

any other ideas, Cox might be interested."

Will the Viacom Paramount deal have any effect on the on-again, off-again merger talks between QVC Network and Home Shopping Network?

QVC's failure to win Paramount could make the QVC-HSN merger more likely. A merger still makes economic sense, says securities analyst Mark Riely of New York-based McDonald, Grippo & Riely. But he says QVC might now have to pay a higher price for HSN, possible getting only three HSN shares for each QVC

share instead of the earlier proposed 5:1 exchange. The combined operation would have dominated the home shopping business with well over \$2 billion in annual revenues.

What will Diller do now?

Diller has projects to occupy him at QVC including new program offerings, such as a new network, Q2. He is also trying to expand QVC internationally.

But other speculation suggests Diller could just as well go for another major acquisition that would provide synergies similar to the ones he sought in Paramount. ■

VP new factor in syndication

By Mike Freeman

After King World Productions, Paramount Domestic Television holds the most real estate in first-run syndication, but industry executives see the merger of Viacom Enterprises and Blockbuster/Worldvision Enterprises having little impact on the broadcast-programming sales market.

Genesis Entertainment's Gary Gannaway is one of several top syndication executives who believe that the consolidation of the three companies will create, rather than take away, opportunities for independent distributorships such as his own.

"I think it's healthy," Gannaway contends. "Right now we have three distributors, and I think it is better for the distribution community when they combine to one because, naturally, we would want fewer competitors."

In terms of first-run series, Viacom has *Montel Williams* and a couple of weekly series, while Worldvision's first-run roster counts two dramas to be produced for the ad hoc Spelling Premiere Network block next season.

However, on the off-network side, both companies have a combined library of more than 20,000 hours of series and long-form programming and strong international sales arms. (Viacom established a sitcom record in the marketing of *The Cosby Show*, which is believed to have earned \$700 million-\$800 million in first- and second-cycle revenues, as well as strong national ad revenues and license fees from last season's *Roseanne* launch.)

Paramount has been a powerhouse in first-run since 1979 when the studio introduced the first true day-and-date, satellite-delivered prime access strip in *Entertainment Tonight*. Since then the studio has turned *Star Trek: The Next Generation* and *Deep Space Nine* into a multimillion-dollar franchise and added strips *Hard Copy*, *Arsenio Hall* and *Maury Povich* to its roster.

One high-ranking competing Hollywood studio executive says, "There is a combined debt [\$11 billion] to be considered, and efficiencies mean cutbacks and consolidation."

That job is being left to Viacom President Frank Biondi, who has previously stated that he will be looking to achieve "economies of scale" in melding the three companies' program sales and national advertising sales divisions. Sources say that Paramount Domestic Television President Steve Goldman, given his long track record at Paramount, is considered the top candidate to head the new entity.

Biondi offered some historical perspective: "When I was at Columbia, we bought Embassy (then Merv Griffin) and kept some of these operations running separately. We tried running production side by side by side and had what I would call modest success. But the off-network salesmen couldn't productively sell both off-network library and first-run all that well. But today I don't think it makes a lot of difference. People have gotten more comfortable selling different animals. So there will be some melding of companies." ■

Cable nets consider own lobby group

By Rich Brown

The nation's top cable networks may band together to create a new lobbying organization that could butt heads with the National Cable Television Association on some issues.

Representatives of 16 top networks met at The Hearst Corp. offices in New York last Wednesday (Feb. 16) and voted unanimously to form a committee, chaired by Hearst's Ray Joslin, to explore the feasibility of creating a lobbying group. The committee will reconvene at the NCTA convention this May in New Orleans.

"We don't want to be an aggravation to the NCTA," says Joslin, who urged his fellow programmers to stay with the association. "But it doesn't mean we'll always come down on the same side of the net with the NCTA."

Programers feel a growing need to have their voice heard, especially as the telephone companies enter the cable business, Joslin says.

The group would focus on cable reregulation issues that affect programmers' marketing strategies and operators' ability to add new programming services, Joslin says. It also would tackle issues NCTA has steered clear of, such as the recent GATT talks, Joslin says.

Programers also have had a tough time being heard at the NCTA, which is dominated by the large cable operators. To give the programmers a stronger voice, during the past several years the NCTA has added seats to its board reserved for programmers. An NCTA spokeswoman last week said that the association continues to work hard to strengthen its relationship with programmers.

Joslin would not say which networks attended last week's meeting, but he said it was a broad range including basic and pay services. A Turner Broadcasting source said Turner, at least, was one cable programmer that was not particularly enthusiastic about the idea. ■