

Electronic Media

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AUGUST 1, 1988

Making of Hollywood East

New studios
to give Florida
shot at big time

By **ROBERT HOMAN**
Staff reporter

ORLANDO, FLA.—If promoters of the motion picture industry in Florida have their way, this city will one day be the country's next motion-picture capital.

Universal Studios Florida and Disney-MGM, which are opening major new studio facilities in Orlando this summer, hope to change the Sunshine State from a mere location site to a major TV and film production center.

"We are here because we believe Florida will become the next production capital in the United States," says Ted Kaye, vice president of film and tape production at Disney.

In their pitch to producers, the studios point out that Florida's flexible union rules and tax allowances mean films can be made much less expensively here than in Hollywood and New York.

"What we are planning to do is recapture a large segment of the industry that's running away from Hollywood," says Norm Rice, vice president, studio manager for Universal Studios Florida, a joint venture between MCA Inc. and Cineplex Odeon Corp.

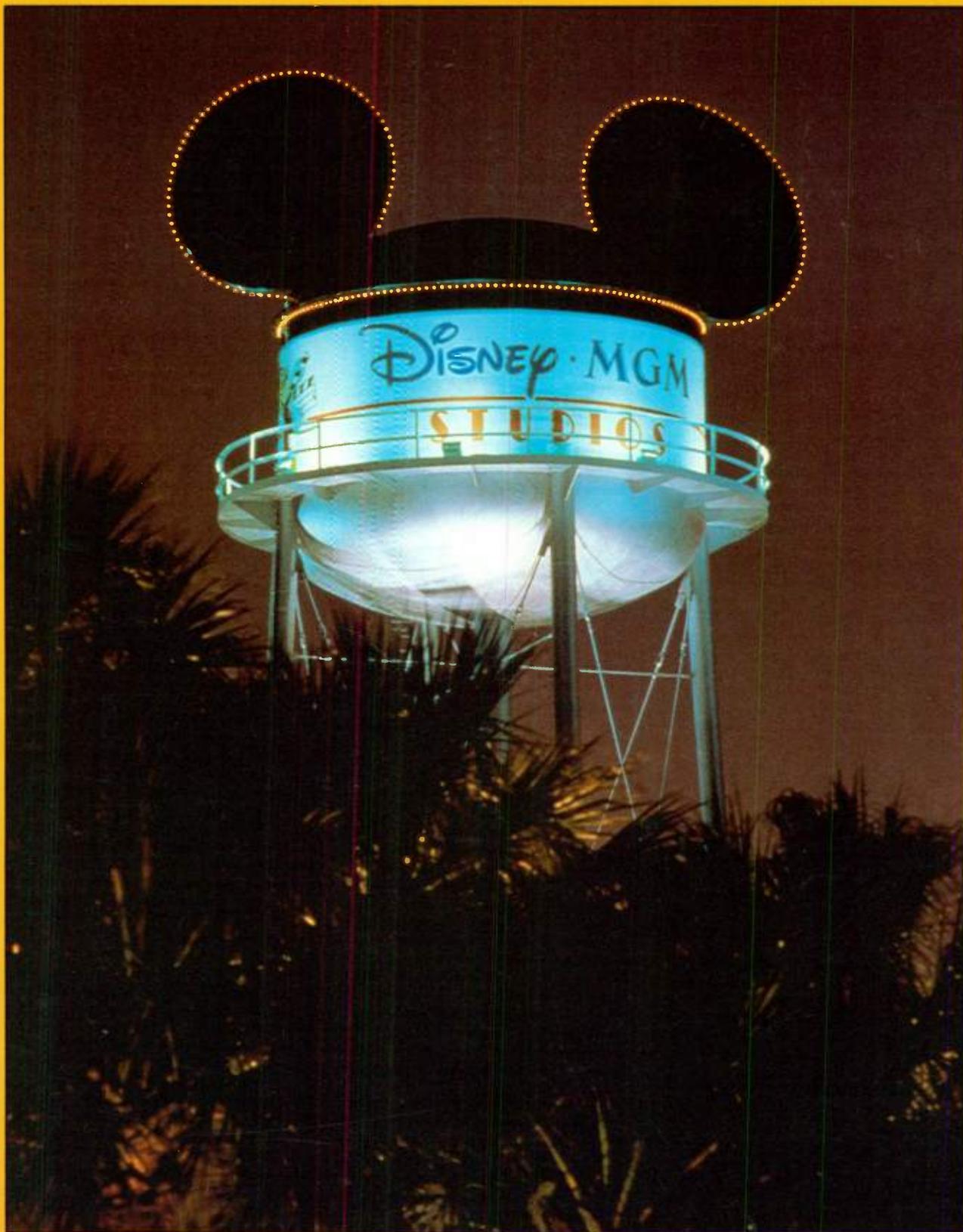
Already, the local area is gearing up to meet the anticipated demand for talent and film technicians.

The Screen Actors Guild has opened a new office in Central Florida, and the state's colleges and universities are beefing up their film and theater programs.

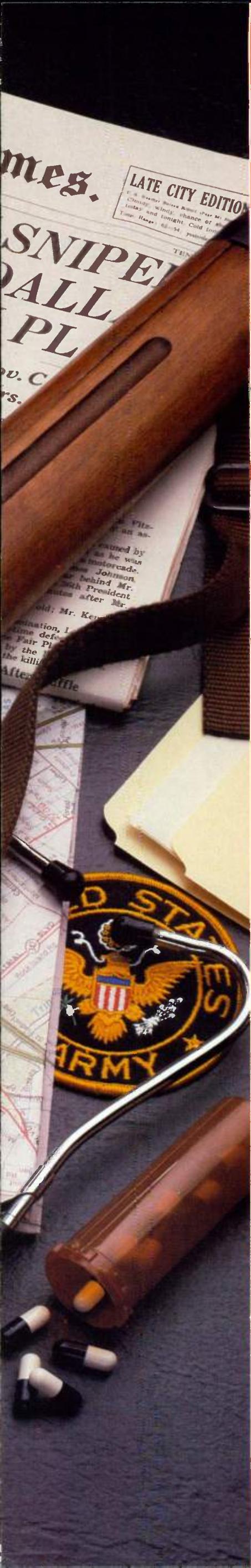
At this point, certainly, all agree that Florida still has a long way to go before it can become a major film production center.

"It will never become a Hollywood or New York until it gets local film financing," says Bill Grefe, an independent film producer who originally came to Florida to produce the "Flipper" and "Gentle Ben"

(Continued on Page 16)



A water tower sporting Mouseketeer ears signals that the new Disney-MGM studio has arrived in Florida. New facilities by Disney-MGM and Universal could make the state a TV and movie mecca.



These are the stories of our generation.

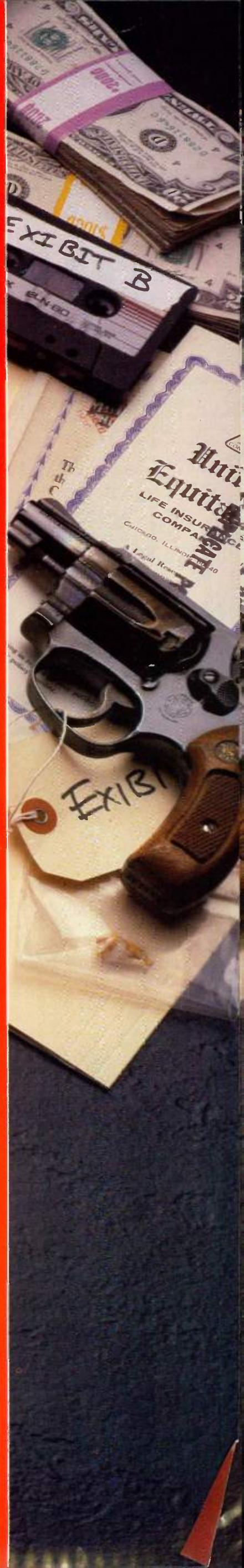
True, headline-making events that, until now, festered with unanswered questions.

Why did these things happen? Who was responsible? Why weren't the people told?

Now, our nation's finest investigative reporters tear away the veils of mystery that have shrouded these events.

They have answered all the questions.

And they deliver their final report—live—in four, prime-time, two-hour television specials...



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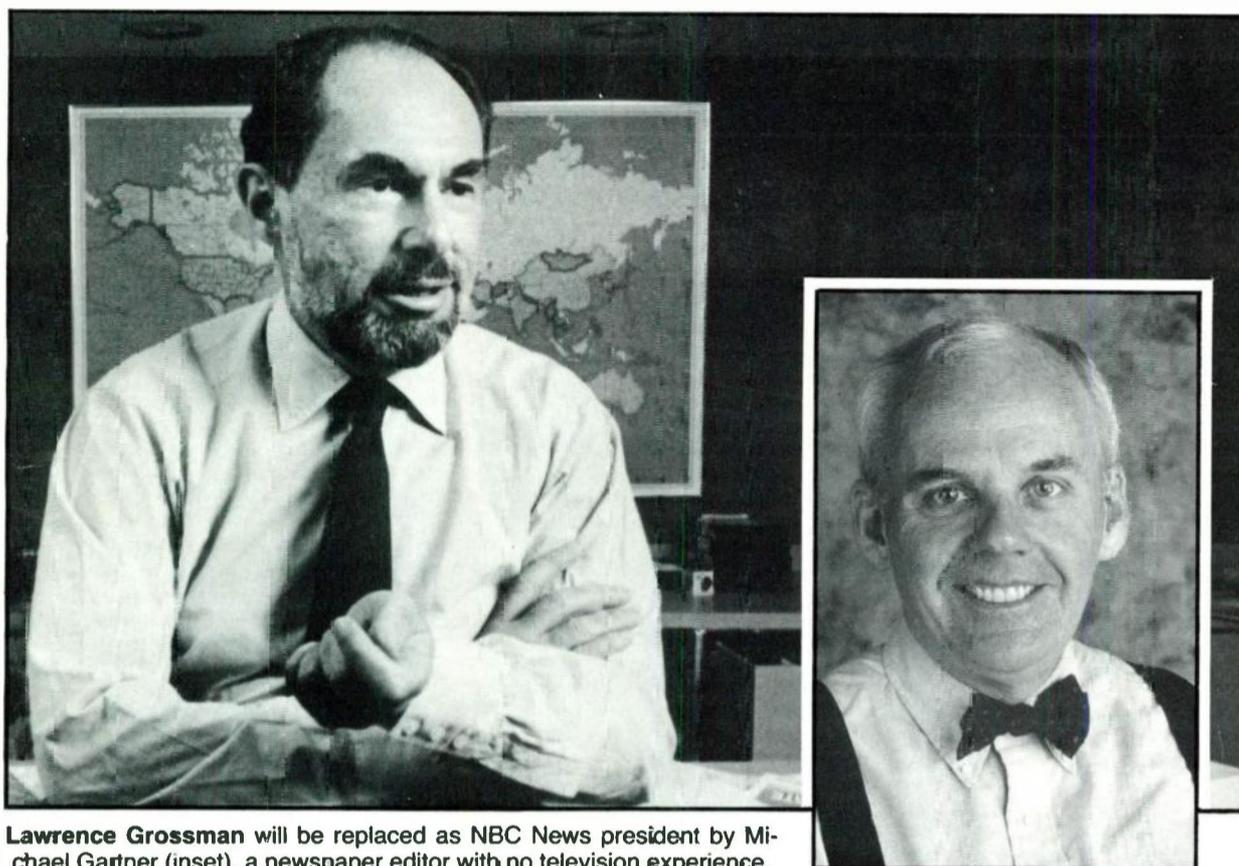
AT PRESS TIME

Strike talks resume

LOS ANGELES—Producers and striking writers returned to the bargaining table here Friday at the request of a federal mediator, following a three-day recess. Talks ended last Tuesday after a 21-hour bargaining session failed to end the Writers Guild of America walkout. Although both parties have agreed on a news blackout, there were indications that progress was being made on ending the strike. The strike was set to enter its 22nd week today.

CBS inks Knoxville outlet

KNOXVILLE, TENN.—UHF station WTVK-TV here signed a two-year affiliation deal with CBS, Duane Eastvold, WTVK vice president and general manager, said Friday. CBS was forced to look for a new outlet in Knoxville, the nation's 61st-largest market, when WBIR-TV announced in June that it would switch to NBC this fall. WTVK had
(Continued on Page 40)



Lawrence Grossman will be replaced as NBC News president by Michael Gartner (inset), a newspaper editor with no television experience.

NBC News hires print whiz

By DIANE MERMIGAS
Senior reporter

Michael Gartner, the new president of NBC News, says one of his key challenges will be juggling the bottom-line demands of NBC owner General Electric against the journalistic needs of the news division.

That's the same balancing act that sources say helped drive his predecessor, Lawrence Grossman, out of the job last week.

Mr. Gartner's appointment surprised the industry because of his background as a pure print-oriented newspaper editor with no television experience. But he holds a reputation as a fiscally oriented, cost-conscious manager, and that's what top NBC and GE executives wanted.

NBC sources last week said one of Mr. Gartner's first tasks will be to slice an estimated 120 positions and at least \$20 million
(Continued on Page 40)

Court hits FCC over 'indecenty'

By DOUG HALONEN
Staff reporter

WASHINGTON—Broadcasters scored a First Amendment victory on Friday as a federal appeals court ruled that the Federal Communications Commission's new "indecenty" rules are too restrictive.

In particular, the court said the FCC had not justified restricting broadcasts of adult material to between midnight and 6 a.m., a time period that the FCC deemed as a "safe harbor" from indecency constraints.

The court, however, did not throw out the indecency rules. Rather, it ordered the FCC to rework the time constraints, keeping in mind that even so-called indecent speech is protected by the First Amendment.

Tim Dyk, counsel to a coalition of 17 parties appealing the rules, including the major TV networks and the National Association of Broadcasters,
(Continued on Page 40)

AGB halts its meter service

By MARIANNE PASKOWSKI
and ADAM BUCKMAN
ELECTRONIC MEDIA staff

NEW YORK—AGB "suspended" its struggling 1-year-old people-meter service Friday as a result of the merger of its British parent company with another research firm.

News of the service's demise came in an announcement from London saying that AGB Research had reached an agreement to merge with Mediamark Research and that AGB Television Research Service
(Continued on Page 39)

Cable network fees spark conflict

By JANET STILSON
Staff reporter

NEW YORK—The programming fees paid by cable operators to the major cable networks are increasing dramatically, and

some operators say they may consider dropping services to save money.

The complaints are growing in direct response to the efforts of many cable networks to upgrade their programming.

But as the networks' programming costs escalate, so do the fees they charge system operators.

"The networks have gotten arrogant in believing that no
(Continued on Page 39)

INSIDE:

4 Emmy nominees

For the first time, this year's list of Emmy Award nominees includes cable television shows.

18 The weather business

Joel Myers has turned his interest in weather into a national forecasting business, Accu-Weather.

26 CTAM special report

A look at major issues facing the cable industry at its annual marketing convention in Boston.

NEWS SUMMARY

A federal appeals court ruled that the FCC's new "indecent" rules are too restrictive, a ruling considered a victory for broadcasters and a defeat for several senators, including Sen. Jesse Helms, R-N.C. (Page 1)

NBC News' new president, Michael Gartner, says the greatest challenge of his new job will be juggling bottom-line demands against journalistic needs. Mr. Gartner comes to NBC by way of several newspapers, including The Wall Street Journal and the Des Moines (Iowa) Register. (Page 1)

Dramatic increases in programing fees paid by cable operators to major cable networks are prompting some operators to say they may consider dropping services to save money. (Page 1)

AGB's year-old people-meter service was killed Friday in the wake of the merger of its parent company with another research firm. (Page 1)

The proposed merger of Aaron Spelling Productions and Worldvision Enterprises is expected to benefit both companies and their customers. The merger of the production firm with the distributor was called a "logical fit" by one executive. (Page 3)

The writers' strike will force network-affiliated TV stations to revise their revenue projections downward, station managers say. The strike is making the status of local ad sales uncertain. (Page 3)

Lifetime plans to revive "The Days and Nights of Molly Dodd" next spring with 13 new episodes for the cable network. Blair Brown will reprise her performance in the title role. (Page 3)

NBC last week named Tom Rogers president of its newly formed NBC Cable division. Also, Michael Eskridge was appointed president of the cable channel, the Consumer News and Business Channel. (Page 3)

The collapse of the proposed \$400 million restructuring plan to split MGM/UA sent financier Kirk Kerkorian seeking alternatives for selling all or part of the studio. Sources said the acquisition group decided they weren't getting enough for their money. (Page 2)

Fox Broadcasting Co. executives say they have no plans to stop airing series on Saturday nights, despite the difficulties it has had in attracting viewers on that night. FBC remains confident it can duplicate its Sunday night success on Saturdays. (Page 4)

Viacom is close to selling its cable systems in Cleveland and Long Island, N.Y., as well as a 5 percent interest in Showtime/The Movie Channel, Chairman Sumner Redstone said. The sales are part of an effort to reduce the company's debt from \$2.4 billion to \$1 billion by next year. (Page 4)

When the prime-time Emmy Award nominations were handed out, several first-year series made out well, and cable got 15 nominations. (Page 4)

The cable TV and syndication portions of the annual summer consumer press tour were unusually popular events this year. Nearly 70 TV critics from around the country attended the third Synditel on July 25, which featured new first-run syndicated fare. (Page 4)

Although George Gillett Jr. has confirmed his intention to sell at least two of his TV stations, he says he is not planning to exit the industry. (Page 8)

The FCC has set hearings on whether independent WWOR-TV in New York or one of its two challengers deserves the station's license. (Page 8)

A lower tax rate contributed to a 14 percent increase in net income for Capital Cities/ABC in the second quarter, while lackluster ad sales resulted in a 3 percent rise in revenues. (Page 22)

The FCC received conflicting responses to its proposal that the network ad rep rule be axed. (Page 31)

The NAB is claiming a partial victory in its effort to derail TV Marti, a proposed U.S. government TV service to Cuba. (Page 31)

Reuven Frank will retire from NBC News this month, ending a 38-year career in broadcasting. Mr. Frank served two terms as president of the network's news division. More recently, he has served as a documentary writer and producer. (Page 36)

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MGM/UA deal collapses, Kerkorian weighs options

By DIANE MERMIGAS
Senior reporter

The sudden collapse of the proposed \$400 million restructuring plan to split MGM/UA late last week sent financier Kirk Kerkorian scrambling for alternatives to sell all or part of the studio.

"MGM/UA and Barris Industries have had extensive discussions and negotiations in an effort to agree on terms and have been unable to reach a mutually acceptable definitive agreement," the involved parties said in a statement on Thursday.

Officials of MGM/UA and Barris Industries, which had proposed acquiring a 25 percent interest in MGM for about \$100 million and managing the split-off production and distribution units as a separate entity, declined to elaborate on reasons for the deal's collapse.

However, sources close to the situation said the acquisition group, led by investor Burt Sugarman and

producers Peter Guber and Jon Peters, took a second look at the deal and decided they weren't getting enough for the money.

Sources said Mr. Kerkorian, the studio's principal shareholder, declined to give up more when asked, and that other details of the proposed deal could not be worked out within a specified timetable.

Also, sources said there was some disagreement over who would exercise full operating control over MGM and whether the unit's TV production operations would pose a major drain on short-term cash flow.

Some Wall Street analysts and other observers had hailed the deal as a way of resuscitating the historic studio while clearing much of the companies' balance sheets.

But others had criticized the proposed spinoff on the basis that the Sugarman group was actually getting little more than MGM's roaring lion logo due to a dearth of suc-

cessful film and TV product. Many analysts were not convinced MGM/UA shareholders were getting enough for their troubles.

In the wake of the collapse, Steve Silbert, MGM/UA chairman and chief executive officer, said: "We are actively engaged in discussions with outside third parties."

Among the interested parties are former UA chief Jerry Weintraub, Sony of Japan, North American Philips and Denver oil man Marvin Davis.

However, many industry analysts last week voiced reservations about the company's ability to attract a viable buyer in the wake of the collapsed restructuring, the recent departure of Chairman Lee Rich, the studio's continuing financial problems and now its uncertain future.

That was compounded late in the week with unconfirmed reports that Alan Ladd Jr., chairman of MGM's production division, was considering resigning. #

Barbara Corday joins CBS

By MARIANNE PASKOWSKI
New York bureau chief

Hollywood veteran Barbara Corday starts work today as CBS's executive vice president of prime-time programs, the No. 2 job in the network's entertainment division.

Ms. Corday, who has been a writer, producer and network executive, most recently was president and chief operating officer of Columbia Embassy Television, a job she left last October.

Ms. Corday's appointment sent signals to the entertainment world that Howard Stringer, the CBS news president who was promoted three weeks ago to president of the CBS/Broadcast Group, is wasting no time in addressing the problems of the entertainment division.

Ms. Corday, who had been in negotiations with HBO, began discussing opportunities at CBS only



BARBARA CORDAY
No. 2 at CBS Entertainment

two weeks ago, she said.

She will step into a position that has been vacant since last No-

vember, when Kim LeMasters, then in charge of prime-time programming, was promoted to the top entertainment post vacated by Bud Grant.

Ms. Corday, who becomes the highest-ranking female executive in network television, will be in charge of current prime-time programs, movies, miniseries and specials, reporting to Mr. LeMasters.

In addition, the 43-year-old executive will head up comedy and drama development from the network's West Coast offices.

Ms. Corday believes her ties to the Hollywood creative community will mesh well with Mr. LeMasters' skills.

"I'm a creature of the creative community," she said. "Writers and producers enjoy working with me because they know I have done what they do. Kim is very good at development and structure and is (Continued on Page 39)

Outlet chief out; dispute resolved

By DIANE MERMIGAS
Senior reporter

The management of Outlet Communications and its Wesray Capital partners last week settled their internal dispute, resulting in the resignation of Outlet Chairman Bruce Sundlun and a proposed \$10 million buyout of his stock.

A settlement agreement between the two parties is expected to restore stability to the Providence, R.I.-based Outlet Communications, which had been threatened by an internal rift over who would buy out the other's interest.

There was widespread speculation the rift would result in the liquidation of the company.

The terms of the settlement, which was announced at

CORRECTIONS

A "Who's News" item on Page 31 of the July 18 issue incorrectly described Brian Banmiller's new position. Mr. Banmiller will be business correspondent for KTVU-TV in San Francisco in addition to continuing as real estate editor for KCBS-AM in San Francisco and as a contributor to CBS Radio.

The format of Samuel Goldwyn Television's new "Body by Jake" was misidentified in a chart on Page 38 of the July 25 issue. It is a half-hour health/fitness strip. #

Affiliates: Strike hurting local ad sales

By ADAM BUCKMAN
Staff reporter

Managers of network affiliate TV stations predict they'll have to revise their revenue projections downward for the end of the year due to the writers' strike.

In recent interviews, managers said uncertainty about the fall season is making it difficult to set local revenue projections for the fourth quarter, and it's also causing confusion among media buyers at local ad agencies.

Despite the fact that the three networks are enjoying brisk prime-time upfront ad sales, breaking last year's \$3.1 billion record, the status of local sales of fall commercial time is

less certain.

Station managers said they expect to lose viewers and revenue as a result of the makeshift prime-time schedules being prepared by the networks for the fall season. They fear that viewers will be driven toward independent TV stations and cable.

"Anything that diminishes the public's thirst for network programming hurts me," said Bob Browning, president and general manager of WHNT-TV, a CBS affiliate in Huntsville, Ala. "(The makeshift schedule) seems to accelerate the disenchantment of consumers with network television and drives them into the arms of the independents and cable."

Ed Quinn, general manager of ABC affiliate

KGTV-TV in San Diego, said, "The question is: Will (local) advertisers spend as much money on prime-time this fall?"

He said he recently met with local media buyers in Los Angeles and found "buyers are in a state of confusion; they're holding off as long as possible."

"We figure our average rate in prime time will be down," added William Service, vice president and general manager of WTVQ-TV, an ABC affiliate in Lexington, Ky.

At WTEN-TV in Albany, N.Y., an ABC affiliate, General Manager Dow Smith said he's concerned about the makeshift network schedules because prime time accounts for 25 percent of his station's annual revenue.

"(The writers' strike) is not going to help our year," he said.

Despite the negative consequences of the strike, some network affiliates appear ready to support the makeshift schedules rather than abandon the networks in favor of off-network shows.

"We will not pre-empt any of the network schedule," said Skip Hinman, general manager of KATU-TV, the ABC affiliate in Portland, Ore.

WTEN's Mr. Smith said: "I'm not sure that (syndicated shows) would be any more effective than anything else."

However, Mr. Service said WTVQ has al-

(Continued on Page 31)

'Molly Dodd' to be revived on Lifetime

By RICHARD TEDESCO
Staff reporter

NEW YORK—Lifetime will revive "The Days and Nights of Molly Dodd" next spring with plans to produce 13 new episodes.

The cable service on Thursday announced an agreement with the show's producer—You & Me, Kid Productions—that includes the 26 shows originally produced for NBC, 13 new episodes and an option for 26 more episodes.

Blair Brown will reprise her performance in the title role, which drew her Emmy nominations last year and this year. Jay Tarses, the series' creator and director, will produce the new episodes.

Lifetime plans to air the show in prime time on Fridays and Saturdays.

"We intend to make 'Molly Dodd' a franchise show," said Thomas Burchill, Lifetime president and chief executive officer.

He said the series would be "the most expensive half-hour we have ever produced."

In its new version, the series will be filmed—not videotaped—just as it was done for NBC by Mr. Tarses, a practice that reportedly made it one of the most expensive network series ever, at about \$550,000 per episode.

Lifetime will be paying as much as NBC for the production, according to Sandy Wernick, president of Brillstein Productions, which is a partner with Mr. Tarses in You & Me, Kid.

He indicated the new episodes will be shot in New York, and Kaufman-Astoria Studios is in the running as its studio location.

"We were on a mission to do the best job we could do," Mr. Wernick said of the original series. "I just think good things shouldn't go away."

NBC canceled the series after it continued to garner low ratings, a move that heightened a public feud between NBC Entertainment President Brandon Tartikoff and Mr. Tarses.

As the Lifetime deal was settled last Thursday, Ms. Brown's Emmy nomination was announced, along with a directing nomination for Mr. Tarses and another for the series' music.

Pat Fili, senior vice president of programming for Lifetime, said the network was negotiating for rights to an original half-hour drama that could be aired in tandem with "Molly Dodd."#



"Dynasty" and "Yogi Bear" could become members of the same team if a proposed Aaron Spelling Productions-Worldvision Enterprises \$82.5 million merger becomes a reality.



Spelling and Worldvision set to merge

By DIANE MERMIGAS
Senior reporter

Last week's proposed \$82.5 million merger of Aaron Spelling Productions and Worldvision Enterprises is expected to have long-term benefits for both the companies and their customers.

For Spelling, company officials said the distribution of their programs by their own unit—which is to be Worldvision—would enable the company to retain 25 percent of most license fees, which currently go to outside distributors.

In turn, that money would be used primarily to underwrite more first-run series and movies for syndication, according to Ronald Lightstone, executive vice president of Spelling Productions.

"This seems a logical fit. Worldvision is a distribution company that needs product, and Spelling is a production company that needs distribution," Mr. Lightstone said.

"The merger gives both the companies the ability to go and be a more major force in the industry."

Officials of Great American Broadcasting, owners of Worldvision, said the transaction assures their distribution arm fresh product to sell, even though Spelling's latest series, "HeartBeat" and "Angels '88," will not be available for domestic syndication for three to four years.

However, Worldvision stands to gain revenues sooner from the immediate foreign syndication of such programs, according to Charles Mechem, president of Cincinnati-based Great American Communications, formerly Taft Broadcasting.

Spelling, which has not performed well on Wall Street since being introduced as a high-priced public issue several years ago, has been searching for a distribution partner for months.

The close friendship of Mr. Spelling and Carl Lindner, the majority owner of Great American, was said to have paved the way for the deal.

Some Wall Street analysts expressed uncertainty about the value of the proposed deal because Spelling, in their opinion, has been a declining prime-time TV force.

(Continued on Page 31)



TOM ROGERS
President of NBC Cable division

NBC names leaders of new cable units

By JANET STILSON
Staff reporter

NEW YORK—Tom Rogers, an architect of NBC's new cable channel, last week was named president of the newly formed NBC Cable division.

In addition, Michael Eskridge, who has been executive vice president of NBC's Summer Olympics unit since 1985, was appointed president of the channel, dubbed CNBC—the Consumer News and Business Channel.

Mr. Rogers says more appointments at CNBC, which will make its debut early next year, will be announced at this week's Cable Television Administration and Marketing Society conference in Boston.

The top priority, he says, is choosing an executive to run affiliate relations for the cable channel.

In his discussions with cable operators about the new channel, Mr. Rogers has usually been accompanied by two other NBC executives: Caroline Vanderlip, NBC business development consultant, and Jo Moring-Verne, vice president of affiliate news services.

NBC President Robert Wright has also participated in talks with system operators.

In addition to CNBC, Mr. Rogers will oversee NBC's interest in the Arts & Entertainment Network and the Interactive Games Network, an experimental venture with cable companies and investors that is developing an interactive TV sys-

tem.

He also will continue developing other businesses for NBC.

"The possibility for an international business news channel does not escape us," he said.

Mr. Eskridge will continue his involvement in plans for broadcasting the upcoming Summer Olympics.

However, Mr. Rogers said "much of the hardest work" concerning the Olympic Games is behind him.

Prior to heading the Summer Olympic Games effort, Mr. Eskridge served as president of NBC Radio.

He also served as executive vice president of the network's television stations division.#

Cable earns 15 nominations in its first Emmy competition

By WILLIAM MAHONEY
Staff reporter

LOS ANGELES—Several first-year series made out well when the prime-time Emmy Award nominations were handed out, and cable, included for the first time, earned 15 of the 337 nods.

Char Beales, executive director of the National Academy of Cable Programming, said she was surprised more of cable's music and variety shows didn't get nominated, but thought cable fared decently when the nominations were announced by the Academy of Television Arts & Sciences here last Thursday.

"The number of nominations roughly matched the ratio of cable entries," she said, pointing out that there were about 331 cable entries out of the total of about 5,000.

NBC led the pack once again with 114 nominations, while CBS charged into the second-place position with 87, beating out ABC's 75. ABC and CBS had tied with 75 each last year.

Four cable services were included in the nominations: HBO and Showtime each earned six nods, The Disney Channel brought home two and Turner Broadcasting System earned one.

While Showtime's "It's Garry Shandling's Show" earned a total of four nominations in the writing, directing and guest performer categories, it failed to get a bid in the outstanding comedy series category as some had expected.

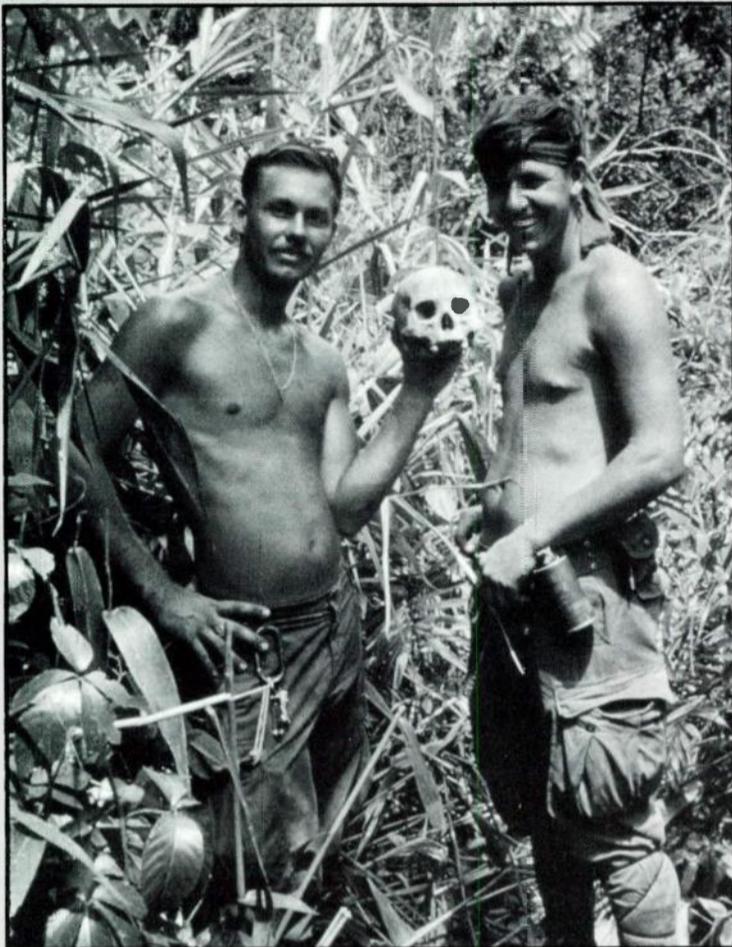
Other cable shows nominated include TBS's "Portrait of America" and HBO's "Dear America: Letters Home From Vietnam."

Meanwhile, syndicated series earned 13 nominations this year, up from seven last year, mainly due to Paramount Television's newcomer "Star Trek: The Next Generation," which earned seven of the nominations.

PBS got 27 nominations, two more than last year, and Fox Broadcasting Co. shows earned six nods, one more than last year. Five of FBC's nominations went to "The Tracey Ullman Show" and one to "Married... With Children."

Overall, 10 more nominations were handed out this year.

While "L.A. Law" was once again the leader with 19 nominations, CBS newcomer "Beauty and the Beast" tied with NBC's "The



"Dear America: Letters Home From Vietnam" on HBO has been nominated for two Emmy Awards.

Golden Girls" with 12 nominations each, followed by 11 for "Cheers."

"It's very meaningful to us," commented Paul Witt, one of the executive producers of "Beauty and the Beast," which has also earned critical acclaim but only marginal ratings. "We saw that happen with 'St. Elsewhere' and we saw that happen with 'Hill Street Blues.' But nominations are great ratings builders."

Two new network series also followed "Cheers." ABC's "thirtysomething" received 10 nominations, and CBS's "Frank's Place," which is not on the network's fall schedule, earned nine. The show may return at midseason.

"Frank's Place" was one of the darlings of the TV critics last season, along with three other so-called "dramedies." But surprisingly, ABC's "Hooperman," which

was the highest rated of the four, earned only two nominations, as did ABC's canceled "The 'Slap' Maxwell Story." NBC's canceled "The Days and Nights of Molly Dodd" earned three nominations.

Meanwhile, ABC's "Moonlighting," which tied for second with 14 nominations last year and went on to win its first four Emmys, brought home six nominations this time around.

ABC's midseason replacement series, "The Wonder Years," earned two nominations, including one in the outstanding comedy series category, which last year was dominated by five NBC series.

This year, "Frank's Place" also broke into that category. The two new series will compete with the category's two-year champ, NBC's "The Golden Girls," and "Cheers" and "Night Court."#

Fox remains committed to Saturday night

By WILLIAM MAHONEY
Staff reporter

LOS ANGELES—Fox Broadcasting Co. officials say they're optimistic they can turn their Saturday night schedule around, and that they have no plans to stop airing series that night.

FBC President Jamie Kellner told TV critics at the consumer press tour here on July 26 that FBC is confident that it can duplicate its Sunday night success with Saturday-night series.

But some affiliates say FBC should persuade Fox Chairman Barry Diller to unleash some big titles and program movies instead of series on Saturdays.

FBC, which hasn't caught fire with sitcoms, dramas or game shows on Saturday so far, is now focusing on reality-based series.

"The Reporters," an hour-long news magazine from the producers of "A Current Affair," was set to premiere at 8 p.m. last Saturday. It will be joined at 9 p.m. on Sept. 10 by "Beyond Tomorrow," a series on technology and science.

On the affiliation front, Fox announced it has added coverage in two additional markets, on Pappas Telecasting Co.'s KMPH-TV in Fresno, Calif., and KPTM-TV in

Omaha, Neb., both UHF stations.

A third Pappas UHF station, WHNS-TV, will take over the affiliation in Greenville, S.C. WAXA-TV, which has been the FBC affiliate there, was underdelivering in that market, Mr. Kellner said.

Harry Pappas, president of Pappas Telecasting, told the TV critics gathered at the session that joining the Fox fold is not for the "faint of heart" or for a station that wants to be a "sunshine friend." His agreements with Fox are for two years.

As previously reported, the FBC affiliation in Tampa will change from WTOG-TV to WFTS-TV next week.

FBC is also expecting to sign new affiliation agreements with UHF stations KITN-TV in Minneapolis and KPDX-TV in Portland, Ore. The two current FBC stations in those markets, Minneapolis' KMSP-TV and Portland's KPTV-TV, both VHF's, will cease affiliation with FBC at the end of the month, as previously reported.

Meanwhile, FBC Entertainment President Garth Ancier detailed two projects in development: the game show "King of the Mountain" and a pilot titled "Cops," which follows the actions of five real police officers in Broward County, Fla.#

Syndication and cable tours a hit with critics

By WILLIAM MAHONEY
Staff reporter

LOS ANGELES—Perhaps because of the writers' strike, the syndication and cable TV portions of the annual summer consumer press tour were unusually popular events this year.

Nearly 70 TV critics from around the country attended the third Synditel on July 25, which featured new first-run syndicated fare and was used to kick off the press tour at the Registry Hotel in Universal City.

Two days later, 119 critics were in attendance at the beginning of the National Cable Forum—that industry's three-day event—and organizers said they expected as many as 24

more critics to show up by the time the event wrapped up Friday night.

"I think everybody did better than last year," said a spokeswoman for one service, "because the critics don't have much else to do because of the writers' strike."

One of the highlights of the cable event was an address by Ted Turner on July 27, which sparked debate about the colorization of black-and-white movies. The question-and-answer session was preceded by a preview of some colorized scenes of "Casablanca."

"I ordered that footage shown," Mr. Turner said as he stepped up to the podium, "because I didn't want
(Continued on Page 39)

Redstone: Viacom close to selling stake in Showtime

By DIANE MERMIGAS
Senior reporter

Viacom Chairman Sumner Redstone last week confirmed the company is close to completing a refinancing plan that includes the sale of two cable systems and a 5 percent interest in Showtime/The Movie Channel.

Those sales are part of a \$1 billion refinancing plan that, if successful, could reduce Viacom's \$2.4 billion debt to below \$1 billion by early next year—well beyond initial expectations, Mr. Redstone said in an interview last week.

High-level sources said the company is close to selling a 5 percent interest in Showtime/TMC, which recently became a more profitable enterprise, to an unidentified multiple cable system operator for an estimated \$25 million.

Mr. Redstone confirmed that conversations are continuing with MSOs and major production companies which, in separate agreements, could

collectively buy up just under 50 percent of the service, worth about \$250 million.

"It's more a question of price than anything else right now," added Frank Biondi, Viacom's chief executive officer.

"We still consider the sale of minority interests in Showtime/The Movie Channel an option. If we can do it, fine.

"But it is not a necessary part of the refinancing plan."

In recent months, a sale of an interest in the cable service to Tele-Communications Inc. or another MSO has been reported to be close, only to result in no announcement.

Viacom held a board meeting late last week, but no announcements regarding asset sales had been made at press time.

Viacom's Cleveland and Long Island cable systems, which together represent about 20 percent of the company's overall subscriber base, are expected to sell for between \$540 million and \$560

million.

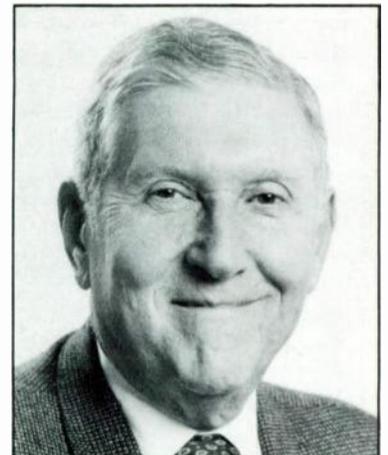
Industry sources have said Cablevision is the likely buyer, though neither Cablevision nor Viacom have confirmed that a deal between the two is in the works.

Viacom's planned asset sales—which also include the expected sale of WVIT-TV, its Hartford, Conn., station, for more than \$80 million—are expected to generate in excess of \$650 million.

However, Mr. Redstone last week was adamant about halting the sale of more company assets.

"We don't enjoy selling anything," Mr. Redstone said. "But there are targeted assets for which we expect people will pay such high multiples of cash flow, and for which we will have to sacrifice only \$20 million or \$30 million of pre-capital expenditure cash flow, (so) that it makes sense."

The company also recently boosted its offering of \$300 million in senior subordinated notes to \$500 million.#



SUMNER REDSTONE
Trying to reduce \$2.4 billion debt



HE MAY NOT BE AN ANGEL BUT HE'S A HELLUVA STAR.

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Amen

It's The Last Word.

Produced by
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Source: NTI Seasonal averages 1986-87 and 1987-88. Performer Q.

No Mickey Mouse effort

Right now, the big new studio facilities built by Disney and Universal in Florida don't look like much of a threat to Hollywood.

But then, Hollywood itself was just open farmland when the first film pioneers moved out there in the early years of the 20th century. Now the production capital of the world is clogged with traffic and smog, and producers fight never-ending battles with some of the most entrenched unions in America.

Cases of runaway production are now common, with new mini-centers springing up virtually overnight in Toronto, Vancouver, Chicago and, perhaps most tellingly for the future, in central Florida.

There can be no question that Disney and Universal are serious in their attempt to establish a major new beachhead in Orlando.

They may have used their theme parks as a springboard to establish their East Coast soundstages, but the extent of their investment—many hundreds of millions of dollars—goes far beyond just building another tourist attraction.

For producers, the appeal of Florida as an alternative to Los Angeles is obvious. It's a right-to-work state with a history of minimal union activity; there is no personal income tax and the state offers film

makers a variety of business tax breaks; and the weather is generally warm, sunny and smogless.

Skeptics are right to point out that two key ingredients of big-time production are missing: investment capital and a broad talent pool of actors, writers and craft technicians.

It seems to us that time will take care of both problems. Once Disney and Universal show that producers can indeed save money using their central Florida facilities, the smart investors will be there to make more money.

Ditto for the talent; that will always flow to where the work is. Florida universities are already gearing up to train actors, technicians and the like, and there's no reason they can't ultimately be as successful in this as UCLA and USC.

None of this will happen overnight, of course, nor is there any reason to think that Hollywood will ever be anything less than production's top dog.

But given enough time and support, it seems likely to us that Florida will become a near-equal with Los Angeles and New York, and that's good news for independent producers who have neither the money nor the patience to deal with the built-in hassles of those two cities. #

LETTERS TO THE EDITOR

Sometimes we PR people have to call

As a public relations professional who has worked with the editorial staff of ELECTRONIC MEDIA since its inception, I can attest to the effectiveness of follow-up phone calls made on a selective basis and to the appropriate person (July 4, "Solving a public relations problem," Page 10).

Moreover, I make those calls not because my clients demand it (they don't), but so that legitimate news gets reported.

As you note, your reporters are deluged with news releases.

Consequently, legitimate news does get by them on occasion.

Many times when I make a follow-up phone call, the reporter will ask me to re-send a particular news release, often by messenger or overnight mail. A second, closer reading of the news release has always resulted in a story.

It also may interest you to learn that phone calls are not made on a one-way basis. I have spent many hours on the phone with reporters from EM and other publications who have called me for background or technical information about a subject. I take the time to provide this information even though none of my clients may be mentioned in the story.

On no occasion has an EM reporter ever expressed the slightest irritation upon receiving a follow-up phone call from me. They recognize, as I do, that news is unco-

vered and reported most accurately when journalists and public relations professionals work together—even if that means picking up the telephone now and then.

Ruth Macy
president
Tele Words
Santa Monica, Calif.

WBBM not first with female director

I read with sadness in the July 11 issue of ELECTRONIC MEDIA (Page 37) of the passing of Ron Kershaw, news director for WBBM-TV.

The article stated that Colleen Dudgeon, interim news director during Ron's illness, was expected to be named the permanent news director for WBBM-TV.

The article went on to state that she would become the first female news director of a network-owned-and-operated television station.

For the record, Kristin Ostrowski was news director here at WKYC-TV in Cleveland, an NBC-owned station, from August 1981 to September 1984. She is currently in news management at WRC-TV in Washington.

John Llewellyn
vice president and
general manager
WKYC-TV
Cleveland

Independents show more than movies

Thanks for last week's lead story (July 25, Page 1) acknowledging that America's independent television stations had clobbered the networks during the week of the Democratic National Convention.

However, contrary to your story, our winning programing generally consisted of more than "movies and reruns."

Independent prime-time programing also includes local programing, first-run syndicated programing and news. In fact, many independents provided locally oriented coverage of Democratic Convention events that viewers apparently found more relevant than listening to network commentators interview each other.

Preston Padden
president
Association of Independent
Television Stations

Write us

ELECTRONIC MEDIA welcomes letters to the editor. If you want to speak out, write to Viewpoint, ELECTRONIC MEDIA, 740 Rush St., Chicago, Ill. 60611. All letters are subject to publication provided they are signed and neither defame nor libel individuals or organizations. #

QUICK TAKES

How do you think the writers' strike will affect your station?



William Dilday Jr.
executive vice president and general manager
WJTV-TV
(CBS)
Jackson, Miss.

"In terms of local advertising, I don't think the strike will have a profound effect. Advertisers buy according to their needs at the time. The strike may hurt in terms of viewers going to cable and home video. But I also think viewers will come back when the new season starts."



Michael Corken
vice president and general manager
WTHR-TV
(NBC)
Indianapolis

"Having the Olympics, there are lots of opportunities to make money, and it's a great promotional vehicle. But we will be hurt by having to promote programs that won't have long-term possibilities. We're in a marvelous position, but we can't promote the product that we really want."



Carolyn Wall
vice president and general manager
WNYW-TV
(Fox)
New York

"The effect on us is negligible. Our emphasis is on local reality- and information-based programing that needs to be fresh every day and isn't affected by the strike. It may have a beneficial effect, in terms of bringing new viewers. But there are a few Fox shows that will be affected."

Electronic Media

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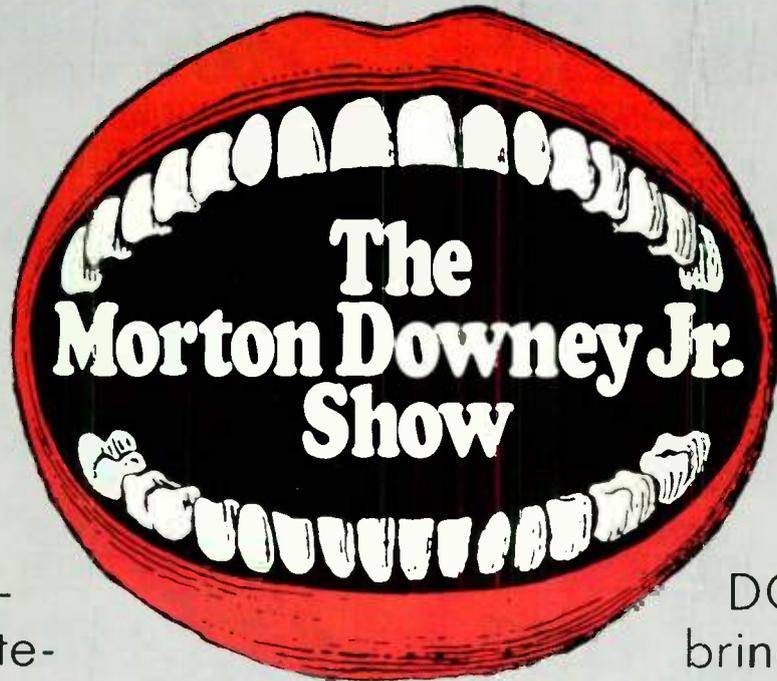
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"We needed a break-through program for late-night—compelling, provocative television. THE MORTON DOWNEY JR. SHOW is just that. It separates our station from the rest, in the most competitive market in the country."

**Robert Kunath V.P., G.M. WWOR-TV
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"Since THE MORTON DOWNEY JR. SHOW went on the air, there's been an incredible snowball effect of ratings and press for the station. The fact is that at times we've been the top-rated station in prime time, proving that audiences are looking for alternatives."

***Daniel J. Berkery President &
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**Al DeVaney Sr. V.P.,
G.M. WPWR-TV
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"THE MORTON DOWNEY JR. SHOW is bringing us a tremendous amount of press attention and giving us extraordinary visibility—not to mention doubling the time period rating and share."

**Don Corsini Program Director
KABC-TV Los Angeles**

"THE MORTON DOWNEY JR. SHOW has been very successful for KABC-TV in the Midnight time period, even occasionally exceeding our own rating expectations by scoring 20 shares."

**Karen Corbin Programming &
Marketing Manager WPHL-TV
Philadelphia**

"THE MORTON DOWNEY JR. SHOW was the easiest marketing situation we ever had to deal with, the numbers were there from day one, when it doubled the time period rating and more."

Produced by

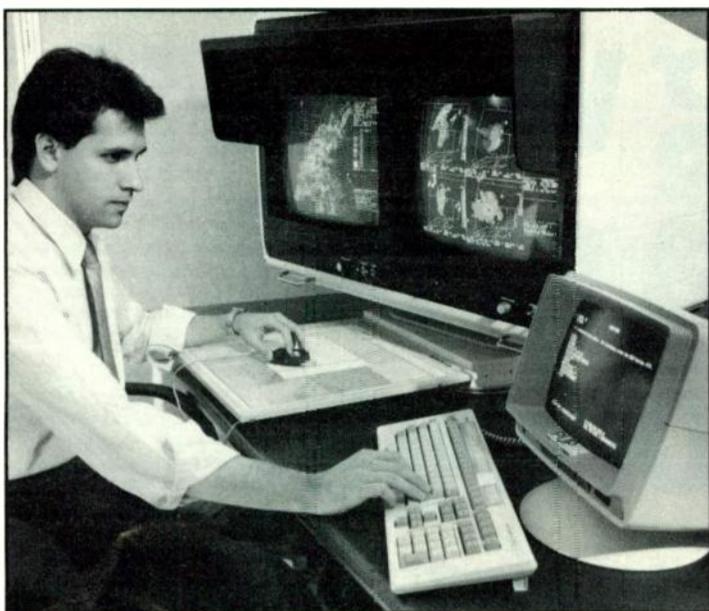


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The NEXRAD system includes twin color CRT displays, a graphic tablet and "mouse," and a monochrome terminal and keyboard.

New radar tracks storms more closely

One technological development that can improve weather forecasting is the National Weather Service's new radar, which enables it to track severe storms much more closely.

It's called NEXRAD—Next Generation Weather Radar.

NEXRAD gives advance warning of severe weather such as thunderstorms or tornadoes by showing strong circulations within the storm before they actually manifest themselves, says Don Sarreals, chief of operations and training for NEXRAD.

"It's a new, fully automated Doppler weather radar capable of analyzing frequent shifts caused by particle movements in the air," Mr. Sarreals says.

"Any moving object that intercepts the radar beam, we can estimate or measure the speed of that object," he says. "In the case of a rainstorm, in which the particles are moving with the speed of the wind, we can get a measure of wind speed and direction within the range of the radar."

With previous radar systems, forecasters could only measure the intensity of rainfall.

Now that they can measure both wind circulation and rainfall intensity, Mr. Sarreals says, they can get a better measure of the true severity of storms.

However, "it's not going to be a panacea," says Dr. Joel Myers, president of Accu-Weather.

"The main effect will be in the very short term," Dr. Myers says. "The benefit will be in forecasts 30 to 40 minutes ahead. The greatest effect will be on TV graphics and presenting more detail."

The departments of Defense, Transportation and Commerce, which are jointly buying the NEXRAD radars for the National Weather Service, have a \$420 million contract with Unisys Corp. to buy 175 new radars.

The entire country will benefit from the new radar, Mr. Sarreals says.

"It will be used to protect lives and property, it protects air space, and it serves the national defense by protecting installations and military aircraft," he said. #

—Kathy Dzatko

The weatherman

Accu-Weather founder turns hobby into nationwide forecasting business

By KATHY DZATKO
ELECTRONIC MEDIA staff

How many kids do you know who keep a weather diary?

Joel Myers did, and look where it got him: He's president and founder of Accu-Weather, a major commercial weather forecasting and data company that serves about 125 radio stations and more than 150 TV stations.

While Dr. Myers' interest began with that weather diary at age 7, he didn't start actually forecasting until he became a student at Penn State University in State College, Pa., where Accu-Weather is still based.

He eventually earned bachelor's, master's and doctorate degrees in meteorology from Penn State and started the company that would become Accu-Weather.

For the first 10 years, the company was just a consulting business during the winter for clients such as ski areas and the gas company.

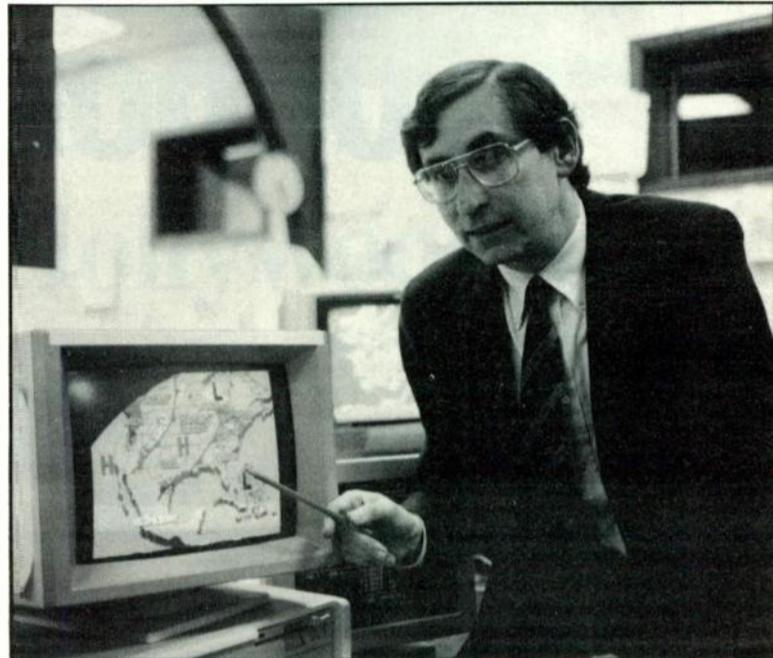
"In 1971, we started working for radio and TV stations," Dr. Myers said, "and that's when we first started using the name Accu-Weather."

Accu-Weather now has a staff of 170 that includes more than 50 meteorologists, and the company offers far more than forecasts.

Among its other products are Accu-Graphics, a line of satellite, radar and weather graphics; Accu-Data, a computer database including data from the National Weather Service, the Federal Aviation Administration, military services, ships at sea and foreign nations; and satellite delivery of weather data circuits.

And it serves a lot more than radio and TV stations. Other clients range from newspapers and utility companies to port authorities and commodity and futures dealers.

Accu-Weather receives information via high-speed data lines from all civilian and military surface and upper air reporting stations in



Dr. Joel Myers at Accu-Weather's headquarters in State College, Pa.

North America and around the world.

It also receives facsimile and teletype output from the National Weather Service Computer Center; all government weather bulletins, advisories and forecasts; radar reports; and satellite pictures from the National Satellite Center.

And this summer's drought has meant more clients and more work for Accu-Weather. "Stations want more Q & A's, more information," Dr. Myers says. "We're doing five extra graphics per day for TV stations, and we do special (custom) graphics for some stations."

Dr. Myers has seen a lot of changes in his years in the weather business, but the most dramatic technologically has been the progress of computer forecast models.

"There really was little guidance beyond 36 hours when I started," he says. "Now computer models pro-

vide some accuracy five days (in advance) and beyond."

Originally, Dr. Myers says, he didn't even know for sure if there would be a market for a service such as Accu-Weather, but he had a feeling he could save businesses money by offering more accurate forecasts.

As for selling his service to broadcasters, he says, "I knew there was great interest on the part of the public about weather, but many stations didn't think people really cared."

Dr. Myers believed they really did care, and that accurate forecasts could affect a station's ratings. "Then we proved it with a number of stations," he said. "Of the first six radio and TV stations we went to work for, five are still clients."

"We revolutionized the jargon used in forecasting," Dr. Myers says. "We tried to break out of the shackles of jargon to describe in English

(Continued on Page 35)

Interactive network will give fans a chance to call the shots

By RICHARD TEDESCO
Staff reporter

NEW YORK—It won't be long before sports fans watching their favorite teams can be real armchair quarterbacks calling the plays.

In fact, if the Interactive Game Network's plan goes according to schedule, a system for making interactive play predictions will be in place by the 1989 baseball season.

According to David Lockton, president and chief executive officer of Interactive Game Network, the network will enable viewers to participate in game shows as well. "This is a fundamental revolution in television viewership," Mr. Lockton says.

Initially the system will be activated by a hand-held keypad that will be sold in consumer electronics stores for \$300 to \$350.

The keypad, which will operate on FM frequencies or through cable systems, would automatically make the viewer's play pick during a football game or give the answer to a game-show question through the telephone system at a charge of 50 cents.

That would make it possible for home viewers to actually compete against one another and win prizes.

"We process the data in a batch mode and determine

who won," Mr. Lockton explains.

As early as 1990, TV sets from major manufacturers, including Zenith, Sony and Panasonic, will come equipped with these controllers, he says.

IGN is negotiating with several major-league sports to develop games. It wants to design formats for baseball, football, hockey, golf and auto racing. Through NBC, one of its primary investors, IGN has made contact with Major League Baseball, the National Football League, ESPN, Viewer's Choice, USA Network, Think Entertainment, Lucas Films, Interactive Productions and NTN Inc. about programming deals.

NTN is the producer of QB1, an interactive pro football game currently in use in bars.

"Sports fans are a big market," Mr. Lockton says. "They're competitive, they're not passive. They yell and scream."

He estimates the potential market for what will initially be a subscription service at 30 million households, with an initial annual take at \$3 billion to \$4 billion for the consumer electronics and telephone industries.

Companies investing in the project include NBC, United Cable Television Corp., United Artists Communications, Le Groupe Videotron, Paul Kagan Venture Fund and General Electronics Ltd., which will manufacture the keypad devices in Hong Kong. #

Telephone company to demonstrate HDTV

Southwestern Bell Telephone is planning a high-definition TV transmission Thursday of a portion of that day's St. Louis Cardinals-Philadelphia Phillies game. The two-hour demonstration, at the Fox Theatre in St. Louis, will be shown to business customers interested in the phone company's HDTV network. The game will be transmitted via fiber-optic cable.

Zenith Electronics Corp. has reported second-quarter losses of \$12.1 million on net sales of \$589.3 million, compared to net income of \$300,000 on \$538.5 million in net sales for the second quarter last year. Improved computer product sales were offset by increased costs for product development and distribution in the quarter. Zenith recorded

TECHNOLOGY BRIEFS

losses of \$11.7 million for the first six months of 1988, compared to a \$1.3 million gain during the same period last year.

The owner of Videosonics video store in Hudson, Fla., has been ordered to pay \$25,000 in restitution to the Motion Picture Association of America and has been sentenced to five years probation in federal District Court for the middle district of Florida. The Videosonics owner Peter Antonino pleaded guilty to copyright infringement after a fall raid by the FBI and the Pasco County Sheriff's Office uncovered 629 illegally copied videocassettes at his store and another location. #

SALLY SIZZLES!



Daytime's First Lady.

| <u>TIME PERIOD RANK</u> | <u>MARKET</u> | <u>STATION</u> | <u>RTG</u> | <u>SH</u> |
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| #1 | New York | WABC-TV | 6 | 26 |
| #1 | Philadelphia | WPVI-TV | 6 | 27 |
| #1 | Boston | WCVB-TV | 5 | 27 |
| #1 | Detroit | WXYZ-TV | 7 | 27 |
| #1 | Miami | WPLG-TV | 6 | 26 |
| #1 | Phoenix | KTVK-TV | 6 | 35 |
| #1 | Baltimore | WMAR-TV | 6 | 35 |
| #1 | Hartford | WTNH-TV | 5 | 25 |
| #1 | Kansas City | KMBC-TV | 6 | 30 |
| #1 | Cincinnati | WLWT-TV | 6 | 37 |
| #1 | Columbus OH | WCMH-TV | 7 | 43 |
| #1 | Raleigh | WTVD-TV | 8 | 43 |
| #1 | Grand Rapids | WWMT-TV | 5 | 25 |
| #1 | Buffalo | WIVB-TV | 6 | 30 |
| #1 | Providence | WJAR-TV | 9 | 37 |
| #1 | Norfolk | WTKR-TV | 7 | 34 |
| #1 | Wilkes-Barre | WBRE-TV | 5 | 24 |
| #1 | Dayton | WDTN-TV | 6 | 31 |

Source: NSI May 1988.

Sally Jessy Raphael

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Available for Fall, 1990 or 1991.

THE GOLDEN GIRLS



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Buena Vista
Television

Stringer brings people skills to new role

When he begins his new job as head of the CBS/Broadcast Group today, Howard Stringer is expected to bring plenty of charm, poise and eloquence to the job.

What he's not expected to do is make radical changes—at least not at first.

Mr. Stringer was on vacation last week and not available for comment, but sources who know him say they expect the biggest change will be the difference in personalities between Mr. Stringer and his longtime predecessor, Gene Jankowski.



BUSINESS BEAT

Diane Mermigas

They say Mr. Stringer's most significant contribution may come in an intangible form, including the way he handles people and problems and the general tone he sets for doing business.

"I don't think you can find a better businessman than Larry Tisch," said former CBS Entertainment President B. Donald Grant, now an independent producer in partnership with Tribune Co.

"I think it was a stroke of brilliance to bring Howard into the job, not as much for his business skills, but for what he can do with people and creativity. He has a good, instinctive feel for what television is all about, and he seems to genuinely like the medium."

The Welsh-born, Oxford-bred executive, who has been president of CBS News the past two of his 23 years with the division, has plenty of hands-on production experience. At various times he has been the supervisor of the "CBS Reports" documentaries, "The CBS Evening News" and news specials such as "48 Hours on Crack Street."

Mr. Stringer also participated in the screening and selection of CBS's new fall schedule, a move which helped keep CBS News' "West 57th" and "48 Hours" on the air despite their low ratings.

Already Mr. Stringer, in tandem with CBS Entertainment President Kim LeMasters, has moved to strengthen CBS's West Coast creative ranks. The pair negotiated last week to hire Columbia/Embassy Television President Barbara Corday for the division's No. 2 post.

Perhaps Mr. Stringer's main objective in the short run will be to establish friendlier ties with Hollywood's best and brightest producers.

"Howard will make it known, just as Grant Tinker did as chairman of NBC, that the network is a great place to work and be respected," said one prominent Hollywood producer who concedes that CBS has become a more "inviting place" to work under Mr. LeMasters' leadership.

Mr. Stringer also has the support of many CBS affiliates, who say they have been impressed with his ability to perform diplomatically and effectively under pressure, while reversing the news division's deteriorating morale and ratings.

Sources point out he will not have to begin his new job by carrying out dramatic cost-cutting and layoffs, as he did when he became CBS News president.

"I see him trying to control costs, which has become a way of life for all of us. But I don't think any major layoffs are anticipated," one source said.

Two waves of early retirement and continuous cost reductions in the broadcast group during the two-year reign of CBS President Laurence Tisch have already streamlined the entertainment, sales, sports, station and administrative operations Mr. Stringer will oversee.

Still, further changes in administrative areas, particularly in press relations, are expected in the coming months.

A recent reorganization of top broadcast group management has left in place an old guard of senior CBS executives—among them Thomas Leahy, Neal Pilson, Anthony Malara and Eric Ober—with whom Mr. Stringer feels most comfortable.

Mr. Pilson, who did not return telephone calls last week, also had been mentioned as a candidate to succeed Gene Jankowski, who served 11 years in the job Mr. Stringer now holds. Mr. Jankowski will now function as an advising broadcast group chairman.

"I think the basic structure of the broadcast group is strong and is in place," Mr. Stringer told ELECTRONIC MEDIA after his promotion was announced.

"All I want to do coming into this new job is to give everyone the sense that creative freedom can flourish and can be stimulated.

"As the president of CBS News, I have given creative people support and have understood the collaborative process. Those are the same two fundamentals essential to this new job."#

Cap Cities/ABC reports 14 percent profit increase

By DIANE MERMIGAS
Senior reporter

A lower tax rate contributed to a 14 percent increase in net income for Capital Cities/ABC in the second quarter, while lackluster ad sales resulted in a 3 percent rise in revenues.

Net income rose to \$113.9 million, or \$6.78 a share, from \$99.7 million, or \$5.88 a share, in the second quarter of 1987. The company's tax rate fell to 45 percent from 53 percent a year earlier.

Revenue grew to \$1.16 billion from \$1.13 billion. Operating profit, before taxes and interest, declined 4 percent to \$244.7 million.

The company's broadcasting and publishing operations reported 2 percent and 20 percent declines in operating profits for the quarter, respectively.

Wall Street analysts said the company's second-quarter results were surprisingly weak after a string of healthy quarterly increases.

The latest quarterly results also mark the slowing of artificial boosting that the company has been getting from accounting adjustments as the result of its 1986 merger.

Such adjustments tend to inflate profits without the benefit of increased revenues.

The \$6.78 a share earnings in the second quarter included 55 cents, or about \$16 million, from such purchase price accounting adjustments compared to 65 cents a year ago.

The normally conservative company stated it has seen no improvement in a sluggish advertising marketplace, which caused pretax profits in the second

quarter to decline 20 percent in its publishing group, contributed to the lowest revenue growth in two years at its eight TV stations and depressed profits at the ABC Television Network.

Cap Cities/ABC officials said the outlook is mixed for the rest of the year because of the ongoing writers' strike, the delayed start of the fall prime-time season and the uncertainty of the scatter market.

In the first six months of 1988, Cap Cities/ABC reported a 49 percent increase in net income to \$184.2 million, or \$10.93 a share, from \$123.7 million, or \$7.35 a share, a year earlier. Revenues rose 17 percent to \$2.45 billion.

However, much of the growth in first-half profit also resulted from accounting adjustments, which accounted for nearly \$4 of the \$10.93 a share gain.#

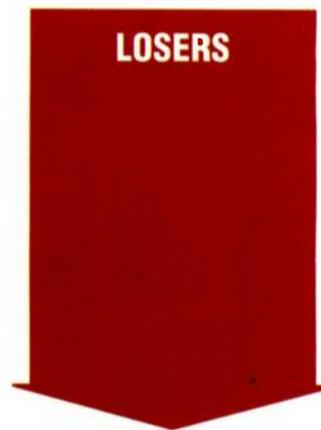
ELECTRONIC MEDIA stock index results for the week ended July 22



Turner Broadcasting
Jones Intercable
Viacom
King World
Multimedia

| | July 15 | July 22 | Change |
|---------------------|---------|---------|--------|
| Turner Broadcasting | \$15.13 | \$15.75 | 4.10% |
| Jones Intercable | \$12.25 | \$12.75 | 4.08% |
| Viacom | \$28.00 | \$28.75 | 2.68% |
| King World | \$20.00 | \$20.50 | 2.50% |
| Multimedia | \$72.00 | \$73.25 | 1.74% |

| | July 15 | July 22 | Change |
|------------------|----------|----------|--------|
| Time Inc. | \$97.63 | \$96.88 | -0.77% |
| Disney | \$61.88 | \$61.13 | -1.21% |
| Cap Cities/ABC | \$318.00 | \$313.88 | -1.30% |
| United Cable | \$34.00 | \$33.50 | -1.47% |
| Gannett | \$32.00 | \$31.50 | -1.56% |
| Scrrips Howard | \$85.00 | \$83.50 | -1.76% |
| Home Shopping | \$4.75 | \$4.63 | -2.53% |
| A.H. Belo | \$29.25 | \$28.50 | -2.56% |
| CBS | \$158.88 | \$154.50 | -2.76% |
| Comcast | \$17.75 | \$17.25 | -2.82% |
| Tribune Co. | \$37.63 | \$36.50 | -3.00% |
| Coca-Cola | \$38.25 | \$36.88 | -3.58% |
| TCI | \$25.75 | \$24.75 | -3.88% |
| Cablevision | \$38.00 | \$36.25 | -4.61% |
| Gulf & Western | \$43.88 | \$41.75 | -4.85% |
| General Electric | \$43.75 | \$41.25 | -5.71% |



UNCHANGED

| | |
|----------------------|---------|
| Lorimar Telepictures | \$13.50 |
| MCA | \$41.38 |

Source: Nordby International

Multimedia profits up in 2nd quarter

Greenville, S.C.-based **Multimedia Inc.** reported second-quarter net income increased 95 percent to \$8.2 million, or 67 cents per share, compared to \$4.2 million, or 35 cents per share, a year earlier. Revenues for the quarter increased 7 percent to \$114.3 million from \$107.3 million. Net income included an after-tax gain of \$1.7 million from the sale of stock of Reel Broadcasting Co. and the stock of Multimedia Entertainment Co. of Tennessee. Multimedia owns four TV stations, seven radio stations and 100 cable franchises.

Universal City, Calif.-based **MCA Inc.** reported a 79 percent drop in second-quarter net income to \$8.1 million, or 11 cents per share, from \$39.3 million, or 52 cents per share, a year earlier. Revenues for the quarter rose 5 percent to \$643.6 million from \$611.4 million. Operating profit for the company's filmed entertainment group (including movies, TV and home video) rose to \$54.4 million from \$45.7 million.

CRB Broadcasting of North Carolina has agreed to sell oldies station WAES-AM and contemporary hit WROQ-FM, both in Charlotte, N.C., to Tampa, Fla.-

BUSINESS BRIEFS

based **Adams Communications** for \$11.5 million, pending FCC approval.

Oak Brook, Ill.-based **Centel Cable Television** reported second-quarter net income of \$2.1 million, compared to an \$85,000 loss a year earlier. Revenues for the quarter ended June 30 were \$37.8 million, a 17 percent increase from \$32.2 million a year earlier.

The Providence Journal Co. acquired NBC affiliate **WPCQ-TV**, Charlotte, N.C., from Odyssey Partners. Financial details were not disclosed, but the cash transaction was valued by sources at about \$35 million. Odyssey bought the station several years ago from Group W for about \$25 million. WPCQ is the only network-affiliated UHF station in the market.

A New York state judge has dismissed CBS Inc.'s \$40 million lawsuit against Ziff-Davis Publishing Co. on the basis that there's no validity to CBS's claim that it was misled when it acquired the company. CBS, which sold Ziff-Davis

for a hefty profit last year, said it will appeal. CBS contended Ziff-Davis overstated the profits of several of the magazines it acquired, which inflated the acquisition price.

Miami-based **Knight-Ridder's** second-quarter net income rose nearly 5 percent to \$45 million, or 78 cents a share, from \$43 million, or 73 cents a share, a year earlier. The communications company said a tax cut, cost controls and the buyback of 2 million shares contributed to improved net income. Revenues for the quarter rose 3 percent to \$544.6 million from \$526.9 million a year earlier. For the first six months of 1988, Knight-Ridder reported a 10 percent increase in net income to \$78.8 million. Revenues rose 4 percent to \$1.06 billion.

Turner Broadcasting System's CNN sales force has launched what could be an uphill battle to alter the general ad agency perception that the 18-49 and 25-54 demographic groups are key targets. With baby boomers getting older, their research shows the 35-64 group will be the most lucrative one to attract in coming years.#

CALENDAR

August

Aug. 1-3, **Interactive videodisc** small-group, two-day conference for vendors and users, sponsored by the Institute of Graphic Communications, Monterey Beach Hotel, Monterey, Calif. Information: Karen Murray, 617-267-9425.

Aug. 3, **Distribution systems**, technical seminar sponsored by the Rocky Mountain Chapter of the Society of Cable Television Engineers, Jones Intercable, Denver. Information: Steve Johnson, 303-799-1200.

Aug. 6, **Pioneers of WGN-TV broadcasting** appearing in person at a panel discussion, Museum of Broadcast Communications, Chicago. Information: Joan Dry, 312-987-1512.

Aug. 7-11, **The Magnificent Seventh**, Video Software Dealers Association seventh annual convention, Las Vegas Hilton and Las Vegas Convention Center, Las Vegas, Nev. Information: Doris Robin, 609-596-8500.

Aug. 9, **Technical seminar** sponsored by the Chattahoochee Chapter of the Society of Cable Television Engineers, Perimeter North Inn, Atlanta. Information: 404-394-8837.

Aug. 11, **High-definition television**, New York Television Academy drop-in luncheon featuring guest speakers Tom DeMaeyer, president, VCA Teletronics, and Zbigniew Rybczynski, president ZBIG Vision Ltd., Copacabana, New York. Information: Mary Cassidy, 212-765-2450.

Aug. 15-18, **Republican National Convention**, New Orleans Superdome, New Orleans. Information: Nadeen Wong, 202-863-8866.

Aug. 16, **Oklahoma Cable TV Association Convention**, Marriott Hotel, Oklahoma City. Information: Steve Lowe, 405-943-2017.

Aug. 16, **Technical seminar** sponsored by the Society of Cable Television Engineers Oklahoma meeting group, Marriott Hotel, Oklahoma City. Information: Herman Holland, 405-353-2250.

Aug. 17, **Technical seminar**, sponsored by the Hudson Valley Chapter of the Society of Cable Television Engineers, Holiday Inn, Kingston, N.Y. Information: Wayne Davis, 518-587-7993, or Bob Price, 518-382-8000.

Aug. 18, **New York Television Academy drop-in luncheon** featuring guest speaker David Meister, president, Financial News Network, Copacabana, New York. Information: Mary Cassidy, 212-765-2450.

Aug. 23-24, **Hands-on equipment workshop**, technical seminar sponsored by the Society of Cable Television Engineers Cascade Range meeting group, Red Lion Inn at the Quay, Vancouver, Ore. Information: Randy Love, 503-370-2770.

Aug. 23-27, **Wyoming Cable Television Association** annual convention, Jackson Hole Racquet Club, Jackson Hole, Wyo. Information: Mike Ross, 307-742-8258.

Aug. 24, **USA Network affiliate marketing seminar**, Chicago O'Hare Marriott, Rosemont, Ill. Information: Lori Dekalo, 312-644-5413.

Aug. 27, **40th annual prime-time Emmy Awards**, non-televised portion, presented by the Academy of Television Arts and Sciences, Pasadena Civic Auditorium, Pasadena, Calif. Information: Murray Weissman, 818-763-2975.

Aug. 28, **40th annual prime-time Emmy Awards presentation telecast**, presented by the Academy of Television Arts and Sciences, Pasadena Civic Auditorium, Pasadena, Calif. Information: Murray Weissman, 818-763-2975.

September

Sept. 5-7, **Satellite television seminar/trade show**, presented by National Satellite Shows of America, Opryland Hotel, Nashville, Tennessee. Information: Rick Schneringer, 800-654-9276. In Nevada, 702-367-1471.

Sept. 6-9, **Fourth Pacific International Media Market**, Old Sydney Parkroyal Hotel, Sydney, Australia. Information: Suzanne Wagner, 03-5009311.

Sept. 7, **New York Television Academy drop-in luncheon** featuring guest speaker Pat Fili, senior vice president, Lifetime, Copacabana, New York. Information: Mary Cassidy, 212-765-2450.

Sept. 7, **HDTV Update: Narrowing the Choices**, conference sponsored by the Association of Maximum Service Telecasters, Four Seasons Hotel, Washington. Information: Margita

White, 202-457-0980.

Sept. 7-9, **The Eastern Show**, sponsored by the Southern Cable Television Association, Merchandise Mart, Atlanta. Information: Nancy Horne, 404-252-2454.

Sept. 9, **Technical seminar** sponsored by the upstate New York meeting group of the Society of Cable Television Engineers, The Lodge on the Green, Corning, N.Y. Information: Ed Pickett, 716-325-1111.

Sept. 9-11, **Massachusetts Broadcasters Association** annual convention, Ocean Edge Conference Center, Brewster, Mass. Information: Robert

Mehrman, 617-439-7636.

Sept. 9-11, **Radio Sales University** sponsored by the Radio Advertising Bureau, Howard Johnsons Hotel, Boston. Information: Joann Nimetz, 800-232-3131. In New York, 212-254-4800.

Sept. 11-13, **South Dakota Community Television Association** annual meeting, Sylvan Lake Lodge, Sylvan Lake, S.D. Information: Jerry Steever, 605-224-0313.

Sept. 13, **Set-top terminal devices**, technical seminar sponsored by the Central Illinois meeting group, Society of Cable Television Engineers, Shera-

ton Inn, Normal, Ill. Information: 217-784-8390.

Sept. 14, **New York Television Academy drop-in luncheon** featuring guest speaker Ruth Otte, president and chief operating officer, The Discovery Channel, Copacabana, New York. Information: Mary Cassidy, 212-765-2450.

Sept. 14-16, **Dimensions 88**, the tenth annual international exhibition and conference for visual and graphic imaging technologies, Metro Toronto Convention Center, Toronto, Canada. Information: Peter Dixon, 416-536-4621.#

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Hughes Communications is committed to the future of the cable and broadcast industries.

Our Galaxy satellites helped pave the way for cable's explosive growth. Now we're working to ensure C-band capacity well into the 21st Century with our expanding Galaxy fleet and projected successors.

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See the future in our expanding Galaxy. Let us help your company compete more effectively today and plan more efficiently for tomorrow. That's a commitment you can count on. Because it comes from the proven leader in video satellite services—Hughes Communications.

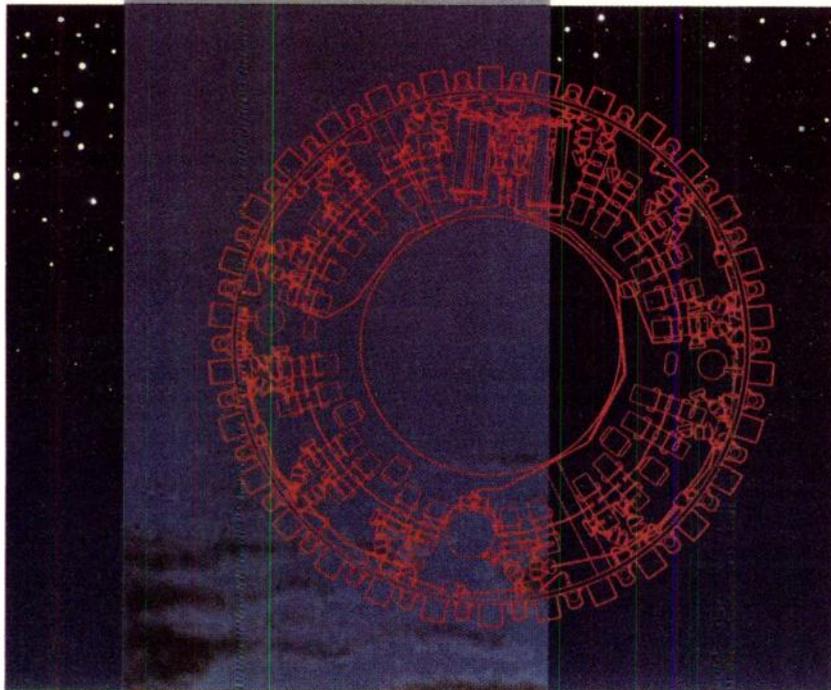
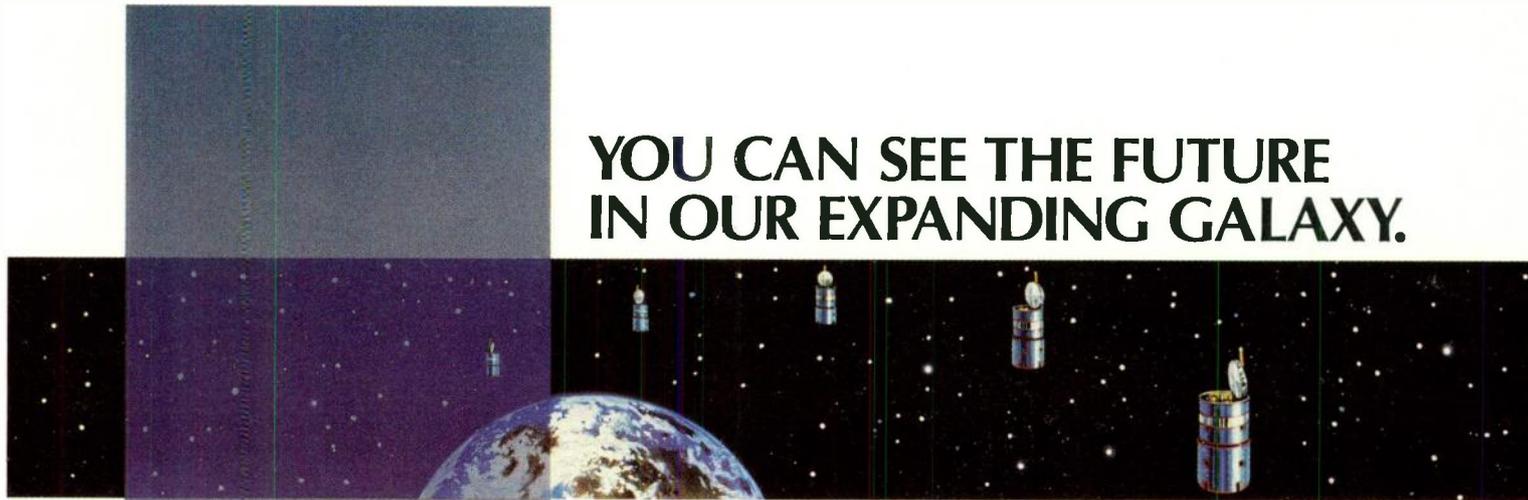
For further information, contact the Galaxy Program Office at 1-800-824-8133 (in California, 213-607-4300).

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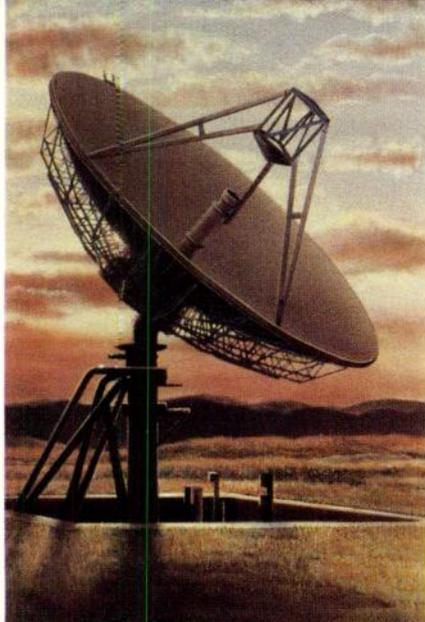
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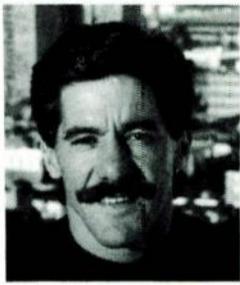
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TO REACH WOMEN 18-49,



You know who your most desirable audience members are. But you might be surprised how desirable Geraldo is to them!

Geraldo ranks #1 in:

| | |
|-------------|------|
| Albany | WTEN |
| Albuquerque | KOAT |
| Atlanta | WSB |
| Birmingham | WVTM |
| Boston | WCVB |
| Champaign | WAND |
| Charleston | WCHS |
| Chicago | WGN |
| Cleveland | WEWS |
| Denver | KUSA |
| Detroit | WDIV |
| Flint | WNEM |
| Fresno | KFSN |
| Greensboro | WGHP |
| Greenville | WLOS |

| | |
|-----------------|------|
| Shreveport | KTBS |
| Toledo | WNWO |
| Tulsa | KTUL |
| West Palm Beach | WPEC |
| Wichita | KAKE |

Geraldo ranks #2 in:

| | |
|--------------|------|
| Baltimore | WBAL |
| Charlotte | WBTV |
| Columbus, OH | WSYX |
| Dallas | KDFW |
| Harrisburg | WHP |
| Honolulu | KGMB |
| Raleigh | WRAL |
| Seattle | KOMO |

Geraldo outperforms Donahue in these key markets:

| | |
|----------------|------|
| Albuquerque | KOAT |
| Atlanta | WSB |
| Baton Rouge | WBRZ |
| Charleston, SC | WCSC |
| Indianapolis | WTTV |



| | |
|----------------|------|
| Jacksonville | WTLV |
| Kansas City | WDAF |
| Little Rock | KARK |
| Los Angeles | KCBS |
| Memphis | WMC |
| Miami | WPLG |
| Minneapolis | KSTP |
| Mobile | WEAR |
| New Orleans | WVUE |
| Norfolk | WAVY |
| Oklahoma City | KTVY |
| Omaha | WOWT |
| Orlando | WFTV |
| Pittsburgh | WPXI |
| Richmond | WWBT |
| Rochester | WROC |
| Sacramento | KCRA |
| Salt Lake City | KUTV |
| San Antonio | KSAT |
| San Francisco | KRON |

| | |
|--------------|------|
| Jacksonville | WTLV |
| Orlando | WFTV |
| Pittsburgh | WPXI |
| Rockford | WREX |
| San Antonio | KSAT |

- Geraldo has scored impressive share gains in new markets over February 1988 time period programming: Boston (WCVB), +38%; Los Angeles (KCBS), +45%.
- Geraldo has made dramatic gains over its own performance in the identical time period in markets from coast to coast.

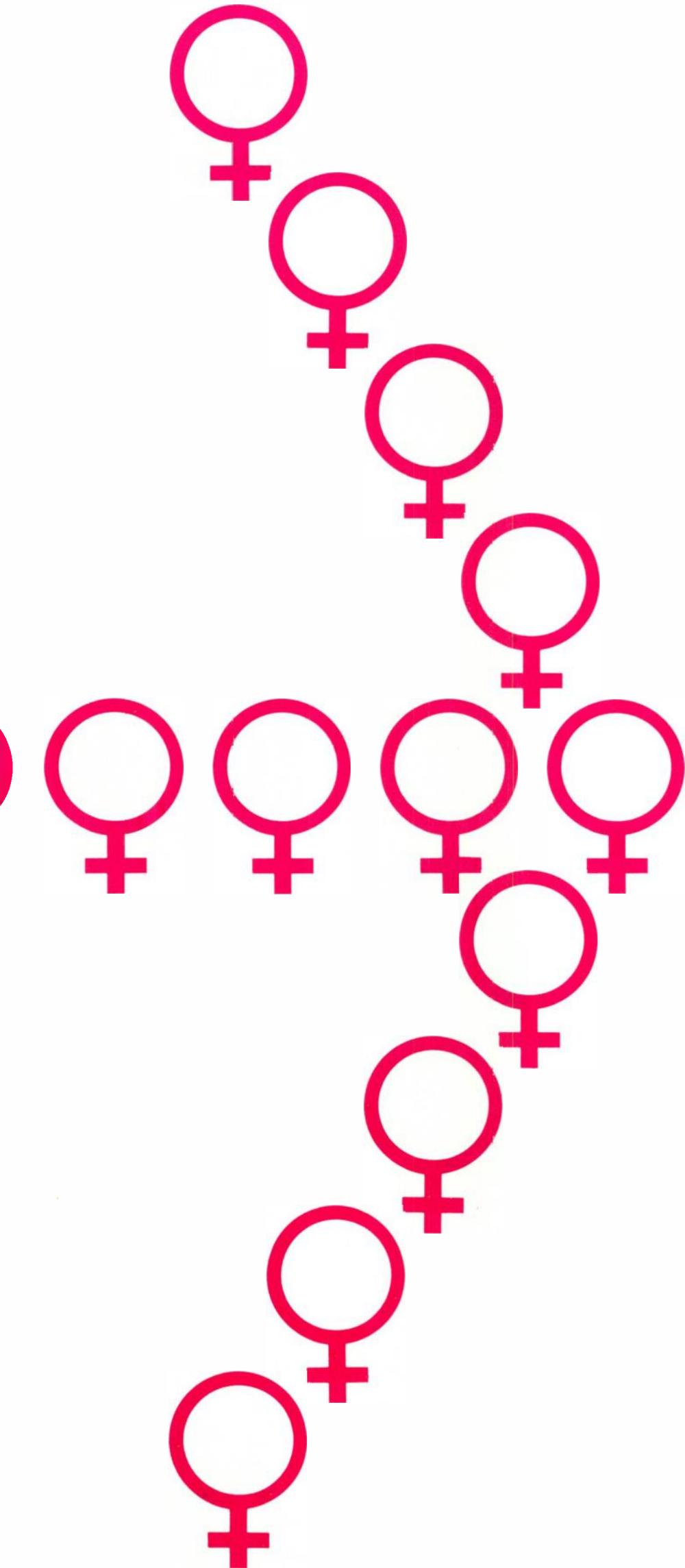
Source: NSI, May 1988

Geraldo
DEFINITELY NOT ALL TALK.

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TELETRIB



JUST FOLLOW THE SIGNS.



SPECIAL REPORT: CTAM '88

CTAM to address need for better promotions

By JANET STILSON
Staff reporter

Cable's need for stronger promotion is one area the Cable Television Administration and Marketing Society expects to tackle as it meets in Boston through Wednesday.

"The quality of our programming has outstripped our ability to promote it," says John Sie, senior vice president of Tele-Communications Inc. "This was brought home when (Nickelodeon's game show) 'Double Dare' went into syndication, in many markets on UHF stations.

"And yet the ratings were two to three times better than when (the same episodes) were on Nickelodeon."

The CTAM conference, which began yesterday, is expected to attract a record attendance of 1,500, an increase from last year's 1,400.

The meeting—and new interest in cable marketing—comes at a time when the industry is at a crossroads, says Margaret Durborow, the organization's president.

"The industry is at the point of having achieved an awful lot," she said, referring to such coups as passing 50 percent penetration of all U.S. television homes, the completion of most new builds and the profits most cable companies are achieving.

"What we're trying to do is bring together the entire industry to a point at which the leaders of the industry are already," Ms. Durborow said.

Another priority topic at the conference, says John Reardon, execu-



MARGARET DURBOROW
Says cable is at a crossroads

utive vice president of sales at MTV Networks, is technology, such as fiber optics and high-definition television.

"Clearly one of the more interesting things going on is the mini-conference" at the Massachusetts Institute of Technology's Media Lab Monday afternoon, Mr. Reardon said.

That session, open only to chief executives of cable companies, will include a tour of the lab, which is exploring futuristic media trends and technology.

Also expected to be discussed at that gathering is an update on plans for a cable technology laboratory,

announced at the National Cable Television Association convention earlier this year.

Other studies to be discussed at CTAM include a recent report on consumer attitudes prepared by Market Facts and the American Demographic Institute's tracking of demographic trends.

Among other key sessions at the conference are:

- In a keynote address today, John Naisbitt, author of "Megatrends," will give a sneak preview of information in a forthcoming book, offering insights into the consumer of the future.

- Peter Ueberroth, commissioner of Major League Baseball, will speak at a luncheon today.

- In a general session on Aug. 2 four TV and film producers—Ron Howard, Brian Grazer, Linda Gottlieb and Gary Smith—will discuss network and film production trends and how cable fits into the future distribution of programming.

Cable executives planning to attend this year's conference say the annual event has become a valuable meeting for the industry.

"I think last year's opening session at CTAM was one of the most meaningful in cable history. It overtly addressed competition beyond the two-year horizon," said Lowell Hussey, senior vice president of sales, marketing and programming at Warner Cable Communications.

"If there's a willingness to take on controversial issues," he added, "this year's will be very important as well."#

Enemies become allies

Cable, broadcast get closer

By RUSSELL SHAW
Special to ELECTRONIC MEDIA

Though traditionally broadcast stations and cable systems have been viewed as enemies, lately they have been trying to work together.

They took a big step toward coexisting earlier this year when 31 broadcast outlets around the country participated in a 56-hour National Cable Month promotion.

During the promotion, held the first weekend in April, participating broadcast stations aired and repeated a six-hour highlight of cable shows supplied by such services as HBO, Lifetime, Financial News Network, The Disney Channel, The Nashville Network and Showtime.

"This is the first time this has ever been done on a national scale," says Jim Boyle, director of program publicity for the National Cable Television Association.

"There was some resistance, like the lack of lead time to get clearances. But once we got going, the success was widespread."

During program breaks, local cable services ran either spoken or character-generated spots on broadcast stations giving installation information.

Most participating systems had customer service representatives on duty throughout the night to field requests.

Additionally, Home Shopping Network went dark during the weekend and ran a toll-free telephone number on screen crawl references.

National Cable Month

Discover our Difference

The cable industry used National Cable Month promotion earlier this year to improve its relationship with broadcasting.

This freed up its order-takers to answer 14,000 callers' questions about cable, giving them information on their local cable systems as well.

The cable consortium also supplied broadcasters with print ads touting the promotion, plus a series of generic TV spots about the benefits of subscribing to cable.

Both cable and broadcast participants in this effort say they're pleased with the results.

"It gave us the opportunity to work with the cable system," says Jennifer Dennison, program manager at WPXT-TV, Portland, Maine.

"We're developing a better relationship with them," she says. "We're competitors, but haggling over little things shouldn't happen."

In working with cable-provided programming, WPXT had some flexibility in scheduling its own shows.

A Fox affiliate, WPXT included several Fox programs in different time slots interspersed with cable shows, using the cable offerings to pull viewers to its own package.

"It is good exposure, and the promotion was a good medium for us to get into the non-subscribing household," said Jeff Darrell, vice president of marketing and programming for Public Cable Co. in Portland.

"We are interested in an ongoing basis in facilitating a better relationship with the local broadcasters in the marketplace."

"There are a lot of reasons for broadcasters and cable operators to work together."

Public Cable Co. reaches 79 percent of the TV homes in its area, but Mr. Darrell says that during the promotion his system processed 79 new orders for basic subscriptions

(Continued on next page)

CABLE QUICK TAKES

How do you market your cable system on the local level?



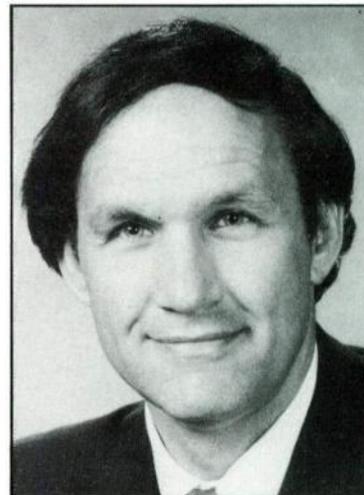
John Clark
corporate VP of marketing and programming Cencorn Cable Chesterfield, Mo.

"What we use at the local level is a multilayered marketing approach, with all the elements working together to create a positive effect in the community. We rely on direct sales, telemarketing, national campaigns and segmented marketing, which is tailoring programming to individual systems."



Jim Rozier
director of marketing Cablevision of Central Florida Orlando, Fla.

"We have a promotion going on just about all the time, 12 months a year. It's a constant hammering of the marketplace to get our message out. As for what works, the HBO promos have done quite well for us."

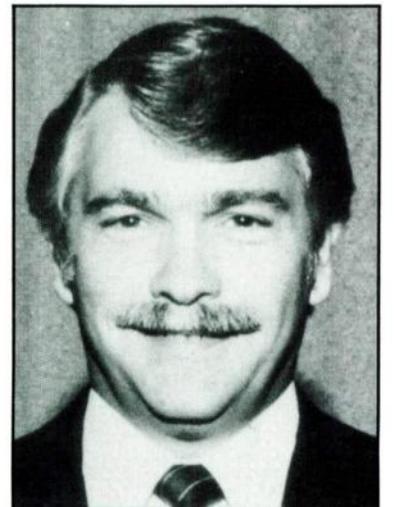


Steve Simmons
president and chief executive officer Simmons Communications Stamford, Conn.

"We have a multifaceted approach. First we examine our product, to make sure we have the right mix for the area... We then package our programming in terms of pricing to make it as attractive as we can. We follow that with door-to-door sales, telemarketing and direct mail to non-subscribing households..."

William J. Ryan
president and chief executive officer Palmer Communications Des Moines, Iowa

"We operate in southwest Florida and Southern California, both in very affluent areas. The areas we cover have high cable penetration. They're called 'classic cable systems'... When people move to the area, we market the system by letting people know they really need cable, just like they need a telephone."



Cable creed: Keep the customers happy

By EILEEN NORRIS

Special to ELECTRONIC MEDIA

Cable companies are no longer taking anything—or anyone—for granted.

In the beginning, new cable customers were lucky if they received a card in the mail asking if they were happy with the installation and service. That was the beginning, and sometimes the end, of the communication.

Now things are different.

Cable systems are finding that instead of concentrating solely on signing subscribers and getting the hardware hooked up, it makes good business sense to put more energy into keeping the customers they have happy.

As one cable system's marketing professional aptly summed it up: "There's a very real relationship between a customer having a problem and his likelihood to downgrade service or disconnect."

Consider these recent developments:

- Media General Cable of Fairfax, Va., now has universal representatives who, after four weeks of training, should be able to answer any question a customer may have, rather than aggravate the situation (and caller) by referring their problem to different departments.

- Continental Cablevision in Boston surveys 15,000 subscribers every year about their satisfaction with the service. But starting this year, any specific problems or complaints get the personal touch.

Gripes taken during the survey are routed to the system's district managers, who follow up on any individual complaint or problem by calling the subscribers themselves and resolving the matter.

- Cox Cable Communications in

Cable and broadcast try working together

(Continued from previous page) and 50 separate applications for pay-cable service.

Meanwhile, some systems have tried their own variations on the National Cable Month theme.

In April, WSMH-TV in Flint, Mich., aired cable highlight reels supplied by Comcast Cable.

Rudy Tober, regional marketing manager for Comcast, says his system got 250 new subscriptions "directly attributable to the programing."

It would be a mistake, however, to portray cable-broadcaster partnerships as one-sided deals. Broadcasters have a big stake in their success, too.

Many won't talk about their motives, but some will.

A common concern—especially among smaller independent stations—seems to be staying on the cable system.

Often, promotions are used as peace offerings.

"We have had problems keeping on cable systems," says Calvin Brack, general manager of UHF independent KDOC-TV in Anaheim, Calif. "We have found we have to work together."

"In areas where we impact their income, we pull back from wherever that might be, but there is a good place and common ground to work together."

Last fall, KDOC and Comcast simulcast a telethon to raise money for local children. Ads announcing the program appeared in the Orange

A look at subscribers' biggest beefs

OK, get the complaint log ready, here they come: the biggest problems with cable from the subscribers' viewpoint.

Service outage is the No. 1 complaint from Continental Cablevision's subscribers, with 30 percent to 80 percent of its subscribers having at one time reported an outage, usually from poor weather or accidentally cut phone lines.

That complaint is followed in frequency by poor reception, Continental says, while billing problems take the No. 3 complaint slot. Customers say they can't understand the bill, it's incorrect or it arrived late.

When a Cox Cable system changes its lineup, it irks subscribers a lot. It's the No. 1 complaint for that company, followed by the age-old problem of getting through to the cable system on the telephone.

That second gripe may be changing, the company

says, because about a year ago it decided to move to cycle billing. Now its monthly bills are staggered, and customers aren't trying to reach the company at the same time.

Being able to get through to a cable company still seems to be a universal problem. Margaret Durborow, president of the Cable Television Administration and Marketing Society, says she's not sure there's a solution in sight.

"It's always an issue, as is the time a system keeps a caller on hold," she says. "The problem is, there's always going to be an exceptional load, and companies find it hard to staff for or know when that's going to happen."

Other complaints she hears run the gamut "from having to stay home to wait for the installer to not being happy with a particular pay service."#

—Eileen Norris

Atlanta currently has a task force of its own customer service managers working on standards for all 23 markets. The move was a direct result of surveying customers and finding out it needed more uniformity among systems.

Customer service feedback is a topic on the agenda of every cable system and one that the Cable Television Administration and Marketing Society is expected to take up at its convention this week at the Westin Hotel Copley Plaza in Boston.

"Five years ago, the focus was on trying to get the systems built," explains CTAM President Margaret Durborow.

"But now the penetration is up and the important issue is customer satisfaction and retention. It's good business practice. Besides, isn't there an old adage that says something like, 'Happy customers stay and pay?'"

Because the cable market is torn and competitive, the industry isn't getting enough new sign-ups, adds Margaret Troha, senior research analyst at Cox Cable.

"We need to keep the customers we have," she says. "They are harder to get back if they're displeased, so we need to satisfy them and keep them happy."

The kinds of customer service programs now in place range from the simple mail questionnaire to sophisticated, 35-minute long telephone interviews that promise the willing participant a crack at winning a \$500 gift in a drawing.

Cox Cable, which has 1.5 million subscribers, has had a customer service feedback program since 1983, but only this year started working on standards for its 23 systems.

Besides following up on recent installations, upgrades or disconnects, it also has its research company randomly survey 300 people, customers and non-customers, in each of its markets.

Those current customers who agree to participate in the 35-minute phone interview are offered the chance to win a \$500 gift in a lottery-type drawing. That incentive works better than the \$5 Cox used

to offer survey participants, says Ms. Troha.

"Our systems use the information in evaluating their channel lineup, their cable guide and in programing," she says.

Continental Cablevision, which has 2 million subscribers spread out over 100 systems, surveys 15,000 subscribers every year using 15-minute phone calls.

"It's strictly for customer service," says Vickey Marks, director of marketing research and analysis. "We don't want to ask unnecessary questions."

Customers who might relay a problem or question often are startled to hear from their local system within a few days of participating in the phone interview, she says.

There is no gift or monetary enticement for participants. Ms. Marks says the company has never had any problem getting customers to take part in the survey.

"We've always had a customer service program, but now it's more formalized," she says, "and this year we started following up on customers' specific problems or complaints. It's been very successful."

More companies are trying to start some sort of customer service feedback program, says Ms. Durborow, because they want to generate report cards for themselves.

"The fact is, customers generally don't call when they're unhappy. There's no doubt in my mind that this feedback is bringing about many changes in the business."#


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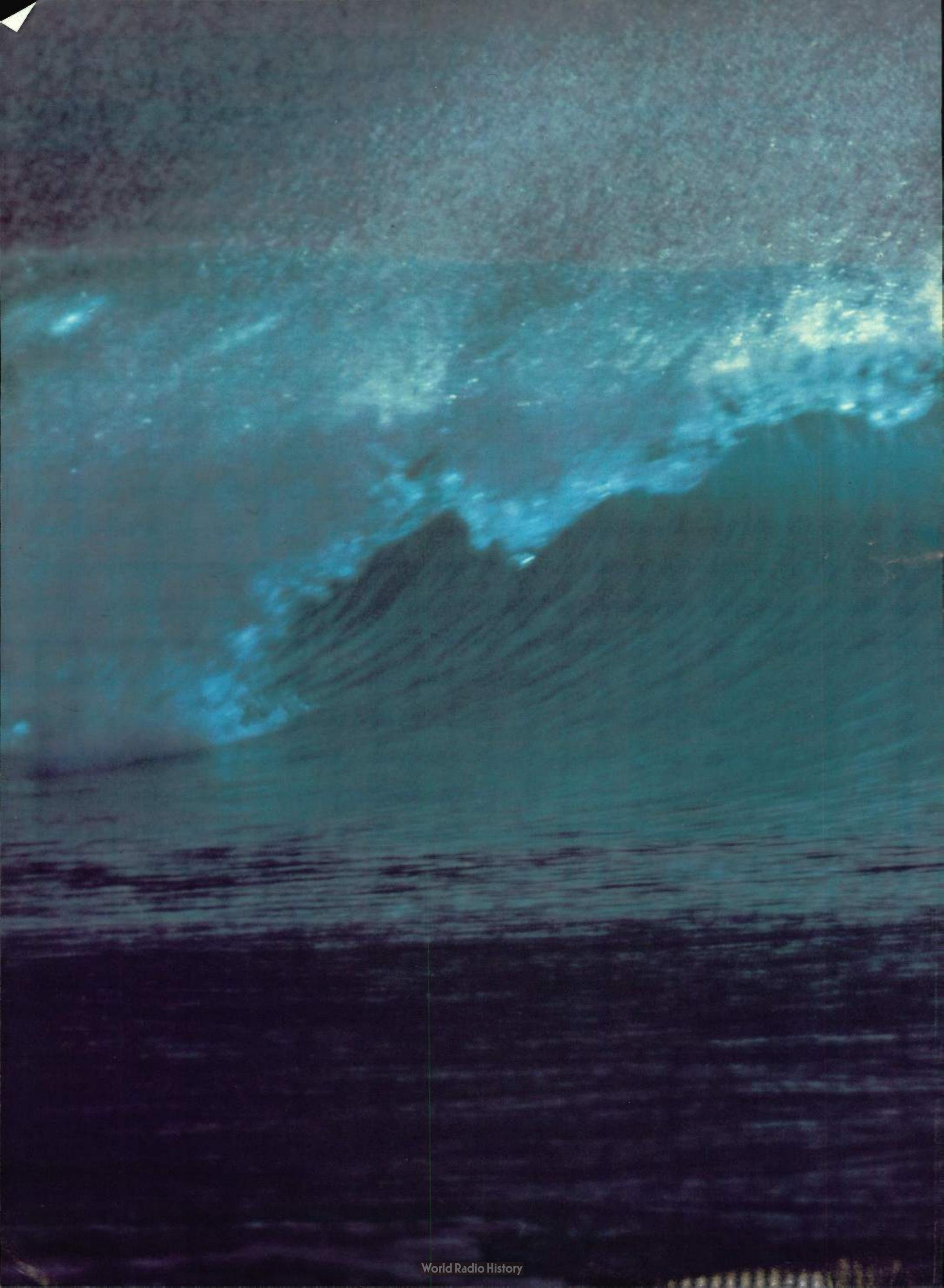
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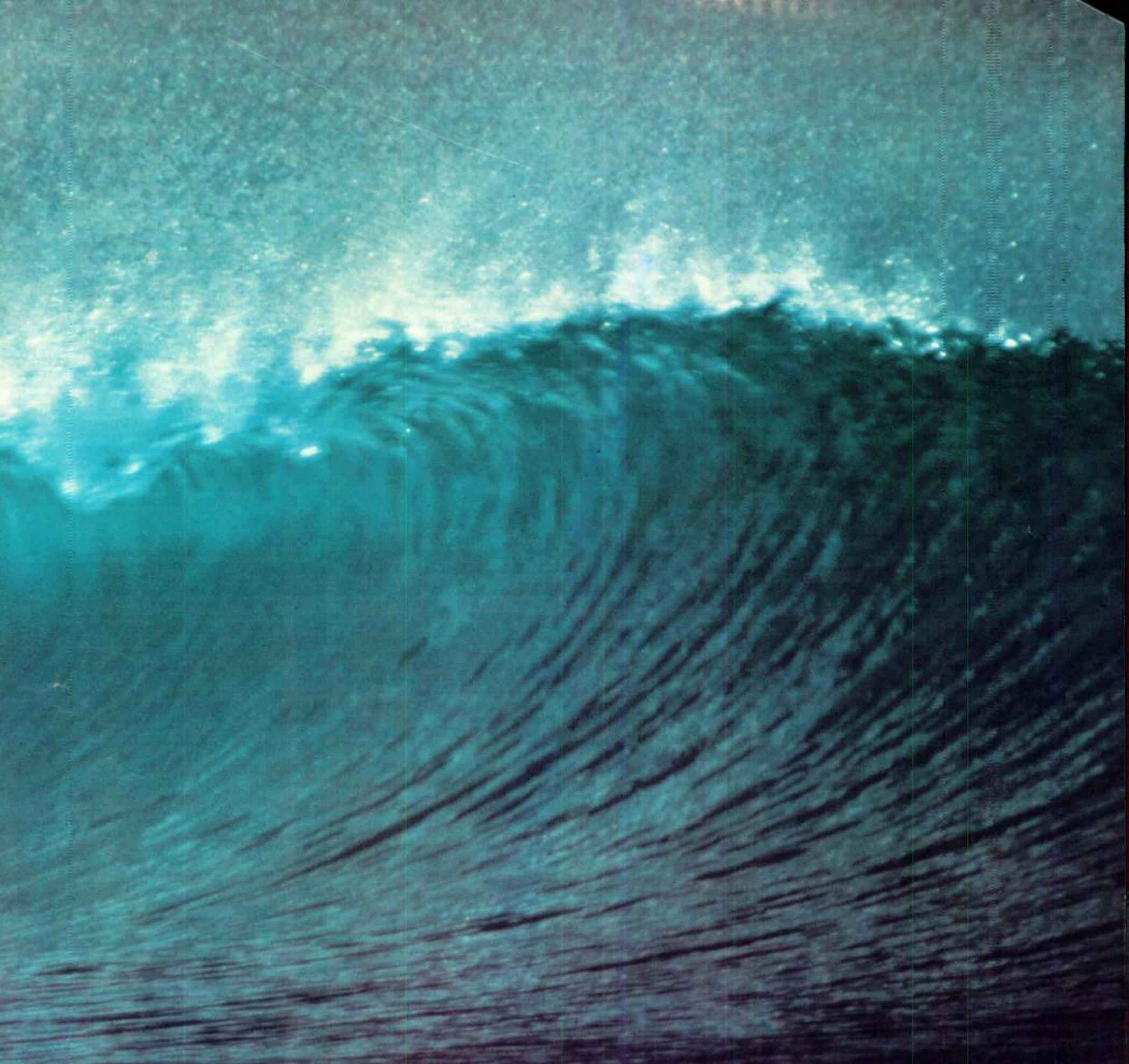
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CABLE'S ENTERTAINMENT NETWORK

Who is Michael Gartner?

Mr. Gartner, 49, is an Iowa newspaperman who most recently was general news executive of Gannett Co. in Washington and adviser to the company's national newspaper, USA Today.

He also is a co-owner of the Ames (Iowa) Daily Tribune.

In addition, Mr. Gartner writes a column three times a week on words and the language that's syndicated by King Features in about 50 publications, including Advertising Age, a sister publication to ELECTRONIC MEDIA. He also writes an occasional column for The Wall Street Journal's opinion page.

Mr. Gartner, an Iowa native, began his career at age 15 answering telephones in the sports department of the Des Moines Register, where he worked through high school and college.

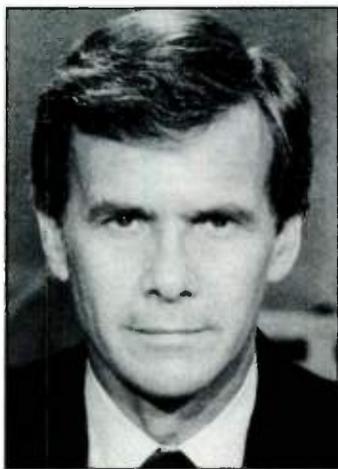
A 1960 graduate of Carleton College in Northfield, Minn., Mr. Gartner joined The Wall Street Journal in New York, working in various reporting and editing positions.

In 1974, he returned to the Des Moines Register, where he served as executive editor, editor, president and editorial chairman of the parent Des Moines Register and Tribune Co.

When the Des Moines Register was sold to Gannett in 1986, Mr. Gartner joined the company's staff in Washington as general news executive.

That July, when Gannett acquired the Louisville Courier-Journal and Louisville Times in Kentucky, Mr. Gartner became editor of those papers long enough to merge them and set them on an improved editorial and financial course. He resigned last September to return to the Ames Daily Tribune but retained his other roles at Gannett.

Mr. Gartner, a graduate of New York University's School of Law, is one of 16 members of the Pulitzer Prize Board. # —Diane Mermigas



'Michael Gartner is a great choice to lead NBC News. He is a thoroughly professional newsman with an enviable reputation for innovation and enterprise in journalism.'

Tom Brokaw
managing editor and anchor
"NBC Nightly News"



'I have known Michael Gartner a long time, and I think his is a splendid appointment. It is a commitment to journalism on the part of General Electric and NBC.'

John Chancellor
commentator, NBC News
former anchor



'Mike Gartner is a career journalist with both editorial and management experience. He brings to NBC News boldness, creativity and energy coupled with news skills.'

Robert Wright
president
NBC

New NBC News chief faces old dilemma

(Continued from Page 1)

out of NBC News' 1989 budget.

He will be expected to make NBC News a profitable enterprise by 1990 and to find ways to make more money off existing resources.

The division currently loses between \$80 million and \$90 million annually, and its flagship "NBC Nightly News" broadcast is in last place.

"No one has asked me to cut the budget yet. We simply haven't gotten into it," Mr. Gartner told ELECTRONIC MEDIA last week.

"But I think we can do what we have to and still make everything work."

Perhaps one advantage Mr. Gartner will have is support from such key NBC News executives as "Nightly News" anchor Tom Brokaw, Executive Vice President Gordon Manning and commentator John Chancellor.

Preliminary reaction from affiliates and NBC staffers was generally favorable, though there was some concern voiced inside and outside NBC last week that Mr. Brokaw may have led a quiet but determined campaign to undermine Mr. Grossman and put Mr. Gartner in command.

"Having Tom Brokaw as a friend is better than having him as an enemy. But we are not really close friends," Mr. Gartner said.

The vacationing Mr. Brokaw was not available last week to discuss his involvement in Mr. Grossman's departure.

"Clearly Tom Brokaw was a power broker here, and I think that sets a dangerous precedent," said one former NBC executive, who asked not to be identified.

"By traditional standards, Larry was an undisputed success."

"He improved the quality, competitiveness and energy level of the news organization. His big problem was internal politics. He made the mistake of believing that doing a good job and making NBC News better would be enough."

Mr. Grossman told ELECTRONIC MEDIA last week that he

was "saddened" by his departure, but added that he was but "greatly relieved."

"They will be more comfortable with someone they hand-picked for the job," he said. "It was time for General Electric to get its own guy in there. It just came down to a difference in style, personality and priorities. When that happened, it just wasn't as much fun anymore."

Mr. Grossman came into power under former NBC Chairman Grant Tinker, before GE's takeover of NBC parent RCA.

Current NBC President Robert Wright praised Mr. Grossman for his achievements under "difficult circumstances" and denied that Mr. Brokaw had functioned as anything more than an adviser in the selection process.

"The publicity on that has been extremely unfortunate and exaggerated way out of proportion," Mr. Wright said. "Tom Brokaw is an important person here. So are many other of our talented on-air people. I listen to his opinions."

"But Tom has been supportive of both Larry Grossman and Michael Gartner."

While avoiding direct reference to clashes he and Mr. Grossman had over budget-related matters, Mr. Wright said: "Larry did some very positive things. He did a lot of things he had to do. But I think he had some misgivings, too. This is a very difficult job, and the balancing act is intense."

Mr. Grossman's ongoing tension with Mr. Wright and other of his GE bosses grew out of the news president's resistance more than a year ago to complying with mandated budget cuts.

Then, when Mr. Grossman finally made the news division cutbacks, he fell out of favor with some of his own staffers.

Mr. Grossman said it became clear to him that he no longer had the support of upper management during meetings following NBC's coverage of the Democratic National Convention.

He had originally intended to remain on the job through the Republican Convention later this month, but said last week it was better "to get things over with quickly and not

let them deteriorate."

Mr. Grossman, formerly president of PBS, said he was considering a number of job options.

He wouldn't discuss his settlement with NBC, except to say that it was generous.

For Mr. Gartner's part, he confirmed last week that he negotiated an employment agreement with Mr. Wright in less than a week without the help of an agent and without a formal contract.

"They didn't offer me one and I didn't ask for one. I figure they are not going to try and give a bum steer to anyone they have just hired for this job, in hopes they will succeed," Mr. Gartner said.

He said he will maintain an ownership interest in the Ames (Iowa) Daily Tribune, which will be managed by business partners.

Mr. Gartner said he also will maintain an ownership interest in a Pueblo, Colo., radio station that he owns with other family members.

His Gannett stock will be entrusted to an acquaintance, he said.

As an independently wealthy First Amendment lawyer already esteemed in his own field, Mr. Gartner said he accepted the job of NBC News president simply because "it is a challenge that presents great opportunity and, hopefully, a lot of fun."

NBC sources say Mr. Wright has been searching for a news division successor for six months.

Mr. Wright had his first meeting with Mr. Gartner several months ago on the issue of First Amendment rights.

He said that his interest in offering him the top job grew from there.

"Sometimes it's a coincidence when you meet someone and become impressed with his abilities, his grasp of issues. (Mr. Gartner) strikes me as being the perfect model for running a television news organization in this new era," Mr. Wright said. #

AT PRESS TIME CONTINUED

been an NBC affiliate for nine years

● WASHINGTON—The FCC is slated to propose anew that TV networks be permitted to own cable TV systems at an open meeting on Thursday. The proposal has been pending at the agency since 1982. The FCC is also expected to propose eliminating a rule limiting network affiliation contracts to two years.

● TORONTO—Rogers Communications reviewed bids for the acquisition of its U.S. cable properties last Thursday, and Rogers management announced final negotiations would commence soon.

● LOS ANGELES—Plans for two new original cable series were announced at the consumer press tour last week. Showtime has signed The Brillstein Co. to produce "The Boys" sitcom. Ralph Bakshi will produce a new animated series called "Tattertown" for Nickelodeon.

● LOS ANGELES—NBC has reversed an earlier decision not to premiere "The Magical World of Disney" series this fall. NBC said on Friday it will roll out the Sunday anchor on Oct. 9 by utilizing Disney specials, animated programs and films to program the hour until the writers' strike ends. #

Court hits FCC 'indecent' rules

(Continued from Page 1)

called the decision a "substantial victory" for broadcasters. "The implication is, 'Go give greater latitude for this material,' and it makes clear that indecency is constitutionally protected," Mr. Dyk said.

Added Andy Schwartzman, executive director of the watchdog Media Access Project: "Today's unanimous decision reflects the wise view that American adults are mature enough to make their own judgments about what programs they want to watch and hear."

But FCC Chairman Dennis Patrick said the court affirmed the commission's right to regulate indecency and supported its view that adult material should be "channeled" to times when children are unlikely to watch.

He said the FCC will launch a

proceeding to examine what sort of time limits should be set.

Sources here said the court's action spells doom for an effort last week by Sen. Jesse Helms, R-N.C., to make the FCC toughen its rules against indecency by eliminating the safe harbor. The Senate, by voice vote last week, approved an amendment to a massive federal funding bill that would do that.

"The court's ruling indicates that indecency is protected speech and that a safe harbor is actually necessary," said Jeff Baumann, the NAB's senior vice president and general counsel.

The court said the FCC must bear in mind that its "avowed objective is not to establish itself as censor but to assist parents in controlling the material young children will hear."

FCC officials, in the face of Sen. Helms effort, had said the safe harbor designation was added to the rules precisely so that the rules wouldn't be thrown out in court.

Diane Killory, the FCC's general counsel, warned that if the Helms amendment was passed by Congress, a court could declare that all the indecency rules are unconstitutional because they would be too restrictive.

Sen. Helms, in action on the Senate floor early last week, said indecent material shouldn't be allowed on the air, no matter what time it's aired. "This filth, obviously, has no business being broadcast on the public airwaves, let alone being sanctioned by the FCC between midnight and 6 a.m.," he said. "If adults want this kind of trash, they can go to another garbage dump." #

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