

did Mr. Jankowski in one of the key speeches at the opening session.

Mr. Jankowski also told the affiliates that the CBS Entertainment division, which supplies the programming for the network, "is in that rare position of having an abundance of riches. Never before have we had so many properties in development—series, miniseries, specials and made-for-television movies. CBS is amply prepared to take the offensive in the season to come."

Mr. Jankowski also offered a promise: "We intend to work more closely with you than ever before so that we will continue to be the best network operation in the country."

The affiliates also received reassuring news in a closed session with CBS executives Wednesday afternoon when, in response to a question, network officials said they had no plans to increase the amount of network commercial time.

James H. Rosenfield, who was making not only his first appearance at a CBS affiliates convention as CBS-TV president but his first in any capacity, anchored the presentations and also offered an overview of some of the executive changes that have occurred at CBS within the past year.

He also described some of the "incredible opportunities that lie ahead of us" in technology—developments that have already ranged from electronic still stores and new optical techniques to "the exciting new one-inch tape equipment that permits the reduction in size, weight and cost of tape production, while increasing quality and flexibility.

"We are experimenting here in Hollywood with multiple and single-camera tape production that will permit all film production techniques to be done with tape at greatly reduced cost and with increased quality," he said. "Computer tape editing equipment to support this film-style production with one-inch tape is being worked on in our Stamford, Conn., labs and new equipment will be available shortly . . .

"And, of course, we are paying close attention to developments in the world of satellite transmission . . . We are now planning much farther ahead and marshalling our financial resources to take full advantage of the technological opportunities of the future" as CBS moves into its second half-century.

"These second 50 years," he said, "will be the most challenging and the most rewarding we've ever faced."

As for satellite distribution of network programs, Mr. Rosenfield told affiliates at a closed meeting that CBS was keeping an eye on the possibility but that "for the short term we plan to continue our terrestrial interconnection service." He said affiliates would be kept informed of major developments as they occur and that there would be "a minimum of 18 to 24 months from the time we reached any go-ahead decision on a satellite interconnection system to the time of implementation." He emphasized, however, that "we do not

know if or when that 'go-ahead' date will be reached."

The convention, Tuesday and Wednesday at Los Angeles's Century Plaza hotel, attracted a record CBS attendance of close to 800 station executives and, counting wives, CBS executives and talent, a record crowd of about 1,500.

Some affiliates observed that only one thing was missing: the panels of CBS affiliate call letters that usually adorn the meeting rooms. They found the omission had been corrected Tuesday night at the buffet CBS gave for them. It was held in space-age decor with disco lights and music on the 42d floor of a Century City tower, and circling the tower was a Goodyear blimp, flashing all those call letters and occasional promos for CBS shows.

Gannett goes from mostly newspapers to multiple media in one big deal

It announces merger agreement with Combined Communications for \$370 million that will build it up to 20 stations, 79 papers and outdoor ad firm

Combined Communications Corp. and the Gannett Co. announced a \$370-million merger agreement last week. Under the terms of the agreement Gannett will become an \$800-million-a-year communications giant with 79 newspapers, an almost full portfolio of radio and television stations and one of the largest outdoor advertising firms in the country.

The directors of both companies met on Sunday (May 7) and approved the proposed merger which, if also approved by stockholders and government agencies, will make CCC a subsidiary of the newspaper company.

Karl Eller, president and largest stockholder of publicly traded CCC, will join the office of the chief executive at Gannett once the merger is completed. According to Mr. Eller, Gannett's WHEC-TV Rochester, N.Y., and CCC's KTAR(AM)-KBBC(FM) Phoenix are likely to be spun off to comply with FCC ownership rules. Mr. Eller will also serve as president and chief executive officer of CCC, which will remain in Phoenix.

John J. Louis Jr., chairman of CCC, is the son of one of the principals in the old Needham, Louis & Brorby advertising agency and an heir to a Johnson Wax fortune. Gannett is headed by Paul Miller, chairman, and Allen H. Neuharth, president and chief executive officer. Messrs. Eller and Louis and another, unnamed, CCC official will join the board of directors of Gannett.

At a presentation before security analysts in New York last week, Mr. Neuharth called the merger a "marriage



Miller



Neuharth



Louis



Eller

made in heaven." Mr. Eller called it the "superdeal of all time."

Also speaking before the analysts, Mr. Miller said that Gannett will continue to expand its newspaper holdings, and he forecast that "within the foreseeable future" the chain will increase to 100 papers.

Mr. Eller said that he believed the merged companies may venture into new businesses such as business and specialized magazines, cable television, shopping center advertising and other media-related activities.

Under the terms of the agreement announced last Monday, 1.2 shares of Gannett common stock will be traded for each share of CCC's. After a previously announced 3-for-2 stock split of CCC, scheduled for May 31, the exchange will be .8 shares of Gannett stock for each of CCC. At the time of the announcement, Gannett was trading on the New York Stock Exchange at \$42.50 a share. CCC was at \$41.

In 1977 Gannett reported total income of \$69,416,000 on revenues of \$557,908,000 (\$2.60 per share) while CCC reported a net income of \$20,625,000 on total revenues of \$227,603,000 (\$3.17 per share).

Reports that the two companies were holding talks surfaced two months ago when CCC acknowledged "exploratory" conversations with another, larger company. At the time, officials of both companies refused to comment on the reports, and it was said a week later that the discussions had fallen through (BROADCASTING, March 20, 27).

A Washington attorney who had been working on the merger said that the principals of Gannett and CCC were scheduled to hold a meeting late last week to work out the details of the agreement. As of last week, he said, the specifics of the arrangement were "probably in the minds" of the