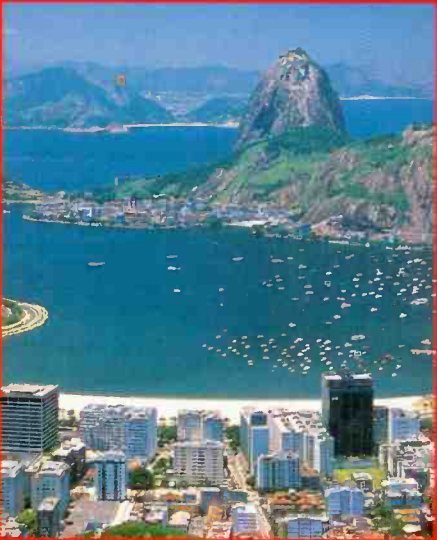
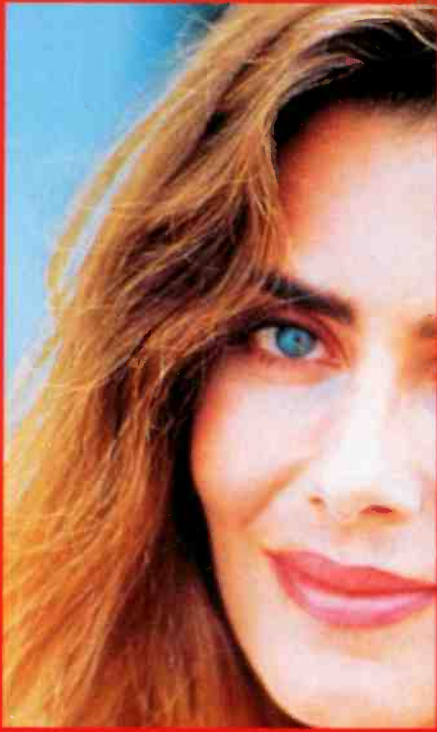


# TBI TELEVISION BUSINESS INTERNATIONAL

FEBRUARY 1994 NATPE ISSUE



## LATIN ROMANCE

Also: The TBI Achievement Awards; Doing U.S. Business

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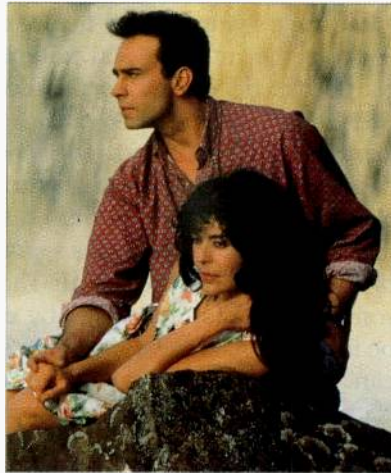


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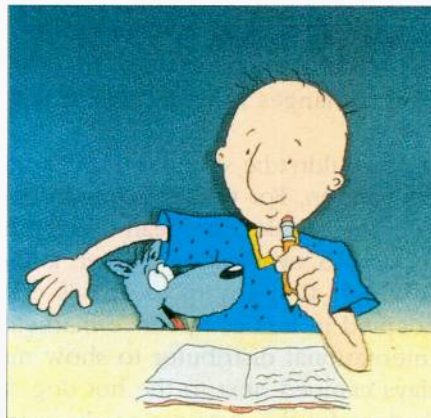
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## In The Swing Of It

You can't swing a dead treatment without hitting someone who's excited about the international potential of Natpe. It goes without saying that Natpe has become a *very* international market. Which is why, I guess, everyone is saying it. Over and over and over again. According to a basic law of journalism, the Law of the Reversing Pendulum, you're guaranteed page one anytime you can write the opposite of what everyone is saying, believing, doing. Be the first to send the pendulum the other way, and in the business of trend analysis, you've got a scoop. I could go for the pay-off of the "Natpe Not Really All That International" shocker. It might get me some attention, but it would be equally stupid. Of course, Natpe is going to be international. The convention's presence in Miami means the Latin American contingent – always a big one at Natpe – will be larger than ever. Natpe International has just faxed to let me know it is giving out its first International Award of Excellence to Gustavo Cisneros, chairman-CEO of the Cisneros Group of Companies, which – surprise, surprise – is principal partner in two major Latin American broadcasters, Univision and Venevision. The award to an important Latin American tv executive is no coincidence, but it's not cynical either. Tv in Central and South America, an industry that resembles Europe's ten years ago, at least in the broad outline of the changes now occurring, will be an important focus of business at Natpe.

It wouldn't be stupid to look at the scope of international activities at the convention. For tv executives from other parts of the world, Natpe is still defining its role. European executives like to see what ideas are percolating in the U.S. syndication market. Is there a format worth acquiring? Or "borrowing?" Can any of local tv's crash-boom promotional techniques be adapted in less competitive markets? That said, I'm still waiting for a U.S. international distributor to show me order books overflowing after three days camped next to the hot dog stand on his domestic division's booth. And, as for the overseas producer who nails down big U.S. deals at Natpe, press releases to TBI, with copies to Ripley's Believe It Or Not, please.

The excitement attending the convention this year has been generated by more than just the international business, so the 1994 edition may not resolve the question of Natpe's role in world tv. Mega-mondo-media merger mania is bringing U.S. attendees out of the woodwork to see what their industry is all about, in some cases, to look at what they've bought into. No doubt Natpe needs international. The start-up of one or two new U.S. networks could turn Natpe into no more than a giant affiliates convention for everybody but the guy who runs the low-power tv station in Idaho. More networks mean fewer slots for syndication and a smaller market for domestic sellers. International business then becomes a necessity.



The Editor



# HAVE A LOOK AT OUR PROGRAMS

## FICTION

TV MOVIES  
·  
TV SERIES  
·  
DRAMA  
·  
CRIME SERIES

## SPORTS

FOOTBALL  
·  
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UFA

MEET US AT NATPE

When tv executives get caught in the cutbacks they tend to re-emerge as independent producers. Recently I met with one who had made the transformation and heard him talk excitedly about his big project.

I expected it to be something remarkable, the program he had dreamed of doing all those years he was a hired hand. Instead, it turned out to be a talk show, yet another among the many in U.S. television today.

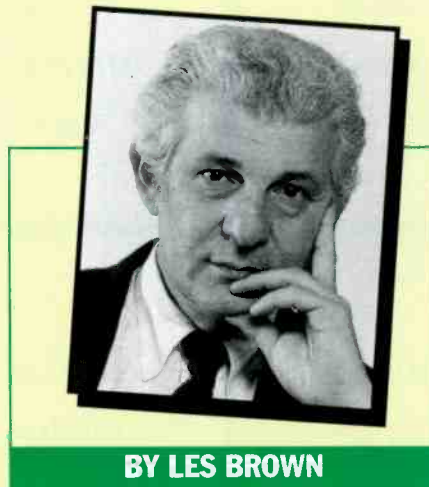
When I asked how his would differ from the rest, he replied that it wouldn't. Why should it? he asked. Why swim against the tide? There's a kind of talk show that's selling today, that works with the audience if you've got the right host. And that's what he was sure he had, a potential winner he couldn't identify until the papers were signed.

My friend's approach reflects the wisdom of one who has worked long enough in commercial tv to know the odds favor doing the obvious. You can go broke trying to sell something original to pragmatic buyers who only want the surest route to ratings and have no interest in making television history. I was naive in supposing that someone as steeped in the business as he would even flirt with an original idea.

The smart money today is on the oldest, cheapest, and purest form of television, a form which got rediscovered a few years back when Oprah Winfrey hit the syndication jackpot. Now the U.S. is awash in talk shows. There were 13 of them in the daytime market when the current season began, plus one that NBC grabbed from the ranks to plug a weak spot. In addition, there were five competing in late night, including one on PBS, and a flock more on cable, especially CNBC, which has given over its evenings to the genre. It is nothing short of an epidemic.

In syndication, the hits separate from the flops by some ineffable quality of the host. Television has always been a personality medium. In tv's earliest days, before the conquest of film, people with very little obvious talent or wit gained a following for their charisma, abrasiveness or amiable dullness. Viewers connected with them because they were real

# Sex, Talk And Video Ratings



BY LES BROWN

people making talk about the real world.

And interestingly, the biggest failures in the talk show sweepstakes over the past few years have been the biggest marquee names – comedians Whoopi Goldberg, Jackie Mason and Chevy Chase. They had seemed naturals, but turned out to be wrong for the form, I think, because as show biz stars they weren't real enough for the assignment. The people you've never heard of are the ones who make it: Jerry Springer, Montel Williams, Ricki Lane, Jenny Jones and perhaps even Canadian import Shirley Solomon.

But what these now famous nobodies don't make is small talk. Occasionally, they deal with topical matters like the rise in street gangs and juvenile murderers, or women's issues. During last year's election campaigns, some courted

the candidates. But mostly what daytime talk shows are known for today is the intense examination of aberrant sex. They feed off guests who don't mind letting everyone know they practice sado-masochism, bestiality or incest.

Everything that used to be taboo is fair game on the American talk circuit. Where once serious authors and movie stars made their promotional treks, now prostitutes, transsexuals, child molesters, and Satanists hold forth. A middle-aged woman who married her son's teenage friend has been riding the circuit like a vaudeville star.

Like sex and violence, sleaze titillates, and it is exploited shamelessly by the producers, who fall over each other trying to book the next freak willing to go public. But if the talk show's strength is in presenting real people of the real world, the daytime group collectively is sending out a most distorted picture of the human race.

Some of the hosts and producers say they wish they could deal with more important topics more of the time, but they are driven to chasing after the pedophiles and polygamists by the fierce competition. Here and there around the country, the shows play opposite each other, and when tame competes with raunchy, tame almost invariably loses.

That makes its own comment on how market forces serve the public interest. Every cynical producer knows that people enjoy titillation, whether it's good for them or not, and that sex, violence and sleaze have to be constantly raised to new levels to keep viewers aroused.

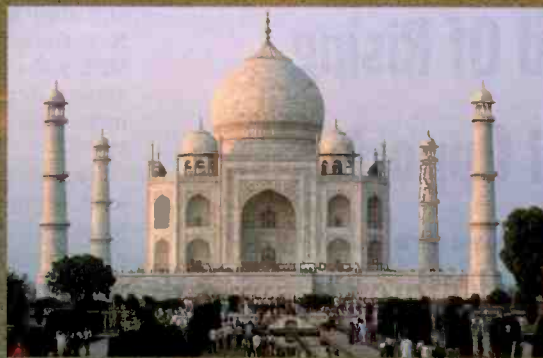
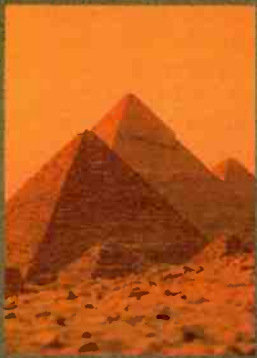
My friend, the newly-minted producer, is no reformer and not one to save the worthy genre from its excesses. But it may be later than he thinks. There apparently are infinite ways to crank up violence – you dismember the victim or blow him up – but sleaze would seem to have its limits. Once you've seen and heard your tenth transvestite and twelfth nymphomaniac, enough already. **TBI**

**The smart money is on the oldest, cheapest and purest form of tv, a form rediscovered when Oprah Winfrey hit the syndication jackpot**



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# MONITOR

## JAPAN

### A Land Of Rising Digital Opportunity

#### U.S. companies are setting up multimedia alliances in Japan

**M**ajor U.S. telephone and cable companies have moved swiftly to transfer their know-how across the Pacific and stake out claims in Japan's multimedia future, following the Ministry of Posts and Telecommunications (MPT) announcement that it was relaxing the rules for foreign participation in the domestic cable market. Foreigners can now own as much as one-third of a Japanese cable company, instead of the previous limit of one-fifth.

Early in December, Time Warner accepted an invitation from the MPT to participate in a next-generation telecommunications pilot project beginning next spring at the Kansai Cultural and Scientific Research City in western Japan. Although details have not yet been finalized, the participation will probably take the form of a telecommunications link between Japan and the U.S. company's 4,000-subscriber interactive cable network in Orlando, Florida. Time Warner will supply the managerial and technical know-how.

For the next three years, the pilot project will provide 300 households and offices with cable tv, video telephones, tv conferencing, video

databases and video-on-demand services via fiber optic cable, under the auspices of the MPT-affiliated Association for Promoting the Use of Next-Generation Communications Networks. The MPT will use the results of the project to assess viewer demand for the new services and promote their commercialization in the private sector.

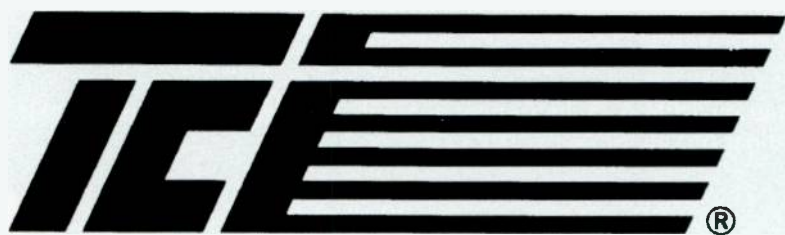
Last May, Time Warner Entertainment Japan, a joint venture between rival trading houses Itochu and Toshiba and Time Warner International, agreed to provide Fukuoka-owned cable operator Cable Vision 21 with technological and managerial support, including that for the interactive services Time Warner is currently offering in the U.S. Speaking at a recent media conference in New York, Time Warner Interactive chairman Jeff Holmes said: "The fact that the ministry has done away with rules that limit foreign capital participation and require cable companies to operate only within their local areas represents progress and a major business chance."

Another major foreign player is U.S. cable giant Tele-Communications Inc. (TCI). In early January, TCI, together with the Home Shopping Network, announced the launch of Home Shopping Network International, a new joint venture that, beginning in March, will bring tv home shopping to the overseas market. Company president Michael MacMallon has expressed a desire to enter the Japanese market, with the assistance of partner Sumitomo.

TCI is already cooperating with Sumitomo in the cable tv business. This November, Sumitomo-owned cable operator Sugunami Cable TV will begin supplying digital interactive services to its subscribers. Sugunami will be the first cable company in Japan to broadcast via fiber-optic lines, using a 550 MHz frequency band. Among the services being planned are home shopping and video-on-demand.

TCI also owns an 18% stake in Cable Soft Network, an entertainment channel that offers foreign drama series, documentaries, animation and music programs to more than 400,000 basic cable subscribers. The channel's largest shareholder is Sumitomo.

Still another entrant in the Japanese cable market is U.S. teleco Nynex, which has tied up with trading house Tomen to provide interactive





multimedia services via Yokohama Television, a 31-channel cable system. The station, in which Tomen owns a 26% stake, will this spring begin experimental fiber-optic transmissions to approximately 100 households before launching a full-scale service in 1995.

Tomen and Nynex, with the possible participation of other partners, also plan to launch a joint venture company to provide multimedia services across the country using NTT's telephone lines.

All the recent activity comes amid concern in Japan that it is lagging the U.S. in the race to create multimedia and interactive services for businesses and consumers. It is one technological area where the American's are perceived to be well ahead of the Japanese. The MPT moved to change its regulations to remove barriers to the development of the new services.

by Mark Schilling — TOKYO

## HONG KONG

# Management Shifts At Star TV, Again

**Bad blood in the higher ranks means another new MD for station**

The abrupt departure of Jim Griffiths as Star TV's managing director has been blamed on a personality clash between the American and his BSkyB counterpart Sam Chisholm. Tongues began to wag that he would not return, even before Griffiths left Star TV's Hong Kong headquarters for a Christmas holiday in California. The rumors were borne out weeks later with the official announcement from Star TV's owner Rupert Murdoch that Chisholm's number two at BSkyB, Gary Davey, would take over Griffiths' post.

One Star TV insider explained, "Quite frankly, Griffiths and Chisholm could not stand the sight of each other — it was obvious from the time he arrived that they would clash. You could feel it when they were in a room together. Chisholm does not brook any opposition to what he wants to do; he is very determined and hates it if anyone tries to argue with him. Griffiths found that hard to accept."

The two men also battled over Chisholm's determination to call the shots from London. Griffiths wanted to operate independently of the BSkyB operation. A long-standing cohort of Chisholm, Davey will be much closer in his thinking to Chisholm than Griffiths could ever be. Davey was tipped by several observers to become Star TV's managing director last summer,

when former top man Julian Mounter left following Murdoch's acquisition of the satellite tv operation from Hong Kong tycoon Li Ka-Shing.

The management reshuffle came in the same week that Star TV's ad sales agent in the potentially lucrative market of Taiwan announced it was ending its connection with the station. Satellite Television Marketing (STM) said it was unable to find any "common ground" with Star TV since the Murdoch takeover, although it was also suggested the company was failing to meet targets set by the free-to-air station. The split will hurt Star TV because Taiwan's 20 million people are avid tv watchers and the country will soon legalize its already booming cable-tv industry.

by Owen Hughes — HONG KONG

# New Laws Will Attract Investors

**The British Crown Colony is set to free up tv ownership restrictions**

Hong Kong plans to liberalize its rules on the ownership of terrestrial and satellite broadcasters, allowing overseas interests to take a greater stake. The secretary for recreation and culture, James So Yiu-cho, said the change could be incorporated in forthcoming legislation designed to bring together and update the British Crown Colony's fragmented broadcasting laws, as well as attract more media groups.

Currently, overseas investors can own no more than 10% of a local broadcaster, with the limit for satellite television stations set at 49%. Yiu-cho refused to say what the percentage change would be for the former, but disclosed that plans were afoot to allow non-Hong Kong interests 100% ownership of satellite stations.

Yiu-cho explained the thinking behind the differential was that local tv stations serve a different audience than satellite stations, which cater to more diverse viewers across a region.

The move mirrors Thailand's recent announcement that foreigners will be allowed to own up to 25% equity in companies bidding for the chance to operate the country's first UHF tv station.

Sir Run Run Shaw, the founder of TVB, Hong Kong's largest terrestrial broadcaster, confirmed in January that several European and U.S. companies, including Time Warner, were negotiating to buy a 10% stake in the company. He stressed prospective buyers did not include Rupert Murdoch, who failed in a bid to buy a third of TVB mid way through last year, after falling foul of Hong Kong's present ownership restrictions.



Davey: Star role

## ITALY

## Pubcaster Wins 1993 Ratings Sweepstakes

**Debts and budget cuts be damned: Rai beat Fininvest in the ratings**

1993 meant change for Italy as political scandals and economic crisis rocked the old system. The tv industry was no exception. At public broadcaster Rai, wide-sweeping reforms came into effect. On the private front, Silvio Berlusconi,

anticipating big changes for his media company Fininvest, announced his intentions to enter the political arena. A new parliament, to be elected in the spring, will further review the existing tv laws.

In terms of viewership, however, 1993 told the same old story. According to the year-end report published by the Italian audience monitoring system, Auditel, viewer tastes remained as traditional as ever.

Contrary to happenings throughout the rest of Europe, the public broadcaster retained a ratings lead over its commercial rivals. The three Rai

channels garnered an average share of 45.6% for the whole day, while Fininvest's Canale5, Italia1 and Rete4 garnered 44.5% between them. The same pattern was evident during primetime – Rai came out with 48% of the audience and the Fininvest channels with 43.8%.

As for individual channels, Berlusconi's Canale5 remained the most popular in whole-day viewing, capturing a 20.5% audience share. It was followed by Rai1 (18.3%), Rai2 (17.9%) and Italia1 (12.4%). During primetime, the pattern also followed that of 1992 – Rai1 led with 20.7% followed by Canale5 with 19.8%.

Program preferences also showed little change. Football remained popular, with one particular match, Italy versus Portugal, attracting over 20 million viewers. Three other football matches, each featuring Italian teams, made it into the top 10. The other six top-10 programs

included two music shows (the first and final evening of the traditional Sanremo song festival), a talk show, a game show and a feature film, *Dances With Wolves*. All the shows in the top 10 were aired by Rai1.

Despite this, Rai1 general director Gianni Locatelli was not totally satisfied. "We must bring Rai1's share to over 20%," he said. "We have to review and improve the afternoon programming, when the audience isn't just children."

Because of the economic crisis, Italians watched 30 minutes more television in 1993 than 1992. One carefully monitored week at the end of November recorded that 82% watched tv for an average of five hours a day (295 minutes compared with the record of 309 minutes, attained during the first week of the Gulf War).

Importantly, major increases were shown to be among adults with lower education (over 17%), possibly because of high unemployment and lower incomes, and by teenagers (13%). The only category that showed a decrease was that of adults with degrees.

by Cecilia Zecchinelli — MILAN

## ISRAEL

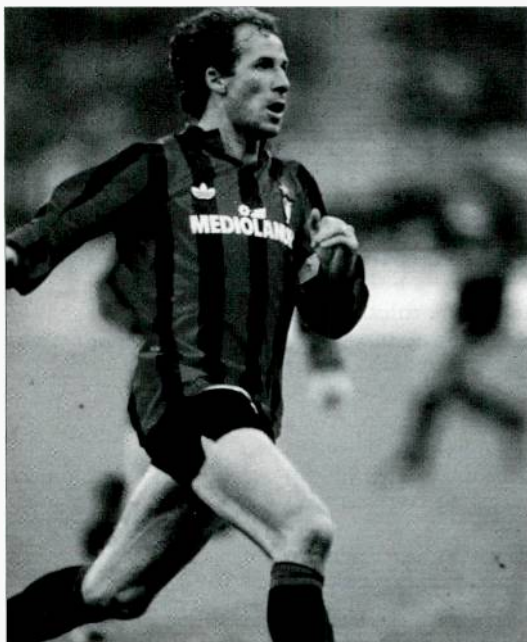
## New Channel Off To A Rocky Start

**Channel Two has failed to attract sufficient advertising revenue**

The performance of Israel's first commercial broadcaster, Channel Two, has so far been inauspicious. In its first seven days, the station drew a 23% audience share during primetime, before dropping to 20% the following week. The government-owned Channel One outperformed the new station every evening, except Friday. Cable television, with 40% fewer viewers, garnered around the same share as Channel Two. Particularly disturbing for the new owners was the public's rejection of the channel's news programming, which didn't even win a 10% share.

Signs of trouble were evident well before the channel's debut. A month previous to the launch, few advertisers had signed up. According to Amnon Madar, chairman of the National Advertising Federation, "Having three companies running the station was supposed to introduce competition and lower advertising rates. The opposite occurred. The owners charged the same rates, which were too high."

Shortly before going on air in November, one Channel Two owner, Tel Ad, had so few commercials it began offering discounts, a ploy which did attract two new clients. Even then the



Soccer grabbed big audiences in Italy





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INTERNATIONAL

## ALL IS FORGIVEN

The Indians are watching Disney versions of the characters from the *Jungle Book* by Rudyard Kipling, he of "white man's burden" and the grandeur of the British Empire. State broadcaster Doordarshan has bought a one-hour series *Disney Adventures* that features *TaleSpin* and *DuckTales*. *TaleSpin* brings to life – "in a contemporary setting," Disney notes – the characters from the Disney version of *Jungle Book*. Another example, then, of tv bringing the world together. Still, it does seem a little like the Apache sitting around watching old John Wayne movies.

channel's debut prices were hardly tempting – about \$15,000 per minute in primetime and \$3,750 in the afternoon. Many potential advertisers said for \$15,000 they could reach more people with a full-page newspaper ad.

The advertising agencies also did their share of overpricing. They almost had to after starting a bidding war for local talent that resulted in actors receiving \$7,000 a day for commercial filming, payment far out of synch with local wage scales. In the end, one-minute commercials ended up costing \$40,000, further hiking advertising costs.

The final blow came after the station's debut, when advertisers found their quality commercials were often followed by local ads produced for theaters or as public service announcements for the government's Channel One. The contrast was so blatant it proved embarrassing.

Besides the prohibitive costs, advertisers have been frightened off by the lack of a ratings system. The Israeli government promised an international tender to introduce ratings, but backed off a few weeks before the new station's debut. The owners of Channel Two compromised, offering to split the cost of a local polling company with two advertising organizations.

Madar said the decision was wrong. "How reliable will the ratings be when only one station is paying for them?" he asked. "Unless a national ratings system is initiated, advertisers will never be certain they are getting value for money."

by Barry Chamish — TEL AVIV

## FRANCE

# New Laws Soften TV Regulations

**The reforms could mean ownership changes at the private networks**

In keeping with French tradition, Eduard Balladur's Conservative government has passed a new law reforming television. But this time the regulations have been softened, a move that will benefit the private broadcasters.

As a result of the changes, a company or individual can own up to 49% of a national broadcaster instead of the previously allowed 25%. This change will be welcomed by the Bouygues group, TF1's main shareholder, which claimed it had been limited in terms of the risks and developments it could take out.

The 25% rule had, however, been supported by Canal Plus president André Rousselet. For him, it was an ideal way of keeping a balance between the pay-tv station's two main shareholders, Havas and Générale des Eaux. Now the limit



Canal Plus's owners may shift shares

has disappeared, the ownership of one of France's most profitable companies is bound to change. One possibility is that Havas could take a 49% share in Canal Plus, while Générale des Eaux would become the main shareholder in Havas. When this possibility was first suggested, the Canal Plus management opposed it, they did not want to be under the control of one group. An alternative was for Albert Frères, the controlling shareholder of Luxembourg conglomerate CLT, to trade-in some of his CLT shares in return for a stake in Havas, CLT's second most important shareholder. For the moment, the plan has yet to go anywhere as Frères asked for a stronger position than the other main shareholders were ready to give him. A combination of Générale des Eaux, Havas and Canal Plus would have made one of the most powerful media groups in Europe.

Another important element of the bill was the decision to automatically renew all the private broadcasters' licenses for two successive periods of five years each, without opening up the licenses to competition. TF1 and M6 have both been operating under 10-year licenses, allocated by the French regulatory authority, the CSA. Under previous laws, each broadcaster would have been required to compete with other applicants before being granted a further license term.

The rule change means that from now on, the license renewal procedure for Canal Plus will also operate under the same system. When its 12-year contract expires at the end of 1996, it too will be automatically granted an additional 10 years by the CSA. This marks a change for the pay-tv broadcaster, as its existing license was granted by the government. However, a law passed in 1986 said the government could no longer grant terrestrial frequency licenses, and the right was transferred to the CSA.

The minister of communication, Alain Carignon, thought the previous rules would put French broadcasters in such an insecure position that they would not feel able to invest, which in turn would harm the whole French television industry. As the new law almost doubles the license period for all the private broadcasters, it has increased their value and will give them time to build powerful groups – one of the aims of





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## BRUNEI BROADCASTS

From January 1, 1994, Radio Television Brunei (RTB), the Brunei national broadcaster, began transmitting a one-hour daily satellite service off of Palapa B2P. Broadcasting between 9pm and 10 pm the schedule opens with a half hour news service, followed by a variety of documentaries, magazines and entertainment shows. Specific titles include *Liputan Semasa* (current affairs), *Tunas Mekar* (youth magazine) and *Sukan Minggu Ini* (Sport weekly). Targeted at overseas viewers the service covers a broad area from Southern China in the east to the Maldives in the west and from Indochina in the north to Darwin in the south.

to the market," he said. "And there's a balance that you must negotiate between national customization versus the economies of scale."

ESPN International has been successful through a mix of program sales and international satellite networking, an intriguing strategy since it's one major distributors outside of sports are now considering.

Explained Brilliant, "Program sales are a substantial business for us and it will remain so, we hope. But the network one is a growing one for us." Brilliant stressed the advantage a one-stop shop like his offers to rights holders: "We offer more to a rights organization than anyone who's in just one or the other business, because we're able to get the most exposure" for their sporting events.

He cited ESPN's handling of the NFL in Latin America and Asia. Sales have tripled in the two years since ESPN took over the NFL in those regions.

by Rich Zahradnik — NEW YORK

## GREECE

# New Broadcast Laws Expected

**Changes are coming for ERT and the broadcast regulatory body**

The election of a new government in Greece usually precedes a change in the media laws, as broadcasting and Greek politics are inextricably linked. The changes being proposed by the recently-elected Socialist government, lead by Andreas Papandreou, will have the widest implications for Greek public broadcaster ERT and the broadcast regulatory body, the National Broadcasting Council (NBC).

In advance, the government has already reduced the number of ERT board members from 11 to nine. A new chairman Eugene Gianakopoulos, and a deputy Vasilis Koutris, have already been appointed. The other members of the board will be comprised of journalists and academics. The government has also stipulated that the third ERT channel, based in Thessalonika, should become an autonomous station. Plans are for it to be delivered via satellite for the benefit of Greeks living abroad.

As regards the NBC, government findings have recommended its "bureaucratic and ineffective" structure should be downscaled from 19 to nine board members, all of whom will come from the media sector. The nomination procedure for the election of NBC board members is, however, a contentious issue. The new rules

stipulate that four members should be nominated by the party in power, four by the opposition parties, and the chairman by the President of the National Assembly, giving the government a controlling vote.

The NBC was formed in 1989 to act as an industry watchdog, but the politicization of the broadcast sector rendered it ineffective. Unfortunately, the new NBC will have no more power than before. It will remain as an advisory body to the government as regards the allocation of tv licenses.

On the commercial tv front, the new government has already granted official broadcast licenses to Sky TV and 902 TV. Both were excluded by previous governments, allegedly because they were critical of its policies and practices. In its first month, Sky TV began as a news channel, but it has since broadcast a number of sports events and rumor has it that within the next few months it will start programming a more entertainment-led schedule. Despite a crowded market, many of the new commercial channels have managed to increase their audience shares, although Mega Channel and Antena TV remain the major players.

by S. Papathanassopoulos — ATHENS

## WORLD CUP

# Kick Started

**TWI launches a weekly soccer magazine for the world market**

The world's game, in the year of the World Cup, is getting easier and easier to sell. Sports producer-distributor Trans World International launched a new weekly series *Futbol Mundial* this month and immediately signed 20 territories and four regional satellite broadcasters. The launch comes as Chrysalis Sport revealed plans for its own show, *Planet Football* (see page 12).

Like TWI's flagship *Trans World Sport*, the 26-minute *Futbol Mundial* is a magazine show loaded with action footage, though in the case of the new show, it's all of the one sport. Topics include soccer news, news and features on the World Cup and general profiles and features.

During a packed launch party at London's Planet Hollywood, one TWI executive said he didn't think the company would get as many guests to a party for *Trans World Sport* — now seen in 60 countries — but such is the pulling power of football that the new show immediately grabbed people's attention.

ITV football commentator Gerry Harrison is the program's senior producer, joining from Anglia Television, where he was head of sport. The show is produced in an international version so broadcasters can add their own commentary.



A Telekom outside broadcast truck at a rowing competition on the Amsterdam Bosbaan.

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# Common Man's Uncommon Wants

European intellectuals, in blissful, if untypical harmony, agree: The rise of commercial television in the Old World has raised to power and prominence a breed of creature who previously – and rightfully – was shrouded in obscurity and shrugged off with disdain.

The man in the street, *der Durchschnittsmensch*, rules the airwaves, guided by the common denominator of the common man – mass taste, which, of course, is a synonym for bad taste. His power manifests itself in the content of television programs, pushing mass audience game and talk shows to ratings records.

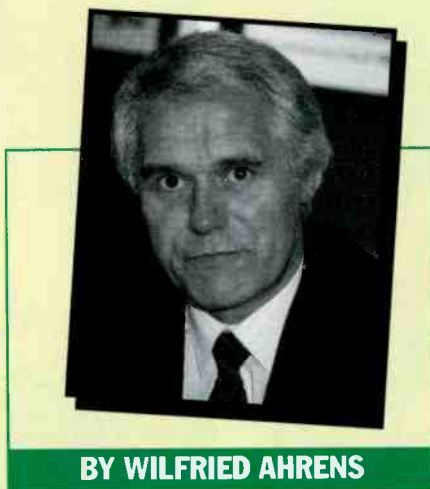
The development is the more flabbergasting to intellectuals because this abhorred species never before dared surface in the intellectuals' cultural realm, of which television used to be a natural part. Or if common man was in the audience, he seemingly was in disguise. That's because people don't tell pollsters the truth. If they did, the circulation of up-market papers would exceed the tabloids' by millions. The truth, of course, has always been documented by the success of popular papers like the Daily Mirror in the UK and Bildzeitung in Germany.

Now, to the chagrin of nostalgics for monopoly tv, even bashful would-be intellectuals are using their living room anonymity to indulge in their base preferences. Or are they?

Is the deplorable quality of commercial television – more and more stupid games, cheap soaps and primitive cartoon fare – really what millions of viewers have been craving for? Could it not be that they gladly would accept better quality entertainment if offered?

Commercial television is often attacked for beaming sex and violence into the brains of innocent, pure audiences. This is not the occasion to repeat all the pros and cons of the pertinent debate. But, for the benefit of our intellectuals, I would ask, have sex and crime not been the agents of cultural production ever since Greek tragedy? Art is art by form, not by content.

Maybe then, those critics are more of the *Durchschnittsmensch* variety than they allow themselves to admit? As for



BY WILFRIED AHRENS

mass taste, the taste of real, individual viewers is a mixture of mass and minority tastes.

The presumably high brow programs of monopoly-tv primetime thus missed these viewers. The advent of commercial tv has fragmented the market for this reason. The coming era of hundreds of special interest, pay-per-view and video-on-command channels will dramatically prove that it is only a tiny, if at all perceptible, minority which will accept, that is, pay for the kind of program formerly thought indispensable in mass medium television.

It is time, therefore, that two things begin to dawn on critics of commercial tv. First, television has mutated into business, big business, which by definition has to cater to masses of customers. Second, mass taste is not a real life category, but a derogatory criterion used by

dis-empowered snobs who thought television to be their private playground and sinecure.

Obviously, all this is not meant to excuse rubbish tv. Bad television is bad business. Commercial programmers must learn that lesson or be prepared to lose audiences and money. And they are learning it fast, particularly as the larger operators are now able to invest more into their programs as profits climb. German market leader RTL dumped soft-core sex and has set out to beat public networks ARD and ZDF in their area of strength, information programming. Sat1 has signed up top producer-director Dieter Wedel in the hope of moving from trivial soaps to intelligent, mass-audience miniseries along the lines of Wedel's successful ZDF production "*Der grosse Bellheim*." Others will follow.

Public television, which in the past looked down upon the *Durchschnittsmensch*, does not necessarily have to be the natural loser in all this. Sophisticated entertainment can even achieve what all the disgruntled betterers of mankind always pretended to have in mind; it can educate, at least in the sense that it can transport the audience, and portray reality in all its complexity, including sex and violence and other human pastimes, always provided, of course, that it is done well.

Superfluous and ridiculous is the moral pathos with which the debate on mass taste in television has been waged. The pathos becomes dubious, if not dangerous, when the debate includes the threat to censor or impose oppressive regulation.

In concentrating on tv, the debate on mass taste, neglecting most causes and effects, reflects a wrong perception of reality. Television is not to blame. If anything it is the sum of what we all are – good or evil, civilized or driven by instinct – an ever changing mixture of these and other elements. Mass taste? Careful, ladies and gentlemen, you are and have a part of it. **TE**

**Mass taste is not a real life category, but a derogatory criterion used by dis-empowered snobs who thought television their private playground**





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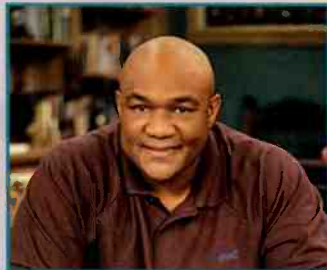
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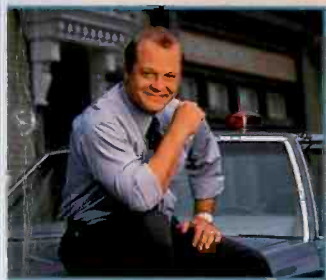
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# Television Programming.



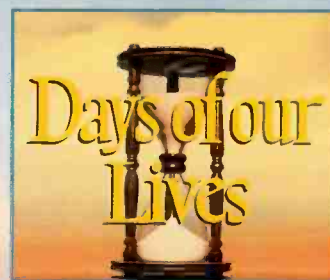
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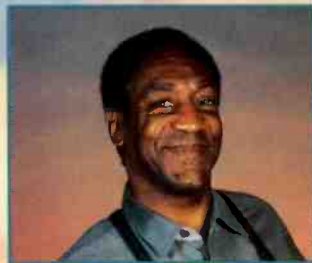
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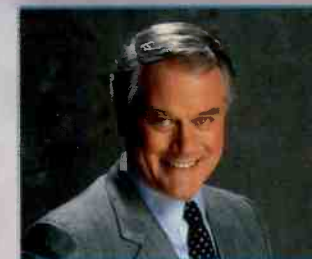
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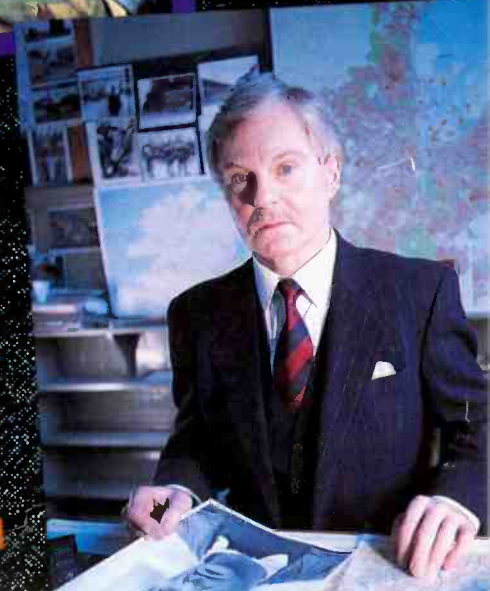
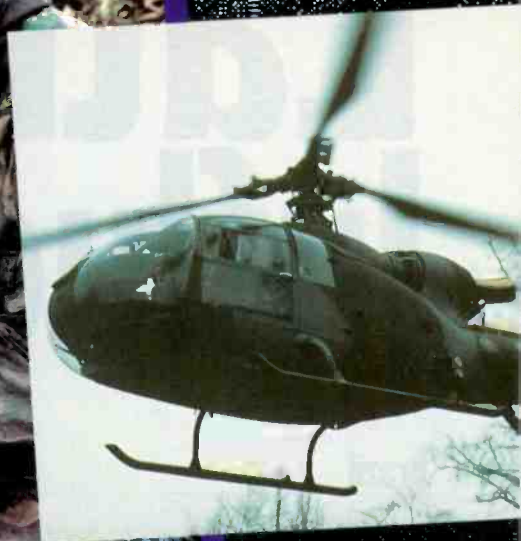
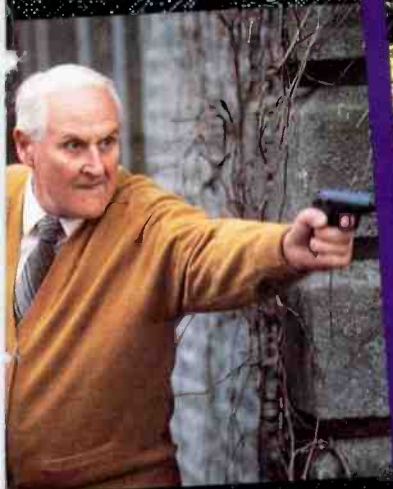
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**Global Report:** Politics, economics and new technologies have all had an important role in the immense strides taken by Latin American broadcasters during the past decade. Where dictatorships have turned to democracies, broadcasters have been unshackled. Where economies have stabilized and turned around, outside investors have poured in money. Where satellite and cable have offered alternatives, everyone has been forced to compete. TBI correspondents from around the region report from some of the hottest markets

# Latin Influences

## Brazil

*Television in Brazil used to have one mode – VHF broadcast – and one name – Rede Globo, writes Ana Maria Bahiana. Not anymore.*

Granted, Globo – the mighty tv arm of the eponymous behemoth media conglomerate owned by the Marinho family – is still the undisputed market leader. Globo's top programs – the daily *Jornal Nacional* newscast, the 8pm novela, the weekly newsmagazine *Fantástico* – have moved from mere popularity to absolute necessity, habits deeply entrenched in the country's daily life. They remain massive audience grabbers, reaching anything from 30 million to 50 million viewers across the country and cut across all demographic groups.

There are, however, many other games in town, and even if they don't

always challenge Globo's hegemony, they represent a portfolio of possibilities unheard of in the 44 years of Brazilian television. Key players in this brave new world are the new transmission systems – in order of efficiency and popularity, UHF, satellite and cable television – that have brought the concept of pay-tv to Brazilian audiences. It's surprised the experts, who, for many years, believed it impossible due to the Brazilians' deeply entrenched resistance to paying for anything they can possibly get for free.

The first Brazilian pay-tv channel was TVA, a subscription-only service that utilizes both UHF and SHF and offers a smorgasbord of American and European programming, from CNN to MTV, plus select Rai and Canal Plus programs. Launched in August of 1991, TVA is a \$20 million joint venture between Abril, Brazil's largest media conglomerate outside the Marinho empire, and Machline, a financial and industrial powerhouse.

With subscriptions costing anything from \$40 to \$50 monthly, and a tightly planned expansion that targeted mainly the wealthy southern cities of São Paulo, Rio de Janeiro, Curitiba and Porto Alegre, TVA grew from 50,000 to more than 150,000 subscribers in two years.

Not one to be left behind, Globo quickly counterattacked with Globosat, a four-channel subscription-only service transmitting off state-owned Embratel's Brasilsat II satellite. A joint venture put together by Roberto Marinho, chairman and COO of the Globo conglomerate; José Bonifácio de Oliveira Sobrinho, Rede Globo's CEO, and Joe Wallach, Time Warner's man in Brazil, Globosat offers news, family programming and non-dubbed films, a major selling point in Brazil, where all films broadcast on

Telenovelas like Warner Bros. and Marte Television's *Imperatriz* are big business in Latin America







television are dubbed. The system has just passed the 100,000 mark in subscriptions, and launched an all-sport channel, Sportv, in January.

In July of last year, Globosat launched a new subsidiary, Net Brasil, a distribution arm initially dedicated to servicing existing relationships with overseas programming services. "It was a change in concept," said Net Brasil president Antônio Athayde. "Programming and distribution are quite different activities – we left programming with Globosat, and Net took over distribution."

Net's first coup was to close an exclusive retransmission deal with CNN: Ted Turner's all-news channel is now available in Brazil with original sound and Portuguese subtitles through Net. Net also launched Flac (Fox Latin American Channel) in six southern Brazilian cities in August of 1993.

Both Net and Flac are quickly expanding and moving to cable, a medium unexplored in Brazil.

In July, Net tested the waters with limited programming transmitted through state-of-the-art fibre-optic cables in selected neighborhoods of São Paulo, Rio de Janeiro, Goiânia and Belo Horizonte. The results were encouraging: Net quickly reached the 100,000-subscriber mark and now plans to offer all Globosat subscribers the option of switching to cable.

Flac vice president Concepcion Lara envisions 200,000 subscribers for the cable version of her channel. "Cable has stabilized in the U.S., but it's exciting and growing here," Lara said. "It's definitely worth investing in Brazil."

She is right there. Subscription-only pay television's gross of \$50 million in 1992 at least tripled during 1993. The business grows a steady 5% monthly and currently reaches more than 200,000 Brazilian homes. All that is, of course, still chump change compared to Rede Globo's broadcast millions – and to the value of the broadcast market, which



TV Globo's programming is facing competition but remains the ratings leader

generated revenues of more than \$1.5 billion in 1992.

Even there, however, Globo faces new challenges. Perpetual runner-up SBT, owned by gameshow-host-turned-entrepreneur Silvio Santos, has been making inroads into Globo's rich IBOPE (Brazil's viewership measuring system) points, with unlikely programs like Mexican novelas – until now anathema in a country that has so far showed revulsion to anything even remotely Hispanic – a talk show hosted by comedian Jô Soares and the down-and-dirty reality show *Aqui e Agora*.

Furthermore, once-regional stations like São Paulo's Record and Bandeirantes and Curitiba's CNT have gone network, broadcasting a uniform schedule nationwide, and leaving Brazil in the unique position of having six privately-owned national networks (plus the one state-owned).

The impact of such diversity on Brazilian programming is yet to be felt.

On the broadcast side, Rede Globo remains the undisputed leader and pacesetter in original programming. As most international sales companies know, Rede Globo buys very little and is extremely selective – mainly because it has raised its audience on a steady diet of locally made novelas, series and mini-series. The defection of kiddie star Xuxa – who shunned her daily, ratings-buster morning show for a series of Spanish-language and, less successful, English-language shows aimed at the Latin American and American markets – left no major scars on this broadcast giant. Globo's high quality standards, extraordinary talent roster and firm grip on the pulse of Brazil remain virtually unchallenged and support its programming and ratings leadership. Its export efforts – mainly to Portugal, but also, in dubbed versions, to markets as diverse as France and China – and the new addition of a full-service production facility on the outskirts of Rio clearly

show that Globo has no intention of stepping down. The company may even venture, as has been rumored, into feature film production and co-financing.

On the up-market side, however, Bandeirantes has made some substantial gains, especially with a couple of made-for-tv documentaries penned by filmmaker Walter Salles, Jr. SBT has ventured down-market, while its Jô Soares talk show remains a hit in late night.

New media outlets have, so far, been mainly packagers of foreign, mostly American programming, with little or no local input. MTV Brasil is a bright exception, cleverly juxtaposing the American and European versions of the music channel and adding plenty of Brazilian flavor to the mix. Lara recently announced Flac's plan to produce "feature films, telefilms and series in and for Brazil," once the channel reaches cruising altitude. If that happens, it will be a refreshing change of pace for Brazilian pay-tv.



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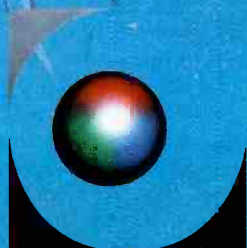


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## Argentina

*If you can't beat them, join them. After watching how cable revenues grew steadily to around \$1.3 billion in 1993, Argentina's broadcast channels decided to grab a piece of that business, reports Miguel Smirnoff.*

The broadcasters' superstations, all uplinked to satellite, are picked up by about 1,700 cable operators scattered around the country. The broadcasters are also buying into cable systems or over-building them when a desirable operator refuses to sell part of his equity. Not that terrestrial tv is a bad business: Revenues for 1993 hit the \$500 million mark and, for the first time in many years, both Channel 13 and Telefé (Channel 11) embarked on serious equipment upgrades, investing several million dollars each in cameras, switchers and buildings. Channel 9 and America 2 are also spending, though in less splashy ways.

In addition to superstations, Argentina's broadcasters have moved into the all-news arena. Both Channel 13 and Telefé have launched 24-hour news channels for cable use, delivered via satellite, while the largest cable operator, Cable Vision, with 310,000 subscribers in the Greater Buenos Aires area, has its own news channel, CVN. CVN has also signed a carriage agreement with VCC, the second largest cable system, a shock move as VCC first said it would carry the Telefé news channel.

The government, embarked on an ambitious privatization plan since 1989, has no cross ownership restrictions to apply to the industry, simply enforcing a sort of general interest rule only when, for example, the right to air the Copa America and preliminary World Cup games of the beloved national football team were bought up. A subsidiary of Agea, the group that controls Channel 13 and leading newspaper Clarin, planned to sell rights to the matches to selected cable operators in each city, leaving a big part of the population of the interior of the country out of the picture. After feverish negotiations, the games were carried nationwide by state-owned network ATC, and retransmitted freely by all the cable systems. Channel 13 kept rights to the matches in the city of Buenos Aires.

In the end, say analysts, the market will bear only five or six big cable groups, most of them likely tied to broadcast stations. Foreign investment

of up to 40% could be allowed by a new law, to be passed this year, after a decade in which parliament promised to act on media but did little.

About 60 programming networks are available to cable systems, but the average system has room for about 19, and this bandwidth crunch is depressing programming prices. DBS is still dormant, although the Rai representative in Argentina made an effort last year to sell dishes and a decoder at a reasonable price of \$750. The fact that the Italian network can be seen on most cable systems in the basic package did not help the DBS effort.

By law, the two private phone companies (which belong to Telefónica of Spain and France Telecom) cannot enter the cable business unless they resign their voice duopoly. Given the latest developments in the U.S. and the UK, many expect the two companies to bow to competition in the phone market in exchange for access to the broadband business before their exclusive licenses expire in 2000.

In programming, the highest rated comedy of 1993 was *Grande, Pa* (Great Dad), peaking at a 52% rating, only topped by World Cup qualifying games. Local programs outperform novelas and serials; action and adventure is preferred, and foreign comedies have little appeal, though *The Simpsons* is an exception, grabbing 26% of the audience. Reruns of *Benny Hill* on Friday evenings at 11pm also get respectable



Grande, Pa: Argentina's highest rated comedy

figures. Movies reach 15% to 25% of the audience if big names are involved.

The government awarded the license for its regional satellite system, which will actually reach the full continent, to a private group formed by German DASA, French Aerospatiale, Italian Alenia and local partners. While the new birds will be available in 1997, the group bought two Canadian Anik-C (rechristened Nahuel) satellites and is already using one of them successfully. PanAmSat, Intelsat and the Mexican government are planning to launch new satellites in the next few years; at that time, channel availability, through digital compression, will increase dramatically and lower prices.

## Mexico

*Canal 7 and 13, the objects of desire in Mexico's \$640 million media privatization last year, are starting to make progress as commercially-run tv operations. Canal 7's audience figures are already up 10%, largely the result of the end of simulcasting and subsequent moves to create two distinct services, reports Chris Dziadul.*

Canal 7 is now aimed at young viewers and shows a considerable amount of foreign (chiefly U.S. and European) programming. Although it only broadcasts during the evening, there are plans to increase its airtime in the near future. Canal 13, on the other hand, has become a family-oriented channel showing Mexican and other Latin American productions. Broadcast from 7am to midnight, it offers a mixture of soap operas, concerts, news bulletins, cartoons, Mexican films and sport.

Radiotelevisora del Centro, a company formed by the country's largest electrical



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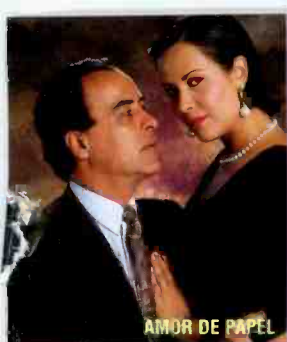


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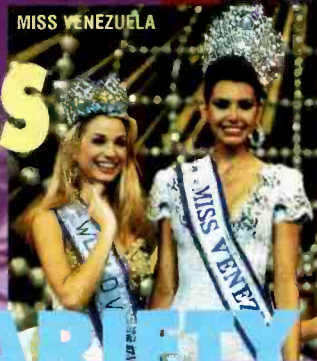
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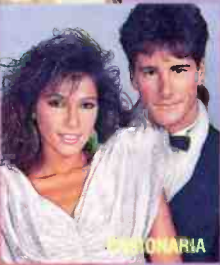
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goods distributor (Elektra) and owned by the media entrepreneur Ricardo Salinas, won in the bidding last year for Televisión Azteca, parent of Canal 7 and 13. According to Teresa Castillo, Televisión Azteca's vice director of programming, the service has plans to produce its own programs "within six months" and is "beginning to think about" co-productions.

The newly-privatized network's ultimate aim is to become Mexico's leading broadcaster, a position currently – and firmly – held by Grupo Televisa. The latter recently floated 10% of its equity, valued at \$1 billion, on the New York Stock Exchange, though it suffered a blow when a proposed joint venture between its cable subsidiary Cablevisión and the U.S. cable operator Tele-Communications Inc. (TCI) fell through. Had the deal happened, TCI would have acquired a 49% stake in the Mexico City-based cable company for around \$400 million.

Cablevisión's main competitor remains Multivisión, an MMDS broadcaster and satellite programmer. In 1993, Multivisión launched the 24-hour film channel Cine Canal, in conjunction with Venezuela's Cablevisión and Argentina's Sociedad Argentina de Cable. Multivisión also began carrying NBC's Spanish language news service Canal de Noticias, the woman's channel Gems TV and the Fox Latin American Channel.

But Multivisión's most significant move last year was to launch the Tele-UNO satellite channel in joint venture with Spelling Satellite Networks, a subsidiary of Spelling Entertainment. A round-the-clock service offering mostly classic U.S. programming dubbed into Spanish, its acquisition, sales and marketing activities are handled by Spelling's Worldvision unit, while Multivisión oversees program scheduling and technical services.

Bert Cohen, Worldvision's executive vice president and chief operating officer, said Tele-UNO has had a "very good impact" in Mexico and is likely to reach two million homes in the first quarter of this year. It is, in addition, now also available throughout the rest of Latin America and even "very well received" in Portuguese-speaking Brazil.

While revealing Worldvision is unlikely to enter into further joint ventures in Mexico, he feels that cable, MMDS and satellite-delivered services such as Tele-UNO will claim significant audience shares in the future despite the over-the-air battle between Televisa and Televisión Azteca.



Distributor RTL sells shows such as London Film's *I Claudius* to Latin America

## Chile

*Competition is the name of the game in Chilean television these days, reports Miguel Smirnoff. The purchase of 49% of tv network RTU by Venezuelan group Venevisión, for an investment of between \$10 million and \$15 million, and its change in name to Chile Vision, followed on the earlier purchase of a similar stake in Megavisión (Channel 9 in Santiago) by Mexican giant Grupo Televisa. The purchases have fueled a competitive war with ratings leader Channel 13 Universidad Católica and state-owned Television Nacional (TVN).*

There is an acute sense of urgency in all this. Ad revenues estimated at \$250 million a year are not enough to sustain five networks and an array of UHF operators that have yet to get on the air. The introduction of the peplemeter, forced on broadcasters by the advertising agencies, means ad money will closely follow ratings in the future.

The remarkable change Chilean tv has undergone since the return to democracy in the late 1980s is the result of the privatization of tv channels implemented by the new government. The license for Megavisión (Channel 9) was taken away from TVN and given to industrialist Ricardo Claro, while La Red (Channel 4) went to Alvaro Saiegh, after being started as a joint venture with a Canadian investor who promptly quit.

Following a bumpy start, Claro sold 49% to Emilio Azcárraga of Mexico's giant Televisa and joined the board of directors of the Mexican conglomerate. The arrival



of Venevisión as an investor in RTU – the University of Chile's channel – is viewed as a necessary step so the network can expand coverage to the full country, upgrade equipment and get access to competitive programming. Critics, however, are skeptical about the cultural effects of the move.

When asked how the network would fulfil its cultural obligations following Venevisión's investment, a university official said, "In the same way the other channels don't do it."

TVN is known to be looking for strategic joint ventures and Universidad de Valparaíso, which runs Channel 5 in Santiago, has also mentioned an alliance, though declined to disclose its partner.

With limited advertising revenues and an economy that is stable and strong but lacks room for expansion, tv companies are looking for deals that would allow them to sell programming to other countries and buy at better prices. Many programs are produced in-house and about 10% are commissioned to local independent producers.

Osvaldo Barzelatto, head of distributor RTL, is internationally respected as a seller, but commercial success has been limited to specific deals; it is difficult for locals to compete with Mexico and Venezuela in the production of telenovelas.

Cable development has been weaker than in Argentina; the purchasing power of the population is a hindrance, with \$17 a month the going rate for a basic package of programming. Several companies have wired the most important cities and 150,000 households have been connected – half of them in Santiago, the capital.

The first license was awarded years ago to Intercom of the Edwards group, owner of El Mercurio, Santiago's most respected newspaper, but the operator limited itself to the highest income areas of the city. The appearance of two competitors that later merged to become Metropolis awakened the sleeping giant. Intercom increased its subscriber count from 7,000 to about 35,000 and turned into a multiple system operator with licenses in other cities. There are about 80 systems active around the country, with Argentinean entrepreneurs having invested in several of them.

However, the promise of five nationwide broadcast networks in 1994 – there were two in 1992 – makes cable less desirable than in those nations where terrestrial tv choice is limited to one or two networks. ■

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# Olé And All That

**Satellite and cable are driving distribution in Latin America, as companies set up their own networks to reach viewers. A second tier of niche services is on the way, reports Sarah Walker, offering new opportunities for all sorts of programming**

The vast region of Latin America – from Mexico through Central America to the bottom of South America – has set dollar signs flashing in the eyes of distributors looking for new territories into which to sell product. Previously viewed as political and economic minefields where relationships were hard to develop and accounts even harder to settle, the countries of Latin America have, over the last few years, seen the rise of democratically-elected governments and greater economic stability.

Cable growth and satellite distribution – courtesy of pan-Latin American satellite operator PanAmSat – have encouraged the establishment of cable pro-

gramming services funded from inside and outside the region. These, in turn, have provided increased outlets and secondary windows for distributors.

Cable penetration is high in Mexico and Argentina, while most of Central America and some of the smaller South American countries have yet to see the wire. Brazil is also relatively uncabled, but with a potential audience of five million, it is regarded as a sleeping giant.

Over the past two or three years, U.S. distributors that traditionally supplied Latin American broadcasters with much of their imported programming high-tailed it over the border in a race to set up pan-Latin American satellite services.

Some 20 networks, including MTV Latino, ESPN, Spelling Entertainment and Multivision's TeleUno, Fox Latin America and TNT Latin America, are currently broadcasting across the continent via PanAmSat. The Discovery Channel will also launch this year.

Those established in the Latin American marketplace are already about to enter their second phase of development: the creation of niche-orientated services.

HBO Olé, the 24-hour premium service owned by HBO and Venezuelan pay-tv company Omnivision is, said general manager Jose Manuel Pagani, about to add an additional three services via digital compression. One, the premium film-only service Cinemax, has already been announced. Details of two other basic, niche-orientated services are expected at Natpe. HBO Olé reaches one million homes in 19 countries.

Fox Latin America (Flac) – a 24-hour basic service available in 14 countries in English, Portuguese and Spanish – is also looking into the possibility of launching niche services. Expansion of





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the existing service is first on the agenda, though. "There are five million cable subscribers in the marketplace and we have 1.3 million," said Flac vice president Concepcion Lara. "We are on the verge of signing two big deals which should bring us up to two million."

Warner Bros. International Television Distribution president Michael Jay Solomon said Warner Bros. is also planning to announce a pan-Latin American satellite venture of its own, some time in the next six months. Solomon has already invested in Latin America. Warner Bros. co-owns a production venture with production company Marte Television that produces telenovelas and tv movies for the Latin American and worldwide markets. The partnership has so far made 14 telenovelas and 25 tv movies. Warner Bros. hardly needs the financial resources of another producer in order to produce such shows, but the creative participation of a local company ensures the novelas retain their Latin feel, said Solomon.

This was a wise move. Although novelas are a staple of schedules throughout Latin America, some 30 hours of telenovelas are already produced daily in the region and, as in most countries, home grown product fares better than foreign. Imported programs tend to be those the South and Central American broadcasters cannot afford to make themselves.

As an example, take New World Entertainment's problem with the maxi-series. Alejandro Garcia, head of Latin America for New World, explained the company had a tough time selling its maxis — a format similar to the novela but with a higher budget. "The maxi-series didn't sell well initially because it was too close to the novela, but not quite the real thing," he said. "The Argentinians, in particular, were reluctant to purchase them because the series are shot on video and not film. Their argument was they could have shot it themselves if they had wanted productions on video tape."

Nonetheless, Latin America currently represents 10% of New World's business, and sales reached a record high in 1993, on the back of broadcaster interest in New World's broad catalog of product. This year, the producer-distributor, in partnership with sister company Marvel Productions, is pushing sales of animation hard. "Animation is popular throughout the Latin region because roughly 75% of the population is under the age of 30," Garcia said. "We have had several offers for *The New Adventures Of Spider-Man* that are pushing

prices up. In Columbia, for instance, we have had offers of up to \$5,000 per episode." The going rate for such product in Columbia is \$1,800 an episode.

Lisa Hryniewicz, programming manager for Paris-based Central Programming, specializes in Latin American distribution and currently represents 700 productions. Although her catalog encompasses a variety of genres, she focuses on kids and animation. "It is an easier genre to sell because there are no problems with casting," she said "The problem with distributing fiction in Latin America is that audiences tend to look for recognized names, either domestic or American." So far Central Programming has sold 200 hours of animation into the continent, including *The Adventures of Ric* from Ravensburger, King Rollo Films and Videal. Other successful sales for Central include the miniseries *Bangkok Hilton* and *Vietnam*, both starring Nicole Kidman.

Hryniewicz acts as an agent for several Europeans, only picking up programs she believes will sell to Latin American broadcasters. "It is essential to have good relationships in order to sell into Latin America. Without good agents or contacts, distributors can have problems. Many don't know who the buyers are, then they have problems collecting the money. There is also the risk of piracy."

Selling into Latin America is becoming more profitable for distributors because competition has pushed license fees up, especially in the big markets. Mexico and Brazil pay the most, although Venezuela and Argentina are also considered good revenue territories. In Mexico, where the government's decision to sell off two national networks has spurred competition, the big terrestrial broadcasters can offer up to \$8,000 an hour for a series. A territory like Chile will pay \$4,000 maximum, and the smaller Central American countries may spend as little as \$50 per half hour. But size and stability aren't always the determining factors. Columbia, despite a dodgy political climate, has a strong tv market and pays well. Conversely, some distributors think cartels are keeping

prices low in stable Argentina.

Latin America is hot, yet the Europeans have been slow to capitalize. The development of new niche channels for cable and satellite offers opportunities that European distributors should really be chasing. That's because many of the big U.S. companies that dominate in exporting to the region won't sell into the cable window for fear of tying up programming needed to launch their own channels.

Chris Fletcher of UK distribution outlet ITEL said the attitude that Latinos are only interested in purchasing tv movies, miniseries and fiction from the U.S. is outdated. ITEL, which represents its *Survival* catalog and product from National Geographic and Channel 4 in Latin America, now regards the continent as its third most important market and has sold over 400 hours of documentary product to broadcasters. "There are lots of niche channels in areas such as Mexico, Argentina, Chile and Brazil that are pro-



ITEL's Wild India: Buying attitudes have changed

gramming cultural and educational fare," he said. "License fees for documentaries have increased overall by 30% to 40%. In Mexico, prices paid can be compared with Spain, and in Argentina, fees have doubled in the past two or three years."

ITEL is so confident of the market for wildlife and documentary programming in Latin America that it is considering three or four possible co-productions with broadcasters in the region.

"The Europeans have not cottoned on to the value of the market," said New World's Garcia. "The Latino's love French and Italian cinema, but I don't see a package of French or Italian films being sold there." HBO's Pagani said he would like to buy European product for his new basic services.

Fletcher said many Europeans have been put off dealing directly with the Latin Americans because of their reputation as bad payers. "In my experience they pay better than most European countries. If you spend a long time cultivating a relationship and you give people product they like, then of course they will pay you." ■



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## TBI Latin American Buyers Guide

Country	Network	Address Telephone Fax	Ownership status	Acquisition executives	Hours of imported programs per year	Countries imported from	Main imports	Lowest- highest prices paid for: a) series b) documentaries c) theatrical features
Argentina	Artear (Canal 13)	Lima 1261 Buenos Aires CP, 1138 T 54-1-27-3661/8 F 54-1-331-8573	Private	H.Di Guglielmo, Walter Sequeira	2,000	U.S., UK, Spain	Series, features documentaries	a) \$2,000-3,000 b) \$1,000-2,000 c) \$3,000-10,000
	Cablevision SA	Bonpland, 1773 Buenos Aires T 54-1-777-1111 F 54-1-774-1016	Private	S. Arias Duval	40 channels inc. satellite	US, UK, France, Spain	Series, documentaries, news, children's programs	a&b) \$300-500 c) \$800-1400 Prices low due to over supply of programs.
Brazil	TV Globo, Globo TV Network	Rua Lopes Quintas, 303 22460-010 Rio de Janeiro T 55 21-529-2000 F 55-21-294-2042	Private	Roberto Buzzoni, Paula Miranda	n/a	U.S., UK, Canada, Japan, Germany, France	Features, one- hour series, animation, game shows, music, variety	n/a
Chile	Canal 13	Inés Matte Urrejola, 0848 Santiago T 56-2-251-4000 F 56-2-630-2040	Private	Eleodoro Rodriguez, Alfredo A. Abbá	3,500	U.S., UK, Brazil France, Argentina Australia	Features, mini- series, children's, documentaries	a) \$1,000-5,000 b) \$1,000-2,000 c) \$5,000-40,000
	Canal 7	Bellavista, 0990 Providencia Santiago T 56-2-77-4552 F 56-2-737-6748		Jaime de Aguirre, German Maechtig	180,000	U.S.-56% Mexico-11% Venezuela-10% Brazil-6% Japan-2.5% Europe-14.5%	Series, documentaries, theatrical features	a) \$1,400-1,800 c) \$1,400-1,800 c) \$6,000-28,000
Columbia	RTI	Calle 19 4-56 Piso 2 Bogota T 57-1-281-9067 F 57-1-284 9012	Private	Paula Arenas	300	U.S., Venezuela, Mexico, Spain	Features, one-hour series, miniseries	a) \$1,000-4,000 b) n/a c) n/a



# TBI Latin American Buyers Guide

Country	Network	Address Telephone Fax	Ownership status	Acquisition executives	Hours of imported programs	Countries imported from	Main imports	Lowest- highest prices paid for: a) series b) documentaries c) theatrical features
Mexico	XE I IPN TV Canal II	Prolong de Carpio No. 475 Col. Casco de Santo Tomas DF 11340 T 52-5-396-8024 F 52-5-341-2823/2373	Public	M. Acosta, Flor Hurtado Lopez, Jorge R.Pantoja Merino	1,200	U.S., Spain, Canada, UK, Italy, Cuba, France, Sweden, Holland, Brazil, Japan	Features, series, documentaries	a) \$2,500- 500,000 b) \$1,500- 500,000 c) \$300-3,500
	Corporacion Azteca (Canal 7 and 13)	Periférico Sur 4121 Col. Fuentes Del Pedrefal DF.14141 T 52-5-645-6579 F. 52-5-645-1585	Private	Guillermo Vuvuiar	13: 6,200 7: 3,600	U.S., France, Latin America, UK	Series, cartoons, sports, soaps	n/a
Paraguay	Canal 9 TV Cerro Corra	Avenida Carlos Antonio Lopez 572 Asuncion	Private	Alberto Riveros	2,920	U.S., Brazil, Venezuela, Argentina, Mexico	Soap operas, comedies, theatricals	a) \$250-400 b) \$250 c) \$600-1,000
Peru	Panamericana Television SA	Avenida Arequipa No. 1110 Santa Beatriz Lima T 51-14-708-555/ 705 555 F 51-14-70-947	Private	Arturo Delgado, Richard Guzman	2,000	U.S., UK, Japan, Mexico, Venezuela	Series, theatrical features, cartoons, telenovelas	a&b) \$400-600 c) \$2,000-20,000
Venezuela	Radio Caraccas TV	Apartado Postal 70734 2da Transversal Los Cortijos de Lourdes Caracas T 58-2-256-4080 F 58-2-256-2672	Private	Antonio Fadel	2,190	U.S., Mexico, Spain, Argentina, France, Italy, UK, Japan	Films, series, variety programs	a&b) \$500-2,500 c) \$5,000-20,000

Compiled by Marie Beardmore

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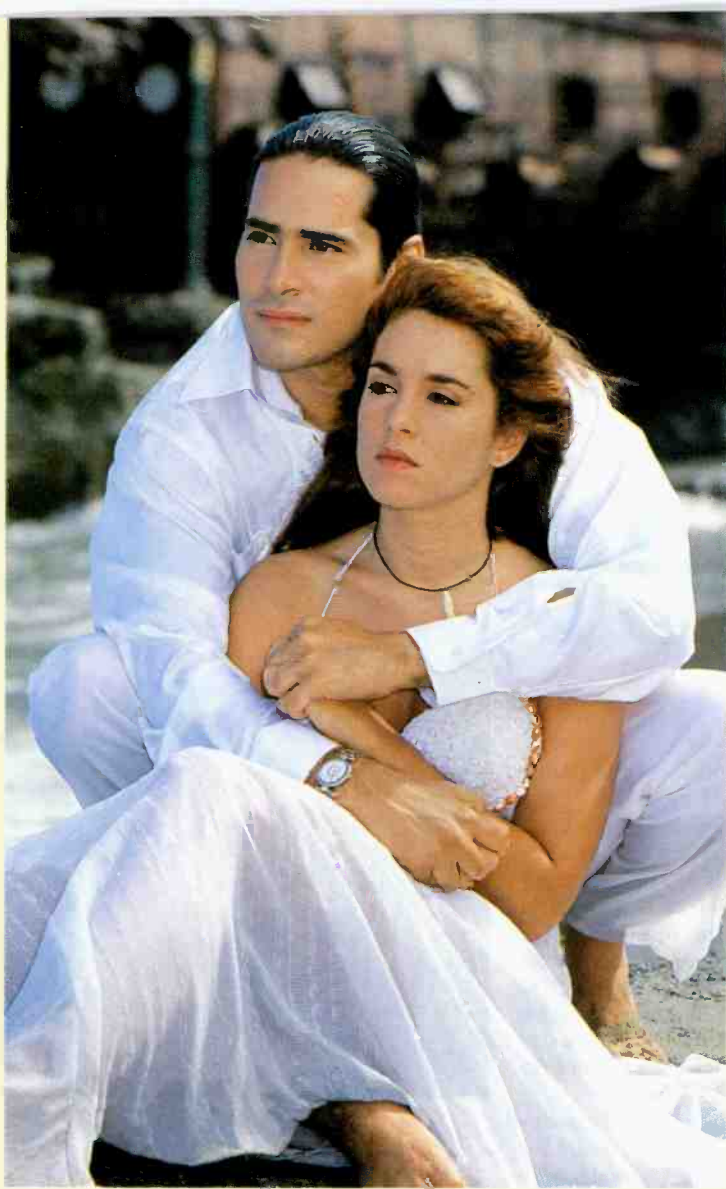
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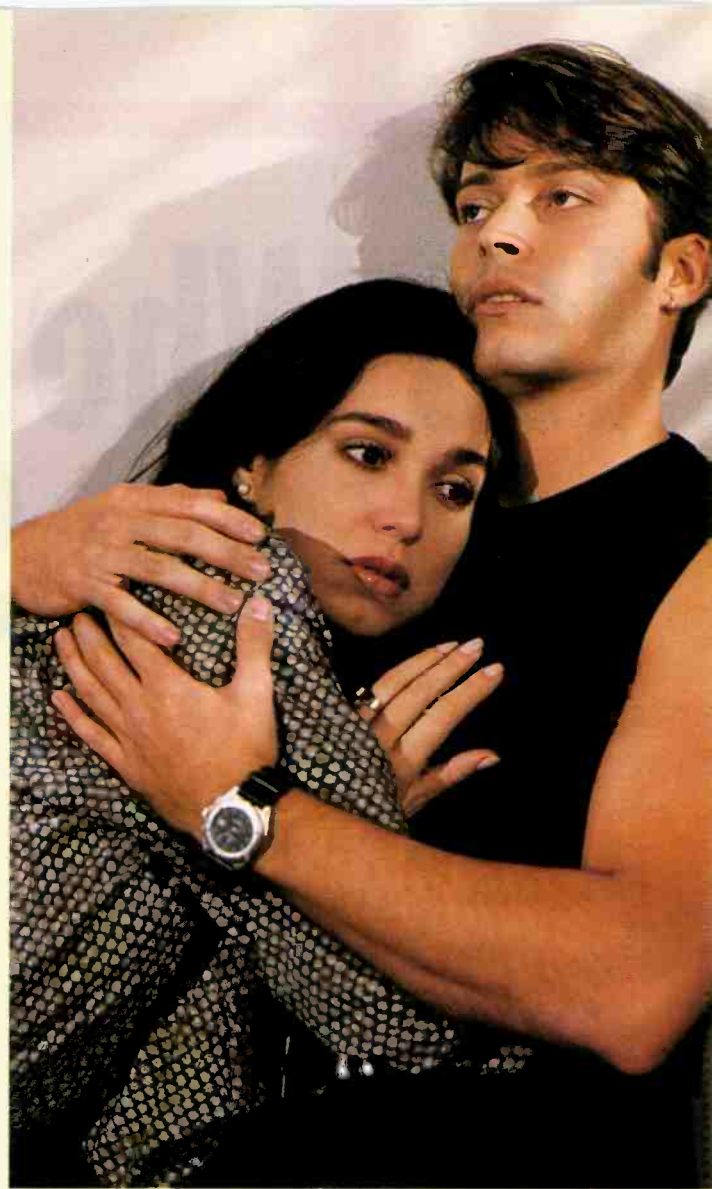
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The bloody legacy of a violent feud between two ruthless families haunts a beautiful young journalist who must confront her past if she is to have a future with the one man who can truly love her.

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# It's Who You See

**America can be a big, confusing market for anyone. You can't just march in and see an executive at one of the major networks. Yet opportunities do exist. Barbara Bliss Osborn outlines who to do business with in public tv, cable and pay**

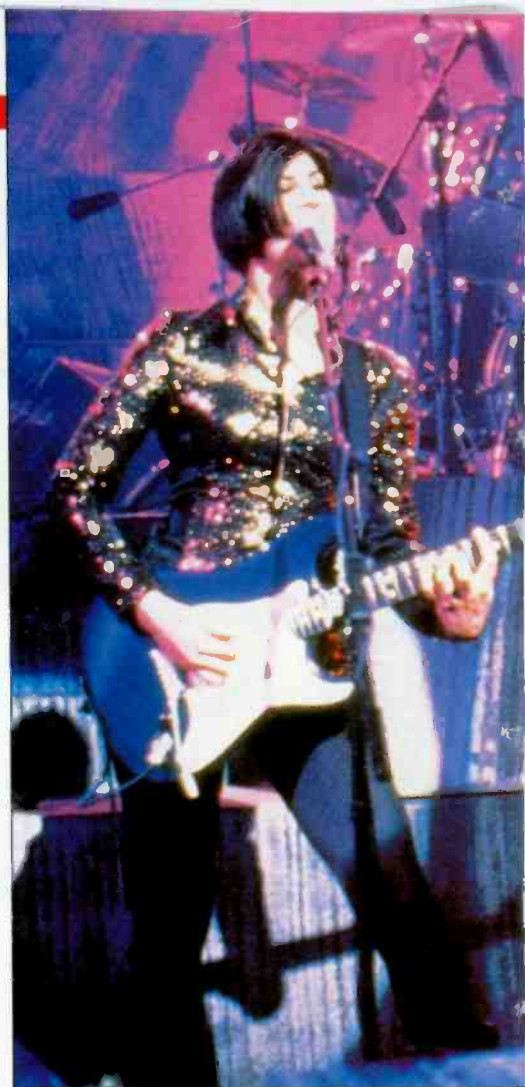
International suppliers may not want to take off their mufflers and mittens in Miami. Despite the Florida sunshine, the U.S. market is likely to be pretty chilly at this year's Natpe. The U.S. has never provided a particularly warm and welcoming market for overseas producers. The volume of acquired international programs is always small, while international co-production, heralded just a few years ago as the wave of the future, has lost some of its allure for the Americans.

To put it politely, co-productions are problematic. First and perhaps worst, producers have learned that co-production does not halve the cost of producing. Moreover, it's hard to make programs that are equally valuable to different parts of the world; the new fashion

is for local culture and local programs. Germans want German subjects for German viewers. The French want French product for French viewers, and as always, the U.S. wants U.S. product for U.S. viewers. Cable interest in international partnerships is on the decline for another reason. In the early days, international producers, unlike their U.S. counterparts, were willing to take diminutive cable budgets seriously. Now, U.S. producers have learned to do the same.

Undoubtedly, economics will continue to make co-producing a necessity for both PBS and cable. In fact, as cable services like USA Network, Discovery, MTV and Nickelodeon create global franchises, they are liable to look on international productions with renewed interest as they develop programs that appeal to domestic and international audiences. But that's a couple of years down the line. In the near term, co-production will increasingly take place among domestic partners, a practice which eliminates the knotty cultural and creative problems of international agreements. Once unthinkable domestic partnerships are developing between cable, networks and PBS. HBO is negotiating with a U.S. network to co-produce a tv movie to air on both services. VH-1 recently partnered with PBS affiliate WTTW/Chicago for a music series. Buena Vista Television is co-producing *Bill Nye, The Science Guy* with KCTS/Seattle. The barricades have fallen and it seems anybody can do business with anybody these days.

Overseas producers and distributors will continue to find opportunities concentrated within the byzantine Public Broadcasting System and among the basic and premium cable services. In the pages that follow, TBI profiles U.S. public television and its affiliates, and the



cable programmers. We've focussed on opportunities for international producers in sales and co-production, and a contact directory can be found at the end of the article.

## Public Broadcasting

The Public Broadcasting System (PBS) is probably the most complex broadcasting bureaucracy in the world. Its organization baffles overseas producers, as well as its own executives. Headquartered in Washington D.C., PBS is a distribution system that provides acquired and affiliate-produced programs to the network.

PBS affiliate stations were early pioneers in forging relationships with international broadcasters, and PBS's notion of co-production incorporates "re-versioning" or customizing already-produced programs, production of individual segments for multi-part series, and jointly-made "true" co-productions.

Finding your way to the right person at the 225 PBS affiliates and the various central and regional organizations that have been established to help distribute programming can be a daunting task.





Tom Jones: *The Right Time*: VH-1 hit the right chord with WTTW/Chicago

You're well advised to hire a knowledgeable guide. An increasing number of reps provide that service. Cal Thomas, who spent over 20 years in the PBS system and now runs consulting firm TSD Company, is one of them. "People find me because they think I can get them through the maze," he said. "Sometimes, I can. There's no one way through the system. When you get something done, it's amazing."

Additional frustrations await would-be PBS partners. "We have to be conditional about our participation in projects," said Peter McGhee, vice president of national production at WGBH/Boston. Unlike most international producers, PBS affiliates generally don't work with set production budgets. If a station wants to do a project, it has to go out and raise the money. That process often takes six months to a year. The waiting period is so unsatisfactory to potential partners, McGhee said, "that it usually ends the conversation."

On the acquisition front, PBS and its affiliates place less emphasis on purchasing programs than on original production. Nevertheless, the system does acquire and distribute primetime general audience and children's programs.

"Acquisitions tend to round out the core of the schedule," said John Grant, senior vice president, national program service. "The PBS schedule is so laden with serious programming that acquisitions are used to lighten it." About 50% of PBS's acquisitions are purchased from the international market. In addition to the network's traditional emphasis on natural history, science, and history, PBS particularly looks for travel and exploration programming. The central program distribution service is supplemented by the American Program Service (APS), as well as regional organizations.

So, to make matters less than clear, producers can sell programs to PBS, APS, regional networks or individual stations. Some of the key players are detailed below.

The **PBS International Programming Consortium** was set up to assist matchmaking between affiliates and prospective overseas suitors. It coordinates three regional groups: the Pacific Rim Association, the Latin American Initiative and the Atlantic Co-production Alliance. Group members come from different countries in the region, and as a group, they evaluate proposals that have been submitted by members. The

consortium also provides R&D funding out of member fees to help get co-productions off the ground. Among other projects, the consortium helped launch *Fire On The Rim*, a documentary series produced by KCTS/Seattle, Australia's ABC, and TV New Zealand (the Pacific Rim Association), and *The Russian Mafia*, a documentary co-production between KERA/Dallas and SVT1 (the Atlantic Alliance). Though most consortium projects have been documentaries, special emphasis is being placed on series and non-documentary projects.

Also in the international co-production matchmaking business are **Public Television International** and **Lark International**. PTI operates primarily as PBS's international sales division, but it also brokers co-productions like the WQED-NHK project *The Space Age*. To date, most projects have originated at WQED, the PBS station where PTI is housed. Lark International is a joint venture of KCTS/Seattle and WTVS/Detroit that develops international documentary co-productions. Lark is primarily interested in short documentary series dealing with "human community issues."

**WGBH/Boston** is the largest producer of programs in the system. The station provides about one-third of PBS's programming, including the long-running series *Nova*, *Masterpiece Theater*, *Mystery*, *American Experience* and *Frontline*. The station also produces limited series that generally focus on history, public affairs and science. Recent limited series included the 26-hour *The People's Century* and *Rock and Roll*, both produced with the BBC. British producers are the Boston station's most frequent partners.

One of WGBH's long-running strands is *Nova*, a science, medicine and technology series. In the past, about 25% of *Nova*'s 20 annual productions were reversioned episodes of BBC 2's *Horizon* series. Today, *Nova* adapts only about three *Horizon* episodes per season. *Nova* has begun to work with independent producers who piece together financing through pre-buys with a number of international broadcasters. *Masterpiece Theater* and *Mystery* are PBS's "best of British drama series." Not surprisingly, the series rely on British producers and partners. Frequent suppliers for their 60 hours of annual programming include the BBC, Granada, Anglia and Yorkshire Television.

A relatively small percentage of programs for *Frontline*, the public network's hard-hitting public affairs series, involve international companies as sup-

pliers or production partners.

Another WGBH strand, *The American Experience*, is a documentary series on historical American subjects such as Lyndon Johnson, Malcolm X and The Kennedys. The series produces nine to 16 hours of programming each year. Very few involve international partners.

Like WGBH, **WNET/New York** produces a number of series for the system, including *Nature*, *Great Performances*, *American Masters* and *American Playhouse*. In total, WNET produces 600 hours of original programming for the network each year. In addition to major series, WNET produces and co-produces limited series. Recent co-productions included *Medicine At The Crossroads*, *Messenger From Moscow* and *Dancing*, all with the BBC.

*Nature*, a primetime natural history and wildlife series, has an output agreement for five shows per year with the BBC. Virtually all *Nature*'s episodes are co-productions, primarily made with the BBC and TVNZ. The series also acquires one or two programs per year.

*Great Performances* is a performing arts series, with an orientation toward classical performing arts, primarily opera and dance. The series has teamed up in Denmark on dance, in Austria for operas and classical concerts and in Britain for documentaries, dance and drama. Recently, *Great Performances* has begun to popularize its repertoire and now considers jazz and musical theater projects. This season, roughly one-fourth to one-third of episodes were acquired. The balance were co-productions.

*American Masters* is a documentary biography series focussed on American artists. With Thames Television, the series made shows on Charles Chaplin, Buster Keaton, Harold Lloyd and D.W. Griffith. Despite the relationship with Thames, the series rarely co-produces and contact is generally initiated by the series.

PBS's original fiction film series, *American Playhouse*, doesn't do much

buying, since acquired programs rarely contain sufficient American content. This season, the series acquired *Tales of The City*, based on American writer Armistead Maupin's novel, from Channel 4. It is also a partner in the Gershwin musical *Porgy 'n Bess*, a multi-partner co-production. *American Playhouse* produces about nine new programs per season. Playhouse Abroad, the series' office in Berlin, seeks funding for Playhouse productions overseas.

**KCET/Los Angeles** used to be known for its dramas, but the productions became too expensive. "We were proud to do them, but we couldn't afford to pay for them," said senior vice

Japan, China, Turkey, and Brazil. Many of MPT's limited series are co-produced, including *SeaPower: A Global Journey*, a six-part series made with NHK, Central Television, RTP Portugal and KRO in the Netherlands, and *Vietnam Now*, co-produced with Australia's ABC. Leo Eaton, senior vice president of national/international productions, is leaving his post after five years in charge of co-productions. A replacement has not yet been named.

Of the 225 PBS affiliates, only two others – **WQED/Pittsburgh** and **KCTS/Seattle** – have any major role in productions that would be attractive to international partners. WQED produced

the *National Geographic* series, and the station maintains a special interest in science and nature, while KCTS reversioned *The Miracle Planet*, originally a 12-part NHK series, as a six-part series with new footage.

**American Program Service (APS)** – formerly called the InterRegional Program Service – provides programs to stations in four ways. The National Syndication Program puts

shows under provisional contract. If enough stations want to buy the program, the contract goes forward. APS puts thousands of programs under contract each year. APS's Premium Service is designed to quickly purchase high profile projects and does not require affiliate consent. APS's third leg, the Program Exchange, does not pay for programs. Programs are distributed without charge to stations, with the sale of show-related merchandise or books used by producers to offset costs. Finally, the Program Planning and Development Service offers stations high profile programming for fund raising purposes. These productions occasionally involve co-production, as in the recent *Pavarotti In Confidence*, a co-production with UK's Hurricane Films in association with Screen Ventures.

The public system's regional networks also acquire and distribute programs. **Continental Program Market-**



Tales of the City: One of a few to be picked up by PBS's American Playhouse series

president of programming Stephen Kulczyk. The station has shifted emphasis to children's, science and historical documentaries. KCET often collaborates with major PBS strands and continues to develop limited series co-productions. Currently, it is making a drama with NHK and a 10-hour series on American cinema with the BBC.

**WETA/Washington, D.C.** is also a major producer for the network, although it does not make any on-going series. Most projects are documentaries and are co-produced with British partners. WETA currently is making a four-part series on the FBI called *The Bureau*, co-produced with Channel 4, and a series on hymns with NVC Arts.

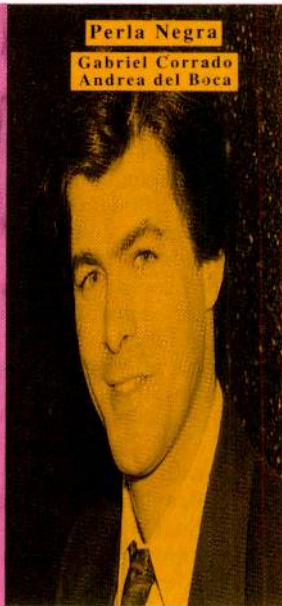
**Maryland Public Television** is the fourth largest producer of programs for the PBS national schedule. The station cultivated some of public television's first relationships with international broadcasters, including channels in





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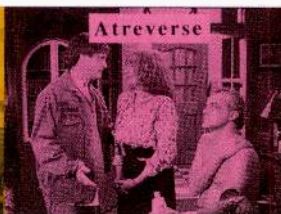
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ing is the programming and distribution service of the Central Educational Network, which provides programming to 40 member stations nationwide.

Distribution at the affiliate station level is time consuming and financially unrewarding. Many stations acquire programming for local broadcast, but it's a relatively small percentage and the amount provided by international suppliers is negligible.

## Basic Cable

About 62% of the U.S. audience subscribes to cable. Subscribers pay a monthly fee and receive a variety of ad-supported basic channels. Well established basic channels like the Arts & Entertainment Network, The Family Channel and USA Network reach nearly 60 million subscribers. They and others have been active in international co-production, and in some cases, the acquisition of overseas product.

**The Arts & Entertainment Network** programs upscale drama, performing arts and documentaries. Twenty-one percent of the current 8pm to midnight primetime schedule is provided

ed by international suppliers through acquisition or co-production. The channel has an exclusive first-look deal with the BBC for light entertainment, music, arts, drama, serials and documentary features. A&E also recently signed a 20-hour deal with the National Film Board of Canada for acquisitions and an option to co-produce. A&E is, however, co-producing with an increasing number of domestic rather than international partners.

Smaller, but with a similar programming character, **Bravo** reaches just over 12 million subscribers. Fifteen to 20% of its schedule is acquired, primarily from production and distribution company R.M. Associates. The channel does only a small amount of co-production and has two in the works – both with London Weekend Television – *The South Bank Show* and *Opening Shot*. Bravo is trying to make arts programming more accessible with co-productions that focus on international artists with name recognition.

**Comedy Central** produces a large percentage – 60% – of original programming for a relatively new channel. The channel airs stand-up and sketch comedy and classic tv and films. Although



Comedy Central's *Whose Line Is It Anyway?*

internationally acquired or co-produced programming has made up a significant part of the schedule in the past, at the moment the only international series on the schedule is *Whose Line Is It Anyway?* from Channel Four in the UK.

**CNBC**, the business news and talk channel owned by NBC, produces most

**a different culture**

Amaya presents several new performing arts and documentary productions including 'Paris Musette'.

**Contacts**  
 Guillaume Gronier  
 Helen Asquith  
 Doris Weitzel

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of its own talk shows, news and business coverage, though its schedule does include Financial Times Business Weekly produced by the FT's tv unit. As it expands, Peter Sturtevant, vice president of business news, said he expects CNBC will create partnerships with Japanese and Indian broadcasters for programming or footage.

**The Discovery Channel** is a non-fiction channel that concentrates on history, human adventure, exploration, the environment, nature, science and technology programs. The channel now reaches 60 million subscribers in the U.S. and is an active buyer and producer of documentaries. About 60% of all Discovery Channel programming is produced or co-produced by the network. The remainder is acquired from domestic and international suppliers. Discovery's recent co-productions have included *The Human Brain and Mind*, a miniseries made by NHK, and *The Arctic*, co-produced with Rai and NDR in Germany.

**ESPN** operates two domestic sports services, ESPN and ESPN2, that together reach over 70 million cable subscribers. ESPN2 is targeted at younger viewers and includes more sports news and lifestyle/entertainment programs. The two channels do very little co-production, but acquire some sports programming from international producers. On ESPN, two hours of daily programming come from a variety of international producers who provide sports footage from snooker to tennis. ESPN2 acquires four hours of Dutch and Brazilian soccer each week.

Although straight acquisitions are limited, **The Family Channel** is a pioneer in international co-production; co-produced programs make up the bulk of the channel's general entertainment schedule. On the current schedule are *Snouy River*, a four-partner series with Australia's PRO Films, Network Nine and Northstar Entertainment Group, and *African Skies*, co-produced with Canada's Atlantis Films, among others.

**History TV**, set to launch in the fall of 1994, will feature historical documentaries, movies and mini-series. At least three-quarters of its programming will be new acquisitions or co-productions. The remainder will come from parent service A&E. Programming is expected to be English-language product focusing on American history with "an entertainment outlook."

About 80% of **The International Channel Network's** programming is acquired. The network provides news

and entertainment programs for primarily Asian audiences in the U.S. One typical co-production currently in the works, said general manager Rosemary Danon, is an Academy Award-related program that the channel is negotiating with Star TV.

**The Learning Channel** is owned by Discovery Networks. TLC acquires, co-produces and commissions programming from international suppliers. The channel has an educational focus and is particularly interested in three types of programming: history, especially ancient history; science, and preschool. Among TLC's six pre-school series, five are international acquisitions. TLC produces 50% of its own programming.

Acquisition and co-production opportunities at **MTV** are pretty limited. Some of MTV's animation is produced overseas, but historically the channel hasn't bought much off-the-shelf programming. MTV co-produces rarely and only when it can't produce the program itself. *Liquid Television*, an anthology of animation, graphics and live action stories, was co-produced with the BBC's *Def 11* strand. Recently, the network came close to co-producing an action/adventure series, but ultimately decided to fully finance the program. Future partnerships are likely to be forged with MTV's global affiliates and will concentrate on animation and music.

**Nickelodeon's** well known speciality is children's tv. About 50% of the Nick Junior preschool programming (five hours daily) is acquired from international suppliers. Nickelodeon is also heavily involved in co-production, including animated series *Doug* (Ellipse in France) and the new sci-fi series *The Tomorrow People* (Tetra Films and Thames Television of the UK). Nick also has development arrangements with Red Rooster and Zenith in the UK, and Canadian producers Atlantis and Sunrise. The network is likely to favor programs that travel well, including children's fantasy, physical humor and adventure series.

Launched just six months ago, **The Sci-Fi Channel** concentrates on sci-fi, fantasy and horror programming. Sci-Fi acquires international series, including programs like *Dr. Who*, *Captain Scarlet* and the Japanese production *The New Adventures of Giganitor*. The channel's budgets are quite small because its reach is still below 15 million. To date, no original scripted series has been produced for the channel. Sci-Fi is owned and operated by USA Networks Inc.

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# And Here They Are

You've read what they've done and what they want to do. Now here's how to get in touch with the key players in the American public broadcasting and cable programming industries.

## Public Broadcasting

### TSD Company

419 Tenth St.  
Oakmont, PA 15139  
412-828-1722  
**Contact:** Cal Thomas, president

### The International Programming Consortium

c/o CPB  
901 E Street, NW  
Washington DC 20004-2006  
202-879-9600  
**Contact:** Anita Klever, executive director

### QED Enterprises

4802 Fifth Ave.  
Pittsburgh, PA 15213  
412-622-1500  
**Contact:** Jim Rogal, vice president (contact for Public Television International)

### Lark International

WTVS  
7441 Second Boulevard  
Detroit, MI 48202  
313-873-7200  
**Contact:** Bill Nemtin (in London: 44-71-434-0834)

### WGBH/Boston

125 Western Ave.  
Boston, MA 02134  
617-492-2777  
**Contact:** Peter McGhee, vice president, national production; Bill Grant, executive editor, Nova; Evan Hadingham, science editor, Nova; Rebecca Eaton, executive producer, Masterpiece Theater and Mystery; Marrie Campbell, series editor, Frontline; Judy Crichton, executive producer, The American Experience (New York office: 212-724-0211); Margaret Drain, senior producer, The American Experience

### WNET/New York

356 West 58th St.  
New York, NY 10019  
212-560-2000  
**Contact:** Harry Chancey, vice president, program services; Fred Kaufman, executive producer, Nature; Janet Hess, WNET science editor; Susan Lacy, executive producer, American Masters; Lindsay Law, president and executive producer, American Playhouse (New York office: 212-757-4300); Sandra Schulberg, senior vice president and managing director, American Playhouse Berlin office (telephone: 49-30-323-7085); Jac Venza, executive producer, Great Performances

### KCET/Los Angeles

4401 Sunset Boulevard  
Los Angeles, CA 90027  
213-666-6500  
**Contact:** Blaine Baggett, director, public affairs programs; Stephen Kulczyk, senior vice president of programming and station mgr.

### WETA/Washington

P.O. Box 2626  
Washington, DC 20013  
703-998-2600  
**Contact:** Tammy Robinson, senior vice president, cultural affairs programming; David McGowan, senior vice president of news, public affairs and program production

### Maryland Public Television

11767 Owings Mill Boulevard  
Owings Mills, MD 21117  
410-356-5600  
**Contact:** Leo Eaton, senior vice president of national/international productions

### WQED/Pittsburgh

4802 Fifth Ave.  
Pittsburgh, PA 15213  
412-622-1300  
**Contact:** Greg Andorfer, vice president of national programming; Jay Raywid, senior vice president

### KCTS/Seattle

401 Mercer St.  
Seattle, WA 98109  
206-728-6463  
**Contact:** Elizabeth Brock, executive in charge; Dave Davis, executive producer

### PBS

1320 Braddock Place  
Alexandria, VA 22314-1698  
703-739-5000  
**Contact:** John Grant, senior vice president, national program service; Alice Cahn, director of children's programming; Olivia Kim, director of drama, performance and cultural programming; Sandy Heberer, director of news, public affairs, natural history and science

### American Program Service

120 Boylston Street  
Boston, MA 02116  
617-338-4455  
**Contact:** Alan Foster, director, national syndication; Pat Faust, vice president, programming (Premium Service); Gene Nichols, vice president (Program Exchange); Nikl Scher, vice president, program planning and development (The Program Investment Fund)

### Continental Program Marketing

**Central Educational Network**  
1400 East Touhy Ave.  
Suite 260, Des Plaines, IL 60018  
708-390-8700.

## Basic Cable

### Arts & Entertainment Network

235 East 45th St.  
New York, NY 10017  
212-661-4500  
**Contact:** Brooke Bailey Johnson, senior vice president, programming and production

### Bravo

150 Crossways Park West  
Woodbury, NY 11797  
516-364-2222  
**Contact:** Jonathan Sehring, senior vice president for programming; Charlotte Van Doren, director of acquisitions

### Comedy Central

1775 Broadway  
New York, NY 10019  
212-767-8762  
**Contact:** Carol Sussman, director of acquisitions

### Discovery Networks/The Learning Channel

7700 Wisconsin Ave.  
Bethesda, MD 20814  
301-986-0444  
**Contact:** Rex Recka, director of international programming

### E! Entertainment Network

5670 Wilshire Boulevard  
Los Angeles, CA 90036  
213-954-2400  
**Contact:** Jon Helmrich, vice president, international development

### ESPN

ESPN Plaza  
Bristol, CT 06010  
203-585-2000  
**Contact:** Bernard Stewart, vice president, international operations and acquisitions

### The Family Channel

1000 Centerville Turnpike  
Virginia Beach, VA 23643  
804-523-7151  
**Contact:** Bob Chmeil, vice president, original programming (West Coast); Harry Young, vice president, original programming

### History TV

235 East 45th St.  
New York, NY 10017  
212-661-4500  
**Contact:** Charlie Maday, vice president, historical documentaries; Joseph Lapolla, coordinator, historical programming

### The International Channel

12401 West Olympic Boulevard  
Los Angeles, CA 90064  
310-478-1818  
**Contact:** Rosemary Danon, general manager

### Lifetime

309 West 49th St.  
New York, NY 10019  
212-424-7000  
**Contact:** Judy Girard, senior vice president, programming and production

### MTV Networks

1515 Broadway  
New York, NY 10036  
212-258-8000  
**Contact:** Doug Herzog, president of

MTV Productions; Tom Hunter, senior vice president, International

### Nickelodeon

1515 Broadway  
New York, NY 10036  
212-258-8500  
**Contact:** Brown Johnson, vice president, production and development, Nick Jr.; Albie Hecht, vice president, production and development, Nickelodeon; Simon Grady, director of program enterprises, Nickelodeon

### The Sci-Fi Channel

1230 Avenue of the Americas  
New York, NY 10020  
212-408-9100  
**Contact:** Barry Schulman, vice president of programming

### Turner Network Television

1050 Techwood Dr.  
Atlanta, GA 30348  
404-827-2085  
**Contact:** Laurie Pozmantier, senior vice president, program development and international co-production (In Los Angeles: 310-551-6370)

### USA Network

1230 Avenue of the Americas  
New York, NY 10020  
212-408-9100  
**Contact:** Monia Joblin, vice president, original programming and international co-production; Medora Heilbron, west coast director of development

### VH-1

1515 Broadway  
New York, NY 10036  
212-258-7800  
**Contact:** Edward Dalva, vice president of acquisitions, co-productions and new business development

## Premium Cable

### The Disney Channel

3800 West Alameda Ave.  
Burbank, CA  
818-569-7500  
**Contact:** Bruce Rider, senior vice president, programming

### HBO

1100 Avenue of the Americas  
New York, NY 10036  
212-512-1000  
**Contact:** Colin Callendar, executive producer, HBO Showcase; Robert Cooper, senior vice president, HBO Pictures; Bridget Potter, senior vice president, original programming

### Showtime

1633 Broadway  
New York, NY 10019  
212-708-1750  
**Contact:** Jay Larkin, vice president, specials



Broadcasting System's collection of classic Hollywood films. The channel is "getting geared up" for an increase in co-production. Six productions, nearly half of its production output in the last year, had some international involvement, including *Zelda* with ZDF, *The Borrowers* from the BBC and *Frankenstein* with Thames. TNT's original productions tend to be epic, \$4-million-to-\$6-million projects based on historical or biographical subjects or classic remakes. TNT is also looking with growing favor on making small financial contributions to nearly complete projects.

**USA Network** acquires only movies from international suppliers, but the channel has been very involved in co-production. Many of the network's more than two dozen movies a year involve co-production partners, and although no series on the current schedule is co-produced, Monia Joblin, vice president of original programming and international co-production,

said that was just "a coincidence." In the past, series like *Ray Bradbury Theater* and *Counterstrike* have involved Canadian, French, New Zealand and other partners. USA is particularly looking for one-hour reality, action or crime dramas.

**VH-1**, the music network for the 25-34 demographic owned by MTV Networks, does not acquire much programming, though will sometimes pick up overseas music and lifestyle projects. Last fall, the channel launched its first international co-production, *Jonathan Ross Presents*, a celebrity interview show produced with the UK's Channel X.

## Premium Cable

Premium cable networks collect a monthly subscription fee from each subscriber; their main attraction to consumers is uncut Hollywood movies. A network like HBO may only have 17 million subscribers, but each of those subs pays \$10 or more a month for the service. That means HBO and the other major pay services have more to spend on specific productions than their basic cousins.

**HBO**, the oldest pay-tv service in the U.S., runs two channels: HBO and Cinemax. Cinemax programs only U.S. theatrical films, while HBO combines films with original programming. Neither makes significant acquisitions from inter-

national suppliers. HBO, however, has established itself as the country's premiere producer of movies for television and walks away from the Emmys each year with a mountain of awards. Of the 12 or so movies HBO produces each year, an average of eight are made by HBO Pictures. These general entertainment films are released theatrically in the international market; budgets average about \$6 million.

HBO's other film producing division, HBO Showcase, produces on smaller (\$3.5 million to \$4.5 million) budgets, and, as Charles Schreger, vice president of HBO Enterprises, put it, "tend to be more political, more cerebral, more European. HBO Showcase is more co-production friendly (than HBO Pictures)." HBO Showcase has co-produced several films with Granada, the BBC, ZDF and France 2. In March, HBO teamed up with Anglia Television to form Anglia Television Entertainment, which will co-produce

programs with HBO on a non-exclusive basis. The pay-tv company also bought a 50% interest in Irel, Anglia's international sales division.

**Showtime Networks** operates Showtime, The Movie Channel and Flix. Showtime programming includes theatricals, original movies, comedy specials, boxing and family entertainment, while The Movie Channel and Flix are devoted exclusively to movies. The services are minimally involved in acquisition from international suppliers. However, Showtime has a long history of international co-production, particularly in documentaries and sports. Most frequently, the channel co-produces with UK companies on documentary projects. In the past, Showtime produced a documentary series on comedy called *Funny Business* and two Monty Python specials with the BBC, as well as a documentary special on sports with Channel Four.

**The Disney Channel** provides family-oriented programming for its six million subscribers. Mornings and afternoons are dedicated to children's programs, while evenings are for family entertainment, including original programs and some acquired and co-produced series and specials. Disney's flagship series, *Avonlea*, is a co-production with the CBC, and the channel's recent four-hour miniseries, *Heidi*, was a co-production with Harmony Gold and Berlusconi [E]

**Premium cable services will usually invest more in specific productions than the basic networks**

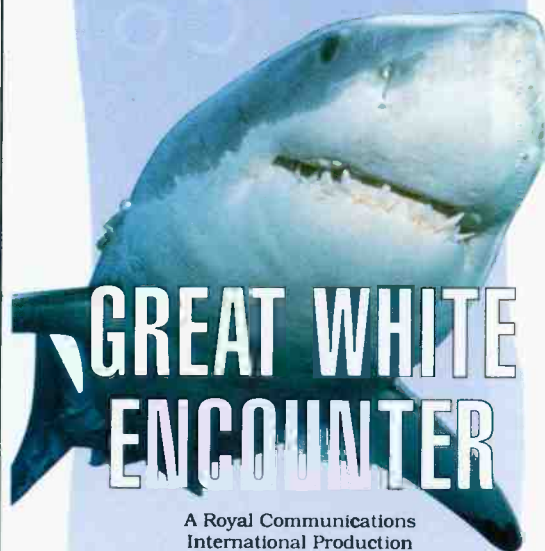
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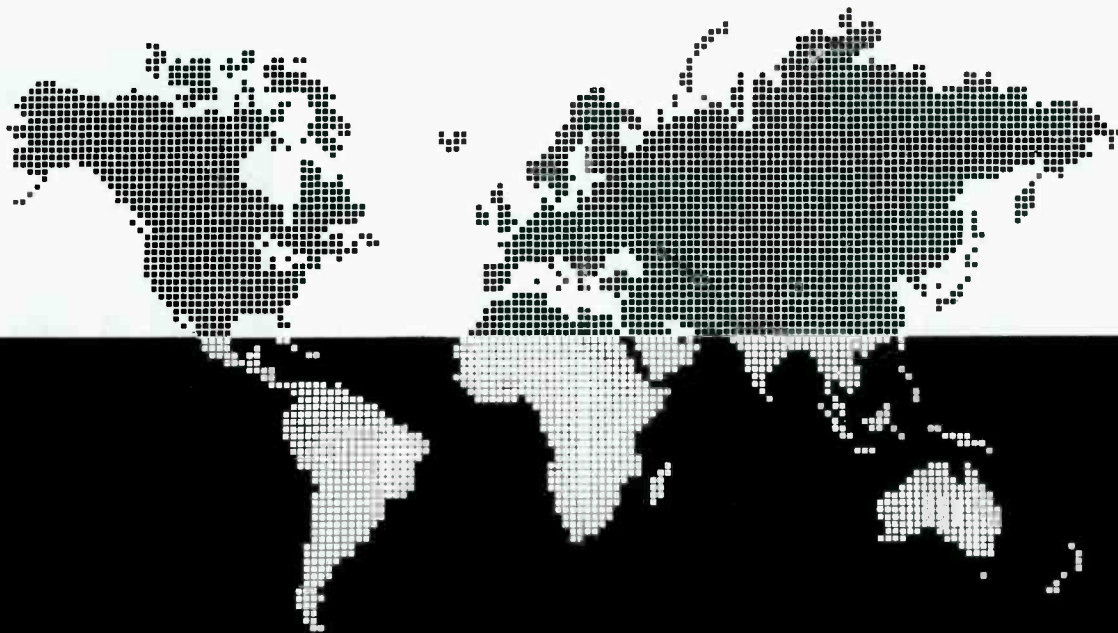
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## Achievement Awards

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**multimedia company? In a year in which Viacom, Blockbuster and Paramount tried to put together a conglomerate of equally massive size and scope? Very carefully, would go the old joke.**

**T**BI has been careful this year, careful to acknowledge John Malone, the chief architect of one of those mind-numbingly big deals – some would say the man responsible for the structure of the other as well – but also careful not to be overawed by the gigantic. The creation of worldwide distribution systems only increases the value of programming, and programming can be created in innovative ways by companies of all sizes. For that reason, TBI also acknowledges Gaumont Television for cracking the American market, and Alliance Communications for playing the cross-border game so well. Big may be beautiful, massive magnificent, but size is not TBI's only standard for achievement.

The Achievement Award winners are selected every year by TBI's board of editors and then announced in the February issue of the magazine. The awards are given to honor companies and



executives doing business in any of the many sectors that make up international tv. The main criteria is that the winners must have made a major contribution to television, a contribution that will continue to better the business in the months and years ahead.

This year's TBI Achievement Award winners are:

● **RTL** for innovating in programming and production, for building itself into Europe's largest commercial broadcaster and for recognizing the strategic value of international cooperation.

● **ABC Cable and International Broadcast Group** for assembling a high quality portfolio of international broadcasting investments

that span terrestrial and satellite broadcasting, sport and production.

● **Alliance Communications** for a sophisticated approach to co-production that has seen the company prosper in Canada, the United States and Europe.

● **Gaumont Television** for proving a French company can produce and develop a program like *Highlander* and sell it into the American market and around the world.

● **John Malone** for being one step ahead of every other thinker, manager and strategist in global television.

We congratulate the TBI Achievement Award winners.

# Up At The Top

## RTL Television

GERMANY'S Bunte Magazine recently put Dr. Helmut Thoma at the top of its list of the 200 most influential people in the country. Germany's chancellor, Helmut Kohl, was ranked third, while Leo Kirch was fourth. Thoma is neither a politician, media owner nor television star. He is chief executive officer of RTL Television, the commercial network which has just celebrated its tenth birthday and is sitting at the very top of a growing pile of German television services.

Launched in January 1984 to 200,000 households in southwestern Germany, RTL was backed by Luxembourg's CLT, which was soon joined on the board by Bertelsmann. In 1986, further investors arrived in the form of WAZ, Deutsche Bank and FAZ, and in 1987, they were joined by publishing giant Burda. From the start, RTL had blue chip backing.

When RTL started, few believed it would hit its first ad budget of \$6 million. Its operating budget back in 1984 was \$15 million. In 1994, RTL's production budget is more than DM1 billion (\$600 million). At the end of 1993, the Cologne-based broadcaster posted record ad revenues of DM2.35 billion (\$1.4 billion) and topped the ratings ladder with a 19% share, ahead of public broadcasters ZDF (18%) and ARD (17%), while rival SAT1 trailed with a 14.9% share. RTL pioneered a new broadcasting culture in the German market and established itself at the top of it.

Despite its powerful backing, the story of RTL is not one of shareholders and corporations. Rather it is the story of a precocious outsider that went up against the old order, struggled to build a different and more

exciting product, and had the courage to continue with its vision when the going got tough. And although it is now basking in the glory of its success, it has no plans to stand still. That would be boring.

Initially building its distribution in Germany on a terrestrial and regional basis, the channel went up on satellite in August 1985. It later led the rush of the German channels to the Astra satellite system in February 1989. Now with its mix of terrestrial, cable and satellite distribution, it penetrates 90% of united Germany's 33.6 mil-

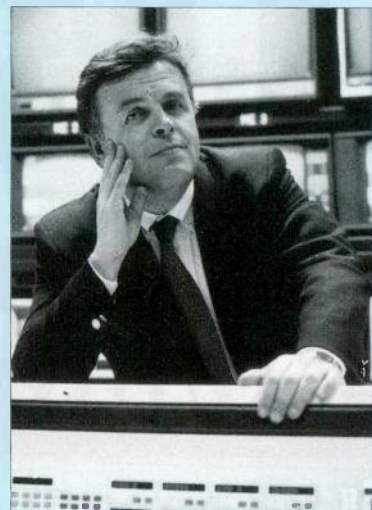


Tutti Frutti: Offended and outraged but four million turned on

lion households.

RTL has provided a commercial model for many others looking to break monopolistic broadcast structures. But although RTL got it right, at no time has the going been easy. At the start, it faced the fierce competitiveness of two public broadcasters fighting to hold their privileged positions. Often the only foreign programs available to RTL were those turned down by ARD, ZDF or Kirch. Usually RTL bought them.

But by steering clear of Leo Kirch's gigantic library of films and television programming, RTL



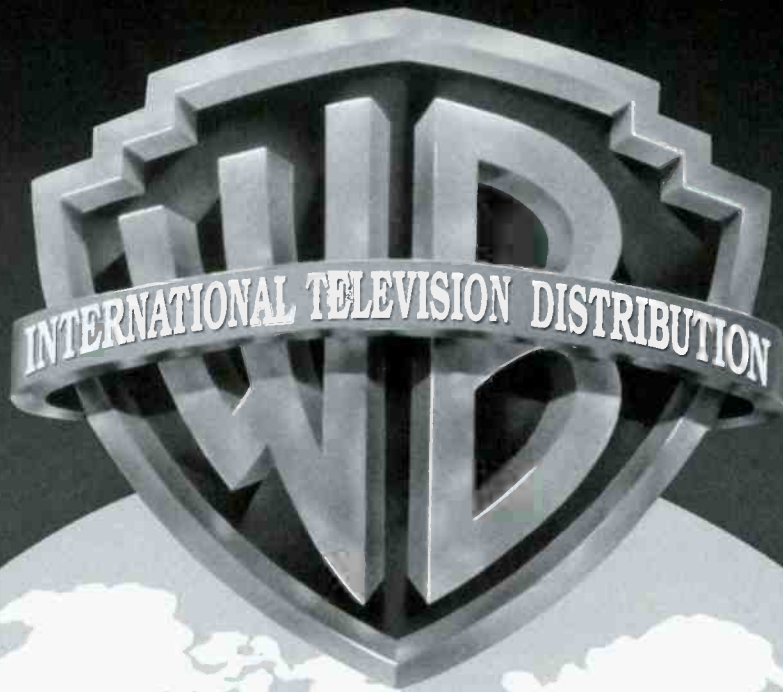
Thoma: Made his vision work

maintained a high degree of independence. At the same time, the station developed a reputation and ability to get itself noticed. Erotic strip game show *Tutti Frutti* caused outrage but put on four million viewers in Germany.

RTL's in-house production line-up includes tv movies and more than 30 commissioned programs, enabling the channel to air more than 80% of its own programs in primetime. And with an increased ability to buy the top programs from Hollywood has come a ground breaking production deal. While renegotiating an output deal with Columbia TriStar, RTL ended up commissioning the Hollywood studio to make series in Germany. The deal represented the first time a studio had exported its capabilities as a tv producer to networks outside the U.S.

1994 sees the broadcaster entering a new era. Having opened the broadcasting floodgates, RTL now faces challenges from channels trying to follow in its own footsteps. The network is phasing out erotic films and is challenging ARD and ZDF in news coverage. On January 3, a weekly news program, *Tag X*, was launched as the first step to beef up information programming. And, of course, there is the development of sister channel RTL 2, launched in March 1993, also under the control of Thoma. If there is one thing that is certain in a jittery German television industry, RTL Television has arrived – and more is coming. [E]





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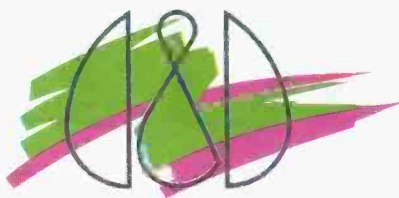
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# The Strong, Silent Type

## ABC Cable and International Broadcast Group

IT was about time. Last October, ABC renamed its Video Enterprises division the ABC Cable and International Broadcast Group. The name "video enterprises" didn't give the least hint of what the division had been up to. While Video Enterprises started out investing in domestic cable services - A&E, Lifetime, and ESPN - ultimately its interests came to include strategically placed investments in television overseas.

Herb Granath, president of the division and senior vice president of parent Capital Cities/ABC, explained that ABC's strategy has been to move into a region with sports, using ESPN, in which ABC has an 80% stake, as a door opener. "Certain program genres travel more easily than others," he said.

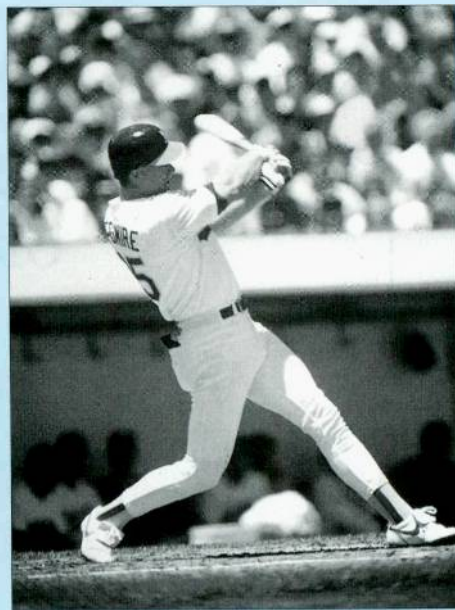
"High on that list are sports, animation, and documentaries. ESPN is the world's largest producer of original sports product, producing somewhere in the area of 5,000 hours a year. We have a product that travels well and we have a lot of it." It was logical, he said, that ABC use ESPN to open doors in the international market.

Today, ESPN is one of the most widely distributed cable services in the world. The sports service reaches Central and South America and Southeast Asia, and ESPN recently signed a deal to provide a service in Africa. Through the sports network, ABC also owns 33% of Eurosport, the pan-European cable sports program service; 10% of TV Sport, Eurosport's French affiliate, and 20% of The Japan Sports Network.

Once established in Europe with sports, ABC began to move into general entertainment. The company currently holds a 50% stake in Tele-Munchen, and through that company has a 26%



Granath: Expanding into Asia and beyond just sports programs



stake in RTL 2, the German channel. The Cable and International Broadcast Group also holds a 25% stake in the Spanish film and tv production company Tesauero, 33.3% of French production company Hamster, and 50% (through ESPN) of Molinare, a group of facilities companies based in London.

Most recently, ABC bought a 21% interest in Scandinavian Broadcasting System, a company that owns and operates four commercial tv stations and holds additional broadcast, production, and distribution interests.

Investing in overseas program producers and broadcasters has been a shrewd and politic way to take part in the globalization of the tv business free of quota restrictions and the logistical and creative difficulties of international co-production. Despite ABC's far reaching investments, the company has kept a low profile; few of

the companies carry the ABC label. "We don't make a big deal out of it when we make an acquisition or investment," Granath said. "We're not in the announcement business. We're in the media business. It's Cap Cities/ABC's approach to anything. We're not a real high profile company."

ABC will pursue a similar strategy with its expansion into Asia, Granath said. By then, ABC will own more than just sports programming that travels easily. The company recently purchased U.S. animation company DIC Enterprises and is in the final stages of acquiring a documentary distribution company.

If ABC's got such a good thing going, why haven't the other American networks followed suit? "NBC is playing catch up," Granath observed. As for the others, Granath couldn't say. "I've learned never to second guess Larry Tisch or Rupert Murdoch." [E]





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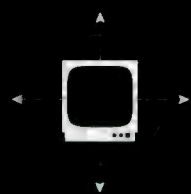
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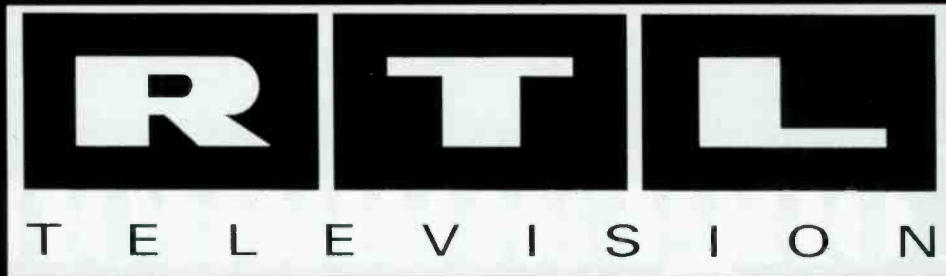
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# Bringing It All Together

## Alliance Communications

**ALLIANCE** Communications chief executive officer Robert Lantos believes that bigger is better when it comes to survival in the rapidly changing film and television business. And he's applied a go forth and diversify approach to turn his firm into the Canadian industry's biggest success story.

In less than 10 years, Alliance has become a leading player at home and abroad, with offices in Toronto, Montreal, Vancouver, Los Angeles and Paris. The company has made its mark as a tv and feature film producer, production financier and a distributor of mainstream fare and art films.

Among Alliance's production credits are top-rated movies-of-the-week like *Family of Strangers* and *Ordeal in the Arctic*, tv series *E.N.G.* and *Counterstrike*, as well as the feature *Black Robe*.

Feature film and television budgets topped C\$100 million (\$75.7 million) in 1993. Lantos expects production activity in 1994 to move beyond that total. And the company is setting up a merchandising and music publishing division.

"The whole point of doing this (setting up this new division) is to be positioned to take the full benefit of what we own." He noted that Alliance's library includes several thousand hours of programming for which it holds Canadian rights, through output deals with such U.S. independents as Fine Line, New Line Cinema, Orion Pictures, Sony Classics and Samuel Goldwyn.

"I believe the industry is going to more and more become an industry of giants, with a relatively smaller number of players," Lantos explained. "The number one priority is for Alliance to have increased strength and size. That's the kind of company that I first



Lantos: Increased strength

envisioned when Alliance was formed, and it enables us to play a strategically important role in this new (information) superhighway."

Alliance was established in 1985 with the merger of Vivafilm, RSL Entertainment Corp. and ICC International Cinema Corp.

Vivafilm was founded by Lantos and Victor Loewy in 1972 with the aim of importing foreign films into the Canadian market. Lantos expanded into feature film production with the creation of RSL in 1975. But after making 15 features under the RSL umbrella, Lantos decided it was time to broaden the company's horizons.

"At first, it was exciting enough just to get a project off the ground and produce," he said. "I really didn't care about anything else. But there came a time when that on its own lost its luster. Alliance was formed so that in due course, it could evolve into what it has evolved into, which is a fully diversified global supplier of entertainment software. Alliance moved rapidly from production into domestic distribution with the creation of Alliance Releasing in 1986. Alliance International launched in 1988, and the company began its international distribution activity. The financing arm, Alliance Equicap, was then set up in 1989.

Alliance raised C\$35 million (\$26.5 million) with last year's

public offering, which was just one of the firm's many significant achievements in 1993. Among key announcements last year were the acquisition of the Samuel Goldwyn library for Canadian distribution; the creation of a Classics Division for speciality films; the partnering with Harlequin to make romance novels into telepics for CBS and CTV, and the application for a license for a cable service, Showcase.

Lantos said the company's growth has been partly spurred by a factor that also facilitated the development of other Canadian companies. Increased fragmentation in other markets meant other countries, particularly the U.S., were looking for more cost-effective ways of producing programming; Canada provided an excellent model.

"Canada has really been a major supplier of programming to (U.S.) cable networks and they (Alliance) just moved with the opportunity," said Arthur Weinthal, vice president of entertainment programming at private national web CTV. "Robert Lantos deserves a lot of the credit for that. He has vision, determination and a willingness to bet the farm, and it's paid off."

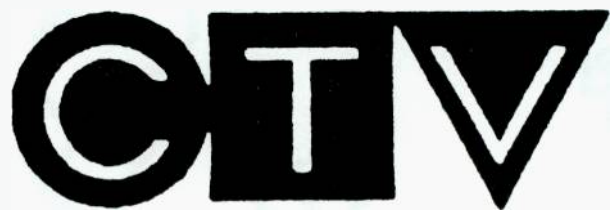
What sets Alliance apart from its Canadian counterparts, according to Lantos, is that the company is at the forefront of both film and tv production, in addition to functioning effectively in both official languages. He said increased diversification will carry Alliance forward. "Having positioned the company as a global supplier, the quest now is to increase its market share and to give it further strength. This is a \$100 million company today. I think five years from now, it will be on a completely different level." ■





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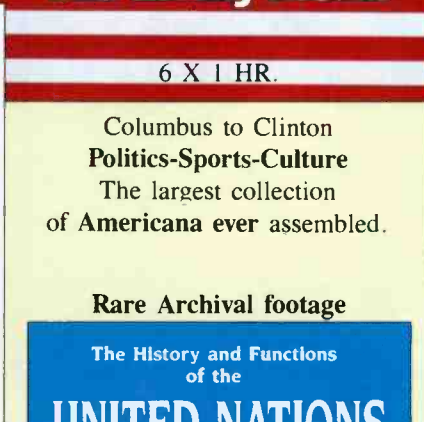
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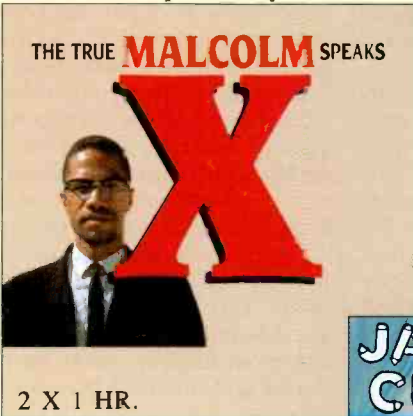
Small town boy to President of the United States, we follow him all the way.



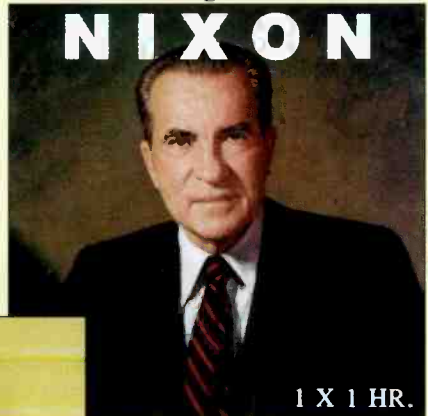
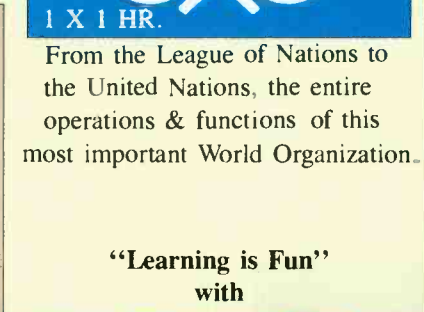
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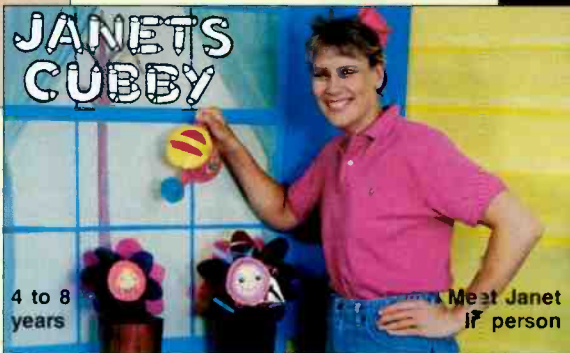
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# Taking The High Road

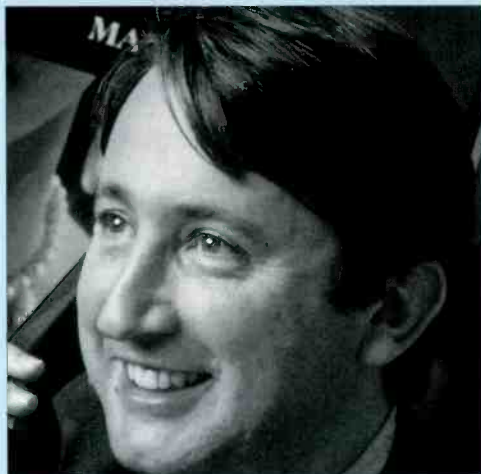
## Gaumont Television

**GAUMONT** Television saw it was almost impossible to make a living producing just French fiction. The tv company made a conscious decision to enter the international market, seeking to produce hour-long action-adventure series in English.

It was a bold move. Gaumont TV head Christian Charret knew international success required success in the American market.

In France, the whole system is organized in favor of fiction written and shot in French. Marla Ginsburg, an American who had been at Columbia and CLT, was hired. Her first attempt was a high-stakes bid to create a tv adaptation of the successful action feature film *Highlander*, at a cost of \$1.2 million per episode. Gaumont found half of its financing through pre-sales in Europe and won a \$250,000 minimum guarantee per episode from Rysher TPE, the U.S. syndicator. The deficit was still high. But *Highlander* won good ratings in U.S. syndication, sold to 40 other countries and delivered supplementary revenues to the producer.

To make a second season, Gaumont had to get past the French government, which, in its continuing effort to thwart the international aspirations of its tv industry, changed the quota rules so that *Highlander* would no longer qualify as a French work. TF1, the series' French broadcaster, had to pass, leaving Gaumont to settle on niche broadcaster M6, which offered half what TF1 was paying. Rysher ponied up the



Charret "can't make only international programs"

extra money, and for it, picked up international rights to the series.

Despite the problems caused by the tighter regulations, Gaumont learned it had the right strategy. The company plans to try similar projects, while also emphasizing family programs. And it has decided to open its own animation department because animation series don't present language or content problems; they can be dubbed into whatever language is needed after a French version has been produced. Explained Charret, "We will not build an animation studio. We will have the ideas, make the storyboards and retain editorial control. But the animation work will be done outside, by French or foreign partners."

The fact that it is Charret, of all French producers, who pushed hard and succeeded with an international production policy surprised many in France. Until 1986, he was a civil servant and the head of film production at the Centre National du Cinéma, the French agency in charge of implementing government policies designed to

protect tv and cinema production. He left his job to join the Robur Group's movie production subsidiary and start a tv production operation. With features, he tried, though not too successfully, to make films in English. In television, as most of his colleagues, he started with French fiction. Robur sold its tv subsidiary to Gaumont in two stages from 1990 to 1992. Nicolas Seydoux, president and owner of Gaumont, is a strong advocate of French culture and of the European cultural exception. That makes it all the more surprising Charret was able to put pragmatism before nationalism and produce programs for the American and international market.

The company will still produce in French, Charret promised. "In any case, we can't make only international programs. Even if they are not very profitable, we must produce French programs, at least to pay for our overheads."

The next step in Gaumont's international strategy will see the production of what the French call "collections" of tv films, groups of movies made separately, but about the same subject. Collections allow Gaumont to shoot some of the films in English, yet still have them all count as French productions. French regulatory authorities accept a "collection" as one work if a majority of it is shot in French. So if four out of six tv films are French, the remaining two can be in English - even be produced and financed by a foreign producer.

Gaumont, still the most important French feature film producer, is also working to adapt for tv some of its other hit films, including the internationally successful film *Nikita*. If *Nikita* wins the airtime in America and around the world that *Highlander* did, Gaumont will be an outstanding example to other French companies seeking the right strategy for the international marketplace. **TE**



*Highlander*: U.S. breakthrough



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# Empire Builder

## John Malone

**WHEN** John Malone took over Tele-Communications Inc. 20 years ago, it was an unglamorous cable operation with boondock franchises. It's now America and the world's largest MSO. TCI currently reaches 20% of all U.S. cable customers, over 10 million homes. The pending re-acquisition of Liberty Media will bring the figure to 13 million.

But TCI is more than a powerful, some would say too powerful, cable operator. TCI is like an octopus. From its core cable operations sprout a dizzying number of domestic and international programming and technology investments.

TCI has direct stakes in a number of basic cable services, including a 29% interest in The Discovery Channel, a 25% stake in Turner Broadcasting System, and smaller investments in QVC, The Home Shopping Network and Republic Pictures. TCI is also a partner in The Sega Channel to be launched this year. Liberty Media (once a part of TCI, then spun off, and now pending re-acquisition) holds additional investments in program services, including QVC, The Family Channel, Court Room TV, Black Entertainment Television, American Movie Classics, over a dozen regional sports networks, and an on-line information service called Xpress.

Malone has also kept TCI in the forefront of new technologies development in collaboration with other partners with expertise. Last year, TCI, AT&T, and U.S. West began a test of interactive services called Viewer Controlled TV. With McCaw Cellular, TCI tested a phone service carried by coaxial cable. TCI has a joint agreement with Time Warner to define hardware and software standards for interactive television. TCI and

Microsoft are jointly developing software to help viewers find their way through the unappetizing, 500-channel menu. TCI and Silicon Graphics are working on a new set top box.

Unquestionably, part of Malone's success is his unorthodoxy. "Malone is capable of seeing a little further than others and can see the value of stimulating the market and pushing things along," said Adam Singer, TCI vice president, international. Malone's most recent vision: the planned acquisition of TCI by telco Bell Atlantic. But the \$22 billion deal, which experts guess may ultimately tie-up 40% of the U.S. cable market, is only one of many, albeit smaller, innovative moves. While the networks tried to figure out how to handle retransmission consent, Malone cut a precedent-setting deal with Fox to carry The FX Channel. With \$90 million in hand, Malone persuaded Carolco to provide four films to be offered on a PPV basis prior to theatrical release. TCI was the first MSO to announce plans to convert to digital compression and made the first major investment, \$2 billion over four years, in a fibre optic upgrade.

Malone's farsightedness has also led him to sink \$600 million in to overseas investments, including The Parliamentary Channel, The Discovery Channel, The Learning Channel, UK Gold, UK Living, Bravo, The Children's Channel and Wire TV. The company's pending sale of program assets to cable and satellite tv group Flextech will give TCI a controlling interest in that company. The Flextech deal will also add The Family Channel and some cable franchises to TCI's holdings. TeleWest, a TCI-U.S. West joint venture, is the UK's



Malone: Unorthodox but visionary

second largest cable operator.

Outside the UK, TCI has invested in infrastructure, programming, or both depending on the country. The company has stakes in Sky Network TV in New Zealand; Asia Business News, the recently launched Singapore-based news service, and Japan's Cable Soft Network, an ad-supported movie channel. Through United International, TCI has interests in Israel, Ireland, and Malta. Through TeleWest Europe, it holds investments in Hungary, Norway and Sweden. In addition, the company has an interest in Videopole in France; DMX, the digital music service, and TeleCable Nacional in the Dominican Republic.

Why does TCI chose infrastructure investments in some parts of the world and programming investments in others? Singer said, "The world is a very different place from country to country. What's the right model in one place isn't right somewhere else. TCI does not regard the world as one single homogeneous rice pudding." Whether rice pudding or smorgasbord, it's clear that Malone is set to play overseas the Alexander The Great role he has had domestically. **EB**





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The festival's selection committee will screen all eligible programs and choose a small number of nominees for prizes in the ten categories. The nominees will be announced in April. An international jury will view the nominees and select three finalists in each category. Finalists will be announced immediately prior to the festival. The jury will also decide the winners of the Banff Rockie Awards, including category winners, a maximum of two Special Jury Awards and the Grand Prize. The Banff Rockie Awards will be presented on June 6.

Programs originally produced in English or French must have been telecast for the first time between April 1, 1993 and April 1, 1994. All other programs must have been telecast for the first time between April 1, 1992 and April 1, 1994.

Please note the new, earlier deadline for receipt of entry forms, fees and cassettes of February 25, 1994.

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Caesars led easy lives. For them, no thought of expense; the life and death of entertainers a simple rule of thumb.

Some brainy person – possibly an American professor of sociology – developed the very 20th Century theory that electrical prosthetic inventions like the dishwasher would bring a new age of creature comforts to the masses, comforts that had hitherto been the prerogative of kings. So fast is the pace of developments, it is not beyond the realms of the phantasmagorical that the masses will be blessed during the 21st Century with the most versatile slave of them all: the Cat (acronym for computational anthropomorphic taskmaster), an electronic genie that will respond to the vibrations of the larynx and organize your life for you.

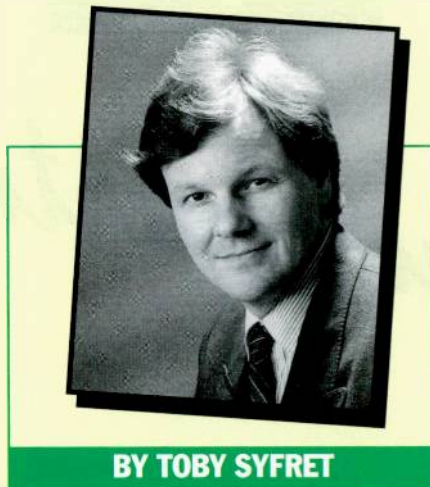
Bandwidth being so plentiful and inexpensive in this restored paradise, the Cat, which need be no bigger than the mouse you use with your Windows or Mac, will obey any command that can be realized by electromagnetic means, provided, of course, you are cleared by Systems Security.

So, gripping your anniversary February issue of TBI in the year two thousand and something, on a bright winter's morning in the comfort of your work station, you are reminded that you wanted to call the editor, but you have a few domestic chores to carry out before you can concentrate on anything else.

"Felix," you say to your Cat, "do you mind checking the thermostat on the central heating system? Then, sort the mail and bring to my attention items for payment. This evening, we'll be back from drinks by 8:30, and fancy watching Cretaceous Jungle. Order it for 9pm and have the news on hold for afterwards – make it Jakarta International – I want to see what's on there before next week's trip. Find out what inoculations I need. Then fetch me the editor of TBI for a holo-chat. Thanks Felix."

Feasible though such exotic dreams may sound, the investment to make them work must be staggering, and the number of practical obstacles legion. Readers will perhaps recall the Warner Amex Qube experiment in Columbus, Ohio. Installed in 1977, Qube was the

# Skeptic Along The Highway



BY TOBY SYFRET

world's first interactive system, offering pay-per-view channels, home security systems, and on and on. Although efforts were made to spread Qube into other cities, the project withered.

Cost must have been the decisive factor. For instance, when Qube was set up in Pittsburgh, the Pittsburgh Bureau of Cable Communications complained that Warner was "totally unrealistic in its original projections... In many cases, the expenses were underestimated by several hundred per cent." After some promising initial successes with film premieres and boxing bouts on Qube, it seems pay-per-view interest dwindled below levels acceptable to system operators. And then there were all those technical problems with home security, such as false alarms caused by ants crawling into the sensors.

Understandably, the coming explo-

sion of bandwidth brings with it a strong whiff of both opportunity and insecurity. If digital superhighways mean that all telecommunications and televisual traffic can be handled on one system, it is not surprising the giants of cable, telephony, electronics, home shopping, systems software and screen entertainment now show the severest symptoms of mega-merger mania.

Several things strike me about the new wave of excitement washing over the City of London, Wall Street and other financial centers. To name four:

- The most impressive demonstrations by Microsoft and others show, I believe, how far we are from achieving workable systems for highway control that will encourage user traffic. The investment costs to solve this really do seem huge – hinting at high systems license fees.
- All the promising experiments one hears about engender highly artificial situations characterized, I suspect, by significantly above-average levels of consumer care and involvement.
- I cannot see the great intrinsic attractions of near-video-on-demand; not when I buy, rent or record videos and play them when I want, with as many interruptions as I choose.
- Above all, I am deeply skeptical about the promised surge in program subscription revenues. City pundits cry that hundreds of channels will fragment audiences, subscription revenues will soar, and advertisers will go to the wall unless they learn to use the television medium vertically. (I presume future media buyers must all work with consolidated gross ratings points.)

Various acquaintances in the advertising industry have expressed alarm at the prospect of the digital superhighway. Their fears will, I suggest, prove unfounded. Unlike Nero, who had lots of money to burn, the masses have only so much disposable income to spend on programs, much less in the vast majority of countries than advertisers are willing to spend. **TBI**

**As feasible as exotic multimedia dreams may sound, the investment to make them work must be staggering, and the number of obstacles legion**



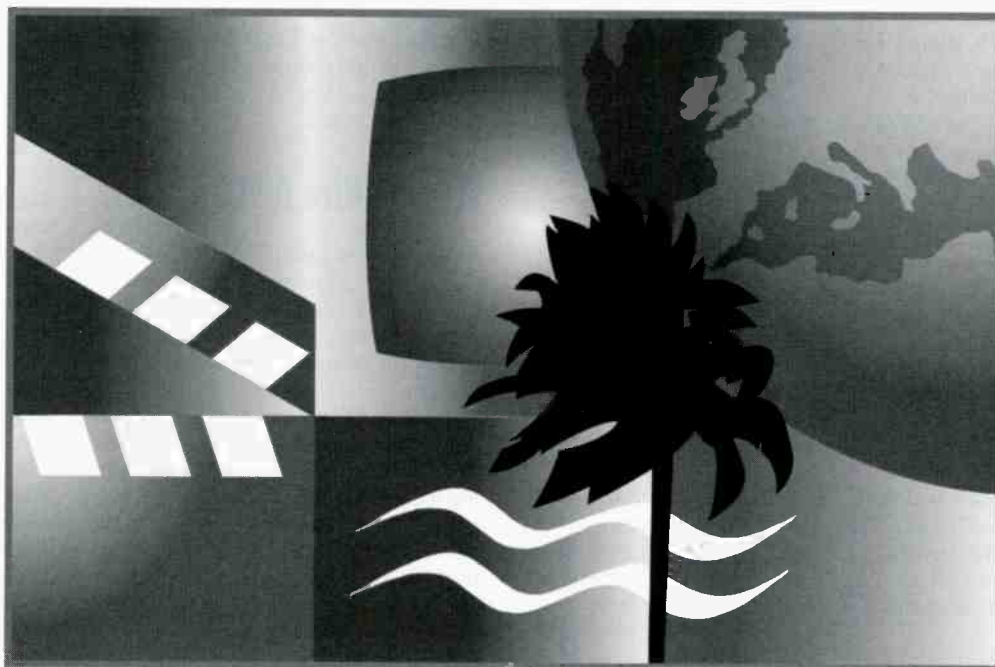
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# Superhighway In The Sky

If there's one thing upon which most commentators seem to be agreed, it is that, one way or another, the future is wired. It might be a domestic copper "twisted pair," a coaxial cable, a fibre-optic "pipe" or any mix of these, but interactive multimedia services will be delivered to the home down something solid, and it's the massive investment required to upgrade this final link to the domestic consumer that is the principal reason behind last year's alliances between the telcos and cable operators. (Cynics might add that once the electronic highway is in place, the people who own it will be able to charge everyone else through the nose to use it – so all the more reason to join the club.)

But what if you don't want to pour billions into upgrading the infrastructure? And what if you don't want to pay a third party for providing a conduit for your software? Might there be an alternative?

Increasingly, wireless delivery is becoming the answer. One example is a New York-based company called CellularVision, which uses a super-high-frequency radio signal to deliver high-quality video signals using a five-inch, flat-plate, window-mounted receiving antenna. The patented technology, which has been in use in New York for over a year, operates within the 28 GHz spectrum and is said to offer dramatically improved clarity

of broadcast over traditional cable and broadcast services. Its makers claim that in most markets, the technology may be deployed more quickly and at a potentially lower cost than that of wired systems, and that "fibre in the sky" is the most economical technology available for delivery of multi-channel, interactive, multimedia services.

CellularVision (whose partners include Bell Atlantic) isn't the only company that sees a market in wireless delivery. The giant Cable & Wireless telecommunications group is currently studying wireless delivery in the UK to see if its Mercury subsidiary – British Telecom's main telco competitor – might be able to use it to gain direct access to telephone users without having to pay interconnection charges to BT. Another prospective UK telephony entrant, Ionica, has just signed a memorandum of understanding with telecommunications hardware manufacturer Northern Telecom to supply a fixed telephone network based on leading-edge radio technology. Significantly, Ionica says it plans to deliver a video-on-demand service over this new network.

In a sense, there's nothing new about the technology. America's wireless cable industry will hold its seventh annual convention this year. But until now, it has been restricted in its application, depending on the spectrum national governments have

been willing to liberate for its use. This column's prediction for 1994 is that wireless delivery will soon present itself for the first time as a viable alternative to the messy business of stringing wires from poles.

## Viewers Give A TOSS

A Finnish company, Saraxa Group, has come up with an interactive ad delivery system for broadcasters, based in part on Philips' CD-i technology.

TOSS CD-i (TOSS stands for telephone-operated spot system) allows viewers watching a commercial to interact with it via a touch-tone phone. They can do so directly – a single viewer influencing the path the commercial takes for the whole audience – or by "voting" – the commercial takes the path chosen by the majority of viewers.

The interactive commercials are produced on CD-i using full-motion video images, and loaded on to a bank of CD-i players, to which the viewer or viewers' calls are switched after being processed by proprietary interactive telephone-handling software.

Not only does the technology allow the consumer to gain access to information about an advertiser's particular product, but it also provides the advertiser with information about viewers who may be interested in the product since data is collected when they call.

**Air is the path of least resistance... Interactive commercials capture customers... Comsat measures out the bandwidth**

## Bandwidth By The Pound

Come the digital revolution, a broadcaster's need for bandwidth will be a dynamic thing. A higher bit-rate will be needed for a widescreen movie or an ice-hockey match, for example, than for studio-based talking heads. The need for return bandwidth on some shows and not others – depending on their level of interactivity – will also affect the mix, as will the low capacity requirements in the "dead hours" between midnight and 6 am. So the idea of leasing a fixed amount of bandwidth round-the-clock on a satellite transponder over a year or more will one day appear decidedly quaint. What broadcasters will need instead is bandwidth-on-demand.

Satellite operator Comsat is already showing the way, although for the moment, the bandwidth-on-demand service it is proposing is restricted to private voice, data and video-conferencing applications, all traditional telco concerns. Customers will be able instantly to access the Intelsat satellite system for the amount of bandwidth needed for a specific application, while paying only for the space segment used in increments of 64Kbit/s.

Where the telcos lead, the rest of the communications industry may well follow. Watch this space... ah... spectrum. [E]





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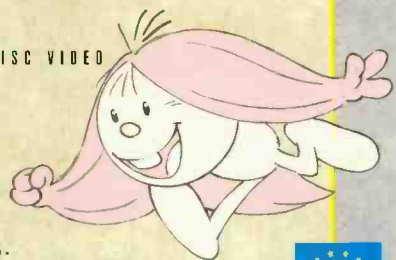
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