation of Capital Cities/ABC stock, while it's taking a neutral position on CBS. Analyst Raymond L. Katz says, "While both companies trade at a market premium, CCB's is lower despite its projected higher growth, estimated at 27% and 15% for earnings and cash flow versus CBS' 1.4% and 2.5%, respectively.

Capital Cities/ABC outlook

	1988E	1989E
Reported earnings	$22.05	$24.80
% Change		+12.5%
Multiple	15.2X	13.5X
Premium	21%	18%
Adjusted for PPA	$19.55	$24.90
% Change		+27.4%
Multiple	17.2X	13.5X
Premium	37%	17%

E = Mabon, Nugent estimates. PPA = Purchase price accounting.

For CapCities/ABC, the analyst sees a turnaround for the TV network and thinks it can improve its profitability by $89 million in 1989. He also expects improvement at the ABC-owned TV stations.

As for CBS, he says it appears fully valued within a trading range of 155–180. He notes the stock is selling at 15.8 times Mabon, Nugent's 1988 earnings estimate and 15.5 times its '89 stock projection, or at a 25–35% premium to the market. He comments only the unlikely scenario of top-line momentum at the network would move the stock upward: "We are estimating a 3% sales increase in 1989. Should the results be at least two percentage points better, however, we would begin to reexamine our neutral ranking."

What's hurting Gannett

Meanwhile, Gannett's prospects are being downgraded at Shearson Lehman Hutton, based heavily on the ratings disappointment for the *USA Today* syndicated TV show. Comments analyst Alan Kassan, "As a result, GCI may be faced with either a writeoff if it decides to cut its losses quickly, or sustaining fairly high losses while trying to find a new format.

"Also, the basic newspaper and television station businesses remain soft. Thus, we are lowering our 1988 EPS estimate to $2.20 from $2.25. For 1989, we are reducing our estimate to $2.35 from $2.55."

Belo lowballed

Shearson is also reducing its estimates for A. H. Belo, which announced third quarter 1988 EPS would be substantially less than the 30 cents earned in the third quarter of '87, which included 15 cents from gains on asset sales. The investment firm is lowering its third quarter estimate to 5 cents a share from 20 and reducing its full-year estimate to 90 cents from $1.

Kassan says the major shortfall in the third quarter will be the TV station group, where September revenue is off sharply. Belo has three CBS and two ABC affiliates.

Warner warming up

Shearson's worst news on Warner Communications is only short-term, but Oppenheimer & Co. provides a yet stronger view of its prospects. Because of Warner's weak summer box office results, Shearson is reducing its third quarter EPS estimate to 65 cents from 71. Kassan notes this would still represent a good gain from last year's 41 cents, because of higher TV syndication income and strong gains in records and music publishing.

For all of 1988, Shearson is lowering its estimate to $2.45 from $2.50, but its 1989 estimate remains at $2.85. The stock is still one of the firm's "10 uncommon value recommendations for 1988–89."

Oppenheimer analyst Dennis B. McAlpine regards Warner even more favorably. His firm has added the stock to its recommended list and estimates EPS will grow from $2.02 in '87 to $2.70 in '88 and $2.95 in '89. McAlpine says the proposed merger with Lorimar-Telepictures would expand Warner's already strong base of television program production and would also make it a major factor in the first-run syndication market. Meanwhile, Shearson recently lowered its rating of Lorimar to a "neutral" for the long term because of the Chris-Craft suit to block the merger.

Time ripe for Time?

Kassan thinks Time Inc. is a good buy on both a short- and long-term basis. Time recently denied reports that Wasserstein, Perella & Co., along with Time's top management, was planning a leveraged buyout, and this led to a sharp sellout of shares that had moved quickly when the reports first surfaced.

Kassan speculates, "On an LBO basis, we believe Time would be worth $150–$180 per share [the range has been 66–118 in the past year]. Although this is an option TL could be considering, such a strategy could backfire if a third party enters the bidding."

Opportunities in cable

In cable TV, Kassan observes stocks have been underperforming because of concerns over reregulation and telephone companies entering the business. He says this creates some good investment opportunities, with the average cable stock trading at 60–65% of its private market value and at six to seven times projected 1989 operating cash flow.

Reporting from Hollywood

How about a little more restraint? Teamsters strike drives 4 to court

Writers picket, but teamsters tend to turn to violence. That seems to be the contrasting pattern in the latest strike which prompted four companies to seek and obtain a court injunction prohibiting **Teamsters Local 399** from using violence against film and TV production companies and limiting the number of pickets during its strike which began Oct. 4.

CBS, Cannell, Lorimar and **MTM** filed for the temporary restraining order after there were reports of bomb threats and assaults on workers outside Cannell's offices, nails were reportedly thrown at Fox Plaza and tires were allegedly punctured and slashed at the Disney and the Burbank Studios. The 2,000 member Teamsters union is joined in the strike by Laborers Local 724 and Electrical Workers Local 40 for a total of 3,200 workers on picket lines. The dispute is over rolling back hourly wages and eliminating overtime for working weekends.

Hopeful happening: **Fox Broadcasting** fed its 122 affiliates an official message of hope via a closed-circuit teleconference in which the main topic was how the company

"No. But I do believe that the rights fees should be reduced in order to have them more accurately reflect the marketplace. It isn't appropriate for the networks—broadcast or pay—to be losing vast amounts of money on the product."

Kay Koplovitz
President/CEO
USA Network

"NBC did a magnificent job and I'd do it exactly the same way in 1992. The Games are not too big for one network. In my position as an affiliate I'd like to see exclusivity remain with one network. It's very valuable."

Bob Davis
President/general manager
KMTR(TV) Eugene, Ore.
(NBC)

"As long as the International Olympics Committee demands an ever-growing commitment for U.S. TV rights, the networks are going to be forced to cover more than they should. If this continues, other solutions will be required; $400 million may be too much for any one network to pay. It would have to be carefully done, but providing preferred events to the networks could be worked out. Cable doesn't cover enough of the U.S. to get equal treatment with the networks, but their needs could be satisfied."

Michael Moore
Senior vice president,
Corporate media director
DMB&B, New York

"No. ABC Sports has traditionally done a superb job of covering the entire spectrum of Olympic events and personalities. The IOC may permit bidding under any structures it pleases. It is also likely that cable network distribution will be a consideration in any party's bid for Barcelona's rights."

Roger L. Werner
ESPN president and CEO

"I think it's inevitable that there will be participation by cable in future Olympics. Whether it's 1992 or 1996, there's no question but that it will happen."

Michael Drexler
Executive vice president media
Bozell, Jacobs, Kenyon &
Eckhardt, New York

In the Picture

Seth Zarkin

New vice president, TV programming at Campbell-Mithun-Esty, New York, talks about some of the many aspects of the networks' new marketing thrust and offers his analysis of NBC's Olympics coverage from Seoul.

Says clients need cable, syndication, but adds, webs still the place to be

Seth Zarkin, just promoted to vice president, TV programming at Campbell-Mithun-Esty, New York, figures that though there will be no political conventions, debates, elections or Olympics next year, making it "a little more of a buyer's market" than 1988, "The networks will still be the place to be."

Zarkin points out, "Because today's viewers have so many choices, a client who wants to reach everyone still needs the networks. But he also needs to add cable and add syndication. Nevertheless, for the greatest reach and impact, it's still the networks that do the job. That's why they were able to maintain such a strong upfront position in spite of the strike-delayed start of the new season."

He describes fourth quarter as tight on the networks and says the clips he's seen from ABC-TV's *War and Remembrance* "look terrific. Plenty of other people must think so, too, because it's been selling well. Advertisers want to be part of what looks like a real success. Syndication also continues to do well, especially among those younger demos. *Wheel of Fortune* and *Jeopardy* are still going through the roof."

But he adds that not every client can afford to put everything on the networks. So they "extend their reach by adding syndication or cable or radio to their network buy. Radio can be particularly useful for clients with a great 60-second message or clients with terrific music on their TV track that reinforces the recall every time people hear it again."

Cable's on its way

Though Zarkin figures the dip in network audiences "has probably bottomed out," he says the growth of cable penetration "hasn't peaked yet. Cable's on its way to getting still bigger and stronger."

Asked about the networks' new emphasis on marketing, Zarkin says it "can be a lot of different things. The networks are making more presentations to clients and agencies. They're telling clients that they better buy this show or that show 'on our network' because here's what your competitors are doing.

"And on top of a client's national commercial exposure, marketing means the merchandising extras are getting bigger. And there are more of them. It can include getting clients tickets to the new President's Inaugural Ball. It can be more direct, more product related, tying the merchandising into the buy: like arranging to get the product prominently placed on the set so it will show up on camera. Or getting client signage in the background."

He observes, "Anheuser-Busch is a master of this. Its signs dominate stadiums and ballparks to the point that cameras covering the games could hardly miss them if they tried. There's no way to measure and put a dollar value on extra product exposure like this, but it has to be worth plenty. People walk out and go to the kitchen during the commercials. They're far less likely to leave the set while the game's going on. And there's your product, in neon lights, right over the scoreboard!"

All this, says Zarkin, "builds a friendlier atmosphere. It makes the clients feel better. That makes the agencies feel better. And the networks' sales people feel better, too."

Diagnosing the Olympics

Although the Olympics ratings were disappointing, Zarkin says none of NBC's advertisers were hurt because, first, the ratings were guaranteed and "NBC is doing a good job making it up to them." Second, he says, advertisers in the Olympics "were able to reach those fourth and fifth quintile people who watch the Olympics, but outside of that, very little other commercial television."

He offers several reasons for the ratings dip: "From my own standpoint as a viewer, there was too much switching, too soon, from one event to the next. If you're a basketball fan and they suddenly cut from the middle of a game to synchronized swimming, NBC is going to lose viewers."

He also observes that when previous summer games "were actually held during summer, when school was out, the kids could stay up late and watch. They could sleep the next morning. But when it's September, the parents yell at the kids to do their homework and get to bed early so they can roll out early the next morning." Zarkin points out that in September, the Olympics are competing for attention among sports fans "against professional football, *Monday Night Football*, college football, and baseball that was getting close to the playoffs. So now the question is, 'Who's going to pay how much for the next summer games in Barcelona?' "

In his new post, Zarkin supervises buys for all New York clients. He says every one of the agency's New York clients is on network television, all of them buy cable, some are in syndication, some do local sponsorships, and about a quarter of them are on radio. He adds that most of the agency's Detroit clients are also on the TV networks: Automobiles and the beers are two of television's hottest categories."

Zarkin joined Campbell-Mithun-Esty in 1983 and was promoted from account supervisor, TV programming.

planned to increase its ratings and strengthen its series.

Print connection: **NBC** has committed more than $1 million in advertising to the new **TV Week Network,** national ad service linking 33 Sunday TV newspaper supplements. The company is owned by Tribune Media Services, with Western States Associates handling all marketing and sales.

Century mark: Two series, *Brothers* on **Showtime** and *Who's the Boss* on **NBC** have taped their 100th episodes. *Brothers*, in its fifth season, is the first cable series to hit the century mark. *Boss* is also into its fifth go-around. Heading toward its 100th episode next spring is *The New Leave It to Beaver*, in its fourth season on Turner's **WTBS** superstation.

Production notes: *Jake and the Fatman* is filming its second series for CBS in Hawaii . . . *Dallas*, going into its 11th season on CBS, has George Kennedy joining the cast . . . *The Van Dyke Show*, new venture with Dick Van Dyke and his son, has begun taping for CBS . . . *Newhart*'s seventh season is underway for CBS . . . *Life After Gold*, one-hour syndicated special examining how Olympics athletes are affected by winning in the games, is being produced by **Golden Gaters Productions,** sports program specialist . . . *Cheers* has begun production for its seventh season on NBC . . . *Hee Haw* enters its 21st season of syndication on 200 stations . . . *Falcon Crest* returns for its eighth CBS season, with Philip Parslow as producer and Camille Marchetta excecutive producer.

the marketplace

Sky high

The international ad agency Foote, Cone & Belding is so high on the potential for the European medium-powered DBS satellite ASTRA, that it now predicts in its report to European clients that "with 130 companies building receiving equipment around Europe, it is our belief that as many as 40% of Europe's homes will be receiving satellite delivered channels (by cable or DBS) by the end of 1992."

That's a much higher estimate than what's been previously suggested, but FCB bases its bullish prediction on "three key dynamics:" The low cost of individual receiving equipment, faster than anticipated cable growth and rapidly changing wealth and lifestyles.

Mr. Fussy

Fussy, a bit quirky, very fashion conscious, certainly rich, but most importantly, he's good, very good. That's the short version of a pretty even-handed feature about NBC *Today* host Bryant Gumbel in the October issue of *Manhattan, inc.*

It's all second-hand stuff, though, as the buttoned-down and buttoned-up $2.5 million-a-year man posed for a photograph or two for the magazine, but didn't do much, if any, talking to writer Richard Zacks.

The article sheds no new light on Gumbel's estranged relationship with *Today* co-host Jane Pauley or his brother Greg. Too bad.

Bryant Gumbel

Ted Koplar: *In control at KPLR-TV*

Betrayed or misunderstood?

Ted Koplar's ambitious plans for building a communications empire, especially by expanding his TV station ownership, got an unexpected jolt when his broadcast division president Barry Baker and business affairs chief Larry Marcus walked the plank.

Baker and Marcus attempted an in-house coup, failed and were immediately fired by Koplar.

Baker, who also was vice president/general manager of KPLR-TV, Koplar's big independent in St. Louis, walked up to Koplar while the two were in New York recently and handed him a sheet of paper with some numbers on it. "What's this?" Koplar asked. Baker said it was an offer for KPLR and the Sacramento independent, KRBK-TV.

"It hit Ted like a bolt right out of the blue," said one of Koplar's friends. "He was shocked . . . totally surprised."

Koplar hired Baker five years ago and made him general manager of KPLR despite his total lack of TV experience. Baker was part of the Koplar team, leading the station development/acquisition planning, while the other major player, Brian Lacey, headed Koplar's production/distribution business, called World Events Productions.

Baker formed a new company with Marcus, Better Communications Inc., and hit Koplar with it right between the eyes.

"I made a bid in good faith," Baker told the St. Louis Post-Dispatch. "I thought it was possible. If I didn't think there was a chance in hell, I wouldn't have bothered."

Replied Koplar: "I feel betrayed from a personal point of view. I personally felt very close to Barry."

Round 2

Washington Post TV critic Tom Shales and *The Washington Journalism Review* continue to slug it out. In round one, fought in the September issue, *WJR* let loose a murderous barrage against the Pulitzer Prize winning critic by accusing him of playing it a bit too cozy with CBS (TV/RADIO AGE, Sept. 19).

Round 2 is fought in the October issue, with Shales replying: "This is the kind of sleazy, degenerate journalism *WJR* ought to be deploring rather than practicing."

But wait, the round's not over. Suddenly, Bud Rukeyser jumps into the ring, calling the *WJR* story a case of "journalistic mugging" by using "a string of unidentified sources to puff up a shaky premise into a four page trashing of Tom Shales."

Rukeyser, formerly head of NBC's PR machine, and now doing the same thing for his former NBC boss, Grant Tinker at GTG Entertainment, makes a good point; but coming from one about whose company and TV shows Shales frequently writes, it's a bit unsettling.

They said it

"They're going to have to earn their way onto the air." —*CBS News producer Brian Healy commenting of on the lack of substance from the Bush/Dukakis campaigns.*

"We've bred a group of political writers who can't write a story without a poll." —*From an article "Are the Polls Out of Control?" in the October issue of "The Washington Journalism Review."*

Witch hunt?

The Caucus for Producers, Writers and Directors is trying to find out which network executives have been responsible for "unreasonable creative interference" with the Hollywood creative types.

A hit list of 57 network executives is being put together by the caucus.

The caucus says its "research" is aimed at turning up "clues to some of the vexing production problems resulting from too much creative interference."

At the same time, the caucus says it wants to identify those network executives with whom caucus members have had "a unique positive experience."

Washington Report

Minority ownership continues to surface as broadcast license issue

As another congressional term comes to a close with the usual last-minute confusion and shenanigans, a court case to be argued just before Thanksgiving centers on one of the results of those 13th-hour activities. And it shows again the irony often present in government acts.

Last year, when the Congress was attempting to end its first session and get out of the capital for the holidays, it passed with almost no discussion a paragraph of words that had the effect of nullifying a court case and overturning FCC policy.

The language, attached to a measure appropriating funds for the FCC for the fiscal year that has just ended, had the effect of saying the FCC would just have to ignore a court order that it review its policies concerning minority ownership in broadcast stations.

Congress said it was mooting the case because it was changing the law to embody FCC rules as they read before Sept. 12, 1986, when the commission discarded minority ownership as a criterion in comparative renewal cases.

Congress had become incensed with the FCC for fighting the efforts of a minority female to be given preferential consideration for a broadcasting license. The FCC then asked for the case, Steele vs. FCC, back so it could "consider questions concerning its constitutional and statutory authority for awarding comparative preferences based on race and gender."

Two months later, when the matter still had not been resolved, Congress returned the minority-preference ownership rules to their pre-Sept. 12, 1986 state. The issue was over, at least the Congress felt.

Matter still not closed

But the matter is not yet closed. The U.S. Court of Appeals in Washington, D.C., gets another look at the matter when it hears oral arguments Nov. 21 in the case of Winter Park Communications vs. FCC.

Before dropping its preference rules, the FCC's review board had overturned an administrative law judge's ruling in granting a license to one of three competing applicants for a new UHF station in the Orlando, Fla., area. Winter Park Communications, Inc. already had lost its bid for a diversity preference on grounds its city of license was to be Winter Park and not Orlando. That preference was discarded because all three stations were going to serve the Orlando metropolitan area.

Everything then came down to minority preference criteria. Winter Park received only a 10% part-time integration credit, while Rainbow Broadcasting Co. and Metro Broadcasting, Inc., received integration points. Rainbow got 90% for fulltime participation of minorities and Metro 79.2% fulltime and 19.8% part-time.

The ALJ had judged Rainbow to be qualitatively inferior to Metro and awarded the latter the license. The FCC review board rejected the award, however, and offered the license to Rainbow, because of "Rainbow's substantial minority preference."

Winter Park went to court, and while it was there, the FCC changed its policy, leading to the Steele case, then asked for the Steele case back and then dropped everything because of the congressional mandate. That put the Orlando dispute back on the Mass Media Bureau docket again, and the FCC stood by its earlier order.

Ironically, one of the arguments the FCC, forced to adhere once again to minority-preference criteria, made in its brief before the Appeals Court, is at variance with the position the FCC had taken in throwing out the preference in the first place.

The brief states, "the fact that Congress has enacted legislation which requires the FCC to continue this policy supports the constitutionality of the minority enhancement policy." It then offers a lengthy supportive case for awarding the license to Rainbow based on minority preference in the first place.

Question of constitutionality

The FCC even bypasses the question of the constitutionality of the latest congressional action and supports its action by referring to past court decisions, including one in the same court that "expressly held the minority preference 'easily passes constitutional muster.'" The agency also offered that the U.S. Supreme Court "has held that 'the widest possible dissemination of information from diverse and antagonistic sources is essential to the public interest.'"

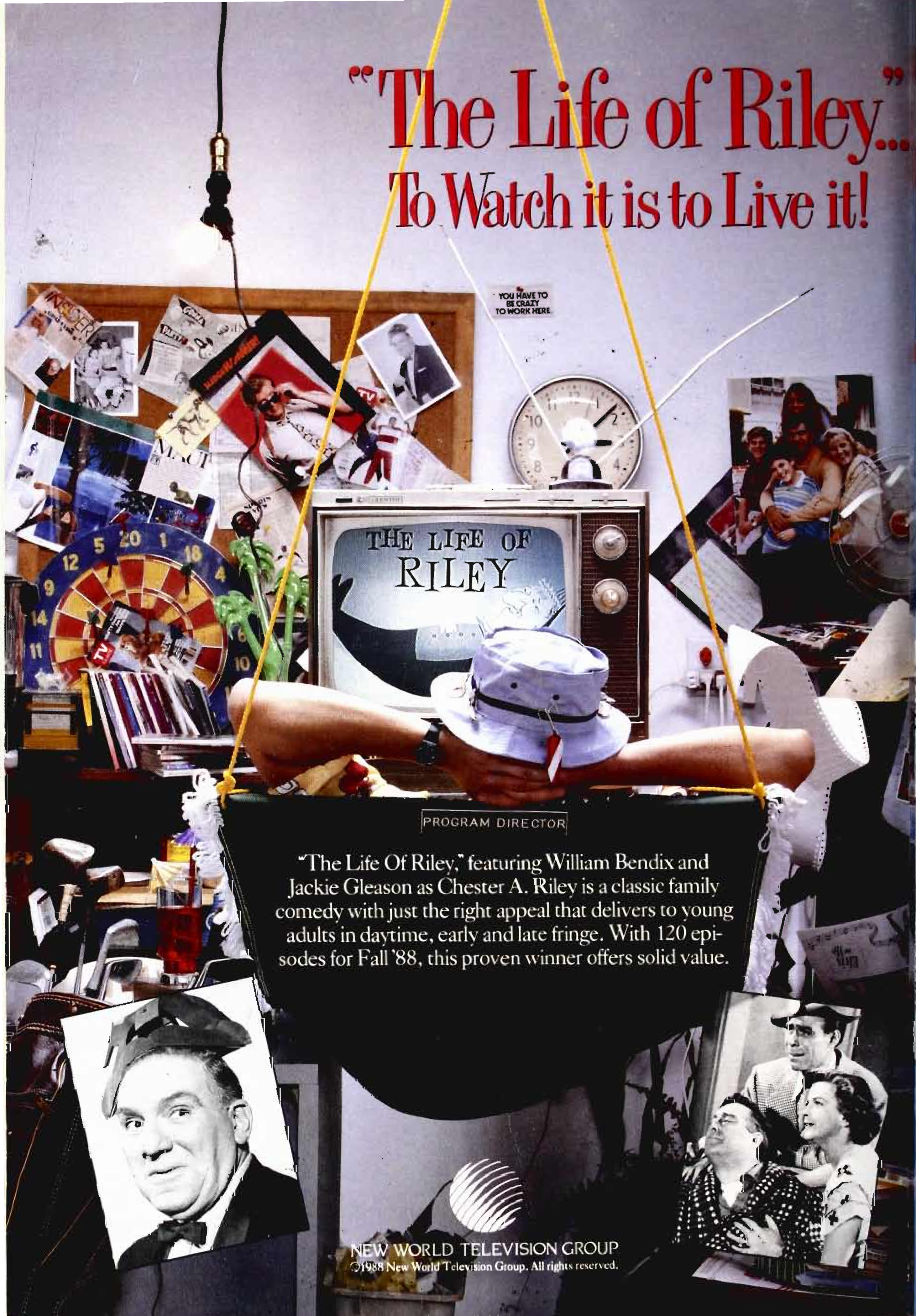
The commission's brief goes on to explain that the Congressional mandate caused a reversion to the FCC's previous policy as it stood in its entirety before September of 1986.

It says, "The commission has also tried to narrow the scope of the preference policy by using structural methods—i.e., ownership diversity—to increase viewpoint diversity, thereby avoiding government intrusion into the regulation of program content...

"The FCC policy of limited consideration of race as one factor in the competitive analysis of broadcast applications strikes a reasoned balance between the important First Amendment considerations of diversity and minimizing government intrusion into broadcast program content and the Fifth Amendment's equal protection component.

"Further evidence of the narrow tailoring of the minority preference is found in the fact that no credit is awarded unless the owner will 'devote substantial amounts of time on a daily basis' to the management of the station. Thus, the weight given to minority ownership in a comparative proceeding bears a direct relationship to the extent to which those owners are involved in management of the station and can be expected, as a result, to have an impact on the station's programming."

The federal courts now have a chance to say whether the FCC is correct in the stance it has taken.—
Howard Fields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