

WB/Sinclair

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clearly saw the tremendous value of our distribution system, which will help The WB compete on an even more level playing field." Sinclair's Baker stressed that negotiations "never got into a bidding war" between UPN and WB. As to UPN, Baker said: "They'll go on with their business and we'll be a part of their business," a reference to the six Sinclair stations that will remain with UPN.

According to Bear Stearns broadcast analyst Victor Miller, the Sinclair affiliate switches will take 4.3 million homes away from UPN's primary affiliate reach and add them to WB's primary affiliate reach, leaving the networks roughly at parity in distribution. "The numbers speak for themselves," says Miller, and leave UPN

Acme picks up its buying pace

NEW YORK—When WB CEO Jamie Kellner formed Acme Broadcasting earlier this year, he was determined to improve his network's distribution, even if he had to buy the stations himself. So far he's bought two—KWBP(TV) Portland, Ore., and (pending) WINT-TV Knoxville, Tenn.

Sources say Acme intends to file applications for four more stations in the next two to three weeks. In addition to those four, Kellner has talked to Ted Koplak about selling KPLR-TV, WB's St. Louis affiliate. Sources also say Viacom has talked to Koplak about buying his station. Three years ago, Koplak agreed to sell the station to Tribune, but backed out of the deal.

Meanwhile, on another distribution front, Kellner hinted last week that WB would announce an agreement with TCI in early August regarding its WeB cable-broadcast service for markets 100-plus. —SM

"with a gaping hole to fill."

A WB analysis of Nielsen-supplied data shows that the Sinclair swap will leave both networks with primary over-the-air coverage of 72% of U.S. TV households. When secondary affiliations and cable coverage are factored

in, UPN will have national coverage totaling 88% to WB's 87%. Nielsen would not confirm the accuracy of those numbers, but a Nielsen spokesperson said they were not challenged by UPN or anyone else last week. ■

Lynette Rice contributed to this story.

Sinclair builds radio/TV clusters

\$630 million Heritage buy gives it 'significant presence' in radio

By Elizabeth A. Rathbun
WASHINGTON

With its purchase last week of Heritage Media Corp.'s broadcast outlets, Sinclair Broadcast Group Inc. may be more ensconced in radio than ever.

That throws a wet blanket on rumors have been swirling since Sinclair acquired River City Broadcasting LP in April 1996 that Sinclair would sell River City's 31 radio stations. Before River City, Sinclair was a TV-only group.

"This is a big statement [that] they're back out there," media analyst Paul T. Sweeney says of Sinclair's \$630 million cash buy of Heritage's

five network TV affiliates and 24 radio stations. "This transaction really gives them a significant presence in radio." The deal, officially announced last Wednesday, was first reported in BROADCASTING & CABLE on July 7.

Wall Street seemed delighted by Sinclair's dramatic deal, which increases Sinclair's owned/under contract TV stations to 27 and its radio stations to 56 (pending FCC and Department of Justice approval). The company's stock closed last Thursday at \$34.75 per share, up 17.8% from the previous day's low of \$29.50.

With Heritage's radio stations, Sinclair broadens a strategy it may follow in other markets, according to Sweeney:

adding radio to a TV holding. Heritage does that for Sinclair in Kansas City, Mo.; Milwaukee, and Norfolk, Va. Sinclair already had one TV-radio combo, in St. Louis.

The FCC has been lenient in granting TV-radio combos. Sweeney notes. In May Sinclair won a permanent waiver of the crossownership rules for its St. Louis combo.

The deal also brings Sinclair into several new radio markets—Rochester, N.Y.; Portland and Salem, both Oregon; Seattle, and Vancouver, Wash.—as well as new TV markets—Pensacola, Fla.; Burlington, Vt., and Charleston, W.Va.

Sweeney expects Sinclair to get rid of some Heritage radio stations. Likely candidates are stand-alones in their markets, such as KKSJ-FM Portland and KKRH(FM) Salem, Ore., and KKSJ(AM) Vancouver, Wash. One of Sinclair's stated goals is to "increase the size of its radio clusters," according to a July 14 filing with the Securities & Exchange Commission.

An overlap of TV stations in Oklahoma City means Sinclair will have to get rid of Heritage's KOKH-TV.

Heritage's stations have been on the market since March, when News Corp. acquired the company and announced that it intended to keep only Heritage's direct- and in-store marketing arms. ■

WB gets boost from Levin

NEW YORK—At a press briefing last week outlining the company's earnings (see story, page 15), Time Warner Chairman Gerald Levin said he remains confident in The WB's prospects, dismissing speculation that the company would scale back or scrap the network. This week's deal to snag five Sinclair Broadcast Group stations from rival UPN only boosts WB's prospects, Levin said. "We wouldn't guarantee distribution if we didn't feel comfortable with the programming," he said. WB is an important outlet allowing the company to amortize TV programming across broadcast and cable the way Warner Bros. moves theatrical releases from theaters to Home Box Office and on to superstation WTBS(TV) Atlanta and TNT, he said. "And not just the prime time series, but particularly in the kids market so [that] we have two bites at the apple," first on WB, then on The Cartoon Network. —JMH