

ENTERTAINING BIDS

Vivendi Universal Expects Six Offers For Media Assets

By JOHN M HIGGINS

fter months of mating dances with a variety of media moguls, Vivendi Universal expects to get down to business this week with the auction of its U.S. entertainment assets, which include cable's USA and Sci Fi channels, the USA Studios production division, and Universal Studios itself.

Six players are expected to submit offers this week: Liberty Media, Viacom, General Electric's NBC, minor studio MGM, and two investment groups.

One group is led by Vivendi Vice Chairman Edgar Bronfman Jr., who sold his family's Seagram Corp. to Vivendi only to watch it plunge into a financial morass; the other teams billionaire oil-*Continued on page 8*



The \$20B Prize

Viacom, NBC, Liberty, Edgar Bronfman Jr., Marvin Davis and MGM are eyeing all or some of VUE. Here's what the pieces are worth.

ASSET	(BILLION)
Music	\$5.9
USA Net	\$5.0
Universal Studios	\$3.1
Videogames	\$2.4
Thome Parks	\$1.3
Sci Fi Not	\$1.1
USA Studios	\$0.8
USA Films	\$0.2

Mouse Scurries From NAB

Disney/ABC exits, citing net-bashing and false claims

BY BILL MCCONNELL

alfway through the second day of the National Association of Broadcasters' board meeting in Washing-

ton two weeks ago, ABC's veteran lobbyist Preston Padden had heard enough. Fed up with what he says was incessant criticism of the major networks from a handful of fellow board members, Padden bolted the meeting.

A couple of days later, he penned an angry letter to NAB President Eddie Fritts, calling NAB a weapon in the "jihad" of large affiliate groups against *Continued on page 38* <section-header>

PRESTON PADDEN: Disney/ABC's NAB rep wanted pledge that affiliates would not attack the nets through NAB. Didn't get it.

ALAN FRANKS: Among nets' harshest critics, Post-Newsweek stations chief says NAB is not as hostile to nets as Padden claims.

EDDIE FRITTS: Longtime NAB president would like to put his lobby back together again. Odds are long but not prohibitive.

MADISON AVE.

NEWSPAPER



trims 2003 ad-spending estimates in 10 of 16 categories **TV BUYER PAGE 22**



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FADE TO BLACK



AMC Scandal Rainbow's movie channel boss

Kate McEnroe, 13 others canned in alleged accounting scam

PAGE

Tauzin Says Rereg Is DOA

BY BILL MCCONNELL

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"We have absolutely no intention of taking up the Senate bill," said Tauzin spokesman Ken Johnson shortly after the Senate Commerce Committee's June 19 approval of legislation drafted by Sens. Ernest Hollings (D-S.C.) and Ted Stevens (R-Alaska). "This has become a political soap opera, and, given the chance, Tauzin intends to cancel its run."

Tauzin's staff also predicted that end runs around his committee by the use of an appropriations bill or a "legislation veto" would also be shot down. "We're lining up our ducks," Johnson said.

Whether Tauzin will need to bother is the real question. The bill that Sen. John McCain's (R-Ariz.) committee approved last *Continued on page 38*



Mel Offers To Buy CNN, Again

But AOL TW says news net is not for sale

BY STEVE MCCLELLAN

iacom President Mel Karmazin still wants to buy CNN, and, two weeks ago, he made his second offer in as many years. AOL says it's still not for sale.

Maybe not, but that hasn't prevented AOL Time Warner from listening to numerous proposals from both CBS and ABC over the past several years to enter a news joint venture or sell CNN outright. Clearly, the broadcast-only news model is under examination, largely because of costs.

Earlier this year, after AOL Time Warner and Disney formally ended their negotiations concerning a news joint venture that would combine the assets of CNN with ABC News, there was speculation that perhaps Ted Turner would swoop in to buy the cable news network he founded in 1980.

But Turner subsequently put the kibosh on the that speculation, indicating that he had lost so much on the slide of his AOL stock—\$7 billion to \$8 billion-that he was in no position to make such a deal even if AOL wanted to sell. Turner said that on 60 Minutes, as a matter of fact.

But Viacom, with one of the healthiest halance sheets in the media business, could afford to buy CNN, if AOL TW would sell. Word of Karmazin's latest offer to do so emerged last week during a meeting with ad executives in New York.

No word on the price, but a recent

report by Merrill Lynch media analyst Jessica Reif Cohen says CNN could fetch as much as \$8.75 billion. That assumes a 2003 cash flow of \$250 million and \$200 million in cost savings that would go to the bottom line in the first year of Viacom operation of CNN, resulting in a price of

rate on his most recent offer to huv CNN, but she confirmed that it wasn't the first time that he has offered to buy the network outright. He made a similar offer last year and was turned down. "It's no secret," she said, that Viacom would like to buy the network at the right price. AOL Time Warner Chairman Dick

Parsons is fond of saying that any-



The sale of CNN could fetch as much as \$8.75 billion for AOL Time Warner.

just over 19 times cash flow.

Given the continuous flow of talks among CBS, ABC and CNN over the past few years, she concludes that the sale of CNN at some point shouldn't come as a big surprise. "In an environment increasingly driven by network cost management, we believe an outright sale would command significant interest from both Viacom and Disney."

A spokeswoman for Viacom said Karmazin wasn't available to elabo-

thing is for sale at the right price, but a company spokesman said last week that "CNN is not for sale." So did Phil Kent, chairman of Turner Broadcast System Inc., who wrote that to a reporter and, to emphasize the point, said it in capital letters. Insiders also confirmed that it's not being shopped around.

But news executives and Wall Street analysts believe such a deal makes a heck a lot of sense for both parties.

BREAKING....

Deal on Indie Producers' Plan Sought

WASHINGTON-Leaders of the House and Senate Commerce Committees are attempting to negotiate a voluntary deal that will ensure that programs created by independent producers can still find their way onto major network lineups.

Senate Commerce Committee Chairman John McCain announced Thursday that he and Rep. Billy Tauzin, his House counterpart, will host talks between the Big Four broadcast nets and members of the creative community. The aim is to avoid a regulatory solution, such as a 25% prime time carveout for non-network-owned shows, which independent producers had been seeking from the FCC.

Encouraged by the initiative, Sen. Ron Wyden withdrew an amendment from the Senate Commerce Committee's media-ownership vote Thursday that would have forced a carve-out. John Rintels, head of the Center for the Creative Community, said he is optimistic that lawmaker pressure will persuade the networks to reach a deal.

Gore May Start Cable Net

NEW YORK-Former Vice President Al Gore is exploring starting up a liberal-leaning cable network to balance out conservative media outlets, published reports said last week. Gore, who has ruled out a run for president in 2004, is said to be courting financial backers and conferring with Joel Hyatt, the founder of Hyatt Legal Services, and Comcast Corp, reports said. He is also said to be working with a wealthy Chicago couple who are plotting a new radio network.

Tarantino, Stein To 'Run' Trio

NEW YORK-Film director Quentin Tarantino and Time columnist Joel Stein have been tapped for the first two quarterly editions of My Trio, for which famous folks will "program" the cable net for a week. Stein's week, beginning July 20, will feature his "hand-selected" assemblage of five episodes of the old Battle of the Network Stars. Tarantino's week, beginning Oct. 5, isn't as fully planned.

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Top of the Week

June 23, 2003

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CHANGING HANDS

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Top of the Week

WEEK OF JUNE 13-19

No Happy Ending at Rainbow

Accounting scam backfires on McEnroe, 13 other AMC, WE execs

By JOHN M. HIGGINS AND ALLISON ROMANO

orporate financial scandals usually center on one of two things: stealing money or overstating earnings. But Cablevision Systems' abrupt purge of its AMC Networks unit has a new twist: No one was building houses in the nearby Hamptons on the company dime; no one was artificially inflating earnings.

Ouite the contrary. The 14 executives and staffers fired last week are accused of helping understate AMC's group earnings, with the apparent goal of taking advantage of strong years to make it easier to hit budget targets set the next year by parent division Rainbow Media.

"If you're having a good year, you create a little running room for next year," said Fulcrum Group media analyst Richard Greenfield, explaining the intentions. He was briefed by Cablevision's top financial executives last week.

That duplicity might have been bad, but, to Cablevision officials, the sin greater than the roughly \$18 million creative-bookkeeping scam operated over the past three years were attempts to cover up when auditors came sniffing.

"What really pushed CVC over the edge was not just what they did but the fact that they falsified records and lied," said one Wall Street executive briefed by Cablevision executives.

That included providing falsified invoices and creating a phony paper trail aimed at justifying the accounting games, which sources said involved, in part, "launch support" paid to cable operators for ad time on local systems.

The scandal ensnared the most senior executives at AMC and sister WE: Women's Entertainment. The most startling name on the list is AMC Networks President Kate McEnroe, 47, who has spent 22 years at Cablevision's Rainbow unit and also launched The Romance Channel (which eventually became WE).

She has been extremely close to Cablevision Chairman Charles Dolan; those who know them say he treats the former Mason City, Iowa, TV weathercaster like a daughter. At work, she was hardworking and competitive, and "AMC was her fiefdom," as one former executive put it.

Also getting the ax, industry executives said, are AMC Executive Vice President and General Manager Noreen O'Loughlin. WE General Manager Martin Von Ruden, AMC Senior Vice President of Marketing Isabel Miller, and Senior Vice President of Affiliate Sales and Marketing Melani Griffith.

Others fired include AMC Networks Assistant Director of Marketing Ben Lines, WE Senior Vice President of Marketing Lee Heffernan, and AMC Networks Director of Affiliate Marketing Bonnie Boyle.

Cablevision executives would not de-

tail the exact role of any individual executive, not surprising since they wouldn't disclose who, other than McEnroe, was fired. But friends said some of those canned knew nothing about fabrication of a paper trail until recently nor that the accruals were improper.

But a big question among industry executives was also unanswered: Where was Rainbow Media President Josh Sapan? Un-

HAPPIER TIMES

at all, if you look at Cablevision's companywide \$4 billion in 2002 revenues and \$1 billion in operating cash flow. But it's rather significant if you look only at AMC.

Morgan Stanley estimates that AMC Networks generated \$261 million in 2002 revenues and \$109 million in cash flow. So shifting the expenses means that AMC could count on 5% in artificial

Industry leader Kate McEnroe (second from left) was among those honored with a Muse Award last winter.

der Cablevision's version of events, the most senior executives at a major division were cooking the books for three years. "Presumably, he didn't know, but what does that say?" asked the CEO of an MSO. Cablevision would not comment, and Sapan did not return calls.

The scandal has its roots

in the much grander disgrace: the abuses by executives at fellow cable operator Adelphia Communications. Last year's unveiling of accounting games played by Chairman John Rigas and his sons rocked all cable stocks, particularly those of other closely held, family run MSOs like Cablevision.

So company President Jim Dolan ordered a special audit to review operation of the company's 2.9 million-subscriber system and five programming networks.

What the auditors discovered, Cablevision says, was an odd pattern at movie channel AMC, which had been "inappropriately accelerating" next year's marketing expenses into the current year. The auditors spotted \$6.1 million in questionable accruals for

March

2002, catching all but \$1.7 million before

Cablevision reported annual earnings in

How significant are the numbers? Not

head start for a business that analysts expected to grow earnings only 11%-12% this year. Cablevision said auditors found advance accruals of "similar amounts" in 2000 and 2001.

earnings growth for 2003. Not a bad

The accounting trick works, of course, only if growth in the initial years is strong enough to provide a financial cushion to handle accrued expenses. 'You have to be exceeding your budget goals to begin with," observed one cable company's financial executive.

> The Cablevision news rattled the industry, in part because this kind of game is familiar to just about anyone responsible for managing a budget. "Everyone knows that, if you don't spend all your budget this year, they won't give it to you next year,' said an executive vice president at one cable network.

> McEnroe, some sympathizers said, may have been distracted lately because she is in the midst of a contentious divorce, just three years after she and her hus-

band adopted two children from Romania. But friends say she remained a dedicated manager and the divorce ordeal helped her gain perspective on the lives of working moms.



The **B&C** 10

CLOSE WEEK YTD

AOL Time Warner	\$15.88	0.1%	21.2%
Clear Channel	\$42.20	-1.5%	13.2%
Comcast Corp.	\$30.04	-6.5%	33.0%
Cox Comm.	\$32.11	-4.7%	13.1%
Disney	\$20.09	-3.4%	23.2%
EchoStar	\$35.02	-2.7%	57.3%
Fox Ent.	\$28.80	1.1%	11.1%
Hearst-Argyle	\$25.50	0.8%	5.8%
Tribune	\$47.93	0.6%	5.4%
Viacom	\$44.99	-3.3%	1.7%
		1000	

C	0	0	T	14	7	13	12	17
G	U	U	D	N	I	E	E	N

Charter	\$3.77	22.8%	219.5%
Scientific-Atla	nta \$24.89	7.7%	109.9%
Motorola	\$9.62	6.3%	11.2%
Gemstar	\$5.23	5.4%	60.9%
Grey Global	\$777.75	5.2%	27.3%

|--|

Crown Media	\$3.90	-21.4%	72.6%
Sirius	\$1.80	-10.4%	181.3%
SeaChange	\$9.82	-9.6%	59.7%
Mediacom	\$9.76	-9.3%	10.8%
Young Bcstg.	\$20.23	-8.5%	53.6%

CHARTER SURGE 219.5%

Although some bond players expect ugely leveraged Charter inications to offer bondholders stock in exchange for surrendering debt, which would dilute existing olders, the cable operator's stock is up 219% this year, from less than \$ er share to more than \$3 last week.

Its accuracy, no guarantees can be made, one of the line of the li



Cablevision **President James Dolan ordered a** special audit to review operation of the company's 2.9 millionsubscriber system and five programming

networks.

FAST TRACK

Some Good. Some Bad for Pubcasters

6.23.03

A House appropriations subcommittee approved the administration's public-broadcasting budget at last. While it gave noncoms the advance funding they had sought, they didn't like some of the numbers that came up.

Noncoms will not get additional funds to help with the digital transition but may use up to \$100 million from the \$380 million '04 general appropriation. That, says noncom execs, represents a double hit.

The CORPORATION FOR PUBLIC BROADCASTING had asked for \$410 million, plus \$60 million for digital conversion. CPB will get \$390 million in '05 but only \$330 million in '06. The organization says, if it has to use the \$100 million from its general fund in '04, that will mean a 26% cut in operating grants to stations. Full-committee markup is slated for June 25.

People Meeter

4

BET founder/CEO ROBERT JOHNSON says suggestions that his network caters only to the 18-24 demo are bogus. At a speech to marketing company STARCOM INVESTMENT GROUP in Chicago, he disputed claims made at last week's NCTA show by TV ONE, a planned African-American-targeted cable net, that BET doesn't program to older black viewers

KAREY BURKE, NBC executive VP of development, is joining former ABC President of Entertainment and veteran NBC programmer JAMIE TARSES to head up their own production company housed at NBC STU-DIOS. NBC signed them to a two-year deal.

ABC veterans MIKE BENSON and MARLA PROVENCIO will share the network's top marketing and promotion job, which has been open since STEVE SOHMER departed in March. Titles for the two have yet to be determined because their deals are not yet completed. Also, JODI FLICK-ER and SHARON MERLE-LIEBERMAN will join THE NBC AGENCY to develop new marketing partnerships for NBC and its sister cable networks, particularly Bravo

mob returns



Sopranos Will Have Year Six on HBO

BO persuaded *Sopranos* creator David Chase to bring the mob drama back for a sixth season. Production on the 10-episode season is slated to begin in early 2005. The Sopranos' fifth season, currently in production, is expected to premiere in March 2004.

Food & Drink

African-American youth see more alcohol ads than any other segment of the young population, according to study by the CENTER ON ALCOHOL MARKETING AND YOUTH. Alcohol advertisers, it says, spent \$11.7 million in 2002 to buy ads on the top 15 TV shows among African-American youth. .

FOOD NETWORK racked up its best prime ratings ever June 9-15 with its week of BBQ programming. It averaged a 0.7 rating, or 568,000 households. That represented a 33% audience boost over the same week last year.

We Like *Cavemen*

DISCOVERY CHANNEL got a much needed lift June 15 with its latest big special, Walking With Cavemen. The two-hour show scored a 3.7 rating, helping Discovery to a 1.3 average and 1.6 million viewers in prime time for the week of June 9-15, according to NIELSEN MEDIA RE-SEARCH. DISNEY CHANNEL grabbed the best ratings for the week, notching a 2.2 average in prime with 2.6 million viewers. Helping boost that average was an Even Stevens movie that posted a 3.5 rating June 13. Among ad-supported cable nets, TNT was tops with a 1.7 prime time average and 2.1 million viewers. Strong Law & Order ratings continue to fuel TNT's prime time marks.

Correction

Former NBC and ABC news man David Brinkley passed away on June 11. An article on page 9 of the June 16 edition misstated the date of his death.



Spike Still Spikes Spike

New York court upholds Spike Lee's injunction

BY ALLISON ROMANO

or now, The old National Network is the New TNN for Men-hardly the dramatic name change the Viacomowned channel had been plotting.

TNN's plans to change its name to Spike TV were scuttled for a second time last week when a panel of Appellate Division judges in New York City upheld an injunction granted to filmmaker Spike Lee June 12.

That ruling halted plans to rename the network Spike TV. TNN had been seeking the freeze the injunction.

TNN was to have become Spike, a name that got some pretty bad press anyway, on June 16. But that was before

Spike ... Lee. The network, part of the MTV Networks group, vows to continue its legal fight. "We intend to appeal vigorously and still expect to be vindicated ultimately," TNN said in a statement. "We firmly believe we have an absolute right to use the common word 'spike' as the name of our network."

But it will not be Spike TV any time soon. MTVN gets another shot to appeal in September, and the dispute could go to trial

The legal wrangling with Lee (who is represented by star lawyer Johnnie Cochran Jr.) has been costly. In court documents, MTVN says it lost \$16.8 million in the first week after the injunction. The losses will mount to \$42.7 million in advertising and promotional value if it is never allowed to relaunch as Spike TV, the company claims. MTVN has already laid out \$30 million to advertise and market Spike TV, TNN lawyer Clara Kim said in court papers. Another \$2 million has been spent on on-air promotion and marketing to cable MSOs.

The network says its ad-sales business will

suffer, too, since more than \$100 million in advertising has been sold "predicated on the use of the Spike name," Kim said. TNN recorded \$294 million in ad revenue in 2002, according to Kagan World Media.

In ruling in Lee's favor last week, the judge instructed him to post a \$500,000 bond to cover any damages for TNN if the channel wins a future ruling, an amount Kim called "grossly inadequate.

The injunction, says Kim, "destroys the defendants' carefully timed renaming strategy in a way that could not be adequately compensated by monetary damages.

Lee contends that TNN is trying to profit off his likeness and name. He shuns being associated with its new guy image and programming

and says TNN's use of "Spike" will cause confusion in the marketplace.

An MSNBC online poll. however, suggests otherwise. Of 2,600 respondents, 71% said Spike TV did not make them think of Lee.

Still, TNN is keeping its plan to be "the first network for men." A new block of adult animation, including Gary the Rat, with Kelsey Grammar, and Stripperella, with Pamela Anderson, debuts Thursday as planned. Other guy-oriented programming is on the way.

TNN had to scramble to make a few last minute programming changes. Two launchday specials, one on the Playboy Mansion and another, Most Extreme Elimination Challenge, spoofing an old Japanese game show, were postponed because they were heavily branded as Spike programming. TNN says its June 16 installment of World Wrestling Entertainment's highly-rated Raw had to be modified at the last minute because it featured a lot of Spike TV signage. The network says its producers are still reworking other shows to remove Spike ΓV references.



TNN says losses will mount to \$42.7 million in advertising and promotional value if it is never allowed to launch Spike TV.

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DOMESTIC SYNDICATION



Top of the Week

LINGUISTICS

Robbins on Regs

et the government to regulate cable sports nets? Cox Communications CEO Jim Robbins (below) says no. Although he says tiering expensive sports nets or selling them à la carte would ease pressure on basic rates, he told an NCTA crowd two weeks ago that he opposes a government mandate to do so

Still, at a recent Senate Commerce Committee hearing on cable prices, Sen. John McCain (R-Ariz.) asked Robbins, "If



you believe that à la carte or multi-tiered pricing would benefit consumers ... do you believe that Congress should mandate it?" Robbins's response? "I'd like to see the marketplace work, and, if the marketplace isn't

working, then we are in a position where we're going to have a train wreck, and I would not like to see a train wreck.

A Cox spokeswoman said there is no conflict between the two statements, and Robbins would not be the first to navigate a convoluted linguistic course around a tough congressional question. Another cable executive's take was that Robbins didn't quite suggest regulation "but it's as close as you can get to not saying it but sounding like you mean it."-J.M.H.

BEHIND THE SCENES | BEFORE THE FACT

IN THE LOOP

SYNDICATION Selling Seacrest Nationwide

Twentieth Television has cleared Live With Ryan Seacrest, its new syndicated strip featuring the host of Fox's American Idol and American Juniors, in 50% of the country, including the co-owned Fox owned-and-operated stations, Grupa Televisa's Fox affiliate XETV-TV San Diego and Sinclair's UPN affiliate KVWB-TV Las Vegas.

The show, scheduled for a January launch, will air at 5 p.m. in San Diego and 6 p.m. in Las Vegas. The Fox stations haven't slotted it yet. "Ryan Seacrest is a very exciting project," says Bill Butler, VP of group programming and promotion for Sinclair. "We look forward to adding [it] in other Sinclair markets. The show is the perfect vehicle for early fringe, transitioning into our sitcoms." This week, the syndicator will hold a dinner with Seacrest for advertisers, buyers and station execs in New York.-P.A.



REGULATION Keeping an Eye on U's

Whether Congress is serious about killing the IIHE discount could become clearer this week Sen. Frank Lautenberg (D-N.J.) will propose eliminating the discount, which counts only half a bill is given much better odds than the broadcastreregulation bill the panel approved last week. If Ariz.) supports Lautenberg's idea, sources predict the provision will likely remain protected as reau-

INTERNATIONAL

The World of Media Ownership

The media-ownership issue is being followed closely outside the Beltway, and we mean "way" outside. The cultural office of the Embassy of China is working on a merger-and-consolidation analysis, including trying to decipher the ramifications of the June 2 vote, to send to the folks back home. Meanwhile, TV International Daily was reporting last week that a stalled Conservative government bid to relax media-ownership rules in Australia has gotten the support of the opposition Labor party. Providing the boost, says TV International, was compromise on a "U.S.-style diversity index" that will be used to assess proposed combinations.-J.E.



FINANCE **Nipper Said Nope**

Ithough AOL Time Warner dismissed out of hand that it is willing to sell CNN, some on Wall Street suggest that such a sale would be a more viable option now that CNN founder Ted Turner has effectively left the building. "He's really not around to wage a holy war in favor of keeping it," offers one observer. But that conventional wisdom defies the history. Back in 1984, Turner offered to sell half of both CNN and Headline News to RCA for \$250 million, according to a source who was involved in the talks. RCA passed, the source says, because it couldn't justify paying more than \$225 million. Seems like chump change today given some estimates that CNN could fetch \$8 billion.—S.M.

UHE station's audience reach toward the ownership caps, when the Senate Commerce Committee votes on FCC reauthorization Thursday. The Senate Commerce Chairman John McCain (Rthorization moves toward enactment. ----B.M

VUE Will Be Sold, En Masse or Piecemeal

Continued from page 1

man Marvin Davis, who once owned 20th Century Fox, with former Seagram CFO Brian Mulligan.

The bids are likely to be all over the map, with most would-be buyers picking and choosing among Vivendi's media units. Industry executives said that only two bidders-Bronfman and Davis-are willing to swallow all six of Vivendi's domestic units.

But entertainment assets are rare enough commodities that players may stretch to get them. For example, NBC CEO Bob Wright has for years said that, unlike its broadcast brethren, the network

doesn't need to be married to a movie studio. Nevertheless, he is expected make an offer for all of VUE's TV and movie assets.

NBC declined to comment. But one source familiar with the company's strategy said that NBC plans to submit a bid for the cable networks, the TV production arm and the movie studio, but added, "I don't think you're going to see an overly aggressive bid from GE.

Viacom, whose President Mel Karmazin has said he wants to own only Sci Fi Channel, is likely to bid for USA Network and has expressed willingness to buy Universal Studio.

Liberty is widely seen as the strongest suitor. At its shareholder meeting in Denver last week, CEO John Malone bragged that Liberty is armed with \$6 billion in cash and more than \$10 billion of other liquid investments.

Bronfman has the backing of Cablevision Systems Chairman Charles Dolan, who has pledged to contribute his networks into the pool. But the biggest of those assets-AMC Networks-was rocked by a financial scandal last week (see story, page 3).

But, as the suitors go down to the wire, Vivendi executives are pushing hard to eliminate any impression that the French company will settle for fire-sale prices on any of the units, declaring for the first time last week that, with the rebound in the stock market, Vivendi could raise money by selling 25%-30% of Vivendi Universal Entertainment to the public and continue to run it.

Whether Vivendi sells it all or instead sells a portion through a public offering, it would be a stark turnabout for Chairman René Fourtou, who is succeeding in his mission to salvage Vivendi from the financial chaos left behind by ousted CEO Jean Marie Messier last year. Fourtou has complained that the Hollywood assets are too difficult to manage from Paris.

The Franchise Continues...



Market

Market	St
New York	W
Los Angeles	K
Chicago	W
Philadelphia	W
San Francisco	K
Boston	W
Dallas/Ft.Worth	W
Atlanta	W
Houston	K
Seattle	K
Minneapolis	W
Phoenix	K
Miami	W
Denver	K

ation VABC-TV ABC-TV **ULS-TV** /PVI-TV GO-TV **CVB-TV FAA-TV VSB-TV** HOU-TV ING-TV VCCO-TV TVK-TV FOR-TV CNC-TV

Sacramento Orlando Pittsburgh Portland, OR Baltimore San Diego Charlotte Raleigh/Durham WTVD-TV Milwaukee Kansas City Greenville/Spart. WYFF-TV San Antonio Norfolk

Station

KCRA-TV WFTV-TV WTAE-TV KGW-TV WBAL-TV KFMB-TV WSOC-TV WISN-TV KMBC-TV KSAT-TV WVEC-TV

Sold...

Market New Orleans Oklahoma City Greensboro Harrisburg Albuquerque Louisville Jacksonville Austin, TX Fresno/Visalia Richmond Charleston Mobile Knoxville

Station WWL-TV KOCO-TV WXII-TV WGAL-TV KOAT-TV WHAS-TV WJXT-TV **KVUE-TV KFSN-TV** WRIC-TV WSAZ-TV WALA-TV WATE-TV

Green Bay Honolulu Des Moines Omaha Spokane Burlington Davenport Ft. Smith Sioux Falls Salinas Boise Topeka Wheeling

Market

Station

WFRV-TV KHON-TV KCCI-TV **KMTV-TV KREM-TV** WPTZ-TV KWQC-TV KHBS-TV **KELO-TV KSBW-TV KTVB-TV** KSNT-TV WTOV-TV





JUST SOLD TO THE ABC O&O, HEARST-ARGYLE, BELO, EMMIS, VIACOM, COX, YOUNG, MIDWEST AND POST-NEWSWEEK STATIONS!





Top of the Week

STATION BREAK

BY MARK K. MILLER

Singing Duop in Western Louisiana

SHREVEPORT, LA.—The country's No. 81 TV market is getting its first duopoly. Paxson Communications is selling KPXJ(TV) Minden, La. (in the Shreveport DMA), to KTBS Inc. for \$10 million. KTBS-TV is the city's ABC affiliate and has been running KPXJ under a joint sales agreement for the past five years.

Paxson Chairman Bud Paxson said the deal is further evidence of the continued interest in his stations, "heightened by the FCC's new rules."

Edwin Wray, who runs KTBS-TV, says he plans to introduce local news on KPXJ, which currently has none. The ability of new station combos to add more news in a market has been one of the arguments made by those advocating loosening the duopoly restrictions.

The deal is expected to close this fall, pending FCC approval.



Hurler Hauls in Households

NEW YORK—When Roger Clemens of the New York Yankees threw himself into the record book with the twin accomplishments of his 300th victory and 4,000th strikeout on June 13, he also set a third record. This one wasn't for the Yankees but for WCBS-TV. That Friday-night game against the St. Louis Cardinals gave the station its highest Nielsen marks this season for Yankees games, an 8.4 rating/14 share. (The station's season-to-date average is a 7.3/13, up 1% from last year, according to WCBS-TV. It's a minor triumph, however:

WCBS-TV. It's a minor triumph, howeve Most games are being shown on YES, the Yankees-owned cable network.

0

Growing Pains

GREENVILLE, N.C.—Two stations in the country's No. 103 TV market are experiencing weaker signals as they convert to digital. On June 11, WITN-TV, Gray Television's NBC affiliate on ch. 7, and WNCT-TV, Media General's CBS affil on ch. 9, switched to temporary antennas, but they are only about halfway up their shared 2,000-foot tower. The stations then began installing new antennas that will broadcast the two stations' digital channels (WITN-DT will be on ch. 32, WNCT-DT on ch. 10) along with the analog signals. The stations expect the work to take two to three weeks.

War Stories

MIAMI—Viacom's WFOR-TV, which says its reporter Mike Kirsch was the only South Florida reporter in Iraq during the war, on June 28 will air an hour-long

special on how journalists covered the war. Produced by Kirsch and compiled from the footage he and photojournalist Rudy Marshall shot in Iraq, *GI Journalists—Behind Iraqi Lines* examines the relationship between the media and the military on the frontlines.

The documentary begins with the media circus's arrival in Kuwait, the staging ground for coalition troops preparing to move north into Iraq. It also features profiles of several war-zone media veterans.

Kirsch and Marshall, says WFOR-TV, were the first American journalists on the scene to report on the rescue of POW Jessica Lynch.

Bilingual and Busy

MIAMI—Jose Diaz-Balart is returning to Miami to do anchoring double duty. Beginning July 1, the Telemundo anchor will co-anchor NBC O&O WTVJ(TV)'s 5 p.m. news with Jennifer Valoppi, while continuing to co-anchor *Hoy En El Mundo*, Telemundo's national morning news program. During his original tenure at WTVJ, which began in 1988, Diaz-Balart was co-anchor of the weekend, midday and 5 p.m. newscasts in succession. He won two Emmy Awards and was part of the WTVJ team that won Peabody and duPont awards for outstanding coverage of Hurricane Andrew.

Dan Trigoboff is recovering from surgery and will return. In his absence, Mark Miller is writing Station Break and can be reached by e-mail at mkmiller@@comcast.net. Readers and contributors may also send e-mails to dtrigoboff@@reedbusiness.com.

CBS Wins 8 Murrow Awards

BY P. LLANOR ALLEYNE

BS News—television, radio and Web site—grabbed the bulk of the 2003 Radio-Television News Directors Association's Edward R. Murrow Awards announced last week.

CNN, Fox News and MSNBC, despite fierce ratings battles last year, were ac-

corded no medals of honor or distinction by RTNDA. According to the organization, network and cable organizations submitted a total of 398 entries; 113 of them were from cable news outlets. The only cable news organization honored was New England Cable News (NECN), for its story "Where Love Lives" about a New Hampshire home for abused and neglected children.

The television end of CBS News garnered four awards, including a nod for overall excellence—an award for "which a network must consistently demonstrate depth and scope in its coverage."

Seventy awards went to 49 news organizations. For a full list of winners, see BROADCASTING & CABLE'S Web site (www.broadcastingcable.com).

Awards for overall excellence also went to KIRO-TV Seattle for large-market television and to KTUU-TV Anchorage, Alaska, for small-market.

Best newscast awards were handed out: in the large-market category, to WFAA-TV Dallas, for "News 8 Update: Church Bus Crash"; in the smaller-market, WCAX-TV, South Burlington, Vt.

ABC News Radio received the overall radio excellence award. WTMJ(AM) Milwaukee, won the big-market award. KFDI-FM and KFTI-AM in Wichita, Kan., were small-market winners.

CBS's 9/11 news special, filmed by two French photographers who just happened to be documenting life in one New York firehouse on the day of the World Trade Center attacks, was tops among the news documentary series. It drew 39 million viewers when it first aired in March 2002. CBS also won for feature reporting with Steve Hartman's story about a couple's agonizing decision to leave their 4-year-old daughter behind while they wrangled wild horses. CBS Radio received three awards, and CBSNews.com was named best Web site.

NBC, last year's most decorated organization, didn't lag too far behind with a total of six awards, half of those for *NBC Nightly News*. The Tom Brokaw-led half-



CBS News was honored for overall excellence by RTNDA.

hour was named best newscast for its focus on the arrest of the Washington, D.C.area snipers; best spot news coverage for "Tornadoes"; and best continuing coverage for "Skating Controversy," which kept tabs on the 2002 Winter Olympics figureskating judging debacle. *Dateline NBC* walked away with two awards: "Mystery on Highway 47," about the mysterious death of a New Mexico state trooper's wife, was recognized for investigative reporting, while "Death in the Desert" was named best videography. *Today*'s "Ted Williams Remembered" was cited for sports reporting.

Spanish-language net Univision made an impression with its weekday news magazine *Primer Impacto*, which was named best news series for "Disposable Kids," about the murder of children by roving vigilantes in Honduras. It was *Primer Impacto*'s second win in the category, having won in 1998.

The RTNDA awards will be handed out Oct. 13 at the Grand Hyatt Hotel in New York. ■

B&C Veteran Honored by Press Group

Don West, who spent 43 years at BROADCASTING & CABLE and more than two decades in the top spot, was inducted into the Society of Professional Journalists' Washington Journalism Hall of Fame earlier this month, along with *New York Times* columnist William Safire, CNN's Judy Woodruff, and Bruce Johnson of WUSA(TV) Washington. In his remarks, West said that, before the maga-

zine began in 1931, the industry had no



"gave the medium cohesion, a tradition and a place to rally around every Monday morning." As for the staff, he said, "primarily, I assembled a team capable of exceeding my own ambitions for the magazine and fiercely determined to do so. We started out as a staff and became a family." He received his Hall of Fame

sense of itself. The magazine

statuette from Ann Augherton, president of SPJ's Washington chapter.



Mike Kirsch compiled a documentary on war coverage.

Carly Pope Brian A. Green Jara Rue

Never break a girl's heart unless you're sure you're done with it.



A comedy about first crushes, second chances, and just desserts.

>> ABC Family is fun, light-hearted entertainment with a twist.

Our commitment to quality, original programming continues this summer with three new romantic comedies — part of our

original movie franchise with a proven track record.





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PROGRAMMING

USA Hopes for Summer Trifecta

BY ALLISON ROMANO

SA Network is betting on a trio of original series this summer, looking to attract audiences with the return of prized original *Monk*; a mini-season for sophomore drama *Dead Zone*; and its newest original, *Peacemakers*, due in late July.

Summer is the favored time of year for many cable nets to unwrap their new fare, and USA leads the pack. But things are different now that broadcast networks don't roll over and die during the hot months.

Last year, USA made a big splash introducing *Dead* Zone and Monk and giving President Doug Herzog a pair of hits for his first two original shows as network chief.

For now, says Herzog, summer is USA's time. But he aspires to program like HBO, "with a handful of really quality original programs that we'll dole out somewhat sparingly [throughout the year]."

And, like HBO, USA is building a reputation for originals. "They've been good and lucky to put stuff on that's been working," says Carat USA media buyer Andrew Donchin.

USA's favorite son, clearly, is *Monk*, a quirky detective series that, in its first season, earned a Golden Globe award for star Tony Shaloub. In a rare twist, ABC gave *Monk*, a cable show, a repurposing run.

But USA hasn't shown a fresh episode of *Monk* since October, a long time in the TV world. Herzog isn't troubled, though. *Monk* has staying power, he says, like HBO hits *Sex and the City* or *The Sopranos* and "can come on for 13 episodes, then disappear for year, and people are very happy when it comes back."

Herzog will spin out 16 new episodes of *Monk*, airing nine this summer and seven more next winter. (USA is taking a page from HBO's scheduling tricks for *Sex and the City*.)

Monk isn't the only item on Herzog's shelf. Thriller



Noting that broadcast nets are mainly adding reality shows, President Doug Herzog says, 'USA is focusing on quality drama. We're going to zig where they zag.'

Dead Zone returns July 6 with six new episodes in what is viewed as a test of the show's longer-term viability. After a strong start last summer, USA made a risky move and sent *Dead Zone* to January. Airing in the first quarter—and a Sunday-night slot—deflated its ratings, and, some weeks, its Nielsen marks slipped below a 2.0.

Looking back, Herzog admits that "starting in March would have been a little cleaner." A March debut gives a cable show eight weeks to breathe before broadcasters make their May-sweeps push.

Because of broadcast networks' increased energy, Herzog says, this summer may not be "as clear a landscape." But he notes that broadcasting is mainly adding reality shows, while "USA is focusing on qual-



ity drama. We're going to zig where they zag."

USA will try to deliver with another quirky drama, *Peacemakers*, which stars Tom Berenger as an Old West crime solver adapting to modern times. USA bills the show as a procedural crime show, in the same vein as CBS's hot drama CSI. But, says Herzog, "we didn't want to be the umpteenth contemporary procedural show. We thought we'd do it with a twist:

the Old West."

The originals could be a boost for USA's prime time ratings, which in May averaged a 1.5 household rating, according to Nielsen Media Research.

When *Peacemakers* joins the schedule July 30, the cable net will have originals on three nights. Lifetime, in contrast, packs its originals together in a block on Sunday and, come August, Saturday nights.

Standing alone makes USA's shows vulnerable. But, as a broad-based network, Herzog says, USA needs shows that speak to different genres and audiences. They get strong movies as lead-ins, but, even so, he admits, "the [originals] succeed or fail somewhat on their own."

Come fall, USA will get steady player in prime time when it begins stripping *Law & Order: Special Victims Unit*. Repurposed episodes of the NBC drama already air at 11 p.m., drawing solid ratings. In prime, *SVU* should be a reliable companion for the net's originals, and the network needs it. USA's current off-net workhorse, *JAG*, is moving to Hallmark Channel in prime time, although USA will still have rights to air it out of prime.

Sex and Marketing

HBO has long been known for heavy promo spending

BY PAIGE ALBINIAK

The arrival of *Sex and the City*'s sixth season, with its debut June 22, is arguably the biggest television event of the summer. At least, HBO's marketing machine is working overtime to make it seem so.

From way back, HBO spent heavily on marketing, figuring it was hard enough to get people to pay for basic television and a real leap to have them pay even more for what was then mainly a movie channel. Today, 27 million homes pay for HBO. And HBO launches have become major affairs: Last week's *Sex and the City* launch party attracted 1,200 people to a standing-room-only party at New York's Museum of Natural History.

Paid media is important for HBO as well but tricky, too. It buys local spot in New York and Los Angeles (the networks won't take national ads from a channel they consider a major competitor). HBO now spends \$150 million annually to tout itself.

"Using our own air to promote our shows is certainly valuable in terms of driving retention, but off-channel media also is a critical component," says HBO Vice President of Marketing Courteney Freedman Monroe. "On-air is only going to reach our current subscriber base so it doesn't help bring in new subscribers."

Says Char Beales, president and CEO of the Cable & Telecommunications Association for Marketing, from its beginning, HBO was "willing to fund the marketing not only for their network but also for the cable companies. HBO would say, 'We'll do a direct mailer for you,' and send out marketing materials with HBO all over it and the cable company's logo on the back."



Promotion has helped turn Sex and the City into a mania.

SYNDICATION WATCH

RATINGS | June 2-8

Nielsen Media Research

Top 25 Shows

Adul	lts 1	8-3
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RAN	PROGRAM	AA	GAA
1	Friends	5.2	6.1
2	Seinfeld	4.5	5.2
3	Seinfeld (wknd)	3.7	4.2
4	That '70s Show	3.2	4.0
4	Everybody Loves Raymond	3.2	3.6
6	King of the Hill	3.1	3.4
7	Will & Grace	2.8	3.2
8	Home Improvement	2.1	2.6
8	Oprah Winfrey Show	2.1	2.2
10	Maury	2.0	2.1
11	Dharma & Greg	1.9	2.1
12	Just Shoot Me (wknd)	1.8	2.2
12	Frasier	1.8	1.9
14	Drew Carey	1.7	1.7
14	Entertainment Tonight	1.7	1.7
16	Cops	1.6	2.2
16	3rd Rock From the Sun	1.6	1.8
1 6	Jerry Springer	1.6	1.8
19	Wheel of Fortune	1.5	NA
19	Judge Judy	1.5	2.1
19	ER	1.5	1.6
22	Friends (wknd)	1.4	1.5
22	Stargate SG-1	1.4	1.5
22	WW Police Videos	1.4	1.5
22	Buffy the Vampire Stayer	1.4	1.4
22	That '70s Show (wknd)	1.4	1.4

Top Court Shows

Adults 18-49

RANI	PROGRAM	AA	GAA
1	Judge Judy	1.5	2.1
2	Divorce Court	1.3	1.8
3	Judge Joe Brown	1.1	1.5
4	Texas Justice	1.0	1.4
4	Judge Hatchett	1.0	1.3

According to Nielsen Media Research Syndication Service Ranking Report June 2-8, 2003

AA = Average Audience Rating

GAA = Gross Aggregate Average

ONE NIELSEN RATING = 1,067,000 households, which represents 1% of the 106.7 million TV Households in the United States NA = not available development

UDT Moves Into Reality Fare

BY PAIGE ALBINIAK

s part of a push to develop unscripted programming for network prime time and basic cable as well as first-run syndication, Universal Domestic Television's has signed *Trading Spaces* executive producer Denise Cramsey to an overall development deal.

Cramsey became executive producer of *Trading Spaces* for TLC in May 2001. The show was nominated for Emmy Awards in 2002 after it became a pop-culture hit and drove TLC into basic cable's top-10 networks. She has been producing shows for TLC since May 1995, when she helped create *Medical Detectives*.

'We believe that we can translate some of her success in cable into



other media," says Lisa Hackner, executive vice president of programming and development for UDT. "It puts a first-run syndication company like ours into the network reality business."

"What [Denise] has proven by turning *Trading Spaces* into a huge hit for an ambitious young cable network is that a strong producer can deliver product that breaks through in a multichannel universe," says UDT President Steve Rosenberg.

Cramsey comes to Universal as the syndicator looks to broaden its development slate, much as Sony Pictures Television has done in evolving from Columbia TriStar Television Dis-

tribution, and Warner Bros. Domestic Television Distribution has done with Telepictures. Both syndicators sell programming to network prime time and cable outlets, and Universal believes it too can be successful with that business model.

Sony and Universal aren't owned by corporations that also own networks or TV stations, so it's harder for them to get first-run shows on the air. Syndicators NBC Enterprises, Twentieth Television, King World and Paramount Domestic Television have connections to networks and stations.

Hackner came to UDT last January from Telepictures, where she spent 13 years. "My main focus is to break us out of the traditional firstrun syndication business and into other areas," she says, although firstrun syndication will remain the priority for UDT.

Following Hackner's hire, UDT brought on Dan Weiss from Carsey-Werner-Mandabach to oversee the marketing of Universal programs for both the domestic and international TV markets, including worldwide pay-per-view and video-on-demand.

"There's a concerted effort within the company to really be strategic in the marketplace," Hackner says, "whether it's with sales, programming or marketing."



Programming BROADCASTING & CABLE

6.23.03

Rush To Renew Oprah

One month after talk-show queen Oprah Winfrey announced that she will stay on the air through at least the 2007-08 season, TV stations have rushed to sign up to continue her show. Last week, King World and CBS Enterprises CEO Roger King said stations covering 60% of the U.S. have reupped through 2007-08. Besides the show's initial renewals by the ABCowned stations, King World has renewed stations from the Hearst-Argyle, Belo, Cox, Post-Newsweek, Emmis and Viacom groups. *The Oprah Winfrey Show* is enters its 18th season this fall.

Man, Do Men Like *Seinfeld*

Sony's *Seinfeld* has been off prime time since 1998, but the show was the series choice of men 18-49, beating everything else in syndication as well as everything on prime time and cable, in the week ended June 8, according to Nielsen. *Seinfeld* scored a 5.3 rating in the demo, surpassing CBS's No. 2 show, *Everybody Loves Raymond*, which did a 5.0. Fox's *The Simpsons* was close behind with a 4.9, while *Seinfeld*'s weekend run was fourth with a 4.3. CBS's *CSI* and *CSI: Miami* tied for fifth at 4.2 each.

Syndie Scorecard

As schools let out and summer officially got under way, syndie Nielsen ratings stayed relatively steady in the week ended June 8. In access, Paramount's Entertainment Tonight at a 5.0 was up 4% for the week and up 2% year-to-year. King World's Inside Edition at a 3.1 came off a season low last week to bounce 19%, representing a 7% increase from last year. Warner Bros.' Extra! at a 2.3 was up 5% for the week and unchanged from last year, while NBC Enterprises' Access Hollywood at a 2.2 was down 4% for the week and down 8% year-to-year. Sony's Seinfeld at a 6.4 made it four straight weeks as the No. 1 off-net sitcom. With a 2% gain for the week and a 12% increase for the year, King World's Everybody Loves Raymond tied Warner Bros.' Friends for second place at a 5.8. Raymond was up 5% for both the week and the year, while Friends was down 3% week-to-week and 9% year-to-year. For the first time in 10 weeks, Carsey-Werner-Mandabach's rookie That '70s Show scored a 3.9 to beat fellow rookie Warner Bros.' Will & Grace, with a 3.8.



19

NIELSEN June 9-15 RATINGS

June 9⊧15			NBC						100
	Week				MONDAY	Y		-	
Total Households (in millions)	Week 4.6/8	8.1/14	6.4/11		4.7/8		0.7/1	1.9/3	2.1/4
PROGRAM DATE NET HHS 1. Walking w/Cavemen 6/15 DISC 3.2	8:00	14. King of Queens 6.8/1	13 40. Fame	5.1/9		10	0. It's a Miracle 0	.6/1 103. The Parkers 1.5/3	3 89. 7th Heaven
1. WWE 10p 6/9 TNN 3.2	8:30 46. Stanley Cup Finals	15. Yes, Dear 6.7/1	40. rame	5.1/9	45. Test the Nation			99. One on One 1.8/3	
1. Mv: Meet the Parents 6/15 USA 3.2	8:00 Game 7—Anaheim	2. Ev Lvs Raymnd 9.4/1	15 21. For Love or Ma	ney	45. JEST LIE MALION		5. Sue Thomas, F.B.Eye	89. Girlfriends 2.1/4	4 89.7th Heaven
4. Even Stevens Movie 6/13 DSNY 2.8	8:30 Mighty Ducks vs. New	6. Still Standing 8.0/1	13	6.3/10			0	.5/1 85. Halt & Halt 2.2/3	
4. WWE 8p 6/9 TNN 2.8 6. Real World XIII 6/10 MTV 2.7	10:00 Jersey Devils 4.6/8	3. CSI: Miami 8.9/1	15 5. Dateline NBC	8.1/13		11	O. Diagnosis Murder		
6. The Osbournes 6/10 MTV 2.7	10:30	5. 66. Intelin (1.5/1	J. Datening huld	0.1/10			1	.0/2	
8. Spongebob Sqr 9:30p 6/14 NICK 2.6					TUESDAY	Y			
8. Law & Order 9p 6/9 TNT 2.6	5.4/9	4.8/8	5.9/10		4.4/8		0.7/1	2 0/4	1.7/3
D. Fairly Odd Parents 6/14 NICK 2.5 D. Law & Order Sp 6/10 TNT 2.5	8:00 36.8 Simple Rules 5.2/10	43. JAG 4.9	9 43. Dog Eat Dog	4.9/9	31. American Juniors	8 10	0. Weakest Link 0	6/1 102. America's Next Top	102 Smallwills
). Spongebob Sqr 4p 6/9 NICK 2.5	8:30 32. 8 Simple Rules 5.4/9	43. JAG 4.3	19 43. DUG EAL DUG	4.3/3	5	5.5/10	U. WEAKEST LINK U	Model 1.6/3	3 103. Smallville
Adults 18-49 (in millions)	9:00 24. According/Jim 6.1/10	47. The Guardian 4.5.	7		72. Keen Eddie	2 2/5 12	8. Just Cause 0	4/1 83. America's Next Top	93. Smallville
PROGRAM DATE NET AA	8:30 36. Less Thn Perfect 5.2/8	47. THE GUAPURAN 4.3	20. Last Comic Sta	nding*	72. Reen could	3.2/5 12	O. JUSI CAUSE 0	Model 2.5/4	1 93. Smanvine
1. WWE 10p 6/9 TNN 2.8	10:00 40. NYPD Blue 5.1/9	42. Judging Amy 5.0	10	6.4/11		10	8. Diagnosis Murder		
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3. The Osbournes 6/10 MTV 2.6			4		WEDNESD	AY			
A. Real World XXIII 6/10 MTV 2.4 5. WWE 90 6/9 TNN 2.3	5 7/10	6 8/12	7.1/12		4 1/7		0.7/1	1.3/2	2,4/4
5. WWE 9p6/9TNN2.36. American Chopper6/9DISC2.1	8:00 . 64. NBA Shootaround 3.5/7	28. Funny Flubs &			52. That '70s Show	4.2/8			
7. Trading Spaces 6/14 TLC 1.9	8:30	Screw-ups 5.8/1	36. Fame	5.2/10	50. The Simpsons	4.3 8	0. Candid Camera 0	.6/1 105. Enterprise 1.4/3	3 84. WB Special I Austin Powe
7. Walking w/Cavemen 6/7 DISC 1.9	9:10 17. NBA Finals Game 4—				50. Bernie Mac	4.3/7		-	Internationa
9. Charmed 6/10 TNT 1.6	9:30 San Antonio Spurs vs.	13.60 Minutes II 7.1/1	12 11. Law & Order	7.3/12	64. Cedric/Entrtainr	3.5 6	3. Doc 0	.8/1 107. The Twilight Zone 1.3/2	2 Mystery
9. Road Rules XII 6/7 MTV 1.6 OURCE: Turner Entertainment	New Jersey Nets 10:00 6.6/12	7. 48 Hours Investigates	8			11	3. Diagnosis Murder		
esearch, Nielsen Media Research	18:30	7.6/1	4 I aw & Order	8.7/15			-	8/1	
President Networks					THURSDA	AV			
Broadcast Networks	3 9/7	7.5/13	6 0/11		3 3/6	11	0.6/1	3.7/6	1 6/3
June 9/15	8:90 58. That's Incredible		11, Friends	7.3/13	61. Stupid Behavior	3.6/7			110. The O'Keetes
Total households (in millions)	8:30 Reunion 3.9/7	34. Amazing Race 4 5.3/1	10 29. Scrubs	5.7/10	61.30 Secs to Fame	12	0. It's a Miracle 0	6/1 60. WWE Smackdown!	108. The O'Keeles
WEEK STD	8:00		17. Will & Grace	6.6/11			5. Encounters With the	0.7/0	
. NBC 6.2 8.1 . CBS 6.2 8.6	85. Global Extremes 2.2/4	1. CSI 9.7/1	16 22. Frasler	5.2/10	77. The Pulse	3.0/5		5/1	85. Jamie Kenne
ABC 5.1 6.6	10:88			0.010		14			
4. FOX 4.0 6.3	30. Primetime 5.6/10	7. Without a Trace 7.6/1	36. ER	5.2/9			5. Diagnosis Murder	7/1	
5. UPN 2.3 2.4					EDID AV	_			
6. WB 2.1 2.7 7. PAX 0.7 0.9	5.4/11	4.2/8	6.6/13		FRIDAY 2.1/4		0.7/1	1.9/4	2.3/4
Adults 18-49 (in millions)	3:89 76, NBA Shootaround 3,1/7	64. Baby Bob 3.5/							95. What I Like /
WEEK STD	3:39	72. Yes, Dear 3.2			85. Fastlane	2.2/4	5. Friday Night Flix—	95. UPN's Movie Friday	99. What I Like /
. NBC 4.1 5.6	22. NBA Finals Game 5-		24. Dateline NBC	6.1/12	*			7/1 From Russia With Love	97 Baba
2. ABC 3.7 4.7	1:30 San Antonio Spurs vs.	64. Hack 3.5/	/6		95. Fastlane	1.9/4		1.9/4	79. Reba
. FOX 3.2 5.3	New Jersey Nets	27.48 Hours Investigates	s 7. Law & Order: S	machal		11	E Disensais Mundan		7.5. 1604
. CBS 3.0 4.8 . UPN 1.7 1.9	10:00 6.2/12 13:39	27.46 Hours investigates 5.9.1		7.6/14		11	5. Diagnosis Murder 0	7/1	
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Ton 10 Presidence Chowo	1 martine 1	3 9/8	3 2/7		3.8/8		0,5/1		
Top 10 Broadcast Shows	8:88	52. The Price Is Right	(nr) U.S. Open Golf			3.2/7	8. Candid Camera 0	4/1	
Total Households (in millions) WEEK	8:38 79. ABC Saturday Night at	4.2	9 95. Fear Factor	1.9/4		3.6/8		Tan Tint	indicates
. C81 CBS 10.3	the Movies—The	56. The District 4.0/	/8 101. Maxim's Hot 10	0 1.7/3	52. AMW: America Fig	-			of time slot
Everybody Loves Raymond CBS 10.0	8:30 Beach Boys 2.8/6		-		Back	4.2/9 12	O. Sue Thomas, F.B.Eye		
CSI: Miami CBC 9.5	19:68	64. The Agency 3.5/	77 32. Law & Order: S Victims Units				0	6/1	
Law & Order NBC 9.3	10:38		VICIMIS UNITS	5.4/11					1
Dateline NBC Monday NBC 8.6		1	- 1 - C		SUNDAY	7			
Still Standing CBS 8.5 7.48 Hours Investigates CBS 8.1	5 6/11	5 3/10	5.8/11		3,6/7		0.7/1		1.8/3
Law & Order: SVU NBC 8.1	7:09 64. America's Funniest	15. 60 Minutes 6.7/1	4		79. Futurama	2.8/6	5. Candid Camera 0	5/1	105. Gilmore Girls
7. Without a Trace CBS 8.1	7:30 Home Videos 3.5/7	10. 00 millates 0.77	(nr) U.S. Open Golf	4.9/13	72. King of the Hill	3.2/7	J. Cantria Camera O	5/1	103. Binnore ciris
NBA Finals Game 6 ABC 8.0	\$:00 78. NBA Shootaround 2.9/6	52. Becker 4.2/	/8		47. The Simpsons	4.5/9	5. Doc 0	7/1	02 Chanmad
Adults 18-49 (in millions)	8:30	70. Charl Lawrence* 3.4/	/6 47. Dateline NBC	4.5/9	56. King of the Hill	4.0/8	5. DOC 0		93. Charmed
WEEK	\$:00 10. NBA Finals Game 3—		17. Law & Order: C	riminal	58. Malcolm/Middle	3.9/7 11:	2. Sue Thomas, F.B.Eye		00 phonest
NBA Finals Game 6 ABC 6.4	1:30 New Jersey Nets vs. San Antonio Spurs	34. CBS Sunday Movie— Follow the Stars Home	Intent	6.6/11	70. Oliver Beene	3.4/6	0	9/2	89. Charmed
CSI CBS 6.4 Dateline NBC Mon NBC 6.2	18:00 7.5/14	5.3/	0401.00.00	ment	_	14	5. Just Cause 0	7/1	
Everybody Loves Raymond CBS 6.1	TC:30			6.1/10			o. Jusi Cause 0	7/1	
Friends NBC 6.1									
5. Will & Grace NBC 6.0	Averages Week 4.8/9	E 0/40	E ALL						<u> </u>
CSI: Miami CBS 6.0		5.8/10	5.9/11		3.7/7		0.7/1	2.2/4	2.0/4
	8-J-D 6.1/10	8.1/13	7.6/12		5.9/10		0.8/1	2.2/4	2.5/4
B. Last Comic Standing NBC 5.9 9. Law & Order NBC 5.5									



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CBS Beckons More *Becker*

BY PAIGE ALBINIAK

fter negotiating with the producers of Becker for more than a month, CBS has picked up 13 episodes of the Ted Danson sitcom as a replacement series for midseason.

Becker aired on CBS this year on Sunday nights to modest ratings, improving the 8:30 p.m. time period by 9% in adults 18-49 and by 9% in viewers. The previous season, the show had aired on Monday nights in the coveted 9:30 p.m. spot following Everybody Loves Raymond, but CBS moved it last fall to give a platform to Still Standing and to try to give Sunday a better anchor show.

Sunday was one of CBS's weaker nights this season, with Becker performing only fairly and sitcoms Bram & Alice and My Big Fat Greek Life also failing. Next season, CBS will abandon comedies on Sunday nights altogether, going with Cold Case from executive producer Jerry Bruckheimer at 8 p.m.

As CBS was preparing its new season, Becker's fate was up in the air; ultimately, CBS chose not to renew it, but, even on the day the network unveiled its fall lineup, CBS Chairman Leslie Moonves said he was still in discussions about Becker's return.

Becker is produced by Dave Hackel Productions and Industry Entertainment in association with Paramount Network Television.

AT A GLANCE

The Market

DMA rank	20		
Population	3,076,000		
TV homes	1,224,000 \$17,637		
Income per capita			
TV revenue rank	19		
TV revenue	\$272,000,000		

Commercial TV Stations

RANK	*CH.	AF	FIL.	OWNER	
1	WESH(TV)	2	NBC	Hearst-Argyle	
2	WFTV(TV)	9	ABC	Cox	
3	WKMG-TV	6	CBS	Post-Newsweek	
4	WOFL(TV)	35	Fox	Fox	
5	WKCF(TV)	18	WB	Emmis	
6	WRBW(TV)	65	UPN	Fox	
7	WVEN-TV	26	Uni	Entravision	
8	WRDQ(TV)	27	Ind	Cox	
9	WACX(TV)	55	TBN	ACTS	
10	WOPX(TV)	56	Pax	Paxson	

*May '03, total households, 5 a.m.-2 a.m., Mon.-Sun.

Cable/DBS

Cable subscribers (HH)	918,000
Cable penetration	75%
ADS subscribers (HH)**	204,408
ADS penetration	16.7%
DBS carriage of local TV?	Yes

**Alternative Delivery Systems, includes DBS and other non-cable services, according to Nielsen Media Research

What's No. 1

Syndicated Show	RATING/SHARE***
Wheel of Fortune (WFTV)	10.2/16
Network Show	
CSI (WKMG-TV)	22.3/30
Evening Newscast	
WFTV	7.9/14
Late Newscast	
WESH	9.7/17
***May 2003, total household	S
SOURCES: Nielsen Media Re	esearch, BIA

Research

Healthy and Dynamic

ith continued growth and rebounding tourism, the Orlando-Daytona Beach-Melbourne, Fla., market "couldn't be healthier," says Bill Bauman, general manager of NBC affiliate WESH(TV). With "the best May book in eight years," the Hearst-Argyle station's business is "spectacular, and our local business in particular is very strong.'

Bill Hoffman, general manager of Cox-owned ABC affiliate WFTV(TV), sees the market up 3%-5% in the first half of the year.

Stan Knott, general manager of a Fox duopoly WOFL(TV)/WRBW(TV), the latter a UPN affiliate, notes that "tourism is especially important with a lot of theme parks here and it looks like it is beginning to tick back up." Theme parks and other attractions drew more than 40 million visitors to the area in 2001, according to the Orange County Convention Bureau.

MARKET Orlando FOCUS

That's a bit of a sore subject to area broadcasters. "The failure of Nielsen to recognize hotel rooms is an injustice," says WESH's Bauman, referring to outof-home viewership. "We would be a bigger market, and our ratings would be better" if Nielsen included the 110,000 hotel rooms that consistently have occupancy rates over 60%, according to the Convention Bureau.

The theme parks "are all big advertisers" especially during the morning news, when people are looking for an activity.

The population of the nine-county DMA is growing rapidly, increasing television households and making the market "exceptionally competitive," according to Knott, whose two stations share news resources.

'There is a tremendous misconception that Orlando is a retirement community," Bauman says, But he says in fact, it's a "very young, dynamic market with an [median] age of 33 years old."

Broadcasters are looking forward to next year's senate and presidential elections. With Florida Sen. Bob Graham running for president while up for reelection and with Florida seen as a swing state, they amount to "an absolute windfall from heavy political expenditures," says Hoffman.-Henry Seltzer



opment Commission, business-orlando.org



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BROADCASTING & CABLE

6 23 03

V BUYER

Coen Reduces Growth Estimates for '03

Forecaster sees 4.6% hike in ad spending

By JOHN M. HIGGINS

ust because the upfront market is roaring, don't expect the networks or many other advertising sectors to post exceptional gains for the year. That's the conclusion of Robert Coen, advertising forecaster for ad agency Universal McCann. In his midvear forecast for 2003 ad spending, he trimmed his estimates for

outlook

10 of the 16 categories he tracks. Overall. Coen

expects spending on national and local media to increase 4.6% to \$247.7 billion. That's down \$1 billion from the 5% increase he had predicted in December and down another \$1 billion from the 5.5% he had forecast last July.

Still, 4.6% growth is better than the 2.6% increase seen in 2002 and, of course, the disastrous 6.5% drop that media outlets experienced in 2001.

Coen blames the revision on weakness in spending on local media, which he sees growing 3.6%, instead of the 4.6% forecast earlier. Spending on national media should rise 5.3%, about what he was predicting in December.

He sees good news in some sectors, revising upward estimates for cable networks (from 7.5% predicted earlier to 10%), syndication (from 4% to 8%) and Internet sites (from zero growth to 5%).

But the losers include spot TV (reduced from 2% growth to a 1% decline), local TV ads (from 3% to 2.5% growth), local radio (from 5.5% to 4%).

Individual media sectors (for example, cable or Internet advertising) may experience volatile sales shifts, but overall ad spending is fairly well anchored to the gross domestic product. Ad spending generally runs 2.1%-2.5% of overall economic activity. Of course, with GDP at \$10 trillion or so annually, a shift of one-tenth of 1% means \$10 billion more or less for media to fight over.

Coen's lessening confidence in the overall economy means that he expects slower ad growth. He expects GDP to grow 2.4% in 2003, about the same as last year but half the rate of 1997-99.

Trends are not quite as robust looking as they had been," he observed, adding, "Advertising lags the economy, it doesn't lead it. Traditionally, advertising will grow more slowly than the economy."



The syndication sector is now expected to grow 8% this year, thanks to shows like Dr. Phil.

Coen is encouraged by first-quarter spending. He cited data from Competitive Media Reports (CMR) showing growth of 11% in spending by car makers (up 6% in spending on broadcast and cable networks, up 8% on spot TV), 22% by toiletries and cosmetics manu-



Universal McCann

facturers (up 26% on TV networks, up 11% on spot), and 17% by drug companies (up 10% on TV, up 31% on spot).

Those segments are among the largest buyers of TV time. Secondary categories were more of a problem. In the first quar-

In	Coen's	Crystal	Ball

MEDIUM	GROWTH VS. 2002	SALES (MILLION
Broadcast Big 4	4.0%	\$15.6
Cable nets	10.0%	\$13.3
Syndication	8.0%	\$3.3
Network radio	4.2%	\$4.3
Spot TV	-1.0%	\$10.8
Local TV	2.5%	\$13.4
Local radio	4.0%	\$15.3
Total national TV	4.7%	\$43.0
TOTAL TV	3.7%	\$56.4

ter telecom spending fell 11% from already reduced rates (down 16% on TV networks, up 6% on spot TV); airlines dropped 26% (down 51% on networks though just 3% on spot and, interestingly, up 30% in magazines).

There are some flaws in Coen's estimates. He has no way of

tracking spending on product placement (like the Mountain Dew given as prizes on Survivor).

And he has difficulty getting detailed information about spending on local cable advertising. The Cabletelevision Advertising Bureau

puts out very little data on ad sales by local cable systems, and it's not monitored at all by CMR. "We don't know how much money people are spending in spot cable advertising," Coen said.

That's not likely to change, partly because cable data is hard for outsiders to collect. For example, just a dozen or so broadcast stations would have to be monitored to get a good fix on the Los Angeles market. But local cable systems there sell ads in 75 local zones, inserting ads into 45 networks.

Although cable nets want the CAB to collect and promote national cable ad sales, cable operators have preferred to leave the talking to their systems, said CAB Vice President of Local Sales and Marketing Kevin Barry. The bulk of local cable ad revenue, he noted, is generated by the 10 largest MSOs, most of which are publicly traded. "Listen to the analyst calls," he suggested.

EBB & FLOW

Nets' 3Q Scatter Getting Scarce

Third-quarter scatter looks as though it will begin and end quickly and be costly, according to various agency buyers.

John Muszynski, EVP/chief broadcast investment officer. Starcom Worldwide, savs most of his scatter deals are done, with hoth broadcast and cable taking advantage of short supplies. "Clients without a TV presence are seeing 30%-60% increases for network, while some niche cable players are in the 125% premium range, more than double what they asked for last year."

EVEN HOTTER +60%

Several buyers say broadcast scatter is close to sold out. "People who have waited are going to pay extremely high prices," Muszynski predicts.

Tim Spengler, EVP/director of national broadcast. Initiative Media, agrees. Noting that Starcom's scatter numbers are in keeping with what he's seeing at his shop. he adds, "I don't think there's going to be a big third-quarter scatter market because there's not much inventory left. This is a reflection of how many networks oversold the quarter in last year's upfront and the fact that very little upfront inventory was canceled when options were due."

Advertisers with the least wiggle room are those with summer-season products to market. "A mix of programming is important to each client," explains Marc Goldstein, CEO, Mindshare, "but some clients are looking for exposure in the summer.'

New scripted summer series reportedly selling well include Fox's Keen Eddie and American Juniors and NBC's The Restaurant, which debuts July 20.

With the summer surge, the networks complete a second consecutive broadcast year in which scatter pricing has been 30% or better ahead of upfront pricing .--- Jean Bergantini Grillo

NEXT WEEK: Cable



sports

NBA Basketball Finals Were Not Very, Very Good to ABC

Nets-Spurs contest was least-watched Finals ever

BY ALLISON ROMANO

he National Basketball Association playoffs were kind to cable but clearly disappointing for the league's broadcast partner, ABC.

Through six games, the NBA Finals between the New Jersey Nets and San Antonio Spurs averaged 9.9 million viewers for ABC, according to Nielsen Media Research. That's down 37% from last year's Nets and Los Angeles Lakers final on NBC, which averaged 15.7 million viewers (considered low at the time), making it the smallest audience ever for a Finals on broadcast.

ABC's best marks for the 2003 Finals came from June 15's deciding Game 6, which attracted 11.6 million viewers.

But the sky isn't falling, ABC said. "It's just the first year of a six-year deal," said ABC Sports spokesman Mark Mandel.

The network said ratings for the Finals were up 63% over the previous year's programming. But, clearly, said Horizon Media's research chief Brad Adgate, "if [ABC] had their first choice of matchups, New Jersey and San Antonio would not have been it."

San Antonio is a small-market team, and New Jersey, despite having played in the Finals two years straight, shares the New York market with the New York Knicks. Bigger markets or more flamboyant stars would likely have meant higher ratings.

Some evidence: An early-round playoff game on TNT featuring the star-studded Lakers and Spurs lured 7.6 million viewers to cable.

The low ratings likely hurt ABC's ad-sales estimates. "We will develop a plan to satisfy advertisers," ABC Sports and ESPN ad sales chief Ed Erhardt said in a statement, which suggests the networks will have to do some make-goods.

An ABC Sports spokesperson said the network was "aggressive in our projections" and missed the Lakers and a stronger draw in New York. ABC also slated slightly earlier tipoff times.

The network shouldn't be overly alarmed, said Rob Simmelkjaer, vice president of sister network ESPN. "The NBA is too good a product to have ratings in long-term decline," he said, adding that ABC hasn't aired the NBA since the early 1970s.

On cable, playoff ratings were robust. Clearly, the cable audience is small compared with broadcast, but, in the cable universe, the NBA was a star performer. TNT carried 44 playoff games, averaging 3.4 million viewers. TNT's playoff ratings were up 27% from last season, making TNT the top-rated cable network in May by a wide margin.

"All signs point to us making money in this



The San Antonio Spurs may have captured the NBA crown, but few people tuned in to ABC's Finals coverage

The Difference a Year Makes

2003 NBA Fin	als on ABC HH RATING	2002 NBA F	inals on NBC HH RATING
Game 1	6.4	Game 1	10.6
Game 2	5.2	Game 2	9.1
Game 3	7.0	Game 3	10.2
Game 4	6.6	Game 4	10.8
Game 5	6.2	Average	10.2
Game 6	7.5	SOURCE:	Vielsen Media
Average	6.5	Research	

new NBA deal," said Turn**er** Sports President David Levy.

Under the six-year, \$4.6 billion deal, TNT is said to be kicking in \$2.2 billion and ABC/ ESPN \$2.4 billion. The deal gave TNT, which has been airing the NBA for 18 seasons, more than 20 additional playoff games this season, including the marquee Western Conference Finals, which averaged 5.3 million viewers through six games.

On ESPN, the audience was smaller but still strong. The sports network hasn't carried the NBA in more than a decade. For 20 postseason contests, ESPN averaged 2.6 million viewers, up 262% from the same time slots in 2002. In contrast, so far in June, ESPN's prime time audience is closer to 900,000 viewers.

ESPN's postseason jewel, the Eastern Conference Finals, produced an average 3.3 million viewers.

HOT SPOTS

Arbitron Issues 'Lifestyle' Results

ARBITRON INC. has developed the "National Media-Lifestyle Survey," which uses results from its **PORTABLE PEOPLE METER** trial in Philadelphia to gain insight as to how, where and when people use television and radio in their daily routines. Among initial findings: TV sets are mainly in the living room (93%), with 68% in bedrooms; in-home radios are found in bedrooms (77%) and living rooms (68%); car/truck radio penetration is 88%. TV and radio usage in different rooms is generally spread evenly across most age groups—except that in-kitchen usage is nearly three times higher among adults 55-plus than for adults 18-24.

Belo Ads Target Its Web Audiences

BELO INTERACTIVE announced last week that it has just begun targeting advertisers on its 34 Internet sites in various cities to specific audiences, by demographic profile, geographic location and online behavior. For instance, if a consumer has shown interest in buying a car, finding a job or moving into a new home by visiting related content areas on any of its sites, a targeted ad can be delivered in real time to that consumer, no matter what section of the Web site he or she is visiting, said Belo Interactive vice president and general manager Eric Christensen.

Subway Halves Review List to Four Shops

SUBWAY RESTAURANTS has trimmed four agencies from its creative account review, narrowing the list to four contenders. Still in the hunt for the estimated \$200 million-plus account are Interpublic Group of Cos.' DEUTSCH, New York; Publicis Groupe's FALLON WORLDWIDE, Minneapolis; Omnicom Group's GOODBY, SILVERSTEIN & PARTNERS, San Francisco; and independent WIEDEN + KENNEDY, Portland, Ore. Incumbent, Havas' EURO RSCG MVBMS PARTNERS, New York, pulled out of the review last week.

Campaigns

The Terminator is back and **TOYOTA MOTOR SALES** has him. The automaker's **T3** Tundra Special Edition pickup truck will be featured in Warner Bros.' Arnold Schwarzenegger movie, **T3:** The Rise of the **Machines**, which will premiere July 2. **T3** marks Toyota's first major film linkup. The automaker broke the month-long broadcast-TV campaign last week—also with print advertising support—via Publicis Groupe's SAATCHI & SAATCHI, Los Angeles. ...

REEBOK INTERNATIONAL will break its first "Whodunit?" TV spot during **BET**'s prime time **BET Awards**. Promoting "street-inspired" footwear branded "Above the Rim by Rbk," the campaign urges consumers to piece together clues to unravel a fictional crime on a basketball court; to gather clues, they must log onto the www.rbk.com/ whodunit site. A second spot—featuring hoopsters Baron Davis, Steve Francis, Kenyon Martin and Jason Richardson—will run on BET, **MTV, ESPN, ESPN2, FOX** and **UPN** as well as in print (including *ESPN The Magazine*). Omnicom Group's **ARNELL GROUP**, New York, is the agency, with Los Angeles-based **ZUGARO** handling online. ...

GENERAL MOTORS' BUICK division will break a broadcast and cable network push for its Rainer sport utility vehicle. The spot features Buick spokesman **TIGER WOODS**, will direct viewers to the Buick Web site to watch a five-minute film short also featuring the golfing superstar and to enter a sweepstakes whose grand prize is a chance to play golf with Woods—and compete to win a Rainier. Interpublic Group of Cos.' MCCANN-ERICKSON WORLDWIDE is the agency.

MBC To Sell Ad Time in Black-College Sports

MBC, the African-American-oriented cable network whose partners include Marlon Jackson, one of Michael Jackson's brothers, announced at NCTA in Chicago that it will produce weekly live coverage from several major black sports conferences. The conferences covered in the five-year pact: the MID-EAST ATHLETIC CONFERENCE, the SOUTHERN INTER-COLLEGIATE ATHLETIC CONFERENCE and the CENTRAL INTERCOLLEGIATE ATHLET-IC CONFERENCE. The coverage will feature basketball, football and other sports, MBC executives said. MBC, now reaching 27 million cable homes, also will sell the commercial time in those games, and return a percentage of that revenue to the participating schools.

Usual Suspects Top IAG Ad-Recall Survey

For the second time in its fortnightly ad-recall consumer study, IN-TERMEDIA ADVERTISING GROUP reported that OLD NAVY'S *Love Boat* spoof spots took top honors. The retailer snagged the top two positions in IAG's recall survey on TV commercials run in the two weeks ended June 8. PAYLESS SHOESOURCE's spot with *The View's* Star Jones ranked third in the latest report from IAG.

WASHINGTON

Sweetening the DirecTV Deal

Murdoch will 'consider' station-nondiscrimination pledge

BY BILL MCCONNELL

aking his third appearance on Capitol Hill since April, Rupert Murdoch told lawmakers he would consider sweetening the deal to win government approval of his bid to gain control of DirecTV.

The News Corp. chairman had already pledged not to charge cable MSOs more for News Corp.-owned cable nets than he will charge DirecTV. Last week, under pressure from key senators, he agreed to at least consider making the same nondiscrimination pledge for deals to carry News Corp.-owned Fox TV stations. "That's a reasonable request, but I would want to

study it," he said during an Antitrust Subcommittee hearing on the \$6.6 billion deal. "I would have to see how that would apply to competitors" ABC, CBS and NBC in the broadcast-network business. "It's a different world" from cable, he said.

Wisconsin Sen. Herb Kohl, the Antitrust Subcommittee's ranking Democrat, said he concluded that these and other terms (see below) are necessary after cable operators convinced him Fox would have the power to deny local cable operators both Fox cable and broadcast channels by moving all of the extensive News Corp. programming stable to DirecTV unless they pay drastically higher prices.

"This combination of content holdings with worldwide distribution will create a media powerhouse of virtually unmatched size and scope,"

Kohl said. "The overriding fear is that News Corp./DirecTV will take advantage of their global distribution system and must-have programming to raise prices and squeeze out competition."

Murdoch's willingness to consider extra conditions may have been nothing more than a way to cut short lawmakers' aggressive questions, but it's unlikely his response will be forgotten.

Robert Miron, chairman of Advance/Newhouse Communications, said that, without adding local stations to the antidiscrimination pledge, News Corp. could use broadcast retransmission-consent contracts to bargain higher prices for all its programming. "If cable companies don't go along, we'd definitely lose subscribers," he said, speaking on behalf of three operators besides his own: Cox Communications, Cable One and Insight.

Murdoch scoffed at the notion of cable as victim, saying cable typically controls 80% of the pay-TV customers in a market. The companies Miron represents also own major broadcast stations, market-dominating newspapers, and cable systems, he noted: "We're not dealing with a bunch of virgins here." Denying programming to four-fifths of a market, he added, "would be totally self destructive."

Kohl, seconded by Sen. Patrick Leahy (D-Vt.), said News Corp. must:

■ Make all its cable and broadcast programming available to cable operators and satellite competitor EchoStar on the same terms that DirecTV will get.

■ Shun "unreasonable" price increases in the cost of News Corp. programming.

■ Provide News Corp. programming rivals equal access to DirecTV with regards to channel placement, tiering and pricing.

Set specific dates for rollout of local broadcast carriage and broadband access in specific markets.



News Corp.'s Rupert Murdoch scoffed at the notion of cable as victim: 'We're not dealing with a bunch of virgins here.' Committee Chairman Mike DeWine (R-Ohio) didn't call for specific conditions but did join Kohl in asking the FCC and the Justice Department to scrutinize the deal. "This acquisition raises important verticalcompetition issues worthy of serious consideration," they wrote in June 18 letters to FCC Chairman Michael Powell and Justice Department Antitrust Chief R. Hewitt Pate.

News Corp.'s competitors and critics are full of ideas for conditions.

Besides adding broadcast to the antidiscrimination pledge, the National Association of Broadcasters wants to prohibit News Corp. from transmitting its Fox-network feed over DirecTV in any market already served by a Fox affiliate, as well as require it to carry broadcast channels on DirecTV in all 210 markets by Jan. 1, 2006.

NAB's suggestions were among a host of suggestions and petitions to block the merger submitted to the FCC last week.

Cable operator Cablevision Systems urged the FCC to make News Corp. waive its right to elect retransmission-consent contracts for cable carriage. That would mean that Fox Television would not be able to add terms for cable carriage of Fox cable nets into the stations' cable contracts. Instead, the stations could demand only must-carry, the right for carriage without compensation.

Public broadcasters asked FCC to clarify that no local stations can be carried on the DBS operator's so-called wing satellite, which necessitates a second dish.

The Center for Digital Democracy and the American Cable Association called for the deal to be blocked on grounds that the company's combined holdings of broadcast, interactive and pay-TV distribution, coupled with its popular programming networks, will have unprecedented power to dictate expensive terms to local operators and subscribers.



Where Credit Isn't Due

The Minority Media Telecommunications Council is urging the FCC to eliminate what it points to as a loophole in auction rules for broadcast channels.

According to the council, the auction allows buyers to temporarily pose as bidders qualified for a small-business credit even though they may be backed by established media companies. The loophole can skew bidding by leading small businesses entitled to the credit to believe they are bidding against other small bidders and thus go for channels they have little hope of winning. "This major flaw in the broadcast auction rules has fatally weakened the commission's only significant policy aimed at promoting minority broadcast ownership," MMTC Executive Director David Honig wrote in a petition to the FCC.

Buyers, he said, can pose as credit-eligible during early stages of an auction and then, when bidding has begun, announce that they will not use the credit. By then, it's too late for small businesses that actually do need the credit to vie for other channels they have a better chance of winning.

MMTC is seeking an immediate stay on bidding but is particularly concerned about an as-yet-unscheduled auction for 350 FM construction permits.

BOWEN NAMES STUDENT OF THE YEAR



Dan Martinez who has earned a full-time job at Fox's KSAZ-TV Phoenix after interning there, has been named Student of the Year by the Emma L. Bowen Foundation. The foundation gives minority students the opportunity to intern with media companies during a five-year work/study program. They are also invited to Washington for a four-day Student Congress. Pictured (I-r): Foundation Chairman and Viacom station group head Dennis Swanson, foundation President/CEO Phylis Eagle-Oldson, and Martinez.

Clarke To Unembed

Pentagon and former cable-industry spokeswoman Victoria Clarke has left her post as assistant secretary of defense for public affairs. Clarke, who has young children, said the job's demands were far greater than she counted on following the 9/11 attacks and wars in Afghanistan and Iraq. Defense Secretary Donald Rumsfeld called Clarke "a gifted communicator." Clarke, former communications chief for the National Cable & Telecommunications Association, oversaw the Pentagon's program for embedding reporters with troops. "She has developed countless new methods to tell the story of our fighting forces and bring their courage, dedication and professionalism into sharp focus for all Americans," Rumsfeld said. Lawrence Di Rita, special assistant to the Secretary of Defense, will assume Clarke's duties until a permanent replacement is found.

Supreme Court Upholds Contribution Ban

Campaign contributions from advocacy groups can be banned by the government, the Supreme Court ruled last week.

The donation ban is not directly related to the court's review of the Mc-Cain-Feingold campaign-finance law, but the ruling has been highly anticipated for hints at what direction the justices might take in that case. Last week's decision shows that the court feels that protecting the political process can sometimes trump First Amendment arguments like those of broadcasters and others against McCain-Feingold.

The justices upheld a federal donation ban that applies to groups pushing a point of view, such as gun rights or abortion limits. By a vote of 7-2, the court said the right to free speech does not override Congress's goal of limiting the corrosive effects of corporate money on politics.

The McCain-Feingold law bans corporate, union and unlimited contributions----known as soft money---to national party committees and restricts political ads during election season. The court will hear arguments in Mc-Cain-Feingold in a special session in September, a month before the court's regular term starts.

4



RROADCASTING & CARLE 26 6.23.03

TRANSACTIONS | DEALS

BUSINESS

Federal Forms Lag Freezes New Deals

The freeze

will affect

Currently,

pending.

roughly 300

radio primarily.

radio deals are

Many station transactions are locked up, awaiting FCC reprints to free them

BY BILL MCCONNELL

backlog of new commercialbroadcast-station deals at the FCC is expected to last at least another month, until federal bureaucracies create and approve new application forms reflecting the changes to industry ownership rules approved by the FCC June 2.

Of course, if a current congressional effort to undo those changes succeeds, the FCC may have to come up with even newer forms.

The Paperwork Reduction Act requires application forms and other filings that the federal government requires individuals and businesses to submit be approved by the Office of Management and Budget to prevent overly burdensome administrative obligations. Although the mandate might cut down on paperwork burdens in the long run, it also creates short-term stoppages of normal government business during the lag between re-creating the OMB-approved forms and publishing them in the Federal Register.

The freeze will affect radio primarily, because there are a lot more stations and a steady stream of deals. Yearly, the FCC processes 2,500 radio-station

sales. Currently, roughly 300 radio deals are pending. In television, where the relatively smaller amount of stations already reduces the number of swaps, anticipation of significant changes to ownership rules has further slowed the pace of deals,

so relatively few are being held up. The FCC will not submit the new appli-

cation forms to OMB until the final text of the rule changes is made public, according to an agency spokeswoman. Even

though the commission approved the rules three weeks ago, the Media Bureau staff needed extra time to incorporate last-minute revisions by the five commis-

sioners into the original draft. The text was expected to be made public late last week.

The application forms in question are FCC Forms 314 and 315, which cover radio and TV transfers of control, and Form 301, which covers license modifications, such as changes to power levels and coverage areas. Short-form 316, which covers corporate restructuring, such as trans-

fers from subsidiaries to holding companies, has escaped the freeze and will continue to be processed.

The freeze does not apply to noncommercial stations.

After forms are published, parties may

file new applications but only if the deals comply with the new multiple-ownership rules or are accompanied by "adequate showing" that a waiver of the new rules is warranted.

Because the rule changes also affect deals pending at the time of the order, amended applications must be submitted either demonstrating compliance or requesting waivers. Forms for amended applications are expected to be available prior to forms for new applications, perhaps within three weeks.

Changes that must be reflected in the forms, include a TV buyer's compliance with the 45% cap on national broadcast TV-household reach and with relaxed limits on single-market duopolies, triopolies and crossownership with newspapers and radio stations.

In radio, applicants must demonstrate compliance with new market-measurement methods that effectively reduce the number of stations one company can own in some small markets.



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CHANGING HANDS

Combos

KEES(AM) Gladewater, KGLD(AM), KTBB(AM), KYZS(AM) and KDOK-FM Tyler (Tyler-Longview), Texas PRICE: \$6 million BUYER: Gleiser Communications LP (Paul L. Gleiser, managing member); no other broadcast interests SELLER: Citadel Communications Corp. (Farid Suleman, CFO)

FACILITIES: KEES(AM): 1430 kHz, 5 kW day/1 kW night; KGLD(AM): 1330 kHz, 1 kW day/77 W night; KTBB(AM): 600 kHz, 5 kW day/3 kW night; KYZS(AM): 1490 kHz, 1 kW; KDOK-FM: 92.1 MHz, 10 kW, ant. 443 ft.

FORMAT: KEES(AM): News/Talk; KGLD(AM): Oldies; KTBB(AM): News/Talk/Sports; KYZS(AM): Sports/Talk; KDOK-FM: Oldies

KSPN-FM Aspen, KNFO-FM Basalt, KTUN-FM Eagle, KRMR-FM Hayden and KFMU-FM Oak Creek, all Colo. PRICE: \$4.68 million

BUYER: Newspaper Radio Corp. (Tim Brown, chairman/CEO); owns six other stations, none in this market

SELLER: Salisbury Broadcasting Corp. (Charles H. Salisbury Jr., president/director)

FACILITIES: KSPN-FM: 103.1 MHz, 3 kW, ant. –85 ft.; KNFO-FM: 106.1 MHz, 2 kW, ant. 364 ft.; KTUN-FM: 101.5 MHz, 37 kW, ant. 2,211 ft.; KRMR-FM: 107.3 MHz, 29 kW, ant. 650 ft.; KFMU-FM: 104.1 MHz, 1 kW, ant. 1.073 ft.

FORMAT: KSPN-FM: AAA; KNFO-FM: News/Talk/Sports; KTUN-FM: Classic Rock; KRMR-FM: Talk; KFMU-FM: AAA

FMs

KSMT-FM Breckenridge, KKCH-FM Glenwood Springs, KIDN-FM Hayden and KSKE-FM Vail, all Colo. PRICE: \$3.23 million BUYER: Newspaper Radio Corp. (Tim Brown, chairman/CEO); owns seven other stations, none in this market SELLER: American General Media (L. Roger Brandon, VP) FACILITIES: KSMT-FM: 102.3 MHz, 3 kW, ant. -230 ft.; KKCH-FM: 92.7 MHz, 24 kW, ant. 2,503 ft.; KIDN-FM: 95.9 MHz, 6 kW, ant. 650 ft.; KSKE-FM: 104.7 MHz, 43 kW, ant. 335 ft. FORMAT: KSMT-FM: Modern Rock; KKCH-FM: Bright AC; KIDN-FM: Alternative; KSKE-FM: Country

WFMZ-FM Hertford (Elizabeth City-Nags Head), N.C. **PRICE:** \$2.1 million **BUYER:** Convergent Broadcasting LLC (Bruce Biette, president/COO); owns three other stations, including WVOD-FM, WYND-FM and WZPR-FM/Elizabeth City-Nags Head SELLER: Maranatha Broadcast-

ing Co. Inc. (Richard C. Dean,

president) FACILITIES: 104.9 MHz; 50 kW, ant. 492 ft. FORMAT: Christian Contemporary BROKER: Jim Hoffman of Explorer Communications

INFORMATION PROVIDED BY: BIA Financial Networks' Media Access Pro, Chantilly, Va., www.bia.com



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TECHNOLOGY **Fox News Super-Sizes Studio**

Former restaurant serves up Cavuto and other programs

BY KEN KERSCHBAUMER

he former home of New York City's Dish of Salt restaurant is the newest place from which Fox News Channel will dish dirt. The 3,600-square-foot studio, dubbed Studio D, is the largest of the four studios the news net has in

New York and will be the home for Fox & Friends, Cavuto on Business, Dayside With Linda Vester and special events like election-night coverage.

Fox showed off the new studio to the press last Wednesday at a party attended by network heavies like Fox News Chairman and CEO Roger Ailes.

According to Warren Vandeveer, Fox News Channel vice president, engineering and operations, the six-month project involved a tight schedule, tight budget and the usual travails that pop up in the effort to turn

operations

York City office building into a TV studio. One problem in particular: the required removal of a column that would affect the studio space. It's the same problem CNN ran into when it opened its most recent studio, and Vandeveer faced a similar challenge when he helped get CNBC's Fort

a space in a New

Lee, N.J., facility operational. 'Whenever you do a project in midtown Manhattan and try to have the building be something it isn't, like a TV studio, it's not easy," he says. "Keeping to a timetable and a budget while also working in an occupied area were the challenges.

The "occupied area" involved part of the Fox News newsroom. The studio is located on the street level, and the newsroom is located on the concourse level, with part of it directly below the studio. While construction crews looked to keep demolition and welding work to offhours, Vandeveer points out that, unfortunately, there really aren't off-hours for a 24-hour news channel.

Any disruptions, however, were offset by the end result: a studio large enough to handle special events that can bring on-air talent together in a way that previously wasn't possible. The space was operational on May 12, with Dayside being the first program. It was soon followed by Neil Cavuto's program and is expected to have Fox & Friends on the premises within a month.

The new studio also has a new control room. It has updated versions of gear



Fox News Channel's new Studio D gives the network a room large enough to handle special events.

found in the other control rooms, such as the Thomson DD35X10 production switcher. The other rooms have DD35s, but the X10 gives improved functionality, such as built in digital video effects, enhanced timelines and more inputs.

"Our technical directors that are familiar with the DD35 can get all the capabilities out of the X10 feature set with

only a little bit of training," Vendeveer explains. The built-in DVE will be used alongside an external Accom DVEous DVE. The external unit has more framestores and more capabilities, Vendeveer adds.

One of the ways the new control room differs from the others is the use of four 67-inch Clarity AP/LCD displays driven by Miranda's Kaleido display processor. The Miranda unit allows the four Clarity units to be configured to display up to 32 video inputs in either 4:3 or 16:9 mode. Each input also will display tally and undermonitor information, virtually re-creating what would typically be a monitor wall

with standard monitors and much less flexibility. For example, the Kaleido system will make it possible for Fox News to reconfigure the wall for 16:9 events that may appear on the Fox network.

"If you build a 16:9 facility and use it for 4:3 most of the time, you'd be compromising the plant," says Vandeveer. "But now we can do 16:9 out of this control room because the cameras, switcher and monitors can all handle it."

The facility is based primarily on E Thomson gear, with four Thomson LDK200 studio cameras mounted on Radamec pan/tilt/zoom robotic heads. The cameras are manned by operators during live programs but can also be controlled robotically from the control room. On the audio side, Studio D features

the first digital audio console at Fox News.

A 48-channel Calrec digital console (with a matrix allowing mapping of 128 inputs) makes it easier to set up because it doesn't need to be repatched for each program.

The new studio provided an opportunity to revamp other operations at Fox News. The graphics equipment used by the four studios was relocated into one location, and the network is currently upgrading and relocating master-control operations.

"Most of the graphics gear is the same as it was before. but we greatly improved the layout of it," says Vandeveer. "We used to have four little graphic suites, but now we have nine individual rooms and a common work area for the Chyron, Quantel Paintboxes, VizRT,

and other gear.' Fox News also added dub stations so

that it's easier for the graphics department to grab video frames for use in graphics.

For the master-control upgrade, the Thomson Saturn master-control switcher will add a third channel, providing better monitoring of VBI and closedcaption information.



AOL Taps Lightningcast

America Online will use Lightningcast's MediaThunder ad-insertion technology to bring audio advertising to AOL Radio. MediaThunder inserts audio and video ads into online media and sends out the most relevant ad to a listener's demographic. MediaThunder will use AOL's Ultravox streaming-media platform.

KSMO-TV Picks Sundance

KSMO-TV Kansas City, Mo., has added Sundance Digital's FastBreak Automation system to help its move to a tapeless operation. The station is the fourth Sinclair station to install the system, and several more of the company's stations are on tap. KSMO-TV Chief Engineer Bob Schneider worked with systems integrator Professional Video Supply and Sundance Digital to configure and install a Fast-Break Automation system capable of managing on-air operations, including local and network programs and commercials. Also included in the setup is Sundance Digital's Time-Liner, an event sequencer for recording satellite feeds. The system controls a Grass Valley MC21 switcher and a Leitch server and is also tied into Encoda's traffic and billing system.

Gemstar, Thomson Make Good

Under a new multi-year licensing agreement, Thomson will incorporate Gemstar-TV Guide International's interactive-program-guide technology into Thomson's RCA-brand TV sets, digital recording devices and other products. Thomson will pay license fees to Gemstar-TV Guide based on the number of units sold with the technology.

Snell & Wilcox's Slam Dunk

NBA Entertainment used a Snell & Wilcox Ukon universal format-conversion platform to crossconvert high-definition broadcast signals of the



NBA Finals between the San Antonio Spurs and the New Jersey Nets. The signals were crossconverted from 720p to 1080i at the venues in NBA Entertainment's mobile truck prior to being recorded onto Sony HDCam tape. The tapes were then sent to NHK in Tokyo; the NBA Finals were broadcast in 1080i HD throughout Japan.

Cox Does VolP

Cox Communications has deployed Nortel Networks' Succession cable voice-over-Internet Protocol system. It is also using Nuera Communications media gateways for the migration of its long-distance telephony traffic to a packetbased infrastructure, the first of its kind in North America. Cox already has 750,000 customers signed up for phone service based on Nortel Networks DMS circuit switches.



Fox News Chairman Roger Ailes was on hand last Wednesday to show off the new studio to the press.



A New Key to Internet Success

BlueStream application brings increased dazzle to the Web

By Ken Kerschbaumer

B lueStream, a new technology being deployed by Web sites, is allowing talent related to a site to step front and center on a user's personal computer. Created by Rovion, the application is the Internet equivalent of blue-screen technology and enables talent to walk out of the corner of the screen.

"We started to take BlueStream seriously as a technology once we noticed people had really strong reactions to it," says Rick Baker, Rovion interim CEO. "It's like a keying effect for the Web. Once we got into using it and saw the reaction, we realized it was something special."

A number of companies have already been impressed. Dream-

'We started to take BlueStream seriously as a technology once we noticed people had really strong reactions to it. It's like a keying effect for the Web.'

RICK BAKER, Rovion

Works is working with the technology, and some station customers of WorldNow, a service provider for TV-station Web sites, are also using it. Other types of sites, including record-company and radio-station sites, use it as well. For example, Mariah Carey uses the technology on her fan Web site to pop up on the screen and talk to fans.

According to WorldNow President Mark Zagorski, the company spent a lot of time evaluating the application before giving it the green light. "We ran the application through a series of internal tests and demos and found that it worked well with our sitemanagement toolset and was a true complement to the other promotional applications that we bundle in with our system."

There are four different pricing models for BlueStream. Stations in top 25 markets pay \$10,000 per year, in markets 26-50 \$7,500, markets 51-100 \$5,000 and markets below 100 \$2,500.

The application doesn't require a lot of heavy lifting or deep software. Users of the system capture video using traditional methods and convert it into an AVI or MOV file. That file is then exported to Flash, and an encrypted license marries the file to the URL. A small application installed on the user's computer accesses the content. There are 26 different param-

eters for the content, Baker says, but only three are required. The content needs to tell the computer whether to key out blue or green and where on the screen the file is to appear, and then it needs to point to the license so that permission can be given to play back the content. Clips should be limited to 15-40 seconds, Baker says. The content can also be exported in three sizes to accommodate dial-up modems and broadband users who require different speeds.

Adds Zagorski, "It could be used for headline/news delivery but most likely for only very short blurbs. There is no limitation to how long it can go, but the longer the clip, the larger the file size. A file too large will be harder for the user to view and put more stress on the servers."

The application was launched in January and has already found success, with more than 6 million downloads to date. If pending deals with station groups and other customers come through, expectations are for about 30 million downloads by the end of the year. ■





A Host for Stations' Sales Info

Traffic/billing system moves server burden away from broadcaster

"When an organization deploys

BY KEN KERSCHBAUMER

raffic- and billing-systems provider Marketron has decided that the best way to serve its customers is to be the host with the most. Besides selling system software, Marketron provides hosting service for stations' traffic and billing functions, an approach the company says enables broadcasters to cut costs while increasing flexibility.

More than 2,000 media companies, according to Marketron, are retrieving their sales information from its servers, via its Application Service Provider (ASP) system.

a sales system in house, they need server hardware, dedicated desktop machines, and IT folks to maintain it," explains Director of Marketing Lauren Carpenter. "Add those together, and it's quite costly. And many IT people don't have expertise beyond things like Microsoft or operating systems."

Today's Marketron is a conglomerate of a number of other companies. Marketron was founded in 1972, and, in 2000, Online Media CEO and Chairman Mike Jackson (and now Marketron CEO and chairman) merged his company with Marketron. Later that year, Marketron acquired TvScan, a sales- and proposal-software company, and REP-PAK, a Canadian sales and proposal company, in 2001. More than 100 of the company's 240



people work in product development alone, according to Jackson. "We want to use open stan-

dards and the latest technology," he says. "We support things like Linux and can also work with Microsoft's SQL database and IBM's DB2 digital library."

The work of its R&D team provides Marketron users with one new system and two updates every year. Version 5 is the latest.

In all product development, Jackson says, the important aspect is to make sure that the Marketron ASP allows stations to spend less

What stations do best is selling inventory and managing advertisers and programming. The ASP model allows us to host their information."

MIKE JACKSON, Marketron

time dealing with technology. "What stations do best is selling inventory and managing advertisers and programming," he says. "The ASP model allows us to host their information, which they access via the Internet."

The ASP also consolidates a station's information under one real-time database: Systems that require exporting and importing of databases from elsewhere in a station, Jackson explains, can lead to inaccuracies.

A new accounts-receivable function is designed to improve the product further. "It takes less than an hour for our system to close the books. Other systems can take longer," he says, "and, if there is a hiccup during the importing process, the user needs to start over."

Marketron's products are divided into two areas: Marketron TV Sales and Marketron TV Traffic. Each can be integrated with the other and provides a range of tools and reports, including competitive-analysis tools, automated inventory analysis, and automated reporting for station management.



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CSTV Draws From Old Playbook

Classic Sports experience helps in decision on sales automation

BY KEN KERSCHBAUMER

here's a saying in sports that you always go with what got you there-whether it's a pitch, a play or a move. The same goes for television.

When College Sports Television CFO Scott Marshall began investigating traffic and billing systems, he looked to his experience at Classic Sports Network. While there, he worked



TRAFFIC

ollege Sports Television will use CAM

Systems' Broadway software.

with a new software system from CAM Systems called Broadway. So it only made sense that, in his new venture, he took a page from the Classic Sports playbook.

"The biggest benefit is that the system is fully integrated," says Marshall. "Most systems do individual things well, but this product aggregates it all together in a seamless way. It was very productive for us at Classic Sports, and it's the right product for us here at CSTV.

Marshall hopes to go live with the system within a week. With its vast amount of live programming, CSTV will tap different aspects of the Broadway system from those Classic Sports used in airing all taped programming.

When evaluating the different systems, one of the problems he encountered was finding one suitable for an emerging network. "Many of the systems don't cater to the emerging network. They cater to the larger, more broadly distributed network. But, when you're just getting going, you need something that is useful, solves needs and is costeffective."

М

BROADCASTING«CABLE TECHNOLOGY **Special Focus**

Technology Fccus: Underscores Broadcasting & Cable's commitment to routinely cover 6 pressing technological issues, at both the station and operator level. Weekly, Broadcasting & Cable will devote coverage to these issues.

Station Operations/Centralcasting

News Technology

Interactive Media

growing industry segment will be important.

Traffic & Sales Automation

Stations today face a myriad of choices when determining how to operate their facility. Each station operation focus will profile a station which recently updated its operations, examining the hardware and the reality of bringing in new technology.

Most local news operations continue to provide an important revenue stream, along

with valuable and distinct content. The tools of the TV news trade are constantly

It's all about critical mass, and with broadband and digital cable showing gains so

too will interactive media. Cable operators and content providers will discuss how

Today's broadcast facilities are a complex mix of cables, servers and computer files.

As such, the automation system which plays traffic cop, gets the burden of keeping

things running smoothly. This focus is all about tips and trends, providing direction

they're deploying interactive services, VOD and SVOD and why this once-again

evolving. This focus will look at the latest trends and how news operations are

improving their on-air look with behind-the-scenes tools.

ISSUE DATE: SPACE CLOSE: MATERIALS CLOSE:

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July 1, 2003

ISSUE DATE:

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Servers Storage and Networking

for stations to help maximize the potential of their facilities.

Servers, Storage and Networkng comprise one of the biggest issues and trends in the broadcast industry: the move to a digital infrastructure. This section will look at recent installations, new products and developments in this ever-growing sector.

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PEOPLE

THE FIFTH ESTATER

A Short Trip From Wall Street to Hollywood

McPherson was a trader by day, a film student at night

Stephen

f every trader on Wall Street could give up his day job, move out to Hollywood, and know that, in less than 10 years, he or she would be running a studio, more of them would probably do it.

When Stephen McPherson, president of Touchstone Television, packed up and left New York for Los Angeles in 1991, he completed his trip to studio head in short order.

After graduating from Cornell University, McPherson went to Wall Street to work as a foreign-exchange trader. There, he got up every day at 5 a.m. to work from 6:30 a.m. to 5 p.m. and then attended NYU's Tisch School of Film at night.

"I was doing neither one of those things very well," he says. "It made me realize that I needed to get out of Wall Street. So I took a leave of absence and came out to L.A. looking for a job."

He never went back, even though he arrived in Hollywood with no work lined up and no real connections. After eight months tending bar, he started as a production assistant at the now disbanded Witt-Thomas-Harris Productions.

After a year and a half there, he became director of current programming at Fox, where he worked on such shows as Martin, The Ben Stiller Show, Class of '96 and Down the Shore. He spent only a year there before going over to ABC Productions. At that time, Disney purchased ABC and reshuffled its departments. McPherson left and went to NBC, where he developed Just Shoot Me, News Radio and The Pretender. He stayed at NBC for three years before being wooed back to Disney, as executive vice president of Buena Vista Productions.

In 1999, the studio and the network merged, and Touchstone Television was born. McPherson was named president in July 2000.

Running a studio requires a diverse set of skills. Studio presidents must be able to manage writers, directors, producers and actors. They must be able to be diplomatic with network executives while asserting their opin-

ions. And they must be creative enough to have vision and a point of view.

That said, "75% of this job is about relationships," McPherson says. "Creatively, you

absolutely have to have the chops. You have to understand the material, the story and be able to identify talent. But if you don't have the ability to translate that into effective management of those elements, then it all goes for naught."

"I think he's demonstrated since he got that job his ability to walk the line with a vertically integrated studio and still have success selling outside," says Peter Aronson, president of Regency Television, with whom McPherson worked at Witt-Thomas. "He has an amazing ability to balance the corporate mandate of servicing ABC, with the studio and creative mandate of selling to every network."

Those who work with him say he's straightforward while remaining passionate about his projects.

"It's never his way or the highway," says Marc Gurvitz, president of Brillstein-Grey's management company and one of *According to Jim*'s executive producers. "Ultimately, it's about what is best for the show, not about his opinion."

Says Karey Burke, executive vice president of development at NBC, "He doesn't always say what he thinks the networks want to hear."

While at Touchstone, McPherson has developed many shows for ABC. Among them: 8 Simple Rules for Dating My Teenage Daughter, According to Jim and Alias. But he has also developed hits for other networks: CSI for CBS, which Touchstone doesn't produce, and Scrubs for NBC. And says Jay Sures, partner

and co-head of United Talent Agency's television depart-

World Radio History

ment, "He's certainly one of the next candidates who will be given a chance to run a network. At the right time or right place, someone will say this guy has the skill set to pick, choose and develop a schedule."—*Paige Albiniak*

FATES & FORTUNES

Broadcast TV

DIANA WILKIN-ZAPATA, senior VP, affiliate relations, Fox Broadcasting Co., Los Angeles, joins KGPE-TV Fresno, Calif., as VP/GM.

MARK COOPER, programming director, KYW-TV and WPSG(TV) Philadelphia, named director, programming acquisition, Viacom's New York Television Station Group.

PERRY CASCIATO, account executive, WPVI-TV Philadelphia, joins KYW-TV and WPSG(TV) Philadelphia as programming director.

MARK HENAGER, VP/regional manager, HRP, Dallas, appointed national sales manager, KDAF(TV) Dallas.

At KABC-TV Los Angeles: TOM LEVEE, account executive, promoted to national sales manager; DEBBIE RAY, account executive, promoted to local sales manager; FRAN VIESTI, sales manager, KNBC(TV) Los Angeles, joins as local sales manager; RICK MILLER, account executive, ABC National Television Sales, Los Angeles, joins as account executive; JON IZU-MOTO, account executive, KTTV(TV) Los Angeles, joins in the same capacity.

JAY GILL, maintenance supervisor, KTVI(TV) St. Louis, promoted to director, engineering.

ADAM WILHELM, producer, WHAS-TV Louisville, Ky., joins WKRC-TV Cincinnati, in the same capacity.

Cable TV

At Comcast Cable, Philadelphia: ANDY ADDIS, VP, new product marketing, promoted to senior VP, marketing and new products; GREG BUTZ, director, business development, Comcast Cellular Communications, named senior VP, marketing and business development, Comcast Online; DAVID K. LU-COFF, VP, affiliate sales, Fox Sports Net Florida, rejoins Comcast Cable, Miramar, Fla., as regional marketing director, South Florida region.

KRISTIN DOLAN, VP, digital product management, Cablevision Systems, Bethpage, N.Y., promoted to senior VP.

KEVIN CHERNETT, co-founder/ executive VP, sales, MusicVision, New York, named VP, national sales and marketing, Clear Channel Entertainment, New York.

Programming

SUSAN E. BINFORD, executive VP, public relations, CNN News Group, Atlanta, joins ABC Television Network and ABC Broadcast Group, Los Angeles, as senior VP, communications.

MARA STERNTHAL, VP, business development and pay television, Warner Bros. International Television Distribution, Los Angeles, named VP, business development, Paramount Worldwide



MARA STERNTHAL Paramount Worldwide Pay Television



LARA SPENCER PBS

Pay Television, Hollywood, Calif.

At CBS's marketing and communications department, New York: TINA DAKIN, executive director, creative services, named VP; JIM SHEFCIK, director, design services, promoted to executive creative director; MICHAEL POLLACK, director, advertising, promotion and network projects, promoted to executive director, advertising and promotion.

LINO GARCIA, VP, affiliate marketing and local ad sales, Universal Television, New York, joins ESPN Desportes, New York, as GM.

LARA SPENCER, correspondent, Good Morning America, ABC News, New York, adds host, Antiques Roadshow, PBS.

Media

JOANIE BAYHACK, VP, corporate communications, Window to the World Communications, Chicago, promoted to senior VP, corporate communications and direct marketing.

Journalism

JOAN PREZTUNIK, GM, news services, ABC News, New York, named executive director, ABC News Gathering.

WHAT'S YOUR FATE?

Send it to Llanor Alleyne, editorial assistant, BROADCASTING & CABLE (e-mail: palleyne@reedbusiness; fax: 646-746-7028; mail: 360 Park Avenue South, New York, NY 10010).



B. Oct. 28, 1964, Pittsburgh

EDUCATION BA, political science, Cornell University, 1986

EMPLOYMENT

Foreign-exchange trader, Commodities Corp., New York, 1986-91; assistant, Witt-Thomas-Harris Productions, Los Angeles, 1991-93; director, current programming, Fox Broadcasting Co., Los Angeles, 1993-94: senior vice president. creative affairs, ABC Productions, Burbank, Calif., 1994-95: vice president, prime time series, NBC, Burbank, 1995-98; executive vice president, Buena Vista Productions, Burbank, 1998-2000, current position since **July 2000**

PERSONAL Single

People BROADCASTING & CABLE 6.23.03

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WUSA-TV Washington's News Anchor Gordon Peterson (far right) moderated the summit's first panel discussion "An Embedded Perspective." Reporters (I-r) Byron Pitts of CBS News; Dana Kaye of WTVF(TV) Nashville, Tenn.; Aaron Katersky of KTRH(AM) Houston; and Greg Jarrett of KGO(AM) San Francisco, related their experiences and thoughts as embedded journalists during the war with Iraq.



Father-and-daughter duo Edwin Wray (second from right) and Lauren Brooke Wray (center) of KTBS-TV Shreveport, La., were in the 2003 graduating class of the NABEF Broadcast Leadership Training Program for senior-level broadcast managers aspiring to advance to group executives or station owners.

The Wrays are pictured with (l-r) Diane Sutter, dean of the Broadcast Leadership Training program and president and CEO of Shooting Star Broadcasting; Chuck Sherman, president, NABEF; and Eddie Fritts, president, NAB.

Laura Bush honored

First Lady Laura Bush accepted the 2003 Service to America Leadership Award. She was joined by Eddie Fritts (I) and David Kennedy, immediate past joint board chair of the NAB.





BROADCASTING & CABLE Editor in Chief Harry A. Jessell moderated the "Serving Communities in Crisis" discussion, which focused on broadcasters who used their resources to aid their communities during trying times.

On the panel (I-r): Kelly Zuber, director, promotions and public affairs, WDBJ(TV) Roanoke, Va.; Nelly Rubio, community relations director, WFOR-TV Miami; David Payne, meteorologist, KFOR-TV Oklahoma City; and Jim Farley, VP, news and programming, WTOP(AM) Washington.



Recognizing Broadcasters' Service

The National Association of Broadcasters Education Foundation Fifth Annual Service to America Summit was held June 9 at the Ronald Reagan Building in Washington. Attendees enjoyed a symposium, a commencement luncheon of the Broadcast Leadership Training Program, a reception (pictured below) and an Awards dinner.





General Richard Meyers, chairman of the joint chiefs of staff, accepted the 2003 Service to America Guardian Award on behalf of the men and women of America's armed forces.



Cheers!

At the reception (l-r): NAB board members George DeVault, Holston Valley Broadcasting; Steve Levet, WCKW(AM)/ FM Metairie, La., and his wife, Mary Anne; Gunther Meisse, WVNO-TV/WRGM-TV Mansfield, Ohio, and his wife, Jeanne.

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As the General Sales Manager for the Buffalo DMA you'l be responsible for the development of local and regional sales revenue for a diverse team of 12 Account Executives. 5-10 years' broadcast TV and/or Cable sales management experience in a top 50 market preferred. Bachelor's degree in related field preferred. Position based in Buffalo, NY.

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EDITORIALS

BROADCASTING & CABLE COMMITTED TO THE FIRST AMENDMENT

And Then There Were None

or the moment, the split between TV networks and affiliate owners (or at least those controlling the NAB) is complete. With accusations of hijacking and jihad against the large station-group owners, ABC pulled out of NAB last week. We say "for the moment" because this has happened be-

fore. In November 1992, ABC announced its exit over NAB opposition to broadcast/cable crossownership and must-carry.

We have a hard time blaming ABC for the repeat performance. We believe Disney/ABC's Preston Padden when he says his company's abrupt departure from NAB had less to do with the 35% cap on TV-station ownership (the networks want to raise it; the affiliates and affiliate-controlled NAB do not) and more to do with a principle. That principle is that the NAB should not attack one segment of its membership for the benefit of another, or, as Padden more colorfully puts it, "Thou shalt not use the NAB to screw thy fellow broadcaster." The radio members adhere to that commandment. A lot of them would like to see Clear Channel brought down a rung or two, but none of them is talking about sending the NAB to the FCC or Capitol Hill to impose new radio-ownership restrictions.

Sticking to the principle will not always be possible, and it means NAB will have to sit out some big issues, as it did the monumental battle over fin-syn a decade ago. But it's better to narrow the scope of NAB's duties than to lose powerful members.

The affiliates have legitimate concerns about the growing power of the networks. The networks do encroach on the programming prerogatives of their affiliates, and, under the newly liberalized rules, the networks pretty much have the right of first refusal to any network-affiliate station that comes on the market. What's more, in some cases, they can target affiliates for acquisition and threaten loss of affiliation if they don't sell.

Still, the affiliates' complaints are better expressed and prosecuted through their own group, NASA, than through the NAB. In this latest go-round on ownership rules, the affiliates put the NAB staff in a tough position. The association's support for retaining the 35% cap while simultaneously pushing for eliminating local-ownership caps and the ban on newspaper/broadcast crossownership smacks of a self-serving schizophrenia.

Like Padden, we thought that, after the June 2 vote, NAB President Eddie Fritts could start reassembling his association. There is much for a united broadcasting industry to do. Cable operators are mobilizing. Not only are they prepared to oppose full digital must-carry, but they are also launching attacks on retransmission-consent rights. Several major operators were demanding that Rupert Murdoch waive his retransmission-consent rights as a condition of winning government approval of his DirecTV deal.

At last week's hearing on that deal, one Wall Street type praised Murdoch for his business acumen, suggesting that he was simply switching from the glue horse of over-the-air TV to the thoroughbred of DBS. Combating that perception, much less the potential reality, will take an industry united by its strengths and common goals, not divided against itself.

likes of Happy Days and The Love Boat. NBC "su-

per-sized" two of its top programs, Friends and

Will & Grace. By lengthening each to 40 minutes,

the network dissuaded viewers from tuning in to

too often overvalue the size of the audience.

Others are not fooled by the "stunting" in pro-

gramming. Like wise stockbrokers, wise media

brokers look at more than the quarterly results

before making the buy. They evaluate historical

trends, compare competitive programming and

analyze qualitative audience composition.



GUEST COMMENTARY

Network Sweeps: Caveat Emptor

lthough we seem to have barely ended a television season, a new one debuts in a few months. That means the broadcast networks are already stacking their fall lineups for November sweeps, just as they do every year.

The sweeps process is intended to accurately measure program viewership, or so the networks say. For a long time, though, the networks have manipulated their schedules in pursuit of shortterm results.

This behavior is not unlike the way companies attempt to manipulate earnings in the financial markets. Investors expect management to build real long-term value, but powerful incentives exist to "play the market" for short-term results. Just as companies manipulate earnings to improve short-term share prices, the networks manipulate their programming to increase quarterly ratings.

This is not surprising. Like public companies under pressure from shareholders to increase market value, the networks are under pressure to improve ratings. They want the largest share of the viewing audience so advertisers will pay top dollar.

News throughout the past few years has been filled with stories about companies inflating their earnings to demonstrate short-term performance. Similarly, the networks' behavior demonstrates that they are concerned often less about long-term health than about short-term numbers.

For example, during the May sweeps, Fox recruited Whitney Houston to make a special guest appearance on Boston Public and brought Monica Lewinsky back to the nation's consciousness via Mr. Personality. ABC trumpeted its 50th Anniversary Celebration, featuring cast reunions from the



The networks manipulate their programming to increase quarterly ratings.

Henderson

the middle of a competitor's program. These tactics distort the true measure of the networks' audiences and can suggest increases in viewership that are not likely to hold up throughout the year. This ultimately leads local and regional advertisers to pay a premium. Without an understanding of the ramifications of the networks' behavior, unsophisticated media buyers all

PAT WALLWORK, McKee Wallwork

They also look to new technologies. Advanced consumer electronics now have the ability to track viewership 365 days a year. Digital systems like TiVo and iTV can determine what advertisement

is being watched, by whom and for what amount of time.

As products like these increasingly make their way into American homes, sweeps may become obsolete. It's about time. The networks will be challenged to put their best programming forward throughout the year, and they'll have a much more difficult time inflating their ratings. In the meantime, however, the old saying still applies: Caveat emptor-let the buyer beware.

Wallwork is media director and partner at ad agency McKee Wallwork Henderson.





"There is something repellent and possibly even sinful about people getting face-lifts, implants and liposuction on television. But expecting ABC, which introduced Extreme Makeover, to limit itself to nonsurgical procedures is a little like asking nations not to develop nuclear weapons after scientists have split the atom-sweet, but silly." ALESSANDRA STANLEY,

The New York Times



"I'm With Busey sits on the edge of reality. We never really know if [show host Adam] de la Pena is celebrating Busey or making fun of him." MONICA COLLINS, Boston Herald, on Comedy Central's new series I'm With Busey

"Busey may be putting us on, but he's not that good an actor.

> DAVID BIANCULLI, the New York Daily News, on I'm With Busey

"We're beginning to understand why young Paige Jones, the doe-eyed gold digger from NBC's For Love or Money, hasn't seemed upset by the drunken, grabby-handed antics of Rob Campos, the reality show's creepy bachelor. Turns out that the 21-year-old also knows what it's like to get plastered and act real stupid." THE SMOKING GUN on Jones's two DUI arrests

"Think Beavis and Butt-Head crossed with Jim Carrey movies and the "Opie and Anthony" radio show and you've got it: a channel where the upscale end of the programming is an animated version of Pam Anderson and Baywatch reruns." DAVID HINCKLEY, New York Daily News, on TNN's rebranding as Spike TV

"And who knows? Maybe director Spike Jonze and Spike the dog from Rugrats will file their own injunctions.

SUSAN KING, The Los Angeles Times, on the Spike Lee-MTV Networks showdown.

"No one I know dresses like that. No one I know has sex like that. No one I know does out to lunch like that. No one I know has that many shoes, though God knows I pray to the shoe God that my big shoe windfall will come one day." LINDA STASI, New York Post, on

Sex and the City

WE LIKE LETTERS

If you have comments on anything that appears on these pages and would like to share them with other readers, send them to Harry A. Jessell, editor in chief (e-mail: hjessell@reedbusiness.com, fax: 646-746-7028 or mail: BROADCASTING & CABLE 360 Park Avenue South, New York, NY 10010).

BROADCASTING & CABLE 6.23.03



How To Get Bad Press

CBS News created its own media mess

The post office sells books of stamps, and had CBS News just spent an extra 37 cents, it could have kept itself off of the front page of *The New York Times* last week, and saved itself a lot of embarrassment.

Instead, as you probably know by now, the *Times* reported that Betsy West, a CBS News senior vice president, wrote a letter meant for Pvt. Jessica Lynch's family and military representatives requesting that the

heroine of the Iraqi war tell her story to CBS News for a two-hour documentary. There's nothing wrong with that, but West then added attachments that included other ways CBS and its corporate owner Viacom could help Lynch cash in on being a good and brave soldier, including a book deal with Viacomowned Simon & Schuster, a made-for-TV movie, and even special MTV and CMT country-music concerts held in her home town to honor her.

West didn't say that CBS News could promise or create those extras—only that, if and when Lynch gets an agent, CBS News wanted her to know there were plenty of other folks in the Viacom empire who could make her rich in many

other ways and who had some great ideas. Viacom, said West in her letter, offered a "unique combination" of media outlets, ready to exploit her heroics.

What was CBS News thinking?

When the story broke, the *Times* headlined it " To Interview Former P.O.W., CBS Offers Stardom," and, throughout the article, reporter Jim Rutenberg suggested that when the news division dangled fame and fortune in its pitch for an interview it cheapened itself and raced past the line between a legitimate function of newsgathering (getting the interview) and the illegitimate one (making the news organization a pitch partner for other Viacom units).

A CBS News spokeswoman said last week that the network was "under the impression" it would be easier to send one package of pitches than to send several, because Pvt. Lynch has, of course, been overwhelmed with offers—"bombarded," the spokeswoman said—and at this moment, doesn't have an agent.

I buy that reasoning to a point. If someone at Viacom had put together all the wonderful things it could do for her and her family—an MTV concert with Ja Rule or Ashanti!, the CBS movie! the book dea!—that missive would have been an expedient way to tie-together the Viacom advantage, and I porting. CBS News does not pay for interviews, and it maintains a well-established separation from other parts of Viacom." CBS complained that it had made it "explicitly clear" in its letter that CBS News "maintains editorial independence from the entertainment division" and "we never tie interview requests to entertainment projects." The CBS response concludes: "Mysteriously, none of those



doubt it would have raised an eyebrow.

All CBS News had to do, on its own stationery, was write its own letter, promising nothing but the integrity and prestige of its own news division. It would have cost Mel Karmazin the price of a stamp to have kept a bad story off the front page of what is still the nation's best and most influential newspaper.

Having not done that, all CBS News needed to do last week was admit it had made a mistake, for, even though the news division never promised Pvt. Lynch anything, the perception was plainly, obviously, blatantly there.

Instead, in the aftermath, CBS took a very low road, recalling the recent flap over *Times* reporter/liar Jayson Blair. Responding to the Rutenberg story, CBS News issued a low-blow statement that began: "Unlike *The New York Times*' own ethical problems, there is no question about the accuracy or integrity of CBS News' recomments found their way into the 'newspaper of record.'"

(By the way, anybody remember how those *Survivor* castoffs made it on to CBS News' *The Early Show* the day after? Or how CBS News' Julie Chen fronted for those *Big Brother* prime time specials?)

Actually, it's astounding to suppose that any agent the Lynch family might retain wouldn't know the names of major publishers, cable channels and broadcast networks Lynch might want to do business with.

But I wish Pvt. Lynch could do something else: Ignore all offers. In a world of instant celebrity, the hero America is waiting for is the one who just doesn't want to deal with the star-making machine, at Viacom or anywhere else.

Bednarski may be reached at pbednarski@reedbusiness.com

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Top of the Week

ABC Walks Out on the NAB

Continued from page 1 the networks. Padden abruptly dropped ABC's membership, erasing the last of the major nets

from the organization's roster. "For two years, we have endured (and helped to pay for) a non-stop stream of networkbashing letters, lobbying and legal filings," Padden wrote to Fritts. "We have tolerated our own trade association's patently false claims that our stations lagged behind affiliate stations in terms of local public service.'

THE LAST TO GO

CBS, Fox and NBC left NAB long ago because of the intramural dispute over the 35% cap on one company's national TVhousehold reach. The networks want to jettison the cap. Network affiliates, though, want to keep it in place, arguing that networks will have greater leverage to demand unfair affiliation terms if permitted to increase their O&O stables. Because of the affiliates, who dominate the NAB board, the association has fought to preserve the cap.

Also, under the auspices of a separate group, the Network Affiliated Stations Alliance, the affiliates have peppered the FCC and Congress with complaints about network hardball tactics in affiliation negotiations.

ABC had stayed in the association in part because its 10-station group was not close to the 35% cap, in part because it hoped NAB could put the station-cap controversy behind it after the FCC's June 2 vote to loosen the media-ownership rules. That vote included raising the cap from 35% to 45%.

ABC saw that hope fade when the NAB Television Board two weeks ago voted to support congressional efforts to restore the cap at 35%.

Padden said the affiliates, especially the big groups holding more than 30 stations in addition to newspaper or cable holdings, had exceeded "even Washington's liberal allowance for cynicism" in claiming that ABC's 10-station group was less able to serve local communities than they were.

In a meeting with reporters last week, Padden refused to name the "affiliate firebrands" he blamed for pushing NAB against the nets.

But sources attending the board meeting said Padden was angered by comments by Hearst-Argyle Chief Executive David Barrett and Cox Broad-

casting President Andrew Fisher. Neither Barrett nor Fisher could be reached for comment last week

Disney's withdrawal caught Padden's board colleagues offguard. At the opening of the board meetings, he assured them that he would be "dragged" out of the NAB before he gave up membership.

"His actions are confusing to more members that just me," said Michael Fiorile, chief executive of Dispatch Broadcast Group and chairman of NAB's TV Board. He insists that Padden misrepresented both NAB's plan for continued lobbying on the 35% cap and the board members' overall statements regardaffiliates, we responded.' The genesis of Padden's com-

plaint is an October 2002 FCC study, conducted to gain information that would help craft new ownership rules, that found network O&Os offer more and higher-quality news. NAB and NASA later produced their own studies attacking that thesis and showing that affiliates' station managers have more power to respond to local tastes and needs than the nets do. The nets dueled with NAB/NASA over these issues in repeated filings to the FCC right up to the commission's lune 2 vote on new ownership rules.

PAPER DUEL

In Frank's view, Padden showed up at the board meeting

looking for a fight, knowing that the board would uphold its longstanding The 11th Commandment: position on retaining the 35% cap. Padden brought an easel and poster. Printed on it: "The 11th Commandment: Thou shalt not use the NAB to screw thy fellow broadcaster." Padden said he tried for a day and a half to per-

suade the TV board to adopt a resolution of some sort that would bar the NAB from working against individual members as it as done in the ownership proceeding. He said he became frustrated after his efforts gained no traction and the TV board voted to

continue working for the 35% cap. "I begged these people."

NAB officials said Disney's total fees for its network, 10-station TV group and 68-station radio group totaled \$500,000 of NAB's \$48 million annual budget. When it comes to lobbying, the organization can still rely on the thousands of station owners and managers from every congressional district in the country.

In the meantime, Padden said he will attempt to persuade the other networks to join ABC in launching their own association. He is toying with the name America's Greatest Local Broadcasters

"Seriously," he said, stonefaced, when reporters chuckled, but then he conceded that the name needs work.

Few predict the networks will remain forever estranged from NAB. Padden predicted that ABC's exit will have a "cathartic effect" that will end the network bashing. Fiorile said the dispute is "about to be behind us," adding, "We would welcome them back with open arms."

Senate Bill Raises Ire in Broadcast Industry

Continued from page 1

week could not have been better designed to raise the ire of nearly every sector of the broadcast industry. Networks, major TV affiliates, and radio groups all have incentive to kill the bill and will lobby aggressively against it.

With a calendar heavy with votes on Medicare, the budget, prescription drugs and other contentious issues, Senate Majority Leader Bill Frist (R-Tenn.) is said by Washington sources to be of no mind to bring another battle to the Senate floor. Officially, however, a Frist spokesman said it's too early to predict whether the bill will reach the floor.

Still, opponents of media consolidation were celebrating last week and vowed to push their bill all the way to the president's desk. The vote "is a strong, bipartisan repudiation of the FCC's disastrous ruling,"



Rep. Billy Tauzin has vowed to kill Senate nership-rereg bill

suspend implementation of its new rules "in light of the very real possibility that Congress will reverse the commission's vote.' Jeff Chester, head of the Center

for Digital Democracy, predicted that Tauzin must cave in to members of his own committee that have sponsored rollback legislation.

"This was the most significant defeat that the nation's biggest media companies have witnessed in decades. Given our momentum, even Billy Tauzin may not be able to save the industry."

Within the Senate Commerce Committee, certainly, support for rolling back the FCC vote was overwhelming.

Measures to reinstate the 35% cap on national TV-household reach and the prohibition on crossownership of newspapers and broadcast stations in the same market passed

'NAB will strongly oppose this legislation.'

EDDIE FRITTS, NAB

by voice vote, which means that so many committee members expressed support there was no need to tally votes.

The panel also voted to make Fox and CBS, which have 39% and 41% reach, respectively, to divest enough stations to comply with the 35% cap within one year of the bill's enactment. Other provisions would:

Force radio-station groups to break up local clusters that don't comply with the FCC's recently tightened local-ownership rules.

Require the FCC to hold hearings in at least five different geographic regions before changing media-ownership rules in the future.

Clarify that the commission has authority to tighten, as well as relax, ownership rules when necessary to protect the public interest.

Missing from the expected amendments was a call to eliminate the UHF discount. Sen. Frank Lautenberg (D-N.J.) is expected push for killing the discount when the committee votes this week on a separate bill to reauthorize the FCC. Eliminating the UHF discount would push not just Fox and CBS over the national cap but other broadcasters, such as Paxson and Sinclair, as well.

The National Association of Broadcasters, which supports a return to the 35% cap, nevertheless vowed to fight the legislation because of the prohibition on newspaper crossownership and forced divestiture of some radio groups' stations. "NAB will strongly oppose this legislation," said President Eddie Fritts.

"Thou Shalt Not Use The NAB To Screw Thy Fellow Broadcaster"

ABC's Preston Padden brought this poster to the NAB television board meeting.

ing the networks.

"I don't hear any constant hammering against them," he said.

CONCESSION TO ABC

By leaving the meeting early, Fiorile and other board members said, Padden missed NAB's final decision, made by the joint board, not to be out front in lobbying for cap-rollback legislation and not to support any legislation that went beyond restoration of the 35% cap. Some members saw the condition as important concessions to Padden.

"There will be no stepped-up effort to reverse the FCC's decision," Fiorile said.

Another board member and key NASA figure, Post-Newsweek President Alan Frank, says Padden is engaging in revisionist history by charging that the affiliates, or even NASA, accused the O&Os of being disinterested in local community-programming needs.

"That's crap," Frank said. "NASA went out of our way to not attack network stations. ... We never led the charge. If a net filed something against performance of network

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