

Fox and the New World order



By Geoffrey Foisie

The dominoes have only begun to fall.

The big three networks and network affiliates across the country began scrambling to repair the damage done to them last week by the unprecedented affiliation agreement between News Corp.'s Fox Television and New World Communications Group.

Under the deal announced last Monday, New World's 12 current or soon-to-be-owned VHF network affiliates will become Fox affiliates for the next 10 years.

To seal the deal, Fox will give New World \$500 million—\$250 million for preferred stock at a slight premium over last week's price and \$250 million in a seven-year interest-free loan.

New World also will receive time on the Fox-owned stations for its syndicated programming. It will get two hours during daytime and a late-night slot, probably at 11:30.

New World subsidiary Genesis is expected to

supply some of the programming.

New World also has a minimum order from the Fox network for two series pilots and two made-for-TV movies.

New World now owns eight stations. But last week, it also announced an agreement to buy Argyle Television's four VHF affiliates for \$717 million (see box, page 8).

Of the networks, CBS is most affected. Eight of the New World/Argyle stations are CBS affiliates. Also unsettled are Fox's 12 current UHF affiliates and

the affiliations of the other three networks in markets covering almost 14%, and soon to be more than 15% of the country.

CBS CEO "Larry Tisch has got to rethink how much he will pay for TV station ownership," said one TV group executive. "If he had bought the New World [then-SCI-TV] stations in the first place, when they were for sale, and which were a natural fit, he might not have had this problem."

The Monday morning quarterbacking had a more utilitarian purpose than just to vent opinions. Station executives and group-owner CEOs were trying to figure out what Tisch and his counterparts at ABC and NBC would try to do.

In order to hang onto VHF's in the affected markets, some were figuring the networks might be forced into package deals affecting other markets.

Among the TV groups that CBS may approach for affiliations:

- Scripps Howard was the single-most victimized by Fox's me-first strategy, losing network affiliations in Tampa, Phoenix and Kansas City. It also owns coveted VHF stations in two markets where CBS has been unseated: Detroit and Cleveland. A group affiliation switch is a possibility; a sale is also possible, but Scripps Howard recently has been more a buyer than a seller.

- Gannett, with VHF stations in Atlanta, Austin and Phoenix (NBC, ABC and NBC), holds the key to three more markets where CBS is temporarily locked out.

- LIN Broadcasting owns NBC affiliates in Dallas and Austin.

- Gaylord Broadcasting, with a VHF independent in Dallas and a U in Milwaukee, also could be on CBS's list. A conversation with Gaylord, however, could go beyond affiliation, since Gaylord has been spinning off properties lately. An assignable option on its Milwaukee property already may be in the hands of Sinclair Broadcasting, which, as of last week, also owns the deposed Fox affiliate in

IT'S A NEW WORLD FOR FOX

Market	Rank	Future Fox affiliates (all VHF)	Network losing affiliation	Current Fox affiliates (all UHF)	Groups losing Fox affiliation
Dallas	8	KDFW	CBS	KDAF	Fox
Detroit	9	WJBK	CBS	WKBD	Paramount
Atlanta	11	WAGA	CBS	WATL	Fox
Cleveland	12	WJW	CBS	WOIO	Malrite
Tampa	16	WTVT	CBS	WFTS	Scripps Howard
St. Louis	18	WTVI	ABC	KDNL	River City
Phoenix	21	KSAZ	CBS	KNXV	Scripps Howard
Milwaukee	28	WITI	CBS	WGGV	Sinclair
Kansas City	29	WDAF	NBC	KSHB	Scripps Howard
Greensboro/49		WGHP	ABC	WNRW	Act III
Winston Salem/High Point					
Birmingham	50	WBRC	ABC	WTTO	Sinclair
Austin	65	KTBC	CBS	KBVO	Austin Television