

New week, new affiliate deals

NBC talks with potential partners, signs more long-term deals, eyes sale of SJL

By Geoffrey Foisie

NBC President Bob Wright "has been spending a lot of time on this affiliate thing," one company executive says.

The "affiliate thing" is, of course, the industry upheaval set in motion three months ago by Rupert Murdoch that now finds ABC, CBS, NBC and Fox raiding each other's station lineups.

Last week, NBC once again was at the center of the activity. The owner of several of its affiliates, SJL Broadcasting, put four up for sale. SJL's three NBC affiliates are WTVG(TV) Toledo, Ohio, and KSNT(TV) Topeka and KSAS(TV) Wichita-Hutchinson, both Kansas. The fourth station, WJRT (TV) Flint, Mich., is an ABC affiliate in a two-V market where NBC recently lost its affiliate.

Individually the markets might be too small to interest NBC in operating them—they are ranked 60th, 61st, 63rd and 142nd—but collectively they equal the 12th-largest market in the country. Industry executives wonder if NBC might be looking for a partner that would act in the interest of the network, similar to the arrange-

ment Fox has with Savoy and the deal CBS has with Group W.

TV network president Neil Braun said: "I wouldn't exactly say there is a search for a partner. We have been approached by affiliates to be their partner in the acquisition of other stations....They tend to be specific in nature, with the affiliate saying, 'let's go after this market or that market.'"

BROADCASTING & CABLE last week talked to some station groups that NBC likely would think of as partners:

James Babb, chairman, Outlet Communications, whose two affiliate TV stations are both NBC, said: "We have had some basic discussions [with NBC] about opportunities. They have been general conversations, and we don't have anything active going on at the moment."

Pat Servodidio, who heads Multimedia's station group (four of the group's five stations are NBC affiliates), said his company is happy with NBC as a minority (49%) partner in WKYC(TV) Cleveland. Asked if the companies are discussing extending the joint partnership to other markets, he said, "We are looking at all aspects of the business."

ABC also will be interested in the SJL Broadcasting sale but it probably will not buy WJRT, since parent company Capital Cities/ABC already owns *The Oakland Press* in nearby Pontiac. As for finding its own surrogate or partner, that is "something we have talked about," said executive vice president, affiliate relations, George Newi, "but we haven't done any deals nor are any imminent; we don't know that it will be necessary."

The heightened interest in affiliate TV stations may draw other sellers. The two stations managed by Paul Hughes—KUTV(TV) Salt Lake City, an NBC affiliate, and WOKR(TV) Rochester, N.Y., an ABC affiliate in a three-VHF-station market—were being shopped last week.

NBC did manage to avert several threats to its lineup. The network signed LIN Broadcasting to a long-term affiliation deal for the company's four NBC affiliates KXAS(TV) Dallas and KXAN(TV) Austin, both Texas; WAVY(TV) Norfolk, Va., and WOOD(TV) Grand Rapids, Mich. The deal protects NBC against any encroachments by CBS, which lost VHF affiliates in both Dallas and Austin.

In Boston, a three-VHF station market, NBC signed a 10-year affiliation deal with WHDH(TV). It also has put out another potential fire by signing WSMV(TV) Nashville for a six-year deal. The station's general manager, Mike Kettinger, said the compensation increase was not "extraordinary." Several months ago, Fox's interest in the station was pursued by New World, which had negotiated to buy WSMV.

One important feature of these new affiliation agreements, said Braun, is that they guarantee NBC that if the station is sold, the new owner agrees to keep the station as an NBC affiliate for a "term of years."

In Boston, NBC had an advantage—its news product—said Braun: "The NBC News Channel has helped us close more than one station deal. Fox just can't deliver anything approaching the kind of service the newschannel offers, and it will take [Fox Chairman Murdoch] a long time to gear up to that level." ■

Steve McClellan contributed to this story.

Comcast, Liberty get QVC

QVC's board of directors has approved the sale of the home shopping company to its two biggest shareholders, Comcast Corp. and Liberty Media Corp., for \$1.42 billion cash.

The final purchase price is \$2 more per share than the original bid of \$44 per share for the 65% of the company not already owned by Comcast and Liberty. Comcast, the nation's third-largest cable system operator, will put up \$267 million and own 57% of the company; Liberty, the programming arm of top multiple system cable operator Tele-Communications Inc., will contribute \$20 million and own 43%. Liberty already owns controlling interest in The Home Shopping Network. If one partner decides to sell its stake after five years, the other partner has the right to buy that stake.

The remaining \$1.13 billion will be provided through debt financing. If QVC cancels the deal, it must pay Comcast and Liberty \$55 million.

The go-ahead from the QVC board last Thursday should bring an end to the speculation that has surrounded the company since QVC Chairman Barry Diller made his unsuccessful run for CBS. Diller has not stated his plans under a Comcast/Liberty-owned QVC, although he has said that he has no interest in working for someone else's company. Diller stands to receive a package valued at about \$95 million if he decides to remain with the company through the end of the year.



Brian Roberts's bid for QVC approved

—RB