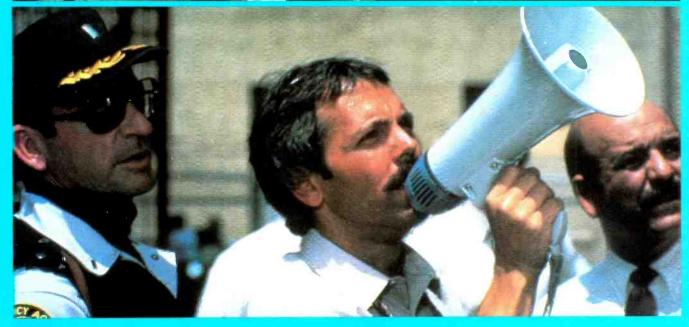


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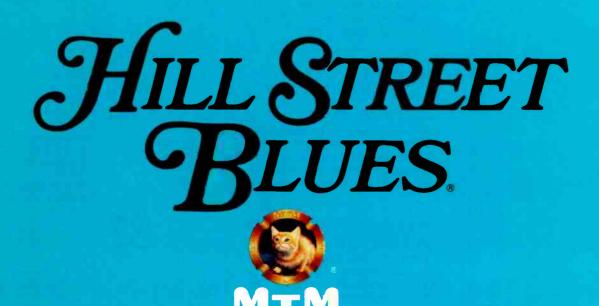
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REPORTS Wall Street gets its fill of Hollywood production woes... Hallmark cares enough to hire the very best ... C-SPAN on the move.

NEWS

MARKETING/PROMOTION MAKING CVN DIFFERENT Standing apart from the herd of video-shopping services isn't easy, but Cable Value Network is finding, as pay TV learned, that differentiation is essential to growth. BY HARVEY SOLOMON

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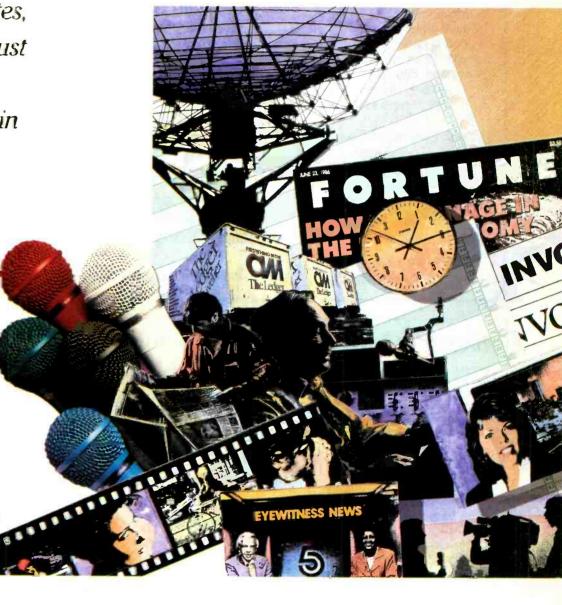
> Les Brown's column, "The Public Eye," does not appear in this issue, but will return next year.

Cover photograph: Maria Robledo

Local news goes global 96

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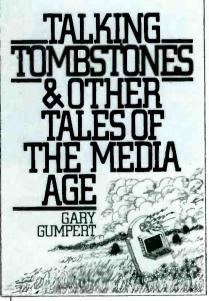
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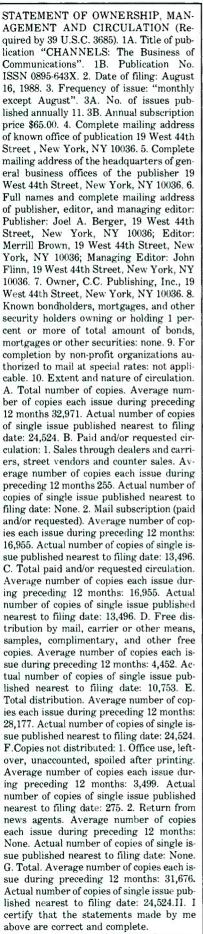
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EDITOR'S NOTE

Commitment to Excellence

e'd like to think that the themes linking the seven honorees in Channels' Excellence '88 package are courage and commitment. The courage comes in tackling difficult subjects and the commitment follows in the struggle to realize lofty aspirations in an environment that often encourages the easy way out.

Those descriptions begin with HBO's original-programming chief, Bridget Potter, and continue throughout the others we're citing—provocative documentary makers Holly and Paul Fine; *Nightline*'s bold executive, Richard Kaplan; the minds behind *Cheers*, Glen and Les Charles and James Burrows; *Reading Rainbow*'s passionate creators Larry Lancit and Cecily Truett; the duo behind the brilliantly conceived *Race for the Double Helix*, A&E's Peter Hansen and producer/director Mick Jackson; and the courageous leadership of Baton Rouge's WBRZ-TV.

There have been no rule books or accounting firms to lead *Channels* editors through the Excellence selection process each of the last five years. We encourage suggestions from our readers. We talk to industry observers and review scores of tapes, articles and other documents. Not only are we after outstanding works, but what we also hope to find are stories of meaning, stories that may inspire television professionals to press even harder to create their finest work. Those characteristics run throughout the 27 citations that preceded this year's, and can be found in 1988 as well: The seven honorees were selected not just for what they've done but because of the perseverance and style that surround their accomplishments.

The Excellence selections also create a timely portrait of the television business in 1988. At a time when many are confused about the changing, alternately contracting and expanding nature of the business, the selections are reminders of TV's historic and continuing opportunities. With Potter's selection for HBO's gutsy original programming—a lineup that regularly takes on meaningful subjects ranging from Vietnam to AIDS—and the citing of Jackson and Hansen, it's easy to see the cable opportunity. The stories of the Fines, Kaplan and WBRZ remind us that there is no more important service that both local and national television performs than probing behind the headlines. Burrows and the Charles brothers reinforce the notion that although producers must focus on costs these days, there's no substitute for devotion to good writing. And with public TV fighting to mold a niche for the 1990s, the saga of *Reading Rainbow* reminds us of its clear and continuing mandate to serve the nation's children.

That's why we're proud to cite these seven. Proud not just for their tangible accomplishments, but proud also because of what these people stand for.

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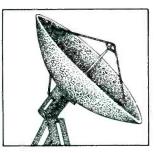
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Closed Caption Competition

he Captioning Quagmire: Is There Room for Private Enterprise?" [June], does not clarify what would have been an alternative to the National Captioning Institute's (NCI) Telecaption Decoder. This device allows the hearing-impaired community access to TV, cable and home video by allowing subtitled captions to appear on TV screens. The author implies a better method was used prior to NCI, one where the Caption Center, a non-profit agency under Boston's public station WGBH, "open captioned" programs, meaning all viewers would receive captions.

Using the author's example, WGBH would take ABC's evening news feed, open caption it, then rebroadcast it nationwide over public TV stations. This one-channel method greatly limits the amount of captioned programming available and forces the deaf community to wait for "their" later eveningnews feed. Under the present system, closed captions can be created live. With a decoder, then, the deaf community has simultaneous access to the network's evening news and to virtually all prime time entertainment and news.

ABC does not view a lack of captioning companies or government fund distribution as problems in "the business of captioning programs." Congress is debating whether or not to institute a new committee which would oversee the government's distribution of captioning funds. Creating a new agency would only further complicate matters.

Not mentioned in the article is the common goal of total closed-captioned programming. This goal is attainable providing the closed-captioned audience increases (thus providing more incentive for private-sector sponsorship). This will not happen as a result of more caption companies entering the market. Rather, it will result from an increase in decoder ownership. A larger caption audience would herald more captioned commercials, the cost of which is astoundingly low.

A bill has been introduced to mandate wider captioning. This is not a feasible solution to increase closed-captioned programming because the costs would be prohibitive to local stations and producers. The congressional report acknowledges the low number of decoders but fails to conclude that an increase in closed-caption viewership would increase voluntary support.

The number of people in the hearingimpaired community who own decoders is appallingly low. Lack of decoder ownership has produced a lack of incentive for private-sector funding for captioning services. "The business of captioning programs" would inevitably grow if the demand for captioning services was greater.

> Richard W. Stubbe Director, TV Network Operations Television Operations, ABC New York, N.Y.

Establishing "Frontiers"

our July/August issue, which contains Les Brown's article, "Fighting Cable for the Cream" [The Public Eye], is certainly timely and appropriate, although the references to the Arts & Entertainment cable network [A&E] were inaccurate.

Frontiers is an A&E/BBC co-production currently being produced and will have its first-run premiere on A&E in 1990. You referred to *Frontiers* as a BBC documentary that was acquired by The Discovery Channel.

Furthermore, the column does not mention that A&E has a unique, longstanding contractual agreement that has existed since A&E's inception in 1984 to acquire and co-produce BBC programming. Under the terms of our agreement, A&E has "first refusal" rights on programs from specific BBC programming categories including light entertainment.

Seen in this light, A&E cannot be considered a newcomer to the British acquisitions arena but rather the primary player and forerunner to the currently recognized international trend among other networks.

> Andrew H. Orgel Senior V.P., Programming and Production, A&E New York, N.Y.

Channels regrets the error. However, three attempts were made to verify the information with A&E, all of which went unheeded.—Ed.

The \$59 million station sale of WAFB Baton Rouge, La., to the American Family Corporation (Howard E. Stark, broker) was omitted from September's Database Deals. Channels regrets the error. This notice appears as a matter of record only.

September 1988

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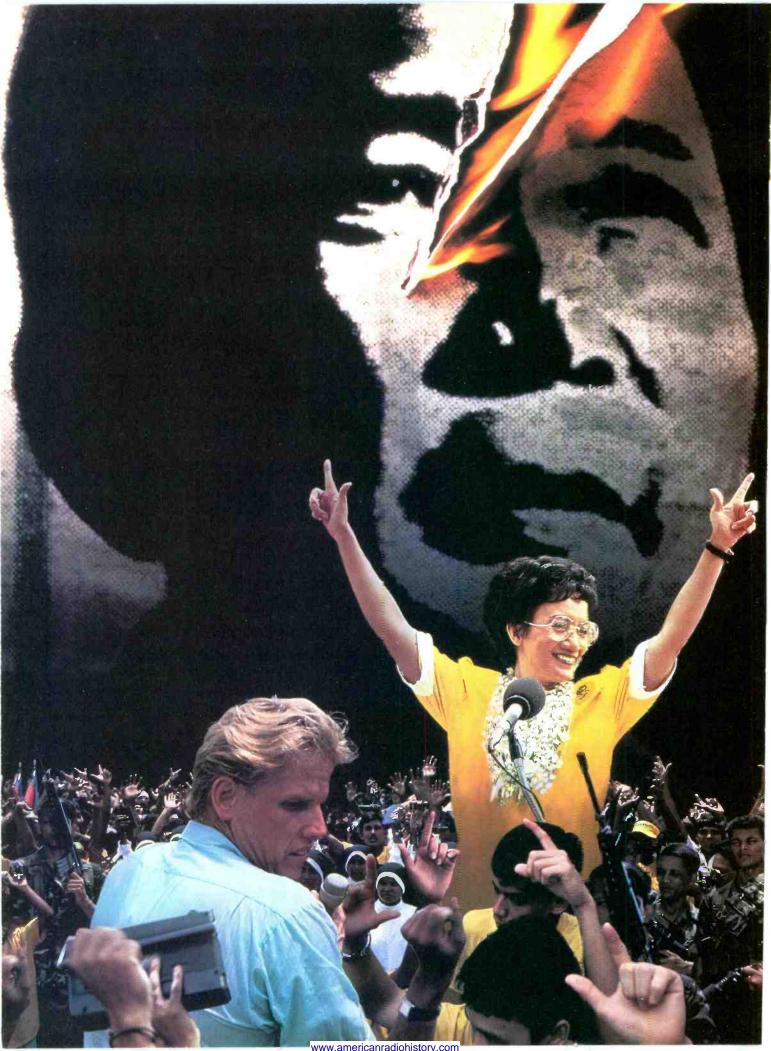
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REPORTS

Wall Street to Hollywood: The Thrill is Gone

Small production firms find refinancing difficult.

M ore than a year after the October 1987 stock-market crash, the public financing markets remain closed to all but the most successful medium-sized and small entertainment companies. "From Wall Street's point of view, there's still nothing particularly exciting there," says John Tinker, an entertainment analyst with Morgan Stanley in New York. "The fundamentals just don't look attractive."

Companies such as Cannon, De Laurentiis Entertainment (DEG) and Laurel Entertainment were hit the hardest, because they also failed in their basic entertainment businesses. Cannon was taken over by an Italian financier who envisions it as a vehicle to build a conglomerate. DEG president Steven Greenwald says it was forced into bankruptcy when bond holders refused to take about 35 cents on the dollar in an exchange offer, and the company is now being reorganized. Laurel was recently sold to Aaron Spelling Productions, which had bought a controlling interest in Worldvision from a company controlled by reclusive Cincinnati billionaire Carl Lindner. Others such as Syndicast and Access Syndication have simply closed their doors.

Joel Reader, L.A.-based investment banker with Oppenheimer & Co., says there are certainly more mergers, closings and sales ahead. He says the greatest interest in making acquisitions comes from European companies looking for film libraries and U.S. production connections similar to what Television South acquired along with MTM Productions. "The continuing consolidation is driven by the need for capital," says Reader.

Yet many of those that have survived are emerging as leaner, stronger and far wiser in alternative means of raising capital. Unlike money raised from the



Scene from New World's soap, Santa Barbara: One of the few companies to emerge from the fog.

public, however, it often comes with strings attached and spending restrictions. According to George Back, president of All American Television: "Wall Street would say 'Don't worry. we'll get you the money.' But [banks and private sources] want to know exactly what it is you plan to do with the money."

Financial pressure forced many companies to become more bottom-line oriented and to redirect their thinking about which markets are most important, says Richard Reisberg, president of the Reeves Entertainment Group. "You have to be more flexible about taking advantage of the opportunities that exist," says Reisberg, "such as the growth in international television."

New World Entertainment, which suffered through a wrenching financial trauma, is one company finally emerging from the financial fog. "The [stock market crash] may have been a blessing in disguise," says Harry Sloan, New World co-chairman of the board.

New World first went public in October 1985. It used its new capital to expand beyond movies into home video and television, and to acquire Marvel Entertainment Group. As it expanded into TV, with increasing deficit financing, New World desperately needed another acquisition that would provide a steady cash flow. It went after Taft Broadcasting, Harper & Row publishers and Kenner-Parker toys, making money on the stocks but ending up a jilted suitor. Meanwhile, its movies were not performing as had been hoped.

Then came the crash. New World, having failed to find a cash cow, was thrown into crisis. Since then the company has gone through a painful restructuring. Overhead has been cut and production costs pared. New World sold \$25 million in receivables to Credit Lyonnais Netherlands to stay alive. It also borrowed \$115 million from (and sold about 15 percent of its equity to) GE Capital, most of it secured by the value of Marvel, which is being sold for at least \$80 million. Much of the money was used to buy back over \$230 million in junk bonds at under 50 cents on the dollar. Annual debt service fell from \$33 million to \$6 million.

New World is left with considerable assets, including the hot NBC soap opera, Santa Barbara, which could be sold. To survive it must still produce hit movies—and soon. Sloan says in the meantime he knows things are better because calls are coming in once again from banks. "Earlier this year they weren't even interested in meeting with us," says Sloan. "Now when they're in town they all want to come by and talk." ALEX BEN BLOCK

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REPORTS

C-SPAN, Almost Ten Years Old, Continues to Broaden Its Vision

House of Commons next. Then, computer data? C-SPAN radio?

D on't expect to hear Brian Lamb mourning the shrinkage of broadcast news operations or lamenting the ebbing of their power to shape the public-affairs agenda. According to Lamb, chairman of the Cable-Satellite Public Affairs Network (C-SPAN), the cutbacks at ABC, CBS and NBC and the growth of C-SPAN, Cable News Network and new cable and independent TV-news programming have been steps in the right direction.

"I look upon the lessening of the power of network news as a good thing Even cutbacks in overseas network bureaus don't trouble Lamb, who thinks others are filling the void. "There's an enormous amount of waste that went on in foreign coverage," he says. "You can still do all that coverage. You get on an airplane today and fly to Africa any time you want coverage ... I think we have so much more valuable information today that we're not missing a thing. Through TV, there are far more voices being heard out there than ever in the history of the country."

Of course, C-SPAN, which will be ten



The chairman (center) also moderates: 'More voices being heard than ever in the history of the country.'

for the United States," Lamb said recently. "I've always thought that we were a country that didn't like to concentrate too much power in the hands of anybody but those we elect. From 1963 to about 1983, the commercial television news organizations had an overwhelming amount of power. That was probably not the way the forefathers would have liked it. We were force-feeding the masses with three newscasts because they wanted to watch TV, not because they wanted to watch news. They'd flip the set on and it didn't matter what was on. That's the only reason they were able to command a large audience."

years old in March, is responsible for the addition of many new voices. Currently adding about 300,000 homes a month and now in over 38 million homes via 3,000 cable systems, with a second channel, C-SPAN II, in almost 16 million homes, the service has not just added to the nation's news coverage. It has become a major vehicle for debate. Not only did C-SPAN pioneer national call-in programming, but by offering viewers of both C-SPAN and other news outlets coverage of Congress, political campaigns and policy conferences, the service has brought political devotees a whole new range of options. And its no-nonsense format has won a following of informed, activist viewers.

Lamb isn't about to stop there. C-SPAN is already bringing programming to audiences around the world and plans to pick up events from abroad. Europe's Sky Channel satellite service carried portions of C-SPAN's politicalconvention coverage and will carry C-SPAN's election-night coverage as well. And C-SPAN is planning to add coverage of the British House of Commons when that body allows TV cameras in as early as next year. He would like to add audio services for radio and use C-SPAN's vertical blanking interval to deliver computer data on congressional schedules and votes.

With low overhead (150 employees) and an annual budget of \$12.5 million, it is in this era of network retrenchment that C-SPAN's ability to move quickly with projects like Sky Channel's convention coverage will help the service make its mark. "Over the years the commercial networks have had more money than they knew what to do with," he says, noting that with fewer network people attending the presidential debates this year, the cost to C-SPAN of acquiring the network's pool coverage of the debates was half what it was in 1984. But it could still be lower. "We could drive in our own equipment and shoot it with three cameras for less than the cost of the feed," Lamb says.

Another advantage to doing its own shooting: The network could stick to the distinctive, no-frills coverage its devotees have come to expect. When it wanders very far from that approach-into what Lamb calls "playing television"-C-SPAN viewers can be relied on to sound off. Any number of them did just that when, during Jesse Jackson's speech at the Democratic national convention, C-SPAN cameras spent half the time looking at the audience reacting to the speech. "There are always two different things going on at a public event," says Lamb, "and you can either play television, as the networks do, or cover the discussions.'

Viewers wrote and called to object to the way C-SPAN covered the speech, and, says Lamb, "They were very perceptive. It had been a mistake. It was clear that we were doing something we don't normally do. So we talked about it and, the next time around, in New Orleans, we didn't make that mistake." MERRILL BROWN

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At Univision, **ESPN** Chief **Starting Over**

The challenges facing Bill Grimes bring déjà vu.

e doesn't know Spanish. He knows much more about yacht races than Latino song festivals. And, as president and CEO of ESPN, the fabulously successful cable sports network, he had one of the best jobs in television.

So why did J. William Grimes accept an offer to become the new president and CEO of Univision Holdings Inc., the Spanish-language TV network and station group?

"I didn't feel ESPN could continue to

grow at the same rate as before," Grimes says. "And I wasn't going to be given another job at [ESPN's parent company] Cap Cities/ABC." When Univision's owner, Hallmark Cards, came knocking, Grimes was also impressed by its management-and enticed by a juicy offer that Cap Cities/ ABC evidently refused to top.

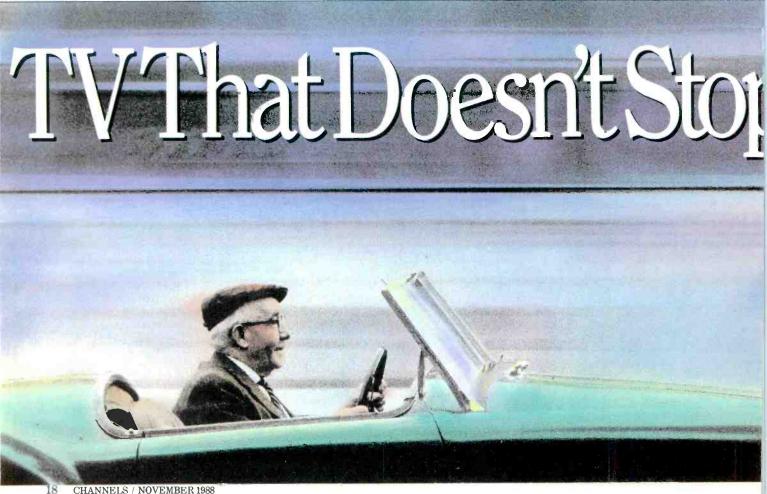
EPORT

Odd as it may seem for a sports czar to enter the culture of salsa and Julio Iglesias, the new challenges facing Grimes bear an uncanny resemblance to those he faced as president of ESPN: create new programming for a little-understood audience, nurture new management, improve audience research and, most important of all, sell, sell, sell.

"I don't think the message of Hispanic television has been packaged in a compelling way," Grimes says with the zeal of a convert. "At ESPN we delivered the same message over and over-'We'll sell you 1,000 good men at half the price of the networks.' " At Univision, Grimes also hopes to develop a clear, punchy message . . . then sell, sell, sell.

Demographics should make the job easier. Even though U.S. Hispanics make up about 6 percent of the television audience, advertisers spend less than 1 percent of their budgets on Spanish-language TV. Furthermore, U.S. Hispanics are younger than the general market, spend 25 percent more a week on food, prefer Spanish-language TV by a 3-to-1 margin and are projected to spend \$152 billion this year.

But capitalizing on these demographics will require a new wave of programming geared to U.S. Hispanics, who often do not respond as well to imports from Mexico, Venezuela and Argentina. Univision and its rival network, Telemundo, are already furiously expanding their domestic program production to woo new and distinct audience groups. But to "break the ad barrier," Grimes thinks Hispanic TV needs "a few programs that a marketing vice president at General Foods who doesn't know Spanish will look at and say, 'Wow!' "



One of the great advantages that broadcast networks like Univision have over cable networks like ESPN, says Grimes, is the opportunity for "horizontal programming" to diverse audiences. Instead of having to concentrate on "vertical programming" to specific, narrow audiences, a broadcast network has more room for growth and flexibility because of its wide spectrum of viewers. In the case of Hispanic-Americans, however, cultural tastes are so varied and changing that Grimes concedes Univision faces a difficult challenge: To develop programming with contemporary American themes yet generic enough to appeal to Hispanic people from all backgrounds-Cuban, Mexican, Puerto Rican and others.

Just as Grimes used ESPN's Sports-Center news show to attract new viewers and build goodwill among the regular audience, he hopes to use Univision's Noticiero Univision evening newscast in the same fashion. "If you develop the news, you'll always be guaranteed audience sampling of the network."

From his 13 years in sales and management at CBS during its heyday, Grimes learned the value of management depth. It is a model he hopes to



Grimes: has plans to ensure 'bench strength'

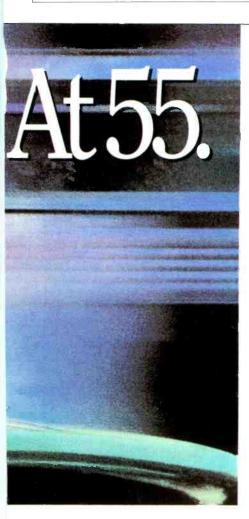
replicate at Univision by developing block those sports metaphors!—"a real farm system that will give the company bench strength." Grimes pledges that he will conduct an energetic search for the best and brightest managers to staff the new Univision.

Grimes' departure from ESPN may have the top brass at Cap Cities/ABC a little rattled. It was the fourth defection of an experienced top executive within two months. A Cap Cities spokesperson says the departures were triggered by career opportunities-in one case to accept an "overwhelming" financial opportunity (Bill Grimes), and in two others to head up enterprises (David Burke left ABC News to become president of CBS News, and John Severino, president and g.m. of O&O KABC-TV in Los Angeles, left to become CEO of Prime Ticket, Bill Daniels' regional cable sports network). A fourth executive, ABC vice president and senior executive in charge of specials and talent Gary Pudney, left to form his own production company.

At his new perch, Grimes insists that he can overcome the language barrier with the help of bilingual managers and his own video savvy. Within two months, he hopes to chart a new course for Univision—and exploit the hoopla that its rival network, Telemundo, is also drumming up for Hispanic TV.

"Imagine what this market might be if both of us did a better job of making those laborious sales calls!" Grimes exults. Hispanic TV may never be the same after Grimes begins another relentless campaign of sell, sell, sell.

DAVID BOLLIER



The Learning Channel is emerging as an innovator with programming specifically tailored for older Americans. This Fall, your subscribers will discover **IT'S ABOUT TIME**—a bright 13 week series that celebrates life after 55. Plus a dozen more series to give them the latest tips about health, home, and leisure time.

In fact, special **TARGET**: **SENIORS** promotion kits are available—containing creative community marketing suggestions, colorful acquisition postcards, placards for community centers, ad slicks, and CSR materials. TARGET: SENIORS is just one of several demographically segmented kits to help you create interest and enhance value in your basic service — GED ON TV to target the one in four adult Americans who need high school equivalency degrees; ENGLISH AS A SECOND LANGUAGE for new Americans; and a COLLEGE PREP package to create value with students and concerned parents.

TLC sets the pace with broad-based educational programming for the whole family. From high school and college students, young adults to older Americans. It's TV that's anything but retiring.

"IT'S ABOUT TIME" is a production of the John D. and Catherine T. MacArthur Foundation



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For special community marketing assistance, please call: Patty MacEwan, Affiliate Relations Manager, (800) 346-0032 Maro Casparian, Community Marketing Manager, (303) 592-1613

News Gender-Bending

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ONO ILCING

by Kevin Pearce

NOVEMBER 19: Grab the raccoon coats. folks, the Harvard-Yale game plays on ESPN. Grudge matches between unranked, brainy college teams may seem like small potatoes compared with pro-preview extravaganzas from Miami and USC, but consider that Toyota, Chrysler, Accura, Volvo and PaineWebber all specified that they wanted to advertise during **Ivy League** football games this year. Advertisers would have been out of luck in the past-the Ivies ran on PBSbut this season, ESPN is carrying Ivy League football as part of a new, threeyear contract. According to a company representative, "ESPN wanted to add to the diversity of its college-football schedule" and hopes to "get Ivy League grads, such as executives and advertisers, to tune into ESPN." The contracted 19 games are to be coproduced by Trans World International, the largest producer and supplier of sports in the world.

NOVEMBER 23: Relax, beboppers and culture fans. Despite worries by some that public TV fare is being stolen away by cable PBS-alikes such as Arts & Entertainment, Lifetime and The Discovery Channel, the Newport Jazz Festival returns to PBS for its fifth year. "As producers we'd like to reach the largest audience possible," says supervising producer Dale Riehl. "If we get a [cable] offer we'll investigate exactly how the rights work. In some ways cable is appropriate for our format-music and variety shows don't do well on broadcast TV. But for the foreseeable future we'll be on PBS. We're very happy there."

NOVEMBER 30-DECEMBER 3: In Las Vegas, the 43rd annual **Radio-Television News Directors Association** conference takes place. Among the many roundtables and workshops will be sessions on making radio newswriting more aural, making TV writing "more visual" and techniques for "easing victims' stress and pain while still getting the story." According to RTNDA chairman-elect **Bob Priddy**, one major focus this year will be on women "beyond the newsroom." "In the past we've dealt with sexual harassment and handling the pressures of being a woman news director," Priddy says. "The question now is, 'where do they go from here?' We'd like to see more women as general managers and sportscasters." Of course, some attendees know that the struggle for equality in the news biz is still a bitter one. Says Mary McCarthy, news director at New Orleans' WDSU, "The doors of news management have opened a great deal for women. In 1977, when I first became a news director, someone told me I was the twelfth [female news director] in the country. The door has swung open, but people aren't flooding through it. GMs still say things like, 'I'm looking for a bright young man'-maybe with no prejudice, but the sentiment is still there.'

NOVEMBER 30: The FCC's Mass Media Bureau will rule on all properly filed transfer applications by the end of November. This could mean millions in tax savings for some broadcasters, since new tax laws will be killing corporate tax exemptions starting next year. Stations selling for under \$5 million can still avoid corporate taxes, and those selling below \$10 million will get a break this year. Bill **Redpath** of **Broadcast** Investment Analysts says that only smaller deals will be affected, but "depending on how long the company has been held, some stations would be doubly hit on capital gains if sold next year." Redpath notes that "not many television stations would fall into the \$10 million range, but certainly a lot of radio stations would be candidates.'

Channels welcomes contributions to "What's On." Material must be received at least 60 days in advance of the event in order to meet deadlines; send to the attention of Richard Katz. \bullet

CALENDAR

- Nov. 10: Kagan TV Program Syndication seminar, moderated by Paul Kagan and Larry Gerbrandt. Beverly Hills Hotel, Beverly Hills, Calif. Contact: Kit Hunter, (408) 624-1536.
- Nov. 15-16: San Diego Communications Council's fall conference, "Advanced Communications Technologies and The Public Interest." La Jolla Marriott Hotel, San Diego. Contact: Patricia Clarke, (619) 594-6933.
- Nov. 16-18: Private Cable Show, sponsored by National Satellite Programming Network. Denver Tech Center, Denver. Contact: (713) 342-9655.
- Nov. 21: International Emmy Awards Gala, sponsored by International Council of National Academy of Television Arts and Sciences. Sheraton Centre, New York City. Contact: (212) 308-7540.
- Nov. 22: International Radio & Television Society Newsmaker Luncheon, followed by Goods and Services Celebrity Auction. Waldorf-Astoria Hotel, New York City. Contact: (212) 867-6650.

Nov. 28: Academy of Television Arts and

Sciences "Television Academy Hall of Fame" telecast (on Fox), honoring 1988 inductees Jack Benny, George Burns, Gracie Allen, Chet Huntley, David Brinkley, Red Skelton, David Susskind and David Wolper. Contact: (818) 763-2975.

- Nov. 30-Dec. 3: Radio-Television News Directors Association international conference. Las Vegas Convention Center. Contact: Patricia Seaman, (202) 659-6510.
- Dec. 7-9: Western Cable Show, sponsored by California Cable TV Association. Anaheim, Calif. Contact: Jerry Yanowitz, (415) 428-2225.
- Dec. 13: Presentation of Women at Work broadcast awards, sponsored by the National Commission on Working Women. Capital Hilton, Washington. Contact: Sandra Porter, (202) 737-5764.
- Dec. 13-15: Video Expo Orlando, sponsored by Knowledge Industry Publications. Orange County Convention Center, Orlando, Fla. Contact: Barbara Dales, (914) 328-9157 or (800) 248-KIPI.

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MARKETING · PROMOTION

Making CVN Different by Harvey Solomon

Cable Value Network strives to stand apart in the crowded home-shopping business.

ith 15 or so home-shopping channels available to cable operators today, it's easy to forget that a mere three years ago there was only one: the industry's namesake, Home Shopping Network. And while that network has experienced phenomenal ups and downs in its short life as a national service, HSN 1 and 2 and HSN Overnight today reach a potential audience of 59 million viewers, via cable, HSN's 11 owned-and-operated overthe-air TV stations and 32 affiliates.

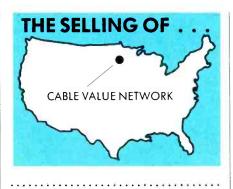
With that kind of clout, HSN has held on to its role as the dominant force in an industry that has seen revenues nearly quadruple in the last two years, reaching what analysts at Paul Kagan Associates project to be \$1.8 billion this year and \$2.8 billion by 1990. These numbers represent big business, and a windfall for cable operators, who receive a 5 percent slice of gross sales, calculated by purchasers' zip codes.

That translates to approximately \$90 million for cable operators this year. And unlike other cash flows—basic and pay revenues, ad sales—home-shopping dollars flow straight to the bottom line. Thus some system managers have signed up for as many as a half-dozen shopping channels, and, as a convenience to subscribers, they often lump them together on the dial.

Such groupings unfortunately con-

HOME SHOPPING'S REACH

CHANNELS	HOMES REACHED (Millions)
HSN 1 and 2	55.40
CVN	18.37
QVC	9.64
The Fashion Channel	6.70
HSN Overnight	3.60
TelShop	3.00
Shop Television Network	2.10
America's Value Network	2.00
America's Shopping Channel	1.00



tribute to the widespread belief among consumers that the channels are virtually identical. "One of the major discussions in the industry is whether you need to have more than one, and how much of an increment you get with more than one," says Ted Livingston, Continental Cablevision's marketing vice president.

The situation is analogous to the problem faced by pay services, as consumer surveys continually cite duplication of programming as the primary deterrent to subscribing to more than one pay service. So now the shopping channels, facing a similar dilemma, are actively seeking to differentiate themselves from *their* competitors, and letting the public know how. "Up until recently the battle has been for market share; they've been chasing channels," says Larry

Gerbrandt, senior analyst and v.p. of Paul Kagan Associates. "Now that has settled down and they can concentrate on marketing. Sales go up in direct proportion to marketing expenditures."

That message has gotten through loud and clear to numbertwo-ranked shopping channel Cable Value Network (CVN), which committed \$20 million to its so-called Smart Marketing plan in fiscal 1988. A lot of that money is going to remedy research findings that show, remarkably enough, that 60 to 70 percent of cable subscribers are unaware that a shopping channel is on their service, according to CVN chairman and CEO Ted Deikel. "When you produce viewers," says Deikel, "you end up producing buyers."

The key elements in Minneapolisbased CVN's most aggressive and ambitious marketing program to date include traditional strategies such as television, radio and print advertising, and direct-mail and co-op programs. But it includes innovations as well, such as remote broadcasts, a consumer credit card and segmented programming.

"CVN," notes Gerbrandt, "has made a conscious decision to limit cash-flow profits in exchange for putting more promotional dollars into the pipeline."

With 18.5 million subscribers (not counting pickups from its recent bailout of The Fashion Channel), CVN taps the expertise of its unique dual base: MSO ownership (TCI, ATC, Warner and a dozen other operators) plus ten years of direct-mail experience. (The cable and direct-mail divisions now account for some 85 percent of CVN's gross revenues.) This synergy works to provide better return rates on marketing surveys, especially through co-op offers that encourage consumer response through a host of contests.

e're actively working with cable operators to tailor our marketing programs to the specific needs of their individual markets and circumstances," says Glenn Leidahl, CVN's v.p. of affiliate relations. "While it's important to provide prepackaged, easy-to-implement marketing programs, that's not enough. We want to maximize the marketing impact to drive the service forward."

To that end, CVN has initiated localized cross-promotions such as the Birmingham, Ala.-area campaign this past August that teamed the shopping channel with two ATC cable systems in a merchandise giveaway. Entry blanks

A lot of movie packages are simply dressed up dogs.

CENTURY 14







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ADVERTISING

Spot TV Gets Hip

by Chuck Reece

Value-added deals flourish as rep firms learn to help advertisers market products.

very salesperson has a gimmick, but seldom is the stratagem strong enough to start an industry talking.

Jim Murtagh got the spot-TV business talking this past summer with a marketing program he developed for rep firm Seltel. The senior v.p./director of marketing dreamed up a program called Direct Impact on Sales, which works like this: A local station represented by Seltel trades a block of airtime to a local retailer for high-visibility display space in the retailer's store. Seltel then offers that display space to an advertiser buying television time in the station's market. If the advertiser will increase the share of its ad budget for that market that goes to the Seltel station, the advertiser can put his products in the retail display space.

Dr Pepper tested the program with a Seltel station in Salisbury, Md., and chalked up a 40 percent increase in sales of its two-liter bottles. Bill Tolany, Dr Pepper's v.p. for sales and marketing services, calls the results "powerful."

"The national advertiser loves it because they do see the value in advertising, but they also see the need for the immediate volume lift," Murtagh says. "And [through the Direct Impact program] we've just justified his doing image advertising to get the volume lift. So it's a happy win-win."

The program addresses a pressing problem in spot TV: the flow of national advertisers' budgets away from image advertising and into promotional deals. Emphasis on the short-term sales curve has pushed more money into promotions—cents-off coupons, etc.—that produce immediate sales increases. A program like Murtagh's ties TV into an advertiser's promotional needs: A brand manager buying into Direct Impact doesn't have to forsake image ads to get the display space he covets. They come together in a package deal.

The program doesn't make Murtagh a marketing genius. It just makes him one of several marketing heads at rep firms who are trying to add value to television time and entice national adver-



Seltel's program teams television station, marketer and retailer.

tisers back into the spot market.

Cathy Egan is v.p. and director of Katz Television Group Marketing, a division of the giant rep firm formed in January to "create non-traditional opportunities." Says Egan: "We've got to go beyond the numbers and help an advertiser market his product. It's a new efficiency basis. It's looking beyond cost-per-thousand and into cost-per-sale [of the product], how a program helps a brand stand out."

During the last five years, national advertisers looking to create impact for a brand have increasingly gone outside spot TV. According to the Television Bureau of Advertising, national spot spending increased 14.7 percent in 1984 over '83. But in 1987 it increased only 4.2 percent over the previous year.

The need to stem the fall-off in spot sales has created these value-added programs. Katz is running what it calls a Product Impact Program, which involves a retail chain and uses a theme— "Aloha Week," for example—to tie in ads for products that fit the theme. In the case of Aloha Week, the advertisers might be packagers of macadamia nuts and pineapples. The advertiser leaves space to tag the retail store at the end of his commercial, and in return gets prime display space in the store.

Blair Television thinks vendor-mar-

keting programs (see Channels, "In Focus," October 1988) also offer an opportunity to find new national spot dollars. The rep firm has joined forces with Jefferson Pilot Retail Services, which coordinates vendor programs with advertisers and retailers in individual markets. Blair plans to take the concept national. Vendor programs "hadn't been exploited at a national level," says Kenn Donnellon, v.p./ advertising for Blair. "Because Jefferson Pi-

lot had been working with about 12 Blair stations, we discovered they'd developed resources and techniques for putting these programs together. Blair brought to the party a national reach." Blair and Jefferson Pilot hope to make customized vendor-marketing programs a national tool.

aking tools for advertisers not just media vehicles—is the idea behind all this scrambling. When the media marketplace began its radical changes in the early '80s, advertisers quickly got hip to the new marketing challenges. They left spot TV behind like it was a square at a cool party: The media world was moving on; spot wasn't following.

"The spot-television business has been declining for about six years," says Seltel's Murtagh, "and nobody's been paying attention to it because it's been replaced with program sales, paid religion and direct response. It was all being replaced with voodoo money. So everybody all of a sudden turns around and says, 'Shit! We're losing business! What are we gonna do?' Well, we've been losing it for six years; we just haven't been paying attention."

Spot TV is finally getting hip, and everyone-advertisers and stationsshould benefit.











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The Business Side



by Merrill Brown

Television's Junk-Bond Blues

t will be years before the nation's judicial system reaches its conclusions about Michael Milken, Drexel Burnham Lambert and the controversies surrounding junk-bond financing. What's already clear is that the financing systems stemming from Drexel's invention of the low-grade, high-yield vehicles have transformed huge segments of American industry, perhaps none more so than the American media industry.

Name virtually any contemporary media baron or company and you'll find a connection to Drexel Burnham. The list just begins with Rupert Murdoch, John Malone, Ted Turner, Steve Ross, George Gillett, Jack Kent Cooke and Carl Lindner. Many media executives utilized Drexel in funding their ventures, and many regularly attended the so-called "Predator's Ball," the annual junkbond conferences held in Beverly Hills by the investment banking firm. Other financial entrepreneurs, such as Robert Price, through Drexel competitors such as Mor-

A return to the rules that limited the entrance of new media players into the field would be another tragic result of the Drexel affair.

gan Stanley who adopted Drexel's junk-bond techniques, built enterprises on similar financing schemes.

Many of these companies were drawn to Drexel because of the firm's ability to quickly raise and distribute media-industry financings for businesses such as film and television production that at various times were deemed too speculative by Wall Street's more traditional financing houses. As a result, Ted Turner and Rupert Murdoch were able to grow businesses, Cooke was able to make the McCaw family wealthier than even their fondest dreams suggested and George Gillett was able to build a powerful television empire. That's the good news.

Other major media companies were allegedly victims of the underside of the junk-bond achievements, companies such as Viacom and Storer, whose transactions, the Securities and Exchange Commission charges, were improperly leaked or manipulated by Milken and his aggressive band of bond peddlers.

But for all these enterprises, the burgeoning success of Drexel and its junk bonds also pose risks. Those who fear that the government's huge deficits will ultimately bring down an economy built on borrowed money and make it hard for leveraged companies to pay their bills raise such warning flags. Executives who were tossed aside when Drexel-financed buyouts brought in new owners must also now wonder whether their careers were dashed because of financial wizardry or whether their rivals gained power through the use of Drexel chicanery. And for those companies and entrepreneurs who succeeded in the 1980s because of a more open, competitive economy, they, too, must be concerned. If the government proves Drexel guilty of violating the law, the tide back to firmer government control of regulated industries, such as finance and broadcasting, might well limit the ability of newcomers to continue to break down barriers that regulation has historically created for new entrants.

he inevitable review of the regulatory apparatus that permitted Milken and junk bonds to dominate the nation's corporate-finance landscape does, however, have a public-interest component as well. It would be unfortunate if a tightening of fund-raising mechanisms resulted in a system that made it vastly more difficult for new John Malones to create financially driven enterprises like Tele-Communications Inc. It remains the case in the television industry that most of the creative growth of the eighties came from previously little-known entrepreneurs who either benefited from the FCC's loosening of the nation's regulatory embrace of the status quo or who were able to implement new ideas because of the fund-raising capabilities of a diverse national financing apparatus. The accomplishments of Turner, Malone and Gillett, just to name a few, couldn't have come about in an environment that barred new technology, new players and new financing mechanisms.

As 1988 and the go-go Reagan years close, the issues raised by Drexel Burnham's bitter fight with the government have to be atop the television industry's concerns. It is, of course, unfair to tarnish those who built empires on Drexel financing. It is fair to wonder about the plight of the losers in the financial clashes of the eighties, and fair to wonder what lessons will be drawn from the ongoing legal fights spawned by Milken, et al., that will continue into the nineties. The time has come to put the lid on characters like Gordon Gekko of Wall Street, the film. Gekko's "greed is good" anthem lies behind the insidertrading cases of Ivan Boesky, Dennis Levine and Martin Siegal. It would be unfortunate if the lesson of the corruption of Boesky and his cronies is a return to the "good ole' days" of media-industry monopoly and oligopoly, and a financial buddy system where only the white shoes of the old Wall Street can raise money.

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Satisfied customers are important to CVN. Equally important is our relationship with our cable partners.

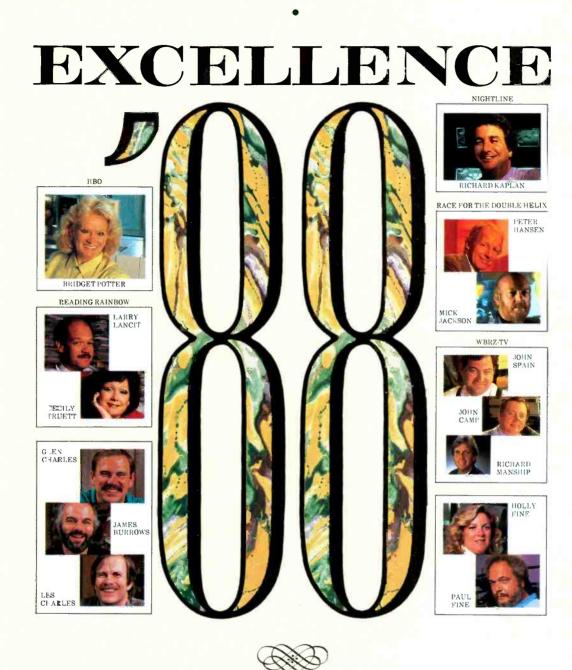
CVN's 1988 Marketing Plan addresses the needs of the cable industry with specific programs to increase basic subscribers, upgrade basic to pay and keep those subscribers for the long term.

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1988: ONE FIRM CONTINUES TO LEAD IN MEDIA AND COMMUNICATIONS TRANSACTIONS.

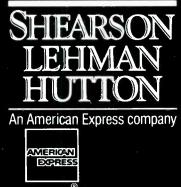
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Shearson Lehman Hutton Client

1988 Transaction

Cable Television				
SCI Holdings, Inc.	Acquisition of SCI Holdings, Inc. by a Joint Venture of			
Robert M. Bass Group, Inc.	Tele-Communications, Inc. and Comcast Corporation (pending). Divestiture of Wometco Cable TV, Inc. to Cablevision Industries			
	Corporation (pending).			
Comcast Cablevision of Maryland Limited Partnership	Acquired by Comcast Corporation through its wholly owned subsidiary, Comcast Cable of Maryland, Inc.			
Essex Communications Corp. and the assets of Essex 1984-1 Operating Partnership and 3 Essex Limited Partnerships	Acquired by U.S. Cable Television Group, L.P.			
Simmons Communications Merger Corp.	Acquisition of Scott Cable Communications, Imc.			
Prime Cable of Georgia Ltd.	Acquisition of assets by Georgia Cable Partners (a partnership formed by Robert M. Bass Group, Inc. and Frime Cable Growth Partners, L.P. and certain of their affiliates and associates).			
Cable Atlanta Limited	Acquisition of assets by Atlanta Cable Partners, L.P. (a limited partnership formed by Robert M. Bass Group, Inc. and Prime Cable Growth Partners, L.P. and certain of their affLiates and associates).			
Jones Intercable, Inc.	Public Offering of \$150,000,000 of Subordinated Debentures.			
Simmons Communications Merger Corp.	Private Placement of \$33,000,000 of Zero Coupon Senior Secured Notes and \$14,000,000 of Senior Secured Notes.			
Paragon Communications, a joint venture between American Television and Communications Corporation and Houston	Commercial Paper Dealer.			
Industries Incorporated Heritage Cablevision Associates, a Limited Partnership	Roll-up of 60% of the Limited Partnership Interests.			
Broadc	asting			
Infinity Broadcasting Corporation	Management Led Leveraged Buyout.			
Malrite Communications Group, Inc.	Management Led Merger Proposal (pending).			
Forward Communications Corporation	Acquired by Adams Communications Corporation.			
Infinity Broadcasting Corporation	Self-Tender by the Company.			
Grant Broadcasting System, Inc.	Financial Advisor in Restructuring.			
Infinity Broadcasting Corporation	Private Placement of \$185,000,000 of Senior Subordinated Discount Debentures.			
Publishing				
Reed International PLC	Sale of its North American Paper Group to a wholly owned subsidiary of Daishowa Paper Manufacturing Co., Ltd.			
McClatchy Newspapers, Inc.	Public Offering of 2,760,000 shares of Class A Common Stock.			
<u>Cellular Telephone</u>				
U S WEST New Vector Group, Inc.	Public Offering of 8,400,000 shares of Class A Common Stock.			
McCaw Cellular Communications, Inc.	Public Offering of \$100,000,000 of Convertible Senior Subordinated Debentures.			
Cellular Communications, Inc.	Public Offering of U.S.\$50,000,000 of Convertible Subordinated Debentures.			
Cellular Communications, Inc.	Underwritten Redemption of 6% Convertible Subordinated Debentures.			
Entertainment	t/Other Media			
MacAndrews & Forbes Holdings Inc.	Divestiture of Technicolor Holdings, Inc. to Carlton Communications Plc.			
Heritage Communications, Inc.	Divestiture of Heritage Creative Outdoor Services, Inc. to Reagan National Advertising, Inc.			
Modern Video Productions Inc.	Acquired by Carlton Communications Plc.			
Silver Screen Partners IV, L.P.	\$400,000,000 of Limited Partnership film financing.			
Orion Pictures Corporation	Public Offering of \$200,000,000 of Senior Subordinated Reset Notes.			
Carlton Communications Plc	Vendor Placing of 3,625,000 new Ordinary Carlton Shares.			

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On Location With Pay TV

Bridget Potter steers HBO between the cutting edge and mass appeal.

by John Flinn

ridget Potter is a transplanted Londoner who speaks with a slight New York accent, a dedicated television programmer who won't move to Los Angeles, the head of HBO's original-programming effort who six years ago didn't have cable in her home and whose friends urged her not to take a job that they said would effectively remove her from the television universe.

Far from disappearing, Potter has been making unconventional television, "doing God's work for the Home Box," as she says. It's been noticed by the networks and lauded by Hollywood: in August an original HBO documentary, *Dear America: Letters Home from Vietnam*, won cable television's first two prime time Emmys. It was gratifying to Potter, HBO's senior vice president of original programming, who looks at her peers in broadcast television and thinks, with no flippancy, "You were great. We will be."

Movies—the blockbusters that tear through theaters and keep VCRs whirring—are the main attraction at HBO, comprising 70 percent of the pay service's programming. They're probably the main reason subscribers pay the extra tab on their cable bill each month. But original productions give HBO its personality. The projects and special events that Potter and her hand-picked team of development executives put on the service can't be seen on Showtime or rented at the video store. (Ironically, *Dear America* is an exception: After its HBO play, it was released this fall for a theater run.)

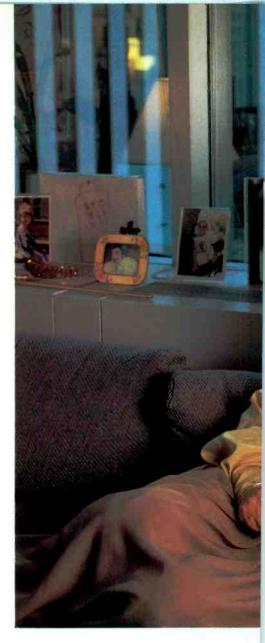
Buddy Morra, a 20-year friend of Potter's and a partner in Rollins, Morra and Brezner (a personal-management company that produced *Throw Momma* From the Train, Good Morning Vietnam and a slew of HBO comedy programming), notes, "HBO is only now, in the last year or two, coming around to doing the kind of programming that everybody thought they should be doing a long time ago. I think Bridget is very responsible for that."

Potter is in her sixth year at HBO—in a job that was once held by HBO's current chairman and CEO Michael Fuchs—but she does seem to have recently hit her stride, overseeing a mix of programming for HBO and Cinemax that usually finds the right balance between the cutting edge and mass appeal: shows that are timely, perhaps controversial, and extremely well executed.

Potter and her team of programmers— Chris Albrecht on the West Coast, Betty Bidderman, Sheila Nevins and Collin Callendar in New York—have also assuaged Hollywood's initial fear of cable and, particularly, Time Inc.-owned HBO.

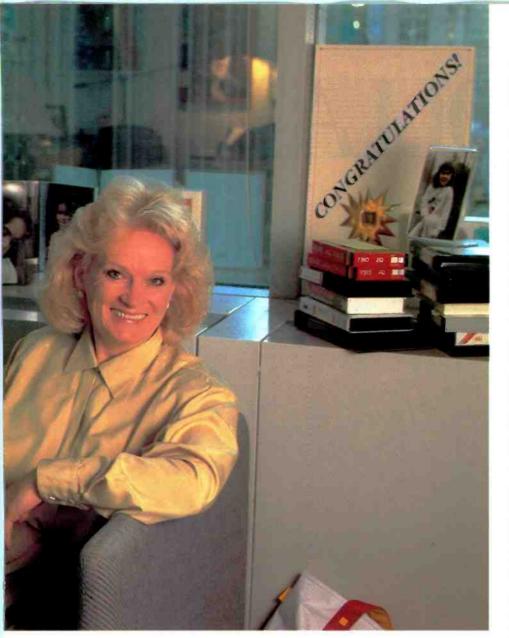
"All those stories about how HBO was going to eat up Hollywood—that was very destructive to us in our work with the creative community," Potter acknowledges. "They didn't have a lot of respect for us. They have to now, and not just because of our buying power but because of the quality of what we do."

Especially in its music and comedy programming, HBO now seems to be a magnet for hot names. On Location, a popular comedy series, has showcased Rodney Dangerfield, Jackie Mason, Roseanne Barr, Sam Kinison and Spalding Gray in the last two years. On HBO Comedy Hour Live: Joe Piscopo, Whoopi Goldberg, Robert Townsend and George Carlin. Its music specials feature stars



such as Billy Joel, Roy Orbison, Barbara Streisand and Tina Turner, plus events such as the Atlantic Records 40th Anniversary showcase and this fall's Amnesty International tour.

HBO's documentaries and dramas handle the usual topics in unexpected ways. In addition to Dear America, it has explored the issues surrounding the Vietnam war in its Vietnam War Story series and last year's salute to vets, Welcome Home. Shows on AIDS have included a "no-frills informational special" hosted by surgeon general Dr. C. Everett Koop; Suzi's Story, a documentary about the last months of a woman with AIDS; and Tidy Endings, adapted from Harvey Fierstein's Broadway show, Safe Sex. Potter brought politics to television (along with Garry Trudeau and Robert Altman) in Tanner '88, a series that tracked fictional presidential candidate Jack Tanner from New Hampshire's primary through last summer's Democratic convention.



ries that premieres this month, is in many ways a quintessential HBO project: ambitious, intricately financed, lushly filmed. And according to its producer, Hal McElroy—an Australian who, with his twin brother Jim, produced the film *The Year of Living Dangerously*—it's also a reflection of Bridget Potter.

"She's got most of the attributes one looks for as a producer," McElroy says. "Most importantly, she's honest—she actually says what she thinks. Two, she's instinctive and is unapologetic about it. Bridget is quite happy to say 'Look, I don't know why but I happen to like that. My gut tells me. It makes me laugh.'

"The third is, she's very supportive and trusting: Once she says go for it, you go for it. There's one other quality," adds McElroy, "and that relates particularly to this production: She's actually very courageous."

A Dangerous Life recalls the revolution in the Philippines, from Ninoy Aquino's assassination to the Marcos's exodus to Hawaii, as seen through the eyes of a ficBridget Potter in her office on Sixth Avenue in Manhattan: 'I have a rather sensitive bullshit detector.'

tional American journalist (Gary Busey). Using dramatic re-creations and news footage, it explains the Philippino point of view, one that is, in Potter's words, "not necessarily pro-American."

The premise offered a lot of choices. "When we decided to do this, we decided to do it without any compromises," says Potter. "We decided that it should be shot in the Philippines. That's an enormously risky proposition right there. Two years after this revolution took place, the McElroys were back in Manila shooting the dramatized version of the revolution."

Midway through what was scheduled to be six weeks of on-location work, however, a politically motivated court action against the producers halted filming and forced the crew out of Manila. McElroy finished shooting in Sri Lanka, then pulled his own coup: He convinced HBO to fund a second trip to the Philippines. "We snuck back in, again with Bridget's support, and did another ten days' shooting without anybody knowing," McElroy says.

Potter responds, "They didn't sneak back in." But then she adds, "Listen ... they're cowboys. They're great. And you put your faith in people. This is where your bullshit detector comes in. By then we were on our way to something spectacular. And if a little more money was going to help it be what it should have been, we have a responsibility." She is also quick to note that Chris Albrecht was in on the decision. She's spreading the courageousness, not potential liability. "It wasn't like we were pouring money into an endless bottomless pit, she adds. "But HBO does this. We step up when we have to."

The confidence and good judgment that McElroy and many others credit to Potter's sound instincts are more likely the product of her 25 years in television. Raised in the suburbs outside of London, Potter came to the States with her parents in 1960, at the age of 17, and moved to Bronxville, New York. She enrolled in the American Theater Wing, wanting to become an actress, but quickly realized acting wasn't it.

Potter was working temporarily at the British Information Service in New York when a friend there set up an interview for her with the late David Susskind. Susskind hired Potter for the switchboard of his production company, "because, I am convinced to this day, I had an English accent," Potter says.

She moved off the phones and into casting, working on series like Armstrong Circle Theatre and East Side, West Side and developing skills and contacts she still values today. "Traditionally, David had a lot of women working for him," Potter says. "He liked women. He also paid women less, no question. But so what, from my point of view. He gave a lot of women a lot of opportunities."

After the series she was working on was cancelled, she left Susskind to work for the original *Dick Cavett Show*, in 1969. It wasn't the kind of series television Potter most enjoys doing, but it kept her in New York, where she was married and "living happily." And if Potter has good instincts, Cavett's daily grind can claim much of the credit.

She compares her experience there with that of a journalist working for a wire service. "You have to learn, finally, to develop your own judgment," she says. "And you have to learn to fail, to recognize failure. We did a show every day. We would have an idea, put someone on the show—the idea would either work or not, and then we had to get up in the morning the next day and go back and do it all over again."

The other attraction for Potter, still feeling very British but working to assim-





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ilate into American culture—even consciously losing her accent—was that "it was like going to school on America. There was no one I couldn't get on the phone and ask if they would come on *The Dick Cavett Show*. Everybody would respond to that call." She sat down for background interviews with the likes of Walter Cronkite, then attorney general John Mitchell and Sir Laurence Olivier.

Potter's career has been as subject to inspired risk as it has careful planning, and her exit from Cavett was the former. While interviewing Olivier in 1974 she had met producer Edgar Scherick, who ran Palomar, a small independent production company. Scherick's head of business affairs was a young lawyer named Dan Blatt, whom Potter had known socially in New York. As Potter explains it: "Edgar decided he wanted someone to do TV, and he and Danny had this insane idea of letting me try. I have no idea why Edgar thought I could do it, but he did. And he was smart," she adds, "because I could." Potter oversaw all development and production for television.

When Palomar dissolved two years later (over a dispute with its financial backers), Potter moved to ABC, which was then the number three network, as director of program development. She'd had attractive offers from a number of Hollywood production companies after Palomar foundered. But her aversion to Los Angeles (see box) and some advice from a friend at ICM, who suggested it ... and tearing into the heart of a conflict with *Vietnam War Stories*.

was time to "learn how things work from the inside," moved her to ABC.

Michael Eisner was head of programming, followed by Fred Silverman. Potter was at the network when *Roots* was scheduled and put on the air. She had four "absolutely terrific" years there, then moved to Lorimar Productions, still in New York, and finally, in April of '82, jumped to HBO.

Michael Fuchs says he "really didn't know" what Bridget would bring to the equation at HBO when he hired her. "I'd heard a lot about her, heard very good things, but I didn't know her that well,"



Fuchs says. "I liked her immediately at the interview. But Bridget had never done a job like this. It's a big, complicated job with a lot of parts, and it took her a while to get into it—even a matter of years."

Potter grew into unfamiliar aspects of the job—the budgeting, intense negotiating, managing a raft of skilled development executives—the same way she operates day to day: using her gut and always keeping an ear open to new ideas. After a recent rough-cut screening of an HBO documentary, Potter didn't hesitate before telling the producer that the onehour special would have to be substantially restructured. But she also said to the room, "Does anybody disagree? I'll listen to anything."

It's a reflexive response for Potter. "I'm a sponge," she says. "I absorb. I'm greedy for knowledge. And I'm uneducated, formally, which I think is a factor for me. I always feel like I don't know enough, like I have to know more."

After moving to HBO, she first set out to clarify, for herself, what differentiated pay TV's original programming from standard network fare. "Real quickly I realized I didn't know a thing about pay TV," she says. "I was like every other network-television executive six years ago: I didn't know about it, I didn't want to know about it, I didn't think it meant anything."

One HBO show then, Consumer

California Dreaming

s a TV-programming executive based in New York, Potter is the first one to call herself a fish out of water. "New York is not the center of TV anymore," she admits. And it's not as if there wouldn't be any jobs waiting for her in Los Angeles. "We'd love to have her come to the West Coast with us," says Brandon Stoddard, president of ABC Entertainment. "But her family precludes that."

Her family is most of it. Potter and her second husband, Bob Wool, a tax specialist and senior editor at *Money* magazine, have two daughters, one nine and one five. "I think New York City is the best place to raise children," Potter says. The family resides in Manhattan but also keeps a house in northwestern Connecticut. "I don't like suburban life," Potter explains. "I like the city, and I like the country, but I don't like the in-between. And that's California living—the in-between."

More important, however, New York allows a space between work and family that Los Angeles might not. "The social aspect of this business is very seductive," she says. "In New York, I can protect myself from that. In Los Angeles, I think I would have a hard time." After grappling for a moment with the big issues, Potter adds: "I also like snow." J.F.



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(Continued from page 40)

Reports, crystallized the difference for her. "*Consumer Reports* was an anticommercial television show," Potter explains. "It told you what not to buy." It led Potter to her guiding light: the Holy Shit Factor. "Which is," she explains, "'Holy Shit! Am I really seeing that on television?' That's what pay television had to be, and that meant we had to find a vacuum and move into it."

Not seeing political satire on the nets, HBO created Not Necessarily the News. No anthology series for adults—The Hitchhiker. No sports-based entertainment shows—1st & Ten. Not enough original drama created especially for television—HBO Showcase, and projects like The Chicago Conspiracy Trial and Waldheim: A Commission of Inquiry. "The vacuum is what it's all about," Potter says. "If the people at ABC said, "We've got to do that,' we'd have to find something else to do. It would no longer be valid."

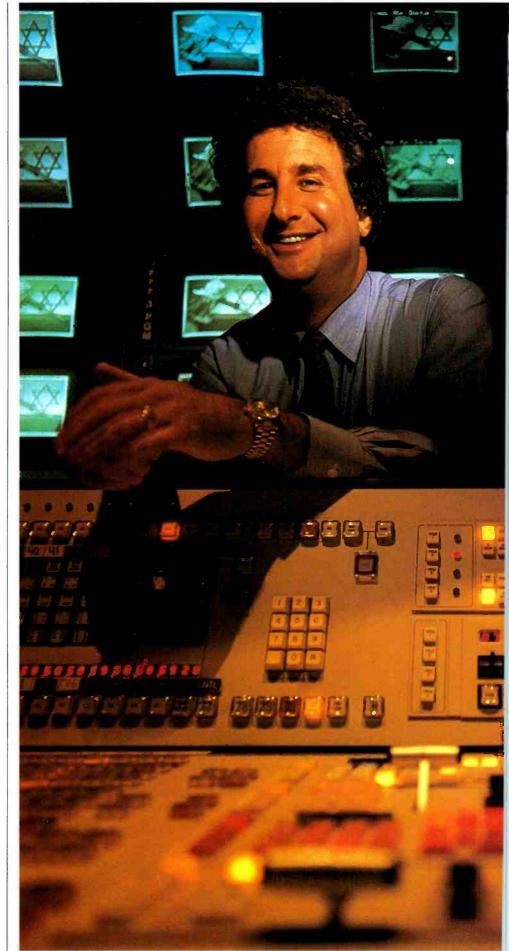
The broadcast nets are watching pay TV closely—*Max Headroom* went off HBO to ABC, and NBC's recent down-scaling of its standards-and-practices department was in part a response to cable's racier norms—but they haven't broken the vacuum.

Take *Tanner* '88, a series that writer and co-producer Garry Trudeau says "wouldn't have had a chance of being aired on network television." HBO knew it wanted something special for the election year. Trudeau and Robert Altman agreed to take the project, and Trudeau recalls, "That was the only guideline they gave us. They simply wanted a series based on a presidential campaign. ... Bridget's strength is that she comes up with ideas and then lets people alone to pursue them."

What emerged was a mesh of political theater that mocked the line between television and reality. "What we wanted was a show that mirrored the campaign," Potter says. "What we got is something that I think will live forever. It's just an extraordinary piece of work. The sad part is, the audience was not there for the show. I know why, but I don't like it."

The reasons why are everything network programmers fear: its political setting; few easily identifiable characters; rambling episodes not based on a strong, promotable storyline; Bob Altman's trademark, documentary-style soundtrack. And while Potter chose not to continue *Tanner* into the fall, it's clear that in many ways the series is everything pay television should be.

"It mixes the real and the fictional in a confusing and sometimes frightening way. It is not always funny. It is not always consistent. It's just great, that's all," Potter says, "and unique and original. Sometimes a little self-indulgent, but, you know, so what? It's brilliant."





A Wedding That Worked

Nightline's Richard Kaplan creates a winning Koppel.

by Eleanor Randolph

hen Richard Kaplan arrived at ABC's *Nightline* offices in May 1984 as Ted Koppel's new executive producer, he felt a little like the bride

at a shotgun wedding. The technological marriage of commentator Koppel and executive producer Kaplan had been arranged by ABC News president Roone Arledge. Both Koppel and Kaplan (who had come to ABC from one of the toughest jobs in television—as a CBS News producer for Walter Cronkite) acknowledge that they had harbored doubts that spring, more than four years after *Nightline's* start-up and transformation into a mainstay of ABC's news operation.

Koppel had wanted his own man, but Arledge had wanted Kaplan. Says Arledge, "I thought he'd have a flair that would make *Nightline* even better than it had been." "It was indeed an arranged marriage," Koppel says. "I was afraid that because the show wasn't broken, there was no need to fix it, and I was convinced there could have been problems. We are both strong-willed people.

"But I can remember the moment when it all changed. We were in a stairwell about a half an hour before the first live program out of South Africa. And I said to him, 'I feel like I am going to throw up in a trash can.' And he said, 'I do too.' That's when we realized that this arranged marriage was going to work," Koppel says now.

"Rick is enormously creative, has boundless energy and is a beautiful manager," says Koppel. "He is terrific."

PHOTOGRAPH BY SHONNA VALESKA

Nightline executive producer Richard Kaplan: At first he felt a little like the bride at a shotgun wedding.

Arledge agrees: "After a slow beginning, after South Africa, the chemistry began to work. From South Africa on, they have been a great team."

In New York, where *Nightline* houses about half of its staff, Richard Kaplan settles into a restaurant booth across the street from his office. His huge, 6'7" frame squeezes into the seat the way an adult wedges into a desk in his child's classroom on parents' night. His friends say he uses his size to advantage—making points from his own personal mountaintop. Says one: "Being a giant when you're trying to get somebody to do something they don't want to do, it helps. Most of Rick's friends, however, know he's a pussycat."

This evening Kaplan is talking about South Africa, and at nearby tables, people strain to listen. Almost reflexively, he lowers his voice to boast about how his staff pulled off the first televised encounter between the nation's most powerful white man, foreign minister R.F. "Pik" Botha, and South Africa's black Anglican Archbishop Desmond Tutu.

"South Africa was clearly a triumph for us," Kaplan says. "Botha and Tutu had never really talked. Obviously they had never had a debate.

"I remember we hired a South African woman, and her husband was *broederbond*, the strictest of the Dutch reformed white South Africans. She went home after the broadcast in South Africa, and he was sitting in the chair, and she was very nervous about hearing what he would say. And finally he said, very quietly: 'I saw the program and . . . after listening to Tutu, we're wrong.'

"Tutu was very eloquent. He said, I'm

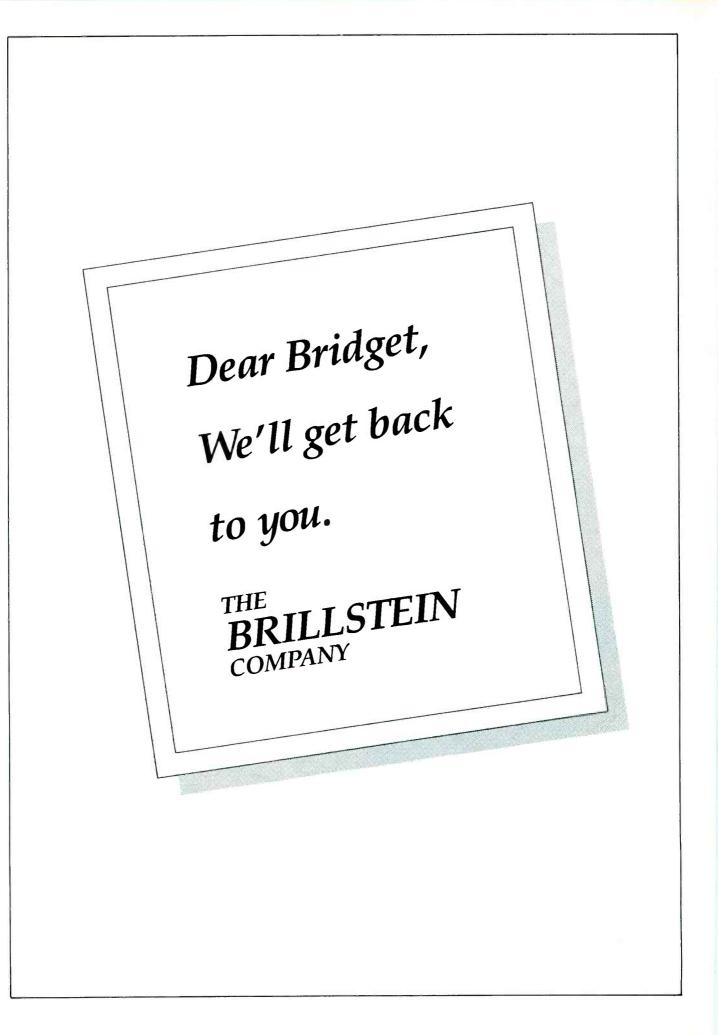
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58 years old. I'm a reasonable man of reasonable intellect and I'm not allowed to vote in my own country," Kaplan paraphrases. "It was very powerful. We had a chance to do something TV cannot often do—teach as well as inform."

For his staff of 34 in New York, Washington and London, Kaplan is the vortex—a force of energy that pushes the program to experiment and reach beyond the usual newscast or standard roundtable it could easily become each night.

"In the best sense of the word, he is a cheerleader for the program," says Richard Harris, a Washington-based producer for *Nightline*. "He takes the attitude that this show can turn on a dime. If news breaks at 10 P.M., we can scratch the program and start over."

Harris, like others, talks about Kaplan's legendary energy level—rivaling even the hyperkinetic Sam Donaldson. Says Harris of Kaplan: "I've never seen the guy yawn."

In his small office, Kaplan spends about three hours a day talking on the phone to his star in Washington. The room is spare, utilitarian, except for one delicate and somewhat worn rattan chair that bears a little sign: "One of the original 30 chairs from Rick's Cafe in the movie *Casablanca.*" Kaplan, who keeps one ear to the phone linking him to Washington, seems capable of carrying on at least one other conversation at the same time. He sees a visitor eyeing the chair and barely breaks stride on the phone to whisper: "Yes, it's real," before being asked.

Kaplan is known at ABC News as someone who loves the technology and enjoys experimenting with it. But his lifeline is a simpler tool-the telephone. For hours in the day, he and Koppel mull, talk, argue, schmooze, chew at their ideas, turn them around like gemstones searching for new, dazzling angles. They decree something good or attach to it the worst slur in their vocabulary-"predictable." They critique the show in advance, worry over the guest list. When journalists kept backing out for a show about media treatment of Republican vice presidential candidate Dan Quayle, Kaplan was disappointed. But suddenly he cocked his head and said, "Hey, that's interesting. That tells you something about this story.'

Kaplan's wizardry really comes out in the town meetings, his fans say, when the control room links up radio, television, community gatherings and the world's experts on AIDS or drugs or the stockmarket crash. "I like to think that we are producing the next generation of television documentaries," he says.

Occasionally, however, the commanding reach exceeds even his grasp—such as during the *Nightline* visit to Vietnam when Koppel was supposed to be talking to North Vietnamese leader Le Duc Tho and Henry Kissinger in the United States. The satellite kept fading in and out, most often on Kissinger, and Le Duc Tho kept giving a speech that even Koppel had trouble interrupting. "Henry was pissed as hell," Kaplan recalled recently.

But more often, the daily miracles come off for *Nightline*'s 5 to 7 million households per night (in excess of 25 million viewers a week).

Kaplan started in TV as a producer with Chicago's WBBM. He has won ten Emmys, two George Polks, two Peabodys, three Ohio States, two National Headliners and an Overseas Press Club award. The South African show in March 1985 won Kaplan the first Gold Baton, a new honor from the Alfred I. duPont-Columbia University awards. Kaplan recently won an Emmy for the program's coverage of the Tower Commission report last year, while Koppel added another.

But the programming Kaplan believes is the best he has produced in his two-decade career came from *Nightline*'s week in Israel in April. It was the one that politicians and journalists alike had told Kaplan was impossible, the one that dared to try a town meeting in a place



Ted Koppel sits astride the fence in the Holy Land.

where people often resolve differences with artillery instead of invective.

One of the key elements of the show was its name. "Instead of Nightline in Israel, we called it Nightline in the Holy Land," Kaplan says. Each side kept using the long-standing tactics that have harassed diplomats for decades in the Middle East. Guests tried to veto other guests. "No way," Kaplan told them.

At every step it was difficult, and the process grew tougher as the broadcast approached. The murder of Palestinian Abu Jihad, believed to be the work of Israel, happened nine days before the show was scheduled to air. As a result of the regional instability stemming from the killing and the inclusion of Israeli foreign minister Shimon Peres, Jordanian King Hussein and Egyptian President Hosny Mubarak immediately backed out.

The Palestinians demanded the night before their appearance that they be in a separate room from the Israelis. "At one point, they said 'We need a divider. We want barbed wire,' "Kaplan recalls. "I said 'No way.' We finally compromised on a fence-a small, symbolic fence."

If the media critics said that *Nightline* failed to produce peace (some suggested that was its ultimate aim), it also failed to create the predicted tragedy.

Kaplan says now that the staff had "all kinds of warnings" that they would be a target, and a special security force found half-a-dozen guns on those who were invited to attend the broadcasts. Ready for the worst, Kaplan had a studio prepared in another part of the building "so that if somebody threw a bomb, we could still say what was going on."

When it was over, the reaction was overwhelming. "I have never had more positive reaction in any program I have worked on in my 20 years in broadcasting," says Kaplan. "There were thousands of calls, thousands—with *no* negatives. You have to understand," he adds, "we get negative response when we do a program on baldness."

Watching Kaplan in the control room a huge ganglion of nervous energy as Koppel looks smooth and cool on the bank of monitors—it is easy to understand why he is succeeding at this harrowing job. The show this particular evening had been put together when Koppel and Kaplan decided at 3 P.M. that their previous plan was not hot enough to keep the audience from straying to Johnny Carson. The staff was forced to scramble, working fast and late to change their offering for the night.

After the show's six-and-a-half minute set-up piece, Kaplan looks for the producer. "Terrific. The best I've seen." Later, on the phone to D.C., he says "Hey, that was a ten. I mean it, a *ten*."

It is a hard life, especially for someone with children, someone whose home is 45 miles away in New Jersey. But Kaplan has scaled back to a "regular" work week of 65 hours after one of his children saw him so rarely she called him "Uncle Daddy."

But he puts in 100 man-hours in a 65hour time frame; he wants the program to forge new ideas with ever new formats. Right now, Kaplan is saying, "I have this mock advertisement for legalization of marijuana. We made it for the town meeting on legalization of marijuana," he explains. There is argument about whether it will work, whether some dozy viewer will tune in and decide that Koppel has decided to grow his hair and don love beads. But there are always those arguments, and Kaplan will be there pushing for something to keep people awake.

To an astonishing degree, he and Koppel and the *Nightline* staff have been successful. As Kaplan puts it succinctly: "I don't think too many people watch us for a nightlight."

Eleanor Randolph writes about the media for The Washington Post.

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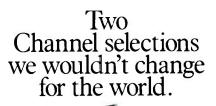
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Science That Soars

A&E/BBC's riveting mystery: Race for the Double Helix.

by Kirsten Beck

im Pigott-Smith, consummate Royal Shakespeare Company actor (*The Jewel in the Crown*) stands quietly to the side of the set, reviewing his lines, spotting the marks he'll hit in the next scene. American actor Jeff Goldblum (*The Big Chill*, *The Fly*) takes a slightly different approach, alternating between tap dancing or reading—out loud and to anyone who will listen—from the collected works of P.G. Wodehouse. Anything to distract himself. When BBC director Mick Jackson calls "Action!" Pigott-Smith steps

calmly, deliberately to his first mark while Goldblum flings aside his book and bounds onto the set.

This, in a nutshell, is why most international co-productions don't work. But it is also why *Race For the Double Helix*, a joint venture of the British Broadcasting Corporation and the Arts & Entertainment Network, does.

Cultural differences doom most international co-productions to a watery grave somewhere mid-ocean, contends A&E programming vice president Peter Hansen. But the cultural clash that so often shipwrecks joint projects is at the heart of the success of this film, which premiered in the U.S. on A&E last fall.

Double Helix tells the true story of an unlikely partnership between the brash, intuitive American scientist James Watson and his British counterpart, analytical, intellectually inclined Francis Crick. Their collaboration culminated in the discovery of the helical structure of DNA, the molecule that carries the code for hereditary traits, and it brought the pair, along with British scientist Maurice Wilkins, a Nobel Prize in 1962.

For the scientists, it was precisely this collision of cultures, exemplified by Goldblum's and Pigott-Smith's contrasting approaches to acting, that was the key to Watson's and Crick's triumph. It enabled them to beat out peers who were using more orthodox scientific methodology. These ingredients made the story ideal for international co-production.

Helix producer/director Mick Jackson, a 45-year-old Briton, had always wanted to dramatize the story of the double helix. Haunted by nightmares after directing the harrowing nuclear drama *Threads*, and anxious, in his words, for a "lifeenhancing project," Jackson approached Watson about securing the TV rights to the best-selling book he had written about the discovery, *The Double Helix*. Watson, however, refused, fearing, he recalls, that "they were not going to do the project interestingly."

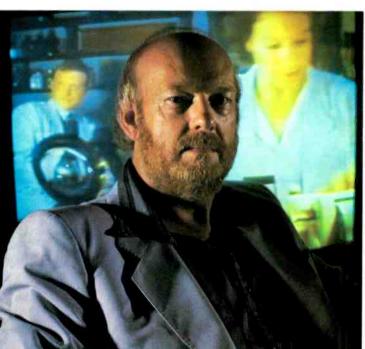
But enthusiasm for the project was running high at the BBC-2's science series, *Horizon*, then run by Graham Massey, recently named head of science and features. Even without Watson's book, Massey decided to fund the project as *Horizon*'s annual science docudrama.

Watson's nonparticipation, an initial liability because it necessitated seven months of research prior to scripting the story, paid unexpected dividends eventually. In contacting each of the surviving scientists, *Horizon* rearcher Jane Callander uncovered elements of the adventure that were central to a complete telling of the story, elements not recounted in Watson's book. For example, a former associate of scientist Rosalind Franklin, who had died, provided new details about Franklin's experimental work and its critical role in the endeavor.

By the time scriptwriter Bill Nicholson went to work, researcher Callander had not only gained access to unpublished material from the scientists but had won their commitment to review the script.

In the meantime, Jackson had managed to land the two actors he had always wanted for the drama, Goldblum and Pigott-Smith. He next approached A&E's Peter Hansen, a colleague since the early seventies when Hansen worked at Time-Life Television. Like most program executives in the international market, Hansen had developed a mental checklist of required elements for an international co-production, which included casting an American star. Helix fulfilled most requirements on the checklist right away, and Hansen liked the idea, even more so because a long-time colleague was involved. Explains Jackson: "The relationship and trust were already there."

Hansen was especially pleased with Jackson's hires. He knew scriptwriter



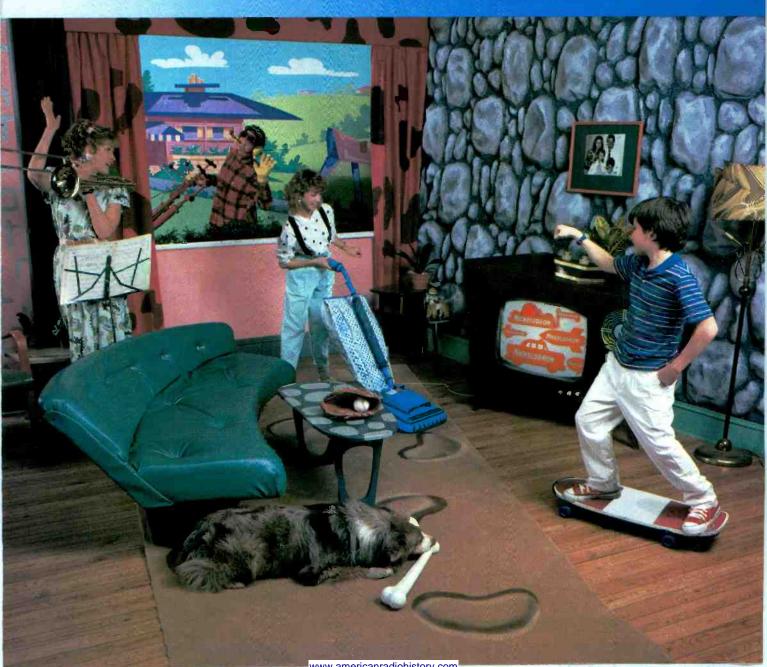
itive American scientist Producer/director Mick Jackson: 'A particular talent for relating science to drama'.

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BY PHILIP SALTONSTALL/ONYX



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Nicholson's work from Nicholson's award-winning film *Shadowlands*. More important, however, was Hansen's familiarity with what he calls "Jackson's particular talent of being able to relate science to drama and not twist it." Jackson's take on the project, voiced early on, was simple: "It's a very basic story. Boy meets molecule. Boy loses molecule. Boy finds molecule." There was no need to understand molecular biology, he maintained: "All you have to know is that someone says, "That is the secret of life and I've gotta have it.""

One of the beauties of Nicholson's final script is that because it doesn't overexplain, viewers tend to get intensely involved. "If you lean into the movie, as it were," Jackson says, "it glues you to it." This, along with Jackson's rapid-fire editing, moves the story along at a lively clip. Some Britons felt it went too fast, that there wasn't room to breathe. But for American viewers, unaccustomed to the sedate British pace, the speed only adds to the appeal.

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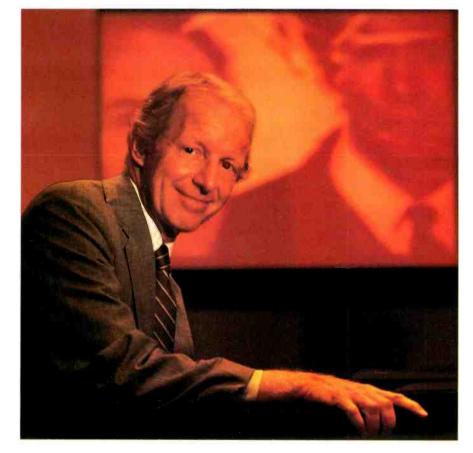
The film is also beautifully photographed, punctuated by the arresting images and distinctive use of sound that have become Jackson trademarks.

Jackson assembled an extraordinary cast. Goldblum, in spite of his unorthodox warm-ups (which drove some on the set nearly mad), is superb as the high-spirited, serendipitous Watson. Juliet Stevenson as the methodical Rosalind Franklin, shunned by the coterie of male scientists and frustrated by the project's old-boy aura, and Alan Howard as Maurice Wilkins, her mild-mannered colleague, are also particularly effective.

Their performances, recalls researcher Callander, who stayed with the project as an assistant producer, were the products purely of dedication. "Juliet and Alan bled me white of everything I'd ever known or thought about their characters," says Callander. "Juliet had us in tears on the set. I think it took her quite some time to shake off her deep involvement in the part." And Juliet wasn't alone: Even stagehands took to explaining to their colleagues how the double helix works.

The 102-minute Race for the Double Helix cost some \$1.32 million and would have cost more like \$2.2 million had it been produced outside the BBC umbrella, which absorbed much of the expense internally. Helix generated raves when it aired in England last year and this, winning the British Academy of Film and Television Arts award for best single drama in 1987. It played to similar acclaim in the U.S., when A&E showed it (four times) in the 1987-88 season.

Helix is one in a continuing series of coproductions made under an A&E-BBC acquisition and co-production agreement that runs until 1992. Quality television productions being almost prohibitively





expensive, especially for cable, A&E president Nickolas Davatzes has found it necessary to break with traditional funding patterns ("Everybody does it by themselves") and explore alternatives. Increasing numbers of participants will be necessary to make dramas, he predicts, and key to their success, he maintains, is the recognition "that there is one lead organization or person on the creative side." For *Helix*, he says unequivocally, "It was the BBC, and it's just come out a jewel."

As international co-productions go, *Helix* comes close to meeting all the requirements on programming executives' checklists. It has a major U.S. star; rapid pacing; adventure; a hint of romance, intrigue and humor. It was shot on location in Cambridge, London, Naples and Paris, and most importantly, the dialogue is comprehensible to both cultures for which it was made. The British accents are not too strong for the American ear. And the casting of Goldblum and other American actors to A&E programming vice president Peter Hansen (above). The race finally won (left), as Crick (Pigott-Smith) proudly displays a model of the double helix.

play American characters assured Hansen that lines written by an Englishman for an American would ring true, which is not always the case.

Due in part to Hansen's and Jackson's familiarity with one another, the project rarely experienced "the enormously conflicting pressures" that occasionally dog joint U.S.-BBC ventures, says Graham Massey. Hansen and Betty Cornfeld, A&E's director of film and drama, read and okayed the *Helix* script, requesting only a few changes.

In an age when television docudramas are sometimes more drama than docu. one extraordinary measure of Helix's success is the fact that even the two men whose adventure the film recounts seem satisfied today. Both Watson and Crick confess they have difficulty watching themselves, and each has specific criticisms: Watson feels the characterization of Crick "fails to convey the full power of his intellect and strength of his personality." Crick, on the other hand, thinks "Goldblum is too manic as Watson," but says the other characterizations are "rather good, even if they didn't quite hit the bull's-eye every time.'

Then, with just a hint of mischief, Crick adds, "I do have one minor criticism and that is that viewers will think that DNA is a short, fat molecule, when in reality it is enormously long and skinny."

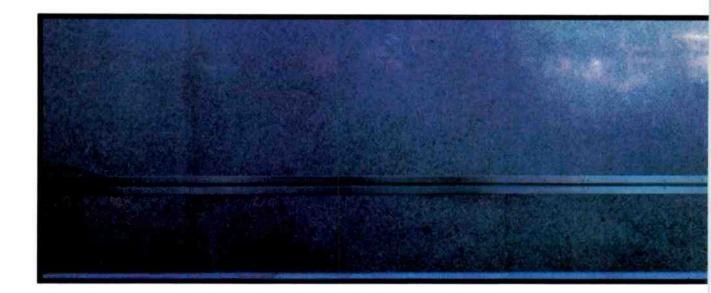
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dic theater heritage with the culture of the 1960s, attending Oberlin College and then taking a master's degree from the Yale Drama School to avoid the draft. It was after graduation, while working as a third stage manager for his father's Broadway production of Breakfast at Tiffany's-which closed in previews-that he first met Tinker, who was there to watch his then wife, Mary Tyler Moore, perform in the play. Several years later, Jim saw The Mary Tyler Moore Show on TV while working at a San Diego theater and wrote to Tinker, who was then running MTM with Mary and other partners. Recounts Burrows, "I said, 'Wow, they're doing a little play every week. I can do a play- and I know Mary.'

Tinker invited him to visit. "Then," recalls Tinker, "for eating money I said, 'Hell, I'll give you \$200 a week and you can hang out here and do things.' "(Hugh Wilson got a similar offer from Tinker and gave up the presidency of an Atlanta advertising agency for the \$200 a week. He went on to create WKRP in Cincinnatti for MTM, and, later, Frank's Place for Viacom.)

Shortly after Burrows' arrival at MTM, comedy director Jay Sandrich took Burrows under his wing on the set of The Mary Tyler Moore Show, which Sandrich was directing. Eventually, Burrows was hired to do an episode, thereby landing his first TV directing job on what many considered to be the finest comedy on the air. Burrows also introduced Sandrich to the woman who would become Sandrich's second wife, and eventually named the couple godparents of his daughters.

It was a time and a place Burrows and the brothers Charles say they'll never forget. In MTM's intimate, nurturing atmosphere, largely the creation of Tinker, Glen Charles (left), Jim Burrows (center) and Les Charles: The Indian is wooden, but not the laughs.

they studied under outstanding comedic talents like writer-producers James L. Brooks, Allan Burns, Ed. Weinberger, Stan Daniels and Dave Davis, working not only on The Mary Tyler Moore Show but on The Bob Newhart Show, Lou Grant and Phyllis.

Also on campus were Jay Tarses, Bruce Paltrow and Tom Patchett, co-creator of Alf. Most of the writers worked out of the same small building, visiting one another's sets, offering jokes, making suggestions. "The energy was almost scary," Les recalled wistfully from a couch in his brother's office on the Paramount lot recently. "It was an amazing experience." Les, Glen and Jim became on *Phyllis*, with the Charles brothers as



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story editors, writers and producers while Burrows directed.

Perhaps inevitably, though, the lure of big money and perks broke up the old MTM gang. In 1978, Brooks, Weinberger, Daniels and Davis moved from MTM's more sedate San Fernando Valley surroundings to Paramount in Hollywood. And they soon summoned Burrows and the Charles brothers to work on *Taxi*.

Coincidentally, Burrows and the boys had the same agent, who, a couple of years later, would suggest that the three create a show together-one they would own-and the agent would put the package together. He hit a resonant chord. "We wanted to realize something other than someone else's vision," says Les. "The frustration level had built up and we were feeling growing pains, not always in agreement with those who were telling us what to do . . . We wanted to do another Taxi. We liked Fawlty Towers and considered setting it in a hotel, then in another place, and finally decided on a bar." During Taxi's fourth year, they slowly developed the outlines of Cheers, then left to launch the show as executive producers of Cheers. It was a half-hour NBC comedy when NBC was in last place, comedies had been declared dead and hour shows were hot.

s if that weren't enough, in the *Cheers* pilot the character of an English lit professor woos his love interest by quoting from the early 17th century Metaphysical poet John Donne while standing in the bar: "Come live with me and be my love, And we will some new pleasures prove.'—That's Donne." Sam, the jock bartender: "I certainly hope so."

"I had never received an NBC script just like it," recalls NBC entertainment president Brandon Tartikoff. "I did not jump up and down. At the time we had *Facts of Life, Real People* and *Diffrent Strokes*. This read like a play. It was smart and literate and I was scared of it. We had to buy *Taxi* as a companion piece." ABC had just cancelled *Taxi*, so the move brought Ed. Weinberger to NBC.

Despite *Cheers*' 71st-place finish its first year, 1982-83, and several episodes that drew only a 19 share, NBC—then run by Tinker—stood by it. Tartikoff was quoted as asking a question that now adorns Glen's office wall: "Do you want to live in a country where *Cheers* is a 19 share?" The next year a steep ratings climb began: to 33rd; then to 13th the next season, and to third place in 1986-87, a spot it held on to last year. All this despite two major cast changes.

True, NBC goosed the rapid ascent with some schedule changes and the introduction of *The Cosby Show* on Thursday nights, the same evening *Cheers* 'You could almost do another series out of the stuff that was thrown away the first two seasons.'

-Ted Danson

aired. But those who work with Burrows and the Charles brothers are quick to credit most of the show's success to them. citing their abhorrence of cliched writing and predictable jokes. Says series producer David Lee, who before Cheers wrote and produced The Jeffersons for six years: "Glen and Les and Jim are perfectionists. At The Jeffersons we'd leave at 6 P.M. At Cheers, we'd leave at 2 A.M. You always work to make a joke better, to get better character development. It was like my education began all over again ... I feel part of that [MTM] family tree." Says series star Ted Danson, who plays Sam the bartender: "They never give up. They never settle ... You could almost do another series out of the stuff that was thrown away the first two seasons.'



Early class at MTM University: 'The energy was scary.'

Burrows also shares in the credit, much admired for his mastery of the four-camera technique in shooting different angles, and highly regarded for his uncanny sense of how to make something funny when translating from page to stage. And he is greatly respected by performers for his insight into their work. "Jim understands acting, which a lot of directors don't," says John Larroquette, a record four-time Emmy winner for his role as the dislikable district attorney, Dan Fielding, on Night Court. Burrows directed the show's pilot. "He's excellent at inspiring you to do what you do best," says Larroquette. "He understands com-edy better than many actors." "In my opinion," says Tinker, now president of GTG Entertainment, where Sandrich is executive vice president, "Jimmy and Jay are the top two guys in the business."

Burrows attributes much of his success

to what he's learned from Tinker, Sandrich and his father. "When someone would suggest a line to my Dad, he would say, 'I'll think about that,' " says Burrows. "He would never say 'No,' because sometimes they might have good ideas. [On the set] nobody should be scared of me. They should feel they can come to me with anything. It creates a good working atmosphere. I use that even with very difficult people. I find it gets me sympathy, and that works."

But despite all the praise, Burrows and the Charleses have had their failures. Tartikoff, now one of Burrows' closest friends, takes the blame for the dark Cheers spin-off that appeared briefly, The Tortellis, meant, he said, to be "the anti-*Cosby* show" and reluctantly done at his urging. Les still winces at the mention of the short-lived All Is Forgiven, set behind the scenes of a TV soap. "Part of our reaction is guilt that we didn't give it the kind of attention and energy that it needed," says Les. "We made a few at-tempts at setting up a comedy factory, but discovered real quickly that we weren't very good at it. And we didn't like it that much. We don't have Grant's skill at letting somebody go do it-bringing out the best in them. All three of us prefer to be intimately involved with every part of the process." "There are some people who can baby-sit," says Glen. "We need to be parents."

But they may soon abandon the care and feeding of Cheers. Some of the actors' contracts run out at the end of this, the show's seventh, season, And Burrows and the brothers have already cut back their involvement. Burrows now directs only about two-thirds of the episodes, though he's still the primary person in control of day-to-day operations since Glen and Les, wanting more free time, turned over much of their responsibilities a couple of years ago to producers David Lee, Peter Casey and David Angell. Whether it's on Cheers or not, Burrows says he would prefer to stay with sitcoms and with the brothers. Glen and Les say they are looking to stretch themselves in film, and admit to still dreaming about doing plays. "In film," says Les, "you can be weirder."

But they've tried that before. In the midst of their Cheers success, their script for the film that eventually became Disney's smash hit Three Men and a Baby (with Ted Danson) was rejected. The reason: too much originality. The producer wanted a simple Americanization of the French film Three Men and a Cradle, they were told. And when pressed, Les concedes that both feet aren't out the bar door, yet. "There are a lot of individual decisions to be made," he says of himself, Glen, Jim and the cast. "At the end of the season, we'll all get together and chat. If everybody's still having fun and there are still stories to do, we'll continue."



A Fine Sense Of Life

Paul and Holly Fine document America's soul. by J. Max Robins

aul Fine gets a daily call from a Vietnam vet who still suffers mightily from deep psychological problems brought on by his time in combat. Paul met the vet when he and his wife Holly produced "The Wall Within," a two-hour CBS Reports documentary that aired last June, chronicling the travails of Vietnam veterans plagued by post-traumatic stress disorder.

"He wants to be my friend and I want to be his," says Paul. "But I can only do so much. I'm not a psychologist. I've told him he has to get some help and he is, but he still calls every day."

Holly studies her husband's face. She sits at a desk identical to his, facing him in their homey Washington, D.C., office. She hears the familiar "I don't know if I'm doing enough" subtext in his voice. After 18 years of producing pieces together and 16 years of marriage, she knows her partner inside and out. The Fines worked on "The Wall Within" for more than a year, and clearly Paul is still haunted by the experience.

"I don't think any story we've done has had the impact on him that has," she says. "When we were on our vacation he started talking about the vets, and I just said, 'please, stop, I can't take it anymore. I can't hear about it—I don't want to talk about it. I've had it up to here.' He got real upset. And then he thought about it and he didn't talk about it the whole vacation. And it was a nice break, but I'm sure he thought about it all the time."

"To me, you don't do this job and get into people's souls and walk away from it," Paul says. There's no sense of selfrighteousness in his voice, no indication that he feels Holly is any less committed than he is. He knows at some point you have to separate yourself from what you do, but he's just not as good at it as she is.

Since coming to CBS Reports and 60 Minutes in 1982, the Fines have established themselves as CBS's premiere documentary filmmakers. What sets them apart from the pack is the way they mesh extraordinary technical skill with an intense drive to champion the unsung heros, the disenfranchised and the just plain misunderstood. They approach their work with a sense of mission, yet with keen journalistic perceptions.

In an era when ambitious documentaries have virtually disappeared from the networks, Holly and Paul Fine continue to get them on the air. They select tough subject matter, the kind of material more associated with independent filmmakers who struggle to get something on PBS every five years, not the kind that commonly airs on the networks.

Their initial outing for CBS Reports, "The Plane That Fell From The Sky," with correspondent Bill Kurtis, was a



Activist Mitch Snyder (left) gets the Fine touch.

reenactment of the incident in which a Boeing 727 fell 33,000 feet in 44 seconds before its pilot managed to avoid a fatal crash. The Emmy and Peabody awardwinning documentary is a compelling story of the devastating aftershock of the near crash on the crew and passengers.

Their next piece, "The Gift of Life," also with Kurtis, is a mini-epic about organ-transplant recipients. It opens up a world foreign to most people and lends understanding to the plight of those riding that medical roller coaster.

The Fines' most recent documentary, "The Wall Within," with Dan Rather reporting, is their most ambitious piece of work to date. It opens a haunting window on a group of Vietnam vets wrestling with awesome demons of the psyche and pleads for understanding of their plight.

The Fines have brought the same compassion for underdogs and outsiders to 60 *Minutes.* They seek out crusaders—segments on antiwar protesters Philip and Daniel Berrigan, and homeless activist Mitch Snyder, are inspirational portraits of self-sacrifice that go beyond the program's usual mix of investigative pieces and celebrity profiles.

"Ricardo and Donna," a chronicle of the travails of a mentally handicapped couple who get married, may be as moving as anything ever shown on 60 Minutes. Any preconceptions one might have of the mentally disabled are blown asunder.

Even the Fines' 60 Minutes celebrity profiles transcend the genre. Paul and Holly want to profile Bruce Springsteen, not because he's "the Boss," but because of his work with vets and the homeless. "If I met him and thought he didn't really care about those people, I'd walk away," says Paul. They want the person, not the myth—past portraits of Larry Holmes and Ray Charles unfold like morality plays on the human condition.

"I don't know anyone who has better fit into 60 Minutes and done so so effortlessly," says Don Hewitt. That doesn't mean the 60 Minutes executive producer and the Fines haven't gone to the mat. Sometimes Hewitt thinks their compassion for the downtrodden gives their work too strong a point of view. Sometimes he thinks their visuals are too precious. "Hewitt has a good eye. But I'm better visually than he is," counters Paul.

"Once the Fines have a rough cut they guard it as if it were their child," says Mike Wallace, who has worked with the Fines on several 60 Minutes segments and witnessed more than one shouting match after a screening of the couples' work. "They are so singularly imaginative, hardworking and resourceful that it's not just another piece for them."

The Fines began their rare working partnership 18 years ago, when both were working at WJLA (then WMAL), the ABC affiliate in Washington. Paul was a

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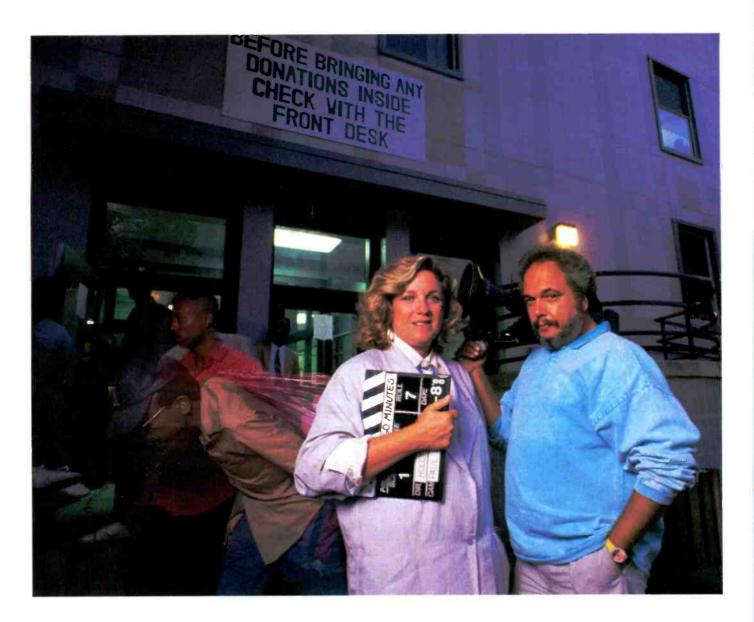
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September 1988



crack news cameraman who early on approached his job as a journalist, not as "just a piece of meat." He sought out Holly to cut his film, he claims, because she was the station's top editor.

Paul's attraction to Holly, however, went beyond her talent at the editing board-shortly after they started working together they became an item, and two years later they were married. Station policy prohibited married couples working at the station, but WJLA's then general manager, Tom Cookerly, who had supported the team's documentary work early on, waived the rule rather then lose them.

Now president of Albritton Communications, Cookerly remembers Paul and Holly from the early days, charged with energy and talent. "They were on the cutting edge of so many things-they had so many ideas," he says. "From the beginning they believed so passionately in their work. Holly has always had that gift of knowing what stories will make good TV. And Paul is so down-to-earth, people instinctively open up to him."

Unlike most people who move from technical jobs to producing, the Fines stayed hands-on with the hardware. Because Paul shoots the film, the camera is less intrusive-people are talking to him, not the lens. Holly at the editing board keeps control in the family.

Besides technical skills, the Fines have always shared an aesthetic point of view and a desire to use the medium to take viewers to places they normally would not go. In 1970, they began producing three- to four-minute pieces chronicling the human condition, covering such topics as Washington after dark and the elderly. The sophistication of their work belied the fact they were in their early 20s. Some of their pieces were done to music, sans dialogue, Paul recalls with a laugh and then claims that he and Holly were music-video pioneers, churning them out before MTV existed.

In their 13 years at WJLA, the Fines honed their documentary chops. Says Tom Cookerly, "They were doing stuff on a local level that nobody was even coming close to." They made documentaries on Paul and Holly Fine: champions of the unsung heroes, the disenfranchised and the plain misunderstood.

Chesapeake Bay fishermen, prison life and West Virginia coal miners-visually striking, heartfelt works that won them a few shelves worth of local Emmys.

In 1979, the Fines produced the DuPont and Gabriel award-winning documentary, "Until We Say Good-bye," about how the hospice program cares for the terminally ill. The memory of the experience still lingers. "We'd gotten to know a man quite well, and we were going to film his death," Paul recalls, looking across the room semi-sheepishly at Holly. "She couldn't get me out of the house when the call came. She 'bout had to kick me.'

"He said, 'What the hell am I going to film?' And we had a big fight," says Holly. "I said, 'You know what you're going to film. You have to go film this.' Normally I'd go too, but one of our sons was only two or three at the time and there was nobody to stay with him, so I had to kick Paul out.'

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September 1988



(Continued from page 66)

Paul will probably be getting that melancholy boot from Holly again soon. "We're working on a story on a children's hospice now [for 60 Minutes], and we've been following a little girl," says Paul. "I know one day my beeper is going to go off, but I hope it never does."

It was "The Saving of the President," a documentary the Fines produced at WJLA and that was picked up by 20/20, that brought them national attention. It was an inside look at what transpired from the moment Ronald Reagan was shot through his life-saving operation.

After 20/20 purchased "The Saving of the President," the show made overtures to the Fines about joining the program. But the documentary had also been seen by higher-ups at CBS News, who turned out to be more ardent suitors than their ABC counterparts. The Fines' fan club at CBS spanned the spectrum from oldguard stalwarts such as 60 Minutes' Hewitt and CBS Reports legend Perry Wolff to new-guard upstarts like then news president Van Gordon Sauter and then CBS Reports executive producer Andrew Lack. To this day an appreciation for the Fines' work is probably one of the only opinions all four men share.

Holly was more anxious to make the move to CBS than her husband. When Hewitt came calling, Paul was ready to play hardball—he didn't want to give up any of the control he and Holly enjoyed at WJLA. "I told [Hewitt], 'I don't like talking heads, and I think your show is boring sometimes,' " says Paul, smiling at Holly across the room. "[Holly] about flipped out." But Hewitt was attracted by the Fines' outspoken stance.

"We started exchanging pieces, playing I'll show you mine, if you'll show me yours," remembers Holly.

After months of negotiations the Fines had a unique joint appointment with *CBS Reports* and *60 Minutes*. One nonnegotiable demand was that they be allowed to stay in D.C.—their ties to the community run deep, and they didn't want to uproot their two young sons. There were other reasons. Says Paul, "Bureaucracies and egos scare the hell out of me."

Holly is at the board in the editing room of their Washington office. In the room, among the knickknacks and photos of the Fines' boys, is a sign that reads "Holly knows best." Paul sits behind her. They muse about pieces they'd like to do in the future—something on the environment, something on native Americans. They look at footage Paul shot for a *60 Minutes* segment still in the gestation period—it's a follow-up on the mentally handicapped couple Ricardo and Donna. On the screen Donna is having a baby. The Fines will guard the birth of that child as if it were one of their own.

Keeping Baton Rouge Honest

EXCELLENCE

WBRZ-TV reports all the news—even when it hurts.

by Lou Prato

J ohn Camp was worried. The reporter could sense the anxiety as the owners and attorneys of WBRZ-TV prescreened his 30minute investigative report about an insider-loan scheme at Baton Rouge's second-largest bank—and one of the station's biggest advertisers.

This was Camp's first investigative project since returning to Baton Rouge after nearly ten years probing corruption in Miami and Boston. Camp knew this scathing documentary, *Keys to the Vault*, was the test of the station's commitment—and integrity.

As he watched the program nervously in the conference room that day in November of 1982, Richard Manship, general manager of ABC affiliate WBRZ, remembers thinking, "Oh, please, Lord, tell me it's not true."

When the videotape ended, there was silence. Everyone turned to Richard's father, Douglas L. Manship, who with his brother Charles started WBRZ in 1955 and still controlled the family-owned media conglomerate in the country's 91st market. Doug stood up, glared at Camp and said, "Goddamn, we brought you back here to lose my TV station for me!"

"I thought, Uh-oh," Camp, 52, recalls today. "Damn, man," Doug added, "that is tough stuff."

"He and the attorneys discussed it," Camp remembers, "and a few days later they had another screening without inviting me, and I was really upset. But, in the end, all he asked for was a minor change that actually made the show tougher."

After the show aired, the bank immediately canceled all of its advertising, which cost the station thousands of dollars.

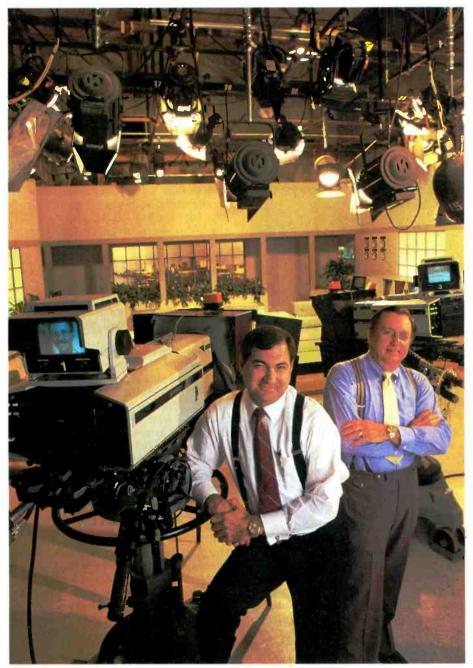
"But I knew from that point on," says Camp, "that this station was going to make its judgments on the truth and veracity of the information and the accuracy of the stories we did, and not on any other consideration."

Camp won a Radio-Television News Directors Association (RTNDA) southeast regional award and an AP state award for that first investigative report, and since then he has brought WBRZ (Channel 2) just about every major award in broadcasting—some more than once including the Peabody, DuPont-Columbia, Sigma Delta Chi, Investigative Reporters and Editors, Scripps-Howard, National Headliners and Ohio State.

But he couldn't have won anything if not for a courtly, seemingly incorruptible, Southern family named Manship. This is a family that believes a television station can make a bundle of money while treating its employees like good friends, even as its aggressive news department exposes dishonesty within the sacred bastions of the community.

"WBRZ seems too good to be true," says Louisiana State University broadcast-journalism professor Bob McMullen. "I think the only people who are critical are the ones who have been the subject of their exposés."

What makes WBRZ all the more remarkable is the fact that the Manships have a virtual news monopoly in Louisiana's capital city, controlling both of the city's newspapers, *The Morning Advocate* and *The State-Times*, and two prime radio stations, talk-and-information WJBO-AM and contemporary WFMF-FM, as well as WBRZ. The Manship media enterprises are not without compe-



WBRZ reporter John Camp (right) and news director John Spain: The critics are those who have been exposed.

tition. The newspapers, which share sales and printing operations but have separate editorial staffs, are the only local daily papers, but there are 14 other radio stations and four additional TV stations in the market, including two network affiliates and a lower-power independent.

The newspapers, established by Doug Manship's father, are the foundation of the business. Doug, now 69, started the radio and TV stations and managed them until taking over as publisher of the newspapers 15 years ago. The Manship enterprises are now administered by a board headed by Doug that also includes Richard and Doug's brother, two other sons and a daughter, along with two close family friends.

It is this very private family control of a

near monopoly, in the heart of a state known for its corrupt politics dating back to Huey Long, that makes some people in Baton Rouge and many outsiders dubious about the sanctity and largess of the Manships and their properties.

"There's a lot of people in Baton Rouge that don't like us," says Doug Manship. "Lots of politicians and certain lawyers who have tried to use the station to their own selfish advantage, and it just hasn't happened."

"I think there's a perception with some members of the community," says Richard, 41, "that just the word 'monopoly' carries that connotation. But the newspaper is my biggest competitor. We criticize them and they criticize us, frequently. Frankly, I'd like to shut 'em down tomorrow. It would certainly make my job easier."

Richard recently purchased the syndicated USA Today program despite strenuous objections from his father, who believes the show's tie-in with Gannett's satellite-distributed newspaper will hurt the family's two local newspapers. "I don't blame him," Doug declares. "I'd have done it, too, if I was running the station. But I'd have swallowed twice. He's going to hurt my newspapers, damnit. But it's his decision."

Doug himself was a major news item on WBRZ a few years ago when he was found to have violated state rules involving payments and gifts to public employees. Manship had given then-LSU athletic director Bob Broadhead and his wife a free trip, and paid Broadhead for his weekly radio show on a Manship station.

"It made great news," says Richard with a laugh. "Sure he took me on," snarls Doug. "I didn't like it and I still think the criticism was wrong. But, hell, we run our companies independently. If we got our top people together from the newspaper and TV, people would talk." Says Richard, "We hire smart people to run our newspaper and our station, and we let them run it. We don't tell them how or what to run."

One of those people is former RTNDA president John Spain. As news director, he has been in charge of WBRZ's hustling, robust news department for the past decade, frequently turning down jobs in larger markets to remain at WBRZ, where he started as a reporter and weekend weatherman 16 years ago.

"John Spain is as good as any news director in the country," says Don Dunphy Jr., v.p. of affiliate news services for ABC News. "He was very instrumental in the establishment of our satellite feed system and was almost singlehandedly responsible for the formation of our Southern regional feeds."

Spain has known Camp since Spain was an undergraduate at LSU, not far from WBRZ's facility, and Camp was winning state and national awards for his reporting at the Manship radio station, WJBO-AM. In 1982 Spain, who had been WBRZ's investigative reporter before becoming news director, persuaded Camp to return to Baton Rouge, and the station hasn't been the same since.

With Richard Manship's endorsement, Spain promised Camp commitment, money, autonomy and the luxury of doing long-form reports three or four times a year, with excerpts on regular newscasts, without worrying about ratings. He also promised there would be no sacred cows. Camp's uncompromising reports have caused additional problems for the station as well as for Louisiana businessmen, politicians and law-enforcement agencies. Several lawsuits have been filed and many more threatened; none have been lost. Camp has even examined WBRZ's own financial affairs. His 1986 report about the inequities in Louisiana's property-tax system, *Louisiana's Legacy of Neglect*, prompted a reevaluation of WBRZ's property taxes and made it vulnerable to a hefty increase after Camp cited its privileged tax status.

Camp's relentless five-year pursuit of televangelist Jimmy Swaggart incurred the wrath of Baton Rouge-area hotels, motels, restaurants and others who feared the loss of business that Swaggart's ministries brought to the community. Camp was instrumental in causing Swaggart's downfall, but, incredibly, the minister actually praised Camp from the pulpit the day he admitted his sins before his Baton Rouge congregation on national TV.

"Nobody had really done anything in television about televangelism," says Camp. "And there had been almost no real critical study in print. There had been a couple of books but nobody had really gone to the guts of this issue, the lack of accountability by these enormously powerful individuals who had almost unlimited access to the media."

Camp has also turned his attention to other rich and powerful Louisianans. The allegations Camp raised in his 1983 report *Friends in High Places* prompted a federal grand jury investigation that led to indictments against former Louisiana governor Edwin Edwards. Other reports have helped bring about policy and/or structural changes in Louisiana's insurance, education, highways and alcoholic-beverage-control departments. His work has been featured on national shows from Nightline to Frontline.

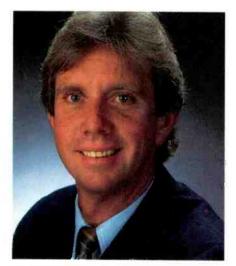
Doug and Richard Manship don't always like what they see on the air, but they won't interfere. "My relationship with the news department," says Richard, "is that until it comes time to pick the time slot, I don't know what John Camp is working on. I don't want to know. I don't need to know."

The Manships say it's all a matter of integrity, something Doug says he learned from his father, Charles P. Manship, the family patriarch. "He said, 'Print the damn news no matter the consequences,'" Doug says. "If you start trying to make news, either by withholding it or by pushing something, sooner or later you're going to get in trouble.

"We have told the truth, and a lot of times it has cost us a lot of money," says Doug. "But I think the integrity of a newspaper and a radio and TV station is a helluva lot more important than making a few bucks. The public instinctively knows whether or not you are telling the truth, whether or not you're hiding things, and so far as is humanly possible we have never hidden anything and never knowingly told anything but the truth."

"It's because we do what we do in

Incredibly, Jimmy Swaggart actually praised John Camp the day he admitted his sins on national TV.



G.M. Richard Manship: Lots of people don't like us.

news" says Richard, "that our ratings are as high as they are." But WBRZ's ratings are not as high as in the past, and there are some dissenting station employees who say the dedication to news is partially responsible. They would like to see more money spent for such programs as *Cosby* or *Wheel of Fortune*, neither of which WBRZ carries. "News is dying all over the country," says one dissenter, "and, frankly, I think we place too much emphasis on it." Camp's reports, nevertheless, preempt ABC prime time on weeknights—and they don't always get good ratings.

Of much greater concern to Richard Manship, however, is the effect of the tottering Louisiana economy on the station's future. The decline of the state's natural-gas and oil industries began about the same time as a \$4 million refurbishment program at WBRZ.

Even so, last July the station committed to spending an additional \$1.5 million over 18 months, primarily for conversion to half-inch videotape equipment in news. That, along with WBRZ's 12 satellite dishes, a multiple computerized, dualsystem satellite news-gathering van and a 16-wheel, state-of-the-art production truck, makes it as technologically advanced as any in the country.

The Manship philosophy no doubt helps explain why WBRZ is one of Cap Cities/ ABC's top five affiliates among the top 100 markets in total-day programming and in early fringe (by ADI share). Almost from its creation, the station has been an innovator in everything from technology to employee relations.

"That station is unique," says Tom Sattizahn, senior consultant for media consultants Frank Magid Associates, which has done work for WBRZ for 21 years. "In equipment and programming and even in the humane treatment of employees, it's in a class by itself."

It has also been a pioneer in public affairs, sales and marketing. "They were one of the first to develop a partnership relationship rather than a buyer-seller arrangement with the ad community," says Barbara Ann Zeiger, a senior v.p. at the Television Bureau of Advertising. "They were into using the computer as a sales helper long before others. A few years ago they literally redid the hard copy of the TvB sales-total index and computerized it for their agencies and clients. They're always willing to try a new idea, and after they do it, they share their success with others."

The station also shares its profits. Salaries for the 140-some employees are from 10 to 25 percent higher than usual for the market size. A total health package is provided free from the day of employment, and a generous retirement plan is fortified by an annual company contribution of 25 percent of each employee's salary to a stock plan. No wonder that 30 percent of the employees have been there longer than ten years.

The station also has liberal personnel policies, offering company-paid family counseling services in alcohol and drug abuse and financial affairs. Around half of the station's department heads are women, including homegrown assistant g.m. Patricia Cheramie. In the 52-person news department, all the producers of the three weekday newscasts are women.

"Frankly, there are times I wish WBRZ wasn't wasted on Baton Rouge," says former Texas newspaper reporter John Mahaffey, who has anchored news in the city for 18 years, the last ten as WBRZ's prime newscaster. "I love this city and I know it's partly an ego thing, but I wish we could pick 'BRZ up and stick it in Houston or Dallas, because we operate like a major-market station."

In this era of fast-changing station ownership and bottom-line priorities, the philosophy espoused by the Manships is a rarity. "But we live in this town," says Richard, "and I think that makes a great deal of difference. It means something to me personally for people to know we are doing the best job we can. We could make twice as much money at this station tomorrow by not operating a first-class operation. But to run a business any other way just wouldn't be any fun."

Lou Prato runs the Washington broadcast-journalism program for Northwestern University.

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August 18, 1988



TV That Says 'Turn Me Off'

Reading Rainbow's message: Read any good kid's books lately? by Meryl Gordon

t would be easy to mistake the cheerful, plant- and poster-filled offices of Lancit Media Productions for a children's library. On the bookshelves and desks are dozens of works such as Teddy Bears Cure a Cold, The Thing at the Foot of the Bed and The Ugly Duckling. Larry Lancit, co-owner of the TV production company with wife Cecily Truett, jokes, "We never have trouble finding a book to read when our daughter wants a bedtime story.'

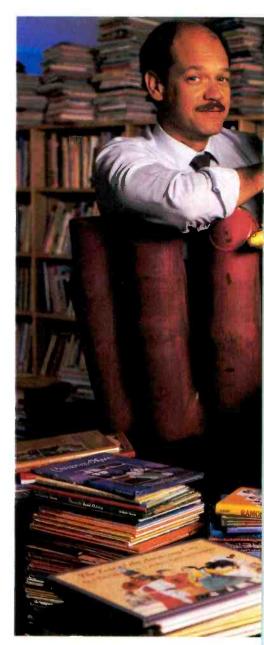
No trouble indeed. As producers of one of the most popular children's shows on public TV, Reading Rainbow, the couple is deluged with hundreds of books each month from publishers, who have learned that a mention on the show is as good for sales as *Today* show author interviews. Just consider what happened after Hila Monsters Meet You at the Airport was read on the show's premiere: Sales soared from 1,000 copies in 1982 to 25,000 in 1983.

Aimed at first through third graders, the half-hour show features stories read by well-known actors (Vincent Gardenia does Louis the Fish, Peter Falk detects The Robbery at the Diamond Dog Diner) along with video field trips to related locales, such as a visit to a live Hawaiian volcano or an expedition to Gloucester. Mass., to learn about whales. But the highlight of the show is the book reviews-not by actors but by ordinary kids. "The mission from the Corporation for Public Broadcasting [CPB] was that we had to do a segment that made children feel good about themselves," says Truett. "We thought, Huhhh?" "The obvious thing," Lancit adds, "was to put a kid in front of a camera.'

Launched in 1983, Reading Rainbow has won dozens of awards, accolades from educators and librarians and has consistently been in the top ten of the 28 programs that public TV station program managers choose to fund each year. All this for a show that, ironically enough, is aimed at encouraging children to turn the tube off and read. "I love *Reading* Rainbow," says children's television guardian Peggy Charren of Action for Children's Television. "Kids have learned that you find out about books that are fun to read by watching this show," she savs.

The program evolved out of a joint venture between PBS station WNED in Buffalo and the Great Plains National Network (Nebraska Educational TV). When Tony Buttino, a v.p. at WNED-WNEQ, read a study in 1981 showing that young children often lose 50 percent of their reading skills during the summer, he began contemplating a literacy show: "We thought that TV, strange as it seems, might bridge the gap." Upon learning that the Nebraska Network's Twila Liggett, an ex-teacher with grant-writing experience, was working along similar lines, the two decided to pool resources.

Cecily Truett's name came up during the search for someone to turn their idea into a program. Outgoing and humorous, Truett had been an associate producer of the PBS children's show Studio See, made by the South Carolina Educational TV Network. In 1979, she'd left the show and moved to New York, where she met and later married Larry Lancit, a TV director and South Carolina Network alumnus. The couple set up a production company in their second bedroom and began



doing medical films. But work dried up and they were free-lancing for New York public-TV station WNET when Buttino called about developing a new children's show. "We were very coy," says Lancit, a quiet 40-year-old who sports a mustache. "Right," laughs Truett, 39. "We said, 'Yes, we'll do it—if you pay our airfare [to South Carolina]; we're starving.' '

While PBS shows often take years to launch, Reading Rainbow was charmed from the outset. The CPB quickly agreed to spend \$60,000 for a pilot; Liggett, the chief fund-raiser for the show, lined up \$60,000 more from Kellogg and the pilot was finished in November 1981. Plagued by bad press over the excess of sugar in kids' cereal, Kellogg was eager to win good-citizen points and promptly pledged \$900,000 in February 1982 for the first ting up an additional \$300,000 for the $\frac{6}{2}$



second year. With matching funds from the CPB, the show was on its way.

Lancit and Truett's task: to make reading seem exciting. Filming kids turning pages clearly wouldn't do, so they decided to build shows around books read aloud-with a camera panning the pictures-and bring them to life with the help of a video field trip. Actor LeVar Burton was hired as host. Animation and whimsy were also employed: One show includes a high-stepping Broadway-like song-and-dance routine-shot in a library. End-running agents to get celebrities to read the books for a \$200 fee required even more ingenuity. "If someone was appearing on Broadway," says Truett, "we'd send a messenger with a bouquet of flowers and a letter." James Earl Jones, Jane Curtin, Andy Griffith and Imogene Coca have all participated.

Reading Rainbow debuted on July 9,

Rainbow's co-creators Larry Lancit and Cecily Truett with show host LeVar Burton (inset).

1983, and Lancit Media has been producing ten new episodes a year since. "From the first, it was an enormous success," says the CPB's Mary Sceiford. "It's been in the top shows purchased by PBS stations, right up there with MacNeil/ Lehrer and Sesame Street." Some 92 percent of the 318 PBS stations carry the show, reaching an all-time-high audience last year that consisted of 28.7 percent of all TV families with kids under six. Children's book publishers are so enamored that they slap Featured on Reading Rainbow labels on the favored books. They hardly need to, Says Linda Cabasin, managing editor of William Morrow Junior books, "Parents go into bookstores and ask for them.'

More than 60 episodes have been taped

so far—at \$245,000 apiece—but Lancit rarely directs these days. Instead, he supervises the staff, budgets and production schedules. "We used to try to do everything," he says, "and we nearly killed ourselves." Truett, who initially line-produced, is now involved primarily in looking at scripts, helping pick books and developing other book-based projects.

Rainbow's success has enabled Lancit Media to expand. It now employs 50 people (15 work on Rainbow) and has spent \$450,000 on new quarters and a state-ofthe-art editing system. This fall, PBS stations have been airing Lancit's Ramona, a half-hour family-drama series based on Beverly Cleary's children's books. The company is just finishing a \$2.5 million project for schoolbook publisher D.C. Heath and is producing animated antidrug videos for the Department of Education. Lancit hopes to gross \$4.5 million this year.

Popularity notwithstanding, Rainbow has had ongoing funding problems. The last corporate sponsor, B. Dalton, quit backing the show in 1987 when the firm was sold to Barnes & Noble. (Luckily, Dalton's former parent, Dayton Hudson, picked up the \$300,000, one-year commitment or the show would have been in serious trouble.) This past year, the CPB cut its support from \$1.6 million to \$1 million. Liggett had to scramble to make up the shortfall. She did, with \$950,000 from PBS stations; \$250,000 from the National Science Foundation; \$145,000 from the Carnegie Foundation; and \$100,000 from the two sponsoring stations.

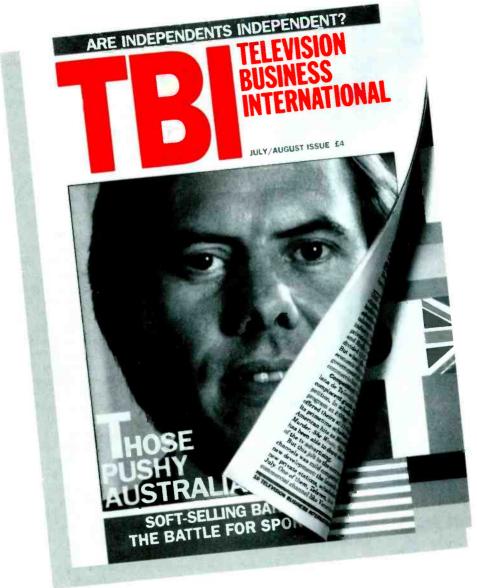
In spite of the problems, Lancit and Truett have resisted creating a licensed character to sell. "We didn't want to be like Saturday morning shows," says Lancit. "The goal is to inspire kids to read, not play with yet another toy."

With funding set for this season, the current dilemma, curiously enough, is trying to put the spontaneity back into the kids. "The first reviews they did were fabulous," sighs Truett. "One kid said, 'I'm not just doing this as a job, you know.' " But in recent years the eightyear-olds have started acting like miniature Dan Rathers, sitting stiffly and taking it all very seriously. "Mom and Dad would write the review and the kid would memorize it," says Truett.

To solve the problem, the producers banned parents from the set and read the books to the kids for the first time just before shooting. But it hasn't quite worked. Though the books are meant to be the real stars of the show, the oh-my-gosh-I'm-on-television aspect is daunting for the kids. Touched by this glamour, they are at least still getting the right idea: All sorts of wonderful things can happen when you read books.

Free-lancer Meryl Gordon last wrote for Channels about CBS's Howard Stringer.

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'87

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THE U.K.'S CHANNEL 4

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DESIGNING TERRITORIAL TELEVISION

CBS's 'happy accident,' the success of Designing Women, hints at new prime time targeting. By Chuck Reece

inda Bloodworth-Thomason comes from a family of Arkansas lawyers--"my grandfather, my father, my four uncles, my brother, cousins"-all of them courtroom attorneys, she says. Hers was a family that loved a lively debate, a spirited, educated family of civil-rights activists that was "run out of Arkansas," Bloodworth-Thomason recalls, by the Ku Klux Klan. Surrounded as a child by such uncommon moral strength, she is now a event." woman who feels extraordi-

narily comfortable on a soapbox, preaching her own gospel.

"Everybody in my family preached in the courtroom," Bloodworth-Thomason says. "And preaching is the only way I know-when you're passionate about something-to speak."

Bloodworth-Thomason keeps her soapbox handy in Hollywood, where she and



HILLA SUGARBAKER

"She belongs to another time, when letter writing was an art and dinner was an -L.B.T. ble, more eccentric, less like

somebody you've always seen before, less homogenized.'

Viewers, it appears, are saying amen to her sermon-particularly viewers in the booming urban centers of the South. Nothing is homogeneous about the characters that inhabit Designing Women. They are as Southern as fine barbecue, as Southern as Elvis. Network TV's history of turning Southerners into backwoods

her director-husband Harry

Thomason make CBS's Designing Women for Columbia Pictures Televi-

sion. Raised in the company

of passion, she retains it.

"My goal, and it's a very lofty goal, is that I think

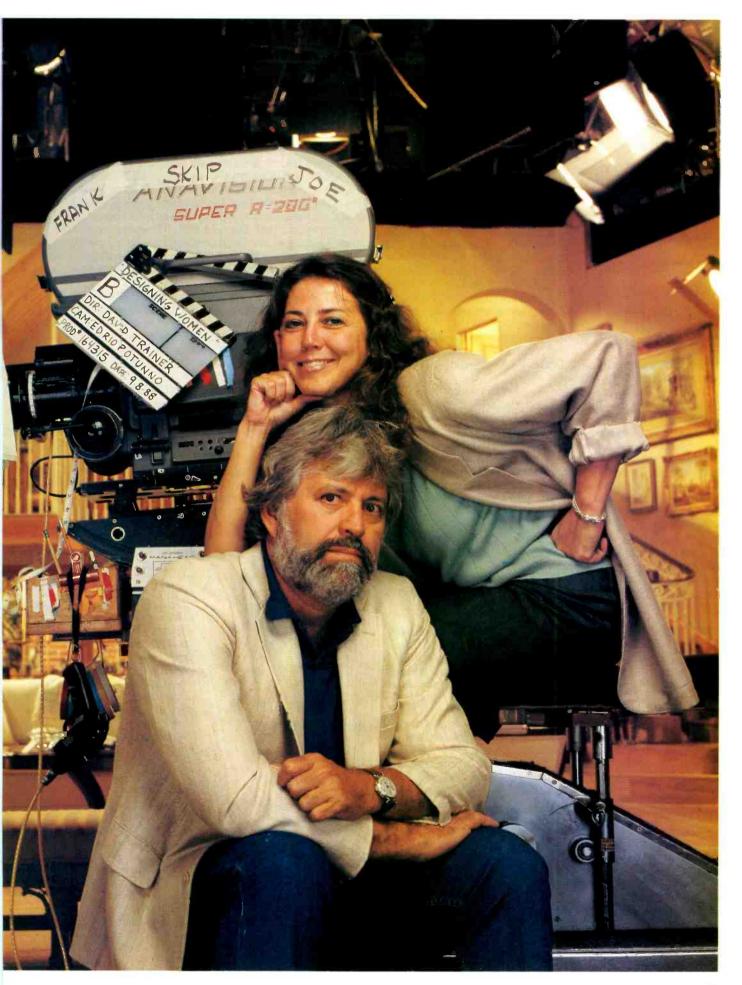
television can be more like literature," she says. Hen rose-of-the-South voice

rises, and-like the Blood-

ters can be more memora-



Harry and Linda on the set: 'Characters can be more memorable, more eccentric; less homogenized.'





"Child bride, everywoman, single-parent divorcee—good at everything, confident in nothing." -L.B.T. cartoon characters—Jed Clampett, Bo and Luke Duke, Otis the Drunk—may have ended with the Thomasons' literate, charming, eloquent and eccentric Sugarbakers, Shivelys and Fraziers.

This occurrence, for struggling CBS, is a "happy accident," according to program executive Jill Bowman. Designing Women is delivering an audience that no other series has galvanized, a group you might call the New South audience. The two-year-old series, in the 1988 season, averaged a 14 rating nationwide, while across the South (which Nielsen defines as including the Southwest as well as the Southeast), the show averaged about a point better.

But in the urban centers of the Southeast-growth centers like

Atlanta, Birmingham and Little Rock-Designing Women snares top-of-the-scale ratings.

Only 22 episodes—one season—remain to be shot before the show can be syndicated. In early 1988, Columbia started pushing the show for possible syndication in fall 1989. The company took the show's cast—Dixie Carter, Annie Potts, Delta Burke and Jean Smart—to last February's National Association of Television Program Executives convention, where the women were "a huge success," according to a spokesman for Columbia Pictures Television. Thomason expects a particularly long rerun life in the South. "I think we'll probably get more runs in more markets in the South than anywhere," he says.

Sunbelt cities are growing by leaps and bounds. The fastest growing county in America is Gwinnett County, Ga., a northeastern suburb of Atlanta, according to a June 1988 finding of Donnelley Marketing Information Services. As Southern cities attract more educated, affluent people from within and without the region, those metros become ever more important to television networks and advertisers.

ven more intriguing are the possibilities the regional success of *Designing Women* raises for the future of television. With audiences fragmenting, might a network in the new media age profit by creating shows with specific regional appeals? Might a loyal audience in one region be better than a lukewarm audience sprinkled across the entire nation?

There is evidence viewers respond to shows pegged to their home regions. *Murder, She Wrote*, set in coastal Maine, last season pulled a 27 average rating in the Portland, Me., ADI, an index of 117 compared to the show's national average rating of 23. In Burlington, Vt., *Murder* did even better, averaging a 29 rating. Another New England-set show, *Newhart*, pulled a 21 in the Burlington ADI, compared to a national average of 14. *Miami Vice*, in the Miami ADI, averaged a 17 rating, compared to a 14 nationally. And *Designing Women* averaged a 20 in the Atlanta ADI, compared to a national average of 14. In metropolitan Little Rock, the show also averaged a 20, according to CBS affiliate KTHV-TV. And in Washington, D.C., a town where Southern manners still hold sway, *Designing Women* pulled an 18 last season.

Robert L. Brown, president and general manager of KTHV in Little Rock, believes regional appeal is an idea worthy of a hard look. "We've voiced that to the network," Brown says. "But it's very difficult. We're not there when they're considering pilots." Brown should know, however, that the man considering the pilots, CBS Entertainment president Kim LeMasters, has a favorable opinion of regional spice. "What regional influences do for a show is provide vivid characters and vivid surroundings," LeMasters says. "This vividness may be enough to carry the show for a vast audience." LeMasters remains wary, however, of going "too regional."

"If the regional dialect, for example, is too strong, it may be difficult for the majority of viewers to understand the show," he says.

Says CBS's Bowman, "The truth is, you just go by what's important—the universal element in the show." And that universal element was *Designing Women*'s appeal not just to Southerners, but to working women all over the country, Bowman says. She adds, however, that the network quickly recognized the appeal of the show's quashing of Southern stereotypes. "It's very important that they did that," Bowman says. "It's like when the country saw Senator Sam Ervin during the Watergate hearings, and the nation said, 'My god, he's brilliant, and he's Southern.' The show has done a wonderful thing for the narrow view of the South that some people still have."

The Thomasons have seen the narrow side of the South up close and are not afraid to address its backwardness and prejudice. But their view of their homeland, as expressed in the show, is expansive. For every instance of meanness, there is the bright gleam of romance; for every instance of stupidity, there is a gush of lilting Southern poetry. Growing up, the Thomasons saw both sides.

The ugly side was tangible fact to Linda Bloodworth-Thomason's family, uprooted from its Arkansas home to the Ozarks of southern Missouri after its run-in with the Klan. But in Poplar Bluff, Mo., young Linda took to heart the passion of a family that had the moxie to stand up for civil rights before doing that became fashionable.

"My dad was passionate, even about the sunset," Bloodworth-Thomason recalls. "He would have a highball out on the back porch, and he'd start screaming, 'Get out here! Get out here!' And we'd get out there and we'd say, 'What's wrong?' We



SUZANNE SUGARBAKER:

"A woman who enjoys littering, and for her, men are just as good as Kleenex." –*L.B.T.* thought something was on fire. But he'd go, 'I want you to see this sunset.' Then he'd hold up his highball and he'd go, 'Sunset and evening star...' and he'd do the whole Tennyson thing. I grew up like that. He was passionate about everything."

Harry Thomason didn't grow up with a father who quoted Tennyson. His dad ran a country store-a gathering place where a little bologna, a cracker or two and a Dr Pepper made a perfect front-porch lunch. There, in tiny Hampton, Ark., Thomason learned his lessons about race and hatred and poetry and vision without the help of a rare, activist family. He remembers vividly a trip in 1955 with his buddy Skipper Johnson into "the quarters," the black section of Hampton. "Skipper took me to a place called Jack's Place," Thomason recalls. "There was this young

black man who had this honky-tonk—Jack Harris was his name. And they punched up on the juke box 'Ain't That a Shame.' Skipper had been out there all day playing it; he wanted us to hear this music. Of course, it was our first exposure to rock 'n' roll." Crossing that line into the quarters helped Thomason cross some important cultural barriers. And when he went back to Hampton recently to speak at a town celebration, he found that his hometown had followed him across those lines. "Jack Harris' son, who is in an Ivy League school now, was on the stage with me," Thomason says. "And Jack himself, who is now an old man, was sitting out in the audience. He's now the mayor of my hometown. You talk about change in a Southern town! And he is a beloved mayor. That is change."

The Thomasons' mission, as they see it, is to show this changed South to American TV viewers, to show them Southerners who don't tote guns, drive trucks or call swimming pools "cement ponds." Beyond breaking redneck stereotypes, the Thomasons aim to take the South's numerous eccentricities, oddities and contradictions and stick them right in the viewer's face.

Harry Thomason calls it "the process of confounding people." The only people not a little confounded, it seems, are the show's loyal Southern viewers. Consider the subject matter chosen by Bloodworth-Thomason, who has written 37 of the show's 44 episodes. In one show, a writer named Dash Goff, an ex-husband of character Suzanne Sugarbaker, arrives for a visit and winds up describing the four women, in a letter to one of them, in language so florid it's hard to believe it's being spoken on a sitcom: "They were sweet-smelling, coy, cunning, voluptuous, voracious, delicious, pernicious, vexing and sexy, these earth-sister rebel mothers, these arousers and carousers ... these women, these Southern women."

In another show, a friend of the women is stricken with AIDS, and the proximity of the awful illness moves one character, Mary Jo Shively, to defend before a PTA meeting the distribution of condoms to high-school students. (U.S. surgeon general C. Everett Koop called the episode, titled "Killing All the Right People," television's best offering yet on the subject of AIDS. Bloodworth-Thomason's script was nominated for an Emmy, but lost.) The same episode ends at the friend's funeral, with all voices singing a classic Southern hymn, "Just a closer walk with thee/Grant it, Jesus, is my plea," as a New Orleans jazz band sends young Kendall Dobbs to the great beyond. And in another episode, the Charlene Frazier character decides that she wants to become a minister, then confronts a Baptist church that will have no part of allowing women in the pulpit.

"See, we preach," Bloodworth-Thomason gloats, as the list of her topics is rolled by her. But this preaching has confounded critics, specifically the power-center critics in New York and Los Angeles. "Out here in Los Angeles, we can't get arrested," Bloodworth-Thomason says. "I mean, we get no press at all. Every show we've done has been almost completely ignored by almost everyone in Los Angeles. Maybe it's because they're not Southern. I don't know, they just don't get it. I can show you the reviews we get across the United States. They are incredible. Just last week, the woman in Austin, Texas, said we were one of the best shows that's ever been on television, in the history of television. Across the South, the same kind of stuff.

his is not to impugn the people of New York or Los Angeles, but there are certain key symbols critics have to get, especially coastal critics," Bloodworth-Thomason continues. "Now, The New York Times just said we were 'a shrewd sitcom.' It took 'em two years, but they finally said it. Welton [Smith, the show's publicist] called them every week. And after two seasons of begging for it, they finally said we were a shrewd sitcom. We were appreciative. We picked that 'shrewd' up and printed it in great big letters, but we still put the Arkansas Gazette's quote above it in our ad. Because we're nothing if not arrogant to the last. I just think there are critics who are somewhat put off by us. At first, they thought we were going to be a man-hating, ball-busting, shrill show.'

But the Thomasons have driven the show straight into onceverboten topics, proving it to be anything but a bitchfest. The audience evidently appreciates this. Bloodworth-Thomason points to the episode in which Charlene decides to become a minister and is turned down by the Baptist church. "We did that show about Baptists, and you would have thought we'd done a show about the leprechauns or something," she says. "No one

has ever in the history of prime time television done a sitcom about Baptists."

That show lit up the lines at CBS. "That religion show, we got people from all over the nation writing and calling in," program executive Bowman recalls.

"The switchboards lit up in New York and L.A.," Bloodworth-Thomason says. "CBS told us they had never had so many phone calls. They even called here. I was working late that night. A woman called here, crying because she was a minister who couldn't be ordained. She said, 'I've been trying for seven years to get a church. I didn't know anyone even knew about this issue.' What was interesting about it to me was it might as well have been Hindu or Moslem or something to the rest of the country. It was such an odd thing that we were here on prime time television talking about Baptists. People didn't know how to take it. Almost all of our mail was positive, but we heard negative comments within the industry. Everybody is so quick to



CHARLENE FRAZIER

"A genuine, down-home. Norman Rockwell Women. "Before, there were all sweetheart, all cotton candy and pink

misconstrue what you're doing. Some people assumed that we were trying to do a Jerry Falwell thing!"

Harry Thomason, however, believes the cognitive dissonance that kind of show engenders doesn't drive viewers away. Instead, he's convinced, it piques curiosity. "It's so nice not to see the pat on television, not to do what's expected, that I think the confoundment contributes to helping the ratings."

This way of thinking isn't lost on CBS's Southern affiliates, who express support for the Thomasons and Designing the Gomer Pyles of the world," says Jack Sander, general manager of Atlanta CBS affiliate WAGA-TV. "Designing Women is really a contemporary, adult show. I am fairly new to champagne."-L.B.T.Atlanta, but this is a pretty hip

and cosmopolitan community.

He calls the show "pivotal" in his station's program lineup and supports the idea of giving programs regional flavor. "It's the ongoing battle that we have had with the networks, and that's that the world does not revolve around New York and Los Angeles," Sander says. "Why must every show have a New York or Los Angeles presence? Most of us who have toiled in the fields of TV stations in middle America and the South do not believe that's a mandate. I doubt we will ever get to regional programs [on networks], but I think we've got to look for real life. People have to have some frame of reference."

KTHV's Brown also wants more programming that appeals intelligently to his region. "There have been so many shows that try to make the Southerner look ignorant," Brown says. "I think that this show comes off in a way that people in the South are portrayed as being as intelligent and sophisticated as anybody in the country.'

Lest anyone fret, however, that the sophistication and eloquence of the Thomasons' characters is driving away the rural audience that has long fed CBS, there is reason to believe otherwise. Harry Thomason has done some research of his own on this topic.

'The Bubbas love this show," he says, not trying to disguise his pride in pleasing the simple gentlemen among whom he was raised. "I hear Bubbas talking every time I'm back in the South. They got their overalls on, and their Brogans, and their Caterpillar hats, and they like these women. They think these women are fun."

TECHNOLOGY MANAGEMENT

The HDTV Debate

by Tim Wetmore

Next year may provide a clearer picture on the future of HDTV. But don't bet on it.



A new technology workout: HDTV records the action on the field at Busch stadium.

T's exciting." One often hears that. Confusion, resentment, fear. One often encounters that. What's so exciting and confusing?

High Definition Television and its ineluctable march into the TV industry. "It's inevitable, it's in the stars!" Finally, one hears that. And perhaps that is the best way to explain the state of HDTV today, by looking to the stars. After all, what's good enough for the White House should be good enough for television.

Ultimately the issues revolve around interested parties (broadcasting, cable, FCC, manufacturers) being able to agree on one standard that can be implemented without (emphasis here) putting anyone at a disadvantage.

By now, the industry should have had a chance to look at the FCC's interim report from its Advisory Committee on Advanced Television Service, released last summer. Subsequently, a Notice of Inquiry was issued. The FCC's tentative ruling essentially states that one standard is imperative and that it must be compatible with existing NTSC receivers. The questions are, and always have been, whose standard will be cho-

Tim Wetmore is a free-lance writer specializing in technology. sen and is it worth the expense?

Burton Staniar, chairman and CEO of the Westinghouse Broadcasting Company, responds: "As broadcasters we want to ensure that a single standard arrives in a fashion that does not hurt free TV. It will cost a lot, but it will ultimately be a plus." How, one might ask, is it a plus if it's so difficult and so expensive? After all, people watch programming, not systems.

"That's an old rubric," counters Staniar. "If given a choice, people will watch HDTV rather than NTSC."

Nevertheless, questions—the big and little dippers of the problem, you might say—remain: spectrum and compatibility. And then there is the dreaded black hole: cost. Some have estimated that, for a top-50 VHF station, it could cost as much as \$10 million. That figure represents no improvement in the station, beyond higher resolution. That's like a supernova exploding on the bottom line.

Technical people are keeping track of the issues. It is not uncommon to hear from engineers, "People have trouble getting NTSC properly. Half of them have bad TVs, faulty antennas and bad cable systems."

Regarding cable systems and proposed HDTV standards, Brenda Fox, general counsel and v.p. for special policy projects for the National Cable Television Association, sees it this way: "The issue is how we bring the best technology to the consumer for all media. Broadcasters have to be cognizant of the fact that their problems [spectrum availability] shouldn't be allowed to hold back satellite, cable and other media. This is not adversarial, we are just making sure proper testing of HDTV is being conducted for all media." So is HDTV coming or isn't it?

There are many who think that it is, and that the time to act is now. The FCC acted quickly—issuing its "Notice of Inquiry styled-as-a-ruling"—and is poised to further define its HDTV process.

There's also movement among the manufacturers. Known as the "1125/60 Group," the newly formed manufacturers consortium intends to provide a forum for dialogue among producers, HDTV system users and manufacturers. The group has already backed demonstrations and seminars.

When manufacturers can get together for the purpose of supporting a single standard, it's serious. What common element, then, drives the technology? Manufacturers? Competition? Paranoia?

It's a complicated question. Broadcasters, with their spectrum problems, fear cable. Cable, with dated systems still in place, is afraid of broadcasters. Stations are afraid of each other. Nobody wants to be left out of a profitable activity. As Staniar says, "It will be good for the viewer. What's good for the viewer is good for the advertiser, and good for us."

So 1989 looks to be a big year. The FCC will have had time to process replies and move closer to a ruling. More programming will be produced by 1125/ 60, and many of the 20 proposed HDTV systems will fall from orbit.

This isn't speculation. An HDTV shakeout is imminent; the requirements hinted at by the FCC will lead to a de facto standard. It looks like 1989 may be the year. Exciting, isn't it? Still confused? Read the horoscopes.

Newsroom Revolution

EN ROCUS **A** Time Of Upheaval

These are tumultuous times in TV news. Network news operations are running full-tilt just to keep in place. Laid off news veterans are scrambling for work. And local news has gone global to stay.

he new reality of television news is that you take what you can get and do the best you can with it. Nowhere is this more evident than at the network news divisions. New management has taken hold and downsized operations. Meanwhile, news staffers are doing

the best they can to put out credible broadcasts in these lean times.

In "Network News Sings The Blues," J. Max Robins reports that the network news organizations believe their future health is dependent on providing more "analysis and expertise" than the competition. But short on personnel, they are having a tough time coming up with it. "We're stretched so thin these days that it's close to impossible to free up time to work on any kind of enterprise story," a veteran CBS News producer tells Robins. "We're all crisis managers now.'

Network news personnel may be scrambling to do their jobs, but at least they're working. In "Fired,"

Sydney Johnson catches up with network news veterans who lost their jobs in the network cutbacks. Johnson finds that some network news veterans who got the ax have found jobs in other news outlets. Tight times have sent some on to new career paths, while others are still struggling to right themselves from the blow. Few have had an easy recovery.

Local television news is often cited as a major cause of network news ills. No doubt, with access to more and more national and international news, the locals have encroached on network turf. In "The Wide World of Local News," Frank Lovece reports that while the idea of global news with a local spin sounds good in theory, there is a dangerous downside. In practice, Lovece argues, it is fragmenting the national pool of information into "parochial, localized slices," leaving viewers believing that they are better informed about their world than they really are.

These are revolutionary times in television news. And as is often the case in periods of upheaval, there is an overload of activity and little time for analysis.



Network News Sings the Blues

Under new leadership, network news divisions do more with less. Is this a smart way to fend off competition and thrive in the 1990s? **BY J. MAX ROBINS**

he four TV monitors are tuned to CNN and each of the network feeds. "I keep 'em on all day with no volume," says NBC News president Michael Gartner. "It becomes almost like Muzak." The eternal tubes facing Gartner's desk are more than visual Muzak—they are part of his crash course in network news. The veteran newspaperman, even with his solid journalistic and management credentials, will have to be a quick study. His task is a daunting one.

Indeed, the challenge Gartner faces at its heart is virtually the same one that faces his network competitors. All have management changes underway, with the former number two man at ABC News, David Burke, having left to become president of CBS News. The elements putting the squeeze on network news are not new, but they have gotten more intense-the fallout from budget constraints, intense competition on all fronts and an eroding audience-and show little sign of abating. These factors have already changed the shape of network news organizations, most notably in their flagship programs, their nightly newscasts.

For the time being Gartner pleads ignorance of all this. "I'm too new to understand where [network news] is going. I'm too new to even understand where it is," he says, a bit annoyed. "I haven't spent the last six years dreaming, hoping and planning to be president of NBC News. I didn't come here with an agenda or preconceived ideas on one thing or another."

As a newcomer, Gartner tends to speaks in platitudes. "What I want is to take what I've got and do the best job I know how and then worry about what I don't have," he says. An adroit politician, Gartner reveals little of his plans. "The networks do a very good job of doing what they believe their mission to be," he says, speaking in the measured tones of someone addressing a Kiwanis luncheon. "The question is, is the mission of the 1990s and the 21st century the same as the mission of the 1980s and the 20th century? That's what all of us must determine over the course of the next couple of years." There have been significant changes at all three network news divisions in the last couple of years



The new chief Gartner: A crash course in TV news to prep him to lead NBC News into the 1990s.

that give some indication as to what shape the organizations might take in the 1990s. But definitive answers are hard to come by. As Paul Friedman, executive producer of *ABC World News Tonight*, says, "Anybody who tells you what the future of network news will be is full of shit."

All Friedman and his network news colleagues can seem to agree on is that there will be one. Indeed, sometimes they sound like the Edward R. Murrow Memorial Chorus. "I have this blind faith that in the end, quality will out for a large enough segment of the audience to make what we do commercially viable," says Friedman. Adds his counterpart at *NBC Nightly News*, Bill Wheatley, "My own instinct is that we will continue to be a very important instrument of carrying the news of the day, as well as trying to provide it with some perspective and analysis." Chimes in Dan Rather from the mount at CBS, "There's a place for [a network] evening newscast now and there will be a place in the future."

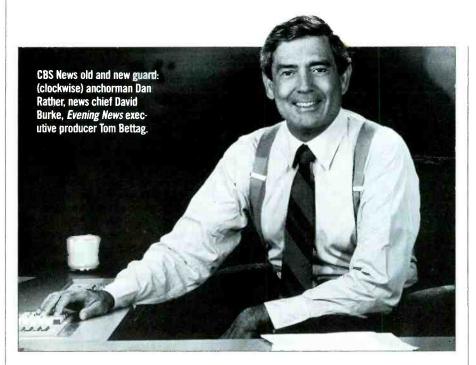
Outside observers aren't so sure. Now that new management at the Big Three is firmly in place and the deep cuts in news budgets have been made, some news professionals wonder about the networks' commitment to maintaining vital news departments. As one exnetwork news hand puts it, "If you told me ten years ago that two of the three major networks would be controlled respectively by one of the biggest defense contractors and someone who made most of his fortune off of tobacco, I would have never believed it. How committed in the long run can they really be to news? Do you think you'll be seeing any hard-hitting investigations into the tobacco industry on The CBS Evening News or into scandals involving defense contractors on The NBC Nightly News? You tell me."

The hard numbers for network newscasts, to say the least, don't leave room for much optimism. Total viewership for nightly newscasts has taken a precipitous decline, dropping almost 8 percent in five years, according to Nielsen. Several factors are responsible. The dramatic increase in programming options in news and entertainment have hastened the viewership decline. And the movement of nightly newscasts out of the optimum 7 P.M. slot hasn't helped.

"Network news has been scaled back and it will be scaled back more," says Bruce Northcott, president and COO of Frank N. Magid Associates, a consulting firm. "You can compare the Big Three networks to the old big three automakers—the American auto industry is littered with victims who laughed at the Japanese."

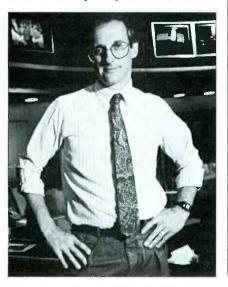
The network news divisions have by no means been sitting around fiddling all these years, watching while their empires burn. Competitive pressures, coupled with the deep budget cuts that came with new ownership, have forced all the network news divisions to change the way they present the news. It would be difficult for the casual viewer to watch any of the evening newscasts and clearly delineate the impact on news operations that have undergone personnel cuts of as much as 25 percent over the last few years. It's inside the operations that people feel the strain.

Newsroom Revolution/IN FOCUS



But this is an inopportune time for network news divisions to feel weary. If they are going to compete, they need time and energy to expand and improve upon what they do. Network news savants agree that what is needed now more than ever is in-depth coverage. This, they argue, is the way to compete with local newscasts whose move into national and international news has encroached on their turf.

"Two or three years ago the great battle cry was, 'the locals are coming. You're obsolete at the network level. Technology will overwhelm you.' And I began to detect in network news a little bit of panic and a little bit of apprehension, which is perhaps a better word,"



remembers ABC News anchor Peter Jennings, his voice going into high octave on the words panic and apprehension. "I wondered if people were ready to get their international news from Bob and Sally, instead of Tom, Dan and on occasion Peter. I came to the absolute conclusion that the definitive answer was no. By and large, [local stations] do not have the expertise to make sense [of all the national and international news they have access to]."

"Analysis and expertise" is the downsized network news mantra that's supposed to lead to its salvation. But people on the front lines of the network news operations—the reporters and producers—say there's little time to contemplate the big picture. What you hear time and again is that the network news divisions are so thin, there's no time to think about tomorrow, when it's all you can do to cut and paste together today. "There's no time for reflection anymore," says a veteran network correspondent. "We are running as fast as we can just to stay in place."

One place where people are feeling the strain is CBS. Volumes have been written about the news division's unsettling travails, careening from one blackeye event to the next. A series of messy tabloid headline incidents involving superstar anchor Dan Rather, the much publicized layoffs of 400 staffers and the decimation of its documentary unit have caused deep wounds that have seriously hurt the news division's image.

The real strain on CBS News is a

result of more than its recent messy history. What's causing the frenzy there is the amount of programming being churned out, without benefit of necessary staffing. With the two-hour morning time slot back under the auspices of the news division, plus the addition of 48 *Hours* and *West 57th* to the CBS prime time lineup, news staffers are doing double and triple duty.

The structure and content of the news division's flagship program, The CBS Evening News with Dan Rather, is showing signs of wear and tear. Compared with the other nightly network newscasts, it is probably the least innovative and analytical in its news presentation. Its investigative team has been disbanded, and while the other nightly newscasts are finding time for longer features, CBS is sticking more with the news-of-the-day mold. "Of the three network nightly newscasts, CBS is the most concerned with the record-keeping stories," observes Andrew Tyndall, publisher of The Tyndall Report, a monthly newsletter that analyzes the

networks' nightly newscasts. "They cover the same amount of news as the other two networks, but with less analysis."

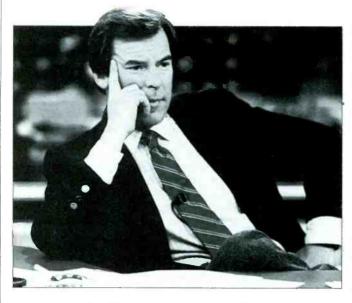
"We're stretched so thin these days that it's close to impossible to free up time to work on any kind of enter-

prise story," confides a veteran CBS News producer. "We're all crisis managers now."

Case in point: CBS News coverage of Hurricane Gilbert last September. The news division fired the heavy artillery at the story, scheduling one-minute updates on the hour at the hurricane's height and a half-hour, late-night special, plus devoting 48 Hours to it.

The response of CBS News to the hurricane is indicative of the thinking throughout the network news divisions: throw everything you've got at "highyield" news events. One week Panama and drugs, the next week a summit in Moscow and then these places and issues disappear in the rush to cover today's events. The strategy is nothing new, but in these lean news times, it can be risky business. "We covered Hurricane Gilbert like gangbusters," says the veteran CBS producer. "But in doing so

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we stripped the Chicago bureau and took two of our three best editors on *Evening News* down to Texas. It left us wide open if anything else big had broken. The news division hasn't always been this vulnerable."

CBS News' hurricane coverage was an early sign that the new CBS News president David Burke had taken charge. "He wanted that story to be CBS's and no one elses," says an ABC news executive. Burke was one of the key architects of ABC News' "owning-

a-story" strategy, which had its roots in the network's blanket coverage of the Iranian hostage story. It was ABC's America Held Hostage that was the forefather of Nightline and placed its news



firmly on a par with its competition. As Jennings says, "When disaster strikes, we know the audience comes back to us in large numbers."

Clearly Burke felt getting out front on Hurricane Gilbert was an opportunity to energize his troubled news division and give it a profile boost with viewers. It certainly worked with the 48 Hours hurricane segment, which scored its highest rating to date and showed how well that program can work a breaking news story. Indeed, the program's brand of instant documentary—high on texture, low on context—is best geared to cover a Hurricane Gilbert where viewers come well briefed from other Doing more with less, ABC News moves into the '90s: (clockwise) Anchor Peter Jennings, World News' Paul Friedman and president Roone Arledge.

news sources.

At ABC World News Tonight, true to its name, there is more of a tendency to use a greater variety of correspondents and go international in its coverage. In part, that it is a reflection of

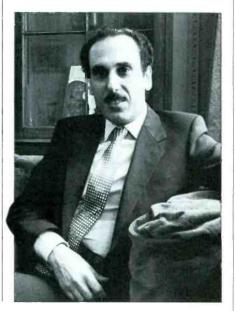
Jennings, who plays a major role in story selection, but it is also indicative of ABC News' relative financial health—foreign stories are generally more expensive than domestic ones to do. Through the first eight months of this year, ABC devoted 850 minutes of its nightly newscast to foreign coverage, compared with 740 minutes at CBS and 672 at NBC, according to *The Tyndall Report*.

"We're doing slightly more foreign news than we did a couple of years ago," says Friedman, leaning back in his spacious office off the *World News* newsroom. "But the biggest change is we're doing a greater variety of stories. The pace is faster. It had become routine to think each story is a minute, a minutethirty or two minutes long. Now we've tried to devote less time to basic recordkeeping stories, and that gives us more opportunity to vary the mix with one or two longer pieces."

Friedman would like to bring George Will's commentary back to World News, provided he could find "a worthy opponent." To keep an edge on the local news operations with their access to national and international news, he sees his program driven to be "harderedged" and "more analytical." Says Friedman, "You can be more sophisticated if your audience comes to you with the basics." The news division's future planning revolves around developing more beats, Friedman explains, capitalizing on correspondent expertise. "We need to extend our beats beyond the Pentagon and the White House," he says, suggesting areas of coverage such as health, education and the environment. "We have to show we have the resources, the expertise that local stations and cable networks might not have."

While Friedman is talking, former 20/20 executive producer Av Westin sticks his head in his office and gives Friedman an M&M-a peace offering. Westin is currently at work on several hour-long news specials for prime time and he has occasionally plucked Friedman's World News staffers to help out. At the other end of the hall Peter Jennings mildly stews over the fact that he can't always get the correspondents he would like for his newscast, because they are busy with other news projects. ABC, like CBS, is attempting to do more news with less people. The danger is that its flagship broadcast becomes more Jennings narrating tape footage and cheesy features such as "Person of the Week," rather than the kind of substantive stories Friedman needs to propel his newscast into the future.

ABC has had its own staff cuts over the last few years. There were substantial ones in 1986 before Capital Cities took over, and more cuts last year. Still, even in these lean times, the news division thrives, broadcasting the newsworthy, the sensational and the sublime. *Nightline* has had a stellar year, as the Koppel dukedom expands with town meetings on topics from the Middle East to drugs. 20/20 has survived a tumultuous year—a schedule change, the exodus of some veteran personnel and reports of serious internal dissension to celebrate its 10th anniversary and



Newsroom Revolution/IN FOCUS



continue to make a lot of money for the network. The Sunday morning news lineup, anchored by *This Week With David Brinkley*, is now a solid block with *Business World* and *The Health Show.* But add to this the projects in process under Westin's wing and something has got to give.

"We were close to crippled for about six week this summer when, in addition to normal vacations, we had lots of people off working on these hour-long programs that are going into prime time," says Friedman, choosing his words carefully. He's not complaining or condemning the network higher ups; he's simply stating the facts.

"The network still hasn't decided if it's ready to make a long-term commitment to prime news. It makes no sense to them, having gone through a cost-cutting a few years ago, to increase staff until commitment is made," Friedman explains, playing news advocate *and* company man. "We love to do prime time hours, so we don't gripe about it. [Top management] understands it's a drain—if [news] has a permanent [prime time] presence, it will be argued how many more people are needed, not that we need more people."

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At NBC News there's no talk of expansion—110 staffers were recently let go, bringing the layoff total to 400 in the last two years. This year's staff cuts are especially striking, coming off a year in which NBC News has scored several coups, including Tom Brokaw's exclusive interview with Soviet leader Mikhail Gorbachev. They are harder to understand with the *Today* show soaring in the ratings and its host, Bryant Gumbel, having just signed a multimillion dollar pact. In this corporate climate, it's easy to see why Michael Gartner said a few days after the layoffs that, "It would be goofy for me to start talking about [NBC News] producing magazine shows and documentaries."

The downsizing of NBC News began several years before Gartner took charge. It got a major push forward in 1986 when General Electric took control and brought in management consultants from McKinsey & Company to streamline the place so it could move

into the black. It reportedly is losing between \$15 million and \$20 million a year. Now, plans are for the news division to break even on an operating budget by 1991.

The impact of the cutbacks have been most evident on the NBC Nightly News. Coinciding with the downsizing of its staff, the newscast has grown into a hybrid of a traditional network newscast and Nightline. Of the three anchors, Brokaw spends the most time engaged in crosstalk interviews. The practice, however, is on the rise at all three networks. It is the one newscast with a regular commentator, John Chancellor, and over the last few years it has been out front in developing a core of specialized reporters, such as science correspondent Robert Bazell and the investigative reporting team of Brian Ross and Ira Silverman. While NBC Nightly News recently dropped the "Special Segment" moniker, it still does a nightly long feature segment.

Compared with the other network newscasts, *NBC Nightly News* spends appreciably less time on foreign news. It is, however, infected with the same disease of spending money like crazy for crash coverage of a high-profile event, as was the case when Brokaw anchored the newscast from the Summer Olympics in Seoul and when, earlier this year, the network promoted like gangbusters a week of newscasts aired from China.

To bolster its foreign cover-

NBC *Nightly News* executive producer Bill Wheatley: providing perspective. age, NBC News is finalizing a deal to purchase a major interest in the London-based international television news agency, Visnews. While NBC News executives may tout the benefits of the deal as an economically feasible way to expand coverage, others familiar with Visnews are dubious of its real benefits. Visnews is largely a stringer operation—the footage it will provide is a far cry from having a well sourced network correspondent on the scene.

The new reality of network news is you take what you can get. Bill Wheatley defends the Visnews deal, arguing that it will give his newscast more coverage than it has now. Wheatley has been executive producer of *NBC*

he look of 1990s news: Tom Brokaw anchors a program that is increasingly a hybrid of *Nightline* and the traditional nightly newscast. Nightly News since 1985 and a primary player in its modern evolution. He believes strongly that the show is still vital and that the news division can thrive. But looking at the crowded information land

scape can be a bit daunting, and bring generally vague misgivings about the future to the forefront, especially to a survivor of the tumult of the last few years. "The concern I have is that as the number of [TV] information outlets increases, the profitability of many of them decreases," Wheatley says. "Then no one is able to move forward and do a first-rate job."



FIRED Putting their lives together after getting the ax

Putting their lives together after getting the ax hasn't been easy for hundreds of former network news workers. **BY SYDNEY JOHNSON**

he news came abruptly—and out of the blue: "You're not gonna believe this. You're in the lineup but you don't have to finish the piece." With these words, CBS correspondent Ned Potter, his producer and his editor learned in Boston on March 6, 1987, that the network had fired them. They had been awaiting final script approval for a piece on violence in the schools, scheduled to air that night.

The report never ran, and Potter and his crew are otherwise engaged these days, Potter as an ABC correspondent. They were but three more casualties among the 400 news jobs eliminated at CBS over the last few years. The network got rid of 215 news-department employees that spring day alone. ABC has shed some 260 jobs in its news division since 1985, and at NBC, some 400 news jobs have been eliminated in the last two years.

With the major networks losing audience share, besieged by union problems and facing aggressive news competitors in cable and local TV, the bottom-lineminded bosses are cutting back. And veteran news professionals have found themselves scrambling to find work. That they were well paid and led interesting, at times glamorous, lives was more widely known than the fact that they often worked fifteen-hour days, had to travel at a moment's notice and be willing to take on difficult, sometimes dangerous assignments. The networks demanded that kind of loyalty. In exchange, the news personnel assumed that their jobs were secure.

When that turned out not to be the case, and journalists with résumés a half-dozen to 30 years long were cut loose, it was, for many of them, a shattering experience. With rare exception, it has taken the news castoffs from four to six months to recover their equilibrium, regroup and find new jobs. Many of those who stayed in broadcasting have accepted pay cuts. Some have transferred to local or cable news. Some are still stunned. Others, faced with offers that might have interested them earlier in their careers, have decided to leave the field altogether to pursue other work.

Scotti Williston, a veteran of UPITN, United Press International and World Television News, was lured away from a reporting job at WPIX in New York to join CBS as deputy foreign editor in 1975. CBS's first woman bureau chief overseas, Williston worked in Cairo and Rome before returning to New York. She was a producer for the Sunday morning news when she was fired by CBS in September 1985.

"Finding a job is more difficult than anything you can do," Williston says today. "You were so devastated at losing what you thought was your life; it took a while to shake that devastation.' Williston found work as a summerreplacement field producer for NBC's New York bureau and was on her way to a 5 A.M. crew call in September 1986 when she was struck by a speeding taxi, sustaining major injuries from which she is still recovering. "It's tough to be fired before you're 40, but I think I'll find something that's right for me," she says. But it may be tough to return to a network job: "The networks just are not hiring," says Williston, "not on a permanent basis. And most producers are overqualified for what they have."

Although Williston still loves the news business, since her accident, a network job is not the most important thing in life. "I was almost killed," she says. "Now I think about things very differently." Her situation is hardly typical, but Williston does not underestimate the difficulty of returning to work. Now 41, she wonders if she and other former overseas producers are "dying elephants."

As Peter Boyer, a former CBS News employee who now covers television for *The New York Times*, observes, "There's a kind of video paranoia, a sense that the old way was bad television; people over 40 do it the old way. Instead of hanging out for years to learn



ABC producer Marge Lipton (second from right) on duty in Warsaw before she left the network.

Newsroom Revolution/IN FOCUS

the terrain, video kids go from story to story. They give the appearance of expertise."

After CBS closed its Bonn bureau in March 1987, correspondent Derrick Blakeley, 34, felt it was too late to hitch on with another network. With seven years of network experience under his belt on assignment in Chicago, London and Bonn, he now works at Chicago NBC O&O WMAQ as a general-assignment reporter, a job he held from 1978 to 1980 for WBNS in Columbus, Ohio.

"I had offers from other local stations but I liked the people here," Blakeley says of Chicago. "It's a meat-and-potatoes news town. I was making enough transitions, going from overseas to the U.S., from network to local. I felt it was better to know the powers that be." For Blakeley, the move from network to local has been eased by the less than 10 percent pay cut he took and by the fact that he happens to like local news and its lower-key politics.

ou don't have to compete for airtime," he says. "There is less time for standing around complaining about policy, less chance for research and preparation. You don't dot every *i* and cross every *t*. You do two pieces a day instead of two a week."

Not all the news castoffs have landed so well. Steve Delaney, let go after 22 years as a correspondent for NBC, is building a home in New Hampshire and picking up occasional assignments for The Christian Science Monitor's new nightly news program. The layoffs at the networks have created a tighter job market at the local level, according to Ernie Schultz, president of the Radio-Television News Directors Association. "Up until a few years ago there was a steady flow in the pipeline moving from small and medium stations up to large stations and into the network," he says. "When the networks began laying people off, those who were 'talent' found jobs. The others have had a hard time, because most local stations don't use

field producers. The flow has slowed to a trickle, although there is still some growth along the Eastern seaboard and on the West Coast."

Many of those who experienced the network knife have been left to wrestle with feelings of betrayal and rage. Patsy Dimm wonders why she was promoted to producer for the weekend news in CBS's Chicago bureau only to be fired four months later, in March 1987. She returned to New York but has found it hard to regain the ambition that brought her five promotions in six years.

"I feel I paid my dues doing grunt work," says Dimm. "I put in fifteenhour days and worked weekends. I was led to believe that was what I should do. The payoff was my promotion. I was never led to believe I would be laid off. They've come close to crushing my spirit." Dimm, 32,



Marlene Sanders broke a lot of ground but was eased out after 30 years.

has applied to law school but is still exploring job options in news outside the networks.

Not everyone was fired outright. Veteran broadcasters found it particularly galling to be offered transfers to jobs that were clearly steps backward. The pioneer newswoman Marlene Sanders, in her 50s, with over 30 years of TV news experience, chose to leave CBS News rather than accept reassignment to a radio job. She will not return to the network hustle. Instead she found work at New York's WNET-TV, hosting news and current-affairs shows, and as a correspondent for *Modern Maturity*, a weekly show on issues affecting people over 50.

Sanders worked out a termination agreement with the network that gave her time to finish her just-published book, Waiting for Prime Time: The Women of Television News. "I don't need as much money," she says. "I'm trying out a compromise now with more control of my life, trying to solidify gains, to do projects that interest me."

Still, Sanders acknowledges, "It's been a down period for me. Three Emmys [at CBS] and awards for ABC it just doesn't matter anymore," she says. "You can't predict anything in this business. I have been in it since 1955. I was the first woman to anchor at night. I broke a lot of ground. There's a satisfaction in being a participant in history, but it's not clear how long women will be able to continue, gray hair, bags and all." Sanders' advice to aspiring television journalists: "Don't make this your whole life. If you do, you can well be left with nothing."

That's about where CBS veteran newswoman Susan Caraher was after CBS reduced its Chicago bureau to three producers and two reporters in March 1987. Caraher, the 40-year-old bureau chief, was offered work as a campaign-coverage coordinator in New York, a job she had held four years earlier. She chose instead to turn the offer down and remain in Chicago, and in September 1987 started her own business, File Tape, providing stock footage for corporate media producers.

araher left behind an 18-year career at CBS. She started in the New York newsroom as a secretary and put in long hours, moving up the managerial ranks to night news manager before ending as bureau chief in Chicago. "It was a very painful deci-sion," says Caraher. "But it's a changed industry. ABC doesn't have a bureau here. NBC is in the process of laying people off. Once I decided to leave, I had to find something else to do for the next 20 years. I don't have the responsibilities other people have, children to send to college." Caraher stumbled onto the idea for her new company while attending an International Television Convention and decided to do it. "It was now or never," she says.

Some TV-news employees anticipated the cutbacks and began to prepare for the day their pink slips came down. David Cifrino, 33, another victim of CBS's infamous March 6 layoffs, had

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attended half a year of law school in the evenings while serving as producer and bureau manager of the network's Boston bureau. He started as a reporter in 1979 at a station in Sioux City, Iowa, and worked in local news in Providence, R.I., and at WBZ in Boston before he joined CBS in 1983.

"One of my misgivings was a sense of being transplanted every two years," says Cifrino, who has now done another year at Boston College law school. "I didn't want to go to Atlanta, to Chicago. I didn't dislike my job—I wanted to try law school for a while."

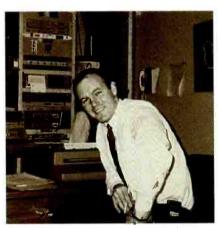
He is less bitter than some of his colleagues because he saw the layoffs as almost inevitable. "If that makes me a victim, that's okay. I have more of a corporate perspective so I didn't take it personally," says Cifrino. "I'm not the one in a difficult position. It's people who were there for 20 years and those with families."

A hrinking opportunities have forced other experienced journalists out as well. After seven years abroad as a producer for ABC, covering, among other things, Poland's Solidarity movement and the Iranian revolution, 35-year-old Marge Lipton came back to the U.S. for a one-year fellowship at Stanford University in September 1983 and then worked on an ABC documentary. Serious illness and major surgery followed. After recovering, she coordinated the pooling of news feeds among local stations for ABC's Satellite 1 in Los Angeles. In June 1987, tired of local news and frustrated over the lack of producing assignments, she left.

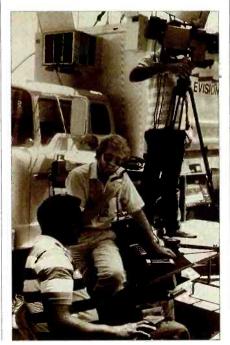
For me," says Lipton, who is currently collaborating on a movie thriller, "this has been a period of decompression. I'm not sure what I'll do, but I don't think I'll go back to the networks. Maybe I'll open an art gallery." She still doesn't understand why her proven competence abroad didn't translate into producing work when she returned. "I can't believe there wouldn't have been a job for me if they'd wanted to make it. I guess we knew we weren't in the civil service, but we knew people who had finished their careers there."

Faced with the scarcity of broadcasting jobs, many people have been forced to choose between relocating and leaving broadcasting. Bill Kennedy, producer/manager in CBS's Seattle minibureau, opted for the latter when the network closed his bureau. In 1985, Kennedy, 37, had moved from Los Angeles, where he began in the CBS mailroom in 1973, to his new job in Seattle. He liked the area, felt it was a good place for his family and was not anxious to move. The network gave him a replacement job coordinating satellite feeds that kept him in Seattle, but he knew he could not stay in a job more suited to someone at the beginning of a career. In July 1987, he began working for Prime Time, a public-relations firm based in New York and San Francisco, as a media consultant and more recently opened his own public-relations firm, Press Pass.

"I feel like I won because I didn't have



Former CBS Boston bureau manager David Cifrino (above) had started law school when he got the ax. Demoted by CBS, Bill Kennedy went to work in PR.



to up and move," says Kennedy, who has two kids in school and didn't want to pull up roots. "I knew I had an option of moving somewhere, but each time we were told the cut would be the last one. I had seen so many families and friends thrown into an upheaval."

Although he has traded financial security for family happiness and has given up a career he loved for an unknown future, there has been a bonus: "At the networks people were always telling you what to do. Now I am a self-starter, taking care of my own life by building something for myself."

Kennedy no longer drives around Seattle with his trunk full of clothes ready to leave for Newfoundland or the Philippines at a moment's notice. Marge Lipton may indeed one day see her name on a movie screen or an art gallery, but she has probably filed her last story. For everyone, there is a sense that the television news business they worked in for so many years has irrevocably changed; that the rules were altered mid-game.

And the business is still changing. When CBS had 150 openings for its new magazine shows earlier this year, it hired producers who had been fired by NBC two days before and attracted others who transferred from ABC. Tom Goodman, CBS director of news communications, explains that "while there was no blanket policy to hire or not to hire people back, staff on the new shows had different assignments requiring different skills." If the magazine shows do not succeed, those producers will find themselves out looking for work. At a recent NBC management seminar, the unthinkable was actually broached: that "the best way to assure economic success was to eliminate the news division entirely."

Given the shortage of jobs and continuing instability at the networks, it's not surprising that many of these former news professionals have decided to look elsewhere for a livelihood. They have chosen to have more control over their lives by developing their own work, deciding where they want to live, relying more on family and friends. For now, they can deal with lower earnings and financial uncertainty. The resourcefulness that made them good journalists has enabled them to begin charting their own way.

Sydney Johnson is a New York-based free-lance journalist.

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The Wide World Of Local TV News

Covering national and international news makes economic sense and lends clout to local newscasts—but there is a downside. BY FRANK LOVECE

ight budgets and increased competitive pressure have sent local newscasts global to stay. With more of the TV news audience turning away from the networks, hometown operations are using relatively inexpensive satellite and news-feed technology to scour the world for local angles.

Yet, while many applaud this as the new maturity of local newscasts, as the final arrival of McLuhan's global village, this new global-localism may ultimately obscure global perspective. The national pool of information has begun to fragment into parochial, localized slices.

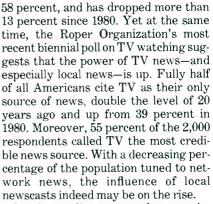
"People would much rather get world events from a local newscaster than from a network source," claims Bruce Northcott, president and COO of Frank N. Magid Associates, a leading localnews consulting firm. "The basic principle is: "This person giving me the news lives in my town. He or she understands my information needs.' If you live in Houston maybe it's a heckuva lot more important to you to know what's going on in the Middle East, because of the oil situation, than if you live in Cedar Rapids, Iowa."

Northcott bases his comments on research Magid has conducted for clients over the years, including the major networks. One of the surveys he cites found that 53 percent of the respondents saw no qualitative difference between network and local news. The same poll showed that 31 percent thought it would be advantageous to replace the network newscasts with coverage of international and national news on an extended local newscast. The data suggests his analysis may have some credence, but is by no means definitive. It's safe, however, to assume that as local newscasts air more global news, viewers will become increasingly comfortable with local newscasters in their expanded roles and see less need for traditional network newscasts.

"What used to be broadcasting has in many cases become narrowcasting," says Stan Hopkins, news director of Boston's WBZ. "For example, when the TWA hostages were released in Weisbaden, we were there with live coverage and tape feeds on the New England hostages. Another time, when there was an earthquake in Mexico, we were down there with the local cardinal, who was there to help out."

These are perfectly proper and responsible examples of the new globallocalism. Yet they also illustrate its limited scope. If the percentage of Americans getting a wide-angle view of national and international news from the networks continues to fall, local TV news' global-localism approach to those events may deliver a seriously distorted picture.

According to Nielsen figures, the combined viewership share of the Big Three newscasts is significantly down from last year, dropping from 61 percent to



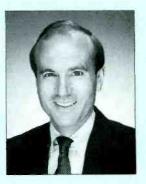
Local news directors see that as a window of opportunity and are anxious to use their clout to expand on what they cover. "I'm not a believer that my mandate is to provide only local news," says Mike Cavender, news director of Nashville's CBS affiliate, WTVF. "[WTVF and other CBS affiliates] are no longer just CBS. My affiliations are CBS, CNN, Conus and [station partner-ships]." Joel Cheatwood, news director of WSVN in Miami, Fla., boasts that "a major event happens in Europe, we're going to have a piece of video on it the same time the networks do." As a result, he says, "I think our mandate has been altered slightly. We've expanded it to say, 'We're going to cover everything local and we're also going to tackle big stories elsewhere.' "

The desire on the part of news directors to increase the breadth and reach of their programs is certainly understandable, but it raises the question of how they are going to fit all that ambitious coverage into the traditionally tight news well—"a 22-minute blip," as one news director laments. Local stations may find themselves covering more complex topics not only more narrowly



WBZ's Hopkins: "Local news has tried to become all things to everyone."

KCNC's Rockford: "Having [global] reach doesn't mean we grasp world events."



Newsroom Revolution/IN FOCUS

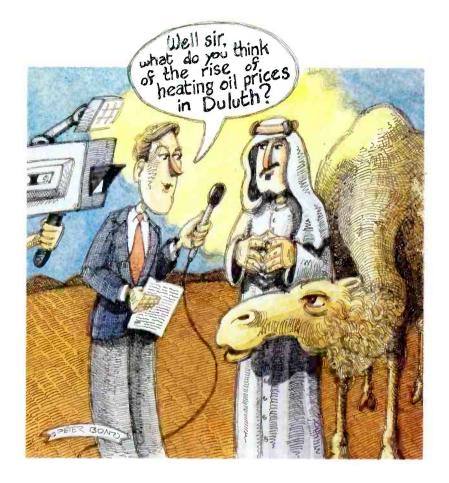
than ever—emphasizing the local angle—but also with less depth, having less time to allot to each story. Not only is the big picture becoming more fragmented, but the individual pieces may end up being less than satisfying.

Daniel C. Hallin, associate professor of communication at the University of California, San Diego, and author of The Uncensored War: The Media and Vietnam, is unenthusiastic about what he calls "an acceleration of trends" already in place. "When I see local stations do [global news], they usually don't have the expertise to do it well," he says. "TV journalism is often fly-in, fly-out, and that has to be superficial, because you have to have background, you have to have sources, you have to know who to trust and who not to. It's a problem with TV news in general, and it's even more severe when local stations start sending people out."

t's not only academics who are concerned about this trend. Those in the trenches-news directorsalso have their reservations. "Local news has in some ways tried to become all things to everyone," says WBZ's Hopkins. "Some stations have made a mistake in taking the position they're going to become national and international news-gathering operations with the services, feeds and technology available today." As Marv Rockford of NBC's Denver O&O, KCNC, concedes, "Having that sort of reach doesn't mean we have the grasp necessary to cover world events.

Still, most local newscasts will go ahead and air the material regardless of a lack of expertise—in part, because there's a sense that their audiences won't notice or care. As Northcott suggests, "If you ask a local-news audience whether the network person is more professional or more broadly schooled in Middle East affairs, they'll probably say, 'sure.' But they'll also say, 'who cares?' "

Such talk can only encourage local stations to use globalism as a way to justify more far-flung coverage, especially if it means sensational pictures. Case in point: Last August, knowing full well the networks would cover it, local newscasts all over the country led off with the fiery air-show disaster in West Germany—not for any local angle whatsoever, but largely because, as one news director says, "You can't deny those were spectacular visuals." Indeed, Fox



Broadcasting's New York station, WNYW, ran the video twice at regular speed, once in slow motion and then once again in step-frame detail.

This shift in focus, from local tractortrailer pileups to European tractortrailer pileups, has partly to do with the most intensely competitive environment in the history of TV news. Local operations are striving harder for viewers as a result of an unprecedented pressure on the bottom line, at the same time that viewing options are on the rise. The belt-tightening, many news directors say, has resulted in cutbacks on local documentaries, investigative series and travel budgets. Global satellite news is hard to resist in such an atmosphere: It's relatively cheap to come by.

Magid Associates' Northcott sees two economic forces at work. "There's a leveling-off of raw dollars coming into the TV business," he contends. "Second of all, you have the tremendous number of stations that have been traded in the last five years. If someone comes in to buy a station and is leveraged to the hilt, and revenue growth does not continue the way it was projected to—that is, by 10 percent to 20 percent a year—it can only mean one thing: There have to be cuts in the operating expenses of that TV station. And those things filter down to news." Concurs Ernie Schultz, president of the Radio-Television News Directors Association, "There's a growing tendency to look at newsroom expenditures like those of just any other department."

Ultimately, the big crunch on news budgets may force some number three stations to cut back on or eliminate their news operations altogether, further diluting the diversity that helps viewers understand the big picture. "There are some stations that have been the traditional doormats of their market," says Rockford. "Those stations are going to make the decision it doesn't make sense to try to compete at a game they've never been good at. Nobody," he adds, "has ever argued you need three newspapers in a market for people to be well-informed."

Ironically, the majority of TV newsrooms by and large remain an important revenue source for local stations. The RTNDA's most recent study of newsroom profitability, conducted in 1986, found that of 375 TV news directors surveyed, 70.7 percent reported that their

Baseball Throws Local News a Curve

wo more recent items stretching news budgets further than ever: the capital and recurring costs associated with Major League Baseball's new policy of scrambling its satellite sports feeds.

The scrambling, meant to stymie home satellite viewing, began last April. Now stations that assemble their own highlights reel for the evening news are required to buy a VideoCipher I decoder—\$395—and pay a descrambling fee totalling \$3,000 per year per box. Since the decoder can watch only a single game at a time, many stations will need more than one.

League senior v.p. Bryan Burns says the move is to protect gate receipts and prevent loss of revenue to

departments made money. Yet despite this, budget constraints have forced stations to do just what the networks have done: trim their news staffs. According to the RTNDA, TV newsrooms in 1987 had a median staff of 16.2 full-time and 2.1 part-time—down 1.2 and 0.6, respectively, from the previous year. For network affiliates in ADIs 1-25, the median staff size was 68, down five from the year before.

This creates two major ripples. First, it makes the use of news feeds and other outside sources increasingly practical. Second, it creates an industry-wide gridlock—plateaued professionals with less chance than ever of moving up and clearing space for successors. "What do you do with employees," wonders Marty Haag of Dallas ABC-affiliate WFAA, "who feel they don't have the upward mobility they used to have [and] who don't want to be street reporters when they're 45 years old? There's a lot of angst out there."

Indeed, many of those who are staying in place are doing so without raises. The median weekly salary for TV news reporters in 1987 was \$325—unchanged from 1986 despite a 3.7 percent rise in the consumer price index. Anchorpersons, at \$500, also showed zero gain. News directors did gain by 4.3 percent to reach \$730, although producers and cameramen showed only minimal increases of 2.8 percent to \$365 and 3.4 licensed baseball programmers, not for the League to make a profit. "The money for the decoder goes right to [manufacturer] General Instrument," he says. The descrambling fee, he adds, goes directly to Hughes Television Network for handling the logistics—presumably at a profit. There are prepackaged—some say sanitized—highlights available from Phoenix Communications' Sports News Satellite and other sources, but using them relinquishes control.

Among news directors, resentment runs high. "I have a problem with paying for something that's only advancing the game," says Joel Cheatwood of Miami's WSVN. Adds Stan Hopkins of Boston's WBZ, "They don't understand that news

percent to \$300, respectively.

The budget issue is also forcing many stations to reevaluate their local-news time slots. Late-evening newscasts, for instance, are suffering a viewership decline—in some cases by as much as 40 percent over 18 months, according to a Magid survey. One reason for this is that so much news is available throughout the day that by 11 P.M. audiences can

The big crunch on news budgets may force some number three stations to eliminate their news operations.

get "newsed out." They also often share the widespread perception, with which news directors strongly disagree, that the late-evening broadcast is a rehash of the 6 P.M. show.

At the opposite end of the day, however, local stations see much promise in early-morning newscasts. "There's an explosion in the 5 to 7 A.M. periods," says Northcott. "It doesn't take much to do an early-morning half hour of programs are *news* programs, designed to report events of the day."

Highlights "are not news," Burns retorts. "News is when you tell me Team A beat Team B and so-and-so hit a home run. This is copyrighted material." Yet so are movie clips and excerpts from TV shows and commercials. In a news context, no one expects, or levies, a charge for them.

In the broader picture, baseball's scrambling brings up the Pandora factor: Now that the box is open, will other organizations follow suit and bring a bevy of crippling fees? Sports News Satellite president Jim Holland, for one, says he has no immediate plans to scramble his own service—but, he adds, "I wouldn't rule it out in the future." *F.L.*

news, and you're generating revenue in a time period that wasn't [doing so] in the past." According to an August 1988 study by the Television Information Office, nearly 80 percent of network affiliates now program news between 6 and 7 A.M. on weekdays, a 9 percent increase over the last two years. About 53 percent carry news during the entire one-hour period, a 29 percent increase from 1986.

Clearly, however, as local TV news strides into the 1990s, the big picture is the fragmenting of the big picture. Where once network coverage of the Watergate hearings provided a unified national hearth, now the Iran-Contra hearings are found more comprehensively elsewhere, with local news serving to turn localized spotlights on each market's hometown congressman. Networks won't disappear, but if present trends continue, the big picture they increasingly will grow present unwatched.

As our national pool of information continues to fragment, the growing danger is that Portland, Oregon, will have one view of the big picture, and Portland, Maine, another. "I guess that danger is there," muses WTVF's Cavender. "We as news managers have to be very cognizant of that."

Frank Lovece is a New York-based freelance writer.

MEDIA DEALS

Elections and Mergers

by Merrill Brown

Upcoming changes in antitrust and regulatory policy could propel the winter market.

series of public-policy issues on the 1989 Washington agenda could result in a quickening of the pace of television-industry deals over the next several months. Some experts are making that prediction no matter who wins the White House in this month's election.

The pace of large-scale merger and acquisition activity in other industries, such as publishing and retail businesses, has already picked up in the second half of this year. There are a variety of reasons for this, including the likelihood of regulatory change and a more aggressive antitrust policy when a new administration comes to power in January. But other than the record-breaking level of mergers and acquisitions in the cable business, transactions in other communications-industry sectors-particularly in the television and radio station fields-have slowed markedly compared with 1987.

On the horizon are the following:

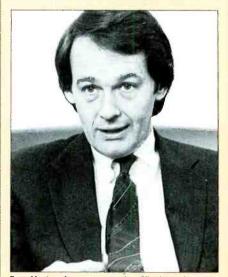
• A likely revival of antitrust-enforcement activity, especially in a Democratic administration, but also quite likely in a more traditional Republican government. Anti-merger policy historically has included the support of moderate Republicans, and Vice President George Bush is more mainstream on regulatory and economic policy issues than President Reagan.

• A significant congressional effort to reinstitute a three-year ban on selling broadcast properties for new owners. Capitol Hill sources say that as soon as Congress wades through the political quagmire over the Fairness Doctrine, writing the so-called anti-trafficking rules into law could move close to the top of the priority list of Rep. Edward Markey, the Massachusetts Democrat who serves as chairman of the House telecommunications subcommittee. Markey has Rep. John Dingell, the powerful chairman of the House Commerce Committee, in his corner supporting a reinstitution of a holding period, and House aides say there is a clear consen-



 sus supporting the two on the issue.
 The possibility of a tax-rate increase, especially likely in a Democratic administration. Such a tax increase, especially if it resulted in a higher capital-gains rate, would surely encourage owners to put large properties on the block.

• A more regulation-minded Federal Communications Commission might, even without congressional prodding, bring back some regulation to the broadcasting and cable industries. "If the FCC becomes more regulationminded, it would surely become less necessary for congress to do anything," says a Capitol Hill source. And even the current, conservative chairman, Dennis



Rep. Markey favors new anti-trafficking rules.

Patrick, could affect the pace of cable transactions if his FCC takes a position encouraging telephone companies to get into the business of distributing television signals. The continuing cableindustry phobia about that prospect suggests that many system owners would quickly become sellers.

For all that speculation, however, it is important to remember that significant change in the regulatory and political climate only happens slowly. Congressional enthusiasm for communications legislation is rare, and the 1984 passage of cable deregulation is one example of activism that some members of Congress now say they regret.

here's also no question that even many liberal Democrats are rethinking the proper role of federal antitrust policy. Some Dukakis advisers, such as Harvard's Robert Reich, have endorsed programs that encourage a loosening of some antitrust policies in order to encourage more corporate joint ventures as a way to challenge foreign competitors.

But the rising tide of complaints about the centralization of the American economy through mergers, a complaint often articulated by Dukakis and one increasingly embraced by Bush's business allies, as well as the growing unhappiness about deregulation in fields like transportation and health and safety, certainly suggest at least a revisiting of deregulation effects.

Clearly, 1989's murky public-policy picture helped propel the cable deal market this year. By fall, cable broker John Waller, citing a sharp pickup in deal activity, attributed some of that increase to "clouds of uncertainty in the political and regulatory arena." The combination of that uncertainty, higher tax rates, an increasingly likely return of the anti-trafficking rules and a new government worried about small business suggests that by year's end, the pace of transactions in other sectors will pick up as well.

DATABASE EDITED BY MICHAEL BURGI

ADVERT-S-NG

Spot Advertisers of the Last Ten Years Not that much has changed in the rankings over the last ten years. Car companies have steadily climbed the charts, comprising half the top ten in 1987. Merger/acquisition activity also has

affected the rankings.

Top Ten National and Regional Spat Advertisers (Dollars in thousands)

1977	1982	1987			
1 Procter & Gamble / 83,676	1 Procter & Gamble/ 179,468	1 General Motors / 258,563			
2 General Foods / 49,320	2 General Mills/74,462	2 Procter & Gamble / 238,298			
3 Pepsico / 27,566	3 General Foods / 70,803	3 Ford Motors / 138,524			
4 General Mills / 26,430	4 Dart & Kraft / 64,276	4 General Mills/126,688			
5 Lever Brothers / 26,266	5 AT&T/62,044	5 Pepsico / 121,201			
6 American Home Products / 25,731	6 Pepsico / 54,004	6 Totota Motor Sales / 114,336			
7 Colgate Palmolive / 25,007	7 Coca Cola / 51,718	7 Philip Morris Companies / 111,288			
8 William Wrigley, Jr. / 23,345	8 Mars / 46,506	8 Chrysler / 109833			
9 Chrysler / 21,747	9 Toyota Motors Distributors / 44,762	9 Nissan Motors / 94,883			
10 AT&T/21,149	10 Lever Brothers / 43,762	10 Anheuser-Busch / 74,684			
Source: Television Bureau of Advertising.					

Cable Subs by State

The table below follows a geographic and demographic theme for cable distribution. Note that Vermont has fewer homes passed than basic subs because not all systems reported total homes passed.

STATE BASIC SUBS (000s)		PAY UNITS* SYSTEMS (000s)		HOMES PASSED	
TOPTEN					
1 California	4,557	2,927	368	7,283	
2 New York	2,782	1,951	230	3,586	
3 Florida	2,627	1,990	244	3,952	
4 Texas	2,556	2,363	609	4,106	
5 Pennsylvania	2,427	1,378	413	3,079	
6 Ohio	1,952	1,357	316	3,040	
7 Illinois	1,623	1,373	424	3,234	
8 New Jersey	1,600	1,612	62	2,517	
9 Michigan	1,422	1,028	223	1,917	
10 Massachusetts	1,189	1,072	92	1,582	
LOWEST FIVE					
1 Wash., D.C.	17	NA	2	71	
2 Alaska	70	88	44	148	
3 Vermont	96	84	49	85	
4 South Dakota	113	61	146	154	
5 Wyoming	121	63	62	143	

*These figures represent the total number of individual pay services hired. For example, HBO and Shawtime are counted as two separate pay units. NA = Not Available

Source: Television & Cable Factbook, Warren Publishing Inc.

TOP NETWORK SERIES

Tallying 51 weeks of the season, Sept. 20, 1 1988	987 through Sept. 4,
SERIES/NETWORK	RATING/SHARE
1 The Cosby Show/NBC	24.0/41
2 Growing Pains/ABC	22.8 /34
3 Night Court/NBC	22.6 /35
4 A Different World/NBC	22.3/38
5 Cheers/NBC	21.8/36
6 Golden Girls/NBC	19.9/36
7 The Wonder Years/ABC	18.8/29
8 60 Minutes/CBS	18.7/34
9 Who's the Boss?/ABC	18.5 /31
10 Murder, She Wrote/CBS	5 18.3 /30

TOP BARTER SERIES

ollying a 52 week season, Seot. 6, 1987 through Augu	_
SERIES/SYNDICATOR	RATING
1 Wheel of Fortune/King World	15.6
2 Jeopardy!/King World	13.2
3 Universal Pictures Debut Network (movies)/MCA-TV	10.0#
4 The Oprah Winfrey Show/ King World	9.7
5 Star Trek: The Next Generatio Paramount	n/ 9.5#
6 MGM/UA Premiere Network/ MGM/UA	7.8#
7 TV Net III (movie package)/ Viacom	7.7#
7 People's Court/Lorimar Telepictures	7.7#
9 Donahue/Multimedia	6.5
9 Entertainment Tonight/Tribune	e 6.5#
TOP CABLE NETWORK	S

Average ratings / projected households, August 1988				
NE	TWORK	ZAM. TO LAM.	PRIMETIME	
1	WTBS	2.0/913,000	2.5/1,141,000	
2	USA	1.1/495,000	1.6/722,000	
3	ESFN	1.0/477,000	2.0/954,000	
4	MTV	0.8/343,000	.9/386,000	
5	CNN	.7/330,000	1.1/518,000	
6	CBN	.6/250,000	.6/250,000	
7	Lifetime	.6/240,000	1.2/481,000	
8	Nashville Network	.4/183,000*	.9/390,000	
9	Discovery	.4/138,000*	.7/241,000	
10	Headline News	.4 / 132,000	. 3 /99,000	

#Includes multiple exposure:

* 9 A.M. to 3 A.M. Note: coble ratings are percentages within the varying populations that can receive each network. Networks are ranked by projected number of households

rather than ratings. Source: Nielsen Media Research data.

DATABASE

HOMEVIDEO

Top Videocassettes / Rentals August 1988

-	LE / PUBLISHER % TOP	50*
1	Good Morning Vietnam /	
	the second se	11.5
2	Wall Street / CBS / Fox	5.6
3	Suspect/RCA/Columbia	5.0
4	D.O.A. / Touchstone	4.1
5	Raw (Eddie Murphy) / Paramount	3.7
6	Action Jackson / Lorimar	3.5
6	Full Metal Jacket / Warner	3.5
6	Fatal Attraction / Paramount	3.5
9	Throw Momma From the Train /	
	Orion	3.1
9	Overboard / CBS / Fox	3.1
11	Nuts / Warner	2.8
12	Like Father, Like Son / RCA/ Columbia	2.4
12	Planes, Trains and Automobiles / Paramaunt	2.4
14	Baby Boom / CBS / Fox	2.3
15	Witches of Eastwick / Warner	2.2
16	Hello Again / Touchstone	2.1
16	Untouchables / Paramount	2.1
18	Empire of the Sun / Warner	2.0
18	Adventures in Babysitting /	
	Touchstone	2.0
20	Moving / Warner	1.9

Top Videocassettes/Sales August 1988

riog	03/1/00	
TIT	LE / PUBLISHER % TOP	• 50*
1	Good Morning Vietnam / Touchstone	25.9
2	Jane Fonda's Start Up / Lorimar	3.9
3	Lady and the Tramp / Disney	3.5
4	Callanetics / MCA	3.4
5	Jane Fonda's Low-Impact Aerobics / Lorimar	2.8
6	Top Gun / Paramount	2.6
6	Love Me or Leave Me / MGM / UA	2.6
8	Def Leppard: Hysteria / Polygram	n 2.5
9	Mickey's Magical World / Disney	2.4
10	Jane Fonda's New Workout / Lorimar	2.2
11	Singin' in the Rain / MGM / UA	2.0
12	For Me and My Gal/MGM/UA	1.7
12	Outrageous Fortune / Touchstone	1.7
12	Star Trek: The Voyage Home / Paramount	1.7
15	Ferris Bueller's Day Off / Paramount	1.6
15	7 Brides for 7 Brothers / MGM/UA	1.6
15	Gigi/MGM/UA	1.6
15	George Michael: Faith / CMV	1.6
19	Automatic Golf / Video Reel	1.4
20	Ducktales: Fearless Fortune Hunter / Disney	1.3
	e: Videodome Enterprises, Dallas. Charts appear weekly in E magazine. * Title as percentage af top-50 tapes total volume	.

THE MAGID NUGGET



In an exclusive survey conducted by Frank N. Magid Associates for *Channels*, **6**50 people were asked to compare their TV viewing habits today with five years ago. The verdict? People say they watch less TV on average. Some trends: wealthier viewers and VCR owners are watching less TV; more women than men are watching more TV.

	Much More	Little More	Same Amount	Little Less	Much Less	DK/NA
Total	14.2	10.9	27.2	21.7	25 7	0.3
Sex Mole Femole	10.7 17.5	10.7	30.7 23.9	20.7 22.7	27.3 24.2	0.0 0.6
Income \$30,000	18.5	12.5	26.5	20.1	21.7	0.6
or less More than \$30,000	8.1	8.1	28.5	25.2	30.0	0.0
DK/NA	17.9	14.9	25.4	14.9	26.9	0.0
Basic Cable Subscribers _{Yes} No	13.4 15.0	11.4 10.3	25.4 29.3	21.1 22.3	28.3 22.7	0.3 0.3
VCR Owners Yes No	12.0 18.3	10.C 12.8	26.4 28.9	21.3 22.5	30.1 17.0	0.2

Big Cable Deals So Far

The transactions listed below are the over-\$50 million cable deals of this year. The behemoth KKR / Storer transaction (the largest in cable's history) only succeeded on its second ottempt.

SELLER	BUYER	DATE	PRICE (MIL)	SUBSCRIBERS	PRICE PER SUB
Viacom	Cablevision Systems	8/88	\$ 550	200,000	\$2,750
Rogers Cable	Houston Industries	7/88	1,265	\$25,000	2,410
Adam Group	Century Comm.	7/88	103	41,250	2,497
Prime Cable of Maryland	ML Media Opportunity Partners	5/88	198	72,000	2,750
Wometco Cable TV	Cablevision Industries	5/88	720	311,000	2,315
Jones / Anne Arunde	Jones Intercabie	4/88	66	29,900	2,204
SCI Holdings (KKR / Storer)	Tele-Communications Inc., Comcast	4/88	3,082	1,516,000	2,033
Dowden Cable	Triax Associates	3/88	93	49,400	1,872
United Cable TV	United Artists	3/88	1,728	950,828	1,817
Tele-Communications Inc. (TCI)	Western TCI	2/88	52	25,000	2,080
Gill Cable	Heritage Communications	1/88	139	63,000	2,206
Daniels & Assoc.	United Artists	1/88	198	8B,300	2,247
Masada	Insight	1/88	190	75,000	2,533
Steinman	Lenfest	1/88	115	47,500	2,420
Source: Morgan Stanley & Co.					



eorge Gillett, through four companies, trusts and partnerships, owns more TV stations than anyone in America-five outright, six jointly with Kohlberg Kravis Roberts & Co. and one jointly with Clarence McKee. Another four are held in a trust for his children and run by Lawrence Busse, a former Gillett Group executive. Never one to bury himself in ratings books, Gillett splits his time between Nashville, where he owns a station, and Vail, Colorado, where he owns the Vail and Beaver Creek ski resorts. During a recent Washington New York flight on his jet, Gillett, an avid pilot who turned 50 last month, stayed in the passenger cabin and talked with Channels managing editor John Flinn about the changing station business.

The Network-Affiliate Relationship

It's different today. The competitive environment has changed, and the ownership of many affiliates and of the networks has changed. And there has been substantial deregulation.

Many of us had no concept of the brilliance of the strategy of cable. While we have been fighting our battles, cable has done a brilliant job in Washington, coming in and saying they are the little guy on the block. So there are a lot of things that have placed additional pressures on a traditional relationship. There is a good interchange between the affiliates and the networks. There is developing, however, a lack of appreciation of the roles of each, the importance of each to the other. That is a concern. We have to learn how to communicate better the importance of each to the other.

Losing Viewers? Maybe it's a State of Mind

Station group owner George Gillett says it's not too late to stop viewer erosion from the networks. If we really want to.

Strident Affiliates

We need to figure out a way to align the interests of the network and its affiliates in as many ways as possible. It concerns me that the relationship between affiliate-relations departments and the stations is strident: an attempt to increase clearances; an attempt by stations to get shows on and off the air on time. We need to align interests, philosophically and economically, so that we're partners, not adversaries.

The New CBS Regime

Howard Stringer is a very, very bright, sound, extremely people-sensitive man. He was generally successful at CBS News. He understands how to use research well. His skills have quite a high degree of transferability.

The better run companies in America have a very positive concept of the movement of executives from different backgrounds into other areas. The chairman of one of America's largest companies told me that he does not give senior executives titles, as such. They have a corporate title, but for the actual job he says, "You are on assignment." And that assignment may change every 12 to 24 months. So I don't have a problem with a man of Howard's background and intellect and personal skills being brought out of news.

Viewers Leaving the Nets

You have to ask a cultural question about America. Is America, in terms of its interests not just in communications or in entertainment but in almost any area, interested today in institutions that try to be all things to all people? Very few companies today are successful with that kind of a broad mission. I am not privy to the strategic plans of the three networks. One could conclude from what's being offered us that there still is the belief at the networks that they can be all things to all people.

The Importance of Localism

When one looks at the audience flow from local stations into the network versus the audience flow from the network into local stations, in general, the flow is positive for the network. Localism is what makes the network-affiliate relationship work. If it were simply delivery of programming into the home, the network becomes no different than any other alternative programming source, i.e., another cable channel. Audiences clearly appreciate services provided by the network, but they also appreciate, in a very strong way, the amount of money that stations put into news and local programming. Networks, without that local tie, would not do anywhere near as well in overall share.

Buying a Network

Philosophically, I'd love the challenge of being involved with a network. I am not convinced that the erosion of audience is a given. Yet, I sense that for a lot of people, both at the station and network level, it's a foregone conclusion. Just assume it and once you do, I promise you it will happen. I see where promotional budgets are cut back. I see a whole variety of things being done that say to me that what does not have to happen is going to, and that our shares will continue to decline. I like that kind of challenge. I don't think it's an absolute. I don't think it's a given. I would love the challenge of attempting to stop that erosion, and in fact try and turn it around. Do I have interest in owning a television network? The answer is no. It's been reported that we were selling stations to "marshall resources" so that we could make an offer for CBS. The answer to that is absolutely, unequivocally no.

Why Sell Stations?

We said we were willing to consider selling three stations. One, from a partnership I have with management and Ed Karrels, is the Rochester station. The reason for that was pure and simple estate planning. If it gets sold, that's fine; if it doesn't, that's fine too.

When we bought SCI Television in partnership with KKR, we knew we owed in September 1989 roughly \$175 million in principal payments. When we did road shows to raise the financing, we explained that we were going to be selling a station because of that debt obligation. To read that we have become disenchanted with television because we're selling one of the SCI stations is a gross inaccuracy. All we're doing is what we said we had to do.

In Gillett Holdings' case, we have been looking for the last year at the possibility of recapitalizing the company perhaps selling an asset or two, paying down some debt, putting cash in the bank and having a bankroll in case an opportunity comes along. That might be in communications, it might not.

The Station Outlook, Near-Term

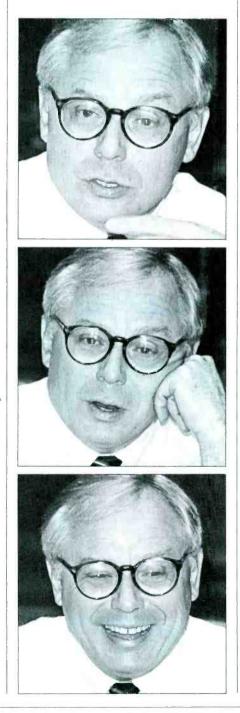
For the first time that I can remember in ten years, we are not going to be doing our budgets this fall because there is some question about the revenue growth we can expect next year. In some markets, our expectations would be perhaps an 8 or 9 percent growth rate; in other markets, it could be 9 to 12 percent. It's too early to tell.

Challenging the TV Salesman

The selling of television time is going from a sales job to a consultant's role. It's no longer enough to have inventory and a rate card, and a product that moves merchandise. Today you have to be a more sophisticated marketer, and in the process you have to be a consultant to your client. We in management have fallen behind in terms of recognizing both the need and the opportunity in becoming more sophisticated on the revenue-enhancement side.

Pooling Station News Resources

We have a system where Gillett stations contract with corporate. That allows us to buy a certain number of news stories from each station. We **'L**ocalism is what makes the networkaffiliate relationship work. Audiences appreciate the amount of money that stations put into news and local programming.



bring them into corporate, then the stories are re-edited and sent out to all of our other stations. We also have a Washington bureau that we use to pool stories and ideas. We do many of the same things in promotion and sales. The service is mostly series stories that are not live, not happening now. They have a generic half-life of their own. They are almost always then localized.

The Hi-Def Question

Maybe I'm naive on this subject, but I'm not so much worried as I am hopeful. I think that we have the potential to present a product that is so superior in terms of its viewability and the potential to create excitement, that it perhaps will bring more people back to television, or those who are already watching will watch more. I view it as an opportunity, not as a negative.

Watching Washington

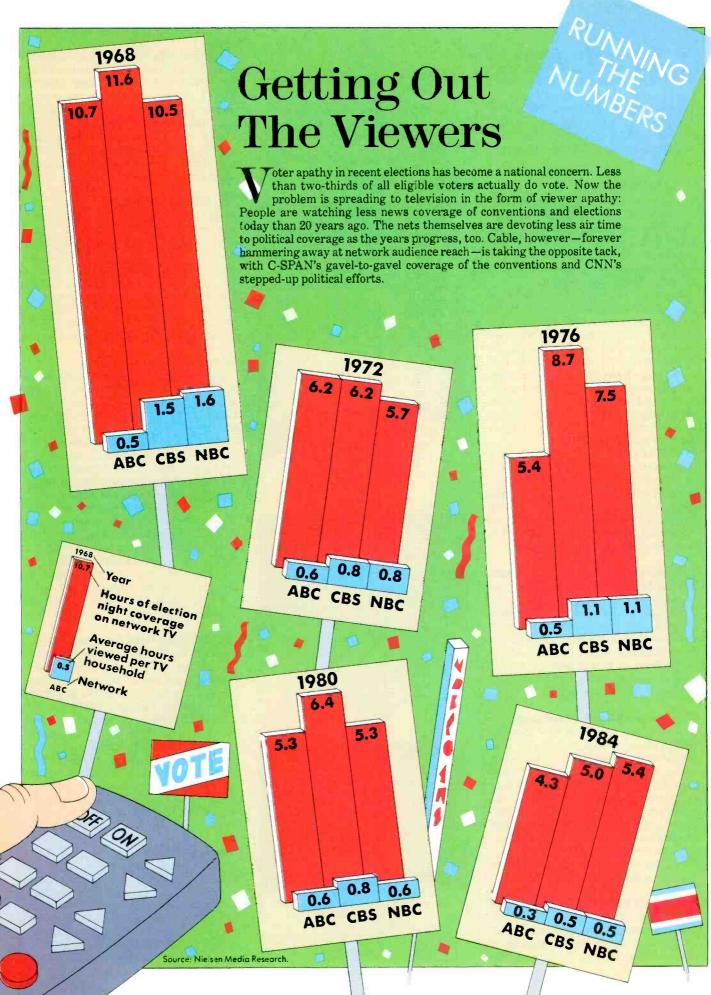
I have become increasingly aware of the importance of telling our story to congressmen and, perhaps more importantly, their staffs, face to face. It's evidenced by the tremendous progress cable has made in Congress, to a large extent at the expense of broadcasters. So I have, and we as a company have, taken a slightly higher profile in communicating our story. At the same time, I have recently become a member of the Television Operators Caucus, and that's an unusual, effective, high-powered organization that has no staff, no budget-a caucus where we discuss issues of concern to group operators. I find that group has been quite active in Congress and I suspect it will be increasingly so.

Diversifying the Company

I feel like the guy who's missed the boat three times. We have had strong interest in being in cable. Each time, we said cable prices can't go higher—and they have. And the operating profits of cable companies have gone higher. And we aren't owners. We've been well served by the television business and by our station ownership. Would we be willing to consider a newspaper company or cable company or additional TV acquisitions? Yes. Unfortunately, the issue of value and price and alternative investment opportunities raises its ugly head.

Quality Profits

It's been my experience—and we attempt to do this in the way we run our businesses—that if you run a business for profit, you will ultimately start to cut quality. If you run a business qualitatively to be the best, I have never seen an example where you don't ultimately end up winning economically.



www.americanradiohistory.com

CHART BY DAVID HERBICK

