

# CBS AFFILIATES PROTEST MOVES BEYOND 'COMP'

*Group's board discusses establishing war chest and holding separate meeting*

By Geoffrey Foisie

**T**he CBS affiliates' protest continues to show signs that it has evolved into a permanent movement. A major episode in the evolution took place last week in Chicago, where executives of stations covering almost half the country served by non-CBS-owned signals gathered. The meeting was unusual in that top CBS executives, including Broadcast Group President Howard Stringer, participated as outsiders.

The main reason for the gathering continued to be the network's proposed compensation reduction and ad inventory takeback. Among the disputes discussed last Wednesday is that affiliates value the lost inventory at least twice as high as the \$4 million-\$5 million that CBS values it at.

The dispute over compensation is no longer centered on the roughly \$20 million reduction that CBS has convinced affiliates it has no intention of decreasing. Instead, they are focusing on the contractual methods of implementing the reduction, including CBS's proposal that it be allowed to increase the compensation deduction for individual stations on 90 days' notice. Currently it is allowed to alter compensation only if it changes the rate for all stations.

Affiliates also discussed challeng-

ing the new compensation structure, which distinguishes among programs. They asked the affiliates association counsel, Greg Schmidt of Covington & Burling, to ascertain the legality of CBS's proposal to not compensate certain nights and the *CBS Evening News*, while increasing the compensation of *CBS This Morning*. The FCC struck down a similar CBS plan 30 years ago, saying that "any plan that provides for payment wherein the average hourly rate of compensation varies greatly or is heavily influenced by the number of hours taken has a coercive effect...." Nine months ago CBS filed comments with the FCC asking it to change the rules that prevent it from negotiating variable rates.

A few of those attending said they were surprised at the level of consensus among station executives at the meeting and the lack of "foot-dragging," despite what they said had been lobbying against the movement at the stations' parent-company level by CBS Chairman Laurence Tisch and Senior Vice President Jay Kriegel. Groups represented at last week's gathering included Belo, Benedict, Bonneville International, Draper, Freedom, Gannett, Gateway, Gillett Holdings/SCI, Jefferson-Pilot, Lee, McGraw-Hill, Meredith, New York Times, Park, Post Newsweek, Retlaw, Schurz, Spartan, Viacom,

Wabash Valley and Young. Single stations were represented as well.

Also discussed was the possibility of enlarging the charter of the affiliates association. Among changes under consideration are establishing a fund to hire a full-time director, retain a financial public relations firm, fight legal battles with the network and perhaps lobby in Washington.

Affiliates also discussed holding an annual meeting at a different time and place from that sponsored each year by the network. Some have proposed the meeting take place in Los Angeles and that program suppliers be invited to make pitches specifically targeted to the CBS affiliates. Some affiliates also want more control over such matters as the agenda of the meeting.

Last Thursday the network issued a statement: "We well understand that many of our affiliates are unhappy with the plan CBS has presented regarding compensation...after this adjustment, CBS will still pay approximately \$100 million to its affiliates, which is comparable to the level of the other networks." Stringer also told Wednesday's meeting that he had a promise from Tisch that there will be no more compensation cuts.

But with the protest turning into a movement, some affiliates think the network has irretrievably lost at least some confidence from the affiliates. Said Freedom Newspapers Broadcast Division President Alan Bell: "I think that CBS is dumbfounded by what has happened. Station groups have gone beyond surface courtesies and are now talking profoundly about helping each other. It could be fascinating to see what the network is like without the network." ■

## JUDGE BACKS UP CUBS IN DISPUTE AGAINST BASEBALL

**T**he Chicago Cubs defied the odds last week, winning a preliminary injunction from a Chicago federal court barring Major League Baseball Commissioner Fay Vincent from moving the team from the National League's eastern division to the west, pending resolution of the lawsuit the Cubs brought against Vincent. "The undisputed facts support a preliminary finding that the commissioner exceeded his authority in ordering the transfer," said District Judge Suzanne B. Conlon in a decision last Thursday (July 23). MLB then appealed the decision to the Seventh Circuit Court of Appeals. Responding to Conlon's ruling, Vincent said he was "disappointed," and suggested she misinterpreted the MLB rule that grants the commissioner broad powers to act in the "best interests" of baseball.

From a practical standpoint, Conlon's decision, whether it stands or not, will probably put the proposed team realignment off for at least one season. The league is supposed to have its schedule set by July 31.

Vincent's realignment would move the Cubs and the St. Louis Cardinals to the western division and the Cincinnati Reds and the Atlanta Braves to the east. The Cubs sued, arguing that irreparable harm would be done to the team, due to the loss of existing rivalries and fan interest. Others contended Cubs owner Tribune Co. was at least as worried about the impact that later game starts would have on revenues of co-owned superstation WGN-TV Chicago, although Tribune has denied that is an issue. ■