Year in Review: Broadcasting and Cable 1991

Broadcasting

There were 11,024 radio stations operating in the United States at the end of 1991. Of these, 4,988 were commercial AM stations, 4,539 were commercial FMs and 1,497 were noncommercial FMs. There were 1,488 operating television stations: 556 commercial VHFs, 575 commercial UHFs, 124 noncommercial VHFs and 233 noncommercial UHFs. Most commercial TVs are network affiliated; approximately 429 operate as independents.

No single entity may own more than 12 stations in each service (AM, FM or TV). In TV, the entity is permitted to own 12 TV stations as long as they don't reach more than 25% of the nation's television homes. UHF's are assessed for only half of a market's television homes. Group broadcasters who buy interests in stations more than half owned by minorities are able to own up to 14 stations in a service, and are able to reach 30% of the nation's television households through their TV's, as long as two of the stations in each service are controlled by minorities.

Newspaper owners may no longer purchase broadcast properties in the same market, nor may radio station owners acquire TV stations there, nor TV owners acquire radio outlets. TV stations may no longer acquire cable TV franchises in the same city, and networks may not own cable systems at all.

In 1990, according to estimates by the Television Bureau of Advertising and the Radio Advertising Bureau, commercial broadcasting had total advertising revenues of approximately $35.4 billion. Television advertising accounted for $26.6 billion (75.1%) of revenues; radio advertising, for approximately $8.8 billion (24.9%). Public broadcasting had a 1990 income of $1.6 billion—16.7% from the federal government.

In 1990 television billings for stations and networks amounted to $9.4 billion (national network), $7.8 billion (national non-network), $7.8 billion (local), and $1.6 billion (national syndication), according to estimates by the Television Bureau of Advertising. The Radio Advertising Bureau estimated radio billings for stations and networks were $433,000,000 (national network), $1,626,000,000 (national non-network), and $6,780,000,000 (local).

There are more than 92 million U.S. homes (98% of all homes) with television sets, about 65% of which have more than one set. About 91 million homes have color. It is estimated that about 78.2% of TV homes are equipped with a VCR, and that about 63.8% are linked with cable systems, according to Arbitron Television. There are an estimated 558 million radio sets in the U.S., 356 million (64%) of them in homes and 202 million (36%) out of homes.

The average American home watches TV for six hours and 56 minutes a day, according to Nielsen Media Research statistics for the 1990-1991 season. And the latest study by The Roper Organization (commissioned by the National Association of Broadcasters and the Network Television Association) shows that 69% of the U.S. public turns to TV as the source of most of its news, and that 54% ranks it as the most believable news source.

The average 30-second prime-time network television announcement now costs $100,000 (spots on a top-rated series cost $200,000; low-rated spots average about $50,000). An estimated 118 million people watched the 1992 Super Bowl telecast. Thirty-second announcements during that event cost $800,000. Thirty-second announcements on individual TV stations range from $20,000 in top-rated specials in major markets to as low as $10 in the second-hundred markets. Radio spots cost from $1,000 or more in major markets to less than a dollar in small towns.

Cable

There are 11,314 operating cable systems in the U.S., serving some 30,579 communities. Another 100 franchises are approved but not built. Texas has the most systems (640) and California the most subscribers (6 million). Operating systems currently reach about 56 million subscribers, perhaps over 147 million people—60.3% of the nation's TV households. The largest (Cablevision Systems in Oyster Bay, N.Y.) has over 500,000 subscribers. Some have fewer than 100. Tele-Communications Inc. is the largest multiple system operator (MSO), with more than 8,400,000 subscribers. Industry revenues last year totaled approximately $18 billion. Most systems offer 30 or more channels. Systems constructed after March 1972 must have a minimum 20-channel capacity. The average monthly fee (basic service) is $18. Costs of laying cable range from $10,000 per mile in rural areas to $100,000 in urban areas and up to $300,000 where underground cable is required. An estimated 5,500 systems originate programing in their own studios; the average is 23 hours weekly. Equipment costs are as low as $30,000 for a small black-and-white operation and $200,000 for a color studio.

Over 2,370 systems (21% of all systems) accept advertising on their local origination channels (excluding automated channels), with rates from $2 to $600 per 30-second spot. Most cable systems derive less than 5% of their gross revenues from advertising. Pay cable is on approximately 9,000 systems and reaches 51 million subscribers in 50 states. Most pay cable operators are reporting close to 79% penetration of their subscriber count. Home Box Office Inc. initiated the first national satellite interconnected pay network Sept. 30, 1975, using transponder time leased on the Satcom satellite. Aside from contracting for packaged pay programs, like HBO, cable operators can lease a channel to a pay program operator or secure their own programing directly from a supplier. Many systems have multiple cross-ownership ties.