Cablecastings

Another galactic service

Still another cable programing service is moving to Hughes Communications' Galaxy I—superstation WOR-TV New York. Eastern Microwave Inc., which distributes the New York independent station to cable systems, purchased a preemptible transponder on the bird Nov. 18 and announced the deal early last week. Gil Korta, national marketing director for Eastern Microwave, declined to say how much the company paid for the transponder, but sources say the available Galaxy transponders are on the market for between $6 million and $10 million, depending on their preemptibility.

Eastern Microwave currently distributes the station's signal via a transponder it leases from Robert Wold Co. on Westar V. Korta said Eastern Microwave will assume control on its transponder on Jan. 5 and begin simulcasting the signal on both satellites then or shortly thereafter. It will eventually drop the Westar V feed.

The Eastern Microwave move strengthens the already strong Galaxy lineup, which now includes Home Box Office (HBO and Cinemax), The Disney Channel, Turner Broadcasting System (Cable News Network and CNN Headline News), Group W Satellite Communications (The Nashville Network), The Movie Channel (Viacom International), SIN Television Network and GalaVision (SIN) and C-SPAN.

The move also puts an end to Westar V as an important cable bird. In less than two months, the satellite has lost Satellite News Channel, which was purchased and shut down by Turner Broadcasting; The Disney Channel, and WOR-TV. All that remains is Black Entertainment Television and Financial News Network, which is a half-broadcast network. According to BET President Bob Johnson, BET would like to join the rush to Galaxy. "We know who has available Galaxy transponders and some are good friends of ours," he said. "We will be talking to them."

According to Korta, the superstation reaches around 6.3 million cable subcribers, 4.3 million via satellite and 2 million via microwave.

A potentially costly error

Cinemax may have to dump a multimillion dollar advertising campaign next week in the wake of an injunction handed down by a federal judge in Tulsa, Okla. U.S. District Court Judge James Ellison ordered the pay network to stop using the slogan—"We Are Your Movie Star"—in its broadcast and print advertising by midnight, Dec. 9.

The action, in the form of a preliminary injunction, stems from a trademark infringement suit brought by KOKI-TV Tulsa. In the suit, filed last October, the independent station alleged that the Cinemax campaign, which was developed by Ted Bates & Co., resembled in many ways its own three-year-old "Oklahoma's Movie Star" campaign.

Cinemax™

WE ARE YOUR MOVIE STAR.

Movie Star™

The slogans at odds in the trademark battle between HBO's Cinemax (top) and KOKI-TV Tulsa (bottom).

Attorneys for Home Box Office, which owns Cinemax, have asked the federal circuit court in Denver to stay Judge Ellison's injunction pending final resolution of the case. HBO's Tony Cox said HBO is "very confident" that it will prevail in either the district or circuit court, but unless it wins the stay the case could become moot as far as HBO is concerned. If Cinemax cannot use its current campaign after Dec. 9, he said, it will have to develop a new one.

According to court papers filed by HBO, the pay programer has sunk a lot of money into the Cinemax campaign. They said $328,000 was spent on research and development, $1,066,000 for production of the electronic and print ads and $6.9 million on ad space and time between May and November.

Sacramento gets service

Cablevision Systems, with a bid that includes a $2 monthly charge for 30 channels of basic service, won the 20-year franchise last Tuesday (Nov. 22) for Sacramento, Calif. The Sacramento city and county boards voted unanimously to award Cablevision the franchise just days after a staff recommendation concluded that the company had submitted a bid superior to those filed by ATC, a joint venture between United Cable and Tele-Communications Inc. and Access Corp. Unlike some franchise processes, this one will not involve an extended post-award negotiating process—the parties signed a franchise agreement the day Cablevision got the nod. Four contracts were drawn up during the evaluation process and Sacramento had stressed from the start that promises made in the applications represented "binding contractual commitments," said Sheila Mahony, vice president and franchise coordinator for Cablevision. This was Sacramento's second attempt to award a cable franchise in as many years. Last year its award to a joint venture between United Cable and Tribune Cable fell through when Tribune pulled out at the last moment. Sacramento currently contains about 330,000 homes, and is adding about 10,000 homes per year. Mahony said Cablevision will begin construction almost immediately and expects to offer its first service "within six months," due to the fact that Scripps-Howard is putting up half the equity money for the systems, enabling the company to get a quick start on construction. A local group, River City Cablevision, with 70 investors, also has a 5% interest. A four-year construction schedule is planned for the system, which will have a dual 400 mhz trunk with up to 104-channel capacity, as well as an institutional trunk.

Lightening the load

Building five major cable systems at the same time has apparently proved to be too much of a financial strain on Storer Communications. The Miami-based broadcast-cable television concern announced last week it would sell its suburban Washington franchises to a local limited partnership for whatever is invested in the franchises at the time of closing. That's expected to be $30 million-$35 million within six months.

The centerpiece of the deal is the system serving the northern half of Prince George's county, Md. It comprises 19 municipal franchises, the north county franchise and around 130,000 homes. With more than half of the planned 800-mile plant still remaining to be built, it now serves 16,000 subscribers. The deal also includes two small completed systems serving 3,000 subscribers in Leesburg and Fort Belvoir, both Virginia.

The limited partnership is headed by Winfield M. Kelly, who was instrumental in winning most of the Prince George's franchises and who is now vice president of the Storer Cable Communications of Maryland (SCCM), which operates the system.

According to Richard Scott, a spokesman for the yet-unnamed partnership, the local individuals who now hold a 20% interest in SCCM have been invited to buy into the partnership. He said building the entire system would cost between $58 million and $60 million and take another year and a half.

Cutting loose the costly Prince George's systems should improve Storer's financial profile. Storer wound up with a net loss of $15 million for the third quarter of 1983, due in part to enormous payments on its equally enormous debt ($700 million). In addition to Prince George's county, Storer has been pouring its money into new builds in Glendale, Ariz.; West Pasco county, Fla.; Washington county, Ore., and the northwest suburbs of Minneapolis.