

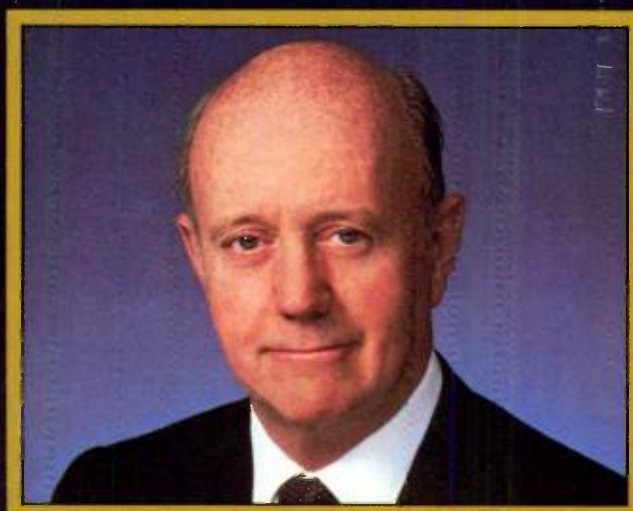
Electronic Media

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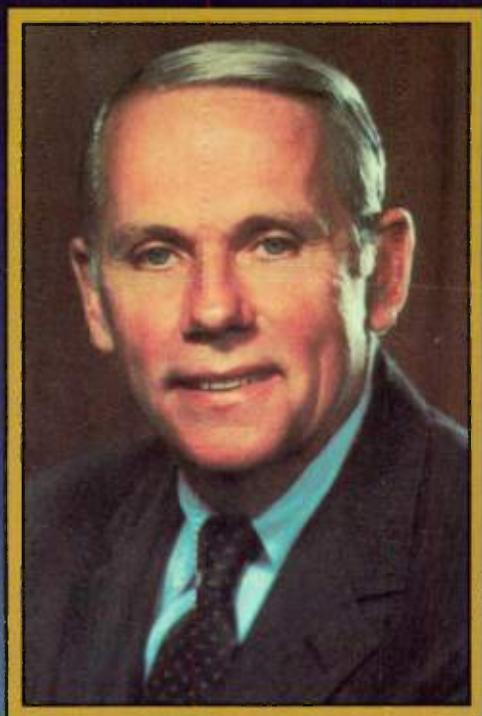
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JUNE 6, 1988



THOMAS MURPHY



DANIEL BURKE



JOHN SIAS

Plotting a new course for ABC

By **DIANE MERMIGAS**
Senior reporter

With help from Wall Street and its gradually improving prime-time schedule, Capital Cities/ABC is finally heading confidently into a new fall season nearly three years after its historic corporate merger.

The chief architects of that merger—Capital Cities/ABC

Chairman Thomas Murphy, President Daniel Burke and ABC Television Network Group President John Sias—recently shared their thoughts about the company's past and future with **ELECTRONIC MEDIA** at their New York headquarters.

What follows is an edited transcript of the interview:

EM: *Do you feel you've turned the corner now, both creatively*

and financially? And if so, how much is attributable to accounting adjustments and big-event programming?

Mr. Murphy: It's an interesting question. I guess I would never look at it that way. The economics of the last two years have been pretty good. Our stations have done very well.

Our big problem was, and still is, prime time on the network. I

think there are signs we are gradually making progress in that area.

The first year we took over with someone else's programs, we had only one show that stuck, which was 'Head of the Class.'

This year, we're going to have shows like 'thirtysomething' and 'Hooperman' and 'The Wonder Years,' and several other shows that will make it. The development

(Continued on Page 16)

A BLOCKBUSTER EVENT!

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COMING SOON

NEXT ATTRACTION
COMING SOON

NEXT ATTRACTION
COMING SOON

Electronic Media

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AT PRESS TIME

TV tower collapse kills 2

KIRKSVILLE, Mo.—A 2,000-foot TV tower, owned by KTVO-TV here, collapsed Thursday morning, killing maintenance workers Victor Macs and Reginald Davis, both from South Carolina, according to KTVO spokesman Dan Havens. A third worker was missing Friday afternoon, according to a Knox County (Mo.) Sheriff's Department spokesman. The workers were attempting to strengthen the structure, which is twice as tall as Paris' Eiffel Tower. A cause for the collapse has not been determined. The \$2.5 million tower is located in Colony, Mo., 40 miles south of the ABC affiliate.

WGA to picket ABC meet

LOS ANGELES—Writers Guild of America picketers today plan to greet ABC affiliate officials meeting at the Century Plaza Hotel here. Picketers will distribute letters urging affiliates to pressure network executives "to further the negotiations" (Continued on Page 44)

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JUNE 6, 1988



Representatives of Shanghai Television, making their first visit to the May screenings in Hollywood, showed interest in acquiring "It's a Living" (l.) and "ALF" to help fill prime-time blocks in China.

Chinese come to Hollywood looking for a few good shows

By RICHARD MAHLER
Los Angeles bureau chief

LOS ANGELES—China, the great sleeping giant of Asia, has come to Hollywood in search of some hot television.

Last week's trip to Los Angeles by officials from Shanghai Television marked the first time that China had taken part in the annual May screenings, when the studios traditionally host overseas TV buyers.

The Shanghai Television executives were looking for programs for two-hour Wednesday and Saturday prime-time blocks programed by Lorimar since last October.

Among the shows now aired are "Our House" from Lorimar and "Hunter," picked up by Lorimar from Stephen J. Cannell Productions. Other series, mini-series and movies will be added.

Starting next month, the schedule will expand to 8:30 p.m. Sundays with "Sportsworld," acquired from NBC Sports.

Lorimar paid the way for the officials of Shanghai Television, a regional network that operates independently from China Central Television, to attend the screenings.

"We're very happy with the relationship (Continued on Page 44)

ATC's move spurs shuffle of executives

By JANET STILSON
Staff reporter

NEW YORK—The decision by American Television and Communications Corp. to move its cable operation from Denver to New York has sparked a major management shuffle.

Trygve Myhren, the company's chairman and chief executive officer, and one of the cable industry's best-known leaders, will leave ATC so that he can remain in Denver.

Replacing him will be Joseph Collins, who has been president of HBO since 1984.

Time Inc. owns both HBO and 82 percent of ATC, the nation's second-largest multiple system operator.

Taking over Mr. Collins' title at HBO is E. Thayer Bigelow Jr., who has been president at ATC since late last year.

James Doolittle, executive vice president and chief operating officer of ATC, becomes president and chief operating officer of the com-

pany. Cable experts last week were debating the reasons for ATC's surprise relocation from Denver, where many of the nation's largest MSOs and most influential cable executives are headquartered.

Time Inc. and ATC officials cited the MSO's growing emphasis on financial and programing concerns as key reasons for the move closer to Wall Street.

And they said they also wanted to strengthen lines of communication between Time and ATC management.

But Ed Hatch, a vice president at Merrill Lynch, said those "explanations are too obvious for moves of this magnitude."

He pointed to stories buzzing through Wall Street that Time and Warner Communications are in discussions on a possible business combination, and suggested a pending agreement may have instigated the move—bringing ATC in closer proximity to (Continued on Page 44)

Fox pitches shows to Big 3 affiliates

By RICHARD MAHLER
Los Angeles bureau chief

LOS ANGELES—Fox Broadcasting Co., seeking to capitalize on the writers' strike, is asking ABC, CBS and NBC affiliates in 90 markets to replace portions of their prime-time weekend lineups with Fox shows.

"We're on the warpath," declared Michael Binkow, vice president of

corporate communications for Fox.

He said letters describing the Fox offer should be on station managers' desks today. Also, FBC President Jamie Kellner will host a teleconference Wednesday in which he will primarily focus on pre-emption of 7 p.m. to 9 p.m. Sunday network fare with Fox programing.

A videotape of the teleconference will be sent to ABC affiliates who

are meeting in Los Angeles starting today.

The offer is predicated on the assumption that viewers would rather watch fresh Fox fare than the reruns that will fill much of the ABC, CBS and NBC schedules until the strike-delayed fall season begins in late October or November.

Mr. Kellner explained: "We're (Continued on Page 44)

INSIDE:

- 3 Black Rock split**
CBS splits its network into two divisions, one for marketing and another for affiliate relations.
- 4 BPME in L.A.**
Broadcast promotion and marketing executives meet to discuss ways to overcome media clutter.
- 6 Local sweeps tally**
Charts offer a detailed comparison of May sweeps results in the top three markets.

Sometimes It Does
Make Sense To Put All Of
Your Eggs In One Basket.

'Golden Girls' sold in three major markets

By RICHARD MAHLER
Los Angeles bureau chief

Buena Vista Television has sold its "Golden Girls" off-network sitcom in three of the top five markets at cash prices higher than the syndicator's minimum bid levels. "We're delighted with the response," said Bob Jacquemin, senior vice president of the Walt Disney Co. unit. "We've shown that stations buying 'Cosby' are willing to enhance their substantial investment with other situation comedies."



BPME to focus on media glut

By WILLIAM MAHONEY
Staff reporter

LOS ANGELES—When about 2,500 broadcast promotion and marketing executives meet here this week, they'll be working on ways to stand out in an era of clutter and competition.

LOCAL SWEEPS RESULTS

May sweeps results for top 3 markets

Following are May sweeps results for the nation's three largest TV markets: New York, Los Angeles and Chicago.

Both A.C. Nielsen Co. and Arbitron Ratings Co. ratings, where available, are given for early fringe prime-access time slots, as well as the local early

and late news. In each of the cities, all of the major commercial stations, both network-owned and independent, are included in these results.

New York																		
Time	WABC	N	A	WCBS	N	A	WNBC	N	A	WNYW	N	A	WPIX	N	A	WWOR	N	A
3 p.m.	Gen. Hosp.	8.7/26	7.1/24	Guid. Light	3.7/11	3/10	St. Barbara	4.8/14	3.5/12	Dennis/Animtd.	3.9/12	5/18	Ghostbusters	1.2/4	1.7/6	Cannon	3.9/12	3.3/11
3:30 p.m.										Real Gbstbrs.	4.7/13	6/19	Tom & Jerry	1.7/5	2.2/7			
4 p.m.	Oprah	9.7/25	8.4/24	Sup. Court	5.9/16	4.2/12	Donahue	6.2/16	5/14	Duck Tales	5.9/16	6.8/20	G.I. Joe	1.8/5	2.1/6	Brnby. Js.	5.1/13	4.6/13
4:30 p.m.				People's Cr.	7.8/19	5.1/14				Double Dare	5.6/14	6.5/18	Transformers	2.3/6	2.4/6			
5 p.m.	News	8.5/19	8.5/21	News	7.3/17	5.7/15	News	6.2/14	4.6/11	Diff. Strokes	7.1/17	7.3/19	Little House	5.1/12	3.4/8	T.J. Hkr.	5.4/12	5.4/13
5:30 p.m.				News	7.3/16	5.9/14				Close...Comfort	6.7/15	7.5/18						
6 p.m.	News	8.6/18	8.8/19	News	7.8/16	6.8/14	News	7.0/16	6.1/13	3 Company	8.1/17	8.8/19	Webster	4.4/9	3.7/8	Magnum	5/10	4.6/10
6:30 p.m.	Net. news	8.8/18	8.8/18							Family Ties	9.6/19	10.9/22	Jeffersons	5.4/11	4.2/8			
7 p.m.	Jeopardy!	15/28	13.9/27	Net. news	6.9/13	6.2/12	Net. news	6.6/12	5.1/10	News	5.1/9	5.6/11	Cheers	8.4/16	7.2/14	Pyramid	5.1/9	5.4/10
7:30 p.m.	Holly. Sqs.	9.3/16	9.3/17	Wheel	14.7/26	12.5/23	checkerboard	4.2/7	3.6/6	Current Affair	10.8/19	10.7/19	News	4.6/8	4.5/8	Brny. Mr.	6.1/11	4.5/8
11 p.m.	News	9.8/20	9.2/20	News	9.8/20	9.1/19	News	11/22	9.6/20	M*A*S*H	6.9/14	5.7/12	USA Tonight	2.5/5	3.1/7	Street	2.3/5	2.3/5

Los Angeles																								
Time	KABC	N	A	KCBS	N	A	KNBC	N	A	KTLA	N	A	KHJ	N	A	KTTV	N	A	KCOP	N	A			
3 p.m.	Oprah	7.5/24	8.8/27	Simon&Simon	2.2/7	1.8/6	Donahue	4.7/15	4.7/14	CHIPS	2.1/7	2.7/8	Divorce Court	3.2/11	3.2/10	Flintstones	3.4/11	3.4/11	Tom & Jerry	3.7/15	4.4/14			
3:30 p.m.																People's Cr.	3.8/12	3.6/11	Dennis/Animtd.	4.1/13	4.9/14	Smurfs	4.2/13	4/12
4 p.m.	News	6/16	7.5/20	Geraldo	5.7/16	5.7/15	News	6.1/17	5.5/15	Hpy. Dys. Agn.	2.3/7	2.7/7	Sup. Court	3.8/11	4.1/11	Real Gbstbrs.	3.6/10	5.2/14	Jetsons	5.1/15	4.1/11			
4:30 p.m.										Hpy. Dys. Agn.	2.8/7	3.3/8	Judge	3.9/11	4.7/12	Duck Tales	5/13	6.3/16	Bev. Teens	4.1/11	3.3/8			
5 p.m.	News	7.6/17	7.3/17	News	5.1/12	5/12	News	7.6/17	5.9/14	Knight Rider	3.7/8	5.3/12	White Shadow	2.3/5	2.9/7	Double Dare	6.2/15	6.9/17	Gimme. Brk.	3.8/9	3/4/8			
5:30 p.m.																I Love Lucy	3.8/12	5.3/12	Gimme. Brk.	4.7/10	4.6/10			
6 p.m.	News	7.8/16	6.3/13	News	4.6/9	5/10	News	7.4/15	5.9/12	Magnum	5.8/11	6.1/12	T.J. Hkr.	3.7/7	4.5/9	3 Company	6.4/13	6.4/13	Nlywd. Gm	5.1/10	4.9/10			
6:30 p.m.	News	6.5/12	5.2/10	Net. news	5.1/10	5.5/11	Net. news	7.6/14	5.9/12							Close...Comfort	6.2/12	6.6/13	Dting. Game	6.3/12	6/12			
7 p.m.	Net. news	7.5/13	5.6/10	News	3.5/6	3.2/6	Ent. Tonight	6.8/12	6.6/12	Silver Spoons	4.8/9	5.3/10	Love Connect.	4.5/11	6.9/12	Family Ties	7.9/14	8.1/15	Wheel	8/14	8.5/16			
7:30 p.m.	Eye on L.A.	9.3/15	7.1/12	2 on Town	5.9/10	4.4/8	checkerboard	5.5/9	5.4/10	various	5.1/9	5.3/9	Holly. Sqs.	6.4/11	5.7/10	M*A*S*H	8.3/14	8.5/15	Jeopardy!	7.9/13	9.1/16			
11 p.m.	News	8.4/21	9.7/24	News	5.5/14	6/15	News	8.8/22	8.7/22	Cheers	6.3/16	6/15	Movie	na	1.9/4	Late Show	1.6/5	1.4/4	Star Trek	2.9/8	2.2/6			

Chicago																					
Time	WLS	N	A	WBBM	N	A	WMAQ	N	A	WGN	N	A	WFLD	N	A	WPWR	N	A	WGBO	N	A
3 p.m.	Wn/Ls/Drw	8.2/27	na	Love Conn.	4.5/15	na	Divorce Cr.	5.2/17	na	Bravestarr	2/7	na	Flintstones	3.5/12	na	Scooby Doo	1/3	na	Movie	1/3	na
3:30 p.m.	Jeopardy!	10.4/30	na	Sup. Court	7.4/22	na	Dating Game	2.8/8	na	Transformers	2.2/7	na	Real Gbstbrs.	4.1/12	na	Popeye	1/4	na			
4 p.m.	News	9.2/25	na	People's Ct.	9/25	na	Nwlywd. Gm.	3.8/10	na	G.I. Joe	1.8/5	na	Duck Tales	4.9/14	na	Popeye	1/4	na			
4:30 p.m.				News	7.1/19	7/18	News	5.3/14	5.2/13	Jem	2/5	na	Double Dare	6.6/17	na	Bewitched	1/3	na			
5 p.m.	News	10.1/25	na	News	7/17	6.3/15				Facts of Life	3.9/10	na	Diff. Strokes	6.5/16	na	A-Team	2/5	na	Drn Jeannie	1/3	na
5:30 p.m.	Net. news	10.3/23	na				Net. news	5.6/13	na	WKRP	6/14	na	Gmme. Brk.	6.6/15	na				Fav. Martian	1/3	na
6 p.m.	News	12.3/25	11.1/23	Net. news	6.8/14	na	News	5.2/11	4.9/10	Cheers	9/19	na	Family Ties	7.6/16	na	T.J. Hooker	2/3	na	Knght. Rdr.	1/3	na
6:30 p.m.	Wheel	18.3/36	na	Ent. Tonight	6.9/14	na	Holly. Sqs.	3.8/7	na	Brny. Millr.	8.5/17	na	3...Company	6.3/12	na						
10 p.m.	News	15.8/26	16.2/27	News	13.3/22	12.3/21	News	15/25	15.9/27	Twilight Zn.	6/10	na	M*A*S*H	3.6/6	na	Odd Couple	2/4	na	Maude	1/2	na

Sources: A.C. Nielsen Co. (N) ©1988 Arbitron Ratings Co. (A) na=not available

Group makes \$2.7 billion takeover offer for Centel

By DIANE MERMIGAS
Senior reporter

An investor group last week made a \$2.7 billion takeover offer for Centel Corp., a Chicago-based telecommunications and cable TV company.

The group is led by New York financier Asher Edelman and George Lindemann, chairman of Metro Mobile CTS Inc., who intend to wage a proxy fight for three of Centel's 11 board seats at the company's annual meeting on June 28.

The group's \$65 per share bid came in response to Centel's May 27 announced \$775 million acquisition of United Telespectrum,

the cellular telephone and paging division of United Telecommunications Inc.

Messrs. Edelman and Lindemann, in a letter to Centel officials, said the acquisition "substantially reduces shareholder values."

The group's \$65 per share offer is contingent upon Centel canceling its acquisition of United. If the deal is completed, the Edelman-Lindemann group said it would offer \$60 per share, or \$2.48 billion, for Centel.

Last week, Centel Chairman John Frazee said the group's bid "is not a credible offer."

The day of the group's announced bid, May 31, Centel stock rose \$4.87 to close at \$50 per share. Analysts estimate Centel's breakup value to be between \$75 and \$80 per share. #

Public broadcasting engaged in internal war over funding

By ROBERT HOMAN
Staff reporter

WASHINGTON—Public broadcasting is at war with itself over a congressional proposal to reallocate \$37 million it receives annually in federal programming support.

Currently, the Corporation for Public Broadcasting administers the money Congress appropriates for public radio and TV programming. But under a plan being considered by the Senate communications subcommittee, 80 percent of federal programming money would be given to public TV stations directly.

The proposal is strongly opposed by CPB,

while PBS and the National Association of Public TV Stations favor it.

The plan is being considered as an amendment to a CPB reauthorization bill.

Tom Cohen, counsel for the subcommittee, said the amendment is aimed at preventing potential "politicization" of programming decisions by the presidentially appointed CPB board.

PBS President Bruce Christensen endorsed the proposal, saying it would give public stations the "final say" in programming decisions.

But CPB President Donald Ledwig said the plan would turn CPB into a "money laundering operation." #

"Let's Talk Launch Promotion"



Learning The Ropes is a first-run situation comedy about a high school vice-principal and single parent who moonlights as a professional wrestler. Lyle Alzado, former All-Pro football defensive end, stars as a tough and tender father of two very independent teenagers who learn to live with their dad's secret identity.

Fall '88 Premiere/Barter
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Robert Halmi Inc.
P R E S E N T S

Learning the ROPES

"Along with the intense cross-promotion you get from the national 10.7 rated **Wrestling Network**, you'll see. . .

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- A national radio campaign to drive sampling!
- A national TV guide and listing campaign!
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- A national co-op audience promotion on cleared stations to gather the built-in 25 rated wrestling audience!
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. . . call for clearance and promotion scheduling in your market."

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FCC readies licensing reforms

The Federal Communications Commission is expected to launch a controversial proposal to reform broadcast **comparative licensing renewals** at a meeting on June 23. "We're likely to propose to go as far as we can within the limits of the law," said a high-level FCC source, who asked not to be identified.

The fate of Don Imus' popular "Imus in the Morning" program on WNBC-AM is in question now that Emmis Broadcasting is buying the unprofitable AM station from NBC. However, knowledgeable sources predicted last week that "Imus in the Morning" will remain on WNBC even after the station adopts the all-sports format currently airing on Emmis's WFAN-AM in New York, which is also being sold. As evidence that "Imus" will survive, sources point out that Emmis is footing part of the bill for a series of "Imus" commercials currently airing on New York TV.

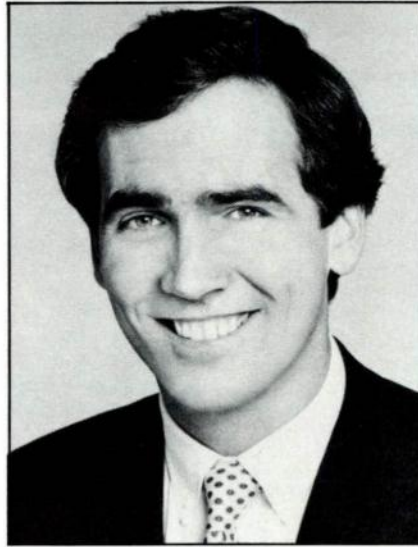
ABC's **Monday Night Baseball** switch from the Mets-Dodgers Memorial Day game to the Yankees-Athletics contest during a rain delay turned out to be a double whammy for the network. The decision to go to the back-up game after a 30-minute delay is a ground rule ABC maintains to avoid disrupting the network schedule by pre-empting late-night newscasts, according to Robert Iger, ABC Sports vice president of programming. However, irate Mets fans bombarded the network with calls when their team's game disappeared. And the switch backfired on ABC anyway when the Yankees game went into extra innings.

Officials of Showtime/The Movie Channel say there's **no truth to the rumor** that the network is plunking down \$24 million for the TV rights to "Rambo III." The picture is part of the exclusive 50-film agreement the cable service signed recently with Carolco Pictures. If the actual price is anywhere close to the \$24 million figure, it would be well above the average price of the films in the Carolco deal—an estimated \$3 million to \$4 million per picture, sources say. The most ever paid for cable rights to a movie is still the \$30 million-plus sources say HBO paid for the rights to "Ghost-

THE INSIDER



WNBC-AM's DON IMUS
Morning show is in question



NEW WORLD'S JIM McNAMARA
Not planning to attend Cinetex '88

busters."

Jim McNamara, senior vice president of international distribution for New York-based New World International, tells *The Insider* that his firm has **no plans to attend Cinetex '88** in Las Vegas this September, even though a press release from the Cinetex organizers claims that New World plans to attend. In response to a story in *ELECTRONIC MEDIA* last week that said New World would attend Cinetex, Mr. McNamara said: "We've considered attending, but decided it was unnecessary."

Sources say cable TV's Discovery Channel hopes to broadcast the **Soviet Union's national evening newscast** on a regular basis on U.S. television. Discovery, which has aired Soviet programming on several occasions in the last two

years, doesn't know yet if its Soviet news broadcasts will occur daily or weekly. The cable network broadcasted the Soviet news program nightly during the recent U.S./Soviet summit in Moscow.

ABC's decision to drop out of bidding for the 1992 Winter Olympics was actually precipitated by the organizing committee for the 1992 Summer Games. ABC made an official joint bid of \$500 million for both the winter and summer events. But when the organizing committee for the Summer Olympics in Barcelona, Spain, put its asking price on the table, ABC declined to meet it. Sources say the committee felt it could make more money in open bidding than it would get from splitting ABC's offer with Winter Games organizing committee. Without the Summer Games, ABC decided to back out of the Winter Games bidding.

Fox Broadcasting's "The Late Show" with host Ross Shafer appears to be safe, at least for now. In presenting the fall programming schedule to advertisers in New York a few weeks ago, Fox programming chief Garth Ancier said he was "satisfied" with how the show is currently evolving. He said he was pleased both with Mr. Shafer, who until recently was a Seattle radio personality, and with the offbeat guests, including the cast members of "Gilligan's Island," who were reunited on a rebuilt set from the late-1960s sitcom.

The *Insider* received a fascinating press release from **ABC Radio Networks** about that company's coverage of the Reagan/Gorbachev summit meeting. According to the claims contained in the release, ABC Radio News "supplied a large segment of the American population with their first news of events in Moscow." The release said ABC "aired bulletins and special reports as warranted." There was even a quote from Bob Benson, vice president of ABC Radio News: "Whenever the president spoke, we carried it live." Why was this release so fascinating? Because *The Insider* received it on May 27, three days before the summit meeting began on May 30. Now that's what we call "advancing" a story. #

—Written by Adam Buckman from bureau reports

Congressman calls for inquiry into cable industry deregulation

By **ROBERT HOMAN**
Staff reporter

WASHINGTON—A California congressman is calling for the Federal Communications Commission to look into what effect deregulation of the cable industry has had on rates and service.

"In too many instances, cable companies are raising their rates unconscionably, holding the public hostage," said Rep. Elton Gallegly, a freshman Republican from Los Angeles County. "It's time to take another look at what effects deregulation has caused around the country."

Rep. Gallegly has introduced a bill to require the FCC to study how much control franchising authorities have over cable rates.

Under the legislation, the commission would also examine whether rate increases reflect higher costs or increased profits for cable operators.

Rep. Gallegly says he decided to introduce the legislation because a cable system in his district, Ventura County Cablevision, has been raising its rates.

He said that, as of July, the cable company will have increased the rates of many subscribers by 55 percent since it bought the system from Storer Cable in 1986.

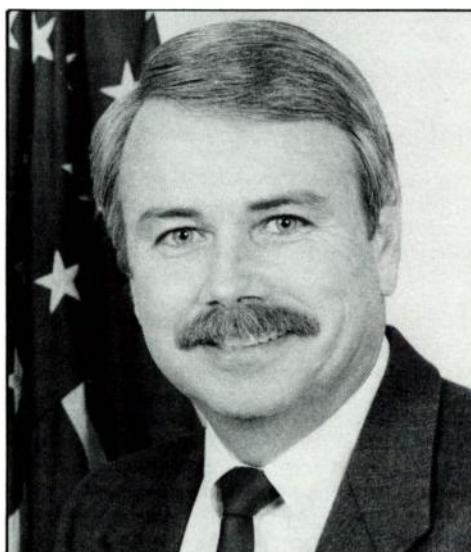
Beginning July 1, Ventura County Cablevision, a 65,000-subscriber system owned by Western Communications Inc., will charge \$14.95 per month for its 33-channel basic service.

Mike Kempf, president of Ventura County Cablevision, said the system is in the process of expanding its basic service from 12 channels to 33 channels.

"The increase (Rep. Gallegly) is referring to involves a tier collapse and an expansion of service," Mr. Kempf said. "The community at large has come out in support of what we're doing."

Under the Cable Communications Policy Act of 1984, most cable operators were permitted to set their own basic rates.

"The average homeowner has two choices: pay



'The average homeowner has two choices: pay whatever the company demands or do without.'

—Rep. Elton Gallegly
R-Calif.

whatever the company demands or do without," said Rep. Gallegly.

Under his bill, the commission would have six months to report the findings of the study to Congress. #

Westwood sets stock buyback

By **DIANE MERMIGAS**
Senior reporter

Westwood One last week moved swiftly to halt a sharp decline in its stock price by announcing that it will repurchase up to 1 million shares, or 7 percent of its common stock.

The move, meant to restore market confidence in the stock, was announced by the company at the close of trading on May 31 after its stock fell \$5.25 on heavy trading to \$14.25 per share.

Nearly 3 million shares of the company's 14.2 million total outstanding shares of common stock changed hands that day.

Company officials said the market "overreacted" to the firm's announcement that earnings for the second quarter, and possibly the entire year, will fall short of original expectations because of a sudden softness in national radio ad revenues.

The company said revenues for the first two months of the second quarter have been trailing last year's pace by more than 6 percent. For the second quarter ended May 31, 1987, Westwood reported \$4.2 million in net income, or 34 cents a share, on \$35.4 million in revenues.

The announcement was an indication that a skittish economy, advertiser uncertainty and the Writers Guild of America strike have caught up with the national radio marketplace.

For months, such factors have loomed as a threat to national TV advertising and the networks' pending upfront selling for the fall.

Westwood One officials said last week that the disrupted buying pattern in television has spilled over into radio, and that the sluggish buying trend is likely to continue into the third quarter.

However, Westwood One officials said the company still expects to post a second-quarter profit, despite a several million dollar drop in anticipated revenues.

"Anytime a stock price falls precipitously, a company is obliged to take some action," said William Battison, Westwood One president and chief financial officer.

"We think our price is a good deal at \$14, that it is undervalued. We hope this move will provide some stability."

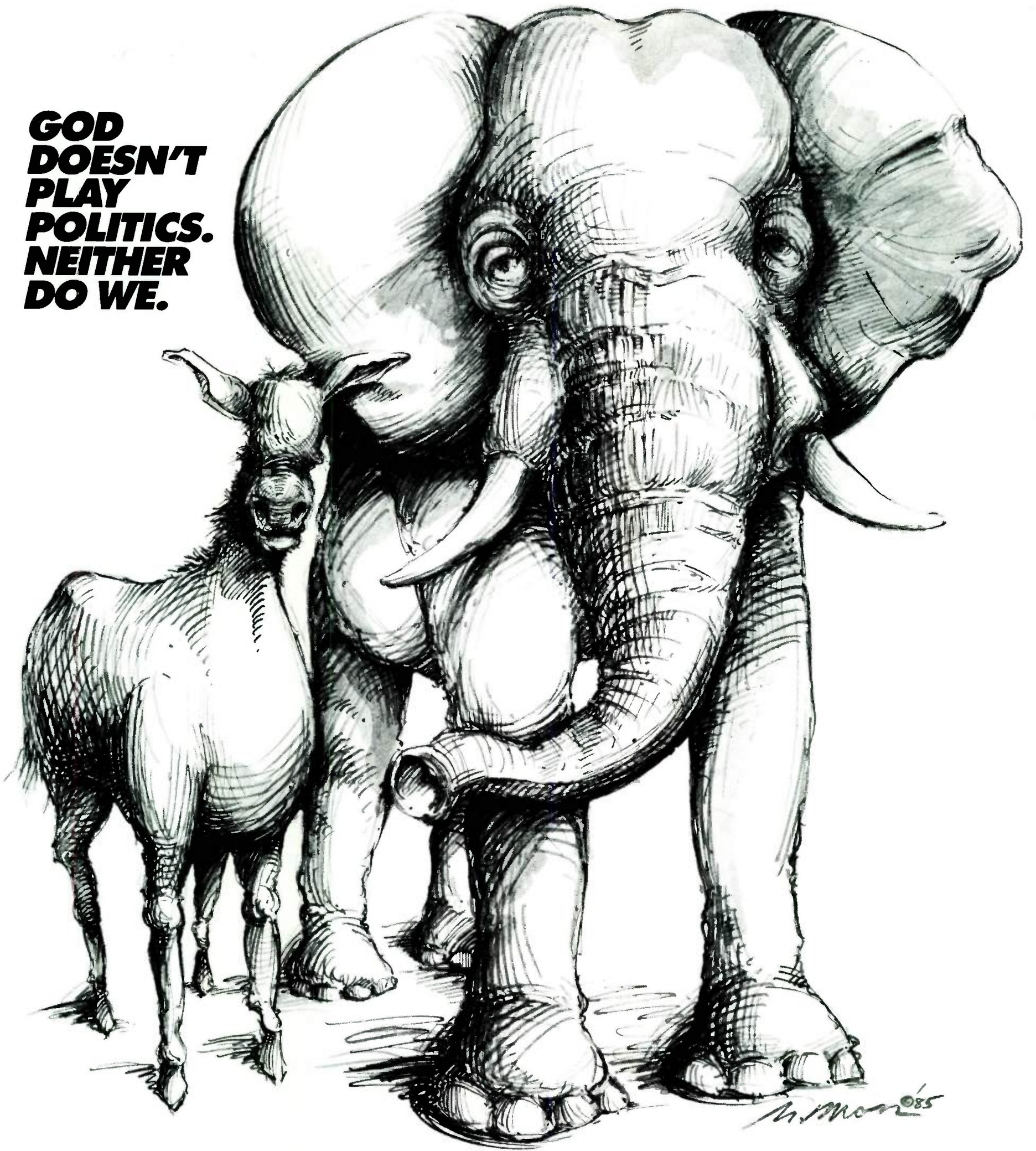
The company will tap a pool of about \$60 million in available cash for the stock repurchase, which could cost in excess of \$14 million.

In addition to its recent acquisition of the NBC Radio Network operations, Westwood One has been investing in new programs and affiliations.

However, Mr. Battison said no fundamental changes in the company are planned to offset the ad softness.

"All we can do is to operate our businesses as best we can and hope that the marketplace comes back," he said. #

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A bad anti-drug proposal

The National Association of Broadcasters was absolutely correct in rising promptly and loudly in opposition to a Senate proposal that would require television stations, radio stations and cable operators to carry anti-drug advertisements.

Under the Senate bill, introduced late last month by Sen. Ernest Hollings, D-S.C., and Sen. John Danforth, R-Mo., Uncle Sam would pay broadcasters and cable companies to carry the government-made ads. However, that's not to say the federal government would be just another customer doing business in a free media marketplace.

On the contrary, the government not only would be given the power to force radio and television companies to carry the anti-drug ads, it would be allowed to force those companies to charge their lowest local rates for the ads. In other words, what's being proposed is nothing short of government coercion, plain, simple and dangerous.

What makes the proposal extra dangerous is that it is so obviously tempting to so many who might otherwise oppose such government intrusion. After all, the bill would pump up to \$50 million into the coffers of radio and television companies. And many of those companies are already waging anti-drug campaigns voluntarily and free of charge.

Perhaps the popularity of fighting drugs has something to do with the fact that, were it not for the NAB, media reaction to the Senate bill would be strangely subdued up to this point. Government in-

trusion is always most dangerous when done in the name of a popular cause.

Interestingly, the Senate bill also contains a provision allowing the federal government to supplement its radio and TV buys with anti-drug ads in newspapers and magazines. The provision stops short of empowering the government to force publications to carry those ads. Apparently, such coercion would be an unthinkable abridgment of freedom of the press.

We only wish politicians wouldn't be so quick to abridge freedom of the electronic media. We feel certain such freedom would have been formally embedded in the U.S. Constitution had radio and television existed in the days of Thomas Jefferson. It's hard to imagine the Founding Fathers supporting a free "press" while favoring government-controlled radio and TV.

Until the courts or the Congress extend full First Amendment freedoms to the electronic media, politicians will be forever on the meddle. The exposure produced by television and radio is just too tantalizing for elected leaders and ambitious bureaucrats to resist.

In the case of the anti-drug ads, the potential, from Uncle Sam's point of view, is at least twofold: (1) to spread the word that drugs are bad and (2) to make it appear that the politicians and bureaucrats are doing something about the drug problem.

They would be doing something all right; they'd be trampling some important First Amendment rights. #

LETTERS TO THE EDITOR

Thanks for syndicated exclusivity coverage

I want to thank ELECTRONIC MEDIA for the outstanding coverage and the editorial regarding the FCC's syndicated exclusivity decision.

This was a top priority issue for our guys, and we appreciate the top priority coverage that you chose to accord it.

Preston Padden
president
Association of Independent
Television Stations
Washington

'Apollo' reports offer Nielsen ratings data

Your story about "a new computer program," (Technology, Page 26, May 16 issue) does us a disservice. Our "Apollo" reports have been available using Nielsen data for over five years as Paramount, MCA-TV, MGM/UA, D.L. Taffner and CBS-TV can attest.

Further, we have our own PC Apollo

System, as does a third company, Marketron Inc.

When can we expect your visit?

Marv Richfield
president
Spot Quotations and Data
Briarcliff Manor, N.Y.

Many outlets to carry basketball team trials

Since I've come to take the completeness of ELECTRONIC MEDIA's coverage for granted, I was surprised and disappointed with the May 16 "Briefly Noted" piece (Page 38) on Home Team Sports' carriage of the U.S. Olympic Men's Basketball Team trials.

While HTS deserves credit for acquiring such an outstanding product for its subscribers, singling them out does a disservice to the supplier, United Cable of Colorado, and to the cable industry as a whole.

It had been announced at the NCTA convention that the event would be cablecast by nearly a dozen regional sports networks, including Madison Square Garden Network, which will carry the six-hour trials special live on May 22; Prime Ticket; Pro-AM Sports Systems; and Home Sports En-

tertainment, as well as HTS.

Since this venture is a milestone in regional sports networks' history, I really feel that the breadth of the distribution—not just one outlet—should have been addressed by EM, and I thank you for the opportunity to clarify the issue now.

Paul Schneider
director, public relations
Madison Square Garden Network

Tell us what you're thinking

EM welcomes letters to the editor. If you want to speak out, write to Viewpoint, ELECTRONIC MEDIA, 740 Rush St., Chicago, Ill. 60611.

All letters are subject to publication provided they are signed and neither defame nor libel individuals or organizations.

Letters may be shortened and grammatical errors corrected.

As a matter of policy, writers' names are published. However, exceptions to this policy may be granted upon request of the writer if, in the opinion of the editors, the reason is sufficiently compelling. #

QUICK TAKES

What do you think of ABC's fall schedule?



Al Helton
program manager
KVUE-TV
(ABC)
Austin, Texas

"We've always been strong on Tuesdays and Wednesdays, and now Fridays and Saturdays have improved. And of course we still have 'Monday Night Football.' But Thursday nights are still a big problem."



Tim Bennett
program director
WLS-TV
(ABC)
Chicago

"I'm encouraged. A plus is comedian Roseanne Barr. She has a down-home Oprah Winfrey style to her. I also think the 'ABC Saturday Mystery Movie' is an improvement for us. And I'm excited about 'Wonder Years' and 'China Beach' coming back."



Mike Palmer
program director
KOCO-TV
(ABC)
Oklahoma City

"Overall, I'm very impressed with ABC's new fall schedule, especially the move on Saturdays with 'ABC Saturday Mystery Movie.' That should increase viewership on Saturday night. Returning shows 'Wonder Years' and 'China Beach' are very encouraging."

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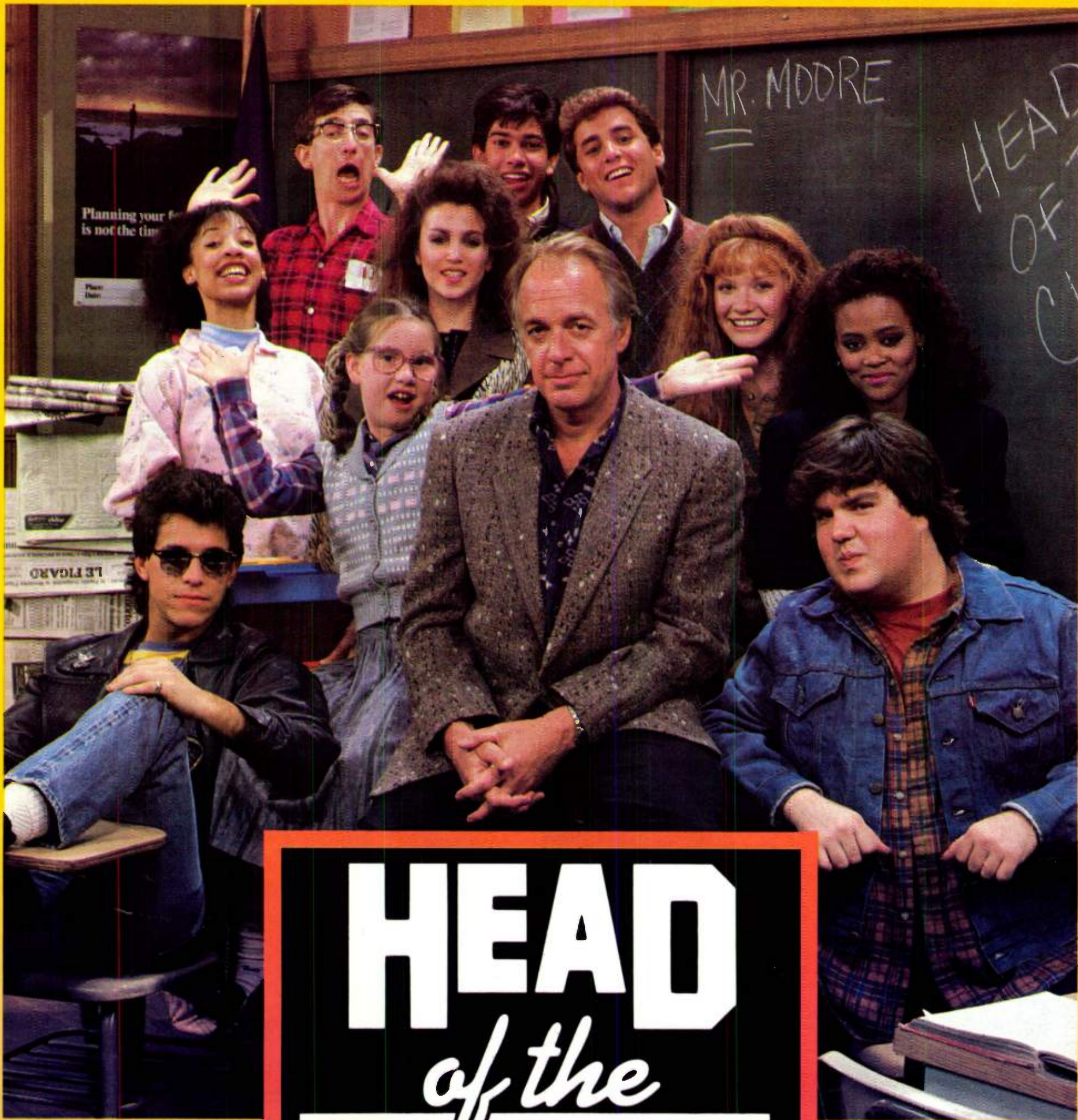
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Cap Cities/ABC weathers rocky beginning

By DIANE MERMIGAS
Senior reporter

After a somewhat rocky start, the owners of Capital Cities/ABC appear to be mastering the difficult task of dealing effectively with affiliates, high costs and the risks of prime-time programming.

Even the often-beleaguered ABC affiliate group, which opens its annual meeting today in Los Angeles, offers a positive assessment of the way Cap Cities' management has adjusted to life in the high-stakes, high-visibility world of network television.

"The Capital Cities people were not used to the intensity of such public and press attention," said one prominent member of the ABC affiliates board.

"They were not prepared for the special pressures of operating a national TV network. And they opted to take over ABC at a time when there were traumatic shifts in the industry overall. On the whole, I think they've done a very good job."

There have been rocky moments. At last

year's annual meeting with ABC's 220 affiliates, tensions between station and company executives ran high partly because of the tough approach Cap Cities was taking toward reducing station compensation.

What began as a proposal for sweeping compensation reductions eventually became only select cash payment cuts for certain stations already highly compensated.

There were also compensation reductions in the top 100 markets and an elimination of payments for carrying major sports and entertainment specials.

"The whole thing was a public-relations nightmare that could have been avoided had they taken the time to realize that not everything in a business like ours can be treated the same way," said one ABC affiliate executive.

"In the end, the reform they accomplished was worth only a nominal amount in savings. Some alienated affiliates wound up pre-empting more network programming in retaliation," the affiliate executive said.

But since then, Capital Cities executives, who for years were ABC affiliates themselves,

appear to have backed off the compensation issue. Reform has come primarily in keeping a lid on current compensation payments.

However, most company and station executives concede that compensation reform is inevitable and will be addressed in a whole new light at this week's annual meeting between Cap Cities/ABC and its affiliates.

For months, independent industry consultant Paul Bortz has been advising Cap Cities/ABC executives and the network's affiliate board on the future of commercial and network broadcasting.

Mr. Bortz is scheduled to address the entire affiliate group at this week's meeting.

Some specific approaches to reform the compensation system have evolved from Mr. Bortz's work, and some version of these could be implemented as early as this year.

For example, the company might eventually reduce compensation payments to affiliates while providing them with more opportunities to increase local advertising revenues.

Or the company might establish a two-tiered compensation system that would pro-

vide different payments for larger- and smaller-market stations.

"No specific proposals will be made at this year's annual meeting. We're not even close to finalizing anything," said George Newi, senior vice president of the ABC Television Network.

"We just want Mr. Bortz to get everyone thinking about these and other possibilities, and then we will work with the affiliate board to formulate a specific plan," Mr. Newi said.

Some affiliates say that as the ABC Television Network becomes more competitive at CBS's expense, it will be easier for Cap Cities/ABC management to execute such fundamental change.

Until then, affiliate relations will be highlighted, at least at this week's meeting, by methods of improving the network's prime-time performance and a new plan to market the sale of ABC's national and network affiliates' local air time.

ABC affiliates also will come to their annual huddle with requests for more selective network coverage of sporting events on weekends
(Continued on Page 32)

ABC's Murphy calls for creative prime-time formats

(Continued from front cover)

looks promising.

EM: So, on the basis of those fundamentals, would you say that the company has turned around?

Mr. Murphy: Well, I think we can and are increasing our share of audience.

But overall network profitability is a continuing concern to us.

We are being pecked away by our own facilities like ESPN and other cable network franchises.

The network business, which was never a high-profit-margin business, is under pressure from more mature businesses than it was up against a few years ago.

EM: What do you see as a likely counter to that? For instance, based on the success of ESPN, will your company seek more cable network involvement?

Mr. Murphy: I think it's possible. We certainly would seriously look at any opportunity in that area. We're not doing anything actively right now.

As you know, there's not that many opportunities out there. But that certainly is a logical area for expansion for all three networks.

EM: In the event that your television network does not improve financially anytime soon, would you attempt to generate more revenues for the company by seeking to do more cable co-ventures with ESPN or other entities?

Mr. Burke: Cable and its audience delivery are a fact of life and they have a dual income stream in some cases from subscriber fees as well as ad revenues. We expect both the network and ESPN to be vigorous in the pursuit of their own destinies. It's entirely possible that sometime in the future the ABC network would be free to make a partnership deal with a cable entity other than ESPN.

EM: Are you interested in buying out Nabisco's 20 percent interest in ESPN? I understand that you recently approached Nabisco.

Mr. Murphy: That is true. We've had conversations. We are delighted with them as partners, and I would like to think they are with us.

EM: Is there likely to be any change in that in the future?

Mr. Murphy: No.

EM: Do you see your alignment with ESPN strengthening? For instance, could you make a joint bid for expensive sports events like the Olympics?

Mr. Burke: ESPN's best interest as we see it would be to operate as independently of the ABC Television Network as it would be possible to have them do so.

We would hope that with increasing frequency in the months and years ahead, they can end up as partners with one or both of the other networks for presentations. They would pursue that vigorously.

When we are successful at the ABC Television Network, where a cable partner will be logical, ABC will negotiate with ESPN to see whether they are interested in participating. When either CBS or NBC is successful, ESPN will be a very vigorous competitor just the same way they would be with ABC.

That is the best way to run the business. That is legally more satisfactory, and we will continue to encourage that. It is difficult for outsiders to believe, but there is a very distinct separation between the two inside the company.

EM: What other supplemental sources of revenue are you considering? For instance, how important is eventual reform of the financial interest and syndication rules?

Mr. Murphy: We are hopeful we can eventually make a



'I think the secret of the future is market share for the three networks. We have to watch our costs. We have to be creative in what programming formats we use in prime time, which is our biggest problem.'

—Thomas Murphy

deal with the major studios in Hollywood. We think both sides recognize the realities of the changing economics.

As recently as two weeks ago, (NBC President) Bob Wright suggested two specific alternatives.

EM: What is your feeling about either of those alternatives: that the current rules be suspended for five years, or that the networks agree to provide more financial assistance with the upfront costs?

Mr. Murphy: We would support either of them. We are looking for opportunities where we can hopefully benefit in the back end of the syndication of the programs we pay to produce.

EM: With in-house production rules set to sunset in another year or two, what kind of new alliances do you see evolving between the networks and the production community?

Mr. Murphy: We'll worry about the future when we come to it.

EM: What do you see as the most controllable way of turning the network into a profitable venture? So much of it is hinged on luck and the way your schedule performs.

Mr. Murphy: I don't think it's luck. I think it's a lot of able people working hard and then, maybe at that point, I might consider luck.

I think the secret of the future is market share for the three networks. We have to watch our costs. We have to be

creative in what programming formats we use in prime time, which is our biggest problem.

Mr. Sias: We have some building blocks this year that we haven't had in the past. And the development progress—we believe there will be some extra cards that will come out of that.

From a historical point of view, we will have more program building blocks in prime time than the network has had in five years.

EM: Are you looking for further ways to hold the line on production costs, such as using more ABC News-produced programs?

Mr. Sias: Well, we could have another prime-time news show by midseason. But that's really driven by the difficulty of hour dramas to attract audiences these days.

This season that we're coming out of, with the exception of 'thirtysomething,' it's very difficult to think of new one-hours that have been financially successful, even though they may have been creatively attractive.

We know we will have a number of problem areas to fill, and so there's a distinct possibility we will go with another hour of news-generated programming.

EM: Just to keep the record straight, most analysts are predicting that the ABC Television Network will report a loss this year. Is that right?

Mr. Murphy: The answer to that is yes.
(Continued on Page 20)



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Buena Vista
Television

Sias expects ABC to boost market share

(Continued from Page 16)

EM: Could you estimate how big a loss it will be?

Mr. Murphy: Well, I don't want to do that, but I think the main problems financially for the network this year were the losses on the Olympics.

EM: You have acknowledged in your recent quarterly report that the Olympics related losses exceeded \$65 million. Were they as high as \$80 million as some of us reported?

Mr. Murphy: They were in excess of \$65 million.

EM: What are your hopes for the network becoming profitable?

Mr. Sias: We're starting to make the financial plan for calendar year 1989 right now. That won't be completed until later this year.

The expense component will be completed in September. The revenue component, based on what the market outlook is, comes in last. Until that is done, I think we would be ill-advised to give you any kind of a sense on that. We really wouldn't know.

What we do know is that on the basis of demographics, the network is stronger going into this fall prime time than it has been relative to our competitors, and we expect to post increases in our share of prime-time market starting in the fall.

But we do sense that the upfront market will not be as strong this year as it was last year.

EM: What will be your strategy in the upfront marketplace this year? You've already indicated you won't be providing guarantees on children's programming.

Mr. Sias: There won't be any guarantees for children's comp (composition, or demographics). We do guarantee homes ratings. We're not guaranteeing the comp because the statistical basis for those guarantees is so unstable and unrealistic, that we'd rather risk losing business than to guarantee on flawed statistics.

EM: Beyond that, have you formulated an overall strategy for how you will sell in the upfront? If you don't plan to eliminate guarantees, will you at least try to limit them?

Mr. Sias: We're not thinking of eliminating guarantees. Whether we would limit them in any way in any daypart is part of a strategy we are working on now called a mini-game plan that is in active development.

Our upfront strategy gets finalized as the schedule is finalized.

EM: What kind of a marketplace do you see this year?

Mr. Sias: The upfront last year was over \$3 billion. We don't think it's going to be as big this year. Let's just hope there is one.

EM: What about the people-meter influence? What's been the impact now that we have had a full season to sort this out?

Mr. Sias: Instead of the old NTI based on meters and diaries, there is NTI based on the new people meters. There is a year's track record, but there are still lots of questions.

We still have not signed a contract with Nielsen. We probably will, but there are ongoing negotiations.

There are very substantial questions that remain on that service, methodology, on behavioral questions regarding those people who will agree to take the people meter vs. those who will not.

EM: Are you asking Nielsen to alter the system in preparation for next season?

Mr. Sias: No, we are not.

EM: How important to you are the upcoming contract negotiations with NABET in terms of possible cost-cutting?

Mr. Murphy: I think it's important for everyone to recognize that we think our union people are vitally important to us and do a terrific job.

Obviously, any business that is under terrific cost pressure as we are is looking for opportunities to save money. But we hope any negotiations will be conducted sensibly



THOMAS MURPHY



DANIEL BURKE



JOHN SIAS

Photos by Catherine Noren

and in the best interest of everyone involved.

EM: Are there prospects for achieving some savings by altering work rules?

Mr. Murphy: That would be wonderful if we could do that.

EM: After NBC's negotiation with NABET last year, it was suggested that after the new contract was signed, the network could achieve anywhere between \$75 million and \$100 million in annual savings for two or three years. Is that a

contract you have coming up this year?

Mr. Sias: It would be unwise on any of these things to start taking a position in the press, whether it's union negotiations or license fees.

Mr. Burke: We will lose money on our contract with Major League Baseball. The baseball contract had some purchase price accounting applied to it.

The commissioner of baseball knows that ABC is losing significant amounts of money on this arrangement. He doesn't want to have his customers losing money any more than we want to lose it.

'What we do know is that on the basis of demographics, the network is stronger going into this fall prime time than it has been relative to our competitors, and we expect to post increases in our share of prime-time market starting in the fall.'

—John Sias

reasonable number and would you be looking to achieve the same?

Mr. Murphy: I have no idea.

EM: What kind of job eliminations do you think you might be able to achieve with this kind of contract negotiation?

Mr. Burke: Everyone's circumstances are a little bit different. I don't think there is anyone working at ABC who is part of a union or who is not who doesn't recognize that the environment is rapidly changing.

We're going to have to try and adjust to it. Our hope is that we can do that in a thoughtful, constructive manner.

The fact of the matter is these are valued employees, many of whom have given their entire working careers to the company.

EM: But you do see this as one of the important areas left to plow in terms of achieving some substantial cost savings?

Mr. Sias: Just remember that something on the order of 70 percent of all of the network's costs are program-related. So, if there are any really big savings to be achieved, that's it.

EM: But that's precisely my point. There's only so much you can do to achieve savings in the program area and still be competitive. Then you've got to turn to other areas like union-related costs. Or am I wrong? Have you been able to achieve some significant savings in the program area?

Mr. Murphy: You're absolutely right, and that's why the margins are so bad in the network business.

EM: Have you been able to negotiate new deals with producers where you aren't paying excessive license fees and still are getting quality programming?

Mr. Murphy: The answer to that is no. The cost of programming in prime time continues to escalate.

Mr. Sias: License fees are an ongoing thing. Sports rights in some cases have been reduced.

EM: What will be your position, for instance, in renegotiating the baseball

contract you have coming up this year? But the world and the landscape are changing. I think it will be up to baseball to decide what's in their best interest. I would not be surprised to see some sort of cable package—maybe a modification of the superstations.

The commissioner knows what our problems are. He hasn't given us any money back, and I wouldn't expect him to. But we have high interest in Major League Baseball. It is a great attraction.

EM: Is there a way to bid on major sports packages in such a way that they can be made profitable?

Mr. Burke: We're not sure. Our plans aren't completed as yet. We certainly hope so.

We're going to be aggressive and hopeful. And if we're successful, we still could end up looking five years from now as poorly as our Calgary bid did. It's a risk. That's the nature of the business. But it's very attractive programming.

EM: Why did you pull out of the recent

bidding for the 1992 Winter Olympics in Albertville, France?

Mr. Murphy: We just decided we didn't want to stay in the bidding contest. We didn't like the bid process or the contracts. But we're not saying any more about that than the statement we issued.

EM: How will you spend the \$600 million or so that will be generated by the exercise of warrants this summer that were issued at the time of the merger?

Mr. Murphy: We haven't made any decision on that. We do not have a master plan at this time. There are all sorts of alternatives.

We could pay down our debt, we could buy back our stock or use it for acquisitions. Those are the three most logical things for us to consider.

EM: You recently announced that you will spend more than \$300 million to buy back up to 1 million shares of the 16 million shares of common stock outstanding. Why?

Mr. Murphy: We're in a position that as these warrants are exercised, we'll have a lot of additional cash, and we just want to be in a position of having every option available to us. We have been buying back some of the warrants, and this is just another way of doing that.

EM: What is the timetable for completing the repurchase?

Mr. Murphy: There is no timetable for that. That will be open-ended for some time.

EM: Are there any major acquisitions you are eyeing?

Mr. Murphy: There is nothing of a major size that we are contemplating at the moment.

EM: What is your current outstanding debt?

Mr. Murphy: It is a little over \$1.6 billion.

EM: When is your next major payment scheduled to be made?

Mr. Murphy: There are no major payments for five years, and then all the money is at a fixed rate. So we're under no pressure.

EM: So you feel free to pursue any new ventures or to acquire any new properties?

Mr. Murphy: The answer to that would be yes.

We have never had a master plan that we're going to spend so much money within a year. We spend it when the opportunities come up.

I think it is safe to say that we'll remain in the advertiser-supported media field, or circulation income from newspapers, or cable network opportunities which have some substantial income from cable corporations. But we plan to stay in the businesses we're in.

EM: Is there anything you are pursuing in these areas now?

Mr. Murphy: No, the only thing we've

(Continued on Page 32)

Capital Cities/ABC at a glance

The bottom line: Net income in fiscal 1987 was \$279.1 million, a 53 percent increase over 1986.

Revenues: Consolidated net revenues totaled \$4.44 billion in fiscal 1987, up 8 percent over 1986.

Programming: The ABC Television Network serves 220 affiliates; ABC Radio Networks consists of six basic networks that serve approximately 2,100 affiliates; ABC Video Enterprises includes cable TV program services ESPN (an 80 percent interest) and Lifetime (a 33 percent interest), as well as home video publishing and other program distribution and technology development.

TV stations: The company's eight owned TV stations constitute the largest owned group in the country, providing 24.4 percent coverage of the nation's TV homes. The stations are WABC-TV, New York; KABC-TV, Los Angeles; WLS-TV, Chicago; WPVI-TV, Phil-

adelphia; KGO-TV, San Francisco; KTRK-TV, Houston; WTVD, Raleigh-Durham, N.C.; and KFSN-TV, Fresno, Calif.

Radio stations: The company's 21 radio stations provide 25.4 percent coverage of all American homes. They are WABC-AM and WWPR-FM, New York; KABC-AM and KLOS-FM in Los Angeles; WLS-AM and WYTZ-FM in Chicago; KGO-AM in San Francisco; WJF-AM and WHYT-FM in Detroit; WBAP-AM and KSCS-FM in Dallas/Fort Worth; WMAL-AM and WRQX-FM in Washington; WKHX-AM/FM in Atlanta; KQRS-AM/FM in Minneapolis/St. Paul; KRXY-AM/FM in Denver; and WPRO-AM/FM in Providence, R.I.

Publishing: The company's publishing group includes nine daily newspapers in seven communities, weekly community newspapers in five states, shopping guides in six states and specialized publications.

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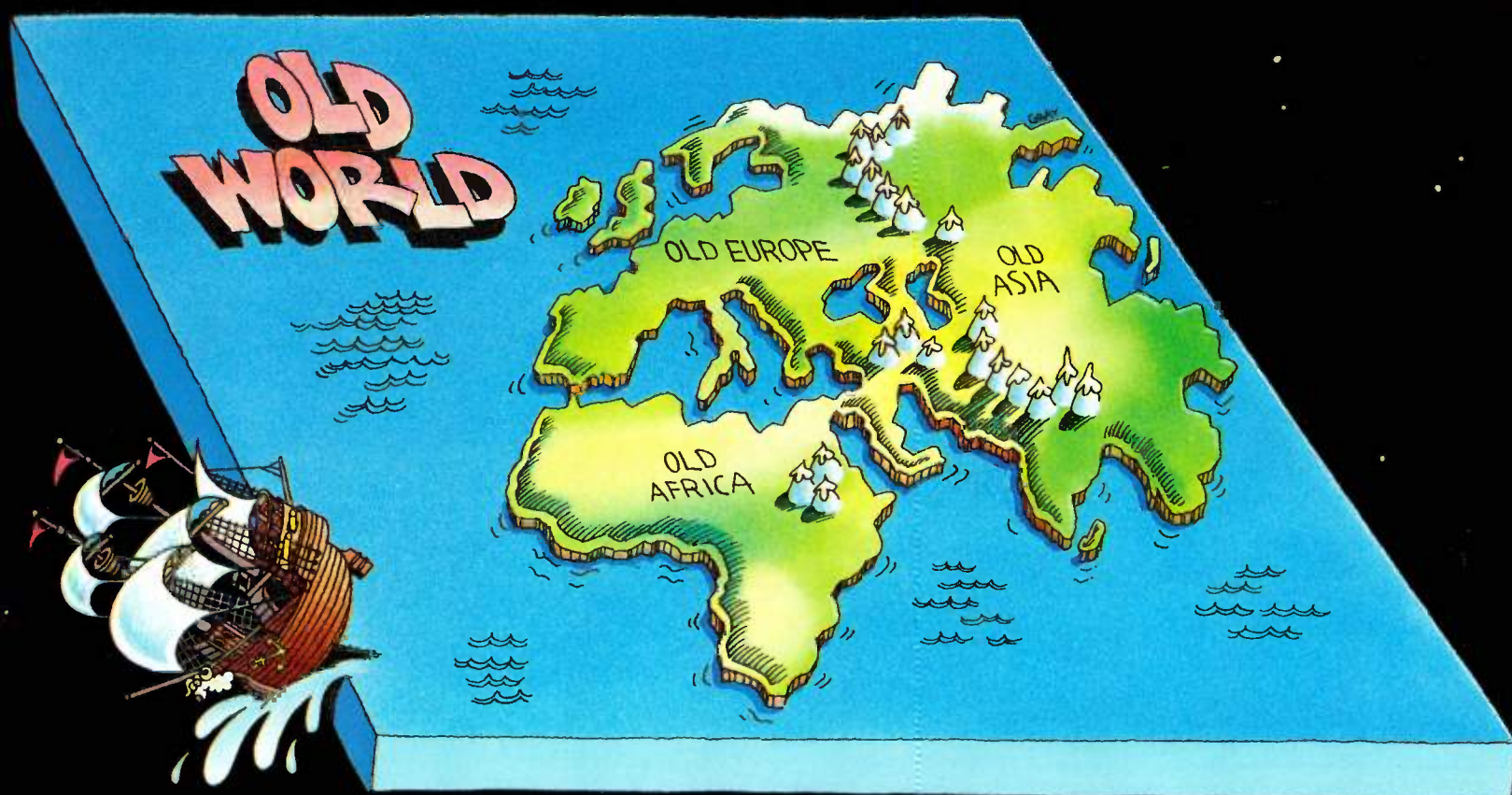
You'll be sold on gold, too, with November Gold 2, twenty films designed especially for winning primetime sweeps ratings. Blending the best in action/adventure, romantic excitement, and suspense-thrillers, November Gold 2 offers the most diverse and unique films available today in syndication... films we call '**Adventure**'. With limited exposure in theatres, network TV, cable, and home video, these films show unlimited potential for powerhouse performance again and again.

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TWO GREAT M

1.



MYTHS OF MAN.

2.

OFF-NETWORK COMEDIES WILL ALWAYS OUTPERFORM FIRST-RUN COMEDIES IN STRIPPING.

If it weren't for the brilliant foresight of a few entrepreneurs in 1492, present day mankind might still be afraid of falling off the earth's edge.

Today, an equally invalid bias held by some television executives keeps them from reaching new opportunities, too. The myth is that when stripped, an off-network comedy will automatically beat a first-run comedy.

Well, just as Columbus proved the nay-sayers wrong back then, Lorimar is set to do the same today. Witness our first-run comedies "Mama's Family," "It's a Living," and

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So the next time you need a comedy for stripping, take a good

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LORIMAR
SYNDICATION
A LORIMAR TELEPICTURES COMPANY

ATC move to New York causes executive shuffle

(Continued from Page 1)

Warner headquarters as well as Time. A linkage between Warner and ATC, Mr. Hatch said, would give HBO clout over more systems.

That's especially important now, when rival Showtime/The Movie Channel is discussing investment and distribution agreements with various MSOs, most notably Telecommunications Inc.

On the other hand, Bernard Schotters, vice president of finance at TCI, said that if ATC was moving because of a deal with Warner, it would have emerged only after an agreement between Time and Warner was completed.

"But something must have forced the move," he said.

Perhaps a possible Warner agreement was a contribution to the line of reasoning that went into the decision to move, he said.

"Or," he speculated, "it could be there was a change in business plans that certain ATC management didn't concur with," and Time Inc. decided there was a need for the corporate groups to work more closely together.

ATC's 309 employees in the Denver offices were expecting word by today from Mr. Collins on who



JOSEPH COLLINS
To take over as chief of ATC



TRYGVE MYHREN
Quits to stay in Denver

would be asked to transfer.

Sources say the new headquarters will be located in Connecticut.

Among those spared the move are staffers in ATC's information systems, engineering and accounting departments.

Time Inc.'s decision took most ATC Denver employees by surprise,

sources said.

Although Time Inc. officials said the move was not taken to streamline the staff, some employee reduction is expected.

For the year ended Dec. 31, 1987, ATC represented Time's largest single asset at \$1.2 billion—over 50 percent of Time's total assets. #

AT PRESS TIME CONTINUED

between striking writers and the Alliance of Motion Picture & Television Producers. The two sides continued contract talks last week, but little progress was reported. Contracts with 80 companies have been signed that have allowed a number of writers to go back to work.

● **NEW YORK**—The **upfront sales season** isn't expected to get under way until after July 4, a delay of several weeks when compared with previous upfront seasons, Jerry Dominus, CBS TV Network vice president of sales, said Friday. He said the delay is because of uncertainty about when fall shows will be ready to air.

● **WASHINGTON**—The House is scheduled to vote Tuesday on legislation aimed at limiting the commercialization of **children's TV programming**. The bill would require the FCC to consider whether broadcasters have "served the educational needs of children" at license renewal time.

● **WASHINGTON**—The Senate Judiciary Committee will hold hearings Wednesday on legislation that outlaws **obscene programming on cable TV** and allows the states and the federal government to regulate indecent cable programming.

● **NEW YORK**—Coca-Cola Co. said last week it will not sell its 49 percent stake in **Columbia Pictures Entertainment**, shares of which were heavily traded on June 2 on speculation that the company was being eyed as a takeover target. Although more than 2 million shares of stock traded hands June 2, by the end of the day Columbia shares closed up only 1 1/2 cents at \$8.88. Analysts estimate the company's asset value is about \$20 per share.

● **NEW YORK**—**Betty Hudson**, vice president of corporate and media relations for NBC, was elected president of the International Radio and Television Society here last week. She succeeds James Greenwald, chairman of Katz Communications.

● **LOS ANGELES**—The Gaylord Production Co. closed its offices here Friday as part of a move by parent **Gaylord Broadcasting** to consolidate its production and syndication activities under the umbrella of Nashville, Tenn.-based Gaylord Syndicom. As a result, GPC President Alan Courtney will leave the firm. #

Chinese come to Hollywood looking for TV shows

(Continued from Page 1)

(with Lorimar)," said Cheng Wen Bing, vice director of the Shanghai Radio & TV Bureau, speaking through translator Tiffany Chu. "We look forward to a long-term

partnership."

Under terms of a five-year deal signed in December 1986 in partnership with Santa Monica, Calif.-based China Amusement & Leisure, Lorimar is the exclusive supplier of

all non-Chinese TV shows to Shanghai TV and through that network to other regional networks.

Lorimar is not the first U.S. distributor to syndicate in China, but it is perhaps the most aggressive promoter of barter-supported programming there.

"We went with advertiser-supported shows because of their hard currency problems," says Michael J. Solomon, the member of Lorimar Telepictures' office of the sales in charge of international sales.

"We didn't want to sell to China Central Television because their rates (of \$500 to \$1,500 per hour) were simply ludicrous, when you consider the fact you're reaching maybe 400 million people throughout the whole country," he said.

In contrast, Mr. Solomon said he toured the Soviet Union three years ago and concluded that the government there was far behind China in its openness to U.S. programming.

Gambling that his company could obtain up to \$1,500 per 30-second spot in each of the four markets served by Shanghai TV, Mr. Solomon predicts that Lorimar will make a small profit on the venture this year. Within five years, he expects it will return "millions of dollars in sales."

"I was sure that (the Chinese) would take to U.S. programming, but it surprised the hell out of me to get 60 to 80 percent share of the audience," he says, citing the viewership estimates of a diary-based ratings service in Shanghai, with a population of more than 12 million.

Long an afterthought in the minds of many program distributors preoccupied with much more visible and accessible European buyers, China is looming as one of the industry's potentially most lucrative markets. In terms of numbers, China is by far the largest Asia/Pacific market, with 85 million estimated TV homes.

By way of comparison, the U.S. and Western Europe have about 90 million TV homes each and all of Latin America has only about 50

million.

In Asia, China is followed by Japan's 39 million TV homes, the 9.5 million households in India and 8 million in South Korea.

But the vast majority of China's more than 1 billion people are peasants who have no measurable income, and most of the others have annual incomes of \$300 or less.

"In the big cities, especially along the coast, most families have a TV set," adds Ms. Chu, who interpreted for the Chinese delegation during its visit. "In the countryside, however, they are still watching in groups at schools and factories."

Audience data is unreliable, but CCTV's own estimate is that an average of about five people regularly view each of China's 120 million TV sets, creating a potential audience of 600 million.

"A broadcaster, like a computer company or auto manufacturer, simply can't ignore China and its 1.2 billion people," says Peter Kranzler, vice president of Lorimar International, host of the visiting six-member Chinese delegation.

Besides the U.S., other major program suppliers to China include Hong Kong, Japan, England, France and Mexico.

Ms. Chu says American television series are only now becoming part of the Chinese viewing habit, after the gradual introduction of such miniseries as "The Two Mrs. Grenvilles," "Ellis Island" and "Family Honor."

"I wouldn't want to do 'The Gong Show' there, and there's no market for children's programming because they don't sell candy bars and toys," explains Mr. Kranzler, who will soon transfer from New York to Hong Kong in order to better oversee the exchange.

"Dramas and action shows do well. We've had a lot of success with 'Hunter,' dubbed into Mandarin."

Peter de Krasel, chief executive officer of China Amusement & Leisure, says his joint venture with Lorimar has deliberately tried to gradually acclimate the Chinese to

American-style programming.

"It would have been a mistake to start off 18 months ago with 'Knots Landing,' for example. It would shock the sensibilities," he says.

"But now, it's the right show to bring, because there's a familiarity with things in the West."

Although no debut date is set for "Knots Landing," the prime-time soap "Falcon Crest" will premiere on Shanghai TV this September.

Current advertisers have generally been enthusiastic about the Lorimar venture (Colgate just renewed through the end of 1988), but some non-participants have complaints about the Chinese market.

They cite a lack of national ratings (only a few cities have a diary-based system), poor distribution of Western products and difficulty in getting commercials accepted and translated.

But Wang Gen-Fa, vice director of Shanghai Television, told ELECTRONIC MEDIA that "most American programs are acceptable to the Chinese audience, except maybe for some of the shows with sex scenes. We just cut those and re-edit them. A few other scenes are cut to conform with Chinese customs, but not many."

The Chinese visitors, whose buying trip was paid for by Lorimar, seemed enthusiastic about "ALF" and "It's a Living," both of which they screened here and are expected to acquire.

Altogether about 60 series, mini-series and made-for-TV movies will be imported by Shanghai Television through its agreement with China Amusement & Leisure.

Colgate, Marlboro and Redo watches are among sponsors of the Lorimar-distributed programs on Shanghai, which claims it's the largest single producer of TV shows in China.

Among the more unusual advertisers are manufacturers of airplanes, agricultural equipment and chemicals, who are anxious to reach the government officials and others who make purchasing decisions. #

Fox pitches its shows as strike alternatives

(Continued from Page 1)

telling stations that there's an opportunity for them to make money and add some excitement to their stations through the summer and into the fall."

The offer is limited to small cities not yet served by Fox's 121 affiliates. Two exceptions are Omaha, Neb., and Fresno, Calif., where independents have already rejected affiliation agreements with Fox.

Mr. Kellner said the affiliates will not be offered advertising compensation, as full Fox affiliates are, but will be allowed to sell time allocated each hour for Fox promotion.

"They will have substantially more time to sell than they do carrying (other) network programming," he said, adding that participants will be free to cherry-pick from among Fox's Saturday and Sunday night shows.

"If they just want to air '21 Jump Street' and 'It's Garry Shandling's Show,' we can work that out. If they want to delay a show, we'll discuss it," he said.

John Behnke, chairman of ABC's affiliate board, termed the pitch "a very destructive move on Fox's part. I hope it will be rebuffed by the management of ABC stations; we need to reserve as much continuity as possible."

Mr. Behnke, president and chief executive officer of Seat-

tle-based Fisher Broadcasting, said he's unaware of any clamoring among ABC affiliates for alternative programming during the admittedly dry period ahead.

"We're all waiting to hear from CBS (at the upcoming affiliate meeting) about their plans before making any of our own," said Ben Tucker, chairman of the CBS affiliate board, summarizing feelings of the station executives he'd talked to. "I think a few of our affiliates will be open to specials and other (first-run) shows, but it's too early to really know."

Mr. Tucker said he believes few CBS stations would risk long-term damages for what he regards as the potential short-term gain of a defection to Fox.

"They just don't have any kind of national audience," he said. "The highest-rated Fox shows still don't do any better than our lowest-rated CBS shows on those nights. I don't see any potential gain from such a move."

Informed of those comments, Mr. Kellner said "the networks use a lot of leverage whenever they can. They'll make a lot of noise, but there's not much they can do. In these markets there's no place for the networks to go (for alternate affiliation deals)."

Affiliate relations executives for ABC and CBS could not be reached for comment at press time. #

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			18-34	18-49	25-54	18-34	18-49	25-54	
NEW BEAVER (WTBS)	7	10	48	73	71	15	33	43	84
Gimme a Break (WATL)	6	9	18	25	15	11	12	6	86
Wh.Happ.Now (WGNX)	6	9	28	51	42	7	17	11	64

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AT 6:00PM...	RTG	SHR	...AND AT 6:30PM!	RTG	SHR
NEW BEAVER (WTBS)	7.4	12	NEW BEAVER (WTBS)	9.4	14
Family Ties (WATL)	4.2	7	Gimme a Break (WATL)	4.6	7
Diff'rent Strokes (WGNX)	5.5	9	Wh.Happ.Now (WGNX)	6.8	10



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	RTG	SHR	WOMEN			MEN			T/K
			18-34	18-49	25-54	18-34	18-49	25-54	
FEB. '88 NEW BEAVER	7	10	48	73	71	15	33	43	84
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			+140%	+181%	+318%	+25%	+50%	+139%	+140%

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