After meeting with TBS, cable operators are optimistic over chances of proposed basic service

Turner Broadcasting System officials showcased the proposed Turner Network Television to top cable operators in the industry last week and came away with tentative approval to launch the service, TBS said. "We made substantial progress," said Chairman Ted Turner, in getting support for the network, which TBS hopes to launch on Oct. 3. TNT will be a basic cable service with a mix of high-profile original productions, mini-series, sports, movies and documentaries (BROADCASTING, Feb. 29).

The momentum behind TNT has been building for several weeks, with a number of prominent operators on Turner's board going public with their support of the service. John Malone, president of Tele-Communications Inc., said his company would give TNT its "total support," and American Television & Communications Chairman Trygve Myhren said a broadly based, basic channel "is very appealing to us."

When Turner first announced the idea of TNT last year he met skepticism in the industry. Operators, unsure of the proposed network's programming and faced with tight channel capacity, were slow to endorse the project, and the board postponed action on the concept. TBS officials continued fine tuning the service and briefed board members on the latest plans several weeks ago. Comcast Cable President Robert Clasen, an early skeptic, said after the meeting last week that "there was a general endorsement by most of the participants for the concept and for Turner to continue" developing it. Clasen said he got "a much better handle" on TNT's on-air look and its planned programming after listening to Turner discuss several programming ventures at last week's meeting. "I think there's a product there that can create a niche," said Clasen, and could serve "as a vehicle for the industry to look for other new kinds of programming."

A Storer spokesman said the company also reacted positively to Turner's plans and would begin looking for channel openings on its systems.

NewChannels President Robert Miron said "his [Turner's] ideas are there and that's what's exciting about it... He's got terrific things and ideas and... he's a great programmer. He's demonstrated [with CNN] that he can take a concept and make it real."

At one point, July 1 had been mentioned as a possible launch date, which would have allowed cable operators to drop a distant signal and add TNT without incurring copy-right liabilities for that signal for the rest of the year. But that date would have presented several problems, including getting channel clearance. Accommodating a new service in the dead of summer and assembling a program schedule. A Storer spokesman said the company had no immediate plans to make room on its systems for TNT, but said it "may make some decisions by year's end" on adding the service. "Summer is not the best time to do promotions," said Clasen, who, like other operators, said he would examine, on a system-by-system basis, where TNT could be added. Clasen indicated that to launch the service, the company would need to have well over half the subscribers receiving the service.

Turner will ask the board for official approval of TNT within the next few weeks. Any substantial spending by TBS, as would be the case with TNT, must be approved by 12 of the 15 directors. Turner estimated TNT would cost $40 million for its first two years of operation (BROADCASTING, Feb. 29). A positive response from the industry is key to getting TNT launched, since the cable operators on the board do not want to be the only operators supporting the concept.

Among those at the meeting were Malone; Myhren; Clasen; Miron, Nick Nicholas, Time Inc. president and chief operating officer. Tim Neher, Continental Cablevision president; James Robbins, Cox Cable president; James Gray, Warner Cable president; and Kenneth Bagwell, SCI Holdings president. Turner representatives included Turner: Bob Wussler, senior executive vice president; Gerald Hogan, TBS Entertainment president, and Terry McGuirk, vice president, special projects.

TBS also announced last week it has an agreement in principle with Think Entertainment to develop and produce programming for TBS or TNT. Think is a partnership of actress Shelley Duvall's Armadillo Productions and TCI, Newhouse, United Artists and United Cable.

Sorting through rubble of SCI deal

Series of problems involving tax liability penalties, debt structure and changes in cash flow projections cause deal to unravel

Participants in the failed, $2.8-billion sale of Storer Cable are unlikely to come together again soon, according to sources familiar with what was to have been the largest cable deal ever. The complex transaction was ended by mutual consent Feb. 26 (BROADCASTING, Feb. 29).

The initial agreement, reached last Dec. 24, would have transferred the 1.4-million-subscriber Storer systems from investment firm Kohlberg Kravis Roberts to a consortium of system operators comprising American Television & Communications, Comcast and Taft Cable Partners (a Tele-Communications Inc.-Bass Group joint venture). The companies agreed to pay $1.7 billion for Storer's stock and to put up another $1.1 billion in assets to free the equivalent in the property's restricted cash for KKR.

Detailing the deal, however, sources said, was a combination of disputes over liability for potential tax penalties on the sale.