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AT PRESS TIME

TBS loses \$26 million

ATLANTA—Turner Broadcasting System reported a \$26 million loss in the quarter ended June 30. The first-quarter loss, which amounted to \$1.06 per share, compared to a loss of \$70.2 million, or \$2 per share, for the same quarter a year earlier. For the first half of the year, TBS has lost \$65.8 million, or \$2.39 per share, compared to \$77.1 million, or \$2.19 per share for the first half of 1986. Last year's first-half losses included a charge of \$25.7 million related to the Goodwill Games. Revenues for the second quarter were up 7 percent to \$169.3 million, while revenues for the first half of the year increased 25 percent to \$307.2 million.

Shopping game canceled

NEW YORK—The MCA and Home Shopping Network program "Home Shopping Game" has been canceled, effective Sept. 11. The program pre-
(Continued on Page 55)

Two more of Viacom's chiefs leave

By RICHARD TEDESCO
Staff reporter

NEW YORK—With Sumner Redstone and Frank Biondi at the top, the shake-up in high-level management continued at Viacom International last week.

Jules Haimovitz, president of Viacom Networks Group, said he's resigning, thereby signaling what sources said will be a continued exodus of officers involved in an earlier failed buyout bid for the company.

At the cable networks, Viacom named Thomas Freston, one of MTV Networks' two presidents, as the networks' sole president and chief executive officer.

As a result, Robert Roganti, the networks' president of operations, resigned.

According to one well-placed source, executives in the buyout attempt who still are considering resigning include Gordon Belt, vice president and chief financial officer; Ronald Lightstone, senior vice president; and George Castell, vice president of corporate development.

Mr. Haimovitz told ELECTRONIC MEDIA, "Basically there's a new organization in place, there are natural breaks in a person's life, and it's time to move on."

The resignations will provide opportunities for Mr. Redstone, who bought Viacom and named himself chairman, and his choice for chief executive, Mr. Biondi, to strengthen their management grip.

The departure of Mr. Haimovitz will clear the
(Continued on Page 54)



Staff photo by Michael A. Marcotte

VCRs vs. TV stations

Broadcasters fighting home video onslaught

By RICHARD MAHLER
Los Angeles bureau chief

Home video is hitting broadcasters hard, and some TV stations and networks are beginning to fight back.

"I know it's hurting me, I just don't know how much," laments Rick Feldman, station manager of independent KCOP-TV in Los Angeles.

He says his block of afternoon children's programming has dropped from an average 7 rating (percentage of TV homes) to a 4 in recent months.

While individual stations and syndicators have

Special report on home video

- VSDA convention preview. **Page 2**
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conducted no major studies of their own of home video's impact, it's clear that significant changes have taken place.

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Cable draws ho-hum reviews

By RICHARD TEDESCO
Staff reporter

NEW YORK—Consumers gave generally mediocre ratings to cable TV networks and systems in a just-released survey conducted by Consumer Reports magazine.

The survey, which already has produced angry criticism from

some cable executives, is the cover story in the magazine's September issue.

It's hitting the streets just as cable executives convene in San Francisco this week at the annual meeting of the Cable Television Administration & Marketing Society (*see related story, Page 4*).

"They've really misled every-

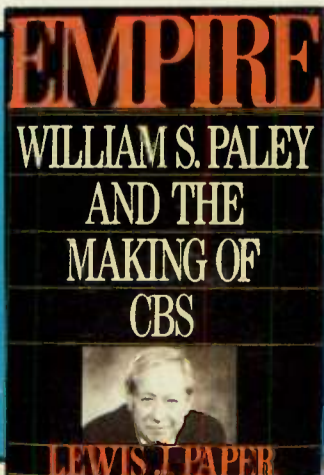
body," said Marshall Cohen, MTV Networks senior vice president of research. "I am surprised they did such a shoddy analysis of this."

Among the services garnering low ratings in the reader poll were The Playboy Channel, MTV and The Nashville Network.

On a 1-to-100 level of excel-
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NEXT WEEK:

An exclusive excerpt of a new book by Lewis Paper on William Paley and the growth of CBS.



CTAM '87 conference gets under way

By WILLIAM MAHONEY
Staff reporter

SAN FRANCISCO—A speech today by Robert Wright, president and chief executive officer of NBC, is one of the highlights of the annual Cable Television Administration and Marketing Society conference.

About 1,100 attendees are expected at "CTAM '87-We've Got the Edge," which runs through Wednesday at the Fairmont Hotel.

Mr. Wright, who served as president of Cox Cable Communications from 1980 to

1983, is expected to discuss ways that broadcasters and the cable industry can work together.

He's the highest-ranking broadcast executive ever to address the cable group.

Other key convention topics include original programming, post-deregulation marketing and the challenges facing cable from competing forces of distribution.

A session today dubbed "Cable's Competitive Edge: Fact or Fiction" is billed as a "no-holds-barred debate" between former Federal Communications Commission commissioners Dick Wiley and Nicholas Johnson.

Mr. Wiley, who will take the pro-cable stance, is now a senior partner with the Washington communications law firm of Wiley, Rein and Fielding.

Mr. Johnson, a visiting professor with the College of Law at the University of Iowa, will make the case for cable's competition.

Louis Rukeyser, host of PBS-TV's "Wall Street Week," will moderate the debate, which will be followed by a panel that includes Trygve Myhren, president of American Television and Communications Corp., and Sumner Redstone, president of National Amusements.

On Tuesday, the relationships between the major studios and cable services will be discussed at a panel. In addition, winners of the Awards for Excellence in Cable Marketing and Advertising will be revealed.

The results of a research project on cable marketing will be unveiled on Wednesday. A session later that day will explore home-shopping opportunities.

Other scheduled speakers include Mel Harris, president of the Paramount Television Group; Michael Fuchs, chairman of Home Box Office; and Jeffrey Reiss, chairman of Request Television. #

TBS board endorses new channel idea

By RUSSELL SHAW
Special to ELECTRONIC MEDIA

ATLANTA—Ted Turner's plans for a new entertainment channel won the endorsement of Turner Broadcasting System's new 15-member board last week, but CNN Headline News will essentially remain the same.

The board, in its first meeting with company shareholders, backed the concept of a second entertainment channel that would use the vast MGM film library TBS acquired last year.

But it stopped short of making a firm commitment to launch the network, according to Arthur Sando, TBS vice president of communications.

A source close to the board also emphasized that the decision should not be interpreted as a blanket endorsement of the project.

"There's no go-ahead," he said.

The board also announced its decision not to alter the 30-minute daytime cycle of CNN Headline News in favor of more business-oriented programming.

TBS had considered revamping the service's format to include as much as eight hours of business news daily. Mr. Sando said the board decided instead to look at ways to enhance business coverage on both CNN and Headline News.

Last week's shareholders meeting was the first such gathering since Mr. Turner began sharing company decision-making with a board comprises representatives from seven multiple cable system operators that came to his rescue with a \$576 million investment in June.

The TBS chairman, nonetheless, appeared to be in control of the meeting.

"I know there had been a lot of speculation I couldn't operate in an environment where the decision-making process was shared, but that's not going to be a problem at all," he said.

"I have a lot of experience being 50-50 partners with the Soviets in the Goodwill Games project, and if you can be 50-50 partners with communists you can certainly be partners with good old American cable operators that you know and have had such a great relationship with over the years."

Mr. Turner is also upbeat about the company's future.

"From a strategic position, our company has never been in a better position than we are in now," he says.

"We are in a very competitive environment in the TV and cable business, but we have lived in that environment in the last 10 years of our corporate life and have learned how to prosper. That has made us tougher competitors."

One area that's helping to bolster Mr. Turner's outlook is the

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Syndication milestone 'Cosby' sales close to \$500 million mark

By MARIANNE PASKOWSKI
New York bureau chief

NEW YORK—"The Cosby Show" will be inches away from the \$500 million mark in syndication sales when it's sold in the Houston market this week.

Bidding for the Viacom Enterprises program, which becomes available in syndication in fall 1988, will open at \$50,000 a week in Houston.

"Cosby Show" sales have already far surpassed the \$300 million syndication record that MCA Television is believed to have set with "Magnum, P.I." three years ago.

"We are now closing in on the half-billion-dollar mark," confirms Joseph Zaleski, president of domestic syndication for Viacom Enterprises.

NBC's "Cosby," the No. 1 show in network prime time, has set record-breaking prices in syndication in just about every market where it's been sold.

For example, in New York, WWOR-TV paid \$350,000 a week for "Cosby," while KCOP-TV in Los Angeles shelled out \$225,000 a week.

With last week's sale to WTTG-TV, the Fox-owned independent station in Washington, "Cosby" has now cleared 120 stations.

WTTG nabbed "Cosby" for much more than the \$50,000 weekly opening price Viacom Enterprises had established for the market, sources said.

Declining to comment about specifics on pricing, Mr. Zaleski said he was gratified with WTTG's bid and confirmed that there were multiple bids in the market.

A source at a station that also bid for "Cosby" in Washington estimated that WTTG paid around \$70,000 a week for the program.

Betty Endicott, vice president and general manager at WTTG, said "Cosby" would be a "wonderful addition to our programing lineup in 1988." #

ABC, CBS not pushing anti-clutter campaign

By DIANE MERMIGAS
Senior reporter

CBS and ABC say they do not expect to follow NBC on the campaign against commercial clutter.

NBC recently announced the first step of a campaign against commercial clutter, beginning this fall with the elimination of paid promotional plugs at the end of its daytime game shows.

The network is expected to offset its estimated \$6 million revenue shortfall from the loss of the game show plugs by adding a lu-

crative 30-second ad spot in its top-ranked prime-time schedule.

But Thomas Leahy, president of the CBS Television Network, scoffed at NBC's move by saying: "All they're doing is transferring the time taken by these smaller spots to a 30-second commercial in a different daypart, which they'll get more money for and they say looks neater."

Mr. Leahy said CBS maintains ongoing discussions about unnecessary on-air interruptions, which "the network works hard to minimize."

He said CBS recently eliminated its "News-

breaks" and their attendant 15-second spots. However, he said CBS will not consider any additional steps to reduce or eliminate on-air time given to promotional spots, credits or titles in response to NBC's game plan.

A spokesman for ABC executives said clutter "is not a major issue" at that network. ABC's only daytime game show, "Bargain Hunters," is soon expected to leave the air.

"I doubt our schedule of promotional announcements, credits and the like would be any different in the future just because of what NBC is doing," the ABC spokesman said.

"I think this is more of an issue for NBC and CBS because of the kind of programing they have."

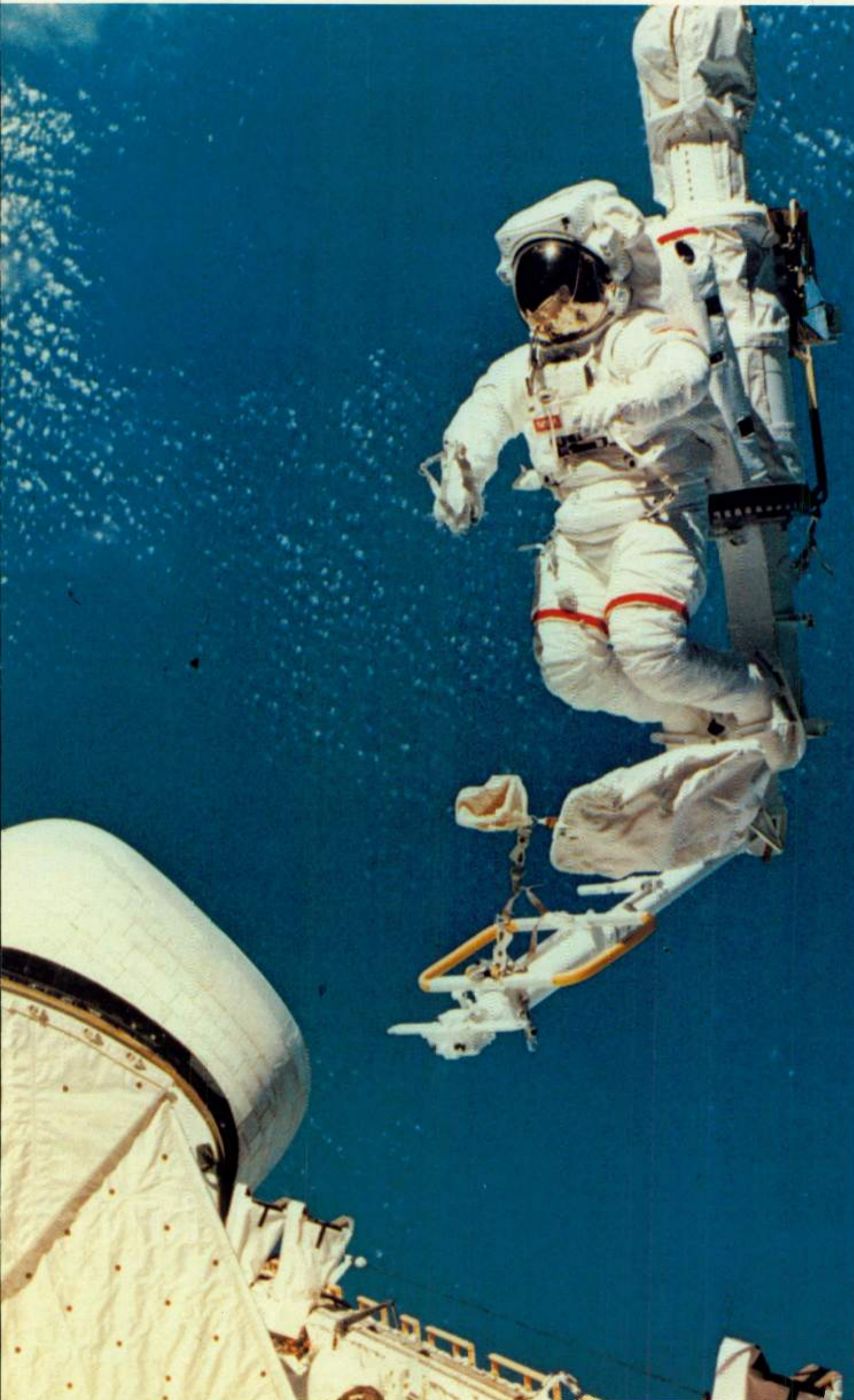
Initial response to NBC's plan from broadcasters and advertisers generally has been favorable.

Producers of daytime game shows, who will be financially affected by the change, largely are reserving comment until they have more detailed discussions with the network on just how much license fees will be reduced.

Advertising agencies and their clients, who so far have been low-key in their response,

(Continued on Page 53)

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World Radio History

ABC outlet considering staff cuts

By DIANE MERMIGAS
Senior reporter

CHICAGO—ABC-owned WLS-TV here is considering the elimination of as many as 42 more staff positions.

But Capital Cities/ABC officials last week insisted the contemplated cuts are not part of a new wave of companywide reductions.

"If there are staff reductions being made by some of our divisions or units in the general course of reviewing their operations, they certainly would not involve the numbers that we have experienced in the past," said one high-level Capital Cities/ABC executive, who asked not to be identified.

"Any staff reductions being made in parts of our operations—particularly on the technical side—would be very modest," the executive said. "There is no new push being made by corporate management to offset any losses we anticipate this year."

Last year, WLS eliminated more than 70 mainly technical positions as part of a companywide reduction of personnel. The station has since continued to be a dominant force both in local ratings and revenues.

Sources speculate that the latest suggestions for staff cuts at WLS may have grown out of a review recently completed of technical services and personnel at all four of ABC's owned TV stations, which make up half of Cap Cities/ABC's merged owned-stations group.

The review was conducted to determine what unnecessary practices or positions could be eliminated to cut costs, and what issues could be raised during the company's next contract negotiation with the National Association of Broadcast Employees and Technicians, which will begin next year.

Like NBC, ABC is expected to take a hard line with unions on work rules and provisions that are costly and have become obsolete in light of changed technology.

A difference of opinion about such change has become a wedge between NBC and NABET during the union's seven-week-old strike against the network and its owned TV stations.

A recent memo from James Allegro, senior vice president of Cap Cities/ABC's broadcasting division, to WLS management identified audio technicians, editors, minicam operators, studio technicians, directors, graphic artists, stage hands and announcers among the positions that could be cut.

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Wide World photo

The opening ceremonies of the Pan American Games in Indianapolis garnered a 3.9 overnight rating for CBS.

CBS's Pan Am Games get off to modest start

By RICHARD TEDESCO
Staff reporter

NEW YORK—The Pan American Games, CBS Sports' pre-Olympics plum, had modest ratings in its first weekend, but the numbers are expected to pick up steam.

The Pan Am opening ceremonies on Saturday afternoon, Aug. 8, scored a 3.9 rating (percentage of TV homes) in overnight numbers from A.C. Nielsen Co., running third behind a 10.9 for NBC's Major League Baseball and a 6.6 for ABC's NFL Hall of Fame game.

ABC also carried action from the PGA championship for a 4.4 rating after the NFL clash.

On Sunday, the Pan Am numbers were further flattened by NBC's 10.1 for the

Denver Broncos-Los Angeles Rams exhibition game from London and ABC's 4.8 for its PGA coverage.

The Pan Am Games scored a 3.4 rating, which a CBS Sports spokeswoman characterized as "respectable."

"There was a lot of competition from baseball and football," she said. CBS was looking for an average rating of 5 to 6 for the whole event because the games were expected to heat up for the just-ended second weekend, she added.

Despite the initial modest showing, the advertising community did not seem disappointed looking ahead to the second Pan Am weekend.

"They're ahead of the game," said Ron Von Urff, vice president and associate media director for the J. Walter Thompson.

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Low summer ratings cause apprehension

By RICHARD MAHLER
Los Angeles bureau chief

LOS ANGELES—Network executives have their fingers crossed this month, hoping that the unusually low viewing levels this summer won't carry over into the fall season.

"While it's gratifying to win a Nielsen week in the months of June and July, it concerns me that the other two major competitors are getting an 8 or a 10 rating (percentage of TV homes)," NBC Entertainment President Brandon Tartikoff told TV critics gathered here recently for the semiannual press tour.

NBC has managed to knock off CBS and ABC in prime time this summer with ratings as low as 11 to 13.

It's been common wisdom that vacations, daylight-saving time and seasonal leisure habits keep viewers away from the TV set from June to September.

But this year's decline is seen as symptomatic of growing disenchantment with the reruns and variable original fare networks burn off each year.

For example, in the week of Aug. 3 to 9, NBC claimed victory with a feeble 12.8 rating and 25 share (percentage of sets in use), followed by ABC with a 9.6/19 and CBS's 9.5/18. Thirty of the week's 67 prime-time shows generated ratings of 10 or lower, garnering 11 to 22 share levels.

"There may be a day coming when—if people don't take the summer programming more seriously—we could see that erosion just follow us into the fall season," Mr. Tartikoff warned. He speculated that lower viewing levels could cut awareness of new programs, thus reducing sampling.

The NBC executive complained that his rivals seemed "willing to suffer with very uncompetitive numbers" in recent months, content to write down their investments in flop pilots and "unwieldy" miniseries.

Kim LeMasters, vice president of programs for CBS Entertainment, responded later in the tour by saying his network is undecided on what to do about the ratings drop-off.

"The obvious answer would be (more) original programming for the summertime so that the viewer would have new product," he said.

Although CBS has had some original episodes on the air since June, they primarily consisted of failed pilots (scheduled as "CBS Summer Playhouse") and big-budget segments of "Alderly" and "Night Heat," two original late-night series shot in Canada.

"I think all three networks must be very, very concerned about the drop-off during the summertime," said Mr. LeMasters.

"From Dec. 29, 1986, to about July 26, 1987, CBS declined 4.2 rating points, NBC declined 4 rating points and ABC has declined 3.7. It is an industrywide problem that all three networks must face up to and deal with collectively."

Earlier, CBS President Laurence Tisch told the critics his network's low-rated repeat of the miniseries "Space" last month was "the major disappointment for CBS this summer." The final segment of the four-part show was ranked dead last in the A.C. Nielsen Co. survey for the week.

ABC Entertainment President Brandon Stoddard didn't address summer ratings directly during his appearance before the TV writers, but he told a smaller news conference here last June that his network is looking at ways to beef up its summer schedule.

ABC recently struck a deal with Columbia/Embassy that will provide additional original episodes of "Who's the Boss?" beyond the traditional 22-segment order, beginning next May.

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Fox plans to syndicate weeknight talk show

By RICHARD MAHLER
Los Angeles bureau chief

LOS ANGELES—Twentieth Century Fox Film Corp. will offer "A Current Affair," the lively weeknight talk show produced by Fox-owned WNYW-TV in New York, in national syndication next fall.

The newsy and sometimes offbeat series, hosted by Maury Povich, is the first in-house production from the Fox Television Stations that is being rolled out nationally through Fox's own syndication unit.

Another Fox project being contemplated for national syndication is "Dr. Science," a Saturday morning children's series that will air on Fox-owned stations this fall.

Additionally, five pilot episodes of the "Howard Stern Show" have been produced by WNYW for possible distribution to Fox-owned or other stations.

But the proposed late-night show, featuring one of the country's bawdiest shock radio jocks, remains "only a development idea," according to a Fox executive. There are no current plans to shoot additional segments.

As for "A Current Affair," it will be sold at next February's NATPE International convention in Houston, with terms to be announced.

The half-hour show is a magazine strip providing news-oriented features, satire and interviews. It relies heavily on seven roving reporters who appear on live satellite feeds from

throughout the United States.

Described by the New York Times as "tabloid journalism at its best," the series generally airs after early local newscasts.

"A Current Affair," which premiered 13 months ago on WNYW, is carried on all seven Fox-owned stations.

The other Fox project, "Dr. Science," is a live-action show starring members of San Francisco's Ducks Breath Mystery Theater, a four-man comedy troupe heard on National Public Radio.

Fox is also shooting a pilot for an untitled weekly series dramatizing actual cases taken from FBI files. The show would target week-end early-fringe time periods in a bid to knock off underperforming first-run sitcoms.

Michael Lambert, executive vice president of domestic syndication for Fox, was making sales calls in Philadelphia last week on "A Current Affair" and was not immediately available for comment.

But a spokesman for Fox confirmed that "A Current Affair" had been turned over to Mr. Lambert for national distribution.

"We're using the Fox-owned stations as a breeding ground for new shows that might be rolled out nationally in syndication or through scheduling on the Fox Broadcasting Co.," said Michael Binkow, vice president of corporate communications for Fox. "Much of our programming for syndication will now be developed in-house and tested on the Fox stations first." #

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NASHVILLE WSMV M-F 10:30PM 39 HH SHR

UP 8%

COLUMBUS, OH WCMH M-F 5 PM 27 HH SHR

UP 65%

SAN ANTONIO KSAT M-F 4 PM 28 HH SHR

UP 5%

CHARLESTON, WV WOWK M-F 5:30 PM 22 HH SHR

UP 13%

JACKSONVILLE WAWS M-F 7 PM 9 HH SHR

UP 22%

ROANOKE WSET M-F 7:30 PM 22 HH SHR

UP 58%

HONOLULU KGMB M-F 10:30 PM 30 HH SHR

UP 22%

CHARLESTON, SC WCBD M-F 5:30 PM 22 HH SHR

UP 21%

SAVANNAH WJCL M-F 7:30 PM 17 HH SHR

UP 16%

HARLINGEN KRGV M-F 10:30 PM 37 HH SHR

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G. Gordon Liddy: Can we talk?

Expect All American Television to aggressively begin peddling a half-hour late-night talk strip to be hosted by Watergate persona **G. Gordon Liddy** well before NATPE in February. All American will syndicate the program, which is available for fall 1988, and Scotti Brothers/Syd Vinnedge Television will produce.

* * *

CBS is attempting to persuade more of its affiliates to clear its faltering late-night schedule by offering them increased **cash compensation payments** in that daypart. However, the total amount of compensation paid to each station is not changing because compensation percentages for other dayparts are being proportionately reduced. The tact, so far, has enticed at least several stations to resume broadcasting the network's third place late-night schedule of mostly first-run entertainment.

* * *

Also, CBS executives are beginning to privately express reservations about whether **"The Morning Program"** will survive much past year's end, when co-host Mariette Hartley will have the opportunity to exit from her current contract. Despite a recent promotional push, the show has failed to register the ratings growth needed to keep it on the air past the November ratings sweep, although its female demographics remain strong. To keep anxious affiliates from pre-empting the network with syndicated morning fare beginning in January, CBS may choose to reinstate an elongated version of its "Morning News" early next year, insiders say.

* * *

Brad Holmes, the former assistant to FCC Chairman Dennis Patrick, is still President Reagan's choice for the vacant FCC seat, but no formal announcement is expected from the White House until September, at the earliest. Why the delay? The White House wants the FBI to complete its routine background check before making its choice official.

* * *

An MTV film crew was **detained at the Soviet border** recently when authorities discovered a suspicious item in their luggage—a boom box. The crew, along with HBO's entourage filming Billy Joel, was kept for three hours. And the boom box is still in Russian custody.

* * *

One of the names being floated through the halls of Black Rock as a possible replacement for public relations heavy George Schweitzer, who's leaving CBS next week, is **Bud Rukeyser**, NBC's executive vice president of corporate communications. Mr. Rukeyser is one of several top level NBC executives who is planning to leave NBC within the year when NBC's more lucrative benefit package is replaced

THE INSIDER



MARIETTE HARTLEY
"Morning Show" pact ends soon



BRAD HOLMES
Still president's FCC choice

with parent company General Electric's plan. The word is Mr. Rukeyser would like to keep working, preferably in Manhattan. But there was no indication he would jump to CBS, if offered the opportunity.

* * *

Apparently there are no hard feelings between CBS and the Sauter family. **Mark Sauter**, offspring of ex-CBS News chieftain Van Gordon Sauter, has landed his first job as a reporter for KIRO-TV, the CBS affiliate in Seattle. The young Mr. Sauter, who just completed four years in the U.S. Army, including a stint as a Green Beret, will start at KIRO in January. According to his new boss, John Lippman, KIRO's vice president and news director, he will be given no special treatment.

* * *

But **Michael Reagan's** attempts to follow in his actor father's footsteps are less than impressive, judging from the slow clearances of "Lingo," the new half-hour syndicated word game show he's hosting. Only about 20 markets, most of them small- to medium-sized, have signed on for the September start planned by ABR Entertainment.

* * *

Rick Levy, D.L. Taffner's new president of sales and marketing, says he has a **penchant for unusual first days on the job**. His arrival at Taffner last week was upstaged by England's Prince Edward, who was conducting a press con-

ference—replete with TV cameras—in Mr. Levy's office for a special the prince is producing and Taffner is distributing. Mr. Levy says the incident was not unlike his first day at King World's Camelot Entertainment division. His arrival there was overshadowed as well by the family feud that erupted when Robert King, brother of Roger and Michael, announced his defection to Columbia Television.

* * *

Also overheard on the Prince Edward beat, his royal highness got a job offer from rock singer Meatloaf while appearing at that Taffner press conference for USA Network's kickoff of the celebrity-packed special "Grand Knockout Tournament." Meaty, as the Duchess of York (a.k.a. Fergie) calls the rock star, has his eye on the Captain Hook role in a new Peter Pan film, and suggested the prince join him in the production.

* * *

Insiders were complaining that the search for a new president at the **Television Bureau of Advertising**, which began last spring, is dragging. But outgoing president Roger Rice says that's not because there's a dearth of qualified applicants. TvB's search committee is on the case and will meet Aug. 27 and 28 to review some of the hopeful candidates.

* * *

Viewers for Quality Television is still crowding over the role it played in the apparent revival of ABC-TV's canceled "Our World" by public station WNET-TV in New York. "You did it," the Virginia-based non-profit group is telling its members, many of whom wrote letters to ABC protesting the show's demise. William Baker, WNET's president, agrees. "If it weren't for VQT, 'Our World' would be relegated to the Museum of Broadcasting and not part of television's future." Returning host Linda Ellerbee is so impressed she's trekking to VQT's convention next month to give thanks. "You made a liar out of me. This time when I said, 'And so it goes,' I was wrong."

* * *

And finally, **Jeff Smulyan**, president and chairman of Emmis Broadcasting Corp., is trying to drum up some interest among his colleagues on the National Association of Broadcasters' board for a proposal to totally deregulate commercial broadcasting. Mr. Smulyan would scrap the current license process and in exchange, broadcasters would have to provide partial subsidization of public broadcasting, campaign costs for legislators and minority ownership, among other things. He argues that broadcasters are spending millions of dollars in meeting regulatory costs, so "let's spend it in the form of a more direct subsidy."#

—Written by Marianne Paskowski from bureau reports

Harper off 'Valerie,' Duncan to take over

By **WILLIAM MAHONEY**
Staff reporter

LOS ANGELES—The continuing saga of Valerie Harper took a new twist last week with word that the star of NBC's "Valerie" will be replaced by Sandy Duncan.

A salary dispute between Ms. Harper and producer Lorimar, which apparently was settled two weeks ago, suddenly blew up again and Lorimar replaced Ms. Harper altogether.

A Lorimar spokesman said the show's title will not be changed, and that Ms. Duncan will play a new character on "Valerie" named Sandy Hogan.

She will replace Ms. Harper, who played Valerie Hogan, as the new head of the Hogan household. Ms. Duncan's character will be the sister of Mike Hogan, Ms. Harper's husband in the series, who is played by Josh Taylor.

Lorimar isn't saying how the script will be adapted to ease Ms. Duncan into the show—and Ms. Harper out.

The production company also isn't saying what it plans to do with the two episodes of "Valerie" that have already been shot.



SANDY DUNCAN
To head the Hogan household

The first new episode of the fall season was filmed July 31 without Ms. Harper when she refused to report to work.

Another was shot after she returned on Aug. 4. On that date, Lorimar announced that the com-

(Continued on Page 53)

Court upholds libel ruling against anchor in Chicago

By **DIANE MERMIGAS**
Senior reporter

A federal appeals court last week upheld a 1985 jury ruling that Walter Jacobson, a principal anchor for CBS-owned WBBM-TV in Chicago, libeled a Louisville cigarette manufacturer in an anti-smoking commentary that aired six years ago.

Mr. Jacobson and CBS Inc. now are required to pay Brown & Williamson Tobacco Corp. a \$2.05 million punitive award and \$1 million in compensatory damages.

The compensatory damages, originally designated by the jury as \$3 million, had been previously reduced by a U.S. District Court judge who said the tobacco company failed to prove actual damages.

Mr. Jacobson, who co-anchors the station's 4:30 p.m. (CT) and 10 p.m. weekday newscasts and delivers a nightly "Perspective" commentary, is personally liable for \$50,000 in punitive damages.

A CBS spokeswoman said last week the opinion would be studied before a decision was made whether to appeal.

Mr. Jacobson said he was "very disappointed" by the ruling. He has maintained throughout the trial and appeal that he would continue practicing the same hard-hitting brand of journalism.

In a tersely worded opinion that rejected CBS's free-speech arguments, 7th Circuit Court of Appeals Chief Judge William J. Bauer wrote that "there is clear and convincing evidence that a local television journalist acted with actual malice when he made false statements . . ."

The appeals court said Mr. Jacobson knowingly at-

'There is clear and convincing evidence that a local television journalist acted with actual malice . . .'

—Chief Judge William J. Bauer
7th Circuit Court of Appeals

tributed false motives to the tobacco company in a Nov. 11, 1981, commentary that accused Brown & Williamson, makers of Viceroy cigarettes, of luring youngsters to its products through extensive advertising.

In his "Perspective," Mr. Jacobson said Brown & Williamson's ad campaign was designed to lure youngsters to its product by equating smoking with "pot, wine, beer, sex and wearing a bra."

Brown & Williamson denied ever launching such a campaign, and said the company was so outraged by its ad agency's advice that it fired the firm.

Mr. Jacobson contended the commentary was grounded in a Federal Communications Commission study of the ad practices employed by the tobacco firm and other members of the tobacco industry.

The appeals court also had harsh words for Michael Radutzky, a WBBM news producer who formerly worked as Mr. Jacobson's researcher, for intentionally destroying documents that would have established that he and Mr. Jacobson were aware of errors in the commentary at the time it aired, the judges said.#



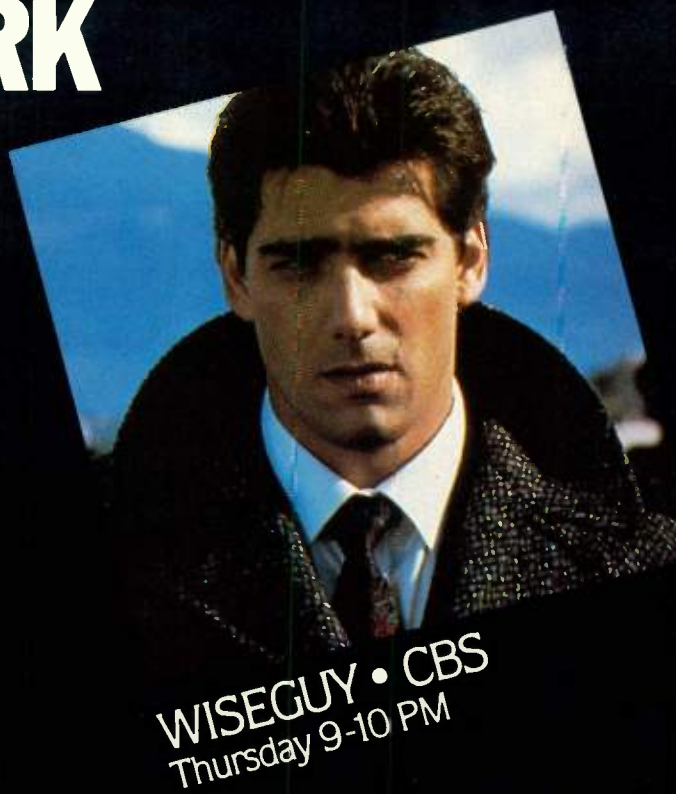
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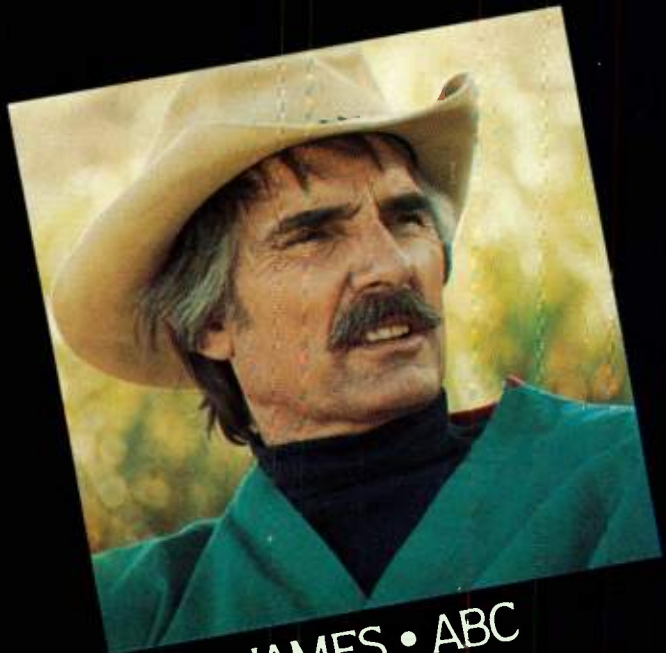
HUNTER • NBC
Saturday 10-11 PM



WISEGUY • CBS
Thursday 9-10 PM



MY TWO DADS • NBC
Sunday 8:30-9 PM



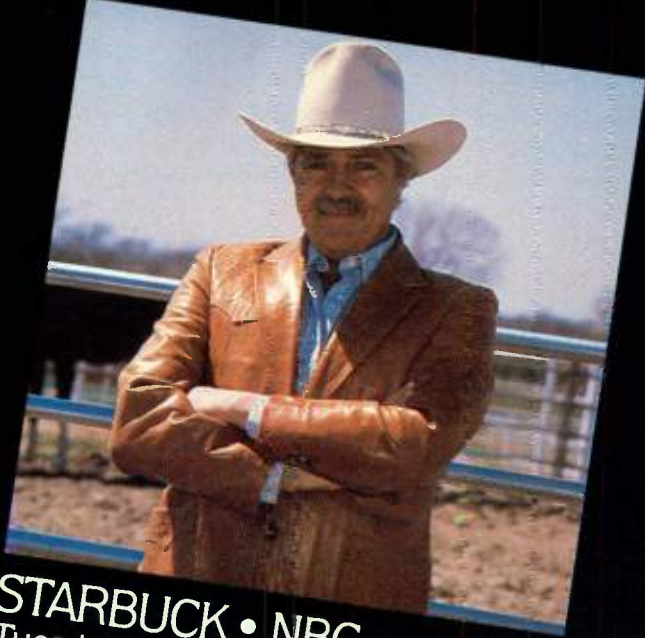
BUCK JAMES • ABC
Sunday 10-11 PM



MAMA'S BOY • NBC
Saturday 9:30 -10 PM



WEREWOLF • FBC
Saturday 9-9:30 PM



STARBUCK • NBC
Tuesday 9-10 PM



21 JUMP STREET • FBC
Sunday 7-8 PM

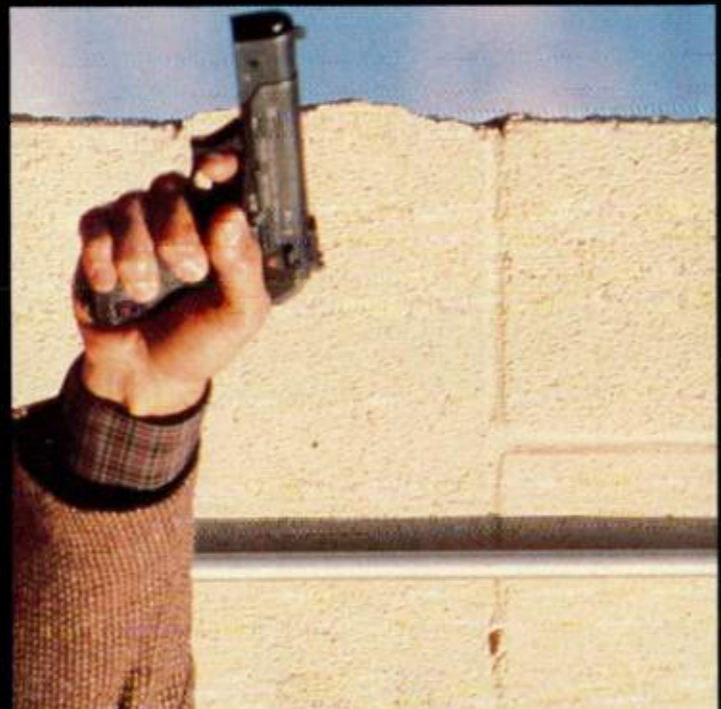
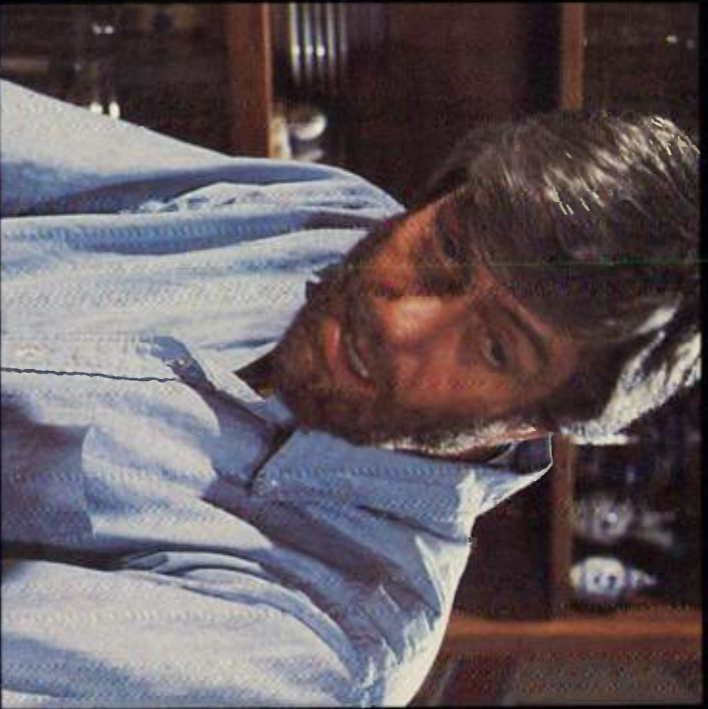
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A Warner Communications Company





"The New Mike Hammer Show" will now be seen on USA Network.

USA Network picking up 'The New Mike Hammer'

By JANET STILSON
Staff reporter

NEW YORK—USA Network has picked up 52 hours of "The New Mike Hammer Show," which is completing its run on CBS.

The basic cable service will also carry "Ray Bradbury Theater," which originally appeared on HBO.

In addition to the six half-hour "Ray Bradbury" shows already produced, the series' original producers, Atlantis Films, will supply USA Network with 12 original episodes.

Flushing out limited-run series with new episodes is a strategy USA Network has taken with such off-network shows as "Alfred Hitchcock Presents" and "Airwolf."

While three new episodes of "Airwolf" will be seen in January, USA has opted not to continue producing new episodes of the program.

New "Hitchcock" shows will be forthcoming, however.

Both "Ray Bradbury" and "Mike Hammer" debut

on USA Network this fall.

"Mike Hammer" will take the 7 p.m. (ET) Saturday and 8 p.m. Sunday time slots. The program kicks off on USA Network Sept. 16 with a two-hour movie at 9 p.m.

"Ray Bradbury" reruns will debut Oct. 17 in the 10:30 p.m. Saturday time slot, with new programs rolling out in January.

Also new to USA Network's schedule this fall will be the children's series "MASK" and two game shows, "Press Your Luck" and "Tic Tac Dough."

Both game shows appeared on network TV and have been in syndication for some time.

"Tic Tac Dough" premieres Oct. 12 in the 3 p.m. weekday time slot, and "Press Your Luck" premieres Sept. 14 at 2:30 p.m. weekdays. "MASK" joins the lineup Sept. 14 at 7:30 a.m. weekdays.

In addition, USA has renewed nine series: "Check It Out," "Bumper Stumpers," "Jackpot," "Chain Reaction," "Cover Story," "Hollywood Insider," "Night Flight," "Dance Party USA" and "Cartoon Express."#

Former MTV chief planning major projects

By RICHARD TEDESCO
Staff reporter

NEW YORK—Robert Pittman, a boy wonder of the entertainment industry, has big plans for his newly launched Quantum Media.

Quantum will become an active player in the TV programming, motion picture and music industries, vows the 33-year-old executive who is credited as the driving force behind MTV.

He left as chairman of the music video service at the end of last year.

Mr. Pittman hopes to accomplish that multifaceted, multimedia goal with the financial backing of MCA Television, Quantum's equity partner in the venture.

"They own half the company. They own half of anything we do," Mr. Pittman says.

In fact, one of the first projects Quantum will launch is a prime-time strip series to air this fall on WWOR-TV, MCA's only TV station in the New York market.

Sources say the vehicle is a controversial ultra-conservative talk show that Mr. Pittman believes will fill a void in television today. Quantum hopes to syndicate the show nationally.

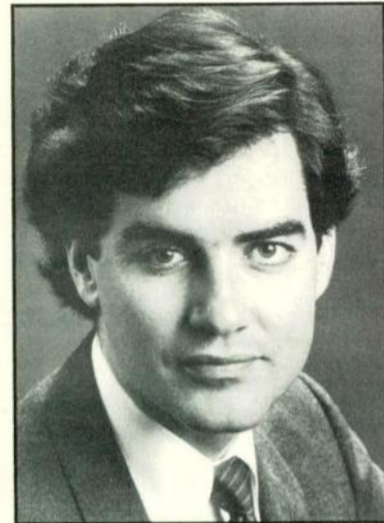
"We won't do the obvious," he promises. "If I wanted to do that I would have stayed at MTV."

Quantum also has a commitment from CBS for a new series, according to Kerry McLuggage, president of Universal Television for MCA.

He says Universal expects to "work closely" with Quantum on a number of projects, including three or four in the works.

Quantum will maintain autonomy on its projects, and Universal intends to act as the company's distributor. The details of their interaction are still being defined.

Mr. Pittman also hopes to have



ROBERT PITTMAN
"We won't do the obvious"

three film projects in development within the year. Quantum will focus on motion pictures with production costs in the \$3 million to \$6 million range.

Music, too, figures to be a large part of Mr. Pittman's new business. QMI Music, Quantum's record label being distributed by MCA, hopes to sign 15 new artists in the next year.

Since leaving his role as chairman of MTV late last year to start Quantum, Mr. Pittman has scored a platinum hit in home video with the release of the "Sugar" Ray Leonard-"Marvelous" Marvin Hagler title fight.

And Quantum found a way to get additional reach on the "collector's edition" videocassette by incorporating its first music video on it. Along with behind-the-scenes material from the fight, the video features singer Ella Brooks singing

(Continued on Page 52)

Hubbard to acquire 2 ABC-TV affiliates

By DIANE MERMIGAS
Staff reporter

Hubbard Broadcasting will purchase two ABC affiliates in Minnesota from Harcourt Brace Jovanovich for \$10.75 million.

The VHF stations are WDIO-TV in Duluth and WIRT-TV, an outlet used to extend the signal in Hibbing of WDIO.

Harcourt Brace will use the sale proceeds to help pay off the \$3 billion debt incurred in a recent recapitalization that was designed as a defense against a hostile takeover bid from British publisher Robert Maxwell.

Stanley Hubbard, chairman and president of Hubbard, said WDIO will be able to share some materials and services with Hubbard's flagship station, KSTP-TV in St. Paul, although the two station operations will remain autonomous.

WDIO, the top-rated station in its market, also will become the 62nd station in the Conus Communications' satellite news service, an in-

dependent entity owned by Hubbard.

Frank Befera, currently president and general manager of the two Harcourt Brace stations, will continue as their chief executive in charge, Mr. Hubbard said.

"We have been friends for years and we view this as a very amicable deal," he said.

"The company knows we have a commitment to broadcasting in Minnesota and they approached us about the sale of these stations for that reason."

Three other companies also bid on the two television stations, but Hubbard's was the highest offer made, sources said.

Mr. Hubbard said he expected the transaction to be completed within 60 days, pending approval by the Federal Communications Commission.

St. Paul, Minn.-based Hubbard Broadcasting currently owns seven other television stations, two FM radio stations and three AM radio stations.#

More PTL backlash Attorney says he was fired for urging probe

By ROBERT HOMAN
Staff reporter

WASHINGTON—A former U.S. attorney is charging he was fired because he urged the Justice Department to conduct an aggressive investigation of the PTL ministry.

Charles Brewer, the former U.S. attorney for the Western district of North Carolina, said he was ousted from his job shortly after being authorized to handle the investigation of the television ministry.

He was removed by Attorney General Edwin Meese, then replaced by Thomas Ashcraft, a former aide to Sen. Jesse Helms, R-N.C.

But Justice Department spokesman John Russell said Mr. Brewer's charges are "nonsense."

"Mr. Brewer's departure had nothing to do with the PTL investigation," Mr. Russell said. Mr. Brewer was informed two years ago that he would be replaced eventually by a nominee of Sen. Helms, Mr. Russell said.

Mr. Brewer said he began urging the Justice Department to investigate PTL back in May, after receiving tips from the FBI and PTL officials.

"I was pushing for an immediate investigation of

PTL, as was the fraud division (of the Justice Department)," Mr. Brewer told ELECTRONIC MEDIA. "We were looking weak and ineffective for not starting an investigation."

Instead, Mr. Brewer said, the department for months delayed making a decision on how to handle the matter.

The department didn't involve the North Carolina office in the investigation until after it received protests from other agencies, Mr. Brewer said. Then it chose the tax division, not the fraud division, to assist in the probe.

Although PTL's headquarters are located in Fort Mill, S.C., its fund-raising activities are based in Charlotte, N.C.

Mr. Russell declined to provide any details about the status of the PTL investigation, but said it is "continuing." Mr. Ashcraft could not be reached for comment.

Mr. Brewer said he knew he was going to be replaced eventually, but had been told that it would not happen until after the nominee for his position had been confirmed by the Senate.

Instead, Mr. Brewer said, he was abruptly removed

(Continued on Page 52)

**YES SIR, LAST YEAR YOU GOT
BIG TITLES, BIG, BIG, RATINGS, AND...**

MAGIC I

**I WANT
SOMETHING BIGGER!**

Mc Duck

PROGRAM
DIRECTOR

Keep it Short

NOTION

Mr.
BIG

SPEAK UP

OH, SPARE
ME!

**OK! OK! OK! WE'LL GIVE YOU MAG
BIGGEST TOUCHSTONE AND DISNEY B
AND THAT'S ON TOP OF DISNEY
14 DISNEY ALL-FAM.**



**OOO! THAT'S BIG. REALLY BIG.
I'M IMPRESSED. NOW YOU'RE
TALKING PRIME TIME!**

Mc Duck

PROGRAM DIRECTOR

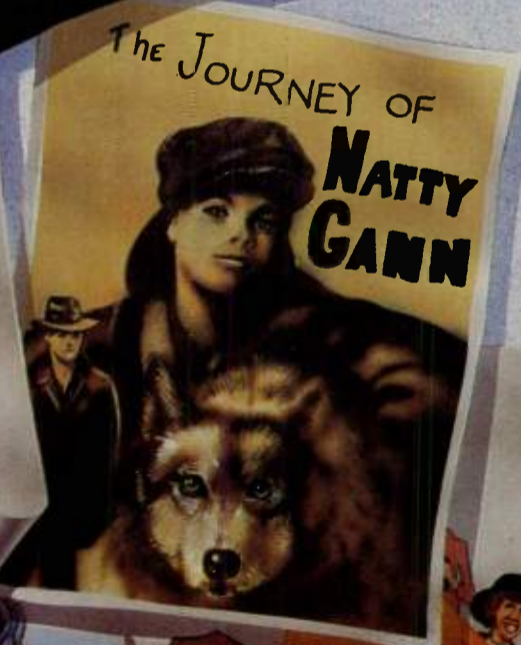
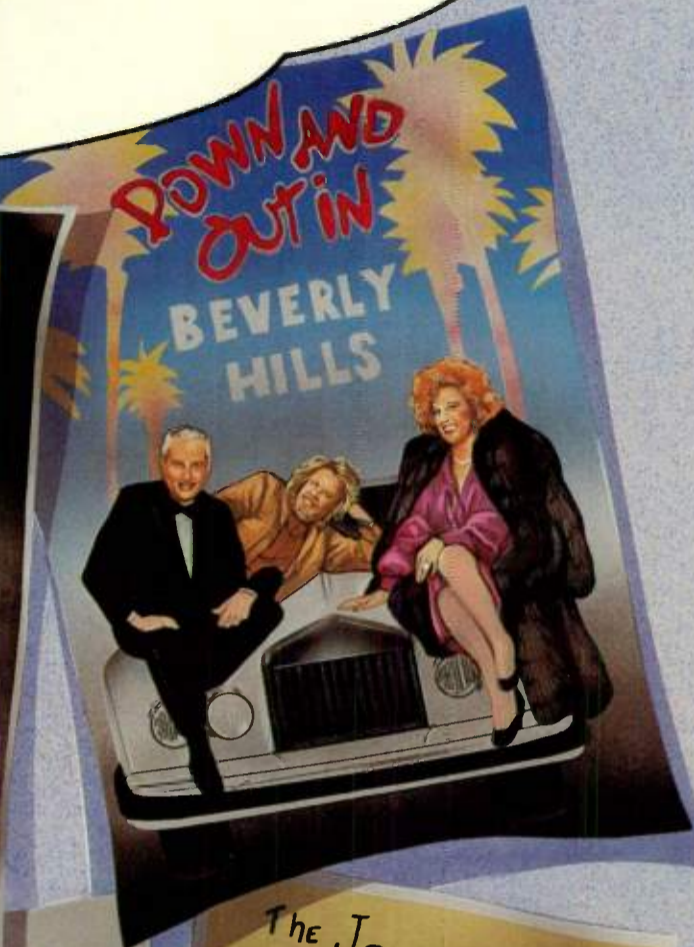
Keep it Short

Mr. BIG
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**RUTHLESS
 PEOPLE**



HOE

**LT. ROBIN
 CRUSOE**



**HERBIE
 GOES BANANAS**

**GIMME
 THE NITTY GRITTY.**



**Watcher in
 the Woods**



**THE NORTH AVENUE
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**BLACKBEAR
 GHOST**

MAGIC II

**SPARE
 ME!**

THE NITTY GRITTY.

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is the Really Big Show package of 1987. You get this summer's smash release *STAKE OUT*, plus more Touchstone box office explosions: *THE COLOR OF MONEY*, *RUTHLESS PEOPLE*, *DOWN AND OUT IN BEVERLY HILLS*, and *TOUGH GUYS*. Add the power of *ALICE IN WONDERLAND* and other Disney classics, and the prime time muscle of this package is plain to see.

DISNEY TREASURE I is a brand-new collection of 14 all-family classics. It's a must-buy for stations trying to build cross-demo all-family and adult audiences. Available in *WONDERFUL WORLD OF DISNEY* format, **DISNEY TREASURE I** is a great way to extend *WONDERFUL WORLD*'s rating-period success.



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GE capitalizes on its position as NBC parent

It's just a matter of time before General Electric begins building on NBC's success in a big way.

In the year since it acquired the broadcasting giant through its \$6.4 billion purchase of RCA, there has been subtle evidence of what many Wall Street observers are heralding as "major changes" yet to come.

GE already has taken steps to capitalize on its position as network parent.

For example, the announced \$270 million purchase of CBS affiliate WTVJ-TV in Miami from Wometco Broadcasting represents the most aggressive TV station acquisition by a network owner in recent years.

That buy will push the audience reach of the NBC-

owned stations to about 21 percent of the nation's 87 million TV households, a level that's just points under the legal limit.

At the same time, GE has nudged NBC toward diluting its financially sluggish radio operations, beginning with the \$50 million sale of its three radio networks to Westwood One.

Many analysts believe the sale of NBC's eight radio stations and a stand-alone program service will follow.

Both moves underscore GE's ultimate objective for NBC, which is to buy and sell its way into businesses that will guard against an inevitable cyclical downturn in its now-soaring network fortunes.

That philosophy will be pursued even at the expense of disposing assets as near and dear to GE's proud past as the manufacturing of television sets.

"Jack Welch (GE's chairman) and Bob Wright (NBC's new GE-bred president) are by their reputations deal makers, and that will shape NBC's future," said a high-level NBC executive who asked not to be identified.

"Their main goal is to undertake strategic initiatives to position the company for the future, and there will be no sacred boundaries in doing that," he said. "If they are not taking a broadcaster's view of things, it's because they aren't comfortable with the fact that our business is governed by intangibles like affiliate relations and viewer tastes."

GE's current \$2.8 billion war chest could expand by as much as another \$1 billion later this year through asset sales, enabling it to engage in possibly another RCA-size transaction.

GE has about \$4.6 billion in long-term debt outstanding and a dwindling debt-to-equity ratio that is expected to wind up in the low 20 percent range by year's end.

"GE did not acquire NBC to operate it the way networks have been operated for decades," said Mark Altman, analyst for Paine Webber. "But it's done nothing to harm NBC's momentum this first year, either. I think GE this next year will move aggressively to leverage NBC's success and move it in new directions."

Mark Riely, analyst for Eberstadt Fleming, says one of GE's priorities for NBC is to get it involved in cable and home video programming, perhaps even on an international basis.

Any moves into the cable area would be bolstered by Mr. Wright's years as head of Cox Cable and his understanding of the industry.

In recent years, NBC demonstrated its interest in cable by exploring the possibility of a new cable news service, then making an unsuccessful bid to buy into Cable News Network.

Some analysts foresee NBC acquiring a minority interest being offered by Sumner Redstone in the cable services he inherited when he recently bought Viacom International.

But other analysts insist GE, which is said to be eyeing many non-broadcast properties, would only settle for total control.

It has been suggested that GE might even seek to acquire a broad media company, such as Time Inc., whose valuable assets either could be maintained or sold for large sums.

Still other analysts believe NBC, with GE's resources, could offer to buy a fledgling service like Financial News Network.

On the TV station acquisition front, many industry observers say NBC might use some creative enticement, like selling a minority interest in its network, to buy a group of major-market outlets that are otherwise very difficult and costly to come by.

Whatever the future holds for NBC, it has to be viewed in terms of the larger restructuring and expansion of GE.

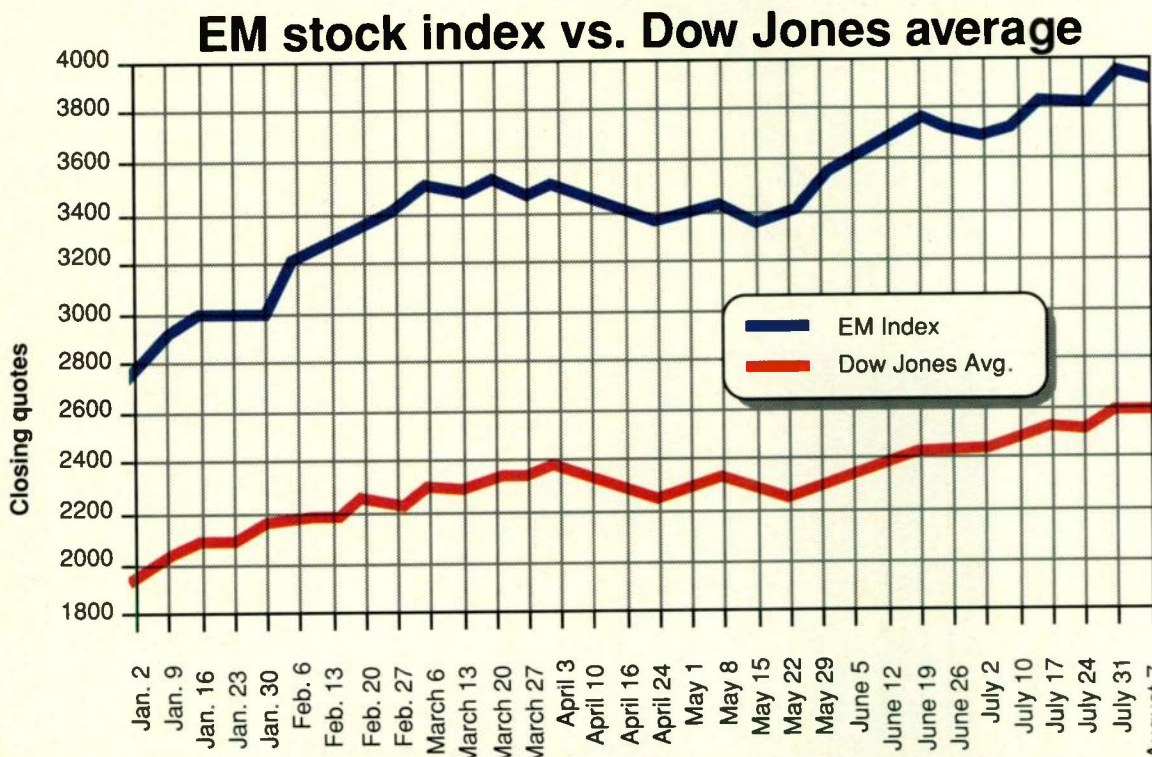
Even having posted an estimated \$203 million in operating profits last year on about \$1.8 billion in revenues, and promising a 30 percent to 40 percent gain in earnings this year, NBC "is merely a glamorous speck on the GE landscape," said Andrew Wallach, analyst for Drexel Burnham Lambert.

"GE will do everything in its power to preserve NBC's success. But it also will do what it has to assure that it develops into something more."#



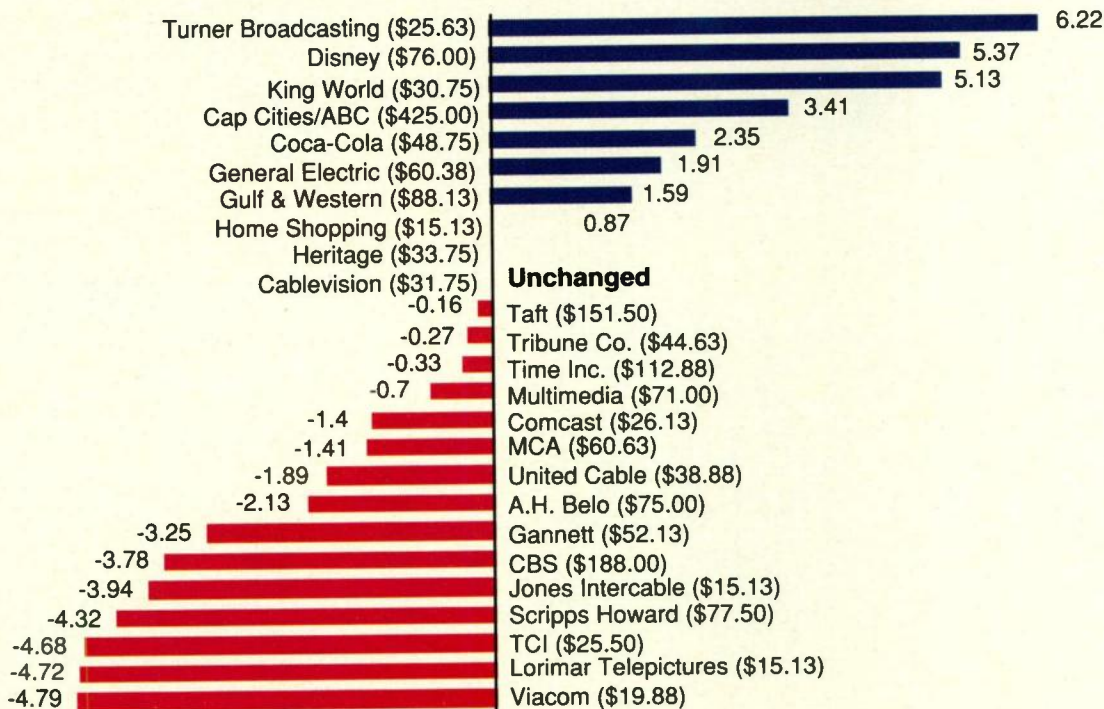
The Business Beat
By Diane Mermigas

The stock picture at a glance



Winners and losers for the week ended August 7

Percent changes for Aug. 3 to 7 (Aug. 7 in parentheses)



Source: Nordby International

TV ad expenditures up 5.3%

TV advertising expenditures increased 5.3 percent to \$10.9 billion for the first half of the year, according to the Television Bureau of Advertising. Network TV advertising accounted for \$4.3 billion; national spot, \$3.1 billion; local spot, \$3.2 billion; and national barter syndication, \$300 million.

Price Communications has agreed to purchase WSEE-TV, a CBS affiliate in Erie, Pa., for \$8.75 million from a partnership called SCS Communications of Erie, subject to approval by the Federal Communications Commission. Price owns nine TV stations and is selling four of its seven AM and three FM radio outlets.

Hallmark Cards and First Chicago Venture Capital have closed their deal to acquire the 10 TV stations owned by Spanish International Communications Corp. Hallmark will hold 75 percent interest in the stations, with First Chicago

retaining the remainder. The transaction is valued at slightly more than \$300 million, including a separate and still incomplete acquisition of KDTV-TV, San Francisco. The new owners will retain Spanish-language programming on the SICC stations, which include WXTV-TV in New York, KMEX-TV in Los Angeles and WLTW-TV in Miami.

Financially troubled **Hal Roach Studios** has made a bid to merge with Robert Halmi Inc., a New York-based TV production company. The Los Angeles producer and distributor already owns 11 percent of Halmi and syndicates its TV movies, "Barnum" and "Pack of Lies." No cash would be involved in the transaction. Instead, stock of the two firms would be traded for shares of a new company yet to be named. The new company would be worth about \$170 million and would likely be controlled by Australia's Quintex Ltd., which already has a 48

percent stake in Hal Roach Studios.

Mattel, a major player in syndicated children's TV programming, is eliminating 300 positions, or 15 percent of its domestic work force, as part of a plan to save \$6 million this year. The toy maker, which postponed the introduction of several planned TV series this fall, saw earnings decline to \$1.7 million in the second quarter ended June 30, compared to \$2.3 million for the same period in 1986.

Cablevision Systems Corp. reported a \$10.8 million loss for the second quarter ending June 30, despite an 83 percent gain in revenues to \$69.5 million. The company lost \$11.8 million in the same period a year earlier. Cablevision recorded a loss of \$20 million for the six months ended June 30 on revenues of \$134.2 million, compared to a loss of \$15.9 million on revenues of \$117 million for the first half of last year.#

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Then get ready to cover 1988. And leave your competition in second place.



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Technology and equipment

Video vending

Manufacturers say machines will proliferate

By EILEEN NORRIS
Special to ELECTRONIC MEDIA

Manufacturers of video vending machines believe as many as 100,000 of the devices could find their way to video stores, mall parking lots and even office complexes and apartment buildings within a few years.

That's dramatic growth, considering manufacturers estimate less than 2,000 of the machines are now in place.

At least a dozen U.S. manufacturers are producing the machines, which range in size from a model the size of a soft drink machine that holds a few hundred tapes to a machine large enough to hold 836 cassettes housed in a free-standing building.

Most of the machines, which require the customer to use an access card or credit card to protect against theft, feature a computer screen for selection of a film. Once a tape is selected, and cash or credit payment of \$2 to \$4 is made, a robot arm grabs the tape and delivers it to a pickup bin.

The customer returns the tape to the machine, where the robot arm returns it to the proper slot.

The machines, which come in a wide variety of shapes and sizes, cost from \$12,000 to \$50,000, and many are also available for lease.

Two major companies—Diebold, the manufacturer of automatic teller machines; and Bally Manufacturing, the casino game maker—are entering the market, offering formidable competition for existing distributors.

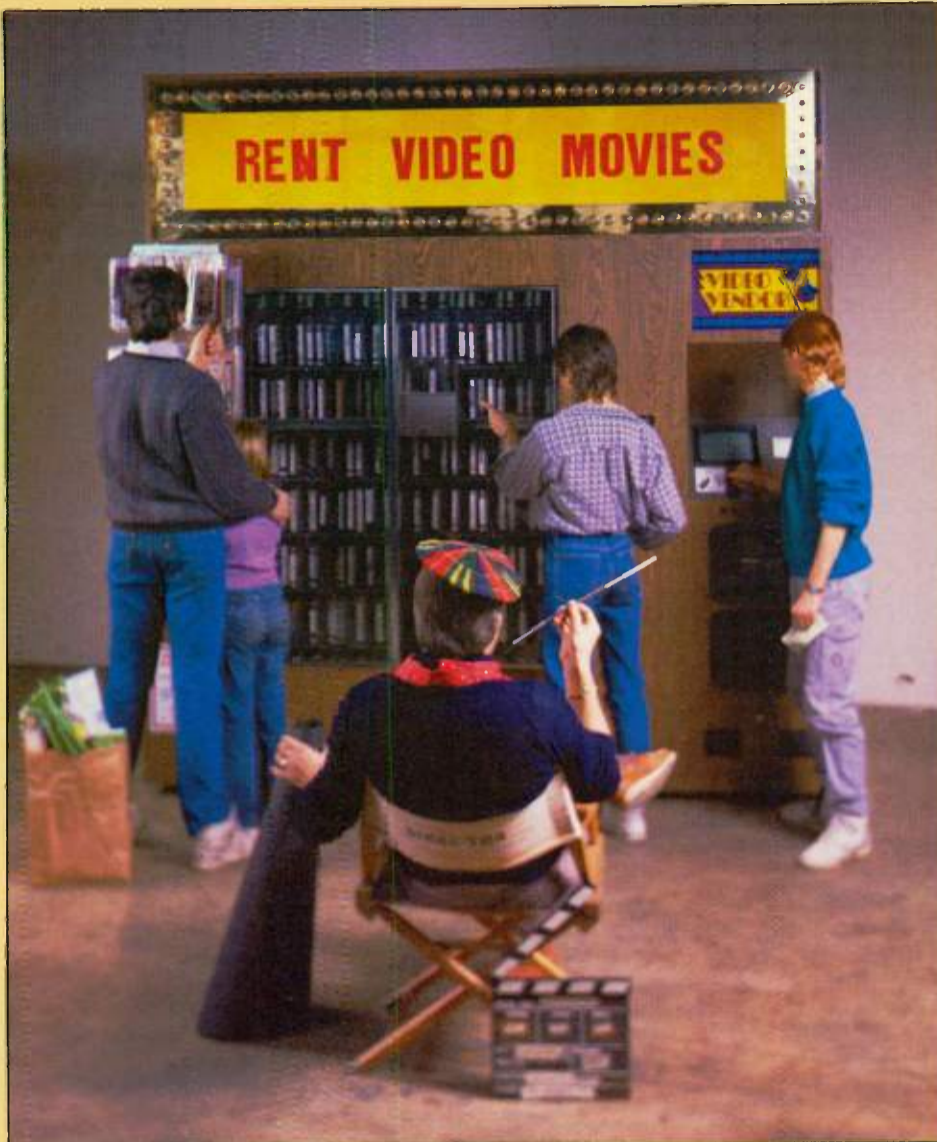
Bally expects to introduce its first machines early next year, and Diebold began marketing its model last month.

Today, Video Vendor, a 1½-year-old company based in Skokie, Ill., is one of the leading manufacturers. It has sold 1,000 vending machines at \$16,000 each.

The manufacturer plans to ship another 1,700 machines to Canada, Puerto Rico, Japan and several other nations this year, says Richard Christensen, director of sales and marketing.

The company holds 26 U.S. patents on the device, which holds 320 cassettes and accepts cash or credit cards.

Retailers that lease a machine get 10 percent to 20 percent of the revenue, which is calculated by a computerized audit of all transactions.



Video Vendor machines enable one person to make his videotape selection while others peruse the choices.

Like most dispensing machines, Video Vendor's software has a self-diagnostic feature that tells its owner or operator what section of the machine needs to be repaired.

Some video stores are using the vending machines to extend their business hours around the clock. For example, Video Dimensions in suburban Chicago has added a second entrance that offers access to a Video Vendor machine.

Customers must have an electronic membership card to gain access, says store owner Robert Murray. The first week of operation, Mr. Murray originally allowed his customers to use a major credit card to gain entrance to the locked room, but he lost 20 cassettes to people using stolen credit cards.

Mr. Murray says the addition of the vending machine has not taken away business from his store. "Most people use the machine at night when the main store isn't open, or they use it to return a tape," he says.

"I bet that within three years, all the major video stores will have a vending machine attached or adjacent to their business. You have to give service to all the people all of the time, or they will go elsewhere."

The Video Software Dealers Association says its 3,000 member video store owners and distributors are beginning to buy vending machines to augment their regular store hours and to save on salaries and store overhead.

(Continued on Page 26)

Subcommittee approves DAT chip proposal

A House Energy and Commerce subcommittee has approved legislation that would require manufacturers of **digital audio tape recorders** to install scanner chips in their machines before they can be imported or sold in the United States. The chips are designed to automatically prevent consumers from recording compact discs that have been appropriately coded. The Recording Industry Association of America and other music industry related groups support the legislation.

Cubicomp Corp. has reached an agreement in principle to purchase **Vertigo Systems International**. The completion of the sale is targeted prior to Aug. 31. Cubicomp manufactures the PictureMaker line of professional 3-D graphics and video animation products. Vertigo makes the V-2000 family of 3-D computer animation systems. According to Cubicomp President Harry Taxin and Vertigo Chief Executive Officer Robert B. McFarland, the combination of the companies will create the most complete line of 3-D animation systems produced and supported by a single company. The new entity will be called Cubicomp.

The Associated Press has contracted with GTE Spacenet Corp. to provide the next generation of **satellite delivery services** for the news cooperative. AP has purchased two transponders on Spacenet III, a new hybrid satellite scheduled for launch Dec. 4. AP's main satellite services are currently delivered on Westar III, which is nearing the end of its operational service.

The first digital computer simulations of a new television broadcast signal called HD-NTSC have been completed, says Richard Iredale, founder of the Del Rey Group. The company was formed a year ago to develop a means of delivering **high-definition television images over a single NTSC broadcast or cable channel**. "The real question in some minds was what HD-NTSC would look like when viewed on a conventional NTSC receiver," Mr. Iredale said. "The simulations show that image artifacts are relatively minor and are in line with our early estimates."

Panasonic Broadcast Systems Co. is restructuring its organization in an attempt to provide better service and support for its MII products. The reorganization will divide the company into four major divisions: sales; marketing, planning and administration; product development, engineering and service; and finance. The sales division has been split into two regions covering the East and West. The Western region has offices in Los Angeles and Dallas. The Eastern region has offices in New York, Atlanta and Chicago. #

Cubicomp offers new 3-D computer graphics products

Cubicomp Corp. has unveiled several new products in its line of **3-D computer graphics systems**. The Render Acceleration Compute Engine enables PictureMaker users to improve their rendering time up to 1,500 percent. The Tape Render Station allows the rendering operation to be off-loaded from the main system, leaving it free for modeling, motion scripting and paint operations. Two new PictureMaker systems, the PictureMaker/60 and the PictureMaker/50, feature a proprietary 24-bit frame buffer and an 80386-based microprocessor. Cubicomp Corp., 21325 Cabot Blvd., Hayward, Calif. 94545.

Communications Specialties has introduced the model **ENC-3 RGB to NTSC composite video en-**

Product update

coder. The ENC-3 can be used in a wide range of applications wherever standard analog RGB with sync-on-green signals need to be converted to a standard NTSC composite video signal. The output of the ENC-3 is directly compatible with VCRs, large-screen projection TVs and composite video monitors. Communications Specialties, 6090 Jericho Tpke., Commack, N.Y. 11725.

The Professional Video Communications division of JVC has introduced a full line of new **peripherals for its DAS-900 mastering system**. Applications for the system include, but are not limited to, audio/video software manufactur-

ing, compact disc mastering, CD-ROM premastering, CD-ROM cutting and digital audio tape duplication. JVC Co. of America, 41 Slater Drive, Elmwood Park, N.J. 07047.

Alan Gordon Enterprises announces a new **heavy-duty fluid tripod head** designed for use with the company's Image 300 35mm high-speed 24-300 f.p.s. camera. The Image 300 head can also be used with other cameras. With a tilt-range of 260 degrees, the new Image 300 fluid head permits use of the camera in otherwise difficult positions. Alan Gordon Enterprises, 1430 Cahuenga Blvd., Hollywood, Calif., 90078. #



IMAGE 300 TILT-RANGE FLUID HEAD

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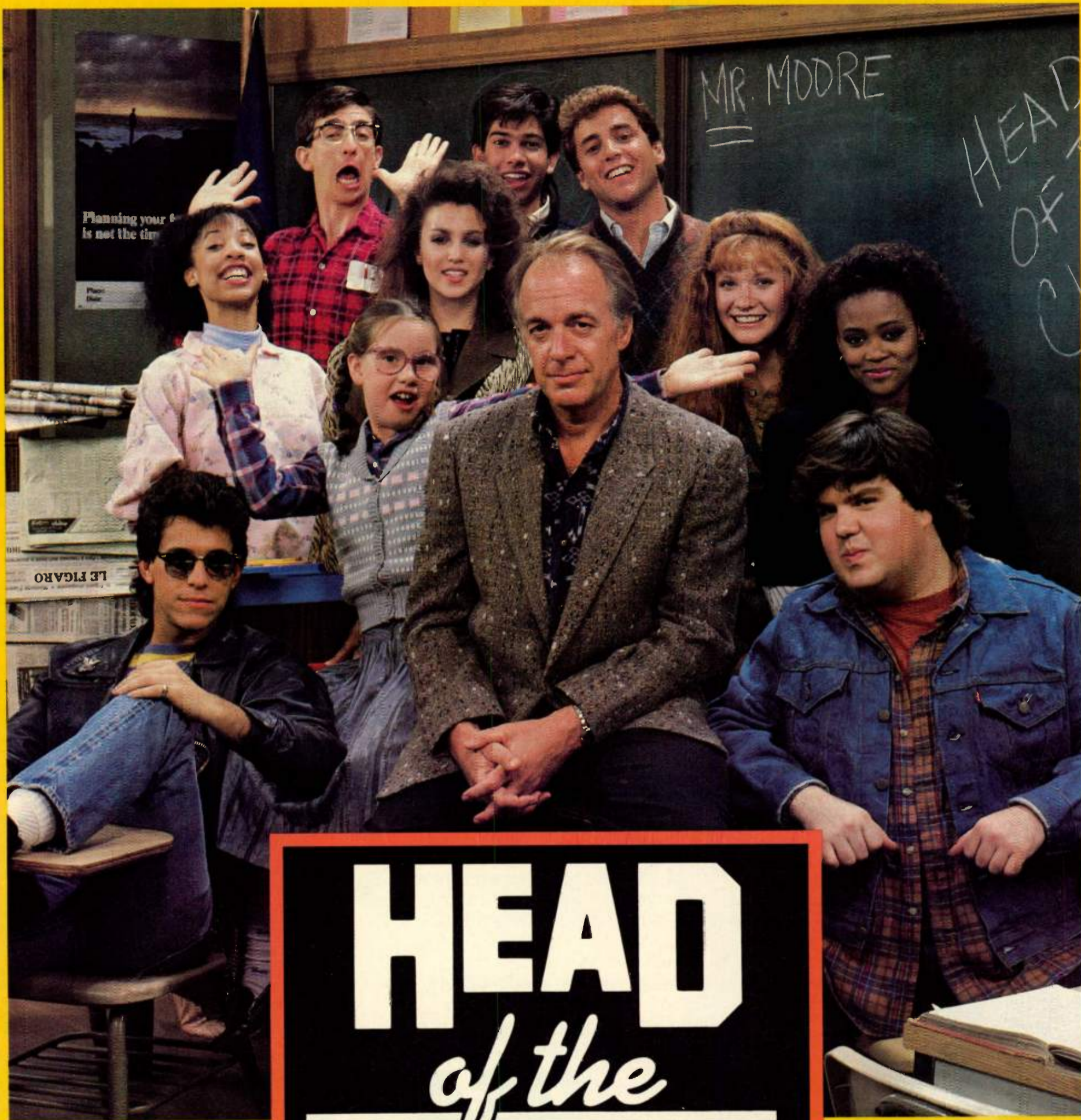
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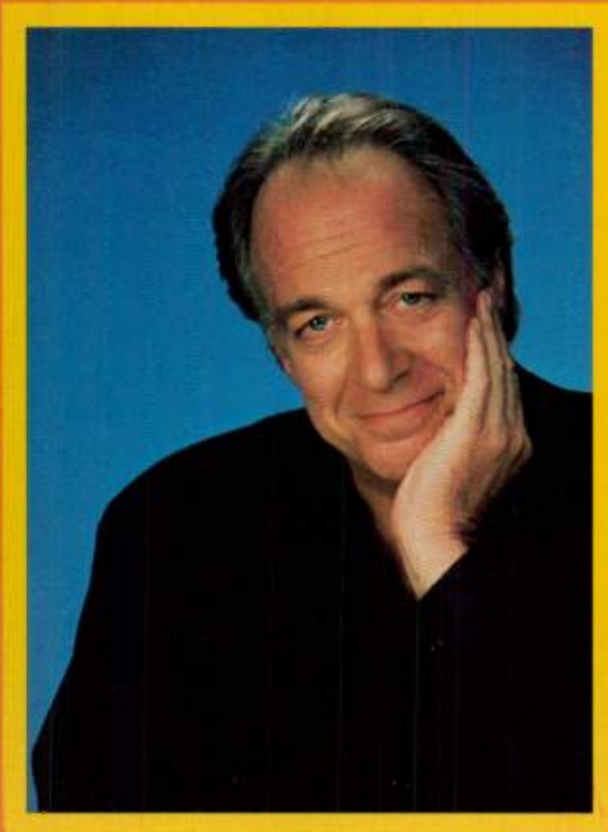
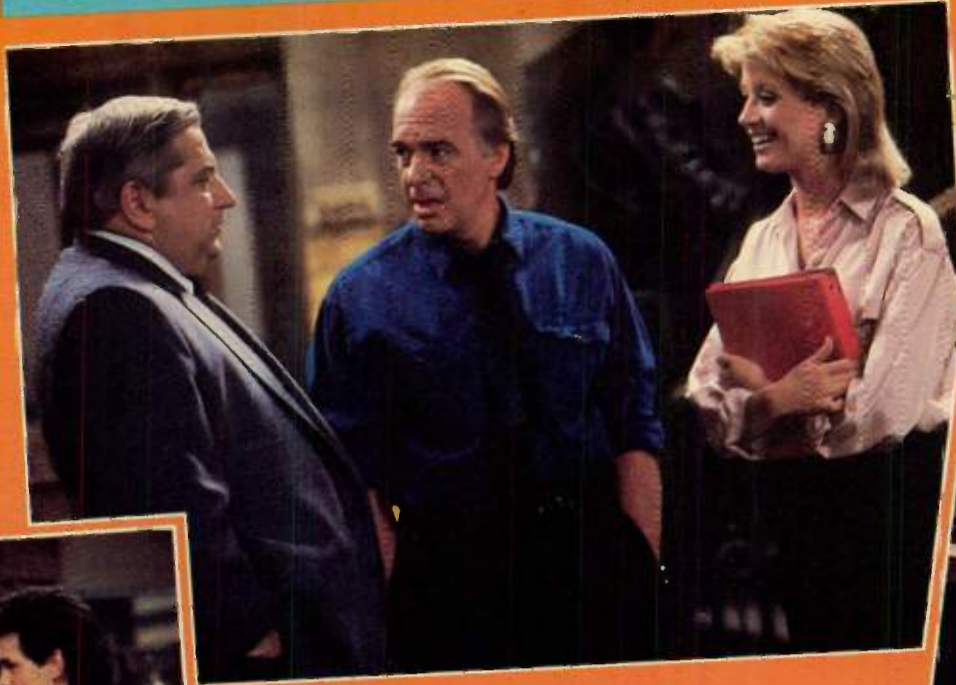
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Special Report: Home Video

Broadcasters devise ways to fight back

(Continued from Page 1)

Examples of home video's impact, and the response by broadcasters, abound, including:

- A sharp decline in audience for children's programs due in part to increased use of home video after school and on weekends.
- Scheduling of older-skewing series, such as NBC-TV's "Golden Girls," that appeal to the most VCR-resistant viewers: people older than age 50.
- Counter-programming against the VCR on Friday, Saturday and Sunday nights, when usage is highest. Some schemes even target the expected ending time of a rented film.
- Use of TV promos that urge viewers to watch one program while taping the competition's show.
- Production and distribution by broadcasters of special-interest programs using news and sports footage or local talent.
- Faster pacing, glitzier locations and more work-oriented story lines for the daytime soap operas—the most heavily recorded programs—with the goal of reducing the temptation to fast-forward or erase commercials.

Just where and when the VCR boom will top out is anybody's guess.

Robert Klingensmith, president of Paramount Television Group's video division, predicts penetration will plateau at about 85 percent of all U.S. homes by the end of the century, which jibes with estimates by independent analysts.

A recent study by New York-based Wilkofsky Gruen Associates says that by 1995, Americans will spend one-fourth of all viewing time watching prerecorded cassettes, while the combined broadcast network audience share falls to 45 percent.

The report estimates that more than 4 billion tapes will be rented that year, representing \$20 billion in revenue.

In short, it's predicted that home video will replace broadcast TV as the nation's entertainment medium of choice within the next decade.

While many broadcast officials consider that a far-fetched scenario, TV network executives who shrugged off the VCR a few years ago concede that the device now gives them pause.

Kim LeMasters, vice president of programs for CBS Entertainment, says his network "is taking the VCR seriously across the board. We keep it in mind for all dayparts."

Among the VCR alternatives CBS is offering this fall, according to Mr. LeMasters, is more classy programming on Saturday nights, including such stylish, adult-oriented series as "Leg Work" and "West 57th."

"With the exception of 'Golden Girls,' Saturday night has generally been lacking in entertainment for adults," says the CBS executive. "In contrast, on Friday night we've been dominant with shows that are not prime targets for the VCR audience, such as 'Dallas' and 'Falcon Crest.'"

Michelle Brustin, vice president of current comedy development for NBC Entertainment, says her network's response to the VCR has also been limited.

"Saturday night had juvenile shows for too long," she says. "We're not only seeing broader appeal now, but better shows."

Ms. Brustin discounts the notion that "Golden Girls" was designed to attract the older viewers the VCR left behind.

"You can't have a 40-share series and only get old people," she said. "We've got lots of teens and kids watching, too."

As for Fridays, Ms. Brustin adds: "The concern was that people were simply not home. But we've found that people will stay home to watch strong shows, like 'Miami Vice.'"

An NBC research official, who asked not to be named, said the network has also considered developing more original programming to air between 1:30 a.m. and 6 a.m. (ET), on the assumption that VCR owners would be willing to tape innovative shows for later viewing.

Larry Hyams, ABC's director of audience analysis, concedes that the VCR does influence some programming decisions, but characterizes the device's impact as "minimal."

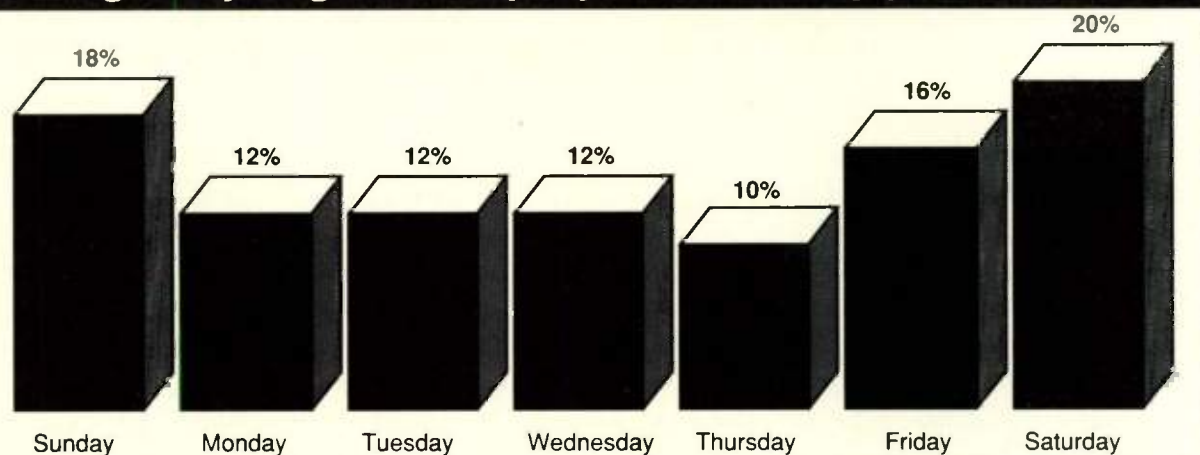
Nonetheless, he says, "earlier this year we considered putting a movie package on Saturday nights, but decided not to in part because of the high VCR usage. We saw that CBS's Saturday night movie was taped more than the programming on our network and NBC."

As VCR penetration levels have starting passing 60 percent in some major markets, Mr. Hyams believes that "some of the novelty has worn off and people are using their recorders less. A large percentage of shows are simply never recorded in significant numbers."

For the first quarter of this year, he estimates only 0.3 percent of ABC's overall prime-time rating was accounted for by VCRs, compared with 0.4 percent each for NBC and CBS.

The growth of home video has even played a role in this year's battle over the introduction of people meters.

Night-by-night VCR playback during prime time



Source: A.C. Nielsen Co.

VCRs alter viewing habits

By RICHARD MAHLER
Los Angeles bureau chief

Saturday night, more than any other night, is when people like to switch off broadcast television and turn to videotape for entertainment.

"Saturday is definitely hardest hit. Twenty percent of all VCR playback occurs on that one night," says Robert J. Taragan, vice president and Eastern zone manager for Nielsen Media Research.

Eighteen percent of all VCR playback occurs on Sunday (where there's an extra hour of prime time) and 16 percent is on Friday. Monday, Tuesday and Wednesday each account for 12 percent of VCR playback, while Thursday accounts for 10 percent, according to Nielsen.

But although 23 percent of all playback occurs in prime time, daytime is the most affected by delayed viewing, according to Mr. Taragan, who says much of the evening VCR audience consists of soap opera addicts.

"The average rating for the 12 daytime serials is 6.7, of which 0.4 is tape delayed," he says.

Only 16 percent of all playback occurs in early fringe and Monday-through-Friday daytime, and just 10 percent is after 11 p.m.

Mr. Taragan says specials, including award shows, plays and miniseries, are the programs most likely to be taped,

followed by blockbuster feature films and, finally, regular series.

ABC's "Amerika," for example, was seen on tape by an estimated 5 percent of its audience—more than double the number for a typical prime-time show.

Other taping favorites of the past 18 months were ABC's "North and South" miniseries, NBC's "Days of our Lives" soap opera and ABC's "Superstars and Their Moms" special.

A separate NBC in-house study conducted last year concluded that network TV shows accounted for nearly three-fourths of all home recording, with blockbuster movies and top 10 series among the most-recorded prime-time fare.

The report said that daytime game shows, news, sports and late-night shows are rarely taped.

CBS researchers estimate that VCR playback last season reduced prime-time viewing by about 2 percent overall, although that figure climbs as high as 6 percent during summer months.

On Saturday nights, about 10 percent of all VCR owners (or 5 percent of all TV owners) are playing back videos, according to a CBS study.

"The average VCR household has its cassette recorder in a 'play' mode an average of five hours per week, and in 'record' about 3.5 hours per week," says Mr. Taragan. #

David Poltrack, vice president of research for CBS/Broadcast Group, says the VCR was partly responsible for the rushed introduction of the people meter this fall by A.C. Nielsen Co. and AGB Research.

"The average TV home today has 20 or more channels to choose from," he says. "Many have 30 or more, plus VCRs and remote-control devices. As a result, people have become less cooperative or simply can't remember what and when they watched something."

Mr. Poltrack believes Nielsen's people-meter technology oversamples VCR users.

"There's a behavioral bias in favor of the technology-oriented," he says. "The more conservative and less technologically proficient tend to opt out. The participants are more likely to have pay cable and high-tech video equipment. They also tend to be more affluent, urban, better educated and have larger families."

In prime time, Mr. Poltrack sees a need for greater compatibility among a given night's programs, to discourage viewers from recording an 8 p.m. program for playback later that same evening.

All three networks have cut back drastically on the number and type of theatrical films airing in prime time, now that the VCR sale/rental window comes before both the broadcast and pay cable windows.

And a few broadcasters have adopted an "if you can't lick 'em, join 'em" approach to home video—with limited success.

ABC Video Enterprises and Vestron Video have a joint venture for the release of programming from Capital Cities/ABC's archives.

Previously, ABC sold as many as 110,000 tapes of its "1984 Summer Olympics Highlights" in an agreement with Continental Video.

The video division lost big several years ago when it introduced TeleFirst, a complicated system that allowed viewers to tape movies from scrambled broadcast signals in the wee hours of the morning. The venture was tested briefly in Chicago before being scrapped.

CBS Broadcast International has released some of CBS-TV's programs, notably last year's acclaimed

documentary, "The Vanishing Family: Crisis in Black America." More than 8,000 copies of the special, hosted by Bill Moyers, have been sold.

NBC-TV has cooperated with various home video firms in the distribution of several of its programs, including the two-hour "Miami Vice" pilot.

NBC Entertainment President Brandon Tartikoff is talking with "Miami Vice" creator Michael Mann about an advance home video release of the pilot for "Tropix," a midseason series Mr. Mann is developing for NBC.

On a local level, KPIX-TV in San Francisco is producing a half-hour home video special highlighting Pope John Paul II's September visit there, in association with the U.S. Catholic Conference.

Other examples of station-produced programs include highlights of the 1981 Washington state volcano disaster by KATU-TV in Portland, Ore. A station spokeswoman said several thousand copies of "The Eruption of Mount St. Helens" were sold by KATU at \$39.95.

"We still get requests for the one-hour tape," she says, "but we're completely sold out."

Ron Schneier, director of research and sales development for basic cable's Arts & Entertainment network, believes it's too early to tell just what home video's long-term impact will be.

"It's really going to affect advertisers more than anyone," he says. "They're going to have to become more and more creative in order to reach TV watchers with their messages."

Mr. Schneier estimates that more than two-thirds of A&E's viewers own VCRs, and they tend to be discriminating in their choices.

Ironically, the home video boom has even started to change the cassette rental business.

"Pay-per-view has really hurt our retailers in markets where it's available," says Lou Berg, chairman of this month's Video Software Dealers Association convention and president of the Audio/Video Plus chain.

"If a movie is released on PPV before it gets to our stores, it just kills our rentals. People simply tape it off the cable." #

**There's only
one "Boss"
in
San Francisco...**

Special Report: Home Video

1986 video software rentals/sales by category

Comedy	17.9%
Action/Adventure	17.8%
Drama	13.5%
Adult	12.7%
Horror	10.7%
Children's	9.5%
Science fiction	7.0%
Other	10.9%

Source: Video Software Dealers Association

Programmers struggle for fewer new dollars

By JANET STILSON

Staff reporter

NEW YORK—For better or worse, the home-video industry has reached maturity.

In 10 years, the industry has grown from infancy into what last year was a \$2.3 billion business for suppliers.

Along the way, home video has forced key shifts in everything from motion picture production to network TV scheduling to everyday American lifestyles.

But now, analysts say, the pace of home video's growth has slowed dramatically. Retailers and distributors are feeling the heat, and the industry's own leaders say many won't survive home video's second decade.

The home-video business faces a number of new challenges, foremost among them finding a way to thrive amid growing competition and a leveling-off of demand.

Figures from Video Marketing, a consulting firm, show programmers' rocketing fortunes and impending plateau: Total sales for all suppliers were \$171 million as recently as 1980. While that amount is expected to climb to \$3 billion this year, only \$3.1 billion is anticipated three years later, in 1990.

To be sure, some in the industry disagree with that assessment. HBO Video, for one, sees a slowed revenue growth but no plateau, with \$4 billion expected by 1991, according to Henry McGee, HBO's vice president of home video.

In either case, programmers will be in for an intensified struggle for fewer new dollars.

Adding fuel to that fire is the entry of new suppliers. Three major startups were announced within the last six months—by Tri-Star Pictures, Orion Pictures and Virgin, the British record company.

"As a result, the competition is going to get tougher before it's going to get easier," says Mr. McGee, "and you're going to see new entries and combinations of existing partners."

The move by independent studios to start home-video divisions will affect such home-video titans as HBO Video, CBS/Fox Video and RCA/Columbia Home Pictures, whose parent companies are partners in the Tri-Star venture.

But home video is still a business run largely on the strength of hit movies, and nowhere is the impact of the tightening marketplace more keenly felt than by independent home-video suppliers, such as Vestron Inc.

That company made a substantial portion of its fortunes by acquiring home-video rights to Hollywood theatrical hits. But the company has had two rounds of staff cutbacks and reassignments this year and has reported losses for the first and second quarters.

Major reasons given for the declines include higher acquisition costs and disappointing domestic video sales for all but the largest theatrical hits.

Al Reuben, Vestron's senior vice president of sales, marketing and distribution, says diversification is the key to pulling Vestron out of its slump.

The company already has purchased a Cincinnati-based chain of video stores, syndicated movie packages to broadcast outlets and distributed films theatrically, some of which are produced in house.

"A year from now, close to half the movies we put out on video will have been produced internally," Mr. Reuben says.



"Top Gun," from Paramount Home Video, sold almost 3 million copies at a retail price of \$26.95.

Clearly in a good position are independent producers that have dramatically increased revenues from selling home-video rights.

"In 1981 or 1982, you could acquire rights to an A title film for \$100,000 or thereabouts, given the fact that there were relatively no VCRs in existence at that point," says Henry Schleiff, HBO senior vice president of business affairs and administration. "Today, it's not unheard of for (rights) to cost in excess of \$10 million."

In 1984, home-video rights covered about 25 percent of the cost of an A title's negative, he says. Today, home-video rights purchased before a film is released often cover about 50 percent of costs.

Indeed, home-video sales now account for roughly half of all revenue drawn by major studios for theatrical product. Home video is expected to account for more than half of studio revenues by next year, according to Video Marketing.

How can suppliers maintain profits—or even grow—in an era of stiff competition?

Phil Pictaggi, senior vice president of operations and strategic planning at MCA Home Entertainment, cites a need to control profit margins.

"We have a product-cost ratio so different from other businesses," Mr. Pictaggi says. "It's roughly 4-to-1, with a selling price of \$19.95 and a (production) cost of \$5."

"In the record industry it's much different, with the cost at around 50 cents and selling prices around \$8. That's 16-to-1."

Gary Khammar, senior vice president of RCA/Columbia Home Pictures, notes suppliers are dramatically increasing Christmas-season ad campaigns to boost consumer

demand for buying tapes, a change that could add to producers' profits.

Mr. Reuben expects increased sales of non-theatrical product to aid Vestron's fight back into profitability.

And Bob DeLellis, senior vice president of sales and marketing at CBS/Fox Video, says one of his major concerns is the need to increase the number of copies of each title that retail outlets buy. The number hasn't increased proportionately in recent years with the increase in households with VCRs, he says.

Clearly everyone's greatest hopes are centered on the growth of sales direct to consumers, known as sell-through.

Indeed, while Video Marketing expects retail revenues for both rental and sales of tapes to consumers to peak in 1988 at \$8.3 billion and decline to \$7.75 billion by 1990, sell-through is growing by leaps and bounds.

Video Store magazine reports the sell-through business, primarily conducted at mass merchandisers such as K mart and Sears, Roebuck and Co., as well as specialty outlets such as book and record stores, drew \$416 million in 1986 and is expected to reach \$2 billion by 1991.

Further boosting profits is the addition of commercials theatrical movies in home video.

Paramount Home Video broke that barrier with "Top Gun." By adding Pepsi commercials, skipping the higher-priced home-video window aimed at rental outlets and pricing the video at \$26.95, Paramount sold almost 3 million units, a home-video record towering far above the 200,000 unit sales most A title films bring in.

Although companies such as HBO and Vestron are actively pursuing theatrical film sponsorships, Robert Klingensmith, president of Paramount Television Group's video division, doesn't expect commercial sponsorship of films to become standard.

In fact, he says Paramount turned down overtures from General Motors and Toyota for "Crocodile Dundee" spots. Mr. Klingensmith said they wanted commercial sponsorship that was compatible with "Crocodile Dundee," but no company "had time to go out and make a specific commercial that would have matched the 'Crocodile' theme."

Not everyone voices unqualified optimism for sell-through and sponsorship.

Dennis McAlpine, a vice president and analyst at Oppenheimer & Co., terms such goals "elusive."

"Top Gun" is the only sell-through picture to reach 3 million units, and I'm not sure if the market is really there," he says.

Another analyst taking a critical view of home video is Harold Vogel of Merrill Lynch, who notes: "Virtually every (home-video company) stock has either gone nowhere or down in a great bull market."

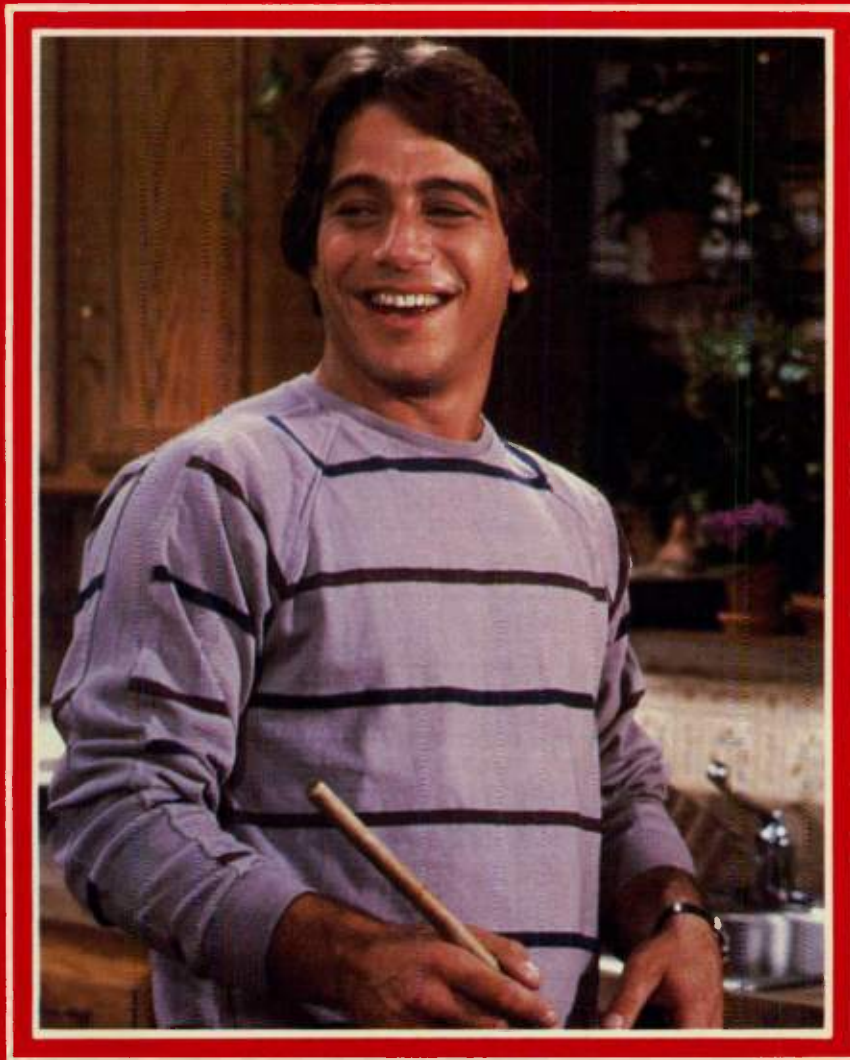
David Allen Shaw, an editor at Video Store magazine, recalls a phase a few years ago when video retailers "looked so good we'd get calls three or four times a week from venture capitalists," but those days are gone, he says.

Along with the rising influx of "superstore" rental outlets, Mr. Shaw foresees a decline in the number of video store owners.

"It may become a four- or five-chain national business, with some regional chains and mom-and-pop outfits in each market," he says. "The gold rush is over, but there's still billions of dollars out there." #

KTVU

COX Enterprises, Inc.



Special Report: Home Video

The industry leaders

Retailer says revenue sharing key to boosting inventory

By **RICHARD MAHLER**
Los Angeles bureau chief

Ron Berger, chairman, president and chief executive officer of National Video, already perhaps the nation's largest single home-video retailer, is poised to launch a chain of 500 new video "superstores" across the country.

Each store is designed to stock between 5,000 and 8,000 tapes, double the inventory of most mid-size stores.

Already in development are a 42-store franchise serving Atlanta and Nashville, a 10-store chain in St. Louis and a six-store arrangement in the San Francisco Bay area. The first 100 outlets will open within the next 11 months.

Mr. Berger was interviewed by ELECTRONIC MEDIA from his Portland, Ore., headquarters. An edited version of that interview follows:

EM: What is the biggest source of customer dissatisfaction in home video today?

Mr. Berger: It's a lack of depth in hits. The typical shipment of a hit movie is 100,000 to 200,000 copies, divided among about 25,000 stores.

That means most are ordering five to 10 copies. Superstores will order 25 to 50 copies.

EM: What are chains like yours doing to alleviate that problem and the lack of consumer loyalty that accompanies it?

Mr. Berger: National Video has entered the pay-per-transaction business, which is a form of revenue-sharing with the studios. It solves the consumer problem of not stocking enough copies of a hit.

Typically, the retailer fronts \$56 to \$63 to buy the hit tape. He must then rent the tape 30 times to break even, which usually takes two months.

The studios have, in effect, forced the retailer to prevent some customers from seeing the tape for 60 days, since it can only be rented by one household at a time during that two-month period of initial high demand.

We suggest payment of \$8 to \$12 in up-front costs, and then share the



National Video's Ron Berger: Sharing rental revenue with the studios.

revenues with the studios from each rental.

Overall, the tape will make more profit, the gross revenues will be higher and the consumer will be more satisfied.

We've been doing this on an experimental basis for 18 months with over 20 studios, including most of the majors.

We expect the system to be debugged and expanded to other stores in the future.

EM: What is your split with the studios on this sales approach?

Mr. Berger: I'm not at liberty to say, and we're still fine-tuning, in any event. We have 20 or 30 pricing structures going, since it varies with each studio.

EM: Do you expect original programming on video to grow significantly?

Mr. Berger: Yes, it will continue to increase. It's in an embryonic stage now, and things are happening slowly, but surely.

Producers are recognizing that it's such a large market that you can deliver all kinds of programs, like the new Ollie North testimony highlights and an exercise video for pregnant women.

The market has to keep growing in order to handle distribution of the new product. Most of the original fare will be targeted to specialty stores.

EM: What will superstores concentrate on?

Mr. Berger: The emphasis will be on entertainment, as opposed to education.

I think bookstores, which are already into software for educational purposes, will do more in this area, although Waldenbooks has gotten into it while B.

Dalton is out.

EM: How much money do you expect your superstores will make?

Mr. Berger: With 7,500 tapes in stock, we predict the average store will turn over 18,750 (rental) transactions per month at \$2.25 each.

That's about \$42,000 a month or over \$500,000 a year. But we think \$1 million a year will not be unusual, based on stores of 5,000 to 8,000 square feet serving an area of three to four miles from the location.

EM: How will your inventory break down, by category?

Mr. Berger: About 15 to 20 percent of our stock is children's product. We carry no adult product as a matter of policy.

Most of the rest are movies, with an emphasis on hits.

EM: Can original programming for home video make a profit?

Mr. Berger: Yes, you have the ability to target very small groups. You can make a profit with sales of as few as 3,000 or 4,000 tapes. You can be very specialized at that level.

The problem for the consumer is how to find that tape. That's why that distribution should be handled by specialists.

EM: What's the market for TV shows on home video?

Mr. Berger: It's a substantial one, although consumers tend to avoid buying or renting product that they've already seen on the air.

Careful packaging and marketing can sell these shows. For example, made-for-television movies may be made attractive to people who've never seen or heard of them before.

TV shows on home video do quite well overseas. Some fanatics buy certain shows, and there's a pretty big nostalgia market.

Some parents like to buy shows to show to their kids and grandchildren with the idea of saying, "This is what TV was like when I was growing up." #

CBS/Fox Video executive decries use of sales quotas

By **JANET STILSON**
Staff reporter

CBS/Fox Video was born in 1977, when Twentieth Century Fox signed an agreement to release 50 movie titles to a home video company called Magnetic Video.

It was the first major studio to sign such an agreement, and Fox found it to be so lucrative that it bought the video company in 1979.

Two years later, the operation became a joint venture with CBS Inc.

Today, CBS/Fox's library of titles numbers more than 500, and its \$330 million in revenues for last year surpassed No. 2 RCA/Columbia Home Pictures by more than \$100 million, according to Video Marketing, a consulting firm.

As senior vice president of sales and marketing, Robert DeLellis is in charge of watching over the company's domestic business.

In an interview with ELECTRONIC MEDIA, Mr. DeLellis shared his views on the increasingly competitive home



CBS/Fox's Robert DeLellis
Marketing is key

video marketplace.

An edited version of that interview follows:

EM: What programming does CBS/Fox Video get from CBS?

Mr. DeLellis: Theatrical product, when they had their theatrical division.

EM: What about from Fox?

Mr. DeLellis: Where they've owned the movies of the week, we have put them into video and continue to do so.

EM: You don't distribute any series from CBS or Twentieth Century?

Mr. DeLellis: They're available, but we haven't done any yet. We're in the process of analyzing the market.

EM: Do movies of the week sell well?

Mr. DeLellis: For what they are, they're quite successful. We sold 20,000 units of "The Burning Bed," which was released by itself, at (a list price of) \$79.98. It went out at the same time "Extremities," which also stars Farrah Fawcett, was released.

We do theme marketing, where we take a lead title and come out with secondary titles. One might be a movie of the week, a theatrical release and an older theatrical release.

EM: Have there been any movies that weren't smash hits

theatrically but were successful in home video?

Mr. DeLellis: Absolutely. "Clan of the Cave Bear," which was probably one of the largest-selling books when it was released, is one example. It only did \$2 million box-office gross.

We redeveloped the theatrical ad campaign, and went after the book buyer—women who were knowledgeable about the book. On the first day of shipment we did probably close to \$8 million retail.

EM: What accounts for the success of CBS/Fox Video?

Mr. DeLellis: There are a lot of reasons: titles, catalog, management style.

It was the first video (supplier) company, and over the years it became more and more an operation of heavy acquisition policy.

We handle distribution probably more differently than anyone else in the business.

EM: In what way?

Mr. DeLellis: We offer programming without enforcing

quotas.

In other words, we don't go to distributors and select a number on a film and force them to buy that number.

We say we'd like them to (purchase) a certain number, but if they don't there's no penalty.

EM: What have your biggest challenges been so far?

Mr. DeLellis: One of the challenges for the whole industry right now is to make people realize that even though there's a tremendous Christmas peak in the sell-through business, there's an annual business as well.

Entering the sell-through market (in which tapes are sold to consumers rather than rented) was a challenge for us.

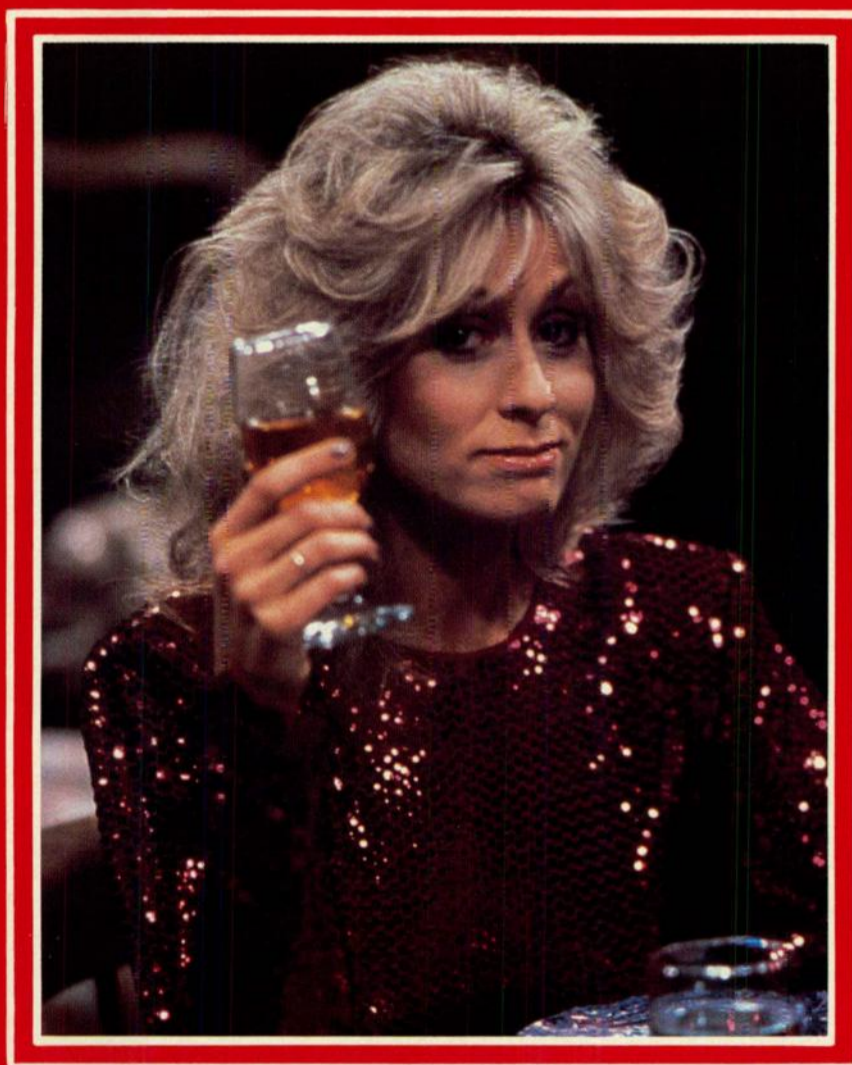
We announced in March, where most companies announce in November, for Christmas. We developed the "Five Star" sell-through program whereby we offer programming on a 12-month basis.

We have one for fall, and that goes on for four or five months, then we take those off and put another one on. #

**There's only
one "Boss"
in
Pittsburgh...**

WTAE

The Hearst Corporation



Bill would allow more gambling advertising

By **ROBERT HOMAN**
Staff reporter

WASHINGTON—Las Vegas and Atlantic City gambling casinos could broadcast commercials nationwide and depict actual gambling activity if a bill recently passed by a House subcommittee becomes law.

The bill, introduced by Rep. Barney Frank, D-Mass., would allow gambling casinos to air such ads unless there was a state statute prohibiting them.

Under current federal law, casinos may only air commercials that provide non-gambling entertainment and hotel information. In other words, they aren't allowed to show folks at the gambling tables or talk about the odds of winning on their slot machines.

'It's an archaic law. It prevents the free flow of information.'

—John Summers
NAB senior executive vice president

Rep. Frank's bill, however, would not allow viewers to gamble from their homes by TV.

If passed, the bill might also result in increased ad revenues for broadcasters located in states that don't have a lottery, but are near states that do.

Under current federal law, broadcasters in states that do not have a lottery are barred from running

commercials for lotteries from states that do. For example, broadcasters in Kansas may not air ads for the lottery in neighboring Missouri.

"Since the Missouri lottery started about a year ago, we've lost about \$50,000 to \$100,000 in advertising revenue" out of total advertising revenue of \$4 million to \$5 million, said Phil Brassie of station

KOAM-TV in Pittsburg, Kan. About 40 percent of Mr. Brassie's station audience lives in neighboring Missouri.

Kansas broadcasters will, however, be permitted to air ads for the Missouri lottery once the Kansas lottery starts later this year.

The National Association of Broadcasters, which supports the bill, is also lobbying for its passage on First Amendment grounds.

"It's an archaic law," the NAB's John Summers said about the current federal prohibition. "It prevents the free flow of information."

Mr. Summers, senior executive vice president of NAB, declined to speculate on how much stations might profit from increased ad revenue if the measure becomes law.

He added that the bill may be

amended by the full House Judiciary Committee to delay the effective date of the law for one year to give states the opportunity to pass legislation prohibiting lottery ads, if they so choose.

According to the NAB, 46 states permit lotteries or some form of wagering, 36 states permit horse betting and 18 states run lotteries themselves.

At least one religious group, the Southern Baptist Convention, is hoping the bill will not become law.

Testifying earlier this year before the House judiciary subcommittee, Nathan Baker, executive director of the group, cited studies indicating that legalized gambling increases the number of compulsive gamblers and is targeted to lower socioeconomic classes. #

Spelling signs non-exclusive ABC contract

By **RICHARD MAHLER**
Los Angeles bureau chief

LOS ANGELES—Aaron Spelling, one of prime-time's most prolific producers, has renewed his contract with ABC for three more years on the condition that he be allowed to sell product to competing TV networks.

Financial details of the contract, which is effective immediately, were not disclosed.

The executive producer of such series as "Hotel" and "Dynasty"



AARON SPELLING
Hopes partnership will flourish

had been hinting for months that he wanted out of the current ABC arrangement, due to expire next year.

In an apparent reference to the pact's non-exclusive terms, ABC Entertainment President Brandon Stoddard said in a prepared statement: "Far from being diminished, we hope the partnership will continue to flourish under our new arrangement."

Mr. Spelling is pleased that "for the first time in our history (Aaron Spelling Productions) will be able to sell its product to all the networks."

The company, now publicly traded but controlled by Mr. Spelling, has been operating under exclusive contracts with ABC for about 20 years.

In addition to such hit series as "The Love Boat," "The Mod Squad," "Starsky and Hutch" and "Fantasy Island," Aaron Spelling Productions and its associated companies have provided ABC with 1,935 hours of programming, including 116 TV movies.

Spelling is expected to soon enter negotiations on proposed TV programming with NBC. #

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WHO'S NEWS

Broadcast TV

Dayne Kalins to executive vice president of creative affairs, television production division, Twentieth Century Fox, Los Angeles, from senior vice president of creative affairs.

Jane Rosenthal to vice president of movies and miniseries, Warner Bros. Television, Burbank, Calif., from vice president of production, motion pictures and television, Walt Disney Studios. Also, **David Hilmelfarb** to director of comedy development from director of movies and miniseries, and **Susan Horowitz** to director of drama development from director of current programming.

Roxanne Lippel to vice president of music, Universal Television, Los Angeles, from director of music business affairs.

Donald Grubaugh to vice president and general sales manager, WOWT-TV, Omaha, Neb., from account executive, KRON-TV, San Francisco.

Mark Crawford to vice president and director of communication, WUHQ-TV, Battle Creek, Mich., from director of communications. Also, **Mark Featherston** to vice president and local sales manager from local sales manager.

Rick Herrmann to corporate director of creative services, WSYT-TV, Syracuse, N.Y., from creative services manager, KOTV-TV, Tulsa, Okla.

Ame Simon to director of children's programs, ABC Entertainment, Los Angeles, from manager of children's programs.

Karl Schaeffer to writer/creator, GTG Entertainment, Culver City, Calif., from independent writer/creator.

Cable TV

Stephen Brenner to senior vice president of business affairs, operations and general counsel, USA Network, New York, from vice president of business affairs and general counsel.

Harry Bernstein to vice president of film acquisition, Showtime/The Movie Channel, Los Angeles, from vice president of programming, Telstar Channels, Los Angeles.

Suzee Smith to director of pro-



DAYNE KALINS
Twentieth Century Fox



JANE ROSENTHAL
Warner Bros. TV



ROXANNE LIPPEL
Universal Television



STEPHEN BRENNER
USA Network



CHIP MOODY
WFAA-TV



IAIN ANDERSON
Marvel Productions



ROBERT FAUST
Westinghouse



DENNIS GANZAK
Group W

graming, Phoenix cable system, Dimension Cable Services, Phoenix, Ariz., from program manager.

Katharine Sloan to manager of program development, The Disney Channel, Burbank, Calif., from director of development, Garen/Albrecht Productions.

Radio

Steve Jenkins to vice president and director of affiliate relations, Westwood One Radio Networks, Los Angeles, from director of station sales. Also, **John Brodie** to vice president and Eastern sales manager, Westwood One Radio Networks and Mutual Broadcasting System, New York, from account executive.

John Hayes to vice president and general manager, KIOI-FM, San Francisco, from vice president and general manager, WNBC-AM, New York.

Stephen Gallagher to program director, WSSH-AM/FM, Woburn, Mass., from program director, WWSN-FM, Dayton, Ohio.

Jim Randall to air personality,

WJDQ-FM/AM, Meridian, Miss., from air personality, KIXX-FM, El Dorado, Miss.

Journalism

Steve Johnson to news director, KXLY-TV, Spokane, Wash., from news director, WKFT-TV, Raleigh, N.C.

Jack Bowe to news director, KMST-TV, Monterey, Calif., from news director, WYTV-TV, Youngstown, Ohio. Also, **Julie Christie** to executive producer/assignment editor from producer, KSBW-TV, Salinas, Calif.

Ned Colt to general assignment reporter, WNEV-TV, Boston, from news reporter, WRAL-TV, Raleigh, N.C.

Chip Moody to weekend anchor, WFAA-TV, Dallas, from anchor, KHOU-TV, Houston.

James Johnston to news director, WAER-FM, Syracuse, N.Y., from executive producer.

Darlene Sullivent to news director, WJDQ-FM/AM, Meridian, Miss., from news director, KIXX-

FM, El Dorado, Miss.

Scott Reather to news producer, WJXT-TV, Jacksonville, Fla., from news producer, KODE-TV, Joplin, Mo.

Ellen McVay to general assignment reporter, WPTF-TV, Raleigh, N.C., from morning anchor/general assignment reporter, KPLC-TV, Lake Charles, La.

Bill Comfort to general assignment reporter, KAKE-TV, Wichita, Kan., from general assignment reporter and anchor, WIBW-TV, Topeka, Kan.

Frederick Allen, political editor for The Atlanta Journal and Constitution newspaper, to join Cable News Network as national political analyst/correspondent.

Sterlin Benson to general assignment reporter, WIFR-TV, Rockford, Ill., from reporter, Medill bureau, Washington.

Syndication

Rick Levy to president of sales and marketing, D.L. Taffner, New York, from president, Camelot En-

tertainment, New York.

David Stifford, president of King World Enterprises, New York, has left the company to pursue outside production and distribution interests.

Barbara Fultz to vice president and managing director, International Advertising Sales, New York, from vice president and national sales manager of Orbis Communications. Also, **Robert Chenoff** to vice president from account executive, and **Thomas Illari** to controller from controller, TempsAmerica East, New York.

Iain Anderson to vice president of administration and operations, a new post, Marvel Productions, Van Nuys, Calif., from vice president and chief financial officer, Film Bond Services, Los Angeles.

Fran Reiter to vice president of sales, Northeast region, The Entertainment Network, Los Angeles, from vice president of station sales.

Kit Simon to director of national advertising/promotion, Buena Vista Television, Chicago, from director of advertising sales, Midwest division.

Other

William Catron to senior vice president and assistant general counsel, Paramount Pictures Corp., Los Angeles, from vice president and assistant general counsel.

Chase Carey to executive vice president, Coca-Cola Co.'s Entertainment Business Sector International, New York, from senior vice president of Columbia Pictures Industries and president of Columbia Pictures Pay-Cable and Home Entertainment Group, New York.

Robert Faust to vice president of finance and planning, Westinghouse Broadcasting Co., New York, from vice president and controller. Also, **Dennis Ganzak** to vice president and controller, Group W, Milford, Conn., from vice president for Financial and Information Services.

Michael Johnson to vice president of international sales and distribution, Buena Vista Home Video, Burbank, Calif., from director of international sales.

Amy Kafka to director in charge of public relations and promotion, Target Production, Boston, from communications director, Spotwise Productions, Boston. #

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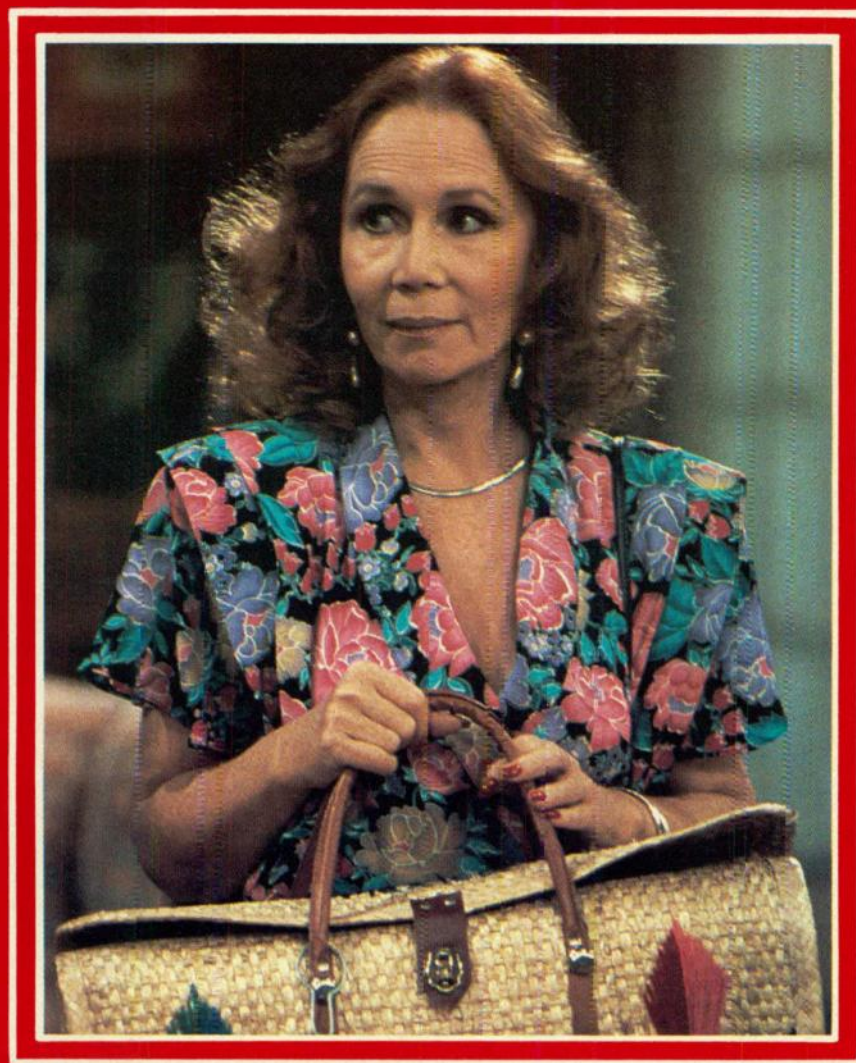
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BRIEFLY NOTED

Broadcast TV

Irv Brodsky, a 27-year veteran of ABC's sports information unit, last week abruptly resigned over what he and the company termed "philosophical differences over the management and goals of the sports information unit." Mr. Brodsky, 53, and network officials declined to elaborate on the matter. However, well-placed sources said trouble between the director of ABC's sports information and his immediate bosses in network public relations and sports had been brewing for some time. ABC also is seeking a replacement for Larry Eldridge, a sports publicist who worked for Mr. Brodsky who recently departed for the University of Pittsburgh. The replacements are critical as ABC gears up for its coverage of next year's Winter Olympics.

WEWS-TV in Cleveland became the seventh ABC affiliate to agree to carriage of a Sunday night prime-time ESPN National Football League game featuring its city's home team. While reiterating its desire to have affiliates carry all of its programming, an ABC spokesman said last week the network recognized the judgment of each station's general manager in determining "the needs of the viewers in their markets."

NBC Sports has reached agreements with six companies to produce athlete profiles, historical features and other reports for its 1988 Olympics coverage from Seoul, South Korea. NFL Films, slated to produce at least 30 features for the games, leads the list, which includes Millsport, Mickey Holden Productions, Barry Winik Productions, Leigh Wilson Productions and Shoemaker Productions. Each company will work in association with NBC to contribute to the more than 250 features the network plans for its Olympics package.

ABC announced it is adding repeat episodes of the half-hour comedy "Mr. Belvedere" to its daytime schedule at 11:30 a.m. (ET), beginning Sept. 7. The reruns of the Fox Television production replace the home shopping-oriented series "Bargain Hunters," which has been canceled.

A survey conducted recently by Television Audience Assessment on behalf of PBS found that nine of the top 10 programs in "program appeal" and eight of the top 10 judged for "program impact" were PBS shows. The random questioning of 1,570 TV viewers used a 10-point scale to evaluate the quality of programs airing between April 30 and May 13. The study also found that only one PBS show among the top 10 was a series respondents "planned in advance to watch." Among six qualitative categories, the highest-rated programs were PBS's "Great Performances," "Nova," "Shoah," "Frontline" and "Nature," plus CBS-TV's "Dallas" and "Knots Landing."

Cable TV

"The Hawaii Channel" is the title of a new cable program service proposed for a summer 1988 launch by Honolulu-based entrepreneur Phil Miller. Up to eight hours of Pacific-area programming will be produced and distributed by The Hawaii Channel to islanders and interested subscribers in the mainland United States and Japan, Mr. Miller said. In addition to original concerts, home shopping shows, situation comedies, dramas and variety series, backers propose scheduling of established programs with a Hawaiian theme, including "The Brian Keith Show," "Big Hawaii," "Hawaiian Eye" and Don Ho specials.

HBO's new pay-TV service, Festival, will be available to 3 million cable households as of September. Among the multiple system operators who have picked up the older-skewing service are Comcast Cable Communications, United Cable Television, Sammons Cable Communications, Jones Intercable and American Television & Communications.

The Silent Network, a national cable-based program service for the hearing impaired, has added "Children's Health Fair" and "NAD News Update" to its weekly lineup. The new shows focus on nutrition for young people and news from the National As-

National syndication standings

For the week ended August 2

	Rating	Markets	Coverage
1. Wheel of Fortune	13.8	211	97%
2. Jeopardy	10.5	199	94%
3. WWF Wrestling	8.8*	242	96%
4. Entertainment Tonight	6.9*	149	91%
5. People's Court	6.5	178	98%
6. New Newlywed Game	6.4	175	93%
7. Oprah Winfrey Show	6.0	154	88%
8. Hollywood Squares	5.6	146	89%
9. Mama's Family	5.3*	158	89%
10. Fame	5.1*	140	91%
11. What a Country	5.0*	86	81%
12. Wrestling Network	4.9*	179	82%
13. Lifestyles...Rich and Famous...4.7*	4.7*	170	92%
14. It's a Living	4.5*	147	89%
15. Puttin' on the Hits	4.3*	122	98%

*Includes multiple airings. (b) Pre-empted.

Source: Nielsen Fast Weekly Syndication and Occasional Network Report. Includes only subscribers to the service.

sociation for the Deaf, respectively.

New York-based Cablevision Industries has acquired Valley Cable, a 150,000-home cable system serving the west San Fernando Valley of Los Angeles, from Toronto's Hollinger Inc. The system serves about 62,000 basic and 85,000 pay TV subscribers. Terms were not disclosed.

Arts & Entertainment Network and the BBC are completing production on "Pulaski," an eight-part adventure series about the off-screen misadventures of a successful television actor. The series is scheduled for a first quarter 1988 premiere on the basic cable network, along with "My Family and Other Animals," a 10-part co-production with the BBC based on the humorous memories of noted zoologist Gerald Durrell.

United Cable Television Corp. reported a \$3.2 million loss for the fiscal year ended May 31 on revenues of \$222.7 million. The previous year, the company lost \$4 million on \$195.7 million in revenue. The company declared a 3-for-2 stock split for shareholders of record as of Aug. 14.

ESPN has added a late-night Saturday college football package of six games this fall, starting Oct. 10 with Long Beach State vs. Pacific University at 10:30 p.m. (ET). The series includes games from the Pacific Coast Athletic Association and the Western Athletic Conference.

Home video

In an unusual circumvention of state-owned TV networks, TransWorld Communications A/S and TeleVentures have formed a joint venture to distribute TV shows in the Scandinavian home video market. The package, described as "a night of television on video cassette," will include such TeleVentures product as "Werewolf," "Buck James," "J.J. Starbuck" and "Mama's Boy." Distribution will begin in September, concurrent with the U.S. network runs of the series. About four cassettes will be released every two weeks, with episodes from several different programs—along with wrap-arounds, inserts and commercials—on each tape.

Paramount Pictures has sold nearly \$54 million worth of advance copies of "Crocodile Dundee," the Australian feature film which last year became the highest-grossing foreign movie ever released in the United States. More than 1.8 million copies of the Paul Hogan vehicle have been sold at \$29.95, compared to the 1.9 million units of "Top Gun" initially sold by Paramount Home Video last March at \$26.95 each (\$51 million total). "Top Gun" has sold more than 2.8 million cassettes to date, making it the biggest-selling home video title ever.

Cinema Group Home Video has acquired "Safe Sex for Men and Women: How to Avoid Catching AIDS," a made-for-home video hosted by actress Morgan Fairchild and

including experts on the AIDS virus. The tape is offered at a suggested retail price of \$29.95 for distribution starting Oct. 21.

Vidmark Entertainment, an independent home video supplier, has acquired four feature films for theatrical distribution: "American Gothic," "That's Adequate," "Silent Memory" and "Born of Fire." Vidmark retains rights for all media in the United States and Canada. The company entered home-video distribution two years ago.

Hi-Tops Video is releasing eight new children's home video titles this Christmas, including the first-ever animated release of Mattel's "Barbie" character in a program originally designed to air on broadcast TV. Other broadcast-oriented releases are "Captain Power and the Soldiers of the Future" and two episodes of the "Teddy Ruxpin" series. Other segments for each of the new releases are expected in the future.

Radio

The National Telecommunications and Information Administration has recommended that the FCC go back to square one and approve regulations that would protect Motorola's AM stereo system. The FCC approved AM stereo in 1982, but refused to set a standard, contending that the "marketplace" should do that. The marketplace thus far has failed to winnow the AM stereo contenders down to one.

CBS News has renewed its agreement with American Public Radio for production of "Business Update," the year-old daily half-hour financial news program distributed to 65 stations nationwide. CBS produces the series, anchored by correspondent Frank Settipani, for syndication by APR to public radio outlets at 5 p.m. and 6 p.m. (ET).

The Washington-based National Federation of Community Broadcasters has received a contract from the Corporation for Public Broadcasting to assist in the planning of a CPB production center that will serve minorities in public radio. NFCB plans to meet with black, Hispanic, Native American and independent producers this fall to make recommendations on the location, size and scope of the media complex.

Syndication

Tribune Entertainment Co. has renewed its "At the Movies" weekly movie review program for a sixth season. The syndicated half-hour series, co-hosted by Rex Reed and Bill Harris, clears more than 90 stations reaching 85 percent of U.S. TV homes.

Syndicast Services and Access Entertainment Group have formed an alliance to combine the strengths of the mid-sized syndication companies. Syndicast, a division of the Australian-based Network Film Corp., will handle all barter advertising sales for both

companies' programs, estimated at a combined \$28 million. The bulk of the sales will come from Syndicast's programs. Access, in turn, will handle all station sales for a library now consisting of nearly 200 hours worth of first-run programming for fall.

Multimedia Entertainment has sold "Donahue's" broadcast rights for the United Kingdom to ITV, which will air the syndicated daily series on its Central TV and Thames TV networks. "Donahue," which airs in 200 U.S. markets, will reach at least 40 percent of UK TV homes under the new arrangement.

Raymond Horn Syndication has cleared "It's Showtime at the Apollo" on television stations serving 70 percent of U.S. homes, including the NBC owned-and-operated outlets. The one-hour barter special stars Bill Cosby, Whitney Houston and Anita Baker.

CCR Productions has signed a deal with producers Terrie Frankle-Smith and Diane Dowling-Robison for production of "Movie Talk," a syndicated movie review show, and "The Entertainers," a syndicated celebrity series hosted by Joe Delage and originating from Las Vegas and Atlantic City.

Tribune Entertainment claims clearance on 188 stations, serving 94 percent of U.S. TV homes, for its "Sons of Scarface: The New Mafia." The two-hour prime-time special airs Aug. 17 and is hosted by Geraldo Rivera. The program will examine the history of organized crime in the United States. The clearance figure is the largest ever for a Rivera-hosted special.

King World has selected "George Schlatter's Comedy Club" as the new title for "Laugh Machine," the syndicated half-hour weekly series it will distribute this fall. The program, presenting little-known comics from throughout the United States, has cleared on 117 stations.

The interactive children's program "Saber Rider And The Star Sheriffs" has cleared 30 international markets for its premiere this fall. The show's distributor, World Events, also says its special "Denver, The Last Dinosaur," scheduled for debut next spring, has been cleared by the Fox-owned TV stations, which also have an option if the special goes to series.

Other

Hanna-Barbera Productions and Turner Entertainment Co. have agreed to jointly develop a first-ever animated theatrical motion picture starring the Tom & Jerry cat and mouse characters. TEC, which already owns 276 original MGM-produced Tom & Jerry cartoons, makes its feature film debut with the project.

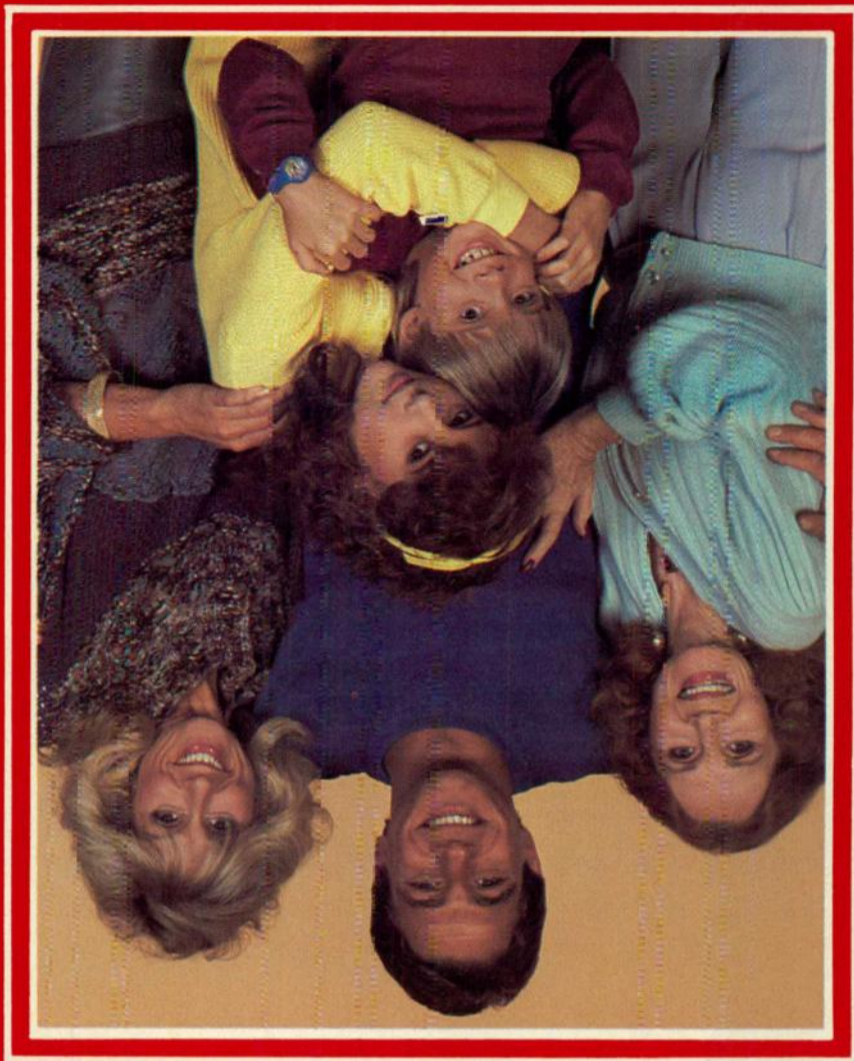
Harcourt Brace Jovanovich is being investigated by the Securities and Exchange Commission in connection with its recapitalization and a related \$1.3 billion debt offering. The SEC has requested information about the company's purchase of stock and debentures at the time the restructuring was announced. The company offered to buy back stock and issue a hefty dividend to stockholders as part of the recapitalization. The Orlando, Fla.-based publishing and theme park concern also disclosed last week that it may have to file for bankruptcy if current cost-cutting moves prove ineffective.

Home Shopping Network says it will donate \$500,000 over five years to the Broadcast Capital Fund, the nonprofit venture capital firm that National Association of Broadcasters founded to help minorities buy broadcast stations.

Rupert Murdoch's News Corp. and its News International PLC unit have reduced their combined stake in Reuters Holdings PLC to 3.8 percent from 9.5 percent. In a Securities and Exchange Commission filing last week, the Australian media concern said the reductions were made as a result of an exchange offer with holders of preferred stock in another News Corp. unit. Reuters, a London-based international news and financial information concern, declined comment on the move.#

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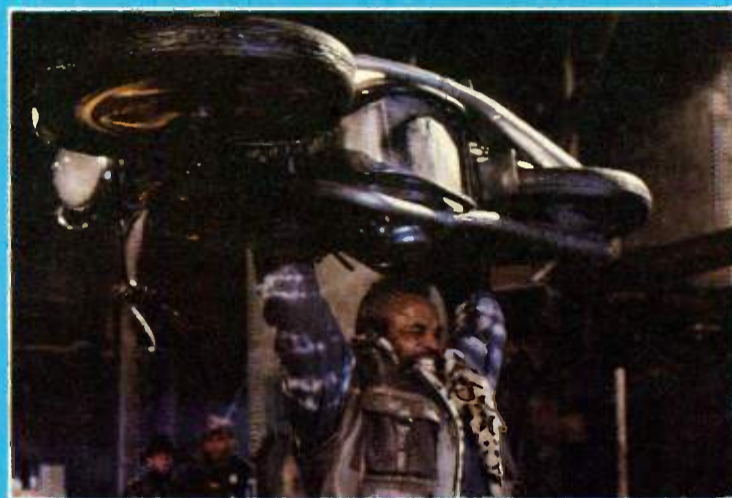
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WFLX-TV in West Palm Beach, Fla., is seeking an **on-air promotion director** with hands-on creating, writing, directing and editing experience. Send resumes to: Lois Kwasman, WFLX-TV, 4119 W. Blue Heron Blvd., West Palm Beach, Fla. 33404-4897. Phone: 305-845-2929.

WSRE-TV in Pensacola, Fla., is seeking a **station manager/chairman broadcasting department** with master's degree and five years experience, preferably in public broadcasting. Send resumes to: Employment Office, Pensacola Junior College, 1000 College Blvd., Pensacola, Fla. 32504. Phone: 904-476-7790.

WLOS-TV in Asheville, N.C., is seeking a **program director** with experience. Send resumes to: Personnel Director, WLOS-TV, P.O. Box 2150, Asheville, N.C. 28802. Phone: 704-255-0013.

WGAL-TV in Lancaster, Pa., is seeking a **national sales manager** with three to five years experience in TV broadcast sales. Send resumes to: Personnel Director, WGAL-TV, P.O. Box 7127, Lancaster, Pa. 17604-7127. Phone:

717-393-5851.

WTVG-TV in Chattanooga, Tenn., is seeking a **business/personnel manager** with three to five years experience in broadcasting. Send resumes to: F. Lewis Robertson, vice president and general manager, WTVG-TV, P.O. Box 1150, Chattanooga, Tenn. 37401. Phone: 615-756-5500.

WOFL-TV in Orlando, Fla., is seeking a **producer/director** with a solid background in commercial TV production as a director to write and director PSAs, promos and commercials. Send resumes to: George Hillis, production manager, WOFL-TV, 35 Skyline Drive, Lake Mary, Fla. 32746. Phone: 305-644-3535.

WPLG-TV in Miami, Fla., is seeking to fill two positions:
Newscast producer with three years prior experience as newscast producer in a commercial television newsroom. Send resumes to: Sharon Buchanan, WPLG-TV, 3900 Biscayne Boulevard, Miami, Fla. 33137. Phone: 305-576-1010.

Feature reporter with broadcast journalism experience, writing, film and/or videotape. Send resumes to: John Terenzio, news director, WPLG-TV, 3900 Biscayne Boulevard, Miami, Fla. 33137. Phone: 305-575-1010.

Radio

WBAZ-FM in Long Island, N.Y., is seeking a **station manager** with general sales or local sales

management experience. Send resumes to: JS&A, Suite 10 I, 340 W. 57th St., New York, New York 10019. 212-765-3330.

Syndication

Viacom International in New York is seeking a **quality control assistant** with knowledge in both technical film and videotape as well as management potential. Send resumes to: Collette Capocciano, 1211 6th Ave., New York, N.Y. 10036. Phone: 212-719-7400.

Other

Capitol Satellite and Communications Systems in Raleigh, N.C., is seeking an experienced **satellite engineer** to maintain and operate both fixed and transportable uplinks and downlinks and teleport facilities. Television broadcast engineering experience plus two years RF and/or satellite earth station experience. Send resumes to: Department of Human Resources, Capitol Broadcasting Co., P.O. Box 12800, Raleigh, N.C. 27605. Phone: 919-859-1400.

Corporation for Public Broadcasting in Washington is seeking a **vice president and treasurer** with experience as a financial manager and familiarity with TV and/or radio broadcasting as well as knowledge in federal and non-profit budgeting. Send resumes to: Marcia Grossman, personnel manager, CPB, 1111 16th N.W., Washington, D.C. 20036. Phone: 202-955-5100.

Academic

San Francisco State University is seeking a **television engineer** with bachelor's degree or equivalent in electrical engineering, physics or related field and three years experience as an audio-visual engineer to operate and maintain TV and radio broadcasting facilities. Send resumes to: Personnel Services Department, San Francisco State University, 1600 Holloway Ave., N-AD, San Francisco, Calif. 94132. Phone: 415-469-1748.

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The "Jobs" column is compiled by Susan Graening of our Chicago staff. Media companies that have job openings should send the job title and a brief job description to Ms. Graening at ELECTRONIC MEDIA, 740 N. Rush St., Chicago, Ill., 60611. She can be reached at 312-280-3148. Items submitted for the "Jobs" column must include a telephone number for obtaining further information and an address where resumes can be sent. Please advise us when the job has been filled. Decisions on which items are published are made by ELECTRONIC MEDIA'S staff.#

Pittman plans major projects

(Continued from Page 16)
"It's Easy When You're on Fire" against a montage of Leonard-Hagler highlights.

But by far Quantum's most ambitious project to date was its failed attempt to acquire J. Walter Thompson, the ad agency that was eventually taken over by the WPP Group in London.

That deal would have required an investment between \$60 million and \$100 million, which gives some indication of the financial backing MCA is providing—a subject Mr. Pittman declines to discuss.

Undaunted by Quantum's failure to acquire JWT, Mr. Pittman is still looking at other acquisitions, possibly in cable, "that fit this company's needs."

Not that Mr. Pittman necessarily wants to maintain his ties to cable. He wants to leave his "Mr. MTV" identity far behind and has vowed to not produce any rock 'n' roll movies.

He says he left MTV because the possibilities were no longer "limitless" when the company was completely absorbed by Viacom, and he was concerned about a situation that was becoming too comfortable.

"As MTV got successful, it was very easy to get anything we wanted, and that's not challenging," he says.

His departure also followed an unsuccessful leveraged buyout effort financed by Forstmann Little Co. in 1985.

That effort fell just short of its goal, with part-owner Viacom winning Warner's interest in the company and Mr. Pittman gaining more than \$2 million from the sale of options he got before the Viacom takeover.

But Mr. Pittman still longs for the days at Warner Amex when he and six other executives got MTV up and running.

"I look for things that are a real challenge, the things that people say



TOM FRESTON
Says Mr. Pittman acts quickly

you shouldn't do. MTV is an example of that. J. Walter Thompson is an example of that."

Tom Freston, the current MTV president and chief executive officer who started MTV with Mr. Pittman, sees Quantum as a logical step for his old boss.

"It became evident to Bob that MTV had become a spoke for a number of things in the entertainment industry," he says. "He sees there's a generation out there that can be reached in a variety of ways."

He says Mr. Pittman was a chief executive who always was quick to act on ideas.

"If I brought Bob something that was a good idea," Mr. Freston recalls of his days as MTV general manager, "he would OK it with a wave of the hand."

Mr. Pittman began his career as a radio disc jockey at 15, eventually becoming program director of NBC's New York AM station at 23, helping to make the station No. 1 nationally.#

CBS's Pan Am Games lose first ratings matchup

(Continued from Page 6)
son advertising agency. He said JWT figured on ratings in the 3 to 3.3 range for the opening weekend.

In fact, the numbers were ahead of the 2.8 scored in six overnight markets for the last Pan Am Games' opening ceremonies in 1983.

The long-awaited Aug. 15 confrontation between the United States and Cuba in baseball was expected to boost ratings, and Mr. Von Urff projected a 4.5 for that day's competition.

That's just below the 4.6 total average rating JWT anticipates, which is comparable to the 5 average CBS itself was expecting, according to Mr. Von Urff.

"They had sold it out without any problem," he said. "I think they'll do fine with it."

Logistically, with 4,500 athletes competing in 27 sports at 23 sites, CBS had its production hands full. The network concentrated the efforts of its 150 commentators and crew members on such high-interest events as boxing, basketball, gymnastics, swimming

and diving, volleyball and track and field.

"It's our venture into the world of Olympic-style coverage," said Ted Shaker, CBS Sports executive producer. "We don't have that kind of budget or commitment of time, but it's a big undertaking for us."

CBS plans to broadcast a total of 26 hours over the course of three weekends, with the last broadcast on Aug. 23.

The network paid \$4 million for the rights and reports that advertising sold out early. CBS officials say they expect to make a reasonable profit on the investment.

"We went after key-category advertisers," said Jerry Dominus, CBS vice president of sales, citing everything from insurance carriers to farming equipment.

GMC Truck, Coca-Cola, Visa, Prudential Insurance, Peerless Faucet and Ameritech were among the advertisers CBS signed up.#

ABC outlet eyes job cuts

(Continued from Page 6)

Joe Ahern, WLS vice president and general manager, was vacationing last week. But through a station spokeswoman, Mr. Ahern said that the recommended layoffs were premature and that "much consideration and review" would take place before the number and kinds of additional layoffs at the station were determined.

A source at the station said it was hoped that any additional job cutbacks could be accomplished through attrition.

Capital Cities/ABC officials said they were unaware of similar cutback recommendations being made to other ABC-owned television stations, but the officials did not rule out further job eliminations at the outlets.

"There's still plenty of waste around," said one company executive who asked not to be identified.

"There's still plenty of NABET featherbedding, and should those

kinds of additional staff reductions take place, they would not hurt a station like WLS, even heading into an election year.

"For right now, any notable cutbacks taking place are unique to that station," the executive com-

mented.

However, there continues to be companywide staff reduction accomplished through attrition that "could add up to some pretty impressive numbers by year's end," one executive said.#

Attorney disputes firing

(Continued from Page 16)
Aug. 3 after Mr. Meese declared a "technical vacancy" in the position and appointed Mr. Ashcraft as an interim U.S. attorney.

Mr. Russell said Mr. Brewer was fired after he refused to resign his post.

The attorney general may appoint an interim U.S. attorney for up to 120 days, he added.

Meanwhile, Congress is still planning to hold hearings on television ministries this fall.

Rep. J.J. Pickle, D-Texas, chair-

man of the House Ways and Means oversight subcommittee, said after meeting with television evangelists recently that Congress will be looking at whether the ministries are complying with Internal Revenue Service tax laws.

"It has become apparent that Internal Revenue either has looked the other way, or has hesitated to involve itself in organizations like the PTL," Rep. Pickle said.

"If they are tax-exempt, there should be some accountability," he added.#

TBS board backs new channel idea

(Continued from Page 4)

colorized films from the MGM library. TBS is grossing an average of \$950,000 in revenue for colorized movies from the MGM film library, the chairman told stockholders.

"It only costs us between \$200,000 and \$300,000 to colorize one of these movies, so we are making over half a million dollars profit in the first run," he said.

Also at the shareholder's meeting, a number of amendments to TBS's articles of incorporation were approved. A newly created stock structure now allows the issuance of securities equal to 16.4 percent of voting power.

The plan also calls for each of TBS's 21.8 million shares of outstanding common stock to be split into one share of Class A common stock worth one vote per share, and one share of Class B common stock worth one-fifth vote per share.

The split will raise Mr. Turner's personal voting share from 51.4 percent to 67.8 percent of stock.

The new Class B stock, which

TBS hopes to list separately on the American Stock Exchange, will likely play a part in refinancing TBS's \$1.4 billion debt.

As a result of the MSO investment in the company in June, TBS must refinance its debt before June 1988 to pay a mandated \$38.8 million dividend to the consortium.

New board members representing the consortium are: Stewart Blair, president and chief executive officer of United Artists Communications; Michael J. Fuchs, chairman and chief executive officer of HBO; and James L. Gray, president and chief operating officer of Warner Cable Communications.

Also, John C. Malone, chairman of United Artists Communications; Trygve Myhren, chairman and CEO of American Television and Communications Corp.; Timothy Neher, president and COO of Continental Cablevision; and Gene W. Schneider, chairman and CEO of United Cable Television Corp. #

Richard Tedesco also contributed to this story.

ABC and CBS forgo anti-clutter campaign

(Continued from Page 4)

generally applauded the move because it will enhance the on-air environment in which their TV spots appear.

"I don't expect much of an uproar over this because daytime is a daypart that contains too much clutter," said Marc Feidelson, senior vice president and media director for Daily & Associates, Los Angeles.

"The ones getting hurt are the little advertisers with national distribution who need national merchandising and can't otherwise afford to buy network spots," Mr. Feidelson said.

Rick Pike, advertising director for Beatrice Hunt-Wesson of Fullerton, Calif., "applauds" NBC's effort but is concerned that more needs to be done to address clutter.

NBC executives last week said they were inundated with written and telephone support from TV group owners, affiliates and advertisers who consider NBC's campaign an encouraging development.

"We approve of it wholeheartedly. It's a move that will make our viewers very happy," said LeRoy Paul, president of American Family Corp., a Columbus, Ga.-based



TOM GOODGAME
Disappointed in ABC, CBS

broadcasting group.

NBC has said its national advertisers may eventually be willing to pay increased rates for spots that appear in an improved environment.

Mr. Paul said he and other affiliates have written to the networks and syndicators expressing their

dismay with the "extended use of credits and promotional messages."

Tom Goodgame, president of Group W Television Stations, is disappointed that ABC and CBS have no interest in stepping up their efforts to reduce on-air clutter.

"But the mere fact that NBC has done what it has will bring pressure to bear on the entire marketplace and probably will force more change," Mr. Goodgame said.

Pierson Mapes, president of the NBC Television Network, said his company "is hardly posturing," given the money it stands to lose eliminating the spots.

"Cleaning up our on-air clutter is important to staying ahead of the other mediums that are syphoning off our audience," Mr. Mapes said.

NBC could announce the second phase of its anti-clutter campaign as early as the end of the month.

Sources have speculated that the network might consider eliminating 15-second spots from its ad inventory. However, NBC executives deny that such consideration would be given anytime soon.

Fifteen-second spots make up about 15 percent of each network's ad inventory. #

Summer ratings drop causes apprehension

(Continued from Page 6)

While the combined network audience hovers around the 60 share level, erosion in some major markets has plunged network viewership to all-time lows.

Station research executives estimate the aggregate audience for network affiliates in Los Angeles dropped below the 50 share level for the first time last month for the Monday-through-Friday prime-time block.

One station tracking the phenomenon said last month's 9 rating/49 share for the affiliates' July sweeps represents a share decline of 17 percent since 1983. Independents in the market, meanwhile, have enlarged their audience to an average 30 share in prime time.

The dearth of original product has been a boon for other network competitors as well.

HBO reports a 23 percent increase in viewing levels in the last three months, and estimates the network audience dropped 21 percent in homes with HBO during the same

period.

On the night of June 28, for example, the made-for-HBO movie "Lion of Africa" beat all three networks in homes subscribing to the pay cable service.

Fox Broadcasting, which is deliberately keeping original programming on the air throughout this summer, has maintained ratings in the 3 to 6 range, which analysts believe is respectable given the fledgling service's limited resources and incomplete national coverage. In some instances, Fox is beating the network with its Saturday and Sunday night offerings.

Still an unknown is the long-term impact of home video on summer viewing.

Rentals and sales have improved this summer during what is traditionally a slow period for the industry. In markets such as Los Angeles, New York and Chicago, where VCR penetration is above 60 percent, home video's influence on prime time may be greater than expected. #

No. 2 man at NAB announces retirement

(Continued from Page 3)

Mr. Summers, who had risen through the association during a span of 20 years, had been trying to get broadcasters the best deal he could, the source said.

"For the most part, he got a vote of no confidence from his own board on the parameters of the (comparative renewal) package," the source said.

"He wanted to get away from all the b.s.," added one NAB board member.

Since the June board meeting, the legislative effort hasn't progressed well in Congress.

In a memo to the NAB board, Mr. Summers said he would depart with "a sense of pride in my accomplishments over the past 20 years, and with the satisfaction that I have never done anything or recommended anything that I did not believe to be in the very best interests of the membership of this association." #

Eddie Fritts, NAB president, said the association board had not been pressing for Mr. Summers' ouster.

Mr. Summers, who has a contract with NAB through June 1989, said he and his wife, Gloria, intend to retire to Duke, N.C., where they own a second home.

"If I do anything, I'll do some teaching, and not too much of that," he says.

Mr. Fritts said the association is hoping to find a successor before the end of the year.

"I think what we're looking for now that John's leaving is someone who has strong and deep roots on Capitol Hill," he said.

Mr. Summers, a lawyer, joined the NAB in 1967 after a seven-year stint at the Federal Communications Commission. He served in the U.S. Army as a radio intelligence specialist. He also worked for the CIA. #

Harper out, Duncan in on 'Valerie'

(Continued from Page 8)

pany and Ms. Harper had resolved their differences and "put this matter behind." But last week's announcement that Ms. Harper was being dropped, which was made while the program was on a production hiatus, came in the form of a one-page press release that didn't even mention Ms. Harper.

New fall episodes of "Valerie," which NBC runs Mondays at 8:30 p.m. (ET), begin airing on Sept. 21.

For Ms. Duncan, the role is her first in a TV series in 15 years.

The last TV series that Ms. Duncan starred in was the short-lived "Sandy Duncan Show" in 1972. Before that, she starred in another briefly scheduled show, "Funny Face." Both half-hour programs were new fall CBS series that were replaced at midseason.

Since then, Ms. Duncan had a role in the miniseries, "Roots," starred in several Disney films and has appeared in several Broadway plays. #

Executive's departure raises questions for CBS

(Continued from Page 3)

front line who did an excellent job through a tumultuous era."

In the aftermath of Mr. Schweitzer's unexpected departure, industry sources were once again wondering about the stability of the broadcast group's management team under the new leadership of Laurence Tisch, CBS president and chief executive officer.

But Mr. Jankowski said he feels comfortable in his position and he denied talk among some CBS insiders that Mr. Tisch is unduly treading on his authority.

"That's not fair and it's not true," Mr. Jankowski said of such talk. "With the down-sizing we have gone through, we have a faster communications process.

"Now, everyone talks to everyone else. This is a great team effort and Mr. Tisch is very

much involved."

Regarding Mr. Schweitzer's resignation, Mr. Jankowski said: "George had an offer he couldn't refuse. There was no way we could match it. I wouldn't read anything more into his decision to leave."

As for his own position, Mr. Jankowski said, "I feel very comfortable in it. Who knows what any of us will be doing five years from now, but I still believe I'm in it for the long haul. Mr. Tisch and I have a very good working relationship. I'm very happy doing what I'm doing."

Mr. Schweitzer said he had "mixed emotions" about leaving, but said his new position at Y&R afforded him a terrific career growth opportunity.

"I love CBS. I shared both its successes and rocky times," he said.

Mr. Schweitzer's successor, Ms. Henderson, had been vice president, sales and marketing services, for CBS Broadcast International.

Prior to the naming of Ms. Henderson, one of the names being floated as a replacement for Mr. Schweitzer was Bud Rukeyser, NBC's vice president of corporate communications.

Also, Mr. Jankowski said no other executive changes in the broadcast group were being contemplated.

Mr. Schweitzer's staffers said they were, as one put it, "somewhat unnerved and bewildered" about their boss's departure. They described him as a demanding but highly respected taskmaster who had led them through trying times.

Last year, Mr. Schweitzer had consolidated all public relations activities for entertainment, news, sports, business trade and pol-

icy under one roof.

The austere budget cuts that hit the CBS/Broadcast Group affected Mr. Schweitzer's domain as well. CBS now has 75 press and publicity staffers, compared with 135 last year.

At Y&R, Mr. Schweitzer will be responsible for press and public relations, reporting directly to Alexander Kroll, the agency's chairman and chief executive officer.

Mark Stroock, 64, Y&R's senior vice president of corporate relations, recruited Mr. Schweitzer. Mr. Stroock, who will remain a consultant to the agency, described Mr. Schweitzer "as the best in the business."

In an unrelated move, Doug Clemensen, vice president of advertising for the CBS Television Network, resigned from the post he had held for eight months. #

New MTV chief faces challenges

By JANET STILSON
Staff reporter

NEW YORK—No sooner had MTV Networks kicked off its new cable service in Europe than a shakeup hit the highest echelons of the company.

One of the networks' two presidents, Thomas Freston, was named sole president and chief executive officer.

That move, accompanying a series of changes at MTV parent Viacom International, led Robert Roganti, the other networks president, to resign.

Moreover, it left Mr. Freston in the position of overseeing MTV's expansion overseas, as well as efforts to bolster Nickelodeon, Nick at Nite and VH-1.

Mr. Freston says his first priority in his new position "is to continue to exploit the core business. We're the leading provider of cable services to the industry and need to increase our circulation and financial performance."

"We're beginning to exploit the trademarks of the network and there are many other revenue opportunities through licensing and merchandizing."

Among the company's plans are a board game version of the Nickelodeon game show "Double Dare," a home-video series; an apparel line, and building a "rock-plex," which could include studios, stores and

even an amusement park.

And, MTV's move into Europe and beyond is seen as a key expansion for the company.

Mr. Freston said the two-president system made it difficult to operate MTV Networks.

The problem with the arrangement, he said, "was we never had one person ultimately responsible. It wasn't as integrated as it could be. Things fell through the cracks."

Mr. Roganti said he will soon announce his own New York-based TV venture.

Meanwhile, MTV Europe has launched and the company is looking to other shores.

Mr. Freston believes it will take six years for MTV Europe to break even, and five years before it reaches the 10 million subscriber mark.

MTV Networks has already begun airing blocks of music programming on broadcast outlets in Australia and Japan and it's in talks with broadcasters in Brazil, India, Mexico, Costa Rica, Taiwan, the Philippines, Ecuador and the Soviet Union, Mr. Freston said.

MTV Europe is now the only 24-hour Pan-European music video channel, picked up by cable operators in Britain, Ireland, Holland, Switzerland, Germany, Sweden, Denmark and Finland.

And if all goes as planned, systems in Belgium will join the list at the end of this month. #

Exodus at Viacom

(Continued from Page 1)

way for Mr. Biondi's effort to disband Viacom Networks Group, the corporate entity that oversees the company's cable networks.

Mr. Haimovitz said he probably will seek a job in TV production, while Mr. Roganti said he will soon announce a new TV venture.

Two weeks ago, Viacom named Winston "Tony" Cox as chairman and chief executive officer of Showtime/The Movie Channel.

Both Mr. Biondi, who most recently was chairman of Coca-Cola's TV division, and Mr. Cox are former HBO executives and will be overseeing that network's chief pay cable competitor.

Meanwhile, sources said Paul Hughes, broadcast group president, and John Goddard, president of Viacom's cable division, who also were part of the failed buyout effort, might remain.

Terrence Elkes, who had been president and chief executive, became the first of the leveraged buyout group to leave, along with Kenneth Gorman, executive vice president and chairman of the Viacom Networks Group.

They have formed a new company, Apollo Partners Ltd., a management investment and financing venture.

Mr. Redstone, who succeeded in merging Viacom with his National Amusements after a bitter takeover tug-of-war with the buyout group, chose Mr. Biondi to replace Mr. Elkes.

At the same time, Mr. Redstone named himself chairman, replacing Ralph Baruch.

Both Mr. Biondi and Mr. Redstone were unavailable to comment on the situation late last week.

In the wake of wooing Mr. Cox from Time Inc., Mr. Biondi is reportedly contemplating further raids on that company for his new

staff.

"It's the logical place to go," said Dennis McAlpine, vice president and media analyst for Oppenheimer & Co. He said the imminent departure of the leveraged buyout group members was also a logical development.

After Viacom bought all of Showtime and MTV Networks from Warner Amex, it created the additional corporate structure of the Networks Group. Since Robert Pittman had left his post as MTV chief executive last year, there had been a co-presidency with Mr. Freston and Robert Roganti, who had headed advertising sales.

Both new heads of the network operations, Mr. Cox and Mr. Freston, will report to Mr. Biondi.

"If Freston and Cox are reporting to Biondi, it doesn't look like the networks group has a function," Mr. Elkes observed last week.

Meanwhile, Mr. Elkes is concerned with the intended function of his new venture, which he described as "primarily dealing in turnaround or start-up" situations with companies in the entertainment business.

Apollo is looking at six deals, one of which could come to fruition within 60 days.

Mr. Elkes added that both he and Mr. Gorman have had conversations on possible deals with cable programmers and have been approached to undertake projects for companies in the European entertainment marketplace.

Intending to concentrate on television programming companies and entertainment concerns, Apollo may attempt partnership deals with investment firms or take equity positions in specific ventures.

Mr. Elkes reported having no conversations with any Viacom executives about their participation in his new venture. #



"Family Feud" may be revived without host Richard Dawson.

New 'Family Feud' tops list of new game shows

(Continued from Page 3)

It also may be taking on some weakening shows, such as "Hollywood Squares," "\$100,000 Pyramid" and "The New Newlywed Game."

In addition to the changing game-show landscape, the continued interest in the genre is being aided by double-access stripping, in which stations are opening up a fresh half-hour of prime access.

Jerry Chester, Goodson's New York-based executive vice president, said the format of "The New Family Feud" will be the same as the old one, which was hosted by Richard Dawson.

The series, which ran in first-run syndication from 1977 to 1984 and on the ABC daytime schedule from 1976 to 1984, pitted two five-member families against each other in a question-and-answer game based on audience surveys.

Mark Goodson Productions retained rights to the show following the death of co-producer Bill Todman several years ago.

Sources say Coca-Cola Telecommunications had a tentative \$20 million deal with Goodson that fell through after LBS upped the ante.

A \$22 million bid by Fox was reportedly rejected because the producers preferred placing the series on major-market network affiliates rather than independents. Other bidders are said to have included Viacom Enterprises, King World Productions, Group W Productions and MTM Enterprises.

LBS will sell the show on a cash and barter split, retaining two 30-second spots for national advertising.

Dick Kurlander, vice president and director of programming for New York-based Petry Television, thinks "Family Feud" has the best shot at success of any of the new game shows announced thus far.

"It's still a very good concept, but I don't think any of the proposed programs have a real chance of knocking off 'Wheel' or 'Jeopardy!,'" he said. "(The latter) have shown very little ratings erosion."

Mr. Kurlander and other observers warn that "Family Feud" may not be able to revive the cult of personality that surrounded original host Richard Dawson, especially with an unknown replacement.

"The real competition for King World and other access program producers will be the reality shows," he says.

Among those forthcoming shows are Lorimar's "TV Guide," Group W's untitled "son of 'PM Magazine'" series and GTG Entertainment's "USA Tomorrow."

Here's a rundown of the game shows in development for the 1988-89 season:

- "Monopoly," by King World. The producer and distributor is looking for a network deal on the show, based on the popular Parker Brothers board game. No pilot or host has been announced for the program, which will be offered in syndication if current discussions don't bear fruit.

A spokeswoman for King World says her company is making "a major effort" to sell the show.

- "Double-Up," by Dick Clark Productions and MCA TV. The pilot was recently shot at KTTV-TV in Los Angeles and hosted by actor Jamie Farr of

"M*A*S*H." Two married couples compete against each other for cash prizes in this word game, which will be distributed by MCA TV in January or September.

Dick Clark is executive producer and Bruce Sterten producer. The half-hour series is based on Mr. Sterten's original concept.

- "Yahtzee," by ABR Entertainment Co. The pilot for the TV version of the popular Milton Bradley board game has received positive notices, but reps are split on whether it will do better as a January or September entry.

According to ABR President Burt Rosen, market demand will dictate that decision. Some reps see it as a daytime show, but the syndicator is insisting on early fringe or access placement.

Peter Marshall will host the cash-plus-barter series from Ralph Andrews, in association with Hovis/Bernstein Productions.

- "Trivial Pursuit," produced by Taft Entertainment Television for distribution by Worldvision Enterprises. Because of its similarity to "Jeopardy!," the show is expected to be placed in mornings or early fringe.

An earlier pilot, which was praised by reps, was distributed during last January's NATPE International convention, too late for most stations to schedule for this fall.

Los Angeles disc jockey Steve Morris hosts the half-hour series, based on the popular board game and produced in association with Jay Wolpert Productions.

- "Queen for a Day," by Barry & Enright, for September 1988 distribution. Although not a game show in the traditional sense, this long-running (1956 to 1964) half-hour daytime network and later syndicated series granted wishes worth more than \$21 million to contestants, whose tales of woes eventually led to royal treatment.

A network or first-run syndication deal is being sought, with no host or pilot yet available. Barry & Enright recently acquired broadcast rights from Queen for a Day Inc.

- "The \$64,000 Question." Casablanca IV and Carson Productions are negotiating for rights to this 1955-58 prime-time CBS series, but as of last week no deal had been struck.

The program, in which players answered progressively harder questions, was the focus of a major quiz show scandal in the late 1950s. Viacom tried to revive the half-hour series in 1976 without success.

- "The Gong Show," by Barris Industries, in association with Chris Bearde Productions. Barris and Bearde will try to revive the show for September 1988, although Chuck Barris, the show's original host and co-executive producer, will not be involved.

Chris Bearde was co-producer of the original series, which ran on NBC's daytime schedule from 1976 to 1978 and in syndication from 1976 to 1980. The host for "The New Gong Show" pilot, to be taped in late September, has not been disclosed. The program featured a celebrity panel whose members rated the performances of undiscovered and often outrageous talent, with winners receiving cash prizes. #

Storer and PTL settle legal battle

(Continued from Page 2)

tucky will be able to drop the service as early as Sept. 1.

The operation, which provides the PTL network to 155,000 subscribers, had announced that it is spawning an interfaith religious channel under the control of local churches and synagogues. As a result, it announced it was dropping PTL.

PTL's legal action against Storer prompted another MSO to request a court approval of its plan to drop The Inspirational Network.

In a filing with the South Carolina bankruptcy court dated Aug. 6, Tele-Communications Inc. argues that because it is not listed as a creditor in PTL's Chapter 11 filing, the automatic stay that bars stations and networks under contract with PTL from dropping its programming does not apply. A hearing has been set for Sept. 9.

Superstation drops religious shows

By JANET STILSON
Staff reporter

NEW YORK—Despite an expected loss of millions of dollars, superstation WWOR-TV here has dropped its syndicated religious programming in favor of children's shows.

The move, involving five TV ministries, is part of a programming makeover at the independent station that will see the addition of three new local programs and several syndicated shows this fall.

The loss of income from the paid religious programming is "going to be very, very painful," said Robert Kunath, WWOR's vice president and general manager.

But while the decision not to renew those contracts will mean a loss of "several millions of dollars" and anticipated viewer complaints, in the long run Mr. Kunath expects the children's programming to bring increased ratings and ad dollars.

The station is cutting two early morning weekday offerings, "The 700 Club" and "Jimmy Swaggart,"



ROBERT KUNATH
Losses "very painful" for WWOR

along with Sunday programs "Dr. Robert Schuller With the Hour of Power," "It Is Written" and "The

World of Tomorrow."

While the much-troubled PTL has no programs on WWOR-TV, the ministry's recent problems "only helped to confirm our decision made beforehand" to drop the shows, Mr. Kunath says.

With the move, the religious shows lose not only a prime VHF berth in the country's No. 1 market, but also 9 million cable subscribers who receive WWOR over almost 2,100 systems, according to National Cable Television Association figures for April.

Larry Sonnenburg, media director at Robert Schuller Ministries, says he found out WWOR had decided not to renew its contract in May, but the program has yet to find a new home in the New York market.

"This is a heavy-duty decision for religious broadcasters," says Shirley Cooke, director of Starcom, the in-house agency at Jimmy Swaggart Ministries that negotiates station contracts.

At least two of the programs affected, "Swaggart" and "The 700

Club," hold other slots in the market, on UHF outlet WNJU-TV. That largely Hispanic station is picked up by most area cable systems, says David Clarke, who oversees "The 700 Club" as vice president of marketing at the Christian Broadcasting Network.

The move to drop the religious programming and expand local shows is the direct result of the acquisition of WWOR-TV by MCA earlier this year. That move has added "significant" dollars to the program budget, said Farrell Meisel, program director.

As part of the changes, WWOR's local, half-hour 8 p.m. (ET) news is moving to 10 p.m. as an hour-long newscast that could include a revised format and new anchors and reporters.

Its three new local shows are "People Are Talking," "Evening Magazine" and the tentatively titled "The Morton Downey Show."

MCA's deep pockets have already stockpiled some of the hottest syndication properties for 1988 and 1989.

AT PRESS TIME CONTINUED

miered June 15, scoring a 1.0 rating its first week and a 0.9 during the last week measured by Nielsen, Aug. 2.

● CHICAGO—Centel Cable Television Co. made an initial public offering of 18.4 percent of its common stock in a filing with the Securities and Exchange Commission on Friday. The company estimates the initial price for the 4.6 million shares between \$20 and \$22. Centel Corp., its parent company, declared a three-for-two stock split Friday and a rise in the company's quarterly dividend.

● NEW YORK—Katz Television has picked up four United/Chris Craft stations worth a total of \$90 million in annual billings. Three of the outlets come from Telerep: KCOP-TV, Los Angeles; KMSP-TV, Minneapolis; and KPTV-TV, Portland, Ore. The other station, KBHK-TV, San Francisco, has been represented by MMT Sales.

● TORONTO—The A.C. Nielsen Co. of Canada Ltd. and the Bureau of Broadcast Measurement have reached a final agreement to jointly publish ratings reports based on the Nielsen people meter. The deal calls for the two companies to cooperatively develop a national people-meter service for Canada, as well as one providing local Toronto and Montreal ratings.

● WASHINGTON—VCR sales increased 10 percent during July over the same period a year earlier, according to the Electronic Industries Association, rising to 916,000 units from 833,000. Year-to-date sales of VCRs are up less than 1 percent over 1986, inching up to 6.6 million from 6.5 million. Camcorder sales are up 44 percent for the year and stereo color TV sales have climbed 27.5 percent.

● CARSON, CALIF.—The Fashion Channel has closed its equity stock offering with 2.5 million shares of Class B stock, valued at \$500,000, purchased by 66 multiple system operators and independent systems. The cable network launches this fall.

● BEVERLY HILLS—Barris Industries has acquired exclusive broadcast and cable TV rights to all original programming developed by National Lampoon. The humor magazine, which tried to launch the syndicated "National Lampoon's Delta House" TV series in 1979, is expected to first explore pay TV and syndication through the new partnership.

● WASHINGTON—PBS will air the controversial "AIDS, Changing the Rules" on Nov. 6. The half-hour program, narrated by Ron Reagan, son of the president, includes a demonstration on the proper use of condoms.

Consumer Reports survey gives cable mediocre reviews

(Continued from Page 1)

lence, the 150,000 polled readers gave The Playboy Channel a 27, MTV a 35 and The Nashville Network a 36.

In a section on systems, based on subscribers in New York, San Diego and Virginia, 60 percent cited service disruptions in the past year, one-third pointed to billing complaints, and half indicated difficulty in reaching their cable company.

The readers' assessment of cable was by no means all bad, however.

For example, readers gave the highest marks to The Disney Channel, which received a 70 rating, while Bravo and American Movie Classics also scored well.

Among basic services, CNN and CNN Headline News topped the list with more than 60 points each, closely followed by Arts & Entertainment, ESPN, Nickelodeon, The Weather Channel and superstations WTBS and WGN in a group that drew a range of 52 to 56 points.

The major pay movie services, including HBO, Cinemax, Showtime and The Movie Channel, all fell in a range just below 50 points, separated by only two points.

In the section on systems, Media General's state-of-the-art system in Fairfax County, Va., scored high, while more than 55 percent of subscribers on American Television and Communications Corp.'s Manhattan system said they got variable picture quality and 22 percent reported

service outages of two days or longer.

Some cable executives faulted Consumer Reports' methodology while other industry observers were left puzzled by what the results actually mean.

At Consumer Reports, Charles Daviet, the magazine's survey research division head, emphasized that the results apply to the magazine's readers, who may not represent typical TV viewers. "Consumer Reports readers are different from the world at large," he said.

When asked why the ratings don't include Home Shopping Network, The Discovery Channel and regional sports services, Mr. Daviet said the magazine used an industry listing, but he didn't know the date of it.

Overall, Mr. Daviet said, the results are "useful and valuable. My feeling is our data speaks for itself."

In the survey, some basic channels were rated by 25,000 subscribers, while others were rated by more than 50,000 viewers. The range for the pay services was from 2,800 to 15,000 current and former subscribers.

Among those participating in the magazine survey, 10 percent were not cable subscribers.

A spokesman for the National Cable Television Association, commenting generally on the survey, said the results appear to be dated.

Some of the research in the survey dated back to 1985, and all of it

predates cable deregulation, which, cable officials said, ushered in enhanced programming on many cable systems.

Also, the NCTA spokesman said Cox Cable in San Diego, also given poor marks for service quality, had made a major investment in that area of operations since January.

"The industry is aggressively attacking the problem of customer service," the spokesman said. "As customer service improves, cable operators are continuing to add to the variety of services on cable."

Readers responding to the survey were apparently not asked about actual viewing time devoted to the respective networks. In fact, while 60 percent of them indicated they subscribe to cable, they reported their families' total TV viewing at 30 hours per week, 20 to 30 hours below the national average.

The magazine audience members surveyed had an average age of 42, which observers said isn't typical of all cable subscribers nationally. That may have led to lower ratings for services aimed at younger viewers, such as MTV and Playboy.

The Nashville Network, an entertainment channel, was categorized as a strictly music entity. Financial News Network, ranked in a 42-48 point range with USA, Lifetime, C-SPAN and CBN Cable, was described as a news and weather channel, instead of the financial news and sports service it is.



PAT SERVODIDIO
RKO trying to maintain value

Judge's ruling fails to sidetrack RKO sales

(Continued from Page 3)

"We're obviously trying to maintain value to our stockholders," Mr. Servodidio said.

How many of the cases will be settled remains unclear.

Dennis Kelly, an attorney for group radio owner South Jersey Radio, which has filed competing applications for all of the RKO stations except WHBQ-AM in Memphis and KHJ, said he believed all the cases could be settled if the parties were willing.

Yet, Mr. Kelly said some of the parties are still indicating they're not interested in settling.

"Some parties believe they have been appointed by the Lord Almighty to win cases, even though

the writing's on the wall that they won't," Mr. Kelly said.

"And you can't settle if they won't come to the table."

RKO's Mr. Servodidio said the company would appeal Mr. Kuhlmann's decision to the commissioners themselves.

"They are in a position to overturn, and we hope they do," he said.

Mr. Servodidio said that he believed the judge's decision had failed to credit the company adequately for its record as a broadcaster.

"It's an incredible record," he said.

He also charged that the judge's findings had "nothing to do with broadcasting."

Howard Weiss, an attorney for one of the parties to the proceeding, said the judge's decision would make it harder for Federal Communications Commission commissioners to grant settlements, because RKO is now not simply accused of wrongdoing but has been held to be a wrongdoer.

The decision by the judge, according to Mr. Weiss, is also a strong one, based on a "humongous" record.

Yet Mr. Weiss said he couldn't imagine "this commission" not permitting RKO the opportunity to sell out.

"They'll find a way, because it's too much to take away," he said.

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