

# Television/Radio Age

## BROADCAST REGULATION

## FCC, NAB, CONGRESS TRY TO PULL IT TOGETHER

Dramatic shifts at FCC/31;  
broadcasts's taxing issues/34;  
NAB's battles/38; forcing kidvid/41

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# Television/RadioAge

April 17, 1989

Volume XXXVI, No. 19

## BROADCAST REGULATION

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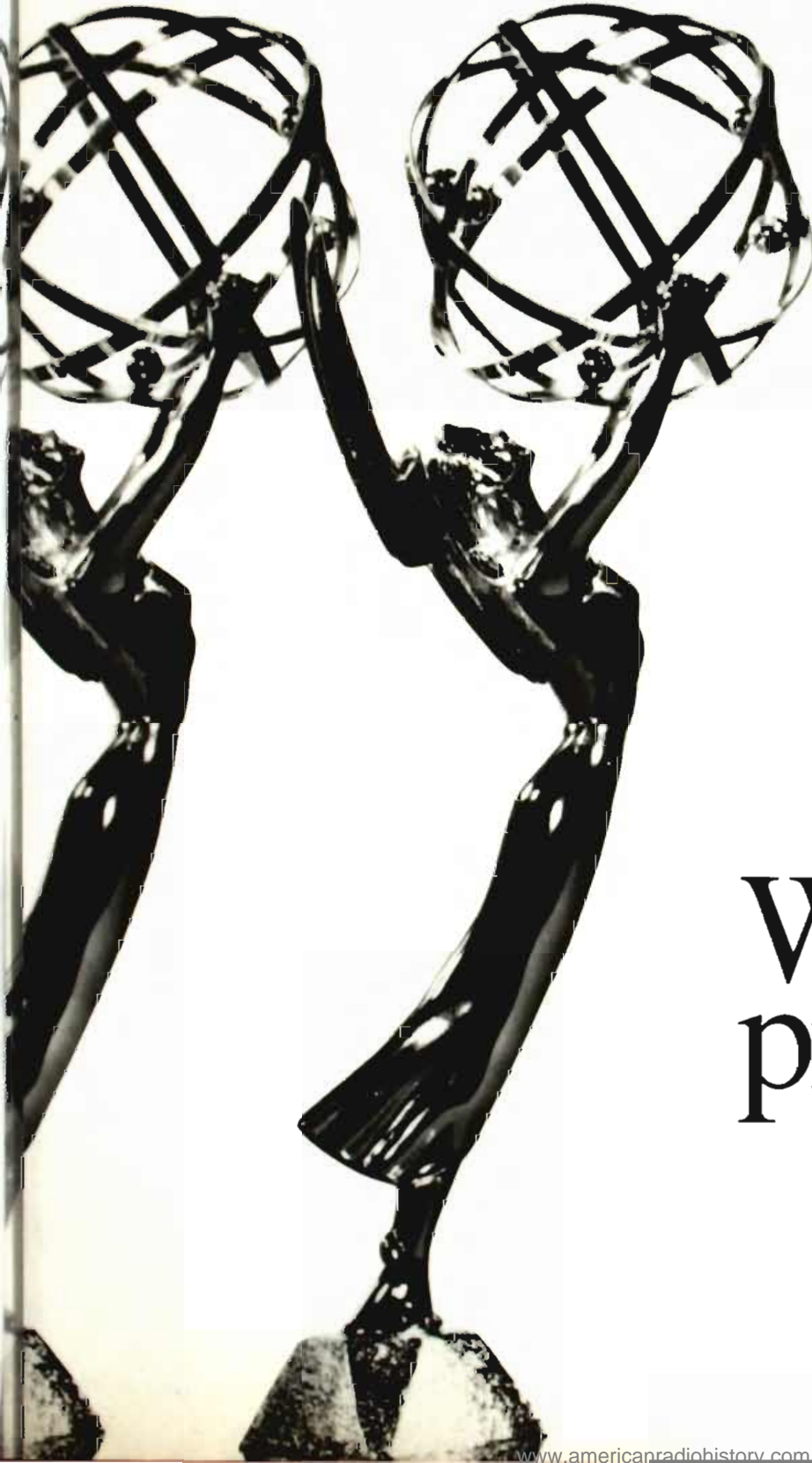
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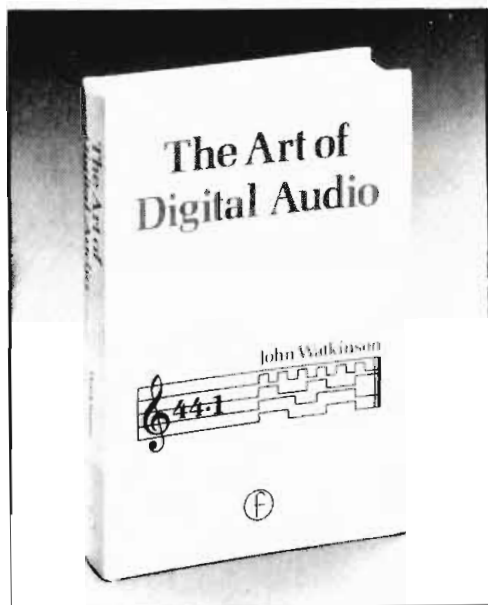
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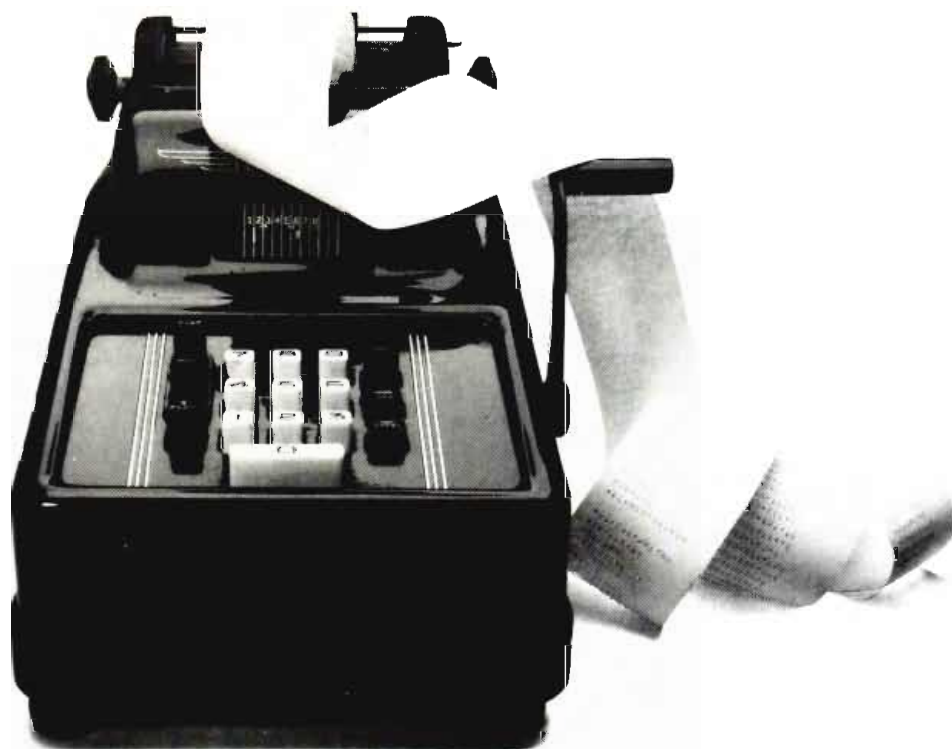
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# Publisher's Letter

## Biggest NAB display of HDTV equipment reflects concerns

As the battle over high-definition TV heats up, it is not surprising that the National Association of Broadcasters' equipment exhibition in Las Vegas will be putting on its biggest display of HDTV hardware. There will be not one, but two, special exhibitions of such equipment in conjunction with the NAB annual conference.

The special HDTV showing in the exhibition proper will cover about twice as much space as last year's. In addition, a separate exhibition by the 1,125/60 Production Group will be held at the Tropicana Hotel, promoting the Japanese-developed production standard. But that's not all. There will also be HDTV hardware on display at individual company exhibits.

Considering that the broadcasting of HDTV in the U.S. is years off, this is a dramatic reflection of a number of competitive concerns. There's the concern that the existing U.S. terrestrial TV structure will be bypassed by cable, by VCRs or by satellites. There's the concern that the U.S. electronics industry will lose a critical foothold in a technology that will not only be economically important in itself but will generate fallout in other industries. On the other side, there's the concern among those supporting the 1,125/60 HDTV format that it will lose its strong lead, being currently the only HDTV system with hardware available.

The first real potential competition to 1,125/60 will appear at the '89 NAB convention, as first pointed out in our last issue. This is hardware for an "entry level" version of NBC's Advanced Compatible Television (ACTV) system, initially developed at the David Sarnoff Research Center. NBC has already applied to the Society of Motion Picture and Television Engineers for approval of its 1,050/59.94 system as a production standard, thus joining the 1,125/60 standard.

**Other systems.** There are, of course, other HDTV systems being developed in the U.S.—over a dozen and a half. It is indicative of the lagging U.S. HDTV effort that there is as yet no clear direction for its development. Evaluation of the various proposed systems by the Advanced Television Test Center will not begin until the last quarter of '89 and some of the systems may not be ready for testing until the end of next year—if then.

Meanwhile, the Europeans have settled on the broad outlines—and some of the details—of their HDTV system, spurred by the determination of their electronics industry and backed by the resources of the Eureka project. And the Japanese will begin transmitting HDTV by satellite next year.

As for current technology—that is to say, what's on sale or proposed for sale at the NAB show—there's plenty to be said about that. Digital video recording equipment will be much in evidence. The D-2 format, developed by Ampex and Sony, is being heralded as the future workhorse of the industry. However, Panasonic will demonstrate a new digital format employing half-inch tape (D-2 is three-quarter-inch), thus proposing a third digital format. This is on top of the bewildering array of analog recording formats that have been developed in half-inch, three-quarter-inch, one-inch and two-inch tape.

And that's only in the recording domain. CCD (solid-state) cameras, Klystron and improved klystron UHF transmitters, automation, digital effects and other technologies testify to the rapid evolution of broadcast equipment. Engineers will have plenty to think about.

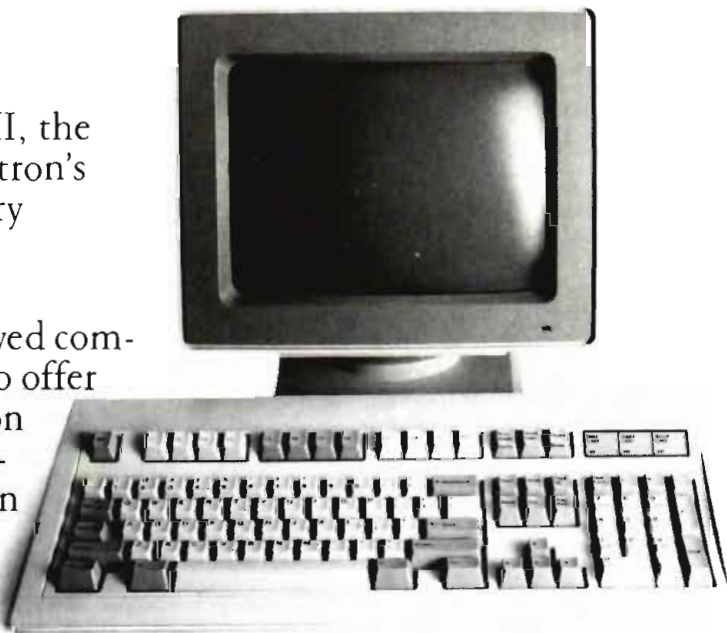




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# Letters

## France's quotas

I read with great interest your article entitled *France's New Maginot Line* in your March 6, 1989 edition. Certainly the announcement of more stringent quota limitations on the import of television programs into France should be of great concern, not only the American producers, but also other production sources outside of the European Economic Community. However, your reporter is incorrect when he states that France has the "reputation as Europe's most restrictive country." The United Kingdom has had a quota limitation ranging between 12% to 14% on imported program product for over 30 years.

This latest announcement by the French is another indication of the fact that our so-called trading partners believe that they can inflict any kind of restrictions on American products that they so desire since there will be absolutely no reaction from the United States government. I am sure that the present administration will adopt the usual supine posture that we have had in the past in respect of limitations placed on American products by the Japanese, the British and others.

I agree with several of those quoted in the article that if the American government doesn't do something about this now we will have a real problem in dealing with the EEC in 1992 when all trade barriers among the members of the European Community are lifted. In this matter I would not lay the blame on France but rather on the United States Government because it will allow it to happen.

KEVIN O'SULLVAN  
President  
Kenmare Productions  
Westbury, N.Y.

## Happy pioneer

This note is all too tardy, but I hope you will understand when I explain that I have been traveling constantly for the past three weeks.

The piece that you have done on our 40 years of WGN Television is a genuine "work of art." It is well

written, all encompassing and represents splendid recognition by TV/RADIO AGE of this pioneer property of which I am so very proud and for which I am grateful I had such a role over most of that 40-year period.

WARD L. QUAAL  
The Ward L. Quaal Co.  
Chicago

## Radio's 'golden' days

Enjoyed your *Publisher's Letter* (Feb. 20) so much on Stan Freberg. Remember, even before Freberg, Joe and Ralph on CKLW? They refused to move to New York, or they could have been on the Mutual network back in the '40s. You are so right about Madison Ave. or Michigan Ave. or Century Plaza.

I'm still happy I left the air in '59 and went into the business end of broadcasting. We really enjoyed the *golden* days of radio. I haven't seen a copy of TV/RADIO AGE in a long time. It looks like a new format... fresh and looks great. I finally retired a couple of years ago and moved here.

EDDIE CHASE  
Vista, Calif.

## Make 'em laugh

Regarding your Feb. 20 *Publisher's Letter*. Professional comedians in commercials was introduced by us in Cleveland, Ohio in 1947 with Henny Youngman. The client was a furrier. It was done before tape, so we put Henny's voice on a 16-inch ET (electrical transcription).

We both got paid in furs.

We have been using Henny continuously since that date. He has sold Jaguars, Ramblers, MG's, Oldsmobiles, real estate, all of which we produced.

So, for 42 years, we have been selling products and making people laugh and winning awards along the way.

EDGAR S. SPIZEL  
Advertising and public relations  
consultant  
San Francisco

## Tricky concept

Thanks for the very clear explanatory piece on *The Word*. (*Radio Report*, TV/Radio Age, March 6). It's a tricky concept to convey without time charts, rotation schedules, and demo tapes.

As you noticed, our presentation tape has only one spot from each personality. We're preparing another tape, "... more words," with three new spots by each of the six experts who'll be in the first packaging of *The Word*.

John Biggs and I certainly appreciate the straightforward, reportorial coverage TV/RADIO AGE has been able to give us.

DON BUSTANY  
Bustany Biggs & Co.  
Los Angeles

## Fond memories

So many occasions have come and gone when I have not written to you. But there is no way I could pass up your special hundredth anniversary salute to The Katz Agency! What a great idea, and how many fond memories your pages brought back.

LAWRENCE H. ROGERS II  
St. Jean-Cap-Ferrat, France

## Spanish media

Solely for the sake of the record, and with nothing but admiration in my mind for the daring, ingenuity, and energy with which the owners of WSKQ AM & FM have assembled their New York Hispanic media, we must remember that the first attempt at Spanish-language FM programming was made by WHOM when its owners acquired a long-established New York channel operating on 92.3 MHz sometime in the '60s and paired it with WHOM-AM (WJIT) to serve the Spanish-speaking audience.

WHOM-AM is now WJIT, and 92.3 is no longer Spanish, but it was WHOM-FM which "hizo la historia" in New York 20 years ago.

Just to keep things straight.  
ARNOLD HARTLEY  
Key Broadcast Management  
Garden City Park, N.Y.

## Just a fluke

This subscription was ordered by a jerk who is no longer working for me. The reason why he is no longer here is because of things like your magazine. Why should a small Florida fish dealer need a magazine like yours?

HARRY H. BELL, JR.  
President  
Harry H. Bell and Sons  
St. Petersburg, Fla.

**“Come on General, how many Indians could be out there?”**

**“Relax, they’ll never get those elephants over the Alps.”**

**“The Yankees? Too many injuries to win it this season.”**

**To be underestimated is to be halfway home.**

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George Grande Tom Seaver Phil Rizzuto



### Sony getting into systems selling with new lines; portable DVTR seen

Sony Communications Products Co., which sells and services broadcast equipment, will be taking on a new marketing role, come NAB.

It's systems selling and comes into play as a result of Sony entering two new product areas. They are digital effects and broadcast production switchers. This provides Sony marketers with almost a full complement of studio equipment, with about the only lines missing being distribution amplifiers and routing switchers.

Peter Dare, vice president of product management, says Sony will "probably" get into the "electronic turnkey" business. He distinguishes this from a full turnkey operation, which would involve studio design and construction.

The new product lines will probably not be the highlight of the Sony exhibit, which will feature no less than 39 new products. From Sony's point of view, the most significant new products will be the DVR-1, a 22-pound portable video tape recorder employing the D-2 (composite digital) format, and the BVP-370, a CCD studio/field camera, equipped with Sony's frame interline transfer (FIT) imager.

**VTR advance.** The DVR-1 is Sony's and probably the industry's first probable digital VTR. The battery-operated machine uses 60 watts, will accept both small and medium cassettes (30 and 90 minutes, respectively) and will run about 100 minutes on one charge. It's priced at \$37,000 and is scheduled to be available next January.

The new camera is being shown to get industry reaction, being somewhat pricey (\$90,000 including the camera control unit). It could be available during the first quarter of next year. A cheaper version, the BVP-270, employing the interline transfer image and priced at about \$75,000, will not be shown, however.

Sony's new digital effects unit, the DME-9000, is described as offering "a giant step in digital picture manipulation." With this unit,

the operator can create and form 3D objects in real time, using simple controls and can rotate the object along any axis—among other features.

However, it is expected to be quite expensive, running around \$350,000.

### New WWOR-TV GM looks ahead to better season

"As good as this season has been for Channel 9, next season will be even better," says Michael B. Alexander, new general manager of WWOR-TV New York.

Alexander takes over from Lawrence P. Fraiberg, president, MCA Broadcasting, who has also been WWOR's acting general manager. That puts Alexander in charge of sales, programming and overall station operations. And he will continue as executive vice president of MCA Broadcasting.

The reason Alexander expects next season to be even better, he explains, is that *Who's The Boss* and *Silver Spoons* will join *Cosby* and *Kate and Allie*, "to give us a full two-hour sitcom block from 6 to 8 p.m. starting this fall.

Alexander also expects to start seeing a return on WWOR's investment in its new separate Target Sales unit. Says Alexander, "We brought Barry Frey in from Turner Broadcasting to head it up. He's examining a number of approaches. They're all research based, aimed at making WWOR a marketing consultant to our retail advertisers. But we haven't decided yet which of the marketing companies we're going to go with."

### Los Angeles up

Due to a typographical error, the BAR estimate for local TV billings in Los Angeles last year was dropped in the April 3 *Final Edition*. The correct figure is \$461.0 million, up 1.0% from '87.

### Martin Himmel footing media bill for health crusade

Martin Himmel, who sold his health and beauty aid distribution firm, Jeffrey Martin Inc., in December 1986 and divulges a personal worth of some \$100 million, is digging into his own pocket for a broadcast antismoking crusade. The messages include testimonials on lung cancer and a spot on voice-box cancer.

Over the next three months, he tells TV/RADIO AGE, he's buying airtime valued at \$200,000-to-\$500,000, but the veteran user of air-



Martin Himmel

time notes he's dealing with otherwise unsold inventory and negotiating some relatively low prices. So far only one TV station, WJLA-TV Washington, is involved, but Himmel says that he's reaching 50-70 million homes nationwide on radio networks and stations.

He has bought time, he reports, on ABC's *Direction, Information, Entertainment* and FM Networks, the Larry King show on Mutual, Westwood One and WOR(AM) New York, among others. He notes that one station, WMCA(AM) New York, has agreed to run the spots at no charge. Beyond the three-month period, Himmel hopes to continue with corporate and foundation support and also move on to other health-related subjects.

The current campaign is produced by "guerrilla marketing expert" Tony Schwartz. Some of the spots carry the sanction of the American Heart Assn., and all note they are paid for by the Martin Himmel Health Foundation.

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The Westar fleet acquisition is one more reason why Hughes Communications continues to set new standards for the broadcast and cable industries. If you'd like to know more about our new satellites, or about our Galaxy system in general, contact the Galaxy/Westar Program Office at 1-800-824-8133 (in California, 213-607-4300).

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## WNEV-TV's Ed Bell, as new APB head, eyes tabloid journalism, news access

Ed Bell, managing editor at WNEV-TV Boston, now is wearing a second hat, having been elected president of the Associated Press Broadcasters board. During his two-year term, Bell plans to explore the issues of news access and tabloid journalism.

When asked his objectives for his APB term, Bell replies that he wants to focus on the news media's problems with access and also "what's entertainment versus what's news." The tabloid news magazine trend in syndication, he fears, already is having an impact on the hard-news side of TV. "I think in some places the lines are blurred. [Viewers] sometimes confuse the two [news and programming on individual stations]—as also happens with the entertainment section versus the front page or editorial pages of newspapers." However, he sighs, "I frankly don't know the answer" to solving that problem.

Bell also would like APB to develop "ground rules" for news media's access to news stories related to events whose TV rights are held by others, for instance, the 1988 Olympics in Seoul and Calgary. Broadcast coverage in the courts is another subject worth exploring further, he feels.

"Some [of his goals] have sex appeal, some don't," he continues. One that does not is his desire to improve internal communications within the Associated Press Broadcasters operation. "One thing we need internally is to establish closer relations with our state AP associations," which Bell describes as "kind of a loose confederation" today. "We want to try to devise ways to communicate with the state presidents and get their input on national issues."

**Star wars.** Bell, who will become the APB's advisory panel president after his current presidency expires in 1991, is not overly concerned about the high salaries paid to news

people at the network and station levels. Despite CBS News' signing of Connie Chung and ABC News' luring of Diane Sawyer with multimillion-dollar TV contracts and despite many local news anchors in major markets also being paid seven-digit salaries, Bell states, "Certainly it's the American way to get as much as you can for your services. I don't think anyone would fault someone for trying to get what they can. Network and local TV is big business, and to get an audience you need people on-screen who are going to attract viewers." He expresses just one concern: "I hope, with the escalating salaries, that those gathering the news don't lose the 'common touch,' or rise above the fray. We need to be vigilant about that."

WNEV-TV's managing editor for nearly a year, Bell says he has not noticed cost-cutting programs having any major impact on stations' local newsgathering efforts, "except perhaps in the smaller markets. Boston has expanded coverage... It's a double-edged sword, really," he adds, since those outlets that are trimming costs in these leaner economic times "will rely more on AP to provide a certain amount of news."

In his WNEV post, Bell coordinates the New England News Exchange, a 10-year-old regional consortium of 38 news agencies, including newspapers, radio and TV stations in six New England states. As such, he notes that "we have not run into conflicts" arising from covering stories for the Exchange and the CBS network's NewsOne affiliate newsgathering service. "We've kept our commitment to both," he adds.

**Multimedia background.** Like the consortium, Bell's background has been in print, radio and TV. The exec, who began his broadcast career in 1969 as a reporter/editor with WBZ(AM) Boston, becoming its news director in 1974, moved on

to a similar position with WHDH(AM) Boston in 1979. Prior to his radio days, Bell spent 11 years on the print side, primarily as a reporter with *The Salem Evening News*.

He has found that multimedia background helpful. "The broader your background, the better you are," he observes. "My radio contacts continue to serve me well in TV, and also with AP, where we run one of the largest radio networks, wire-serving 5,000 stations. I think my supporters [for the APB presidency] saw that [diversity] as one of my pluses."

Bell also teaches on the adjunct faculty of Boston University's School of Journalism.

WNEV-TV's Ed Bell



## Viewers want more health news —reported by docs

Television viewers can't seem to get enough health and medical news. In fact, they would like to see more such information on their newscasts—preferably reported by a medical doctor.

According to a survey conducted by Frank N. Magid Associates for Ivanhoe Communications, Orlando, Fla.-based producer and distributor of health-related news programming for TV stations, 85% of 790 respondents "have seen health reports on local news and would like to see more such reports" and also prefer a doctor as the most credible presenter.

## CBS turns a new page with Time, several other magazine tie-ins

CBS has lately been busy forging new arrangements with TV's one-time enemy—the magazine industry.

CBS and Time Inc., for example, plan to cosponsor seminars for advertisers on “the shifting American marketplace”—in Detroit, Chicago and New York on May 5, 10 and 12



**CBS' Tom Leahy**

respectively, according to Tom Leahy, president of CBS Marketing, and Reginald Brack, chairman/CEO, Time Inc. Magazine Co.

The sessions, presented by Dr. Ken Dychwald, CEO of New Age Inc., a California consultancy, will show how marketers “must shift from a youth focus” and toward older consumers in the 1990s. According to agency execs, CBS has long been known for skewing toward 50-plus viewers more than its network rivals. In the past five years, CBS has emphasized the importance of the 25–54 demographic over the 18–49 breakout and its execs claim success in winning over advertisers to its thinking.

Interestingly, in another magazine-related development, CBS also will air a primetime special, *Diet America Challenge*, on April 28 at 10 p.m. (ET). This show, co-produced by GTG/East—the Gannett Co./Grant Tinker venture—and *Family Circle*, a New York Times Co.-owned women's magazine, will focus on dieting. The Cheryl Tiegs-hosted hour also will include coverage of the magazine's Diet America Challenge Sweepstakes. For more than a decade, NBC has covered the *Family Circle*

Cup, a pro tennis tournament. Its sponsors buy combination packages of time and space from NBC and *FC*.

CBS continues to air periodic *People Magazine on TV* specials, one-hour magazine-format shows inspired by the Time Inc. weekly publication. CBS' April 19 telecast will cover Robin Givens, Carly Simon and the young Kennedy clan.

In yet another TV-print link, ABC's *Day's End*, a late night series being tested on a half dozen affiliates, has licensed some *Reader's Digest* features for use in program segments.

## NBC's 'Generations' now targets Europe after slow U.S. start

NBC International, having made its first non-U.S. sale for the *Generations* soap opera—to the Canadian Broadcasting Corp.—next will focus on other English-speaking nations and on western Europe.

So says Sally Sussman, Burbank-based creator and executive



**NBC's Sally Sussman**

producer of the newest NBC daytime soap, the first to feature black as well as white families. Sussman, who will attend MIP-TV with Mike Perez, vice president, sales at NBC International, New York, adds that Australia, Asia, Africa and the Caribbean are among other primary overseas markets.

Although she claims not to know how much promotional support NBC is putting behind *Generations*—other sources put it at \$1 million-plus—Sussman does say that NBC International plans to

## P&G leads list of top 10 cable web advertisers

Procter & Gamble led the list of top 10 advertisers on six major cable networks last year in a roster released by BAR. The package goods giant was credited with \$30.2 million in expenditures, up 27.4% over '87.

Biggest percentage jump among the top 10 was garnered by Eastman Kodak, which acquired Sterling Drug last year.

The photographic equipment spent an estimated \$11.0 million, up 331.1% from the previous year and ranking seventh.

advise those overseas broadcasters that buy the show on how best to promote its introduction, perhaps adapting the U.S. campaign to the various local environments.

In general, she notes, U.S.-made daytime dramas “do very well abroad. *Santa Barbara* is No. 1 in France.” Their high ratings are due in part to the fact that many European broadcasters carry the soaps at night, she points out.

**Slow start expected.** Although *Generations* began in the U.S. with 97% coverage of TV households, well above *Santa Barbara's* bow five years ago, the premiere-week Nielsen ratings for the week ended March 31 put *Generations* 17th among 21 daytime programs. Its 3.1 rating/11 share ran far behind CBS' *The Young and the Restless* (No. 1 for the week) but closer to ABC's *Loving* (12th). *Generations* also was on the low end of the spectrum among women 18–49 and 25–54.

Sussman emphasizes that “we didn't expect *Generations* to do as well as it did. An 11 share is remarkable, especially given the heavy competition, its being on at different times around the country and our being the No. 3 network in daytime.” Other NBC sources indicated they had projected a 9 share at the outset.

## 'Think leaner, faster, meaner,' TV promo producer Larkin urges

Listen closely to the right people for ideas and be willing to take creative risks. That summarizes how commercials producer/director John Larkin develops effective promotion campaigns for such TV programs as CBS-TV's *Lonesome Dove* and Fox Television's *A Current Affair*.

Larkin, whose Larkin Productions is headquartered in a brownstone on Manhattan's East 13th Street, describes his production shop in his demo reel as a one-stop shop, able to handle everything from developing and writing a promo, commercial or campaign, through production, direction and editing.

Pointing with pride to two February sweeps promotion campaigns, for *Dove* and *Current Affair*, Larkin feels both prove his point that the first secret to successful promos is to deal directly with "the people who know their business," such as the executive producer or the on-air talent, rather than middlemen. Ultimately, he produced a half dozen promos for the syndicated news magazine and closer to 20 spots in various lengths for the \$20 million miniseries. For *Dove*, he also did a promotional film short—aimed at advertiser prospects—that blended his interview with co-exec producer Bill Wittliff with "raw footage" culled last May from the early days of the mini's production.

The film short was designed to give agency and client execs an idea of the miniseries' contents and production values. Larkin and Wittliff steered away from calling *Dove* a western and instead focused on the characters as being "where we came from." Because the project was barely underway, Larkin did his own editing of scenes and ordered his own musical background, all approved by CBS and the producers.

For *A Current Affair*, Larkin came up with the theme line "Guts TV" to describe the show. That line came out of brainstorming ses-



John Larkin

sions about the show with its producers, writers, reporters and host Maury Povich. Larkin wanted to learn how they themselves see the program before trying to get an image across to the viewers.

**A good listener.** The quick-cut vignettes from the program were mixed with Larkin's own interview sessions with Povich. Among the quotes used were: "We are tabloid journalism, sure" and "Sometimes we do stories that go too far." Larkin did everything on the *Affair* spots in about seven days, from developing the theme to post-production, he recalls. Once the theme line was chosen, everything fell into place. "What I do is fine-tune ideas. Most ideas come from surprising places. I keep my ears open all the time."

"Current Affair"'s Maury Povich



Larkin now is working on new promo campaigns for the Fox Network's *The Reporters* and the Fox-owned WNYW-TV New York newscasts plus unspecified projects for CBS News and ABC. In recent months he did the promos for CBS News' *Four Days in November*.

**Star testimonials.** Last fall, Larkin also shot a package of testimonial-style promos for the CBS prime-time series lineup, for instance, showing Larry Hagman as J. R. Ewing, for *Dallas*. The testimonial approach owed partly to budget constraints, Larkin notes. No stranger to directing celebrities, Larkin has directed Bill Cosby, Roseanne Barr and others in product commercials for such companies as Coca-Cola Co. and Pizza Hut.

Given today's more intense competitive environment, Larkin feels, "You've got to make yourself think leaner, faster, meaner" to get viewers to pay attention to promos. Lamenting the fact that so few syndicators or stations promote programming to any meaningful degree, he feels they should develop ad campaigns for each program to attract the desired audience—just as movie studios do with their theatrical film releases.

The networks could promote their product better than they do, Larkin continues, and so could the series producers. The latter especially should have the incentive to do so, as a successful series can go on to generate millions of dollars in the syndication marketplace, he notes. In the case of stations, even if they slate shows in less than ideal time slots—as WNBC-TV New York did last fall when it ran *USA Today* at 2 a.m. (ET—they should still "devise a campaign tailored to reach whatever audience is available at that hour," he maintains. By thinking creatively, WNBC could have keyed on home videotaping of *USA Today*, for example, as one way to generate excitement, he adds.

Prior to forming his production house 10 years ago, Larkin produced Martin Agronsky's various shows on PBS and earlier was news director at WBZ-TV Boston. He also produced TV commercials for Sen. Edmund Muskie's doomed presidential campaign in the 1960s.



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ARTIST	HOT NEW ARTISTS LABEL	TITLE
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Steve Forbert	Geffen Records	Search Your Heart
Let's Active	IRS Records	I'm Living On A Blue Line
Velvet Elvis	Enigma	Something Happened Today
ARTIST	TOP POP ALBUMS LABEL	TITLE
Rick Astley	RCA	Whenever You Need Somebody
ARTIST	HALL OF FAME TITLE	
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Leon Russell	Lady Blue	
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# TV Business Barometer

## Spot dropped 1.2% during February

The unpromising '89 opening for national/regional spot in January carried over into February, according to the latest responses from the *TV Business Barometer* sample of stations. There was one small difference. Whereas January was up a little over the year before, February was down a little.

*Barometer* responses show spot down by 1.2% in February, compared to an increase of 1.8% in January. As in January, February was the same length Standard Broadcast Month (SBM) in '89 as in '88 (four weeks each). January '88 and '89 were both five-week SBMs.

In fact, most SBMs in '89 will be the same length as the corresponding months in '88. The exceptions will be March, April and December.

The odd number of months with different length SBMs the previous year suggests that, under the Standard Broadcast Calendar, the '88

and '89 years will not be of identical length, as odd as that appears. But that is how the last-Sunday-of-the-month rule can work.

As it turns out, 1989 will have 53 weeks while 1988 had 52. Because the last week of December 1988 ended on Christmas Day (Sunday) under the rule, the first week of January 1989 included the week between Christmas and New Years.

## Billing figures

Spot time sales for February amounted to \$363.2 million, down from \$367.6 million. For the two months of '89 spot is essentially flat—up 0.4% via *Barometer* calculation. Spot volume for the two months comes to \$789.7 million, which still runs ahead of local business (see next issue), though this will change as the year progresses. As has been noted, local station billings passed those of national spot in '88.

All three station revenue brackets broken out by *TV Business Ba-*

*rometer* were down in February. The smaller stations (those in the under-\$7 million bracket) were down the most—3.2%. The medium bracket was essentially unchanged and the bigger stations were off 1.1% (see data below). In January, the smaller stations were up the most and the medium stations up the least.

A review of '88 national spot business in 75 top markets measured by Arbitron's BAR monitoring service, and made available to TV/RADIO AGE, shows that more than half (40) were down in estimated billings. It should be noted that 58 of these markets are monitored one week a month, while the other 17—the bigger markets—are monitored fulltime.

BAR-estimated national spot billings for the 75 markets last year were \$4,761.6 million, up 1.5% from '87. The *Barometer* increase for last year, covering the full U.S., was 4.4%. The biggest increases and decreases among the BAR-monitored markets were in the top 10, both in percentage and dollar terms. Chicago was up 18.4% (\$47.4 million), while Dallas was down 18.6% (\$27.4 million).

## National spot —1.2%

(millions)

1988: \$367.6

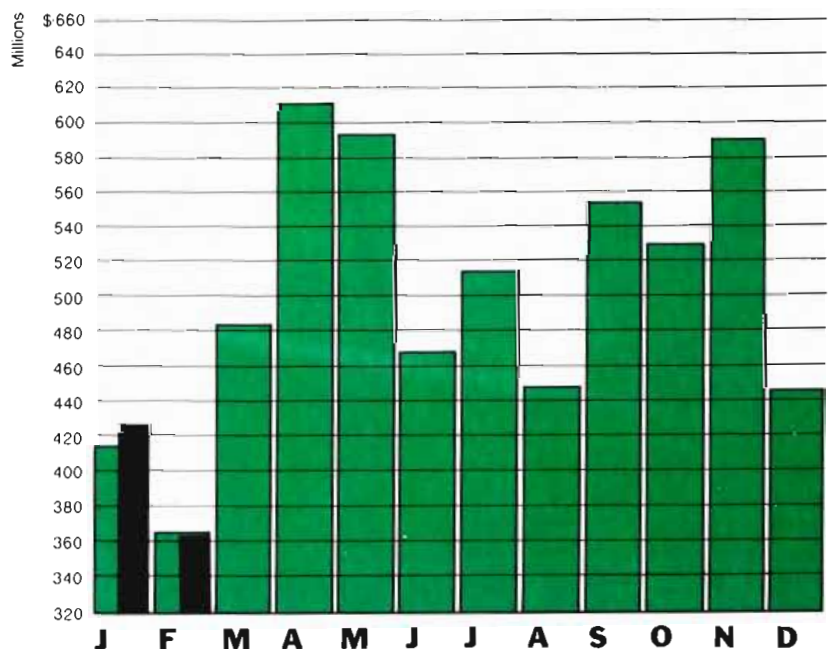
1989: \$363.2

### Changes by annual station revenue

Under \$7 million	.....	-3.2%
\$7-15 million	.....	-0.4%
\$15 million up	.....	-1.1%

## February

Network (millions \$)



## Exec devises problem-solver book of lists

A veteran advertising executive turned college professor has drawn on his 30 years of experience, chiefly on the agency side, to produce a workbook, *Advertising & Marketing Checklists*, for other execs.

The book is written by Ron Kaatz, associated professor at Northwestern University's Medill School of Journalism. Before joining the university in fall 1986, he was with J. Walter Thompson USA, Chicago, for 20 years, leaving as senior vice president and director of media concepts. His book is published by NTC Business Books, Lincolnwood, Ill., at \$17.95.

The 175-page workbook contains 77 checklists and charts designed to save time and boost advertising effectiveness for large and small companies alike, he says. The author describes his book as "an interactive problem solver that is to be taken apart, copied, filled in and

added to." The charts and lists were born of Kaatz's own problem-solving techniques amassed during his years with JWT, Leo Burnett Co. and CBS-TV.

Some chapters concentrate on such basics as 33 reasons to adver-



**Author Ron Kaatz**

tise (and reasons the competition does so), guidelines for creating TV or radio commercials that sell, and 11 questions to ask oneself about prospective employees. Kaatz also

includes a media value checklist, citing pros and cons of each major medium, as well as a list of the top 212 Arbitron television markets and "nine tips on negotiating to win."

## Cartoons seek greenbacks via flashbacks

Tom and Jerry, the Looney Tunes gang and Babar are among the latest to go back in time in search of TV and licensing gold.

Turner Home Entertainment plans a major licensing push for its spinoff *Little Tom & Jerry* project, as does LCA Entertainment for Warner Bros.' toddler versions of Bugs Bunny *et al.* in the fall 1990 cartoon series, *Tiny Tunes*.

Nelvana Entertainment, meanwhile, is using the flashback technique to show Babar the elephant character as a youth in an HBO cartoon series that will be bowing this spring.

**Arthur F. Kane**

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## CNN cuts charges to cable operators as British firm drops it for Sky News

In CNN's first real taste of competition in Europe there seems to be several bits of good news and at least an equal amount of bad news for the Turner organization.

While it still may be far too early to predict the overall effect on CNN of Sky News' 24-hour service, its presence already has resulted in one British cable operator dropping CNN in favor of Sky News and has prompted CNN to reduce its charges to other operators to encourage them to include the U.S. programmer in their basic package.

Furthermore, from the skimpy available evidence, it already is fair to observe that among cable viewers who have had the opportunity to compare, early returns indicate a preference for the domestically produced product.

This bit of news, of course, does not exactly surprise CNN's international sales managing director, Robert Ross. "We are American," he says, adding that it is one of CNN's strengths, particularly with his broadcasting clients who are signing up increasingly to make use of the service in their own newscasts. "Those broadcasters don't want us to run European news," he explains, "because it is redundant."

One exception, however, was Thames Television (London), which, until recently, actually was broadcasting an hour of CNN overnight. Ross says Thames wanted more European news, which, he commented, did lead to the inclusion of more European news during the night. He also claimed it had the beneficial side effect of making the U.S. producers more sensitive to European activities.

Nevertheless, Ross recognizes the general problem and says he would like to change the American content vs. that of the rest of the world from its present 70-30% ratio to roughly 50-50%. "The *International Herald Tribune* has about the right mix," he believes. "We should be a video *International Herald Tribune* and compete with

them for advertising."

In CNN's case, the English language becomes a double-edged sword. It enables Ross to present an impressive set of figures which show the high percentage of hotel viewers throughout Europe—which represents CNN's largest actual viewing audience—who are fluent in English, are business or economic leaders and are, in any event, the kind of viewer CNN most wants to attract.

"In the old days," Ross recalls, "when our reporters called the prime minister's office and said CNN, they would be asked, 'What's

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*CNN's case is not helped by the outcome of an unscientific survey.*

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CNN?' Now government officials have it in their offices, in their homes and want to use it to get to the American people."

Windsor Cable Television, which currently has 10,500 connected homes just outside of London, replaced CNN with Sky from the start of April. In fairness to CNN, the argument may be as much financial and practical as editorial.

Sky sales people presented all the U.K. cable operators with an overall package which meant that an operator could not have access to the other three Sky channels and two subscription channels unless they agreed to include Sky News in their basic service.

Windsor carried CNN for two years as an extra service, charging subscribers about \$4 a month, of which, managing director Tim Halfhead says, CNN took \$1.75. He adds that only 160 customers took the service and is critical of CNN on several counts: It is too up-market for his franchise area, it is too American and there are too many breaks in the programming.

Although Halfhead has now been

told CNN would have been willing to reduce its charges if he had moved it into the basic package, he says he is not unhappy about scrapping it. He says he hasn't had a single complaint from anyone about losing CNN and a number of compliments from subscribers who called to say they think Sky News is excellent.

It is difficult to accurately access just how much operators were influenced by Sky's condition that they had to take the complete package. While it certainly was a consideration, they would seem to be more than satisfied that the package is a definite major asset.

Given Westminster's Cable Television's franchise area, central London, for instance, it is likely that Westminster would have taken Sky News anyway, even if it were presented in a vacuum.

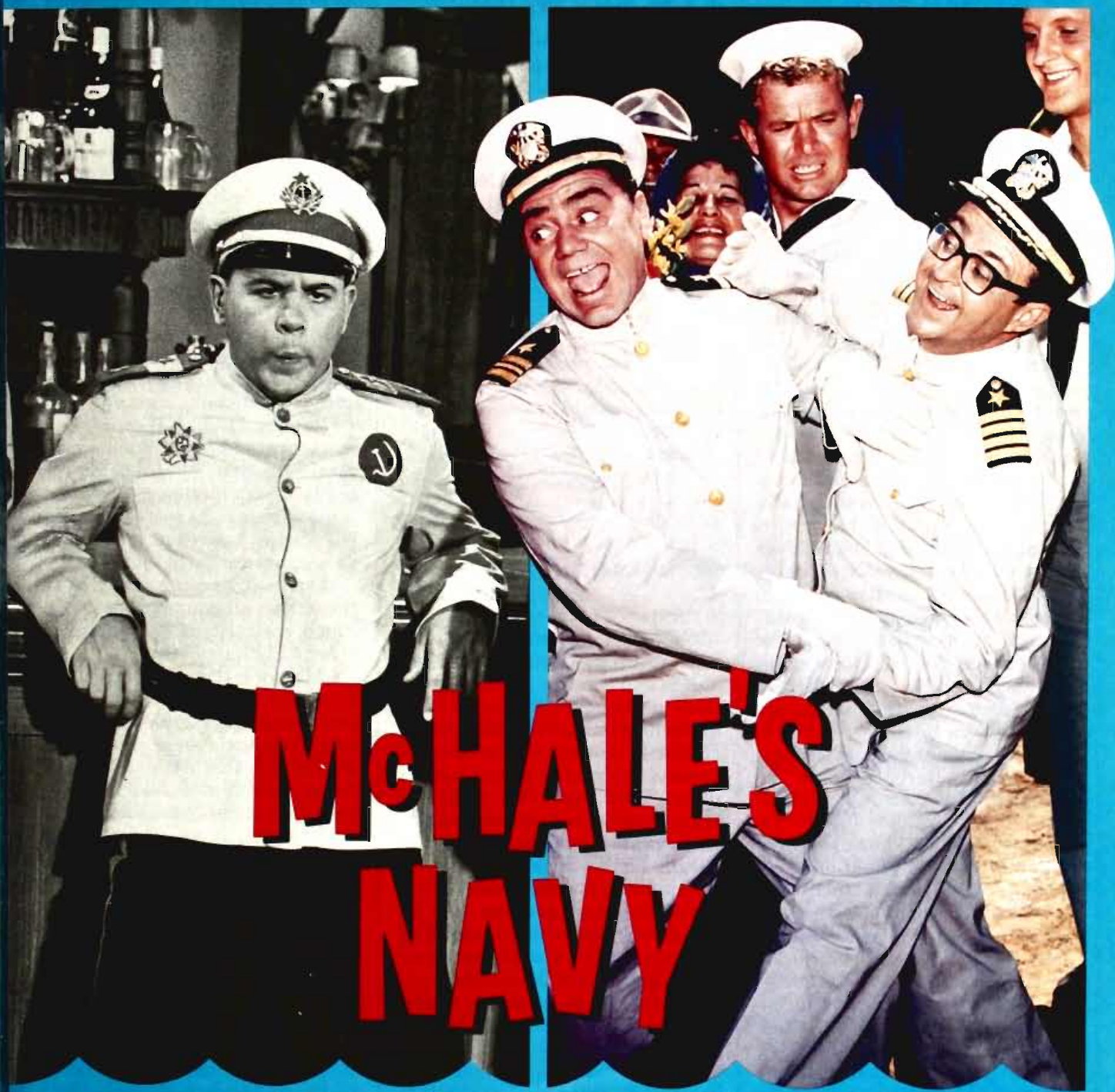
Dorothy Devlin, Westminster marketing and programming manager, says that Westminster currently is considering a CNN proposal to reduce its costs if it also is included in basic, but it currently does not seem likely that a deal of that sort will be concluded. CNN is the main programmer in a tier which costs its 3,700 subscribers about \$12.25 a month.

CNN's case is not particularly helped by the outcome of an admittedly unscientific survey Westminster conducted earlier this month. Devlin says that while 80% of customers questioned said that Sky News is excellent or good, CNN didn't come off well. Nonetheless, Devlin remains quite enthusiastic about CNN's future on Westminster. "CNN can stand alone," she comments. "In our franchise area subscribers are interested in news of any kind."

**'Not nationalistic loyalty.'** The U.S. cable operator, United Cable Television, which operates a system south of London, includes both CNN and Sky in its basic package. "It's not nationalistic loyalty," claims American expatriate, Peter Lynch, managing director of United's London South system. "We will continue to carry CNN because we believe both news programs make a positive contribution to our service."

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**Television/Radio Age**

14,000 subscribers. Lynch says that CNN voluntarily reduced its charge to 25 cents per subscriber when Sky News was launched.

There is one positive benefit emanating from the ASTRA direct broadcast satellite and Sky's participation on it, which everyone, including Ross, applauds. The fanfare and advertising which accompanied DBS' arrival in the U.K. has made far more members of the public aware of cable and satellite in the country than ever before.

"Our sales people have been talking to people about multi-channel TV for years, without getting a great deal of reaction," says Halfhead. "But now the world has awakened to the fact that multi-channel TV exists." He adds that as a result, since the beginning of the year, his homes connected have increased dramatically, up four times in February over last year and five times in March.

As for Ross, who accepts the fact that Sky has made an impact on the U.K., he argues that Sky is not directly competitive with CNN. And, in any event, he doesn't believe Sky will be around in five years. But he too says that all the publicity about Sky has been good. "It's created an awareness," he says, "even though Windsor has

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*Can a U.S.-oriented service compete with domestic product in Europe?*

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dropped us, we'll be better off if viewing on other cable systems goes up."

While, observers acknowledge, the Sky competition in the U.K., real though it is, may seem miniscule when compared to the genuinely unique quality service CNN offers throughout Europe, they still wonder whether a predominantly American service can effectively compete with the domestically produced news services being transmitted throughout Europe. As many of the projects currently are probably little more than just possible figments of someone's imagination, however, it may take years to find out.

## New RTVE exec seeks coproductions

Spain's state network, RTVE, is in the process of trying to expand its coproduction activities. Just days after his appointment to the post of sub director of external productions, Jesus Gonzalez says he already has been negotiating a series of new coproductions. He told TV/RADIO AGE that he plans to work extensively with Europeans and Latin Americans and considers the Germans and Italians two of his more likely major partners.

As for the American market, although RTVE has had a little success with PBS, particularly in the documentary field, when it comes to anything else, "it's simply too difficult and closed for Spain," he says. But he adds, "There is a greater sensibility and understanding for us among Europeans."

**Job familiarity.** Perhaps one of the reasons Gonzalez is able to move so quickly is that he is quite familiar with the job, having held the position for a number of years until leaving four years ago to become RTVE's producer of primetime musicals.

Gonzalez will be seeking partners and buyers for two major miniseries he will be taking to MIP. Both currently are in development. One, deals with life of Don Quixote. The other, *Requiem for Granada*, a love story which explores the history of the Arabs in Spain, already has German and Italian coproducers with prospective partners from Britain and France also investigating the possibility of joining in.

Among other RTVE co-productions either completed or well advanced are the miniseries with RAI, *The Secret of the Sahara* and one with BetaFilms (Germany), Reteitalia (Italy), RTP (Portugal) and Telesip (France), called *SABBA*, a tale of witches.

In Latin America, RTVE is working with a Nicaraguan company, Umanzor, on *Sandino*, a production designed to be released either as a miniseries or theatrical. Gonzalez says that the producers hope to sign Kris Kristoferson for the lead role. Gonzalez also says

that he is negotiating several projects with the BBC, including one possibly involving PBS, a six-part series about Christopher Columbus. The three companies have worked together in the past.

## Bravo buys PMI's 'Big World Cafe'

Bravo Cable Network has purchased *Big World Cafe*, a series of 10 hourlong music programs. Each episode features approximately six representative pop groups from different countries in "live" concerts. Bravo vice president Jonathan Sehring said he was particularly pleased to have the opportunity to introduce American audiences to the series, which he described as, innovative. The series is expected to start its Bravo run this fall.

Although Bravo's purchase is the first overseas sale of the show, which is distributed worldwide by Picture Music International (U.K.), PMI TV sales manager Dawn Stevenson said she anticipates announcing additional sales of the program in the near future.

## Henson makes video deals with Soviets

Kermit and Miss Piggy seem set to capture the heart of viewers in the Soviet Union. Furthermore, judging from the comments of Henson International officials following a recent trip to the U.S.S.R., Russian businessmen, both the entrepreneurial and collective types, already have opened their wallets.

Not only will Soviet Television begin airing *The Muppet Show* in October, but Henson has concluded video deals for *Muppet Babies*, *The Storyteller* and *Fraggle Rock Animation*.

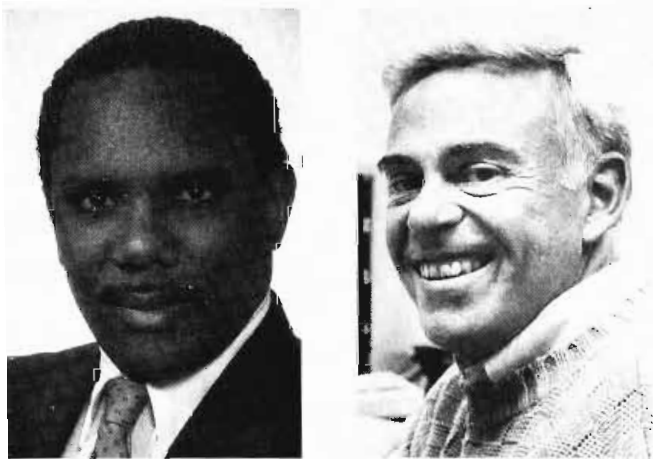
In addition, a Henson spokesperson says the company been inundated with requests for merchandising rights for *The Muppet Show* and *Fraggle Rock* T-shirts, soft toys and board games. Part of the proceeds of those sales, she adds, will be donated to the Children of Armenia Disaster Fund.

## Radio Report

### Black-white simulcast generates Chicago heat

When Gannett's WGCI Chicago, which had long simulcast the high-rated urban contemporary format of sister station WGCI(FM), kicked off 1989 by going news-talk from 5 a.m. to 6 p.m., it joined a gradually growing list of stations that have followed the lead of WLIB New York and dumped music for black talk during all or part of their broadcast day. Among other converts to black talk have been WVON, also Chicago, WDAI Memphis and WOL Washington.

But then April 3 WGCI established a first for the genre when it joined forces with CBS-owned news-talk WBBM to simulcast *Election Eve: Chicago Speaks*



Cribbs

Baum

*Out.* That was the night before Chicago's mayoral election that put another Daley back in city hall.

Joint hosts were WGCI's Art Cribbs and WBBM talk show host Dave Baum.

But Democrat Daley ran not only against Republican candidate Ed Vrdolyak but also against Alderman Timothy Evans, running for the party of late Mayor Harold Washington. Thus Richard Daley was running to put himself, a white man, back in a mayor's office long been held by a black.

At WBBM, executive editor Chris Berry proudly points to "a first for Chicago radio. Two stations that are normally competitors came together for the good of our city. Although we share some listeners, our joint simulcast exposed both Baum and Cribbs to new listeners. Because we focused on Chicagoans speaking out on the eve of the election, listeners of both stations had an opportunity to exchange their visions of our city."

**Addressing issues.** But those visions didn't always mesh. During the four-hour simulcast, many callers did direct their comments toward specific campaign issues and to the mayoral candidates and Jesse Jackson, who also took part during segments of the broadcast. But according to Associated Press accounts, the simulcast aired at a time when black talk shows on

Chicago stations were being criticized by *Chicago Tribune* columnist Mike Royko for "allowing black callers to make unchallenged comments that are hate-filled and racist."

Cribbs himself told one caller who downplayed the issue, "I think racism is the unhealed disease in Chicago." And another white caller complained: "Some of the comments I've heard from blacks are sickening." And he referred to an article in *The New York Times Magazine* that quoted a clergyman as saying blacks would commit civil disobedience if a white candidate won: "It's bigotry, what they're saying."

And it wasn't limited to Chicagoland. Cable's C-Span picked it up and transmitted the simulcast nationally, attracting callers from Florida to the west coast. But despite—or maybe because of—the heat generated WGCI vice president, operations Darryll Green says he's interested in finding more topics for discussion by both audiences: "Anytime you listen to other people you're enriched, even if you don't agree with them."

### Listening levels affected by diary design changes: Katz

A comprehensive analysis of radio listening by the Katz Radio Group, covering fall '88 Arbitron data for 127 markets, shows a significant increase over the year before but practically no change from '85. Both comparisons appear to be related to changes in diary layout. A "daypart" diary was introduced in '86 that featured heavy black lines to separate the major dayparts. A so-called "soft" diary made its debut last fall in which the daypart distinctions were eliminated and other changes made.

Weekly time-spent-listening (TSL) trends for the past four fall sweeps show the following in hours and minutes per week. '85—23:07; '86—22.34, '87—22:40, '88—23.10. These data cover persons 12-plus, 6 a.m.-to-midnight, in the metro survey area.

TSL figures differ significantly by age and sex demo. The biggest increases over the three-year period among the standard breaks were among men 25-34 (up 5.3%) and men 35-44 (up 5.5%). Women in those two cells were up 3.0 and 2.0%, respectively. Also, men 55-64 were up 4.7%.

The downside was spread between the young and the old. Men 65-plus were down 6.2% in TSL from '85, while women in the same age group were down 5.5%. Also, in contrast to men, women 55-64 were down 4.3%. As for teens, their listening decreased 4.1% during the '85-'88 period.

In commenting on the analysis, Gerry Boehme, vice president and director of research for Katz Radio, says it "shows that radio continues to grow in importance among all adult listeners." He contends that the new diary design "helps to correct problems in their previous version." He also maintains that the daypart diary's "influence on prior listening estimates makes it important to compare current estimates to 1985, as well as to 1986-1987, in order to accurately measure true, long-term changes in radio listening behavior."





# OF INFLUENCE

# Radio Business Barometer

## Webs up 10.7% during February

Network ad sales are definitely looking up with February showing a double-digit increase, the second monthly double-digit rise in three months and the ninth consecutive month to register a gain in revenues (see also *Radio Report* in the April 3 issue).

The February increase came to 10.7%, which followed a 7.1% rise in January and an 18.7% climb in December. Network radio closed the final '88 quarter with an increase of 10.5%. The increase to date for '89 comes to 8.8%.

All four sales territories sported double-digit gains except New York, which barely managed to squeeze out an increase.

Network radio revenue for February, according to figures released by the Radio Network Assn., as reported by the accounting firm of Ernst & Whinney, came to \$27,976,856. This compares to

\$25,284,089 for February '88.

The 8.8% increase for the first two months of this year brought the total to \$58,027,657. Last year's two-month total was \$53,340,306.

At this point, sales in the New York territory are falling behind last year's pace. Following a 22.3% dropoff in January, New York sales came back with a small increase in February—1.7%. Thus, for the two months New York remained 11.1% behind the previous year.

New York ended the '88 year with a 4.4% decline, while all the other territories showed increases, exposing a fundamental shift in buying patterns. Part of this shift is explained by the move of radio network buying chores at Ogilvy & Mather from New York to Chicago.

New York territory sales in February amounted to \$16,275,442, compared with \$16,010,690 the year before. For the first two months of the year, New York billings were \$30,394,677, vs. \$34,190,369 during the corresponding '88 period.

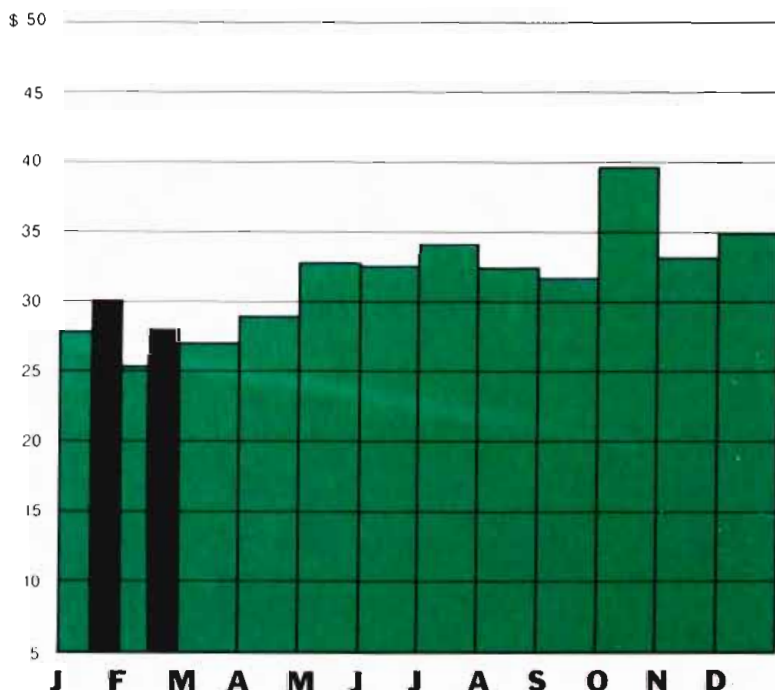
Chicago came up with an 11.6% rise last year, which put it ahead of the overall increase for network radio—3.0%. In February, Chicago racked up a 19.1% increase. This put revenue at \$7,596,431, as against \$6,375,587 for February of last year. Having recorded a 39.2% hike in January, Chicago is now 30.0% ahead of last year for the first two months of '89 with revenues of \$18,094,483.

Detroit, which sported a triple-digit increase in January (195.7%), has been going like a house afire since the third quarter. The Motor City was up 43.5% last year in an up and down monthly profile that actually included three down months.

In February, Detroit scored a 68.5% rise, pushing billings to \$2,372,154, vs. \$1,407,841 the year before. Reflecting heavy automotive billings, the Detroit territory was up 122.8% for the first two months of this year, with revenues of \$5,471,711.

Los Angeles, which had a bad first half in '88, dropping off 14.8% in ad sales, recovered during the second half with an increase of 26.5%.

## February



**Network** +10.7%

(millions) 1988: \$25.3 1989: \$28.0

### Changes by territories

Territory	Billings (000)	% chg. 88-87
New York	\$16,275,442	+1.7%
Chicago	7,596,431	+19.1
Detroit	2,372,154	+68.5
Los Angeles	1,732,829	+16.3

Source: Radio Network Association

Boehme points out that the increased in midday and away-from-home listening benefit certain formats more than others, including adult contemporary, gold, soft and classic hits. He notes that "Other formats may have gained actual listeners, but lost 12-plus average quarter hour share due to their audience not expanding at the same rate as total 12-plus persons using radio."

## Spot-less format II

Not long after Drake-Chenault and Galactic Radio, Inc. teamed up to offer radio stations a commercial-less satellite-fed format (*Radio Report*, March 6), Ivan Braiker, cofounder and former president of Satellite Music Network and Transtar, has joined ex-ABC Radio program chief Rick Sklar to offer more formats without network spots. The new company formed to do this, plus offer all forms of station support services, primarily to stations in medium and smaller markets, is Braiker Radio Services.

Braiker expects to have his first format up on the bird this summer and be on the air with four spot-less



Braiker

Sklar

formats by fall: adult contemporary, contemporary hits, oldies and "an all-new megafomat" targeted to adults 30 to 50. Braiker sees such formats, plus services from promotional and advertising assistance to sales training, filling a need for stations in smaller four, five and six stations markets who face "shrinking profit situations vis-a-vis the spread of cable, more low-power TV outlets and even direct mail."

Thus, Braiker sees such stations needing help with promotion, "including TV spots and newspaper ads, to enable these stations to stand out by bringing higher excitement levels to smaller markets. In our TV spots, we'll be going beyond merely showing a station's album jackets, to put more emotion into radio stations' TV commercials. Some small market stations try to build excitement by emulating the more successful major market stations. But this rarely makes enough local listeners sit up and take notice."

He explains that his formats and demo targets will

be broader than successful major market sounds are required to be: "Smaller markets, with fewer stations, have wider gaps to fill, unlike the narrowly-targeted formats of most other syndicated satellite networks and services."

Braiker says his fees for formats and services will be "guided by market size. We expect to average between \$1,000 and \$1,200 a month per station client."

## WSOC-TV's evening news adds radio drivetime 'network'

Starting May 1, at least 11 AM radio stations will carry the audio portion of the 6 p.m. (ET) weekday *Eyewitness News* of WSOC-TV Charlotte, N.C. This regional network will virtually blanket the TV station's coverage area, says Dick Moore, news director at WSOC-TV.

The radio version will reach evening drivetime commuters unable to get home in time for the TV news, notes Gregg Lindahl, vice president-general manager, WSOC, the radio network's "flagship."

In some cases, the radio stations will drop music fare, in other local news shows. To replace the 12½ commercial minutes on the TV newscast, radio stations can sell their own time and replace some of the two-minute commercial pods with their own local news inserts, a WSOC-TV spokesman explains.

WSOC-TV also will gain local news sources in the counties served by the outlets, Moore notes. Besides WSOC-AM, the participants include: WLCM Lancaster, S.C.; WLTC Gastonia, N.C.; WLON Lincolnton, N.C.; WIXE Monroe, N.C.; WJRI Lenoir, N.C.; WSIC Statesville, N.C.; WEGO Concord, N.C.; WMNC Morganton N.C.; WIRC Hickory, N.C.; and WOHS Shelby, N.C.

No money will change hands between the TV and radio outlets, the WSOC-TV spokesman adds. To promote the radio version, WSOC-TV plans to run ads in each market's newspapers plus on-air promos.

## Arbitron adds 11 Hispanic markets; Birch signs Lotus

Arbitron Radio will add 11 Hispanic Local Market Reports (HLMR) to the five already announced.

The new markets are Chicago, Los Angeles, Miami-Ft. Lauderdale-Hollywood, New York, Riverside-San Bernardino, San Diego and San Francisco, which will be covered by two reports a year (winter/spring and summer/fall), plus Fresno, Monterey-Salinas-Santa Cruz, Phoenix and Tucson, which will be covered by one report a year (fall/winter/spring).

In another Hispanic ratings development, Birch/Scarborough Research announced the signing of Lotus Hispanic Reps, one of the largest Hispanic rep firms in the U.S. to a multi-year, full Hispanic Target Market Report service. Lotus represents 96 Spanish-format stations, including outlets in the top 30 markets.

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—Dana Geiken, DMB & B

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—Merle Welch, Foote, Cone and Belding

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—Karl Hagnauer, KPLR

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—Robert Struzel, WGN-TV

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—Jim Martin, WOAY-TV

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broadcaster himself and has continued as a longtime advocate of broadcasting, that could be good news for broadcasters.

But, of course, things really aren't that simple, and far less assured. Scenarios are rampant in a city that thrives on imaginary Machiavelian intrigue, ranging from a commission left operating for many more months with three tireless holdovers, to an entire new sweep—except for a lonely Quello. When Dennis Patrick is replaced as chairman, likely to be replaced with him are the chief of the Mass Media Bureau and many of the other high-ranking policymakers at the agency.

### Hollings' howlings

One of the most often-quoted phrases around town earlier this year had Sen. Ernest "Fritz" Hollings (D-S.C.) chairman of the Senate Commerce Committee saying that he won't act on President Bush's nominees to fill two year-long vacancies on the commission until he knows who the new chairman is going to be. That was considered a slap at Dennis Patrick, who had inherited and helped to make powerful enemies on Capitol Hill, including Hollings.

Hollings' was an entirely feasible threat. Out of pique with the FCC, he refused to confirm President Reagan's last two nominees, Susan Wing and Bradley Holmes, choosing instead to leave two of the five FCC seats vacant for a year. A third seat expires June 30.

The chairman's perceived threat, interpreted to mean he could withhold confirmation of Bush's three nominees unless he designates one of them to be the new chairman, replacing Patrick, was made at the beginning of this year. Since then, Patrick felt, he has mended fences, and many believe that his conduct of an important procedure involving the telephone industry had changed the acrid atmosphere that hung between the Hill and downtown Washington. But that apparently was not be enough.

Bush has shown every sign in his first three months in office of going to great lengths to maintain a harmonious relationship with Capitol

Hill. He also is perceived as a less ideological president than was his predecessor, Ronald Reagan.

### The Bush stamp

All that considered, with Patrick's resignation, he has a chance to replace a majority of the commissioners, including the new chairman, and give the agency an entirely new stamp identified solely with Bush, with only Quello remaining from the current FCC.

Quello also said in that New York speech, "I expect the Bush administration commission to continue a marketplace deregulatory policy, but with a more moderate, less ideological approach. I hope and expect an improved working relationship with Congress."

So do many other FCC watchers. At least one expects a return to the philosophy of Chairman Charles Ferris, who served under President Carter with the philosophy of letting the marketplace operate where it can, but involving the government in those areas it does not feel the marketplace will serve the public's needs.

But nobody knows for sure. The FCC has not had a position of priority in the Bush White House during his first quarter in office. Even Patrick acknowledged he had no discussions about policy or anything else with the new administration before he announced his resignation. But Patrick, a loyal Reagan Republican, did not believe his phi-

losophy of an unabridged marketplace that almost certainly will serve society's needs is in conflict with that of Bush.

"I think the same general course will be pursued by President Bush and his team for a couple of reasons," he says. One is that President Bush, when he was vice president, indicated a great deal of interest in a reliance upon the markets and a generally deregulated atmosphere. "The second reason I would venture to speculate on is that the reliance on markets has been generally positive, has been very positive for consumers, and has been effective. I don't think there is any utility to turning back the clock."

Whether Bush will have a chance to place four new members on the five-person commission depends on the ultimate decision of Patricia Diaz Dennis, whose term expires June 30. "I've enjoyed my three years at the commission," she says. "They've been exciting and fulfilling and challenging and all, but I'm at a juncture now where I am entertaining various options."

She does have, as does the commission in general, some unfinished business she would like to see through. One of them embodies a change in FCC policy she hopes a new leadership will bring. The agency has been inconsistent and unfair, she believes, in its meting out of punishment for violations of its rules.

"It distresses me that we don't

Dennis Patrick



*When Patrick is replaced as chairman, many of the other high-ranking policymakers at the FCC are also expected to take a walk.*

Quello keeper of 'institutional memory';  
Congressional 'micromanagement' due?

## Dramatic shifts start to appear in FCC composition

By HOWARD FIELDS

**T**his is a year of change on the broadcast beat in Washington, and nowhere is a change apt to be more dramatic than at the commissioner level of the FCC. The changes there hold the key to changes elsewhere, in a possible new direction for the agency, in relations with Congress and how much it chooses to "micromanage" the agency, in the way the industry conducts its lobbying activities, and in positions taken in various court proceedings.

In every institution, whether it be an association or a government, one of the most valuable intangible assets it can have is its institutional memory. Although the institutional memory will remain elsewhere, despite the changes that may take place at the FCC, there is a very real possibility that memory will be remain only inside the head of one man.

"I'll be the only one with institutional memory and recall," Commissioner James Quello joked in a speech to a New York law group recently. Since he also is a former

**Television/RadioAge**

April 17, 1989

Take a last look. Current commission of three: James Quello, Dennis Patrick, Patricia Diaz Dennis



# Broadcast's taxing issues

## Industry learning some new routes to Congress

**E**xcept for a few fraternal interests, the broadcast community has rarely had to concern itself much with the laborious process of the congressional funding of government. This year, however, decisions in that arena could prove crucial to the industry.

Also on the congressional plate are many of the same items it has considered in the past few years, most with different wrinkles. But they are likely to be overshadowed in the early days of this, the 101st Congress, by budget considerations.

Broadcast lobbyists already are gearing up by hiring outside consultants, joining broad antitax coalitions, learning the names and faces of the members of the tax-writing committees—Ways and Means in the House, and Finance in the Senate—and learning new jargon, such as “base broadeners,” that go along with the new concerns.

They have time. And because of the activity earlier this year of many talk show hosts on radio and television, broadcasters might want a delay in anything pertaining to their congressional agenda.

Well into the session, members of Congress, particularly those not serving on communications subcommittees, were still seething over the effort by talk show hosts to mount a campaign against the congressional pay raise. As time goes by, the anger probably will subside, but broadcasters may not want to attract much attention before it does.

On tax matters, that may not be a problem, then. Whatever decisions the tax-writing panels make on such proposals as denying tax deductions for advertising expenses, denying deductions for the advertising of certain items, such as beer and wine, and assessing a fee or tax on the value of station licenses that are transferred, all

will have to wait for the budget process to reach a certain point.

Eddie Fritts, president of the National Association of Broadcasters, says, “We expect that struggle to be significantly important” to the industry that gets much of its revenue from beer and wine advertising and would pay heavily if license transfers were taxed.

The first important point in the budget process that could affect broadcasters has just passed. It gave the targets that each of the committees of Congress must meet. Each is given a proportion of the deficit that it must get rid of, either by cutting programs or raising revenues.

Congressional deadlines are notoriously ignored, but the committees are under orders to make those decisions by June 15. Work usually continues on those decisions, which are tough for a panel that likes to protect programs under its jurisdiction, right up to the last minute.

**Sen. Ernest F. Hollings (D-S.C.)**



*Will he be able to make cuts in programs under the Commerce Committee's jurisdiction, or will he again feel the need to propose a spectrum fee?*



step back, take a more comprehensive approach to articulate a rule that will be of mutual application, that will be consistently applied," she says. Instead, the agency continues to have this potpourri, this patchwork of cases that are all over the lot and offer no real guidance the broadcasters out there as to what kind of conduct will meet with what particular kind of result, remedy, or penalty."

Her distress came to a head last year when the commission decided the fate of RKO's KHJ-TV in Los Angeles. Over her objections, it waived the rules that normally would not have allowed RKO to sell the station while it was involved in a dispute over character. The penalty may be too harsh, she acknowledges, but if it is, then change the rule. "Let's confront it head-on and say, 'Is there something else that we should do, should we more narrowly tailor the remedy to fit the crime?'"

She adds, "If we don't believe in a policy, we should change it directly and not just pay lip service and say, 'Yeh, we still believe in it, but this case doesn't fall within it.' Then we eviscerate the underlying policy directive indirectly." Dennis lumps that FCC activity she would like to change under a heading of "nondistinguishing distinctions."

### **Comparative renewal**

For his part, Patrick would like to have been further action taken on comparative renewal reform while he is still at the commission. It was one of the goals he set for himself when he took over as chairman two years ago. He admits now that he underestimated the difficulty in dealing with reform, that it "proved to be a more vexing and difficult problem than I had originally anticipated. Had I been able to move more quickly to reform, better articulate the renewal standard, that would have been a positive."

Instead, the commission did what it could to reduce abuses in the comparative renewal process and opened the docket up again for more suggestions on ways it can enhance renewal expectancy, or at least make clearer to broadcasters what is expected of them. Philo-

sophically, Patrick says, "I would hope to move us in the direction of less government interference with content and more discretion on the part of the broadcaster with respect to how they program their station." Beyond that, he notes, it is Congress alone that can, and should, "revise the statute and move us very straightforwardly to some form of two-step renewal process."

The "radio-only" reform bill introduced by Rep. Matthew Rinaldo (R-N.J.) for the broadcast industry provides "a useful approach," Patrick says, insofar as it "vests the discretion in the broadcaster and reduces the degree in which the federal government interferes with the content of speech."

There also are surprised the commission can always face. Recently a U.S. Appeals Court overturned the FCC's distress-sale policy that requires a disqualified licensee to sell the license to a minority at less than the fair-market price. If the FCC doesn't somehow craft an acceptable alternative, it faces almost certain congressional action on a subject dear to the hearts of those on Capitol Hill.

### **Out of their hands**

In fact, many of the major issues now faced by the broadcast industry already are out of the hands of the FCC. Although Patrick believes "it is quite conceivable that the commission might have a role" in further must-carry proceedings, Congress has taken over the role of crafting a new rule that will meet court objections. Therefore, the commission's role may be no more than supplying the information it has been collecting on the impact of dropping must-carry rules.

The agency also has gone about as far as it can in affecting the outcome of high-definition television, but has been applauded for taking an effective step in establishing a task force of industry and government to get U.S. research on the new technology under serious consideration.

Patrick had no plans to revisit children's television, since he was philosophically opposed to regulating broadcast content of any sort.

Congress has other ideas, though.

On the radio side, the agency expects additional activity to improve the state of AM radio, and to revisit the issue of FM translators and directional antennas.

At the same time, today's commission is beginning to take a look at an issue that will increasingly dominate the considerations of the next several commissions—the amount to which telephone companies will be allowed into the video-delivery business.

Future commissions also will have to continue to contend with the interpretation of just what is the "public trust" broadcasters are supposed to keep in mind.

Quello, the institutional memory bound to remain into the near future, believes that Patrick has been softening his prior opposition to

*Patrick would like to have seen further action taken on comparative renewal reform while he was still at the FCC.*

the public trust concept. He and his predecessor, Mark Fowler, Quello says, "wanted to get rid of the public trust concept, and I think they put considerable pressure" on the National Association of Broadcasters to disavow the concept.

The NAB may have downplayed it as a result, he says, but now, at least, "they realize it is in their own best interest and their best private interest to have a public-trust concept."

As a result, the NAB now finds itself in league with the prevailing congressional view, even if it is not yet the prevailing view of the FCC leadership. But that, too, may change in the upcoming months. □



**Sen. Daniel K. Inouye (D-Hawaii)**

*The Communications Subcommittee has bitten off a huge agenda this year, beginning with resurrection of fairness doctrine codification.*

United States. Drunk driving, the No. 1 killer of 16- to 24-year-olds, causes nearly 24,000 deaths every year."

Broadcasters successfully sidetracked similar efforts at the beginning of last Congress by taking on the drunk driving issue as their own and mounting a public service announcement campaign that made many alcohol opponents

happy.

But good deeds soon wear off, particularly when the nation faces a budget crisis. Those who would propose sin taxes on moral grounds alone are now receiving support from those worried about the economy.

Otherwise, Hollings' Communications Subcommittee, nominally chaired by Sen. Daniel Inouye (D-

Hawaii), has bitten off a huge agenda this year, beginning with resurrection of fairness doctrine codification, on which hearings already have been held. Hollings, and his House counterpart, Rep. John Dingell (D-Mich.) chairman of Energy and Commerce, have let it be known that no broadcast-related activities will take place in Congress until after the fairness doctrine is placed into law.

## **Some committee changes**

Even the most stable of entities affecting the broadcast industry this year are changing somewhat. But the communications panels of the Senate and House underwent changes at the bottom, not at the top. The biggest changes were made on the Senate Communications Subcommittee, which counts four new members among its complement of 14 this year—eight Democrats and six Republicans.

Sen. Lloyd Bentsen (D-Tex.), last year's Democratic vice presidential candidate, dropped one of his other subcommittee assignments on the Senate Commerce Committee and moved over to Communications. He also serves as chairman of the Finance Committee, which this year has become important to broadcasters because of proposed tax changes.

Bentsen is joined on Communications by Sen. John Breaux (D-La.), who also made a switch from another subcommittee. Returning to the subcommittee after losing and then gaining back his Senate seat is Sen. Slade Gorton (R-Wash.). Newly elected Sen. Conrad Burns (R-Mont.) got a second seat made available when Sen. Pete Wilson (R-Calif.), who left the full committee.

On the House side, each party added two new members, but only the Democrats increased their number on the Telecommunications Subcommittee, to a 15-9 ratio. Newly elected Thomas Manton (D-N.Y.) was named to the panel, and Rep. Ron Wyden (D-Ore.), a high-ranking member of the parent Energy and Commerce Committee, switched subcommittees to join this year. Former Rep. Wayne Dowdy (D-Tex.), a subcommittee member last year, gave up his seat in an unsuccessful try for the Senate.

On the Republican side, former Rep. Dan Coats (R-Ind.) was appointed to replace Vice President Dan Quayle in the Senate, leaving open a seat for Rep. Dan Schaefer (R-Colo.), a member of the parent committee who switched assignments to take Telecommunications this year. Rep. Edward Madigan (R-Ill.) replaced Rep. Howard Nielson (R-Utah) in the other change.

## **Fairness fairly certain**

Even the NAB, which fought hard against codification in the last Congress, winning a veto from President Reagan, and engendering bitter enmity from Congress, has concluded that codification, probably with the acquiescence of President Bush, is a foregone conclusion this year.

After assessing the damage the fight cost in the last Congress, broadcasters softened their opposition this year. Although they will oppose it "philosophically," they plan to avoid a fight and make their stand in the courts with a challenge of its constitutionality.

"We recognize that we can't generate the vote to stop it," Fritts acknowledges. So there is no sense in making enemies, he suggests, when "it's critical that we have friends on other issues." One of those is legislation to codify deregulation for radio licensees. Rep. Matthew Rinaldo (R-N.J.) ranking Republican on the House Telecommunications Subcommittee, introduced HR-1136 for the broadcasters. It has been passed several times in the past, but died mostly because tele-

At that time, broadcasters should know whether Sen. Ernest F. "Fritz" Hollings (D-S.C.) was able to make cuts in programs under the Commerce Committee's jurisdiction or whether he will feel it necessary to again propose a spectrum fee.

While all that is going on, closely tied to the budget are tax considerations. Before the Ways and Means Committee, which will act first, are several proposals for "sin taxes," either for raising the excise taxes on such things as beer, wine and cigarettes, or getting at the advertising tax deductions for those products.

Broadcasters are part of a coalition fighting those proposals, and

could be hampered by the coalition's effort to save the deductions for advertising expenses related to tobacco products, even though broadcasters themselves are not allowed to air cigarette advertising.

And when a popular tobacco-advertising bill is before the panel, it can easily be altered to include advertising for beer and wine, and even beyond sin products to products that rankle a particular member of Congress or interest group. "We're very concerned about Ways and Means and Senate Finance in terms of the tax-writing committees," Fritts says, "because that involves a range of taxation issues."

Among the recent bills to be watched are one by Rep. Fortney

"Pete" Stark (D-Calif.) a senior member of Ways and Means, to eliminate the deduction for advertising and promoting tobacco products. In support of his proposal, HR-1544, Stark says, "The government should stop subsidizing the advertising of a killer."

Other members and special interest groups could say the same thing about beer and wine. It stops short of limiting advertising deductions, but a bill introduced by Rep. Anthony Beilenson (D-Calif.), HR-1604, would triple the current excise tax on beer and wine.

His appeal, which could be used in limiting advertising deductions, is that "Alcohol abuse claims close to 200,000 lives each year in the

## Tax changes could cost industry billions

Congress never seems to do anything simply. A good illustration of that is its taxing procedure, which this year promises to have a great impact on broadcasters, normally not any more affected than other businesses by federal tax decisions. At stake this year, though, are several proposed tax changes that could cost the industry billions of dollars.

Jim Davidson, a former Senate Finance staffer and NAB consultant on tax matters, and Lindy Paull, a high-ranking staffer on that panel, reviewed the committee thinking on taxes recently for a leadership conference of the National Association of Broadcasters. Paull noted that advertising expenses may be lumped under the category of base broadeners "that don't particularly look like new taxes" and thus could fit within President Bush's read-my-lips promise of "no new taxes."

Paull suggested Congress may go after institutional ads. "You can open *The Wall Street Journal* any day and see advertisements of what looks to be kind of goodwill of the company, as opposed to advertising a particular product," she said. "You could make a theoretical argument that that type of advertising that goes to a trade name or the goodwill of the company ought to be capitalized for tax purposes."

Davidson outlined four categories

of tax-related issues that ought to concern broadcasters, "any one of which has come up in the context of a revenue-raising proposal."

One was the advertising deduction. Beyond the denial of deductions for specific items, Davidson said, Congress is looking into the possibility of denying part or all of the deductions for all advertising, or at least requiring advertisers to amortize those expenses over a period of years.

An effort is being made to revive consideration of proposals made during deliberations on the 1986 Tax Reform Act. "There were two different proposals to limit or amortize portions of the cost of all advertising," Davidson explained.

One would have denied the first 20% of advertising expenses, similar to that enacted relevant to entertainment expenses. The other 80% could have been amortized at the rate of 40% per year. Although it was attractive because it would have raised \$38 billion for the government over a three-year period, it failed to get passed at that time.

Another proposal, worth \$11 billion to the government, would have amortized 20% of the advertising expenses over four years. Another tax change could be spurred by the merger between Time, Inc., and Warner Communications, both media moguls. At a generally laudatory congressional hearing on

the proposed merger, it was pointed out that many U.S. companies are takeover targets by foreigners because the paper value of U.S. companies is reduced when depreciation is taken on the value of the company's "goodwill," a commodity not recognized in other countries. For broadcasters, intangibles would be their talent contractors or other types of "fragile contracts." One effort was made to deny the depreciation, but failed. It is being looked at again, particularly with fears of foreign takeovers of U.S. companies. The Treasury Department also is looking at new taxes on the tangible assets in the broadcast industry with an eye to spreading the depreciation over a longer period.

The other proposals that arose suddenly during the last Congress, but failed to gain passage at the last minute, was a 2-3% tax on the value of broadcast properties being transferred.

Sen. Ernest "Fritz" Hollings (D-S.C.), chairman of the Senate Commerce Committee, was intent on protecting some of the consumer, transportation, and other programs under his committee's jurisdiction, so he proposed the tax then. He has not raised the matter since, but he is expected to take a new look at it if his panel is faced with a stiff target imposed by the budget committee.

Association watches for shifts  
in FCC activism, technological changes

# NAB fighting for preservation of free broadcast

If the past 15 years of growing activism—both regulatory and deregulatory—on the part of the FCC had been accurately predicted in the mid-1970s, one would expect that broadcasters would have cheered enthusiastically. Now, with the benefit of hindsight, they—at least those who belong to the National Association of Broadcasters—are not so sure. Many feel the agency has gone too far.

With the FCC on the threshold of still another shift in the level of its activism, the NAB is repositioning itself once again to deal with the pending changes. In fact, the NAB finds itself looking, as President Eddie Fritts says, to 15 years in the future with “broadcasters preserving a place in the 21st century wherein this free, over-the-air system of broadcasting as we know it will remain viable.”

As matters stand today on several fronts, broadcasting’s future appears to be increasingly less viable. The problems with cable and must-carry are continuing, on the immediate horizon is the threat of high-definition television before terrestrial broadcasting is ready for it, and farther down the road is the possible threat of usurpation of video delivery by telephone companies.

Henry “Jeff” Baumann has watched this metamorphosis from both sides of the fence, at the FCC since the day he joined in 1969 until 1984, when he went to work for the NAB. Now as executive vice president and chief counsel, he heads the NAB’s lobbying effort at the agency.

He joined the FCC as a junior lawyer, but it was obvious even then that the NAB was “the only

game in town” so far as the agency was concerned. AT&T monopolized the telephone business then, but it was heavily regulated as a common carrier. Today’s technologies that blur the telecommunications lines were only dreams.

In 1974, while Richard Wiley was chairman, Baumann got a closer look at the lobbying game, as assistant chief of the renewal branch of the Broadcast Bureau, forerunner of the Mass Media Bureau. “When you had stability and a lack of controversy, the NAB didn’t have to worry very much, because they were the only game in town,” he says.

Wiley came in as an activist chairman, determined to get rid of a lot of regulation he believed to be unnecessary. In Baumann’s bailiwick, they reduced a license renewal reform from 23 pages to two for radio and streamlined the ascertainment process. In other branches, similar trimming took place.

“I guess it corresponded with a change at NAB,” Baumann says, looking back 15 years. “When the FCC became actively involved in looking at its processes and streamlining them, the NAB then became more involved in trying at that point to get involved in the day-to-day legal aspects of the FCC. I began to see NAB people visiting me, making detailed filings, trying to engage in the process of trying to shape FCC policy.”

Policy began to become more ideological at the FCC when Democrat Charles Ferris took over as chairman with the idea that the marketplace should be allowed to work so long as it took care of what government policy considered as needs. If the marketplace failed or could not be expected to do the job, then regulations should be kept, he felt.

## Marketplace speaks

When President Reagan named Mark Fowler chairman in 1981, he set in motion another dramatic change in policy. Under Fowler, and later under his successor, Dennis Patrick, the FCC decided the marketplace should be allowed to work its will. If that meant certain perceived needs were not met, then

**Rep. John Dingell (D-Mich.)** is flanked by **Jim May, l.**, NAB exec. v.p., government relations, and **NAB pres./CEO Edward O. Fritts.**



vision reform was attached.

The NAB decided, Fritts says, on "a Lean Cuisine approach to this legislation" this year in an attempt to avoid any unnecessary squabbles. Although Senate insiders warn that television reform probably would be attached again on that side, possibly dooming its passage once again, Fritts is optimistic about industry chances this year.

Depending on the timing, radio reform probably will have to take a back seat to the No. 2 item on the agenda of the communications panels in each house—children's television. Rep. Ed Markey (D-Mass.) House Telecommunications chairman, plans to act on compromise legislation passed last year and vetoed by Reagan. Broadcasters reluctantly supported the measure because it appeared to be the least damaging of all alternatives but are worried because a far broader bill is being proposed in the Senate this year.

And each house is pressing broadcasters and cable operators to come forward with yet another must-carry proposal. Members of Congress feel there is a constitutional answer to the matter that has eluded the FCC and federal courts in the past. Negotiations among the parties is slow, however.

### Regulatory reform

Also a major interest in each house is the outcome of high-definition television. When the subject failed to attract much attention in previous congresses on the basis of selling a better TV picture, HDTV proponents came back this year with arguments about how important it would be to the nations' competitive edge vs. other nations, and even to its national security. More members are listening now, and some action is expected to relieve antitrust restrictions that prohibit the industry from getting together and agreeing on a standard.

Although those subjects will get a priority when solutions are offered, Hollings does plan a serious look at regulatory reform as it applies to broadcasting. And there are indications his panel might not look as favorably on reform legislation as it has in the past.

A committee report on its plans for this term of Congress said the effects of some of the deregulation that has taken place in recent years "are troubling." Its main concern, it said, was in "the loss of important, but less profitable, programming, such as news or children's."

Citing a decrease in news and information that already has taken place on radio and "a similar trend developing on television," the report suggests some requirements to restore some of those things, considered "public trust requirements," may be tied to any regulatory reform.

Wearing his full-committee hat, Hollings also promises hearings this year on the overall question of media diversity and concentration. Sen. Howard Metzenbaum (D-Ohio) already has promised Judiciary subcommittee hearings on that issue as it applies to the cable industry. Hollings promises "a major exploration of these issues this year," including a review of the FCC's cross-ownership and attribution rules.

Among other items on the panel's plate are: a "revisit of lowest-unit charges" and other campaign advertising rules, codification of

minority ownership rules Congress forced the FCC to keep last year, making permanent a moratorium on the ability of UHF channel licensees to swap their assignment with public stations operating on VHF, and a review of the impact of the 1984 Cable Act. Markey's panel has many of the same items on its agenda, but except for high-definition television and children's television, it has not focused as clearly on them as yet. In addition, however, it is expected to do something about the continuing squabble over the availability of programming to owners of home satellite dishes.

And both houses have received a request from the Corporation for Public Broadcasting to free it from the federal rules that apply to an in-house inspector general. CPB fears such a person could interfere with the agency's decisions on which programs to support.

As far as the House Telecommunications Subcommittee goes, however, it likely will be less involved in broadcast matters in general, since the panel also has jurisdiction over finance issues, including Wall Street shenanigans, a major concern of Congress as a whole this year. □

Rep. John Dingell (D-Mich.)



*Along with Hollings, he's let it be known no broadcast-related activities will take place in Congress until after the fairness doctrine is made law.*



**John Abel, exec. v.p., operations**

er they would be required to give broadcasters free carriage on the fiber optic system they envision.

As the FCC continues its focus on policy, the answer may come down to the question of whether allowing the telephone companies into video delivery offers competition to cable or merely replaces, in the minds of broadcasters, one monopoly with another. Even members of the current truncated FCC don't believe the latter option would be a good one.

The NAB board, at its meeting in January, instructed Fritts and Baumann to talk with their counterparts at the telephone company organizations and report back in June. Those talks are being held, and the upshot so far is that the telephone companies also are feeling their way about the new direction they envision. But at least the broadcasters, who could mount formidable opposition to telco entry are making their position known.

"As we view the future," Fritts says, we're covering our bases for the short-term, but we're also looking long-term on a number of issues."

Baumann offers, "I've seen a change in broadcasters' attitudes toward the FCC in terms of recognizing the importance of that agency. It used to be in terms of only at renewal time could the FCC be a threat, but now broadcasters understand that the FCC is important, and they're more aware of it and more willing to participate in giving their views and presentations before the FCC."

He adds, "In my experience, I've never seen broadcasters as concerned about the direction of the FCC as I've seen in the past six months. For the past couple of years, broadcasters have been looking at developments of the FCC, the spectrum, the competitiveness, and the marketplace, and have not been happy. But in the past six months, broadcasters are more vocal about their concern about what's happened at the FCC and their apparent ignoring of issues of interest to broadcasters."

### **Listening to members**

Although the NAB has become more sophisticated in its lobbying efforts, no longer accused of an inability to "lobby its way out of a paper bag," it still listens closely to the members, as reflected in the board members elected. The position on telco entry is evidence of how closely the staff from president on down follows the dictates of the board.

In the past, that has been disastrous. The board held firm and instructed a tough stance on opposition to the fairness doctrine, even though the NAB's chief lobbyist said that would spell suicide on other issues. He was proved correct, but resigned anyhow, and now the NAB has been reorganized, with Jim May as government relations chief responsible for lobbying Congress, and Baumann responsible for lobbying the FCC, with Belva Brissett switching departments to continue her role as chief contact with the agency.

And the NAB's position on the fairness doctrine issue appears to have changed. No longer does it ad-

vocate all-out opposition. The association appears to have accepted the inevitable codification of the fairness doctrine, kept its bridges intact, and preserved the ability to have some influence on other issues.

Instead of fighting codification in Congress, where passage is inevitable and where broadcasters would only be sacrificing potential friends on other issues, the NAB has decided to back off and fight codification in the courts after it is passed. "It's the membership telling us that, although they are philosophically opposed to the fairness doctrine, they no longer feel as strongly against it as they did in the last Congress," Fritts says.

But that is price of moving from "the only game in town" to only one, a chief one, but still only one of the players in the ever-changing telecommunications game. Nowhere is that more evident than in the ever-widening scope of the NAB's lobbying activities on Capitol Hill.

The federal budget crunch of the past few years has created a change in some of the thinking of those in Congress who deal with communications issues. The need to raise funds, or at least cut spending, is causing many members to look at revenue-producers right in the pocketbook of broadcasters.

The broadcast industry could not hope to defend its turf by itself in a brand-new arena, so it has become part of a legion of special-interest groups that will be fighting to save themselves from tax decisions this year. If for no other reason, that position says broadcasters no longer comprise "the only game in town." □

### **Larry Irving, l., counsel to House Telecommunications Subcommittee, meets with Fritts.**



so be it; the marketplace has spoken.

During that period, life for Americans began to get more complicated, government policy more complex and sophisticated. As the FCC got more heavily into reviewing the issues facing the broadcast industry, it also grew in sophistication. Staffs grew, and in an attempt to keep pace, the NAB and other trade organizations also grew, became more sophisticated, and changed the way they viewed the world around them.

Baumann passed through government's revolving door in 1984, taking a job with the industry he once helped to regulate. Listening to him now, the Ferris years were the golden years for broadcasters. He faults the Fowler/Patrick years for not managing the spectrum well and for not recognizing the value of localism and the public interest obligations of broadcasters.

"Broadcasters are special and need to have the sort of regulations that assure their existence," Baumann says, "but the FCC really hasn't been very sympathetic for the past nine years on that issue." The broadcast industry does have the Fowler/Patrick years to thank for a lot of changes the industry itself pushed for. They cut back on paperwork, obligations, underbrush regulations and ownership restrictions.

"I guess our main disagreement comes in the area of trying to make the broadcast station a toaster with a picture," Baumann says, citing a familiar Fowler analogy. That type of attitude, he says, will not enable broadcasters to compete, particularly in the video marketplace.

#### **Working for must-carry**

Since the Bush administration has not gotten its own commissioners into place, let alone formulated a policy three months into his term, little is known about the direction of the FCC in the near future. The industry and those associated with it do expect, however, a Bush FCC to back away from the total marketplace view of his predecessor. Some see a more even view similar to that championed by Ferris. If and when that occurs, the NAB will change with it, its leaders say.



**Jeff Baumann**

In addition to the day-to-day matters the association keeps track of, it has been working religiously to get a must-carry provision installed either as agency regulation or as a part of federal law. That is its immediate long-term concern. That involves it with the cable industry, the primary player that would have to give up some of the programming freedom it now has.

As the telecommunication landscape changes, however, the industry is forced to look much farther down the road. It is trying desperately to position itself to have a strong voice in the outcome of HDTV technology. Part of that effort is to focus attention on "advanced television," something less than HDTV, but which would keep

**Jim May**



*"Broadcasters are special and need to have the sort of regulations that assure their existence, but the FCC really hasn't been very sympathetic..."*

terrestrial broadcasters in the picture.

The NAB isn't limiting its vision to the must-carry maneuvering of the moment or the HDTV positioning of the next five years. "While we may have weekly and monthly blips on the radar screen about what's happening with broadcasters and telcos, newspapers and telcos, and cable and telcos, the long view is that it's 15 years out before there's any practical implications warranted at best," Fritts says.

Thus, at a time when neither the telephone industry nor the broadcast industry knows what the impact would be on broadcasters if the telephone companies entered the video-delivery business, the NAB decided to take no chances. When the FCC decided to look into the possibility of doing what it could to lift restraints on telco entry, or at least make a recommendation to Congress to do so, the NAB objected that the consideration was premature.

Baumann notes that a lot of complex issues would be involved in telco entry into video delivery. In addition to the central question of whether they should be permitted in at all are the questions of adequate safeguards against using telephone revenues to subsidize video work, how they should be regulated, whether they would remain a common carrier, and, most important to broadcasters, wheth-

level, where the actual language and shape of the bill was being worked on. In its report on goals for this term, the Senate Commerce Committee said it would "consider how television broadcasters are meeting the educational and informational needs of children" and would consider "how television can help reduce illiteracy."

### Creating 'opportunities'

Theoretically, the legislation being envisioned would "create opportunities" for broadcasters to air educational programming for children and "not put requirements on them." At one point, the staff was discussing the possibility of establishing some sort of government-funded program or even an endowment to back the production to such programming and make it available to commercial broadcasters with some sort of incentive yet to be worked out.

Tom Cohen, counsel to the Communications Subcommittee, told broadcasters at a National Association of Broadcasters leadership meeting in March that "we're going to pursue a new idea, something that grows out of a concern of members of the Commerce Committee, one of future competitiveness of America."

He added, "The members are now saying we can link that area of competitiveness and education with television and radio, broadcasting in general. They have looked at certain studies that have pointed out, for example, that in South Korea there is a greater amount of children's math programming put on, and they think that's one of the reasons why that country's children have fared so well."

### Proposed endowment

He noted that a decade ago, Hollings proposed an "endowment for children's programming" to eliminate the cost element that broadcasters cite as the reason they don't do much of it. "This is an idea we're resurrecting," Cohen said. He added, "I don't think we're talking about, in that type of bill, of putting any obligation on broadcasters, but rather making the product



Rep. Edward Markey (D-Mass.)

available, so that broadcasters can choose to take it."

NAB President Eddie Fritts isn't ready to commit his organization even to a strict revival of the bill it acquiesced to last year. At least, he says, "I don't think the industry is to go farther than they went last year. I haven't heard any reservations from anyone about going that far" again. Fritts says the industry disagreed with Reagan's veto of the measure last year when he called it a violation of the First Amendment rights of broadcasters.

The FCC leadership has been accused in some quarters as pressing the White House to veto the measure as an improper intrusion into broadcast programming decisions, but Chairman Dennis Patrick denies it. There also is a perception within the industry that a Bush administration would view such a bill differently than a Reagan administration.

### Believes Bush opposed

The soon-to-be leaving Patrick, who says he never got a chance to discuss the children's programming issue with the Bush administration nevertheless believes Bush's philosophy on the issue would be the same as his, and that would be in opposition.

Nothing more needs be done beyond the obligations already contained in the Communications Act, he says, adding that when Bush was vice president, he "indicated a great deal of interest in a reliance on the markets and a general deregulated atmosphere" as head of

Reagan's deregulatory task force. When reminded of Bush's changes on other issues and his wife Barbara's strong interest in children's issues, Patrick responds, "this administration of the FCC and myself, we're all concerned about the state of children's TV."

"But whereas that issue is a very easy issue to talk about in general terms, and whereas we can all stipulate to the proposition that children's television should be educational and should be positive, it should be useful from the perspective of the child audience; it is an extraordinarily difficult thing to dictate either by regulation or by statute."

### Government subjectivity

When government gets into the problem of defining good children's TV or attempting to come up with a standard for renewal consideration as embodied in last year's bill, Patrick says, "it becomes extraordinarily subjective. It begins almost immediately to invite an interference with the very important First Amendment rights of broadcasters and to invite the substitution of one subjective good judgment for the judgement of the broadcaster."

"I think the best way to ensure that there is a variety of product in the market, some of which is responsive and positive from the perspective of the child audience, is to essentially pursue the policies that we have pursued for the last several years."

"Those policies involve open entry; facilitating the evolution of the cable market, which has provided a great deal of channel capacity, which in turn has resulted in programming services, some of which address the needs of the child audience; we've added a vast number of independent television stations. The more voices you have and the more intense the competition, the more you're going to see a responsiveness to the demand in the marketplace. And there is a real demand for quality children's TV."

It is not a perfect solution, he says, and there does need to be improvement, but his approach can be called "the least imperfect approach." □



# Forcing the kidvid issue

## Senate, House on different tracks; are they parallel?

**F**our months into a new term of Congress, the legislative body is still working on finding some way to force broadcasters to do something about the quantity and quality of children's programming. Even the initial hearings held in each house were more exploratory than expository.

It's not that the two bodies don't have a foundation to work on. They agreed on compromise legislation, with the acquiescence of the broadcasting industry, and passed it last year, only to have it vetoed by President Reagan.

This year, however, the Senate and the House appear to want to work on different tracks, although one of the negotiators says the efforts will compliment each other.

### Legislation straightforward

Legislation introduced by Rep. Edward Markey (D-Mass.), chairman of the House Telecommunications Subcommittee, is pretty straightforward. It embodied what was passed by Congress last year. It was then approved by Markey's panel. But others have entered the fray, broadcasters are not ready to endorse anything yet this year, and the children's television waters appear to be muddy already.

Although not technically a children's television bill, another piece of legislation is associated. Introduced by Sen. Paul Simon (D-Ill.) in the Senate (S-593) and Rep. Dan Glickman (D-Kan.) in the House (HR-1391), it would allow an anti-trust exemption for three years to the various broadcast industries, cable and producers to meet for the purpose of establishing guidelines on the amount of violence on television.

A similar approach is being taken to the children's television issue by Reps. Al Swift (D-Wash.) and Tom Tauke (R-Iowa), whose HR-823 would grant a similar exemption so the industry could come up

with an industrywide code on the amount of commercials shown on children's programs. They decided not to offer it at the subcommittee level and even failed to extract a promise from Markey that it would be considered later. But it was considered more palatable to the broadcast industry than the Markey measure, which the industry agreed to last year.

Tauke denounced the act Congress passed last year. "Many appear to believe the bill will foster improvements in children's programming," he said. "However, they are sadly mistaken."

Tauke added, "The bill never addressed in any substantive way the root concerns of parents and children's TV advocates—improving the programming our children watch."

Instead of adding more government regulation, he said, the best approach would be to permit "broadcasters to enact a comprehensive code governing the programming and practices of the television industry."

The industry used to have a code but was forced by the antitrust division of the Justice Department to give it up in 1982.

On the Senate side, a lot depends on Sen. Tim Wirth (D-Colo.). He had blocked any children's television legislation because he would have gone much farther and imposed stiff obligations on broadcasters. In the end, he relinquished his fight after Sen. Ernest F. "Fritz" Hollings (D-S.C.) chairman of the Senate Commerce Commit-

tee, promised to hold hearings early this year.

After Hollings scheduled those hearings, Wirth, who had held off introducing legislation out of deference to the promise, presumably was free to try a new bill of his own. At first, the Senate Communications Subcommittee had considered reintroducing the legislation passed last fall, but with the addition of more global issues of concern to Hollings as Commerce chairman.

In his position on the parent committee, Hollings has held hearings and heard horror stories about the nation's reduced competitiveness with other countries, the complaints of American business that people coming out of the nation's schools are not prepared to do the work business needs, and that the schools are turning out students unskilled in math or science and often illiterate to boot.

Thus, Hollings originally proposed attempting to attempt to take care of some of those problems at the same time he considers children's television. But the tie-in has been abandoned, and the Communications subcommittee will leave the broadcast industry obligations to Markey and focus instead on encouraging more educational programming. By moving on two different tracks, Hollings apparently hopes that legislation dealing with educational programming can move forward without getting bogged down in the children's television debate.

The proposal still was at the staff

**Sen. Tim Wirth (D-Colo.)**



# Programming

## ASTA's Upfront '89 draws some mixed opinions from the ad community

The Advertiser Syndicated Television Assn.'s initial forum, Upfront '89, has gotten some decidedly mixed reviews, although the majority of those agencies interviewed believe it represented a "good start."

On the upside, comments from agency buyers and others selected at random note that it provided an educational forum for junior people, that the seminars for the most part were interesting and that the screenings held afterwards benefited those agency people who had not attended the past NATPE convention in Houston.

On the "down" end, agency executives found the forum of little value and redundant, self-serving and dull. The screenings, too, offered little if anything new, maintain the negative agency persons. Many of the senior ad executives "bailed out" of the screenings because they had seen the product at NATPE.



**Marc Goldstein**

Among those agency personnel bullish on the ASTA forum are Jon Mandel, Grey Advertising's vice president, director of national broadcast, who was on one of the panels and contributed to organizing the miniconvention. "For the first go-around," he says, "I think the association did very well. I was very impressed by the number of people who attended, and it shows that the medium is legitimate. And I also was impressed with the number of client types there."

Marc Goldstein, director, na-

tional broadcast media and programming at Lintas: Worldwide, also calls the forum "a good start" for a first-time effort in New York.

**Mainly negative.** Richard Kostyra, executive vice president, U.S. director of media services at J. Walter Thompson U.S.A., casts his vote mainly on the negative side on Upfront '89. "As a first ASTA venture, it was quite good and the turnover was excellent, which demonstrates a thirst for information about syndication."

However, it's Kostyra's feeling that the forum leaned too much towards "a strong sell for syndication as opposed to objective and critical position. They couldn't resist the half-hour presentation commercial upfront."

Also, points out JWT's Kostyra, the panels were too basic and did not attack issues such as commercials content, rating size and accumulating the ratings when shows are repeated. "The forum strayed away from controversy. It was a gentler, kinder seminar."

Mitch Burg, vice president, associate media director at N.W. Ayer, thought the forum was "a good start for the syndication people. It's not very often that, from a planning perspective, we get to see the programs, as we did in the afternoon screenings and to hear such panels, especially the last one."

But Werner Michel, senior vice president, director of corporate programming at Bozell, who says he spent only the first two hours at the forum, was "not impressed with it." He found the presentation tape shown by ASTA on the growth of syndication as "misleading in a number of respects." Basically, he continues, the use of figures comparing the three networks with syndication's percentage was a strange way of using arithmetic.

Grey's Mandel counters by stating that the comparison numbers between syndication and network are only unfair in that nobody buys all of syndication. "But there are

people who buy all the networks, so how do you do comparisons? You can't really come up with a number that's the right comparison. So that's not ASTA's fault. There is just no real way to do it."

**Not impressed.** As to the panels, Michel says he found them "not very impressive. Mostly, they were self-serving, and all these people trotted out their own wisdom. While I left early, this may not be a fair judgment. But on the other hand, I didn't find the forum very educational.

Of course, he continues, "you have to be a little charitable. It's their first year and even NATPE is not the greatest. But in the long run, the forum may be important because all the syndicators come together. How you can distinguish this from NATPE or INTV, I don't know. There may be too many of them. I don't deny the value of ASTA and ASTA Upfront. It's what went on, I don't like."

Regarding the screenings, Michel says they have some value because nobody at agencies can take the time in the office for visits from every supplier. "From that point of



**Werner Michel**

view, the screenings have a value, and we owe it to ourselves to see it. Whether we like the programs or not, is a different thing."

One major agency, Young & Rubicam, chose to ignore ASTA conference entirely. Paul Isacson, executive vice president, director, broadcast programming and purchasing, says that most of the syndicators come to the agency and present their wares, "so we didn't send anyone. Also, we went to NATPE. "As far as the forum being an education seminar, Isacson notes that "maybe we are in the minority, but we think it's our obligation to educate our people."

# Viewpoints

## Howard Stringer



*President, CBS/Broadcast Group, in a recent speech before the Academy of Television Arts & Sciences Forum Luncheon in Los Angeles*

## A plea to sign off adversarial relationship between studios, networks

Studios and networks are inextricably intertwined. The weakening of the network business, even if it results in short-term gains for studios, will ultimately damage our common ability to finance, create and distribute the most versatile entertainment program available in the world.

Instead of dealing with each other, we are dueling with each other. The cut and thrust of negotiation is beginning to draw blood. Let me give some examples. We at CBS used to be criticized for our unwillingness to spend for success, but no sooner had the ink dried on our billion-dollar baseball contract, than we were perceived as now willing to lose money for success. Instead we might have been applauded for our readiness to gamble on the future of network television.

Another example: Recently a particularly complicated negotiation ended with a major increase in a license fee for the renewal of a highly successful show. Maybe it was no more than fair return for those early deficits, but after the deal, a studio executive told us the size of the increase was in part to penalize us for alleged problems in our relationship. Having said that, he demanded reassurance that we would not penalize them on other projects under consideration. Fact is, I don't believe in retribution, no matter how tough the negotiation. We shouldn't be fighting each other. We should be fighting *for* each other and for the audience.

## Complaints from studios

Now it's true that many have spoken to me about the excessive controls and interference the networks place on them, second-guessing creative judgments, causing delays, imposing unnecessary costs and generating antagonisms that can linger indefinitely.

On their side, I respectfully suggest they reexamine the industry's position regarding the reform of the various regulations that restrict the ability of the networks to operate on a more realistic commercial basis.

In an era when Paramount, MCA, Fox and Disney

all own television stations; when MCA, Paramount, Disney and Viacom—and presumably Warner in the near future—have cable programming services; when studios race to create product for first-run syndication and exploit every element of the aftermarket from video to foreign; when the long-standing strictures on vertical integration quietly disappeared as studios again bought up large distribution chains; and with the recent Time and Warner merger; it is surely a little disingenuous for Hollywood to tell the networks that nothing has changed in the last two decades and that we alone among all media companies should be bound by 20-year-old rules, while studios race, unfettered, toward the future.

Ultimately, finding ways to participate together in this period of growth and innovation will be better for us all, better certainly than protracted guerrilla warfare. Ours is ultimately a creative collaboration, and creativity doesn't flourish on the battlefield.

If any business should be sensitive to the dangers of excessive government regulations, it should be the creative community. Not only do we jointly abhor anything that smacks of government-imposed censorship, but we are both wary of government efforts, no matter how well intended, to dictate program content.

## Values and standards

A note of caution, however. Even in the days when I thought fin-syn was a Chinese soup, it seemed appropriate that the creative community be occasionally reminded of its responsibilities and values. Maybe the question is: How do we create a system together that allows us to serve the public best, in the recognition that community considerations are worthy and that values and standards have their place?

I have spoken about the problems of primetime access—of trash television, which last November, in England, I called the dark at the end of the tunnel. Viewers and legislators have begun to infer that the standards of access programming are spilling over to primetime. The primary responsibility for this rests with broadcasters. We hold the licenses. We program the airwaves.

## Meeting the challenge

We have much to do ourselves, and we are changing to meet this challenge. Our Entertainment Division, under the leadership of Kim LeMasters, along with Barbara Corday and Peter Tortorici, has been renewed and reinvigorated across the board. The welcome mat is out for all talent, whether warm and wonderful or weird and whacky. If you're still suspicious or don't like all our answers, try one of the dining room's homemade cookies.

We're happy to spend, well, we're willing to spend money when it does us all good. I didn't encourage all those billboards around town just because I like to look at Candice Bergen, which I do. Our reinvigorated promotion department under George Schweitzer and Mike Mischler has a soaring reputation. The happy marriage of program development and promotion has just produced remarkable offspring with the premieres of *Live-In* and *Heartland*.

**Orion Television Syndication** has given a "go" to the half-hour reality strip *Crimewatch Tonight* for the fall, thanks to a clearance of 17 of the top 25 markets and the coverage of more than 54% of the U.S. **Worldvision** is handling the barter sales.

**Casablanca IV** has added 12 markets to its *Crime of the Century* lineup. Among the new stations cleared are KMSP-TV Minneapolis

and KMOV-TV St. Louis. Total coverage is now 82% of the country.

**ITC Entertainment** has picked up 54 licensees on Volume VIII, an 18-title movie package. These include WABC-TV New York, KTLA(TV) Los Angeles, WPVI-TV Philadelphia, KTVT(TV) Dallas-Ft. Worth and KHTV(TV) Houston. Package includes titles such as *The Big Easy*, *Volunteers*, *Target*, *Rent-a-Cop* and *The Flamingo Kid*.

**Republic Pictures** has sold its *Republic Premiere One* movie package to five additional markets: WCPO-TV Cincinnati, WPVI-TV Philadelphia, WEWS(TV) Cleveland, WFTS(TV) Tampa and WPXI-TV Pittsburgh. Sales total represents 44% of the U.S. Movies include *Eye on the Sparrow*, *Family Sins* and *Fulfillment*.

**Worldvision Enterprises** has cleared its late-fringe magazine/variety series, *After Hours*, in more than 60 markets, representing more than 60% of the country. New clearances include two Fox Television owned stations, KRIV-TV Houston and KDAF-TV Dallas-Ft. Worth. Other new clearances include KUSA-TV Denver, WTAE-TV Pittsburgh, WKRC-TV Cincinnati, all ABC affiliates, plus NBC affiliate, WTMJ-TV Milwaukee and CBS affiliate KTSP-TV Phoenix.

**Multimedia Entertainment's** *An Appointment With Sherlock Holmes*, hosted by Eli Wallach, has cleared 120 markets covering more than 80% of the U.S., including WNYW-TV New York, KHJ-TV Los Angeles, WPHL-TV Philadelphia, WCVB-TV Boston and WXYZ-TV Detroit. The two three-hour specials feature cases of the famed detective.

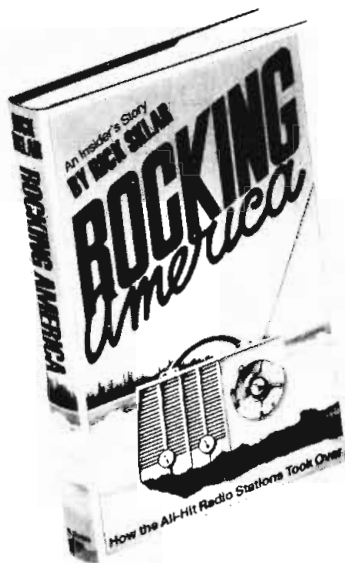
**Orbis Communications** is distributing *See Dick & Jane Lie, Cheat and Steal: Teaching Morality to Kids*, a one-hour special. The syndication window is April 24-May 21, and clearances have reached 172 markets, covering 98% of the U.S. Show is hosted by Tom Selleck and was produced by Arnold Shapiro Productions in association with USAA.

*Hunter* has been cleared by **TeleVentures** in 73 markets, including eight of the top 10, with the recent addition of WGN-TV Chicago.

**D.L. Taffner/Ltd.** has cleared the *Mystery Wheel of Adventure* in all of the top 10 markets, and 18 of the top 20. Markets include WWOR-TV New York, KCOP-TV Los Angeles, WPWR-TV Chicago, WTXF-TV Philadelphia, KBHK-TV San Francisco, WSBK-TV Detroit, WXON-TV Washington and WTTG-TV Dallas.

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Rick Sklar is a radio and music video program consultant and was formally a consultant for ABC-TV's music video programs. He has been program director at New York radio stations WINS, WMGM, and at WABC, which he built into "the most listened-to station in the nation."



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## Pierce/Silverman looks to cable, webs; first-run syndication not a priority

The Pierce/Silverman Co., new production entity formed by Fred Pierce and Fred Silverman, who both will maintain their separate production houses, will concentrate on cable basically, do some programming for the networks, but will shy away from doing first-run syndicated shows on broadcast TV.

According to Mack Anderson, who has been named senior vice president of P/S, syndicated programming is overloaded, both in first-run and from off-network sources. "The first-run syndication market is really tough. We would be interested in it only if we had the right show at the right time."

Anderson says the company's major goal "is not necessarily to produce shows for cable as it is to grow with it." Nonetheless, Anderson adds, cable presents more opportunities than syndication. "The odds on getting a syndicated show on the air are astronomical today."

Anderson says P/S is also high on cable because it's Silverman's feeling that first-run strips will increase on the medium, opening new vistas for first-run product and enabling producers to keep the costs down. Strips are much less costly to make than a similar number of weekly shows, he points out. And down the line, Anderson says, Silverman believes that network strips in primetime will be developed, also because of cost-cutting factors.

**Strip programs.** Cost-effective means concentrating on strip programming, notes Anderson. "That, on its face, makes the program cost-effective. And it's our belief you will see more strips in cable, and Silverman sees the day when the networks will have a strip in primetime."

In addition to strips for the networks, P/S is looking at recurring specials, such as *TV's Bloopers and Practical Jokes* (which was also a series), although not with similar themes. "We have a couple of these in development," says Anderson.

Silverman, in a recent statement regarding the forming of the new production house, noted that, "the

primary mission of P/S is to provide new creative forms of programming that utilize fresh talent in a unique climate." Anderson explains that the climate is called unique by Silverman because of the many new buyers of programming—especially in cable, in the first-run area. As far as new talent is concerned, Anderson says that one of the ways to do cost-effective programs is not necessarily to go for the biggest starts. "It's to find the new talent that we think will work." One example, he says, is *Late Date*, a show being developed for Lifetime, which doesn't have any household names.



**Mack Anderson**

Pierce/Silverman is awaiting an answer as to whether Lifetime will give the project a go, for an initial 13-week commitment. "That's a late-night live strip," notes Anderson, with viewer phone participation. Six players are in the group, and most have an Improv background.

"That show can't really be compared to anything on television, according to Anderson. "If anything, it's closer to drivetime radio and may work very well on cable."

**Other activity.** Other activity at the new company involves "a major new talent, for whom we have a development deal with one of the networks. But we can't announce the arrangement yet. The talent would host a late-night program project, and in primetime be a featured actor with the possibility of him doing a strip down the line for a

network." The talent may start off initially in specials, Anderson says. However, he adds, the shows haven't yet been developed and would be a co-venture with the network.

**Other projects.** Also, Anderson says, the new company has about a dozen other projects in development, spread between cable shows and reality-based network programming. Reality-based programming is one of Anderson's interests. Having come from a station, KABC-TV Los Angeles, Anderson recalls that "the programming department did a lot of shows on a cost-effective basis and that had a reality base to them," including *Eye on Hollywood* and *Eye on L.A.* plus *Goodnight L.A.* and *Hollywood Closeup*, which became a syndicated show.

The major reason for keeping both of their production companies separate is because Silverman doesn't want to compete against himself in primetime, (*Matlock*, *Jake and the Fatman*, *In the Heat of Night*, one-hour dramas, plus the upcoming *One of the Boys*, half-hour sitcom), notes Anderson. Also, adds Anderson, both Silverman and Pierce want to do certain projects that they can agree to do together via the new company.

**Group W Productions' Couch Potatoes** has been upgraded from late-night to noon by WNBC-TV New York. The trivia game show has also been upgraded at WXIA-TV Atlanta, to 4 p.m. New clearances are KARE-TV Minneapolis-St. Paul, WNDU-TV South Bend and WKEF-TV Dayton.

**MCA TV** will distribute all-new episodes of *Dragnet* and *Adam-12*, with 26 titles of each set for first-run syndication. The half-hours will be produced by **The Arthur Co.**

**ITC Domestic Television** has cleared *Secrets and Mysteries* on WCBS-TV New York and 30 other markets. Licensees include KABC-TV Los Angeles, WXYZ-TV Detroit, KPIX-TV San Francisco, WPXI-TV Pittsburgh and WTHR-TV Indianapolis.

## Lacey/Keefe forms an entertainment co-venture with Central Independent TV

Lacey-Keefe Entertainment, the venture recently formed by Peter Keefe and Brian Lacey, has set up a co-venture with Central Independent Television in a multiyear, multimillion-dollar exclusive arrangement. The new company, which has not yet been named, will concentrate on the creative development, marketing and sale of television programming for the U.S. and the foreign marketplace.

Keefe and Lacey, the creative and marketing team behind such animated shows as *World Events' Denver, the Last Dinosaur* and *Voltron: Defender of the Universe*, expect not only to continue to develop animation programs but also anticipate moving into other arenas, such as game shows, live-action kid programs and sports.



**Brian Lacey** says that 15 projects are in development by the new co-venture.

According to Keefe, who will direct production from CIT funding, 15 projects are in development, and the marketing stance will be directed towards cable, first-run syndication and networks. The first projects will probably be announced after the MIP market, and it's possible that both will get a fall launch. One is a late-night comedy/variety vehicle and the other is a live-action show for children. Lacey says a cable network is interested in the late-night show, which features a well-known comic, and he's talking to a broadcast group as well.

**Animation.** In animation, the new company probably won't get any-

thing launched until the spring of 1991 at the earliest, notes Keefe, because of the large leadtime needed to get animation produced. In any case, Keefe sees most of the anticipated projects being produced in Los Angeles. But it's not inconceivable that the facilities of ITC in London will be used, or other overseas studios, for production purposes in general.

### *Presentation planned for stations in top markets*

While the first-run syndication market is a tough nut to crack these days, both Keefe and Lacey, former executives of World Events, believe they have a decided edge over other companies, based primarily on their success in animation. *Denver*, which began as a weekly show, will go into a strip format this fall, after strong ratings, via the WE umbrella.

Lacey says the new firm will probably use a similar airing pattern with most of its product, looking for its weekly show or shows to do well and become strips down the road. In other cases, projects in development are specials to be run as quarterlies.

As to stations, Lacey says the team will look for clearances in the top 20-25 markets, and he expects to hire a distributor to handle national sales on the programs, basically the way the animation programs have been marketed. In looking to get licensees, Lacey believes the company also has an edge, in that both he and Keefe are known entities to station programmers and general managers because of their animation product.

**Added inducement.** As an added inducement for stations to carry the new company's product, Keefe says he will probably set up a revenue-sharing arrangement on some of the shows, based on the profits of the program. Both he and Lacey are not adverse to having a network-owned group or a network-

owned station to contribute to the funding of a new project in exchange for a share of the profits from the vehicle.

Regarding both 1989 shows, the plan is to make a presentation to the top stations, using a carefully organized pitch that will have the main ingredients in place—script, cast, concept and a carefully defined goal. "We're not simply going to slap a presentation together," says Keefe. If stations show enough interest, a pilot will be produced, he points out. For game shows, however, a pilot may be produced and then shown to stations, adds Lacey.

**On CIT side.** On the CIT side, Kevin Morrison, president of CIT in the U.S., will serve as managing director of the new venture, which will have offices both in New York and Los Angeles. Morrison notes that both Keefe and Lacey have been given carte-blanche as far as creativity is concerned. And he points out that he's looking at the new venture as a continuation of a building process being undertaken by CIT in the U.S.

"We're looking for the seeds to grow into wonderful flowers," says Morrison. CIT is already involved in the U.S. in a co-venture arrangement with World International Network, headed by Larry Gershman. CIT is a broad-based international entertainment company, and is Britain's second largest commercial broadcaster with annual revenues of \$500 million.



**"The Eleventh Hour,"** half-hour "electronic journal" hosted by Robert Lipsyte, is racking up record numbers for the time period, 11-11:30 p.m., on WNET-TV New York. On the air only for 14 weeks, the daily locally-produced program has been averaging a 2.5 rating in households in New York.

## Museum special on TV history

A live television special focusing on the history of television has been planned by the Museum of Broadcasting, to be sponsored by the Bristol-Myers Co. A lottery-style drawing was held to determine the order in which the annual show will appear on the networks.

NBC came out on top, followed by ABC the following year, and CBS after that. The program will be shown on NBC this fall, broadcast live from Los Angeles, using clips spanning three decades of television. The concept of a special was spurred by requests by the three networks, at various times, to produce a live program on the history of television, according to Robert Batscha, president of the New York museum.

A committee, chaired by Grant Tinker, was formed to determine the nature of the program, as well as to select the producers.

## Peabody award winners named

Two CBS News programs, ABC's series *thirtysomething* and *The MacNeil/Lehrer NewsHour: Election '88*, were among the 26 winners of the George Foster Peabody Awards, administered by the University of Georgia School of Journalism and Mass Communications.

The Peabody Award winners, in radio, are: WHAS Radio News, Louisville, for *A Matter of Time: Crisis in Kentucky Corrections*; WBUR-FM Boston, for *Speaking for Everyman: Ian McKellen Celebrates Shakespeare's Birthday*; KMOX Radio, St. Louis, for *Hate Crimes: America's Cancer*; National Public Radio, Washington, for *Cowboys on Everest*; and KTAR Phoenix, for *The Impeachment of Evan Mecham*.

In television: WPLG-TV Miami, for *Caution: Precious Cargo*; MacNeil/Lehrer Productions, for *The MacNeil/Lehrer NewsHour: Election '88*; WGBH-TV Boston, for *Frontline: The Choice*; CBS News, for *Abortion Battle* and *On Runaway Street* (part of *48 Hours*); KCBS-TV Hollywood, for *MCA and the Mob*; CBS, for *The Attic*;

*The Hiding of Anne Frank*; WNET New York, for *The Singing Detective*.

NBC, for *The Murder of Mary Phagan*; Capital Cities/ABC, for *thirtysomething*; Children's Television Workshop, for *I Have AIDS, A Teenager's Story*; S.C. ETV Network, for *CE Newsmagazine: Campaign '88*; The Christian Science Monitor Reports, for *Islam in Turmoil*; WTTW-TV Chicago, for *...And the Pursuit of Happiness*;

Home Box Office, for *Suzi's Story*.

Also, WBRZ-TV Baton Rouge, for *The Best Insurance Commissioner Money Can Buy*; HBO, for *Dear America: Letters From Vietnam*; TNT, for *The Making of a Legend: Gone With the Wind*; CBS News/60 Minutes for *Mr. Snow Goes to Washington*; WJLA-TV Washington, for *The Radon Watch Campaign*; and Public Affairs Television, for *Bill Moyers' World of Ideas*.



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## MAC III ready to play games in U.S. syndication with a dozen projects

MAC III Productions, Los Angeles, which already has a full plate of game-format series and pilots geared for first-run syndication, next hopes to target U.S. network daytime and cable.

So says Jeremy Fox, president of MAC III, the U.S. arm of Scottish Television. "Our objective when MAC III was formed last year was to become an active participant in the first-run syndication business, utilizing the combination of resources [of both companies]," he says. Adding network and cable to their list of customers will be the next order of business.



**Gloria Loring**, host of "From the Heart," from MAC III and King World.

MAC III, which already has several coventure partners in the U.S. and the U.K., is seeking others for two unidentified miniseries projects now in development. From the U.S. perspective generally, he adds, "this is probably the year of coproduction for American companies."

**Projects.** Reeling off projects in the works at MAC III, Fox says *From the Heart*, a strip series hosted by Gloria Loring and produced in association with King World, will be tested on 20 stations in King World's R&D Network, as of June 5. A national rollout is possible next year, he adds. *Celebrity Secrets*, produced by MAC III, Budd Granoff Productions and Casa-

blanca IV, is due in U.S. syndication this fall, with the seven Fox Television stations in the lineup.

Two other projects being done in connection with U.S.-based companies include *The People's Exchange*, with MGM/UA Communications, and *House Party*, in association with Buena Vista Television.

**Among series.** Among series being produced with overseas partners are: *The Krypton Factor*, with Granada Television, for January '90 premiere; *Now Get Out of This*, based on a BBC series; and *The World According to . . .*, acquired from London Weekend Television. "Testing programs in one or more domestic markets is the way of the future," Fox observes.

MAC III also is working with British Satellite Broadcasting on four unspecified series that will be re-formatted for the U.S. market, he says, in time for NATPE 1990.

**The Nostalgia Cable Channel** and the American Association of Retired Persons will jointly produce *Modern Maturity*, a new magazine TV program for and about mature Americans. The planned 52 programs will be seen weekly beginning June 15. The series will be an upbeat and entertaining look at mature America's lifestyles and concerns, according to the channel. The programs are based on a series which previously aired on PBS.

**TNN** will telecast two hours of coverage of the U.S. Olympic Festival '89 opening ceremonies on July 21, from 9-11 p.m. Lorianne Crook and Charlie Chase will be on-air commentators for the coverage. The competition will be telecast by **ESPN** July 21-30.

**Nickelodeon** has started production on *Think Fast*, a game show for kids, comprised of physical stunts that are playable at home. The half-hour series premieres May 1 as a strip at 6 p.m. The show pits two teams of kids who compete

in a series of stunts, puzzle-solving and other games.

*Trapped*, a projected **USA Network** world premiere movie, has begun filming in Dallas. The suspense thriller about a woman trapped overnight in an office building while pursued by a psychopath, stars Kathleen Quinlan and Bruce Abbott. *Trapped* is set to air on USA on June 14, from 9-11 p.m.

**Gary Marsh** has been appointed vice president, original programming, at the **Disney Channel**. He replaces **Paulo de Oliveira**, who will form his own production company. Marsh joined Disney in July 1988, as executive director, program development, movies and miniseries.

**Galavision Cable Network** has unveiled a new format entailing international novelas, classic films and a variety of sports. The Spanish-language cable network will show 40 movies per month, in addition to boxing programs, *The World of Boxing*.

## Montreux entries

The U.S. participation for the upcoming Golden Rose of Montreux has reached a record level, according to John Nathan, U.S. coordinator of the annual event. The latest total represents the fifth year in a row that the U.S. has submitted the largest number of entries from one country. More than 30 countries will enter programs in the competition, which is set for May 7-13.

American companies which have entered include Viacom International (*Roseanne*); Twentieth Century Fox (*The Tracey Ullman Show*); The Disney Channel (*Manhattan Transfer: Going Home Concert*); Ohlmeyer Communications (*Season's Greetings*); MTV (*The Year in Rock—1988*); Free to Be Productions (*Free to Be . . . A Family*); and Shukovsy/English Productions/Warner Bros. (*Murphy Brown*).

Canadian entries include Bruce Allen Talent (*Bryan Adams: Live in Belgium*); Les Productions Telemagik (*Le Cirque du Soleil*); and Heart and Stroke Foundation (*From the Heart—A Gala on Ice*).



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## Zooming in on people

**Andrew J. Kaplan** has been named senior vice president, office of the chairman, **Columbia Pictures Television**. Prior to joining Columbia in 1987 as vice president, office of the chairman, Kaplan was vice president, administration, at Hal Roach Studios.



**Andrew Kaplan**

**Jim Thomson**, southern division manager at **Worldvision Enterprises** since 1968, when it was ABC Films, retires on May 1. His successor will be southern division account executive **Karl Middleburg**. Thomson, before going to ABC Films, was with Warner Bros. starting in 1966, and, before that, was with MGM Television. At MGM he set up its southern regional office.

**Christie Hawks** has been promoted to manager, western regional sales, at **Samuel Goldwyn Television**. Hawks joined Goldwyn in 1986 as account executive. Prior to that, she was sales coordinator at Lorimar Telepictures and Paramount Television.

**Rae Schat**, who was vice president/media sales at Orbis Communications, has joined **Syndicom Entertainment Group's** Syndicom Ad Sales as director. Before her stint at Orbis, she was in partnership at Media Five, a TV syndication company which represented Metromedia TV and others. Also at the division, **Laura Caraccioli**, also formerly at Orbis, in the international sales division, will become sales planning manager.

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**TELEVISION/RADIO AGE**

# Station Report

April 17, 1989

## **WHAT MAKES CONSUMERS TICK**

**WAVE-TV Louisville uses information on consumer attitudes and buying behavior to show prospective advertisers how they can get an edge over their competition./73**

## **GROVER COBB AWARD WINNER**

**Bill Turner of KCAU-TV Sioux City gets the National Assn. of Broadcasters award this year for his efforts in defeating the station transfer tax./74**

## **SELLER'S OPINION**

**Trying to hammer out some problems basic cable has in servicing advertisers is Richard B. Hammer of CBN Family Channel, who heads up a special effort for the Cabletelevision Advertising Bureau./75**

## **EMERGING TECHNOLOGY**

**Winner of the National Assn. of Broadcasters Engineering Achievement Award, Sony's William G. Connolly, heads up development in such areas as ENG and computer editing./76**

## NAB honoree Turner recalls rallying defense against legislative threats



Admiring NAB's Cobb Award, from l., are Senator Bob Packwood of Oregon, KCAU-TV's Bill Turner who wins it this year, and NAB president Eddie Fritts.

It was fall 1987 when South Carolina Democratic Senator Ernest Hollings, chairman of the Senate Appropriations Committee and a member of the Senate Commerce Committee led a Democratic charge to slap an extra transfer tax on station sales.

*KCAU-TV exec receives Cobb Award for years of bringing broadcasters and legislators together.*

The proposal was for a 2% tax on the sale price if the seller had held the license for three or more years, but 4% if he'd had the station for less than three years, with an additional 1% if he was saddled with a violation of the Fairness Doctrine. But as if that weren't bad news enough, the Senator from South Carolina reported the bill out of committee without a hearing.

## WAVE-TV shows Louisville retailers why consumers buy

(continued from page 73)

Achievers, Munson says, include the yuppies, and they generally enjoy higher incomes than the belongers: "They're driven to succeed and aren't afraid to work hard to get there. They like to feel they're on the cutting edge of style and fashion, are also outer-directed and like to impress other people. That translates into liking imported cars and wanting their home to serve as a show place as well as a place to live.

**Hot Buttons.** Thus, Munson explains that the challenge was to work with Evans' agency to make a commercial that would appeal to both belongers and achievers, without turning off one of the groups: "The risk is that if we talk about nothing but success to appeal to achievers, we might lose the belongers in the process. So we worked with hot buttons like 'family,' which the VALS research shows as a priority for belongers, and im-

ported cars and high tech gadgets that have a strong appeal for achievers. We combined these elements into the visual for a 30 that positions Evans in a doughnut that leaves room for interchangeable items and prices. Phillips' media plan combined newspaper ads with a once-a-month TV schedule, and Evans told the agency to make the commitment to television for 1989."

Meanwhile, Patty Comini, director of marketing services at Marshall Marketing, says VALS is improving with age: that SRI International has come up with a new improved version. SRI calls it VALS 2. They also call it "A new typology, based on a two-year, \$1.5 million project that included national surveys of thousands of consumers."

This new VALS segments the U.S. public into eight clusters, "each with distinct behavioral and decision-making patterns that re-

flect differing self-orientations and available psychological and material resources."

SRI also says VALS 2 "was designed specifically as a tool to help businesses predict consumer behavior in a culture that has become more heterogeneous, self-centered and adversarial" since the company introduced its original typology of U.S. society in 1978.

Ed Flesch, director of VALS, explains that the original VALS was conceived as a way to track and measure social change: "It's still a viable typology for uses related to value systems, but the new VALS 2 is better for predicting consumer behavior, and especially consumer purchase decisions. It relies less on political and social issues and more on psychological functions."

And Comini says it's the new VALS 2 that will be used in all of Marshall Marketing's future client projects designed to give broadcast advertisers an "edge."

## WAVE-TV shows Louisville retailers what makes consumers tick—and buy

Last September WAVE-TV Louisville announced that Marshall Marketing's InfoMax was now available to the station's advertisers and prospective advertisers. As local sales manager Ed Munson describes it, InfoMax provides advertisers with information about attitudes and behavior affecting consumer purchasing decisions, using the VALS profile. "By using these data, our advertisers gain an edge over their competition. Better information, fresher statistics and current consumer data means more sales for our clients."



One new WAVE advertiser who's benefited by gaining that "edge" is Evans Furniture, a four-location furniture and carpeting retailer who previously had used television to sell carpeting only. Carpeting accounts for only 20% of the chain's sales.

**First contact.** Munson reports the station's first management contact with Evan's president "was during ascertainment of the client's marketing needs. We found a client eager to use broadcast advertising but no one had ever shown him the 'proper' way. He has used two advertising agencies in the past five years. His major concern was the discounting image of so many other furniture stores who've advertised on television."

The second contact was a presentation about the upholstered furniture category by the account executive, research director and Munson, using the InfoMax information. Evans' ad agency, Phillips Advertising, encouraged WAVE "to move the client toward television."

The InfoMax data comes from Marshall Marketing's interviews

with 1,000 respondents in eight counties. Munson observes, "Some of the respondents bought from Evans, some from other furniture stores. The research results showed Evans with an average market share."

Munson says the third contact was "designed to sell television. Our research director found that no one furniture store controlled the women 25-49, upper income, 'belonger-achiever' target." He explains that a VALS "belonger" is a "traditionalist, mom-and-apple pie American, slow to change and outer-directed. That means they watch other people, see what they do, and let others set the trends. Belongers conform to whatever



Ed Munson

styles are followed by the majority. More women than men are belongers. They're very family-oriented and they like to 'buy American.'"

## KRON-TV to air anti-AIDS special



*President, general manager Amy McCombs describes plans of KRON-TV San Francisco to broadcast a six-hour anti-AIDS special on June 17. The program will showcase footage from the big Oakland Coliseum rock concert and other music events scheduled for May 21-28 to raise money to fight AIDS. On the dais with McCombs, center, are, from l., concert organizer Tim McQuaid, McCombs, and Dr. Pat Evans of the San Francisco Department of Health. McQuaid's target for the events is to raise at least \$3 million. McCombs says that besides KRON's special, the station will support the campaign with related news specials, programming and PSAs, continuing through the summer, followed by a three-hour repeat of the concert in September.*

the basis of the unfairness of the way it was being rammed through with no chance for us to state our position."

That victory was the high point of Turner's many years of NAB service. In March he stepped down and turned the legislative liaison reins over to NAB Joint Board chairman Wallace Jorgenson, who is also executive vice president, Hubbard Broadcasting.

It was also a victory that helped earn Turner a well deserved place in the long line of distinguished broadcasters and public servants to be honored with the NAB's Grover C. Cobb Memorial Award. And that puts Turner up there in company that includes U.S. Senator Sam Ervin of North Carolina; Senator John I. Pastore of Rhode Island; Senator Bob Packwood of Oregon and Senator Ted Stevens of Alaska. Congressmen who have received the award include Billy Tauzin of Louisiana and Tom Tauke from Turner's home state of Iowa.

*Victory over the transfer tax was the high point of Turner's service to the NAB and to the nation's broadcasters.*

Broadcasters so honored have included David C. Adams, former chairman of RCA, Everett H. Erlick, executive vice president and chief counsel of ABC Inc. and Peter Kenney, vice president, NBC Washington.

The award, sponsored by the Television and Radio Political Education Committee, honors the memory of Cobb, former NAB senior vice president for government relations. It is awarded to a broadcaster or public servant "who demonstrates unusual dedication to improving broadcasting's relationship with the federal government."

The Cobb award, one of NAB's two highest honors, will be presented to Turner at the Association's annual convention coming up April 29-May 2 in Las Vegas.

## William Connolly's NAB Engineering Achievement Award based on CBS work

As president/CEO of Sony Advanced Systems, William G. Connolly is doing what he does best—managing emerging technologies. It is no coincidence this now includes high-definition TV, arguably the most important new technology in the broadcast field.

His successes on the leading edge of technology have led to his being chosen this year's recipient of NAB's Engineering Achievement Award. He will accept the award at the Saturday, April 29 engineering luncheon of the association's convention in Las Vegas.

Connolly is being honored primarily for his accomplishments at CBS during his 23-year career there. His most fruitful years were between 1967 and 1983 during which he was, successively, director of development, vice president of development and vice president and deputy director of engineering and development of the CBS Broadcast Group. This means he was responsible for development of all new production and broadcast equipment and systems used by the Broadcast Group during this period.

A partial list of the products and systems developed under Connolly's direction include:

- The slow motion/stop action rhodium-plated disc recorder (in association with Macktronics).
- The CBS Minicam, a portable color camera with transmission capabilities, first used at the 1968 political conventions.
- The patented CBS color corrector, which received an Emmy citation (1968-69), in conjunction with CBS Laboratories.
- Computer-assisted editing, a prototype of the pioneering CMX-600, which received an Emmy award (1970-71).
- Electronic newsgathering, which received an Emmy award (1972-73) and which included recognition for equipping the first all-ENG station, KMOX-TV (now KMOV(TV)) St. Louis, using the Ikegami HL-33 portable camera.
- The CBS digital TV noise reducer and the electronic still store, which received an Emmy (with Ampex in the case of the ESS).



**William Connolly**

Connolly left CBS in 1983 to become president/CEO of Sony Broadcast Products Co. Three years later he was named president/CEO of Sony Communication Products Co. and last year he was appointed to head the advanced systems unit.

He accepted a number of Emmy awards on behalf of Sony, in 1984 for Super Motion, in 1985 for the one-inch, type C VTR format and in 1986 for electronic editing systems for film and for the Betacam component format recording system.

Connolly was deeply involved in the development of a standard by the Society of Motion Picture and Television Engineers for digital TV, known as the "4-2-2" format. This later became a worldwide standard via the CCIR, known as Recommendation 601.

As a strong proponent of the 1,125/60 HDTV production standard, Sony is a key entity in the 1125/60 Production Group, a consortium of about 30 foreign and U.S. manufacturers seeking to encourage its use. Connolly is a key figure in this campaign, being the "designated technical spokesman."

That puts him in the middle of the battle over 1,125/60, which has been under attack in the U.S. Connolly argues that the real issue is the HDTV transmission, not the production, standard. He supports the view that HDTV should be integrated into the existing U.S. terrestrial system, but maintains that 1,125/60 signals can be converted into whatever transmission standard is chosen for the U.S.

That situation, recalls Bill Turner, just named recipient of the National Assn. of Broadcasters' Grover C. Cobb Memorial Award, "was my welcome back to Washington from Sioux City, Iowa—what I ran smack up against my first day back from KCAU-TV."

The reason for Turner's return was that John Summers, then top lobbyist for the NAB, had just retired and NAB had also lost two of its other key government relations people. So NAB president Eddie Fritts turned to Turner, vice president and assistant to the president of KCAU-TV Sioux City, who also headed NAB's Television and Radio Political Action Committee from July 1979 to December 1988, and asked him to come back as acting director, broadcaster-Congressional relations, "to help cover bases on The Hill until Eddie could find a full-time replacement for John."



Turner explains that the transfer tax the Democrats wanted to pile on station transactions "was more tax on top of the tax you already paid at the time of sale. And they wanted to drop this on us without a hearing. So what Eddie and I did was rally our members around to call, or better yet, come running to Washington to ask their home state Senators and Congressmen how come this was America and we weren't even getting a chance to tell our side of it in a hearing before we got socked with this?"

**Turnaround vote.** The bottom line was that Fritts and Turner succeeded in rousing so many NAB members to complain to their legislators that in spite of the 55-45 Senate lineup favoring the Democrats, Turner recalls that "The broadcasters beat back the transfer tax by a vote of 66 to 28, mostly on

## One Seller's Opinion



### Cable nets work toward standard ad sales systems

**Hammer**

**Basic cable television's** national advertising sales growth has been well documented by this and other trade journals. It would be easy for us in the cable industry to be content riding the wave to still greater revenue heights and ignore some of the growing pains that have been created as a result of that explosive growth.

Advertising agencies repeatedly cite three logistical concerns as obstacles to making an even greater commitment to basic cable. Left unchecked, these issues surely would inhibit the continued growth of our business. Fortunately, the advertising-supported cable networks recognize the situation and are taking steps to fill the needs.

Basic cable's rapid emergence as a national advertising medium has created a paperwork backlog in contracting, trafficking and posting of schedules. Specifically:

- Contract procedures are not standardized among cable networks. This is sometimes cumbersome because of the relatively high volume of announcements in specials, multiple dayparts, networks and brands.
- Communication of make-goods and audience deficiency units are not reported uniformly. This leads to time-consuming matching of contracts and invoices and causes unnecessary delay in payment of those invoices.
- Posting procedures vary from network to network. There is a need for more brand-by-brand posting, accuracy and timeliness of post-evaluation reports.

**Admittedly, these administrative issues** are not glamorous ones and it is difficult to achieve uniformity. The administrative requirements of widely varied advertisers, agencies and cable networks are not easy to serve with a single, monolithic approach to system management.

Last summer, the Cabletelevision Advertising Bureau created a task force to tackle the issue and develop recommendations for easing the headaches outlined above. Larry Divney, vice president, advertising sales for Arts & Entertainment; Radford Stone, CAB's vice president, national sales; Art Sulzburgh, CAB's national sales director; and I were selected to develop the recommendations to help standardize some of these areas to make the medium "more advertiser-agency friendly." In all, 10 cable networks provided seed money for the project.

After more than six months of research, discussion and analysis, we have prepared a final report with recommendations that bring the cable industry significantly closer to having an integrated system of trafficking, contracting and billing.

A single system will not serve the varied needs of all advertisers, agencies and networks. Each has its own proprietary media and sales objectives to serve. However, we are extremely confident that some degree of integration can be achieved. If the need, as it exists today, rates a "10," we should be able to reduce it to a 1 or 2 with some degree of integration and uniformity.

I know that agencies and cable sales management will be far better off because our industry has confronted the issue head-on. Our actions will enable us to continue to position cable as "advertiser-friendly" and continued advertiser acceptance of cable will be assured.—**Richard B. Hammer**, managing director, advertising sales, *The CBN Family Channel*

## Appointments

### Stations



**Jefferson**



**Matheson**

**Wayne Jefferson** has been named vice president and general manager of CBS-owned WBBM Chicago. He has succeeded as vice president, general manager of WBBM-FM by **Tom Matheson** who steps up from general sales manager.



**Simon T** has been appointed vice president, general manager of Westwood One's recently acquired KQLZ(FM), formerly KIQQ Los Angeles. T, who continues as president and managing partner for Eric/Chandler Communications, moves in from San Diego, where he had been president and general manager at KCBQ-AM-FM.

**Michael R. Johnson** has been named vice president, general manager of KAYI(FM) Tulsa. He joined the Narragansett station last spring as general sales manager and now moves up from acting general manager.

**Bill McGowan** and **John McCormick** have been promoted at Fox Television's KTTV(TV) Los Angeles. McGowan moves up from vice president, director of sales, to vice president, station manager, and McCormick, who had been local sales manager, becomes vice president, general sales manager.



**Robert W. Leider**, vice president, general manager of WSVN-TV Miami-Fort Lauderdale has assumed additional responsibilities as executive vice president and general manager of Sunbeam Productions, recently formed by **Edmund Ansin**, president of WSVN's parent company, Sunbeam Television Corp., to syndicate WSVN's *Inside Story* through MCA Television.



**Wesley Morgan**, president of Morgan Broadcasting Ltd. and CEO of Atlanta-based Morgan Consulting, is the new owner of WFSF/WNER(FM) Dothan, Ala. Before organizing his own companies, Morgan had worked for WWRL New York and WIGO Atlanta.

**Rod Whisenant** has joined WYZZ-TV Peoria-Bloomington as general manager. He had been local-regional sales manager for KSNT-TV in Topeka.

**Joan Homa Shultz** has joined WKYS(FM) Washington as general sales manager. She moves in from the general sales manager's desk at WGMS-AM-FM and at WKYS reports to president and general manager **Skip Finley**.

**Ellen Cavanaugh** has been promoted to general sales manager of Group W's KODA(FM) Houston. She has been the station's sales manager for the past two years and before that had been the advertising sales manager for Houston's Cable Interconnect.

## Representatives



**Rick Fromme** has been named senior vice president/marketing of The Radio Store in Interep's Dallas Sales office. He had been vice president/regional manager for Interep's Group W Radio Sales in Dallas.



**Jim Watts** has moved up to regional manager in the Detroit sales office of Hillier, Newmark, Wechsler & Howard. He joined the rep firm in 1985 from WWWW(FM) Detroit and now advances from account executive.

**Bob Turner** has been promoted to New York sales manager of the Katz Radio Group Network. He came to Katz in 1984 and now transfers to New York from the sales manager's desk at Katz Radio in Houston.

**Donna Schimmenti** has been promoted to group research manager for the New York Green team at Petry National Television. She came to Petry as a research analyst in 1987 from CBS and now steps up from senior analyst.

**Karen Joyce** has been assigned to Harrington, Righter & Parson's New York Green Team as an account executive. She was previously on the radio research team at Select Radio Representatives and was a TV program analyst with John Blair & Co.



## Spotlight On...

### Richard Balsbaugh



*Chief executive officer  
Pyramid Broadcasting  
Boston*

**R**ichard Balsbaugh was the man honored with The Second Annual Herb Dolgoff Leadership Award, presented at Major Market Radio's 10th Anniversary "Fly-In" in Orlando. He was selected by vote of a panel of broadcasters including executives of MMR repped radio stations, surviving members of the Dolgoff family and Washington-based broadcast attorney and Dolgoff family lawyer Jason Shrinsky. Dolgoff had been owner of Spanish language WCMQ AM-FM Miami before he sold it to Raul Alarcon's Spanish Broadcasting System.

Criteria for selection for the Dolgoff Award include contributions to the broadcast industry and maintenance of industry standards. More specifically, one area for which Balsbaugh was cited was "maintaining rate leadership." Others were a high level of community involvement and effective work in maintaining good advertiser and agency relations.

Regarding rates, Balsbaugh is convinced that "The only way to make a station grow is with iron-clad rate integrity. Too many also-ran stations in a market will go to any lengths and drop their rates to any level just to get on a buy. But our creed is to walk away from a buy if the advertiser doesn't want to get the best and pay for it. Those advertisers who refuse to settle for less than the best realize that although we're tough, we're fair, and deliver top value for top dollar. You have to, if you expect to earn the lion's share of market budgets and not wind up begging for the left-overs.

As for community involvement, Balsbaugh believes that "Anyone who enjoys our level of success and who can reach and influence so many listeners is obligated to use that influence to give something back to the community." And at WXKS AM-FM, such fund raising ties into good customer relations, too. Says Balsbaugh: "What started 10 years ago as a small thank you party for our advertisers has mushroomed into our annual KISS Party (WXKS calls itself KISS 108) plus a live concert featuring the biggest names in music. We sell tickets and raise upwards of \$50,000 each year for The Genesis Fund."

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KAER and KFBK (AM), Sacramento KFVB, Los Angeles KJQY, San Diego

**Westinghouse Broadcasting Company**

## FEEDBACK

### Is it realistic for advertisers to withhold advertising from particular programs because of sex, violence or other controversial content?



**"It is certainly within the purview of each advertiser to decide where and when he wants to advertise his product. And programming environment is certainly one of the elements that can be part of what goes into that decision. When an advertiser has an image to protect and a particular program in his opinion does not live up to the standards of that image, there's no doubt that it's that advertiser's prerogative to decline participation in that program."**

*Allen Banks  
Executive vice president, media director  
Saatchi & Saatchi Advertising  
New York*



**"Sure it is. I absolutely endorse anything like that. I've seen an awful lot of letters from viewers coming to clients, so guidelines have been established because of these comments. Advertisers are very sensitive, and they should be. Their purpose is to make friends and make sales, not to antagonize viewers. I've had clients who look for situations where others pull out and they can get opportunistic rates. If that's what they want to do, that's their business. But advertisers can also improve television by paying attention to the content."**

*Len Kay  
Senior vice president, director of media operations  
Kelly, Scott and Madison  
Chicago*



**"That's such a subjective call. On the one hand, you obviously don't want to have television become a horrible thing. On the other hand, you don't want a vocal minority to rule."**

*Bart McHugh  
Senior vice president, director of national TV/radio programming  
DDB/Needham  
New York*



**"Of course, advertisers have to be concerned with the environment in which their advertising appears. And they certainly don't want to alienate any of their customers. It's not a censorship issue, because it's always up to the broadcaster to decide if a program gets on the air."**

*Michael Drexler  
Executive vice president,  
national media director  
Bozell  
New York*

## Investors advised: Play Time-Warner deal from the Warner corner

Investors looking to play the Warner-Time merger game are being advised by Mabon, Nugent & Co. to play it from the Warner corner.

Explains the firm's broadcast analyst Raymond L. Katz, "We think Warner represents the more attractive way to play the companies' pending merger, providing over 30% potential appreciation for Warner shareholders versus 20% for time holders. Approximately 30% of that Warner appreciation will come when the deal closes as each share of Warner stock is exchanged for .465 shares of the new Time Warner. The remainder of the appreciation should come in 1990, in our judgment, as Time Warner stock meets our price target of between \$130 and \$140."

Time, in publishing and cable, and Warner, an entertainment giant, proposed merger last month.

Katz says the net result of the merger should be a combined entity with assets worth over \$27 billion in the 1990 private market, or close to \$200 per share. He adds, "Warner shareholders will, therefore, end up with 20% greater asset values than they would have had in 1990, ex-the merger. Time holders, on the other hand, will be diluting their private market value for the opportunity to enhance their public market value; we think that TWI stock will still grade 10-15% higher in 1990 than TL stock would have based on fundamentals."

He estimates pro forma earnings of \$8 in 1990, up from pro forma \$6.10 in 1989.

## Dimmer view on Meredith

Merrill Lynch has lowered its 1989 earnings per share estimate for Meredith Corp. from \$2.10 to \$1.75. This came after Meredith management said it would not meet earnings expectations for 1989, EPS for the year would be below year-earlier levels and third quarter earnings would be flat.

Says Merrill Lynch first vice president Peter Falco, "We're comfortable with our neutral intermediate term rating on Meredith but would not get too negative on the stock. On the plus side, the stock has a following of value-oriented investors that have been very patient, and despite management disclaimers, some still believe that a takeover or other restructuring is possible."

Although Merrill Lynch says magazine earnings are likely to be less than it was estimating, it's bullish on a new title, *Country America*, which Meredith is publishing in conjunction with The Nashville Network. Falco says the new title tested well and its launch was moved up to fiscal 1989 from fiscal 1990.

Merrill Lynch estimates a 4.5% improvement in broadcast revenue for 1989—to \$114.5 million and a 5.6% increase in 1990 to \$120.9 million.

## Neutral on Foote, Cone

Finding earnings difficult to call due to the company's evolving structure, Shearson Lehman Hutton is giving Foote, Cone & Belding a "neutral" rating for the short- and long-term. Advertising analyst Laurie Goldberger comments that its "results remain subject to a range of one-time charges and gains as well as problems at smaller, unintegrated operating subsidiaries. Looking at Foote, Cone's base agency business, we can infer that the company has done a creditable job of maintaining, if not improving, profitability in the face of rather sluggish revenue trends.

"However, absent sustained revenue momentum and because of its smaller size and lack of any meaningful financial 'cushions,' any of which could smooth future problems, we'd expect the company's earnings to remain more volatile and less predictable than those of its advertising group peers."

The agency's 1988 earnings per share declined 19.9%, to \$1.61 from \$2.02 for 1987 while operating income increased 7.8%. Goldberger adds, "When adjusted for what we believe was at least a \$2 million negative swing at Krupp-Taylor, the gain probably amounted to as much as 20%."

Looking to 1989, Shearson recently reduced its EPS estimate to \$2 from \$2.20. Goldberger explains, "The reduction reflects a better understanding of the earnings impact of Foote, Cone's new Publicis joint venture, as well as a reduction in expectations for the U.S. business. Our concerns center around the company's ability to maintain margins in the face of what are projected to be flat U.S. revenues, the risk of unplanned RJR cuts, Krupp-Taylor's still subpar performance and a clear, yet unannounced, decision to spend more aggressively to revitalize new business."

## Omnicom labeled outperformer

Meanwhile, Shearson predicts that Omnicom will outperform the market over the short- and long-term with its two large multinational agencies—BBDO and DDB/Needham Worldwide—and "respectable representation in other marketing communications disciplines."

"Now that new corporate management is in place," Goldberger states, "and will probably focus on things other than merger-related problems, Omnicom is, we believe, in an excellent position to build on its base. This should put the company in a position, in fact, to improve already attractive earnings growth potential, perhaps to 15% per annum. Management has signaled their desire to rationalize the DAS organization, enhance DDB/Needham's European network and generally improve the professional and business quality of its managers."

With 1988 EPS at \$1.58, Shearson is projecting a fully diluted \$1.78 for '89. Goldberger comments, "Omnicom is selling at a market multiple on estimated 1989 EPS (and based on Shearson Lehman Hutton's forecast of \$25.70 for the S&P 500). It is trading at the low end of a range that we think could reach a 15% premium on the upside if 15% annual earnings growth is achieved."

# In the Picture

## Jim Duffy



*President, ABC Communications, harnesses the power of network programming to spotlight social problems, and the power of local ABC and PBS affiliates to contribute to solutions at the local level.*

## ABC's Duffy, in fight to upgrade U.S. literacy, earns NAB's high honor

PLUS—Project Literacy U.S.—has chalked up a good track record of initial successes, but Jim Duffy, president, ABC Communications, Capital Cities/ABC, Inc., who oversees PLUS, a joint public service of ABC and the Public Broadcasting Service, insists, "It's only the start of what we'll have to do if America even hopes to recapture the competitive edge in world trade we once had."

Nevertheless, Duffy's achievements in harnessing the power of television programming to both spotlight a wide range of problems, from illiteracy to alcoholism and drug abuse, then organize local actions to attack these problems through local ABC and PBS affiliates, has earned him, among many other honors, broadcasting's highest, the 1989 Distinguished Service Award of the National Association of Broadcasters.

And his current job follows his unprecedented 15 years as president of the ABC Television Network, after serving for seven years as the network's vice president, sales. Under Duffy's leadership, ABC's TV network enjoyed record-breaking sales gains and became "the world's largest advertising medium." ABC says it was the first network to pass \$1 billion in sales (1977), \$2 billion (in 1982) and \$3 billion (1984) in annual sales.

### Hands-on approach

In the words of NAB joint chairman Wallace Jorgenson, "Jim has dedicated his life to making American broadcasting the best it can possibly be. His innovative, hands-on approach has resulted in a greater public awareness of what our industry can provide. And his unstinting devotion to public service, especially in combatting illiteracy, has had an immeasurable impact on this nation."

The word from Duffy himself is that despite the great outcry over Whittle Communications' proposal to pay for a televised news service to the nation's classrooms by dropping in some commercials, "More educators today do recognize the value of television:

particularly televised drama based on history, such as *Roots*, *Winds of War*, primetime programs like *Bluffing It* on functional illiteracy, and the various *After School Specials* that treat a wide range of problems, from dropping out to student drinking."

Duffy explains that the community relations people at ABC's 221 television affiliates are notified well in advance about each such program that treats social issues. This advance notice, he says, "Gives the affiliates time to let local groups in their own markets who are fighting these same problems know what we're going to be doing and when. This puts the local groups in a position to coordinate their members. In some markets, the affiliates will form a panel of local educators, psychologists and others who work with youngsters to discuss the subject on camera, immediately following our network presentation. And there's often a hotline number for viewers to call the panel with their own questions or comments."

### More advertisers join in

Duffy also points out that more advertisers are becoming involved, either with their own efforts to raise the literacy level in their own workplace or with PLUS itself. Chrysler sponsored *Learning in America* on PBS, "and Chrysler, along with Capital Cities/ABC, RJR/Nabisco, Prudential, Bell South and the Olsten Corporation were underwriters of our National Literacy Honors."

This was a blacktie dinner in Washington attended by some 1,200 leaders in the fight for literacy, including business people, educators and legislators. Guests of honor were Barbara Bush, for all her work for the literacy movement, and PLUS's own "Learners of the Month."

Duffy adds that many other companies, including IBM, AT&T, Apple Computer, Kellogg, Eastman Kodak and Ashland Oil are among a growing number of companies with their own programs promoting literacy, including training programs for their own employees.

Meanwhile, Duffy points to some of the gains already achieved by PLUS:

- According to a poll commissioned by ABC in 1986, PLUS back then had already accounted for a substantial rise in public awareness of the problem of adult illiteracy. Some 71% of the respondents were aware of the problem, up from only 40% before the advent of PLUS. And almost three-fourths of those aware had seen or heard something about the problem on television.

- Station participation is impressive. Two-thirds of the public stations interviewed by the Public Television Outreach Alliance reported producing local public service campaigns for PLUS, 29% sponsored call-in programs, 16% produced documentaries and 32% produced some other type of related local programming. An ABC survey of its affiliates found 92% of the stations replying had produced local programs to complement the network PLUS effort.

- The project has created many local and statewide hotlines for literacy, meeting one of PLUS's original objectives.



**"It depends on what point of view you're looking at. Advertisers certainly have the right to pull out and not participate in programs for whatever reason they choose. Advertisers should develop their own standards of acceptability. That's not a moral reflection, strictly a business decision. If advertisers can benefit from a program's large audience without receiving undue negative criticism, fine. If they feel association with a program is inconsistent with their brands, that's good cause not to participate. We don't know to what extent program environment affects advertising recall. . . . I don't believe viewers have the right to watch programs with the sole objective of listing sponsors and lobbying against them when programming steps over their level of acceptability. They're sitting there watching these shows intentionally, [like that woman who] religiously watched "Married. . . With Children," and suddenly it went too far."**

*Richard Kostyra  
Executive vice president, U.S.  
director of media services  
J. Walter Thompson USA  
New York*



**"I think advertisers have a responsibility to develop guidelines for where their advertising messages should run, and they should be pertinent to that advertiser's marketing needs and corporate culture. But one standard doesn't apply to everyone."**

*Lou Schultz  
Executive vice president,  
director of media services  
Lintas USA  
New York*



**"I think it is not only realistic but quite appropriate as long as it doesn't go overboard in terms of the values the advertiser expects to get from the medium. An advertiser invests where it will do good, not harm."**

*Joe Ostrow  
Executive vice president,  
worldwide media director  
Foote, Cone & Belding  
New York*



**"The decision is subject to the client's taste level and what the client feels is or is not compatible with the standards of his product and company. If he feels the program environment is doing nothing to enhance his product's image, he doesn't want to be in it and we keep him out of it. Another client may not be concerned, so there's no problem and he stays in. Geraldo did a show on Satanism, and the advertisers were dropping out like flies. The network started calling everyone in sight, guaranteeing a high rating—which the show did get—at fire sale prices. But when they described the nature of the program's content we said thanks, but no thanks."**

*Chuck Abrams  
Senior vice president, media  
director  
Campbell-Mithun-Esty  
Chicago*

## NAB spells out cable-telco strategy: playing both sides for the best deal

The National Association of Broadcasters is holding out a carrot to both the telephone industry and the cable industry. Its decision on which side it will support may come down to which one gives broadcasters the best promises.

John Abel, executive vice president of NAB, was unusually candid recently when he gave trade-press reporters a demonstration of the slide show he has been presenting

to broadcasters around the country on the issue of allowing telephone companies to compete with cable, and potentially with broadcasters, in the video market. Strategies trade associations take on particular issues are rarely revealed in public. But although the NAB is still formulating its own position on the telco issue, and doesn't plan to make a decision until the June meeting of its board, Abel has been

telling broadcasters, and now reporters, NAB's current strategy.

But Abel reveals that the NAB wants to use the association's decision to win more concessions from each side. On the cable side, that would have relevance to the current talks between the two industries over fashioning a new must-carry proposals. It could get the telcos to guarantee free carriage of broadcast signals over its fiber optic system in the future if it is allowed to enter the video market.

"As a political matter, we need to persuade the cable industry to ac-

# the marketplace

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## Having waited too long for Bush call, Patrick looking toward private life

Dennis Patrick, chairman of the FCC, may have announced his resignation because he felt a little like the general in the Beetle Bailey comic strip who kept waiting in vain for the Pentagon to call.

Just a few days before his announcement, and five months after George Bush was elected President, Patrick told TV/RADIO AGE, "I have had no discussions with the domestic policy shop, with the Bush White House since the election." Even when he handed in his resignation, he spoke only with Chase Untermeyer, chief of the personnel office, a job that Patrick held upon first joining the federal government in 1981.

Patrick said at a news conference called to announce his plans that the White House had interviewed "a number of people" for the two year-long openings on the commission, but had not been considering the chairmanship—yet. As Patrick knows, the appointment of FCC commissioners usually is a way a President pays off campaign debts. And Patrick says he did no campaign work for Bush.

**Hanging around.** At the time of the TV/RADIO AGE interview, Patrick commented, "I have been saying I have no plans to leave at present." Over the next few days, however, he decided to quit effective the day his successor is sworn into office. As those things go, he can be expected to hang around at least into May and probably into summer.

At the news conference and in the interview, Patrick said he had enjoyed the complete and consistent support from the Bush administration. But in the five months since election day, Bush hasn't even mentioned the FCC publicly, much less expressed his support of any of its people or policies.

Patrick, from southern California, allowed that chairmanship of the FCC would be his last job with the federal government. He has no political ambition, he says, and he

plans to return to the private sector, probably to practice law, either on his native west coast or on the East Coast, which includes the capital he calls "that God-forsaken land." But Patrick is keeping his departure clean and vows he will negotiate no job until after he has left the agency.

When he does leave, he has this parting advice for the broadcasters he oversaw for the past two years as chairman: "It has been a little frustrating that I have been unable to convince some broadcasters... that content regulation is not only antithetical to all things we hold dear in the context of the First Amendment, but is really bad business and bad economics for the broadcast industry."

Look for many of Patrick's top hands to begin their own job-hunting expeditions and to not wait, like Patrick, for his successor to be sworn in.

## NAB to lobby against info service label

The National Association of Broadcasters plans to lobby Capitol Hill to make sure "broadcasting" is not included as one of the information services" that is being considered as a possibility for allowing telephone company entry into the something besides telephone service.

Reps. Al Swift (D-Wash.) and Tom Tauke (R-Iowa) have been working for weeks on legislation that would take regulatory power from the federal judge who has presided over the breakup of the telephone industry and give it instead to the FCC.

The proposal, as it stands, also would require the FCC to let telcos provide "information services" as a modest step into the business now dominated by cable.

John Abel, executive vice president of NAB, reveals the association is trying to convince Swift and Tauke to confine their broadcast definition to allow something far short of video services.

## House moves on fairness, kidvid

The normally slow-moving Congress has taken three concrete steps in the broadcast area just two months into the meat of the congressional session. The House Telecommunications Subcommittee approved carbon copies of two bills from last year, codification of the fairness doctrine and a children's television bill. The full House approved a bill requiring that polling places across the country close at uniform times to avoid the impact of television predictions of election outcomes.

The progress of the legislation is likely to be swift from here on out, as they move to the House floor and follow an identical route through the Senate.

To shore up its work on the fairness doctrine, the subcommittee arranged with consumer advocate Ralph Nader to release a study to show that the lack of a fairness doctrine since it was dropped by the FCC nearly two years ago has had just the effect that members of Congress had warned about all along. The study said, among other things, that the amount of time spent on "issue-oriented public affairs" programming has declined by nearly half during the period.

The National Association of Broadcasters, still philosophically, but realistically, opposed to codification, refuted the work of the Nader Group, "Essential Information." NAB says the percentage of public affairs programming may have dropped from 5.1% of all television programming to 2.2% but that the number of hours "may actually have increased."

"Essential Information" compared programming of last year with the 1975-1979 period to reach its conclusions. NAB says the number of stations since then not only has increased, the number of hours in a typical broadcast day also has expanded, thus reducing the percentage even if the number of programming hours remained the same.

# Washington Report

## Consumer attitudes: Broadcast TV outdone by cable on most counts

The good news: Nearly every American watches television at least once a week. The bad: Nearly a third consider watching a rented tape or home movie as "watching television." Ten per cent of adults would even count playing a computer game as "watching."

And from a list of nine characteristics broadcast TV would like to think of as having, it was chosen over cable in only two categories—better local news and better national news.

Still, the Television Information Office of the National Association of Broadcasters announces in its 15th biennial study of American viewing habits, "The news about television continues to be good. A majority of Americans still watches free over-the-air television, and most approve of what they see."

TIO was disbanded after the report was issued, but the biennial reports will continue to be conducted by the Roper Organization under the auspices of the NAB itself. The text of the report is selective in what it chooses to emphasize, almost all of it favorable, of course. But the charts accompanying the text reveal much more of the story.

### Better than half

To be sure, there are positives. A full 68% of the respondents said they found television entertaining, 56% interesting, and 52% informative. The percentages go down from there as the scale gets into less positive and more negative attributes.

All of those findings indicate an improvement over two years ago, except for two categories—whether the programs were informative and whether they were public spirited. The former dropped from 58% in 1986 to 52% in this year's study, the latter from 12% to 11%.

And, the study does reveal even in the text that there has been some slippage. "Two years ago, watching television was in second place as the activity looked forward to the most during the day," the report said. This year, it is in third, preferred by only 20% of the respondents. About 43% would rather socialize, a 7% increase over the previous study. Beating out watching TV was "hearing the news," at 24%, which the report noted could include TV.

There also are the loaded questions, such as, who "should have the most to say about what people see and hear on television?" No surprises there—78% say they, the individual viewer, should. That's up by 1% from the last study, and 7% over 1978.

The surprise is that 22% would leave the decision-making to the networks and stations. Only 9% opted for the federal government, down 2% from the previous study, but it beat out "social action/religious groups" by three percentage points, way down from its 11% in 1986. It will be interesting to watch that last figure in the future. It could have been skewed since

the last report by the scandals that plagued televangelism the past two years.

It doesn't help broadcasting's cause much to be coming out with the next statistic, as Congress is heating up its consideration of new federal guidelines for children's programming. Nearly half (46%) of the respondents said there are not enough "suitable programs for children." Less than one-third (31%) said the mix was just right. Seven per cent were curmudgeons, believing children's programming excessive.

In other areas, the news was definitely good for TV. The graph kept by Roper since the first report in 1959 continues to widen the gap between TV and newspapers as the major source of news. Today, 65% cite TV as their primary source, and only 42% opt for papers. Radio continues to decline, to 14% this year. The percentage of the hold by magazines has declined, but not by much, to 4% this year.

### Considered credible

As for trust, TV still holds sway in credibility. Here, however, the Roper study is more candid, going beyond what it discloses in the piechart, which shows TV with 49%, newspapers 26%, radio 7, and magazines 5.

The study's text notes the dominance of TV in credibility since 1961, but adds, "Over the last two years, however, there has been some decline in television's lead over newspapers as the most credible medium. While holding its own as the main source of news, television has declined six points as the most credible source—although it still leads newspapers by a nearly 2-1 margin."

TV also is the main source of information about political candidates, covered the presidential campaigns evenly, and was considered largely unbiased by a majority. However 48% said TV coverage had no effect on their interest in the presidential campaigns.

But when over-the-air TV is compared with cable, it comes up short in everything but news. When asked which category "better describes regular TV or cable TV," the respondents chose regular over cable in local news 72% to 11%, and national news 45-33.

But cable bettered broadcast by 47-26 when the 2,000 respondents contacted in their homes during the week of Nov. 12-19 last fall were asked which had better entertainment programs. They also considered cable to have more educational programs, 47-28; much more sports, 61-17; and more cultural programs, 51-22, better programming for children, 39-31; greater program variety, 52-24; and even better quality programs, 37-32.

Broadcasters would just as soon lose the next three categories and they did overwhelmingly. Cable was considered to contain far more sex, 71-6%, than over-the-air TV; more profanity, 69-7, and more violence, 58-11.

One of the strangest revelations in the study is that about 20 persons interviewed would not list networks, independent stations, public TV, cable channel, pay-TV channel, premium cable channels, time-shifting, rented videos, home movies, or a video game as something they would include when they "think about a person 'watching television.'"—**Howard Fields**



tively help us get a new must-carry rule into place. To do that, the cable industry may need to feel some of the competitive pressure that the phone companies can bring to bear if they entered the cable business.

"The more they feel the pressure, the more likely they will feel it necessary to do something for broadcasters.

"Partly this is why I believe it is not in our interest to take a firm position that says we are opposed to telephone company entry. Perhaps we should increase the pres-

*"Perhaps we should increase the pressure on cable by... the suggestion that perhaps telephone company competition is exactly what the cable industry deserves."*

sure on cable by leaving the door open to the suggestion that perhaps telephone company competition is exactly what the cable industry deserves."

**Lacking levers of power.** He concludes, "We have lacked the full ability to negotiate with them, whether it be for carriage or rates, because we lacked the levers of power.

"But we now have something that each of them wants: our support. This is too vital and precious a commodity to give away."

## the marketplace

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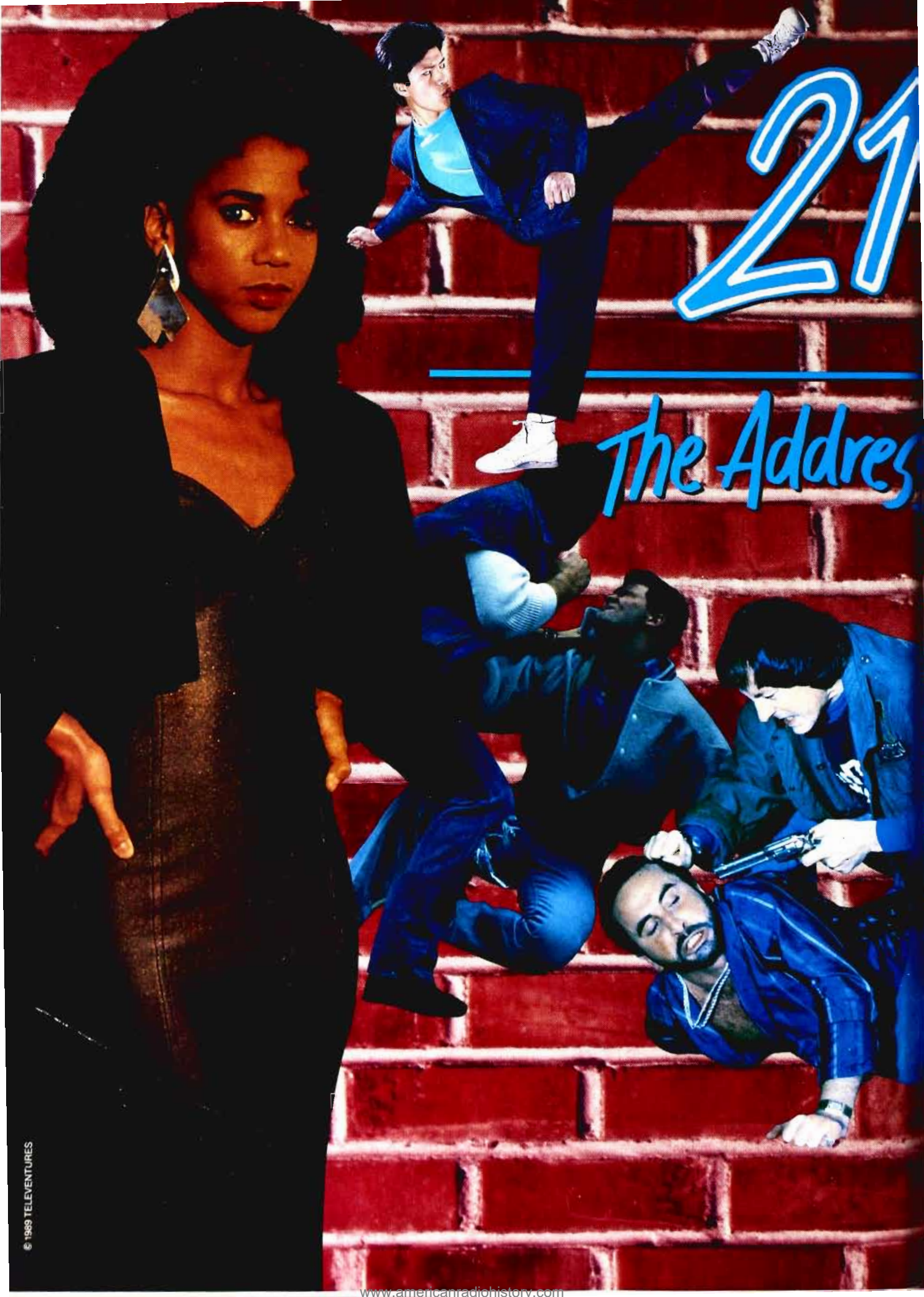
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