

# Counting down to the new TBS

*As switch from superstation nears, over half of systems have signed to carry basic channel*

By Donna Petrozzello

**W**ith less than a month to go, more than half of the affiliates of Turner Broadcasting System's superstation WTBS(TV) Atlanta have agreed to carry TBS once it converts to a basic cable network on Dec. 31.

An agreement between Tele-Communications Inc. and Turner clinched an affiliation deal earlier this year, and Time Warner Cable has agreed to continue carrying TBS as a basic network. Combined, TCI and Time Warner systems represent about 28 million subs for TBS.

Jones Intercable was the first cable operator outside the Time Warner/Turner family to complete its agreement with Turner (on Nov. 17), giving TBS another 1.5 million subs. Cox added its name to the carriage list on Nov. 20 adding 3.3 million subscribers; Falcon Cable reached an agreement with Turner on Dec. 1 for another million subs while Prime Cable reached an agreement on Dec. 3, adding 750,000 subs.

Likewise, the National Cable Television Co-op agreed on Nov. 21 to carry TBS as a basic network to its 7.5 million subs. Cable industry sources say Turner offered a lower subscription rate for smaller networks, which helped to attract NCTC members. The total subscriber base for TBS on Dec. 3 was roughly 41.5 million, say Turner officials.

TBS President Bill Burke says Turner wants to sign TBS's full slate of 73 million subscribers by year's end. The deal is a good one for Turner. For the first time in TBS's 20 years, Turner will be able to recoup subscriber fees (its superstation status prevented this). Converting TBS will "stabilize the business" by giving Turner revenue from both ad sales and affiliate fees, rather than relying strictly on "cyclical" advertising revenue as Turner has previously, Burke says.

Operators had been paying carrier Southern Satellite Systems satellite uplink fees averaging three cents per



**TBS has purchased rights to movies including, 'The English Patient,' and has contracted for several original productions.**



**TBS President Bill Burke hopes to have equal carriage when his superstation goes basic.**

month, plus about 10 cents in copyright fees funneled to Hollywood studios that sell programming to the superstation.

But the deal is not deemed so ideal by operators. They are expecting to pay Turner an average of 26 cents per subscriber for the new basic network. In return, operators are given an average of two minutes of local ad inventory to sell in-house. Turner contends that operators will be able to make up their outlay in subscriber fees with the ad revenue, but some operators have balked at that.

Before Cox Communications completed its agreement for TBS, Bob Wilson, Cox vice president of programming, said some operators felt the conversion deal would be "a total windfall" for Turner and amounted to a "significant increase" in costs for operators. Wilson declined to comment after Cox signed its agreement.

Likewise, Marcus Cable Corp. Chairman Jeffrey Marcus in August said the deal could work against operators. Marcus, like other operators, argued that advertisers willing to spend money on TBS likely would divert money from other basic networks, resulting in a zero sum gain for operators.

"You have to ask yourself how much advertising is out there to sell, and are you cannibalizing other services so you

can get revenue on TBS," Marcus said.

Now Marcus says he is "getting close to" striking an agreement with Turner, although he insists that the "jury is still out" on whether operators can sell local inventory in TBS programming without diverting dollars from other networks.

"I think the Turner people believe that the market will expand and that operators will be able to sell incremental ads [in TBS]," Marcus says. "You can argue about this all day long, but I guess we won't know until we try it."

Burke argues that TBS's programming is so compelling, particularly the slate of movies and sports specials planned for 1998, that "it is worth broadcast dollars."

TBS plans to air basic cable's premiere of Castle Rock Entertainment's "An American President" next summer, following its premiere last September of New Line Cinema's "Dumb and Dumber," which earned 4.7 million households, according to Nielsen Media Research. The movie became the most-watched theatrical in basic cable history, Turner says.

TBS also has purchased basic cable rights to "The English Patient," "Mighty Aphrodite" and "The Game," Burke says. Other premieres will include "Batman and Robin," "Austin Powers" and "Michael," slated for 1999 between TBS and co-owned Turner Network Television, Burke says.

In sports, TBS will air basketball games as a partner with TNT, which