

Electronic Media



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50 CENTS

JUNE 13, 1988

VIA SATELLITE

Included: A look inside Gannett's towers



THE NATION'S NEWSPAPER

NO. 1 IN THE USA . . . 5,541,000 READERS EVERY DAY

Grant Tinker, president GTG

▶ He's developing TV shows



We're building a TV empire

Although still clinging to its print roots, Gannett is becoming bigger in TV

By Doug Halonen
ELECTRONIC MEDIA

Perhaps the most visible sign that Gannett Co. is staking a larger claim in the electronic media can be seen in the company's twin, 31-story buildings outside Washington.

There, a new television studio is being readied for the company's ambitious "USA Today: The Television Show," one of several joint programming ventures being conducted with former NBC chief Grant Tinker.

The stark black-and-white interior of some Gannett newsrooms, a symbol of the company's newspaper heritage and the tastes of Chairman Allen Neuharth, is giving way to pastel blues for television backdrops.

While Gannett still clings to its print media roots and maintains its commitment to the newspaper business, the electronic media side of the company is poised to play a larger role in the bottom line.

In its first year, the "USA Today" show, which has been cleared in 141 markets for this September, is expected to generate estimated revenues of \$35 million for GTG Entertainment, the Gannett-Tinker moniker.

The show could generate up to \$70 million by its third year if it becomes a major hit, according to analysts' estimates.

Other projects by GTG Entertainment, including a possible talk show and three new programs picked up by CBS for this fall, could add to the Gannett coffers. Gannett essentially has a 40 percent interest in GTG, though executives remain vague about the financial arrangements of the programming partnership.

"We're obviously interested in moving into (the programming) area in a fairly extensive way," Mr. Neuharth said in an interview. Gannett's towers on the Potomac also house

Please see GANNETT Page 16 ▶

GANNETT SNAPSHOTS

TV stations: 10
 Radio stations: 16
 Publications: 126, including USA Today plus 89 other dailies
 Employees: 36,000



"USA Today: The Television Show" hosts (from left): Bill Macatee, Edie Magnus, Robin Young and Kenneth Walker.

A BLOCKBUSTER EVENT!

NOW PREMIERING...

ORION



**NEXT ATTRACTION
COMING SOON**

**NEXT ATTRACTION
COMING SOON**

**NEXT ATTRACTION
COMING SOON**

Electronic Media

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JUNE 13, 1988

AT PRESS TIME

Strike progress reported

LOS ANGELES—Representatives from the Writers Guild of America and the Alliance of Motion Picture & Television Producers Friday denied reports that a settlement had been reached in the 15-week-old writers' strike. They agreed, however, that progress had been made during daily bargaining sessions. The WGA will continue picketing here during this week's CBS affiliates meeting.

Ownership rule backed

WASHINGTON—A Senate appropriations subcommittee on Friday approved an FCC funding bill that includes a provision prohibiting the FCC from eliminating or modifying its newspaper-broadcast cross-ownership rules. The Senate had approved a similar restriction last year, but a court struck down a portion that it said unfairly singled out Rupert Murdoch. The current provision, which still needs full committee and Senate approval, (Continued on Page 58)



CBS News correspondents Charles Kuralt (l.), Kathleen Sullivan and Dan Rather found that the Soviets' new openness made for interesting reporting.

NBC's cable buy now just a lease

By JANET STILSON
Staff reporter

NEW YORK—In a surprise move, NBC last week backed down from its plan to buy the Tempo Television cable network.

Instead, the network announced it would lease time on the channel for its own sports and news programming packages.

NBC officials said their interest in entering the cable business remained as high as before.

"The lease arrangement in no way suggests any diminution of the deal," said Joe Rutledge, NBC director of corporate communications.

"We remain entirely committed to developing the programming and (adding on more) subscribers. We are confident operators will be enthused by this venture."

Both Tele-Communications Inc., the prospective seller, and NBC attribute the change in plans to financial com-

plications that arose in separating Tempo TV from its parent company, Tempo Enterprises.

TCI is in the process of acquiring Tempo Enterprises and had planned to spin off the network to NBC.

"TCI is always more interested in its after-tax income than the earnings," said John Draper, TCI vice president and general counsel. "We just came up with what we thought was a simplified structure."

He described last week's turn of events as "the same transaction in a different form."

The lease arrangement is "virtually forever," according to Mr. Draper, who said the agreement could take the form of a 100-year lease "or something that says they have the right to renew it again and again and again."

He said NBC will pay the same amount of money to lease the cable network as it would to purchase it. The acquisition price has been es- (Continued on Page 58)

A summit view Rather reflects on glasnost

By DAN RATHER
Special to ELECTRONIC MEDIA

(Editor's note: Upon returning from the U.S.-Soviet summit in Moscow, CBS News anchor Dan Rather wrote the following report about his experiences and those of his colleagues during the meeting of the superpowers. In the article, written exclusively for ELECTRONIC MEDIA, he reflects on the effects, from the profound to the amusing, produced by the new era of glasnost.)

A lot can happen in 14 years, but could this possibly be the same place where I covered the

Nixon-Brezhnev summit?

That was the spring of 1974. We had transmitted our stories on the day's formal events through the control room at Soviet State Television, on Soviet satellites, without a hitch.

Onto the projector came an interview with dissident Andre Sakharov. Suddenly the monitors went black. All power was cut to the control room. The hand of the censor had never struck harder.

Cut to the spring of 1988. We are feeding our stories on our own satellite uplink, transported to Moscow, with a second satellite uplink just for telephones.

(Continued on Page 55)

TV violence bill approved by Senate; moves to House

By DOUG HALONEN
Staff reporter

WASHINGTON—The Senate last week unanimously approved a bill aimed at reducing violence on network TV.

Congressional sources say hearings on similar legislation are expected soon in the House.

The Senate legislation, introduced by Sen. Paul Simon, D-Ill., provides a three-year exemption from antitrust laws to permit the networks, TV producers and other broadcasters to come up with voluntary guidelines li-

miting the amount of violence on TV shows.

A similar measure sponsored by Sen. Simon was approved by the Senate late in 1986, but died when the House failed to act before the congressional session expired.

This time around, however, a similar measure has been introduced in the House by Rep. Dan Glickman, D-Kan., and Rep. Edward Feighan, D-Ohio.

Congressional sources also say that Rep. Peter Rodino, D-N.J., chairman (Continued on Page 58)

SPECIAL SECTION

Finance

12-page section begins after Page 48.

Gannett: Print giant takes on television

(Continued from front cover)

the company's broadcast division headquarters, overseeing stations that together generated \$356 million of the company's nearly \$3.1 billion in revenues last year.

While the company is nearing the legal limit of stations it can own, Gannett Broadcasting President Cecil Walker indicated the company wants to expand its broadcast holdings to the maximum allowable level.

"If the right opportunity comes down the line for a television acquisition, we'll be buying it," says the 51-year-old Mr. Walker. "If we have the right opportunities in radio, we'll be doing that."

The fact that most of Gannett's top decision-makers came up through the newspaper side of the business suggests that print journalism will be accorded top priority at the company for the foreseeable future.

Indeed, the top executives hedge their bets when predicting how large a role TV programming will play in Gannett's business plans.

Even Mr. Neuharth, whose flamboyant style makes him a natural salesman, says Gannett will have to see how well GTG performs before putting greater stock in the programming arena.

"So far all we've done is invested some money," Mr. Neuharth says, adding that Gannett doesn't know how any of the GTG programs will perform. "The jury hasn't heard that yet."

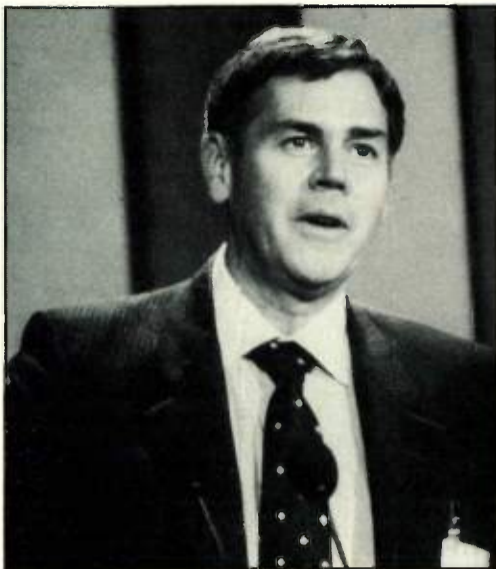
Likewise, John Curley, 49, who was named Gannett's chief executive officer in 1986, insists the GTG deal shouldn't be read to suggest that the company is spurning the print business for the electronic media.

"We're in news, information and communication, and this is the same thing," Mr. Curley says. "We take everything as it comes. If it makes sense, we do it."

Nonetheless, Gannett had long sought to make a video version of the USA Today newspaper, an idea that seems to be a natural extension of what it's doing in the print field.

As Mr. Walker puts it, a video version of USA Today would be a way to "leverage" the huge newsgathering apparatus the company already has in place.

There were other business reasons as well.



JOHN CURLEY

"If it makes sense, we do it."



CECIL WALKER

Looking for TV, radio station opportunities

The company, he said, was attracted to the idea of getting into the programming business as a hedge against rising programming costs. Under the hedge concept, higher costs of programming bought by Gannett's TV stations could be countered by the prices GTG charges others for its shows.

And there is also the hope that a "USA Today" TV show can establish a marketing relationship with the newspaper, one that, as Mr. Neuharth once said, would lead consumers to plunk their 50 cents into the USA Today box.

But Gannett executives knew they didn't have all the programming knowledge needed to make it in the tough TV business. They needed the right elements to come together before taking the next step.

Those elements finally came together when Grant Tinker entered the picture.

With Mr. Tinker's vast knowledge as a program producer and network executive, coupled with Gannett's huge news resources, the forthcoming TV product already has been picked up by stations serving more than 90 percent of the country.

"We had the things he wanted, and he had the things we wanted," Mr. Walker says

of the Tinker-Gannett relationship. "So while we were not looking to go Hollywood, if you will, when he was there, it was the right thing to do. And we did it."

According to financial analysts, Gannett's expansion into the electronic media comes at a time when some are questioning the company's prospects for long-term growth.

Many analysts are concerned that the company's newspapers, its major source of earnings, are getting caught in a squeeze between a soft ad market and ever-escalating newspaper costs.

What's more, they say Gannett is already wringing about as much money out of its newspaper properties as practical.

"There's not a hell of a lot left to pull out of the hat," says Peter Falco, a media analyst for Merrill Lynch.

Although the USA Today newspaper has rocked the journalistic establishment, it has only turned a profit in one quarter in its nearly six years of existence. Last year, it lost \$15 million on revenues of \$270 million, according to company statements.

Mr. Curley, in an interview, said advertising in USA Today is down "a couple percent" this year, but it rose 40

percent last year.

Also impacting on the bottom line, Gannett's aggressive acquisitions of broadcast properties in recent years have contributed to a long-term debt that stood at \$1.1 billion at the end of 1987, according to the company's annual report.

And no matter how big a splash Gannett makes, analysts note that the company's stock has failed to rebound as well as other media stocks since the October crash. The stock's 52-week high was \$56.25, but shares are now trading at about \$31 apiece.

Some analysts have suggested that perhaps the best thing Gannett could do is repurchase some of its own stock while the share price remains at a low level. Apparently, Gannett realized the same thing; late last month it announced it is buying back 7.5 million of its 162.1 million shares.

Analysts see the GTG deal as a tentative probe by Gannett into a new line of business, but they find the company's wariness reassuring, largely because of its lack of programming savvy.

"It's being perceived as an experiment," says Charlie Crane, media analyst for Prudential-Bache Securities, of the GTG joint venture.

One of the more promising theories of the experiment is that the show will boost USA Today newspaper sales. The show is designed to mirror the national newspaper's glossy news and entertainment format, complete with its own News, Money, Sports and Life sections.

"In a lot of ways, it's going to increase the visibility of the paper, and it will do a great thing for sales, I suspect," says Joe Urschel, the show's supervising producer.

If nothing more than an experiment, it's one that's off to a roaring start, judging by the number of stations that have picked it up. And nearly all plan to run it in prime access, according to Gannett.

The half-hour show, with a one-hour version for Saturday or Sunday, is being offered on a cash-plus-barter basis, with GTG retaining one minute of ad time.

The level of clearances for the show has been credited in part to the reputations of Gannett and Mr. Tinker, as well as the hiring of Executive Producer Steve Friedman, who shaped NBC's "Today" into

(Continued on Page 27)

A look inside the company's towers on the Potomac

By DOUG HALONEN

Staff reporter

While Gannett Co. has a reputation for keeping a tight grip on its purse strings, employees at its headquarters outside Washington are provided with the amenities of the most modern of corporations.

Among the perks that all Gannett employees get are these:

- The company picks up half of their parking tabs.
- For the fitness oriented, there's a subsidized health club featuring high-tech exercise machinery and even an indoor putting green and driving range.
- With babies in vogue, the company also has set up a program to help employees adopt children.

The chosen few from the company's newspapers in the provinces sometimes get to experience the better life at corporate headquarters first hand, thanks to a "loaner" program that was first developed as a way to spread staff start-up costs of the USA Today newspaper around the Gannett empire.

Under the program, up to 40 or so employees from company newspapers come to work at USA Today headquarters for several months. Their home newspapers pay their salaries, and the company puts them up free in area apartments.

(Some employees referred to a set of nearby apartments once used for this purpose as "roach place" and the accommodations as "Stayfree minipads." Nonetheless, they don't have to worry about their rent.)

The top company executives truly reap the spoils.

For instance, there's a large-enough kitchen on the 30th floor of the executive wing of the building to wine and dine parties of up to 150 in the executive dining room, which features a fountain and offers breathtaking views of Virginia and Washington.

Senior corporate staff are offered a different luncheon menu each day.

For more intimate occasions, there's a dining room that seats 15. It's decorated exclusively in almost blinding shades of white.

The adjacent dining room, dominated by peach tones, is called the Pearwood Room, because, according to a company spokeswoman, the furnishings have all been fashioned from the wood of pear trees.

There is also modern-looking art aplenty. The piece de resistance: a pair of lifesize metal sheep in wool coats, standing guard at the entryway to Gannett Chairman Allen Neuharth's opulent inner sanctum.

According to a company spokeswoman, chocolates wrapped in gold foil were once regularly placed beneath the sheep's rear ends, jokingly representing sheep droppings.

Various floors of the USA Today building house different sections of the newspaper and most are decorated in Mr. Neuharth's favorite colors: black and white. However, renovations are under way to accommodate the new TV show.

At the moment, about 7,000 hard-to-miss square feet on the building's mall level are being converted into a set for "USA Today: The Television Show." The newspaper's newsrooms are also taking on cameras for reports from there.

Another 4,500 square feet on the 27th floor of the executive wing are being remodeled for office space for the 100 new employees

for the TV program. Most were due to start arriving earlier this month.

Late last year, the company's broadcast division moved its home base here from Atlanta. While USA Today takes up much of one of the twin towers, the broadcast division and other executive offices are housed in the adjacent tower.

The buildings, which have a silvery exterior, sit in Rosslyn, Va., near the Potomac River and within sight of the U.S. Capitol. Though Gannett is the principal tenant, it doesn't own the buildings.

The broadcast division, headed by Cecil Walker, has a corporate staff of only 11, a clear sign that Gannett Broadcasting doesn't seek to micromanage its stations. Indeed, as a rule, the corporation doesn't make group buys of programming or group sales of ads.

"We just simply hire local management to manage locally because we figure each market is unique and the characteristics are unique," Mr. Walker says. "There's a tremendous difference between what we need in Austin, Texas, and Washington, D.C."

With the twin corporate buildings on the Potomac and the company's ownership of WUSA-TV in Washington (it changed the call letters from WDVM), Gannett has established a major presence in the nation's capital.

That presence could one day make the Gannett name synonymous with Washington media, much the same way that people associate Tribune Co. with Chicago and Turner Broadcasting with Atlanta.

Even the Washington Post Co., the undisputed media heavyweight champion of the capital for years, has already lost out to Gannett, at least in terms of company reve-



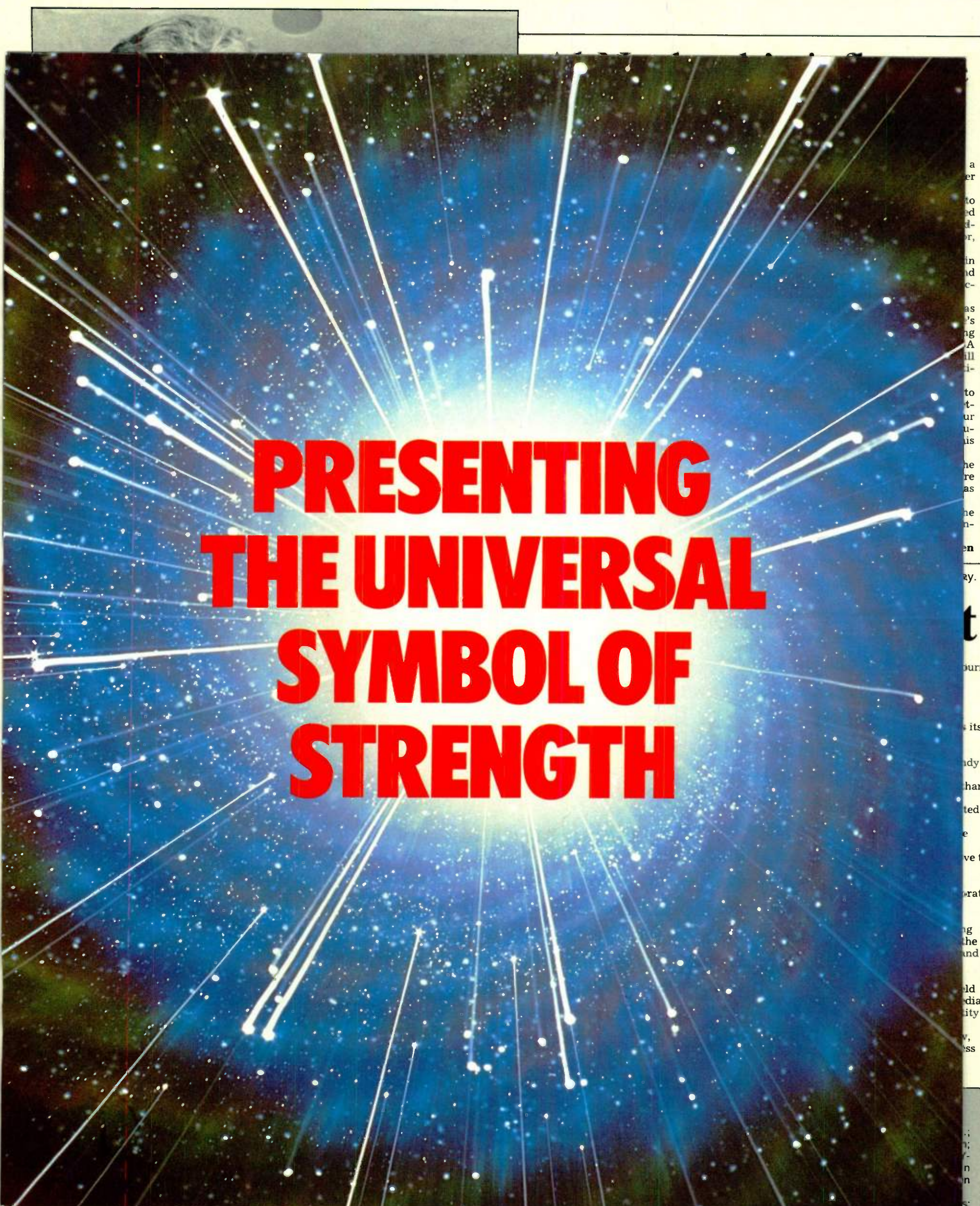
Gannett Co.'s Rosslyn, Va., headquarters.

nues.

In a recent issue, the Washington Post notes that Gannett Co., which finally finished moving its corporate headquarters here from Rochester, N.Y., in May 1986, posted more than \$3 billion in revenues last year, compared to the Post's \$1.3 billion.

Gannett Co., according to the Post's own reckoning, is now the fourth-largest public company in town. The Post is No. 10. #

Photo credits: On the cover, Gannett headquarters by Debra Gertler; USA Today box by Michael A. Marcotte.



PRESENTING THE UNIVERSAL SYMBOL OF STRENGTH

principal cause," says the typically acerbic Mr. Friedman.
Gannett's expansion into the electronic media, both on the programing and station ownership fronts, has been fueled by several aggressive acquisitions in recent years.
In 1979, Gannett moved toward the

Greensboro, N.C., and WTLV-TV in Jacksonville, Fla., from Harte-Hanks Communications.
Along with the development of GTG last year, Gannett bought the Culver Studios outside Los Angeles for \$24 million and spent another \$15 million for upgrades, to give Mr. Tinker and friends a place to

daily newspapers, USA Weekend, a weekly magazine.
Advertising: Gannett Outdoor.
Programing: GTG Entertainment, a joint venture with Grant Tinker.
Television stations: KPNX-TV in Phoenix; KUSA-TV in Denver; WUSA-TV in Wash-

KSDO-AM and KSWV-FM in San Diego; WDAE-AM and WUSA-FM in Tampa-St. Petersburg, Fla.; WGCI-AM/FM in Chicago; KCMO-AM and KCPW-FM in Kansas City, Mo.; KUSA-AM and KSD-FM in St. Louis; KOAI-FM in Dallas; KKBQ-AM/FM in Houston; and KNUA-FM in Seattle.

In the heat the seasoned vete



When they clashed head-to-head,
M*A*S*H beat Cheers and Family Ties.

	Markets	The M*A*S*H Share Advantage		
		HH	W 18-49	M 18-49
M*A*S*H vs. Cheers	12	+9%	+12%	+60%
M*A*S*H vs. Family Ties	15	+30%	+25%	+88%

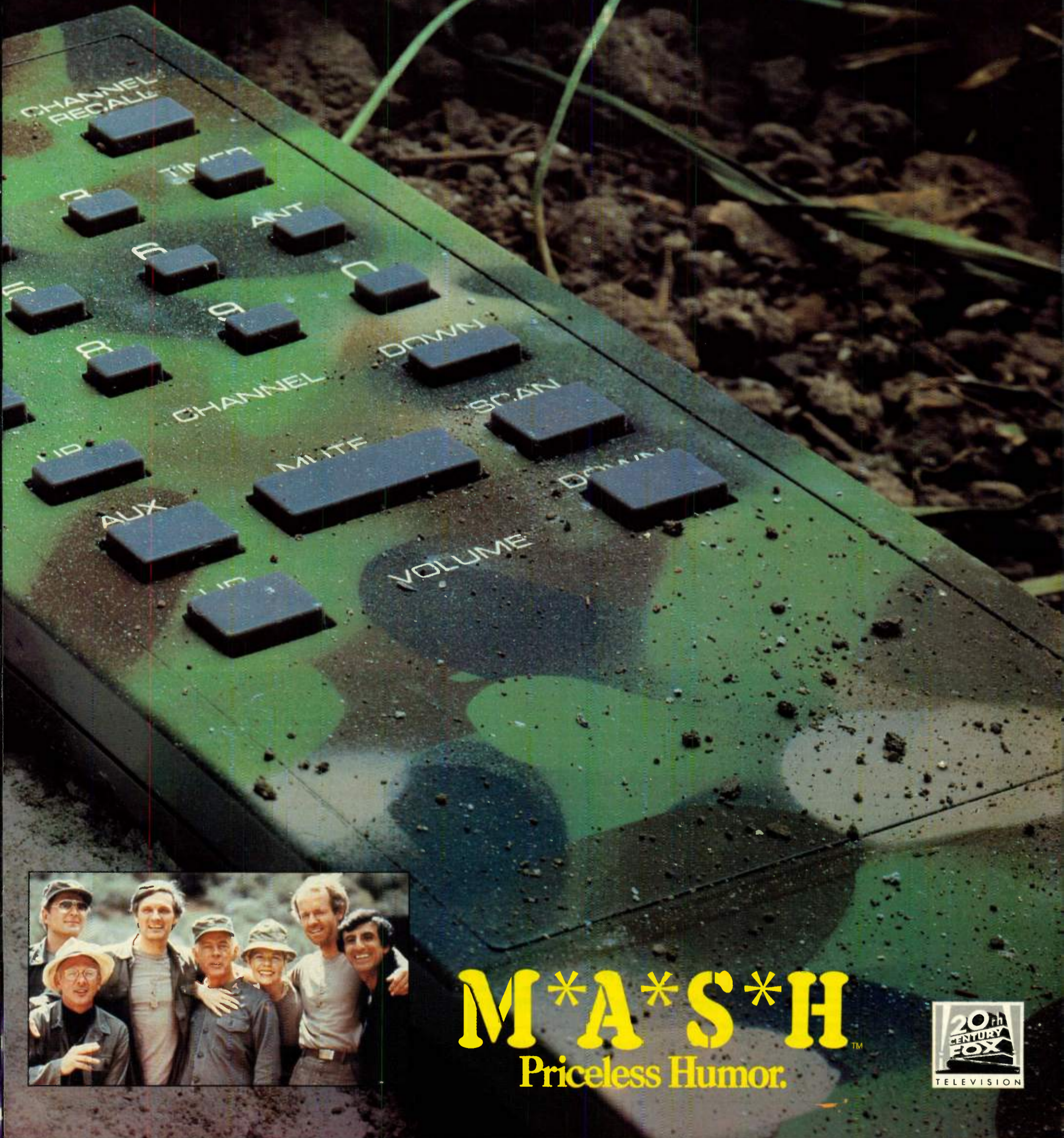
Source: NIELSEN

And where Cheers and Ties replaced M*A*S*H,
stations suffered setbacks.

M*A*S*H replaced in time period by	Markets	Station Share Decline 2/87 vs. 2/88		
		HH	W 18-49	M 18-49
Family Ties	18	-9%	N/C	-17%
Cheers	25	-9%	-3%	-3%

Source: NIELSEN

of battle, rans always deliver.



M*A*S*HTM
Priceless Humor.



The

The Comic Strip

A F I R M " G O "

Sold in 10 of the top 10 markets
for its 2nd season!

1. New York WWOR
2. Los Angeles KCOP
3. Chicago WPWR
4. Philadelphia WGBS
5. San Francisco KTVU
6. Boston WSBK
7. Detroit WKBD
8. Dallas KTXA
9. Washington WDCA
10. Houston KTXH

Plus 91
additional stations!

LORIMAR[™]
SYNDICATION
A LORIMAR TELEPICTURES COMPANY

Gumby

A F I R M " G O "

Sold in 10 of the top 10 markets
for its 1st season!

1. New York WWOR
2. Los Angeles KCOP
3. Chicago WGN
4. Philadelphia WPHL
5. San Francisco KBHK
6. Boston WSBK
7. Detroit WKBD
8. Dallas KTXA
9. Washington WDCA
10. Houston KTXH

Plus 77
additional stations!

LORIMAR
SYNDICATION
A LORIMAR TELEPICTURES COMPANY

SilverHawks

A F I R M ' ' G O ' '

Sold in 10 of the top 10 markets
for its 3rd season!

1. New York WNYW
2. Los Angeles KTTV
3. Chicago WFLD
4. Philadelphia WPHL
5. San Francisco KTVU
6. Boston WLVI
7. Detroit WKBD
8. Dallas KDAF
9. Washington WTTG
10. Houston KRIV

Plus 103
additional stations!

LORIMARTM
SYNDICATION
A LORIMAR TELEPICTURES COMPANY

ThunderCats

A F I R M `` G O ``

Sold in 10 of the top 10 markets
for its 4th season!

1. New York WNYW
2. Los Angeles KTTV
3. Chicago WFLD
4. Philadelphia WTAF
5. San Francisco KTVU
6. Boston WSBK
7. Detroit WKBD
8. Dallas KDAF
9. Washington WTTG
10. Houston KRIV

Plus 79
additional stations!

LORIMARTM
SYNDICATION
A LORIMAR TELEPICTURES COMPANY

It's A Living

A F I R M " G O "

Sold in 10 of the top 10 markets
for its 4th season!

1. New York WWOR
2. Los Angeles KNBC
3. Chicago WGBO
4. Philadelphia WTAF
5. San Francisco KGO
6. Boston WSBK
7. Detroit WXON
8. Dallas KTXA
9. Washington WFTY
10. Houston KPRC

Plus 141
additional stations!

A Witt/Thomas Production

LORIMARTM
SYNDICATION
A LORIMAR TELEPICTURES COMPANY

Mama's Family

A F I R M " G O "

Sold in 10 of the top 10 markets
for its 3rd season!

1. New York WWOR
2. Los Angeles KNBC
3. Chicago WGBO
4. Philadelphia WPHL
5. San Francisco KGO
6. Boston WSBK
7. Detroit WXON
8. Dallas KTVT
9. Washington WJLA
10. Houston KHTV

Plus 158
additional stations!

A Joe Hamilton Production

LORIMARTM
SYNDICATION
A LORIMAR TELEPICTURES COMPANY

She's The Sheriff

A F I R M " G O "

Sold in 10 of the top 10 markets
for its 2nd season!

1. New York WNBC
2. Los Angeles KNBC
3. Chicago WMAQ
4. Philadelphia WTAF
5. San Francisco KTVU
6. Boston WCVB
7. Detroit WXON
8. Dallas KTVT
9. Washington WRC
10. Houston KHTV

Plus 145
additional stations!

LORIMARTM
SYNDICATION
A LORIMAR TELEPICTURES COMPANY

A Nightmare On Elm Street Freddy's Nightmares

A F I R M `` G O ``

Sold in 9 of the top 10 markets
for its 1st season!

1. New York WWOR
2. Los Angeles KHJ
3. Chicago WMAQ
4. Philadelphia WTAF
5. San Francisco KOFY
6. Boston *
7. Detroit WXYZ
8. Dallas KTXA
9. Washington WDCA
10. Houston KTXH

Plus 124
additional stations!

**Oops! Boston's not
sold yet, but then
again...nobody's
100% perfect!*

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SYNDICATION
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Evanite Fiber Corporation

from

DWG Corporation

A Revolving Line of Credit, Term Loan and Mezzanine Investment for the Leveraged Buyout was provided by:

GE Capital



A GE Financial Services Company

WE JAC Corporation

has acquired

Precision Tune, Inc.

Financing provided by:

GE Capital



A GE Financial Services Company

\$65,000,000

to facilitate the purchase of

The Butler Group, Inc.

(through the acquisition of its parent,
Butler Securities, Inc.)

by

**Butler Acquisition Group,
Incorporated**

(a corporation formed by management)

Acquisition and Working Capital financing provided by:

GE Capital



A GE Financial Services Company

\$90,000,000

line of credit provided to

M & R Acquisition Corporation

(a corporation formed by The Kevin F. Donohoe Company
and senior management of Miller & Rhoads, Inc.)

for the acquisition of

Miller & Rhoads, Inc.

from

Allied Stores Corporation

Financing provided by:

GE Capital



A GE Financial Services Company

\$175,000,000

provided to

HealthTrust, Inc.—The Hospital Company

as part of a

\$540,000,000

**Employee Stock Ownership
Plan Term Loan**

Financing provided by:

GE Capital



A GE Financial Services Company

Finance

Electronic Media
June 13, 1988
Page F1

TV station buyers find few sellers

By RICHARD MAHLER
Los Angeles bureau chief

After a four-year feeding frenzy, TV station trading has calmed down, mainly because there aren't enough stations left to buy, brokers say.

"There's as much or more demand as ever," says Jim Blackburn, president of the Washington-based Blackburn & Co. broadcast brokerage. "But 90 percent of the stations in the top 30 markets are now owned by people who simply aren't going to sell."

That's particularly true for network-affiliated stations, says Mr. Blackburn and virtually every other broker contacted by ELECTRONIC MEDIA.

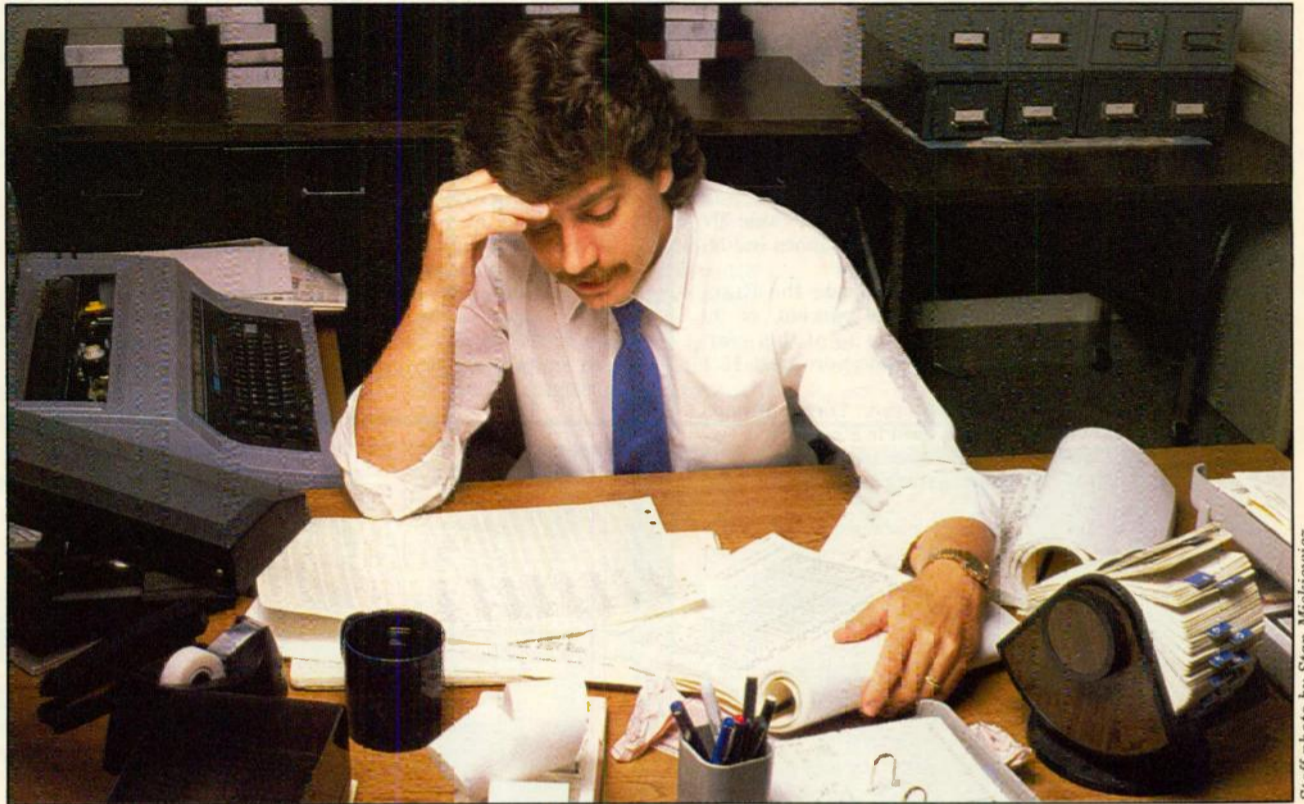
"You can count on one hand the number of affiliates that have changed hands this year," says Tom Buono, president of Broadcast Investment Analysts, headquartered near Washington.

"On the independent side, there are plenty of stations available, but not a lot of interest among potential buyers."

Howard E. Stark, president and principal owner of the Howard Stark media brokerage, handled two of the biggest affiliate deals this year: the \$100 million sale of NBC affiliate WGRZ-TV in Buffalo, N.Y., and the \$59 million sale of CBS affiliate WAFB-TV in Baton Rouge, La.

"A lot of the individual entrepreneurs and families have gotten out of the business," he says. "Most of their stations have gone to group owners such as Hearst, Scripps Howard and Gannett. These companies don't need to sell. They have

(Continued on Page F4)



New general managers often find themselves in charge of critical financial decisions.

Tackling the budget

Experts offer tips to new station bosses

By EILEEN NORRIS
Special to ELECTRONIC MEDIA

When KBAK-TV's sales manager was promoted a little more than two months ago to general manager for the ABC affiliate in Bakersfield, Calif., he had part of his game plan already mapped out.

On Day 1, Wayne Lansche decided, he would look at the contracts the station had had for many years with everyone from cleaning and maintenance suppliers to paper vendors.

He knew he wanted to crack the good-old-boys network and open up the contract process to interested bidders.

Today, he figures that move saved the station about \$10,000 a year.

Mr. Lansche also decided KBAK didn't need both Arbitron Ratings Co. and A.C. Nielsen Co. ratings services, so he shelved one, a move that saved the station another \$30,000 a year.

"That's almost a person-and-a-half savings for us," he says.

(Continued on Page F12)

Creative deal-making keeps TCI on top

By JANET STILSON
Staff reporter

NEW YORK—If there's one thing media analysts agree on, it's that Tele-Communications Inc. leads the cable industry in devising creative financing plans.

Though Don Fisher, TCI's senior vice president and treasurer, and Bernard Schotters, vice president of finance, are noted as contributors to the plan, it's John Malone, TCI chief executive officer, who's identi-

fied as TCI's real director of creative deal-making.

Opinions vary on just what Mr. Malone and company do that makes their deals so unique, largely because no two of TCI's acquisitions in recent years have been very similar.

But Rich McDonald, director of research at First Boston, has his own theory.

For one thing, he says, "John (Malone) invented the price mechanism on cable."

He explains that TCI generally

tacks onto its acquisition price enough extra cash to equal roughly one year's cash flow of the company being acquired.

This allows TCI extra leverage in beating competitor's bids, and by the time the deal is actually consummated, say six months later, the acquired company's own cash flow has made up half that extra money.

Ed Hatch, a vice president at Merrill Lynch, adds to Mr. McDonald's theory by noting Mr. Malone has "the ability to shave a deal closer to

the bone" because of savings that systems acquired by TCI will receive in program costs.

TCI's bulk-buy, per-subscriber rates are generally quite low because of the company's size and clout.

"And if a system he's negotiating for happens to be near one of his operations, he probably has other costs savings to boot, so that gives him an edge and provides a cushion to pre-empt other offers," Mr. Hatch says.

(Continued on Page F8)



INSIDE

F2 Putting stock in media
Electronic media stock prices outperformed the Dow Jones industrials in the last year.

F3 On your own
TV reporter Mary Nissenson (l.) is among those who are finding out what it takes to be their own boss.

F5 The AM/FM dial
After a slow start this year, radio station sales are going strong in the second quarter.

Staff photo by Michael A. Marcotte

SPECIAL SECTION: FINANCE

Cable booming; broadcast faces uncertainty

(Continued from Page F3)

digit growth for commercial broadcasters, they say. The delayed start of the fall season due to the Writers Guild of America strike and a weak second-quarter market will only make matters worse, analysts say.

Most important, according to Wertheim Schroder analyst Francine Blum, is the change in competitive position.

Any success a network or other broadcaster has of securing a bigger piece of the dwindling audience and revenue pie, the more promising the future, Ms. Blum said.

"Right now, ABC is the only network that offers the promise of growth," she said. "The company has got cash flow and earnings mo-

'Right now, ABC is the only network that offers the promise of growth.'

—Francine Blum
analyst, Wertheim Schroder

mentum, its debt is coming down and its competitive position is improving."

But even that kind of turnaround cannot hope to compete with cable TV's increasingly serious move into national and local advertising, which stands to hurt not only the networks and their affiliates but also independent stations.

However, the commercial networks—particularly CBS—face the roughest time in terms of revenues.

"CBS has taken a course of action in their programing and in their corporation that will leave them very vulnerable," said Alex Ben Block, editor of the Show Biz News industry newsletter. "CBS has chosen to be a money manager rather

than a programmer.

"Therefore, it's not surprising that ABC should appear to be more innovative and daring in its program choices for the fall."

The fact that Laurence Tisch, CBS president and chief operating officer, has chosen to operate CBS differently than any commercial network has been before has confused some investors.

"Tisch will continue to do what is opportunistically appropriate, and that will continue to throw a lot of people," said Alan Gottesman, analyst for L.F. Rothschild. "That means that I think CBS will eventually be sold, but I do not now think it is for sale.

"But it's obvious that for Mr.

Tisch, everything is for sale at the right price."

Although CBS's basic asset values continue to work in its favor, the company's stock continues to trade closer to its 1988 lows at around \$161 per share.

By comparison, Capital Cities/ABC has shown steady improvement in its fundamentals against the same uncertain and unsteady economic backdrop. Still, its high-priced stock also has been dropping, trading at about \$309 per share, just above its 52-week low of \$297.

The big questions for conventional broadcast companies is just how much spending the upfront 1988-89 market will hold, what percentage will be captured by each and how the overall revenue outlook will continue to affect stock prices.

That's why analysts such as Mr. Gottesman are being increasingly attracted to the radio side of the broadcasting industry.

"It's an industry coming into its second childhood. It's fun to follow newly created entities that weren't even around five years ago, like Emmis, Infinity and Westwood One," Mr. Gottesman said.

The emergence of new pure radio-casters has been fostered by the unloading of radio properties by conglomerate broadcasters (such as NBC or Lin Broadcasting) who have lost their grandfathered protection against cross-ownership rules, or who have decided to concentrate on other fields.

The trading of radio properties will continue at a slow, steady pace, according to analyst-turned-broker Gary Stevens.

"The Metropolitan and NBC radio deals this year comprised well over a half-billion dollars of all the business that has been written," he said. "Cash-flow deals will continue to occur with eight to 11 times multiples."

At the same time, radio growth on the average promises to be 8 percent to 11 percent annually.

"Radio has created new advertising dollars because it offers a targeted segment of the audience," said Mr. Stevens. "It will continue to do well, even in uncertain times, because it is so efficient." #

Radio sales shoot up

(Continued from Page F5)

average price of an FM station this year has been eight to 11 times cash flow, brokers say, depending on factors such as market size, a station's format niche and its share of its market's radio audience.

Brokers report almost no demand for AM stations, even though AM stations are often sold along with their co-owned FM counterparts.

Still, an AM station sale in Atlanta being arranged by Todd Hepburn illustrates that even an AM frequency can have some value.

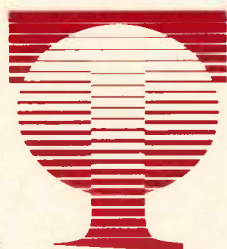
In the deal, Philadelphia broadcaster Ragan Henry earlier this year agreed to buy the license for the former WQXI-AM, located at 790 AM in Atlanta, from Jefferson Pilot Communications for \$1.65 million in cash.

Since Jefferson Pilot is moving WQXI to 640 AM, Mr. Henry's purchase doesn't even include the station's call letters or programing.

So for \$1.65 million, Mr. Henry is getting only the license for the 790 frequency, some transmitting equipment and an antenna tower, Mr. Hepburn said. #

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SPECIAL SECTION: FINANCE

Going to stereo? TV stations say plan ahead

By ERIC MANKIN

Special to ELECTRONIC MEDIA

Stereocasting may sound expensive, but it can be painless—and relatively cheap—with a little advance planning, say engineers from stereo-equipped TV stations.

Particularly for a smaller station, the longer routine equipment acquisitions have been made with eventual stereocasting in mind, the engineers say, the easier and cheaper the eventual changeover.

Al van Dinteran, chief engineer at WAGT-TV in Augusta, Ga., may hold the record for stereo pre-science.

"We actually changed over in March of 1987, but I have looked ahead to stereo since 1981," he says. "We basically sneaked into it financially, over four or five years time."

To do that, he made sure that all equipment the station replaced had the two-channel audio capability necessary for stereo.

"As a result," Mr. van Dinteran says, "when I notified management that we had been working on it for several years, and the final step would cost very little—only \$18,000—they had no difficulty with that at all."

This figure is, in fact, close to the minimum a station can spend when switching to stereo, says Eric Small, president of Modulations Sciences, Brooklyn, a manufacturer of the electronics needed to stereocast television.

"I have seen it done for as little as \$15,000," Mr. Small said, "though it is usually more than \$20,000, and it can be much more."

Ira Goldstone, chief engineer of KTLA-TV in Los Angeles, ticks off the levels of expense involved.

The basic equipment needed to encode the stereo signal—a stereo generator and an audio processor—costs in the neighborhood of \$11,000 to \$14,000, Mr. Goldstone says.

"However, if you have an older transmitter, it may have to be modified. That can cost as much as \$30,000," he says. "A station may also have to add new distribution equipment and upgrade its microwave link between the studio and the transmitter."

Mr. Goldstone's station makes considerable use of its stereo capability—in particular, the capacity that stereocasting stations have to broadcast two entirely different soundtracks simultaneously through "second audio programming," or SAP.

"We simulcast about 25 hours of programming a week in Spanish, including local news, Angels baseball and shows like 'Magnum' and 'Knight Rider,'" says station spokesman Ed Harrison.

"We expect to do more as more programming is supplied to us with additional Spanish-language soundtracks."

Other engineers echoed Mr. van Dinteran's emphasis on advance planning.

Paul Gross, chief engineer at WVTM-TV in Birmingham, Ala., put the cost for his station to go stereo in March 1986 at \$25,000 to \$30,000.

"We had to put a second audio channel on our main switcher and change the exciter on our transmitter, which cost about \$15,000," he says. "We had been preparing for it when we bought our switcher two years earlier. We bought one that we knew we could add a second channel to, so the conversion was not a headache."

Now, says Mr. Gross, "we have a studio set up for stereo, but we haven't used it yet for a broadcast."

Chief Engineer Bill Hineman, of

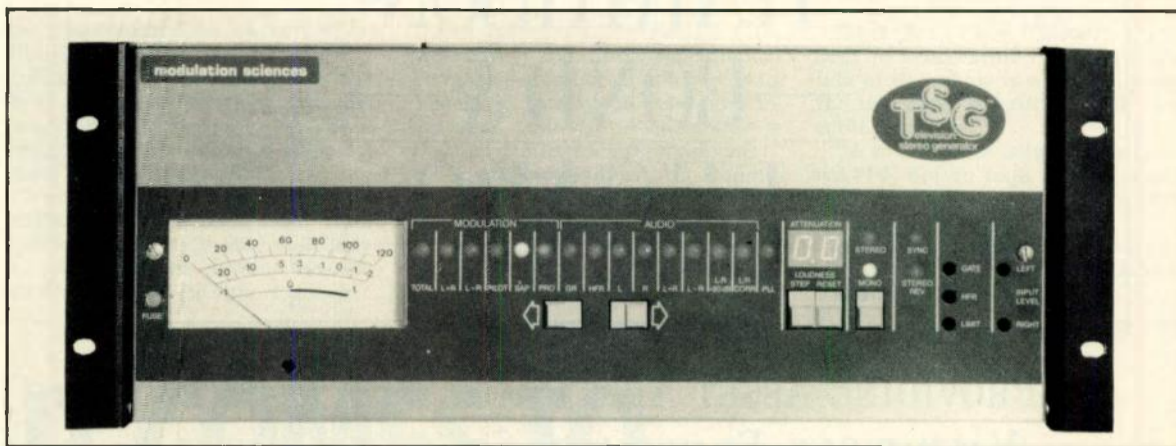
WTHR-TV in Indianapolis, put the cost of his station's move to stereo at about \$50,000.

"We had to add an additional audio channel capability to our microwave link, change the exciters on the transmitter and purchase a stereo generator and processor," he said.

The station had started its move to stereo earlier when it bought a master switcher that had stereo capability.

"It was rather a routine budgetary item," said Mr. Hineman. "The same year, we bought a satellite truck, which cost several hundred thousand, so the money was not the major consideration."

(Continued on Page F10)



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News shows perform well for CBS-TV

There are some very good business reasons why CBS renewed for the fall season its two low-rated weekly prime-time news series, "West 57th" and "48 Hours."

Not the least of those is that the two series, along with "60 Minutes," are expected to help push the CBS News division into the black this year for the first time in recent memory.

High-level CBS sources confirm that the modest profit posted by each of the two newer hour-long prime-time news series, and the estimated \$40 million in profits that "60 Minutes" renders, will help CBS News post single-digit profits in a year when it has a record-high budget.



BUSINESS BEAT

Diane Mermigas

The news division's budget is nearly \$330 million this year, about \$30 million of which is election year-related, according to CBS News sources.

In its heyday, "60 Minutes" generated about \$70 million annually in profits, and CBS officials are hopeful that a series such as "West 57th" or "48 Hours" eventually can do the same.

"I doubt there will ever be another '60 Minutes,'" Don Hewitt, the show's executive producer, said during a recent interview. "The show's success has been a product of the exceptional repertoire of reporters we were able to assemble, its protected time slot, the presentation of a new form of prime-time news that had the public's support and the networks enjoying record audience-viewing levels."

"The chances of all those factors coming together at the same time again are remote."

But the fact that a network can reap profits from a program it produces internally within just a year is reason enough why information/news series are likely to continue proliferating on all three networks' prime-time schedules.

ABC's single-season prime-time news effort, "Our World," was just beginning to turn a profit when it was canceled last year. ABC executives now say that, in hindsight, it was a mistake to take "Our World" off the air.

So, ABC News will introduce a second weekly prime-time news series in January 1989.

ABC News' weekly "20/20," which has been on the air for a decade, generates about \$20 million in annual profits, according to network sources.

Over its 20-year run, CBS executives suggest "60 Minutes" has generated \$500 million in profits.

The reasons "West 57th" and "48 Hours" are profitable even with low ratings and audience shares are their low production costs and the premium advertisers are willing to pay in return for select, upscale viewers.

The average cost of producing an average hour-long episode of a news series such as "West 57th" or "48 Hours" is between \$300,000 and \$400,000—about the same as a license fee for a half-hour sitcom, or less than half the cost of an average hour-long weekly dramatic episode.

"48 Hours," which has aired 16 original episodes since its January premiere, has averaged a 9.2 rating (percentage of TV homes) and a 15 share (percentage of sets in use). "West 57th," in its first full 33-week season, has averaged a 7.8/15.

Both programs have aired in a variety of time periods, most of them undesirable slots when network viewership is low. Or they've been placed against stiff network competition.

"West 57th" will undergo changes over the summer in an effort to make the program more competitive next fall, CBS News sources say. And "48 Hours" will continue to blend softer and more hard-core news subjects in an effort to broaden its audience appeal.

CBS News President Howard Stringer said that both news series have at times, given the right circumstances, garnered 40 percent shares of the audience.

"They have faced two of the three worst time periods on the prime-time schedule," he said. "These are slots where CBS's ratings would never be staggering despite what they try there."

"Any entertainment show would have had the same disadvantages. CBS would never expect to find a hit in these time periods. Unfortunately, these shows tend to be treated out of context."

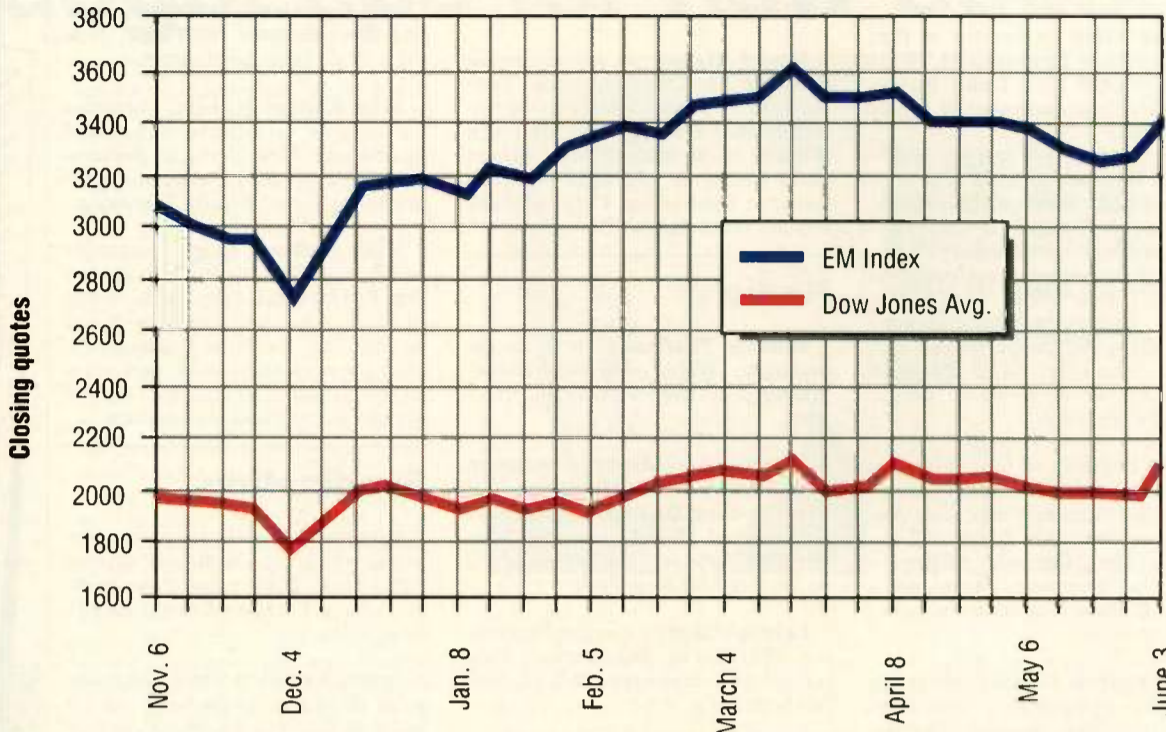
Mr. Stringer and his CBS superiors deny that cost has been a principal factor in determining the news series' renewal.

"Cost is only one consideration," said CBS/Broadcast Group President Gene Jankowski. "48 Hours" has held up as well as 'Tour of Duty' did against NBC's 'The Cosby Show' on Thursday nights and has not dragged down that night's schedule as some have suggested. There is a lot of prestige and good will involved in doing a news series like it.

"We also wanted to assure original material for the network during the uncertainty of a strike," he added.

(Continued on Page 57)

ELECTRONIC MEDIA stock index vs. Dow Jones average



ELECTRONIC MEDIA stock index results for the week ended June 3

Company	May 27	June 3	Change
King World	\$16.00	\$18.25	14.06%
Tribune Co.	\$35.38	\$39.38	11.31%
A.H. Belo	\$26.50	\$29.00	9.43%
TCI	\$21.88	\$23.63	8.00%
Gulf & Western	\$39.75	\$42.88	7.87%
Disney	\$56.88	\$61.25	7.68%
Coca-Cola	\$35.88	\$38.38	6.97%
MCA	\$39.38	\$42.00	6.65%
General Electric	\$40.00	\$42.63	6.58%
Viacom	\$21.50	\$22.88	6.42%
CBS	\$151.50	\$161.00	6.27%
Multimedia	\$63.50	\$67.00	5.51%
Time Inc.	\$89.38	\$93.50	4.61%
Comcast	\$14.00	\$14.63	4.50%
Jones Intercable	\$11.25	\$11.75	4.44%
Cap Cities/ABC	\$301.00	\$309.00	2.66%
Cablevision	\$30.25	\$31.00	2.48%
Lorimar Telepictures	\$13.00	\$13.25	1.92%
United Cable	\$32.88	\$33.50	1.89%
Turner Broadcasting	\$14.63	\$14.75	0.82%
Gannett	\$31.63	\$31.50	-0.41%
Home Shopping		\$5.25	
Scripps Howard		\$83.00	

LOSERS

UNCHANGED

Source: Nordby International

Kluge prepares for buying spree

Metromedia Chief **John Kluge** last week announced he is amassing a \$1 billion fund to make friendly takeovers in a wide range of industries. It is the first time the 74-year-old billionaire is officially venturing into the leveraged-buyout business. Both he and longtime partner Stuart Subotnick will be investing at least \$100 million in the partnership, with the rest coming from outside investors. Metromedia owns a 66 percent interest in Orion Pictures Corp., as well as interests that include several telecommunications companies.

Tulsa, Okla.-based **Tempo Enterprises** reported net income of \$619,000 for the first quarter of 1988, compared to \$827,000 a year earlier. Revenues were \$7 million for the quarter, compared to \$7.1 million a year earlier. Tempo Television, its cable service, is being acquired by NBC.

New York-based syndicator **ITC Entertainment Group** will consolidate its

BUSINESS BRIEFS

finance, administration and business and legal affairs departments, plus some sales operations, in its Los Angeles office, ITC said. Plans call for a number of ITC executives to move to Los Angeles from New York or London.

Seattle-based **Sunbelt Communications** has agreed to sell KMGK-FM in Minneapolis to Westmont, Ill.-based Trumper Communications, for \$8.7 million, pending FCC approval. The sale was arranged by Bill Steding, of Washington-based Americom Radio Brokers.

Shop-at-home service **CVN** received a 740,000-subscriber boost from Century Communications, which has committed all its systems to carry the service. The deal brings CVN's total subscriber count to about 20 million.

Englewood, Colo.-based **Western**

Tele-Communications Inc. has completed its acquisition of McDonald Group cable systems in Iowa for \$95.1 million, or more than \$2,100 per subscriber. The systems serve 44,600 cable homes. WTCI had announced the pending deal earlier, but kept the seller's name under wraps. The MSO also purchased a 4,000-subscriber system in Brookings, S.D., and is partnered in the deal with Sioux Falls, S.D.-based Satellite Cable Service Partners. A purchase price was not disclosed.

Ken Goldman, media analyst at Denver-based Hanifen, Imhoff, reports that the average price of **10 cable company stocks** he tracked were flat, when comparing March 31 and April 30 prices. The stocks showing the largest declines were Tele-Communications Inc., down 6.6 percent (\$24.75 from \$26.50), and Cablevision Systems, also down 6.6 percent (\$32 from \$34.25). Largest gainer was Century Communications, up 7 percent (\$19 from \$17.75).#

Tyson-Spinks could be record PPV payday

By **RICHARD TEDESCO**
Staff reporter

NEW YORK—The June 27 heavyweight title fight between Mike Tyson and Michael Spinks could deliver one of the biggest paydays in the history of pay-per-view and closed-circuit television.

The tilt between Messrs. Tyson and Spinks is projected to gross \$80 million—\$50 million of that in gross PPV and closed-circuit revenues.

That translates to a projected take of \$25 million to the promoters, according to Shelly Finkel, the promoter for Sports of the Century Inc., which is handling distribution of the live TV rights.

A \$19 million guarantee to the promoters for the regionalized PPV and closed-circuit rights has already eclipsed the \$13 million guarantee for the middleweight title fight between Ray Leonard and Marvin Hagler.

If the projected gross revenues materialize, they will exceed the PPV/closed-circuit return on the World Wrestling Federation's "Wrestlemania IV" event by \$10 million. And the balance has shifted



MIKE TYSON

Becoming a "household name"

significantly toward PPV.

"Pay-per-view has reached critical mass to step up in a lot of areas and outbid closed-circuit," said Mr. Finkel. "It's definitely where the future is."

National PPV companies Request Television and Viewer's Choice were both interested in the rights, but regional rights distribution proved to be more profitable for Sports of the Century.

"They couldn't come up with the dollars I was looking for," Mr. Finkel said of the two major PPV outfits.

But regional PPV operations—including multiple cable system operators who had not been big-event players previously—did come across.

"Hagler-Leonard and Wrestlemania just opened everybody's eyes, and a lot of cable companies have purchased primary rights," said Lowell Hussey, senior vice president of sales marketing and programing for Warner Cable Communications.

Warner Cable is projecting that 10 percent of its potential audience of 700,000 cable subscribers in Ohio and Wisconsin, where it holds the PPV rights, will take the event.

PPV ticket prices, which range from \$25 to \$30, are \$3 to \$5 higher than Warner charged for the Hagler-Leonard bout, when it handled distribution for Wisconsin alone.

United Cable Television Corp., the Denver-based MSO, has also gotten involved in the Tyson-Spinks PPV effort in a big way, buying rights for markets in Southern California, Arizona, Colorado, New

Mexico, Oklahoma, Louisiana, Idaho and sharing rights in Texas and Wyoming.

Barry Mines, who is directing the PPV effort for Cablevision Systems Corp. in its home market of Nassau and Suffolk counties, and parts of New York City, said the company expects a 20 percent take rate for its \$34.95 ticket price, with a potential audience of 230,000 homes.

"The magnitude of this fight intrigued us," he said, explaining Cablevision's motivation in its first

PPV venture.

"The name Mike Tyson is really a household name."

Cablevision also holds rights in the Long Island market for closed-circuit, which Mr. Mines said the company sees as complementary to the PPV side of the effort.

Lou Falcigno, president of Momentum Enterprises, which holds the closed-circuit rights in New York City's five boroughs, said the balance between PPV and closed-circuit appears to be shifting deci-

dedly in favor of cable.

"Down the road, in a few years, I see the cable industry dominating in an event like this for pay-per-view. The potential is astronomical," Mr. Falcigno said.

He points out that the evolution of electronic technology, including PPV systems, has dramatically increased the reach for an event such as Tyson-Spinks, which can be seen by way of 1,500 to 2,000 closed-circuit locations or cable systems.

In 1976, the first of three Mu-

hammad Ali-Joe Frazier fights was viewed in 276 closed-circuit locales, according to Mr. Falcigno.

He also figures this fight to be the biggest event of its kind to date.

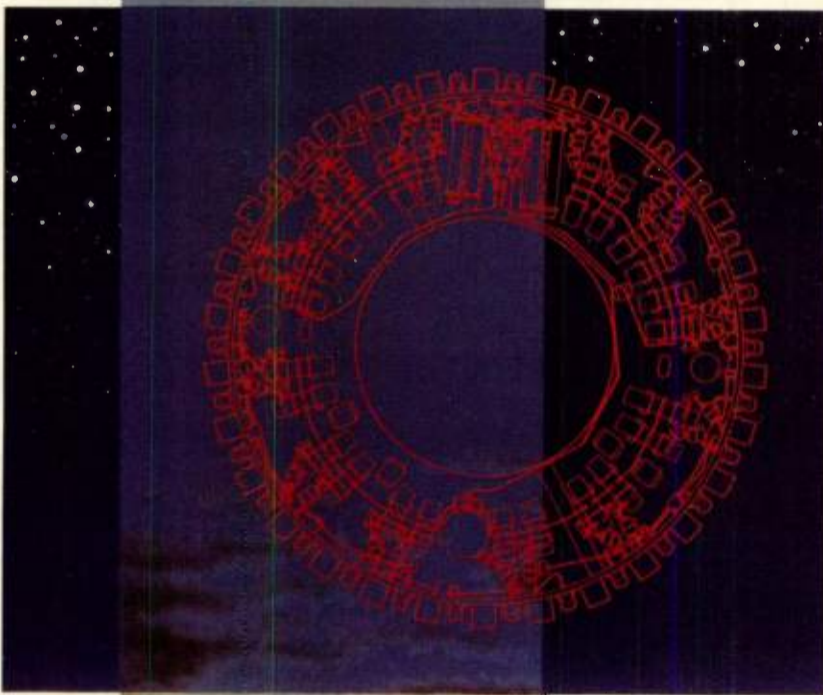
"Ray Leonard certainly is a huge draw. Tyson is untested as a closed-circuit draw. But there's something magical about Tyson because he knocks everybody out," he said.

Tyson-Spinks is the kind of entertainment event that transcends interest in boxing or sports, according to Mr. Falcigno. #

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NEWS OF RECORD

The following are items released by the Federal Communications Commission from June 2 to June 8.

Radio station sales

City and station: Clarksdale, Miss., WKDJ 96.5 FM (3,000 watts).
Seller: Minority Radio Co., Batesville, Miss.
Buyer: Radio Station WKDJ, Clarksdale, Miss. J. Boyd Ingram, general partner and 90 percent owner.
Price: \$0.
Notes of interest: At time of filing, Mr. Ingram was 85 percent stockholder in WJBI-AM/WBLE-FM, Batesville, Miss.; and 50 percent owner of WTGY-FM, Charleston, Miss.
Date granted: May 24.

City and station: Yazoo City, Miss., WJNS 92.1 FM (3,000 watts).
Seller: Gateway Broadcasting Co., Yazoo City, Miss.
Buyer: St. Pe Broadcasting, Baton Rouge, La. Edward St. Pe, president and 100 percent voting-stock owner.
Price: \$312,500.
Date granted: May 24.

City and station: Ogden, Utah, KZAN 97.9 FM (26,000 watts).
Seller: Ben Lomond Broadcasting Co., Ogden, Utah.
Buyer: Utah Broadcasting Co., c/o JD Mattus Co., Greenwich, Conn. John Mattus, president, chief executive officer and 80 percent voting-stock owner; and Paul Spranger, vice president and 20 percent voting-stock owner.
Price: \$1.825 million.
Notes of interest: At time of filing, Mr. Mattus was 77.7 percent stockholder and Mr. Spranger was 3.18 percent stockholder of USA Broadcasting Co., licensee of KLCY-AM, East Missoula, Mont., and KYSS-FM, Missoula, Mont. Mr. Mattus was also 100 percent stockholder of Idaho Broadcasting Co., licensee of KLFI-FM, Nampa, Idaho. Mr. Mattus was 80 percent stockholder and Mr. Spranger was 20 percent stockholder of Great Falls Broadcasting Co., licensee of KMOM-AM/FM, Great Falls, Mont. Mr. Mattus was 80 percent stockholder and Mr. Spranger was 20 percent stockholder of KCLR Broadcasting Co., licensee of KCLR-FM, Edmond, Okla.
Date granted: May 25.

City and station: Gloucester, Mass., WVCA 104.9 FM (3,000 watts).
Seller: Simon Geller, Gloucester, Mass.
Buyer: Douglas Tanger, Boston.
Price: \$1 million.
Notes of interest: At time of filing, Mr. Tanger was 33 percent stockholder of Lyra Corp., one of the three general partners of Marlin II Limited Partnership, licensee of WQRS-FM, Detroit. He was also 80 percent stockholder of Hawthorne Communications Corp., the sole general partner of Hawthorne Communications Limited Partnership, licensee of WCLZ-AM/FM, Brunswick, Maine.
Date granted: May 26.

City and station: Terrell, Texas, KTER 1570 AM (250 watts daytime).
Seller: Billy Pirtle, Terrell, Texas.
Buyer: Joe Collins and Bill Collins, Dallas. Both of the Messrs. Collins have 50 percent control.
Price: \$160,000.
Date granted: May 25.

City and station: Tyler, Texas, KDOK 1490 AM (1,000 watts).
Seller: Broadco of Texas, Lawton, Okla.
Buyer: Tyler Broadcasting Co., Bryan, Texas. Carolyn Vance, president and 50 percent voting-stock owner; William Vance Jr., secretary/treasurer and Ben Downs, vice president are each 25 percent voting-stock owners.
Price: \$1.4 million.
Notes of interest: At time of filing, Ms. Vance was 67 percent shareholder and Mr. Vance was 33 percent shareholder of Multicom Broadcasting, licensee of KEEE-AM/KJCS-FM, Nacogdoches, Texas.
Date granted: May 25.

City and station: Whitehouse, Texas, KEYP 99.3 FM (3,000 watts).
Seller: Broadco of Texas, Lawton, Okla.
Buyer: Tyler Broadcasting, Bryan, Texas. See above for principals.
Price: \$0.
Notes of interest: See above.
Date granted: May 25.

City and station: Calhoun City, Miss., WGIN 102.3 FM.
Seller: Franklin Broadcasting, Jacksonville, N.C.
Buyer: Keystone Communications, Pflafftown, N.C. Alfred Patton, president and 25 percent owner.
Price: \$6,500.
Date granted: May 27.

City and station: Watertown, N.Y., WATN 1240 AM (1,000 watts daytime, 250 watts nighttime) and Carthage, N.Y., WTOJ 103.1 FM (3,000 watts).
Seller: APA Communications, Watertown, N.Y.
Buyer: Clancy-Mance Communications, Dansville, N.Y. David Mance, president and 55 percent

Key FCC actions

Microwave feeds. Denied petition by various parties for stay of rules allowing non-commercial educational FM translator stations assigned to reserved channels and owned and operated by their primary stations to receive signals for rebroadcast via any technical means the licensees deem suitable. Mass Media Docket 86-112, by Order, delegated authority 88-857, adopted June 1 by the Chief, Mass Media Bureau.

Star Lake, N.Y. Effective July 18, allotted Channel 290B1 to Star Lake as its first local FM service. The filing window opens July 19, closes Aug. 18. Mass Media Docket 87-502 by report and order, delegated authority 88-800, adopted April 29 by the Deputy Chief, Policy and Rules Division.

The FCC has begun an inquiry, the fourth in this proceeding, into the domestic issues for the introduction of AM broadcasting services in the 1605-1705 kHz band in preparation of the second session of the expanded band conference of the International Telecommunication Union Region 2 Administrative Radio Conference. General Docket 84-467 by Fourth NOI, FCC 88-72, adopted February 25 by the Commission.

Richmond, Va. Upheld Mass Media Bureau's action denying Virginia State Unit of the Southern Christian Leadership Conference's request to deny renewal of WRVR-TV at Richmond. By memorandum opinion and order, FCC 88-177, adopted May 17 by the Commission.

The FCC's Review Board has affirmed Administrative Law Judge Joseph Chachkin's grant of Nevada Television Corp.'s application for a new VHF TV station on Channel 11 at Reno, Nev. Action by the Review Board May 12 by Decision, FCC 88R-30, Report DC-1177, Action In Docket Case.

Key West, Fla. Granted Hispanic Keys Broadcasting Corp.'s application for a new television station Channel 8 at Key West and denied the competing applications of Ernest A. Vendrell and Constance J. Wodlinger. Mass Media Docket 86-34 by Decision, FCC 88R-27, adopted April 29 by the Review Board.

Chicago. Granted Video 44's application for license renewal of WSNS-TV at Chicago and denied application of Monroe Communications Corporation. Mass Media Dockets 83-575-576 by Decision, FCC 88R-31, adopted May 12 by the Review Board.

Batavia, N.Y. Remanded to the presiding administrative law judge the case involving the applications of Genesee Communications, Inc. and the M&M Partnership for a new TV station on Channel 51 at Batavia. Mass Media Docket 86-48 by memorandum opinion and order, FCC 88R-32, adopted May 27 by the Review Board.

Ordered resumption of processing of AM applications for 14 foreign clear channels. Mass Media Docket 84-281, by second report and order, FCC 88-135, adopted April 6 by the Commission.

owner; John Clancy, secretary/treasurer and 45 percent owner.
Price: \$1.6 million.
Notes of interest: At time of filing, Mr. Mance owns 75 percent of licensee of WQKA-AM, Penn Yan, N.Y. Messrs. Mance and Clancy each own 45 percent of licensee of WCDO-AM/FM, Sidney, N.Y. Mr. Clancy owns 27.5 percent of the licensee of WSCM-AM/WACS-FM, Cobleskill, N.Y.
Date granted: May 27.

City and station: Pawhuska, Okla., KMYB 104.9 FM (3,000 watts).
Seller: McKee Broadcasting, Muskegee, Okla.
Buyer: Davel Broadcast Group, Columbus, Ga. E. Wright Davis, president and William O'Dell, vice president are each 50 percent voting-stock owners.
Price: \$1,200.
Date granted: May 27.

City and station: Lynchburg, Tenn., WTNX 1290 AM (1,000 watts daytime).
Seller: Moore County Radio Co., c/o Thomas Hull, Tullahoma, Tenn.
Buyer: Michael Glinter, Fort Mill, S.C.
Price: \$28,000.
Notes of interest: At time of filing, Mr. Glinter was president and minority shareholder in KGOL-AM, Humble, Texas; WLQV-AM, Detroit; and WBIV-AM, Natick, Mass. He was permittee of new AMs in Atlantic Beach, S.C.; Gladstone, Mo.; Fairview, N.C.; and Florence, S.C. He was also shareholder of the licensee of WQCC-AM, Charlotte, N.C.

City and station: Mount Vernon, Ky., WRVK 1460 AM (500 watts daytime).
Seller: Gosser-White Broadcasters, Bowling Green, Ky.
Buyer: Cumberland Media, Mount Vernon, Ky. Larry Burdette, president and 55 voting-stock owner.
Price: \$0.
Notes of interest: At time of filing, Mr. Burdette owned 33 percent of the stock of Crown Communications, licensee of WKYZ-AM, Gray, Ky.
Date granted: May 26.

City and station: Hope, Ark., KXAR 1490 AM (1,000 watts) and KXAR 101.7 FM (3,000 watts).
Seller: Sandia '76, Hope, Ark.
Buyer: KDB Inc., Hope, Ark. William Hoglund, president, 95 percent voting-stock owner and 22 percent non-voting-stock owner; Ken Sibley, 51 percent non-voting-stock owner; Dennis Neiderer, 16 percent non-voting-stock owner; and Bill Jennings, 11 percent non-voting-stock owner.
Price: \$0.
Notes of interest: At time of filing, Mr. Sibley was 65 percent voting-stock owner of Columbia Broadcasting Co., licensee of KVMA-FM, Magnolia, Ark., and 84 percent owner of the stock of Columbia Broadcasting Co., in Magnolia Broadcasting Co., licensee of KVMA-AM, Magnolia, Ark. Also, Mr. Neiderer was 21 percent owner and Mr. Jennings was 14 percent owner of KVMA-FM.
Date granted: May 27.

City and station: Glendale, Ariz., KLFF 1360 AM (5,000 watts daytime, 1,000 watts nighttime) and Sun City, Ariz., KONC 106.3 FM (2,250 watts).
Seller: Stanley Swain, Phoenix, Ariz.
Buyer: Resource Media, Miami. Arthur Tifford, president and 75 percent owner.
Price: \$1.3315 million.
Date granted: May 27.

City and station: Glendale, Ariz., KLFF 1360 AM (5,000 watts daytime, 1,000 watts nighttime) and Sun City, Ariz., KONC 106.3 FM (2,250 watts).
Seller: Stanley Swain, Phoenix, Ariz.
Buyer: Resource Media, Miami. Arthur Tifford, president and 75 percent owner.
Price: \$1.3315 million.
Date granted: May 27.

City and station: Cape Girardeau, Mo., KGIR 1220 AM (250 watts daytime).
Seller: Robert Phalen, doing business as KGIR Radio, Cape Girardeau, Mo.
Buyer: Marco Inc., Mayfield, Ky. James Marvin, president and 100 percent voting-stock owner.
Price: \$180,000.
Date granted: May 27.

City and station: Poteau, Okla., KYNN 1280 AM (1,000 watts daytime).
Seller: KYNN Limited, Greenville, Miss.
Buyer: Leroy Billy, Poteau, Okla.
Price: \$45,000.
Date granted: May 27.

City and station: Panama City, Fla., WPCF 100.1 FM (2,700 watts).
Seller: Winstanley Broadcasting, Metalrie, La.
Buyer: William Underwood, vice president and 24 percent owner and C.K. Winstanley, secretary, treasurer and 51 percent owner Panama City Beach, Fla.
Price: \$5,200.
Notes of interest: At time of filing, Mr. Underwood owned a 10 percent interest in Community Service Broadcasting of Panama City, licensee of WPCF-AM, Panama City Beach, Fla.
Date granted: May 31.

City and station: Luray, Va., WRAA 1330 AM (1,000 watts) and WLCC 106.3 FM (238 watts).
Seller: Cavens Broadcasting Co., Luray, Va.
Buyer: Commonwealth Audio Visual Enterprises, Luray, Va. John Cave, president, treasurer and 100 percent owner.
Price: \$150,000.
Date granted: May 31.

City and station: Avon Park, Fla., WAPR 1390 AM (1,000 watts daytime).
Seller: Florida Broadcasting Corp., Avon Park, Fla.
Buyer: Stevens Communications Corp., Lomira, Wis. Wayne Raymond Stenz, president and 50 percent voting-stock owner; and Lyle Robert Evans, chairman, secretary and 50 percent voting-stock owner.
Price: \$100,000.
Notes of interest: At time of filing, Mr. Stenz was president and 50 percent voting-stock owner and Mr. Evans was chairman, secretary and 50 percent voting-stock owner of Pacer TV of Huron, licensee of KIID-TV, Huron, S.D.
Date granted: May 31.

City and station: Tallahassee, Fla., WCVC 1330 AM (5,000 watts daytime).
Seller: John Vanderaa, Robert Cook, Coreen Cook, Wendell Borriok and Carolyn Borriok, South Holland, Ill.
Buyer: Wendell Borriok, Tallahassee, Fla.
Price: \$0.
Date granted: May 31.

City and station: Valdosta, Ga., WFVR 910 AM (5,000 watts).
Seller: Florida Vacation Radio, Valdosta, Ga.
Buyer: Florida Welcome Center, Gainesville, Fla. Millcent Saunders, president and 100 percent voting-stock owner.
Price: \$300,000.
Date granted: May 31.

City and station: Fort Dodge, Iowa, KVFD 1400 AM (1,000 watts).
Seller: Fort Dodge Broadcasting, Fort Dodge, Iowa.
Buyer: Dodge Communications Co., Fort Dodge, Iowa. Raymond Lamb, president and 50 percent voting-stock owner; Dean Sorenson, vice presi-

dent, secretary and 50 percent voting-stock owner.
Price: \$475,000.
Notes of interest: At time of filing, Mr. Lamb owned 100 percent of KBRK-AM/KGKG-FM, Brookings, S.D. Mr. Sorenson owned 100 percent of the following: KCCR-AM/KNEY-FM, Pierre, S.D.; KYNT-AM/KKYA-FM, Yankton, S.D.; KWAT-AM/KIXX-FM, Watertown, S.D.; KODJ-AM/FM, Jamestown, N.D.; and KCUE-AM/KWNG-FM, Red Wing, Minn.
Date granted: June 1.

City and station: South Bend, Ind., WAMJ 1580 AM (1,000 watts daytime, 500 watts nighttime).
Seller: WAMJ Inc., South Bend, Ind.
Buyer: Barrister Investment Co., South Bend, Ind. Richard J. Van Mele, general partner and 50 percent owner.
Price: \$400,000.
Date granted: June 1.

City and station: Rantoul, Ill., WRTL 1460 AM (500 watts daytime) and WRBZ 95.3 FM (3,000 watts).
Seller: Capitol Communications of Illinois, c/o William Scott, attorney for debtor-in-possession, Rantoul, Ill.

Buyer: Rollings Communications of Illinois, St. Charles, Mo. Mark Rollings, president and Dale Rollings, secretary, treasurer and 100 percent owner.
Price: \$225,000.
Notes of interest: At time of filing, Dale Rollings was 49 percent owner of Target Media, licensee of KUGT-FM, Jackson, Mo., and KCGQ-FM, Gordonville, Mo.
Date granted: May 31.

City and station: State College, Pa., WRSC 1390 AM (2,500 watts daytime) and University Park, Pa., WQWK 96.7 FM (3,200 watts).
Seller: State College Communications Corp., State College, Pa.
Buyer: Metro-Management, Brookline Village, Mass. Lewis Lloyd, chairman and 50 percent voting-stock owner.
Price: \$8 million.
Notes of interest: At time of filing, Metro-Management was the licensee of WYSY-FM, Biddeford, Maine.
Date granted: May 31.

City and station: Humnoke, Ark., KZIX 101.7 FM.
Seller: Charles Franklin, doing business as Franklin Broadcasting, Jacksonville, N.C.
Buyer: Keystone Communications, Pflafftown, N.C. Alfred Patton, president and 25 percent owner.
Price: \$11,000.
Date granted: June 1.

City and station: Lincoln, Neb., KUCV 90.9 FM (18,200 watts).
Seller: Union College, Lincoln, Neb.
Buyer: Nebraska Educational Telecommunications Committee, Lincoln, Neb. Vance Rogers, chairman.
Price: \$0.
Date granted: June 1.

Proposed stations

Location: Trussville, Ala.
Station: 105.9 FM.
Applicants: Lawson Communications, Forestdale, Ala.
Trussville Broadcasting, Birmingham, Ala.
King Broadcasting Limited Partnership, Albertville, Ala.
William Bennis IV, Newport News, Va.
Stanton Broadcasting Corp., Trussville, Ala.
Dobson Broadcasting Co., Birmingham, Ala.

Location: Wrightsville Beach, N.C.
Station: 93.7 FM.
Applicants: Wrightsville Beach Radio Limited Partnership, Wrightsville Beach, N.C.
Atlantic Broadcasting Associates, Wilmington, N.C.
Praise Broadcasting Network, Wilmington, N.C.
George S. Flinn Jr., Memphis, Tenn.

Location: South Bend, Ind.
Station: 106.3 FM.
Applicants: KAM FM Partnership, South Bend, Ind. Paradise Communications Group, Hampton, Va.
Goodrich Theatres, Kentwood, Mich.

Location: Independence, Calif.
Station: 106.3 FM.
Applicants: Bennett Kessler, Independence, Calif. Bill Dean Cramer, Las Vegas, Nev.

Location: Meridian, Miss.
Station: 102.1 FM.
Applicants: Radio Meridian Limited Partnership, Meridian, Miss.
Charisma Communications Co., Meridian, Miss.

Location: Holly Hill, Fla.
Station: 103.3 FM.
Applicants: Walo Broadcasting Limited Partnership, Ormond Beach, Fla.
Sun City Radio Group, South Daytona, Fla.
Seabreeze Broadcasting Group, Holly Hill, Fla.
Holly Hill Broadcasting Co., Daytona Beach, Fla.
Modern Media, Port Orange, Fla.
Michelle Terzynski, Ormond Beach, Fla.

Location: Lindsay, Calif.
Station: 103.3 FM.
Applicant: Correia Broadcasting, Tulare, Calif.

Location: Smyrna, Tenn.
Station: 94.1 FM.
Applicants: Smyrna Broadcasting Corp., Smyrna, Tenn.
Oneal Communications Group, Murfreesboro, Tenn.
Alice Randall Williams, Nashville, Tenn.
Laser Wave Broadcasting Co., Knoxville, Tenn.
George S. Flinn Jr., Memphis, Tenn.

Location: Sebastopol, Calif.
Station: 93.7 FM.
Applicants: Good Fortune Broadcasting, Tustin, Calif.
JM Broadcasting Limited, Sebastopol, Calif.
Special Delivery Broadcasting, Sebastopol, Calif.
Sonoma County FM, Santa Rosa, Calif.
Beth Knight, Sebastopol, Calif.

Wattz Broadcasting, Santa Rosa, Calif.
Bodega Communications, Stockton, Calif.
Lucina Felicia Paulos, Santa Rosa, Calif.
Purple Crayon Radio, Santa Rosa, Calif.
Dennis Kahane, San Francisco.
Edward Abramson, Chico, Calif.
John Carollo Jr., Sebastopol, Calif.
Bayside Broadcasting, Stamford, Conn.
Sebastopol Broadcasters Limited, Sebastopol, Calif.
Dragonfly Communications, Sebastopol, Calif.
Russian River Vintage Broadcasting, St. Louis.
Vintage Broadcasting Corp., Santa Rosa, Calif.
Gravensteig Broadcasting Limited, Sebastopol, Calif.

Manzanita Media, Santa Rosa, Calif.
Apple Communications, Muir Beach, Calif.
Kathleen Harris, Sebastopol, Calif.

Location: Mariposa, Calif.
Station: 103.9 FM.
Applicant: Mariposa Grizzly Radio, Burlingame, Calif.

Location: Vero Beach, Fla.
Station: 99.7 FM.
Applicants: Sun Coast Broadcasting, Knoxville, Tenn.
American Indian Broadcast Group, Smyrna, Tenn.
WTET Limited Partnership, Vero Beach, Fla.
Vero Beach Communications, Vero Beach, Fla.
Orchid Isle Communications, Vero Beach, Fla.

Station: Tice, Fla.
Location: 93.7 FM.
Applicants: Prize Broadcasting, Memphis, Tenn.
Griffin Communications, Fort Myers Beach, Fla.
Gerald Penovich, Chicago.
Charisma Radio Partners, Orlando, Fla.
Minority Broadcast Development, Fort Myers, Fla.
Birdsong Broadcast, Sanibel, Fla.
Palm Broadcasting Limited Partnership, Fort Myers, Fla.
Gooderham/Swattley Tice Limited, Melbourne, Fla.
Female Frequency, Longwood, Fla.
Belkis J. Lezcano, Miami.
Press Broadcasting Co., Asbury Park, N.J.
Orange River Broadcasting, Punta Gorda, Fla.
Linda Giles, West Palm Beach, Fla.

Location: Bishopville, S.C.
Station: 93.7 FM.
Applicants: Lee County Broadcasting Co., Bishopville, S.C.
JKRC Central Communications Limited Partnership, Bishopville, S.C.

Location: Oxnard, Calif.
Station: 102.1 FM.
Applicant: Oxnard Broadcasting, Van Nuys, Calif.

Location: Tallahassee, Fla.
Station: 106.1 FM.
Applicant: Ferguson Communications, Tallahassee, Fla.

Location: Los Lunas, N.M.
Station: 106.3 FM.
Applicants: Los Lunas Project, Los Lunas, N.M.
Patricia Bennis Komorowski, Albuquerque, N.M.

Location: Marked Tree, Ark.
Station: 93.7 FM.
Applicants: Marked Tree Media Partnership, Marked Tree, Ark.
George S. Flinn Jr., Memphis, Tenn.

Location: New Iberia, La.
Station: 93.7 FM.
Applicants: D.C. Jones, New Iberia, La.
Acadiana Limited Partnership, New Iberia, La.

Location: Clyde, N.Y.
Station: 93.7 FM.
Applicant: Wayne County Professional Broadcasters, Newark, N.Y.

Location: Yazoo City, Miss.
Station: 93.7 FM.
Applicant: Dri-Two, Yazoo City, Miss.

Location: Bay City, Texas.
Station: 97.7 FM.
Applicants: Ammerman Enterprises, Stafford, Texas.
North Star Communications, Houston.
Gardner Broadcasting Corp., Golden, Colo.

Location: North Bend, Ore.
Station: 107.3 FM.
Applicants: Maureen K. Vega and Vincent P. Vega Limited Partnership, Portland, Ore.
Big Bay Radio, North Bend, Ore.

Location: Monroe, La.
Station: 105.3 FM.
Applicant: Patrick Robinson, Monroe, La.

Location: Georgetown, S.C.
Station: 93.7 FM.
Applicant: VBX Communications, Georgetown, S.C.

Location: Neokosa, Wis.
Station: 93.7 FM.
Applicant: Berry Radio Co., Green Bay, Wis. #

Rather recounts successes, limits of glasnost

(Continued from Page 1)

There are the normal reports of the day's historic events. But there is also risky business—or so we thought.

We are allowed to transmit an interview with ousted Politburo member Boris Yeltsin. He openly denounces Yegor Ligachev, the No. 2 man in the government, as an enemy of reform.

Five days later, Andre Sakharov criticizes the pace of reform in a news conference at a government press center, on microphones used just two days before by Soviet leader Mikhail Gorbachev. The introduction of Mr. Sakharov is made by the government's own chief foreign policy spokesman. The times, as the song says, they are a changin'.

But change comes slowly. The Soviets are as committed as ever to the official party line, but today the party line is glasnost—openness, perestroika (restructuring of the economy).

While these are amazing changes for a society that's just coming to terms with the horrors of Stalin, the changes are always confined to limits of socialism—what's good for the socialist state.

Tolerance is limited. Refuseniks are still refused exit visas. Groups seeking the ability to form an alternate party are harassed. After we taped a priest leading a Bible study group, the police picked him up.

At the same time, we learned not to underestimate the limits of glasnost.

Soviet Defense Minister Dimitri Yazov had never granted a television interview, but soon Pentagon correspondent David Martin was walking down the marbled corridors of Mr. Yazov's headquarters. The general talked of firing a few generals to make way for reform, and conceded that Afghanistan might not have been worth it.

Capt. Eugeny Orlov was none too happy to see an American camera crew pull up to a guided missile



'It was clearly time for the big question: Could we, CBS News, take cameras inside the Kremlin? . . . The question did not have an easy answer. In meeting after meeting after meeting, said "Evening News" Producer Suzan Zirinsky, the request was as if we had asked the general secretary and the president of the United States to meet naked.'

—Dan Rather

cruiser, but we had another first—a tour of his ship.

It was clearly time for the big question: Could we, CBS News, take cameras inside the Kremlin?

For 20 years, cameras had been kept outside the Kremlin walls. To the television viewer, the Kremlin was an austere wall facing Red Square, the spot from which Soviet officials view parades of missiles. There was no hint of the extraordinary interior grounds filled with the treasures of the czars and the medieval cathedrals that seem such a contradiction in the heart of the atheistic state.

The question did not have an easy answer. In meeting after meeting after meeting, said "Evening News" Producer Suzan Zirinsky, the request was as if we had asked the general secretary and the president of the United States to meet naked.

If we brought in a high-ranking title, the Soviets brought in a higher rank. Back and forth we went with uprankmanship. In one week alone, Gordon Joseloff, CBS News' Tokyo bureau chief, was promoted three times just to keep up. He was about to replace Laurence Tisch as chief

executive officer when something remarkable happened.

Somebody said yes.

We still don't know who, but somebody said we could report from inside the Kremlin. We could even microwave from inside the Kremlin. We kept after this somebody like a fox terrier on a pantleg. He seemed to waiver, but we didn't let go until he said yes. And it paid off.

From then on the rule was "stay out of the hotel." Charles Kuralt and I spent every minute we could inside the Kremlin grounds. We watched the Supreme Soviet come and go. We watched zil limousines wisk generals back and forth.

We were free to stay until dark when we moved into the magnificent Hall of the Columns, where we sat down each night to discuss the day's events with our senior correspondents. We like to say that what television does best is to take you somewhere, and what a magnificent place to take "Evening News" viewers.

One day we were moving around the Kremlin taping when a funny thing happened. We ran into Gen-

eral Secretary Mikhail Gorbachev. We didn't actually run into him. It was more like running after him.

Cameraman Juergen Neumann saw Mr. Gorbachev's limo glide past. We waited for him to come back. When he didn't, we decided to walk over to the other side of the Kremlin. About 50 yards from the street, across Cathedral Square, we watched the limo at a side entrance—and Mr. Gorbachev got out to talk with students, among them a choir group from Fresno, Calif.

The camera crew and I took off in a 50-yard sprint that would have made Carl Lewis proud. CBS News Vice President David Buksbaum used a little old-fashioned body language to get us through security agents. Soviet Propaganda Secretary Aleksandr Yakovlev was quickly pulled in to interpret the impromptu interview.

Mr. Gorbachev patiently answered a half-dozen questions in a steady, thoughtful voice. He smiled all the way through and kept strong eye contact. Then, about three minutes later, he said something like, "Gotta go," and was off.

There was also wide access out-

side Moscow. Charles Kuralt reported two of his most memorable "On the Road" stories on the Transiberian Express. The Soviet Union is a country with 11 time zones, and it was important to get far away from Moscow. We wanted to know how the summit played in Siberia.

The people were friendly, the food was awful and the ride was rough. But Charles told us that Mr. Gorbachev is personally popular and that Soviets talk enthusiastically about glasnost and perestroika—even those who doubt it will work.

Mr. Kuralt also did a story on big. Soviets love big—big cannons, big monuments, big buildings, including the Rossiya Hotel, the world's largest, which accommodates 6,150 guests and is where the American networks stayed during the summit.

Charles claims it was five city blocks from his room to the front door, and it was always at the front door that he would realize he'd forgotten his notebook.

Kathleen Sullivan and the crew from "CBS This Morning" learned almost too late that in Russia, big is better.

It was the last day, the last CBS News broadcast originating from the Soviet Union. "CBS This Morning" thought a little Russian folk music would be a fitting way to sign off from Moscow.

Positions were set up for the six musicians who had been promised. Mikes were checked out. What could possibly go wrong?

In paraded the Osipov Balalaika Orchestra, 60 members strong. "All or nyet!" demanded the temperamental orchestra leader.

Last-minute scrambling for extra mikes and a makeshift set turned what could have been a disaster into a victory.

"A little problem in translation," explained David Corvo, executive producer of "CBS This Morning."

In the Age of Glasnost, one only has to make sure one asks the right question. Because nowadays, one might get the right answer. #

CBS looking to stir up support

(Continued from Page 4)

a financial setback to the network or its stations "depends on what the schedule and programs are for those months and by the amount of ad money available in the upfront," Mr. Jankowski said.

"From a network point of view, because of the cost of the programs being a lot less than the advertising prices, it is conceivable we could benefit from it," he said.

"Historically, the networks have made their biggest profits in the summertime, when everything was in reruns."

Many affiliate executives have refrained from endorsing CBS's proposed prime-time schedule changes for the fall until they view pilots during this week's meetings.

CBS claims to have earmarked record amounts to develop and produce new product for the 1988-89 TV season and plans to take a more detailed approach to explaining its scheduling rationale to its affiliates this week.

Mr. Jankowski explained why the network chose not to replace more than 5½ hours of programing next season.

"Our mistake last year was replacing too many hours of programing," he said. "If we had stuck with

the second night of movies, we would have wound up in second place even against the Olympics because we would have avoided the disaster we had on Tuesday nights with all those series."

On the whole, however, CBS and affiliate officials say there are few other major worries that will be addressed during this week's meetings.

Affiliate executives say they feel more assured this year about CBS President Laurence Tisch's plans for the company, although he's still expected to have a formidable public relations job before him this week.

Affiliate sources say CBS's recent \$245 million acquisition of exclusive broadcast rights to the 1992 Winter Olympics has gone a long way to improve network morale and affiliate confidence in Mr. Tisch's commitment to the broadcast business. The Olympics are a lucrative franchise to local stations and a valuable promotional platform for the network.

"The Olympics commitment sent an important signal to the affiliates that CBS intends to preserve the current system, at least for the next five years," said Ben Tucker, CBS affiliate chairman. "That is very significant." #

ABC, affiliates eye major reforms

(Continued from Page 3)

we're going to have to find some answers to," said John Sias, president of the ABC Television Network Group.

"We want you to understand that our response to this is a reflection of that changed marketplace and not any interest in trying to gain advantage at the expense of the affiliate body."

Similarly, Cap Cities/ABC chairman Tom Murphy told ELECTRONIC MEDIA it was necessary to throw such controversial reform issues on the table "to start the dialogue. The change is going to come whether we want it or not, so we may as well start talking about it."

Two other areas of change being studied by special committees of network and affiliate executives are station compensation and on-air clutter.

Compensation reform eventually may take the shape of offering valuable ad inventory to stations in lieu of cash payments, or of the network making those cash payments on the basis of program popularity, clearances and market size.

Clearances continue to be a problem for all three commercial networks. ABC affiliates last week were told that on the average they pre-empt one hour of the network's 22 hours of prime-time programing each week.

Based on a recently updated survey of its members, ABC's affiliate board concluded that its network makes the most modest cash payments in select markets. Some affiliate board members said they will try to rectify those individual market imbalances, although they admit little hope for securing increased compensation payments to affiliates overall.

The network and affiliates also acknowledged they are contemplating eliminating or repositioning station identification breaks, promotional messages or commercials on the hour and half-hour to cut down on clutter.

A task force headed by network President Mark Mandala and comprised of network and affiliate heads will meet later this month to discuss anti-clutter changes that could occur as early as July.

On another front, without offering scheduling specifics, ABC executives attempted to assure affiliates that the network would supply a competitive schedule of first-run movies, specials and series reruns to hold viewers during the delay caused by the writers' strike.

The financial impact of the strike weighed heavily on the minds of both network and affiliate executives last week as striking writers picketed the Century Plaza Hotel in Los Angeles, where the annual meetings were being conducted.

For the most part, however, ABC affiliates were more upbeat and optimistic about their network's future than they have been in some years, and the new owners of Capital Cities/ABC exhibited more confidence in their own leadership and expertise since acquiring the company in January 1986.

In contrast to last year's unrest, affiliates generally applauded ABC's new program promotion campaign, continuing under the umbrella theme "Something's Happening!"

Affiliates also generally applauded ABC's new series pilots, with the half-hour "Roseanne" sitcom being the unmistakable favorite.

During the closed meetings, affiliates gave ABC Entertainment President Brandon Stoddard a "ringing endorsement" for his efforts to inject quality and innovation into ABC's prime-time schedule, sources said.

ABC News also made a splash during its morning-long presentation to affiliates on June 7, the day of the California primary, by bringing in presidential hopefuls Michael Dukakis, Jesse Jackson and George Bush. Each got his turn to be interviewed before the affiliates by ABC's top newsmen. #

NBC will lease, not buy, Tempo Television

(Continued from Page 1)

estimated by media analysts in the \$20 million range.

NBC President Robert Wright did not return calls on the subject, and other NBC executives refused to comment on the price being paid under the new agreement, or on how long they were obligated to continue programming the network if the enterprise wasn't successful.

Meanwhile, the exact number of full-time subscribers held by Tempo remains unclear.

Analyst and network sources put the count at under 4 million, while Ed Taylor, chairman of Tempo Enterprises, said the figure is in the 6 million to 7 million arena.

Whatever the figure, NBC officials have said they will charge 6 cents per cable subscriber for the daytime business service and 12 cents for the nighttime sports service.

But to help launch the service, TCI has agreed to pay those fees for all of Tempo's

current subscribers for the first year, thereby assuring NBC of a sizable audience pool.

Under the new plan, NBC's business news service, running from 6 a.m. to 8 p.m., is set to premiere in early 1989.

The timetable and details for the sports service are still up in the air.

NBC still plans to offer operators an equity position in the nighttime service, he said.

The change to a lease arrangement comes almost two weeks after NBC missed its first deadline to complete the Tempo purchase.

"I think one of the problems that occurred (during the prolonged negotiations) was there was not as many subscribers there as they originally thought. That was an issue," said Larry Gerbrandt, senior analyst at Paul Kagan Associates.

While other analysts have cited the subscriber issue as well, NBC and TCI officials have stressed it was not a point of contention.

Ken Goldman, a cable securities analyst at Denver-based Hanifen Imhoff, said he does not think the lease agreement will affect NBC's drive to add more affiliates to Tempo.

"Multiple system operators could think that the lease means a lessened commitment, but I don't think the industry would make that judgment," Mr. Goldman said.

News of the lease plan coincided with the announcement of a survey of top cable operators that shows little enthusiasm for NBC's Tempo venture, but much support for Turner Broadcasting System's Turner Network Television service.

The report was conducted by Marquest Research, based in Beaufort, N.C.

Paul Rule, president of the organization, said that top executives at 13 of this country's top 25 MSOs responded to his personal calls.

Mr. Rule says he does not think the survey is reflective of the overall cable industry's recep-

tivity to NBC's Tempo, only the top 25.

Concerning the new Tempo service, to premiere in early 1989, Mr. Rule said only two executives said they would carry the daytime business programming extensively and only three said they would carry the nighttime sports programming to any large extent.

In contrast three-quarters of the executives said they would pick up the new TNT network from Turner Broadcasting System, which premieres Oct. 3.

Reacting to Marquest's press release, NBC's Mr. Rutledge stated: "For the past eight months (TBS Chairman and Chief Executive Officer) Ted Turner has been visiting every trade show pitching his programming.

"People are very enthused when they hear about our programming.

"We're confident they'll be even more enthused once our own marketing efforts are under way."#

AT PRESS TIME CONTINUED

does not prohibit the FCC from granting or extending waivers in certain cases.

● WASHINGTON—The Federal Communications Commission on Friday announced it had voted unanimously to deny ELECTRONIC MEDIA access to a copy of FCC Chairman Dennis Patrick's appointment calendar for 1987. The agency said the calendar was not an agency record subject to Freedom of Information Act disclosure provisions.

● SANTA ANA, CALIF.—Former Karl-Lorimar Video President Stuart Karl was indicted Thursday on charges he illegally gave almost \$200,000 to the campaigns of former Democratic presidential candidate Gary Hart, Sen. Tim Wirth, D-Colo., and others.

● LOS ANGELES—ABC Entertainment and the Academy of Motion Picture Arts & Sciences have agreed on a five-year extension of their contract for ABC's telecast of the annual Academy Awards.

● NEW YORK—Rupert Murdoch's News International is expanding its European direct broadcast satellite service possibly to four channels from one channel. The company said it signed a 10-year deal last week with British Telecom for three transponders on a satellite to be launched Nov. 4. Under the name of Sky Television, it plans to create channels for news, films and entertainment, and possibly sports.

● LOS ANGELES—Producer Steven Spielberg's Amblin Entertainment is expanding its TV involvement with the formation of a network, cable and first-run production division headed by Carole M. Kirschner, director of comedy development for CBS Entertainment.

● WASHINGTON—Three times during an appearance Thursday on ABC News' "Nightline," Vice President George Bush referred to anchor Ted Koppel as "Dan." The vice president apologized to Mr. Koppel for the mixup. Mr. Koppel replied: "Next time, call me Barbara."

● SCHENECTADY, N.Y.—WRGB-TV here pulled "The Morton Downey Jr. Show" from its 9 a.m. time slot after only three airings reportedly over the show's controversial content. Nonetheless, the show's producers were encouraged by strong ratings since the show premiered in national syndication on May 30. #

BPME hears 'Cosby' plans

(Continued from Page 2)

promos, then Mr. Cosby customized the spots by identifying their call letters, channel numbers, slogan, daily time period and other information.

Meanwhile, BPME attendees popped into sessions and talked with exhibitors about solving their own promotion challenges. Highlights of the sessions included the following:

● In his June 8 independent TV keynote address, Preston Padden, president of the Association of Independent Television Stations, pointed out that the independents' share of total viewing has grown to 24 percent. He called on promotion directors to help guarantee that the growth continues.

● During a session on the making of the special effects on Paramount's "Star Trek: The Next Generation," attendees got some tips from the series' special effects crew on different ways to use their production equipment to create unique looks.

The crew emphasized to attendees that a lack of funds shouldn't preclude them from attempting certain shots. They showed the audience how one "Star Trek" robot effect was assembled from an empty plastic Easter egg and a L'eggs pantyhose container.

● During a Thursday session on movie marketing, former CBS and

NBC promotion honcho Steve Sohmer chided TV programmers for "selling 'dramedies' as dramas instead of comedies. When you have a choice, you should always sell comedy."

Mr. Sohmer, who left the presidency of Columbia Pictures last year to found the Steve Sohmer Inc. marketing firm, stressed the need to carefully target viewers in TV ads in order to "stand above the ordinary movie-of-the-week."

"CBS can't catch cold with 'Tour of Duty,'" he said of the Vietnam-oriented series, but tightly focused marketing of "Platoon" and "Good Morning, Vietnam" rendered \$70 million and \$120 million, respectively, in box office receipts. #



STEVE SOHMER
If you can, "sell comedy"

\$484 million bid is made for Infinity Broadcasting

(Continued from Page 2)

tion deal ever proposed. The proposal will expire if a definitive buyout agreement between WCK Acquisitions and Infinity stockholders isn't reached by a June 22 deadline.

The buyout is being supported by \$340 million in senior financing from Chase Manhattan Bank, New York, and \$100 million in subordinated bridge financing, or so-called "junk bonds," from Shearson Lehman Hutton Holdings Inc., New York.

The offer was detailed in a prepared statement issued by Infinity. Since none of the three officers would comment further, questions remained about why they're trying to take the company private.

Merrill Lynch's Mr. Hatch suggested that the buyout offer might reflect a belief by Infinity's manag-

ers that the company is worth more than its recent stock prices have indicated.

Before last Thursday's jump in price, Infinity shares were trading in the low 20s this year.

Since Infinity's radio stations have continued to perform strongly this year, Mr. Hatch said he agrees that the company's stock has been underpriced during 1988 because "the management of Infinity has truly been outstanding."

With 15 radio stations in 11 of the nation's largest markets, including the top 10 cities, Infinity is one of the country's most valuable radio groups.

Its properties include top-rated album rock WBCN-FM in Boston; mass-appeal KVIL-AM/FM in Dallas; and classic rock WXRK-FM in New York, which hosts shock jock Howard Stern. #

Senate passes TV violence bill

(Continued from Page 1)

of the House Judiciary Committee, has agreed to hold hearings on the legislation, perhaps before the end of this month.

"We're encouraged in general about what we've heard in the House," said Chris Dunn, an aide to Sen. Simon.

ABC, CBS and NBC have been cool to the legislative initiative from the start.

"CBS has been opposed to the bill," said a CBS spokeswoman. "We don't think it's necessary or proper to be sitting down with our competition on programming when CBS's internal guidelines on vio-

lence and action programming are already in place."

Similarly, a spokesman for ABC said that network had "great concerns" about the legislation because ABC believes its current standards are effective.

"We also think the legislation has a potential to restrict the First Amendment rights of broadcasters to make their own judgments about programming," the spokesman said.

In addition, the National Association of Broadcasters has also expressed reservations about the bill.

"We raised some First Amendment concerns about the legislation in written testimony before the Senate," according to an NAB spokeswoman.

Up to this point, however, the bill's major public opposition has come from the American Civil Liberties Union, which is seeking an opportunity to testify against the measure in the House hearings.

"I think it's an indirect effort to control the content of television, and, therefore, unconstitutional," said Barry Lynn, legislative counsel for the ACLU. #

Ted Turner discusses cable programming plans

(Continued from Page 4)

One movie he plans to stay away from is an adaptation of the novel sequel to "Gone With the Wind." Mr. Turner, who holds rights to the original production, said the project would be "fraught with peril."

Much further along in the planning stages is a TNT miniseries that Alex Haley will adapt from his forthcoming book on the lyricist of the hymn "Amazing Grace," John Newton, who Mr. Turner says was the captain of a slave ship before

finding God.

Mr. Turner made his comments at a press conference last week to announce the formation of a merchandising and licensing division.

Jack Petrik, who oversees the new unit as president of Turner Home Entertainment, said the enterprise should be a "multimillion-dollar profit center within a year."

Merchandising priorities include products tied to the 50th anniversary of "Gone With the Wind" and "The Wizard of Oz" in 1989. #

House OKs kids' TV bill

(Continued from Page 3)

"You can produce all the children's shows in the world, but it won't make a damn bit of difference if kids don't watch it," Mr. Gonyar said. "You can't force kids to watch what they don't want to watch."

Pat Patton, program director at ABC affiliate KMBC-TV in Kansas City, Mo., said, "It's unfortunate anytime you try to legislate something like this. It's always best if it's left up to self-regulation, and I think the broadcasting community has done a good job of regulating itself."

The FCC used to have limits on children's TV advertising, but the commission repealed them in 1984. Last year, a federal appeals court said the FCC failed to adequately justify the repeal, and the agency then launched an inquiry into children's programming.

The measure now goes to the Senate, where two children's TV bills are pending.

At press time, no plans were set concerning those bills. #

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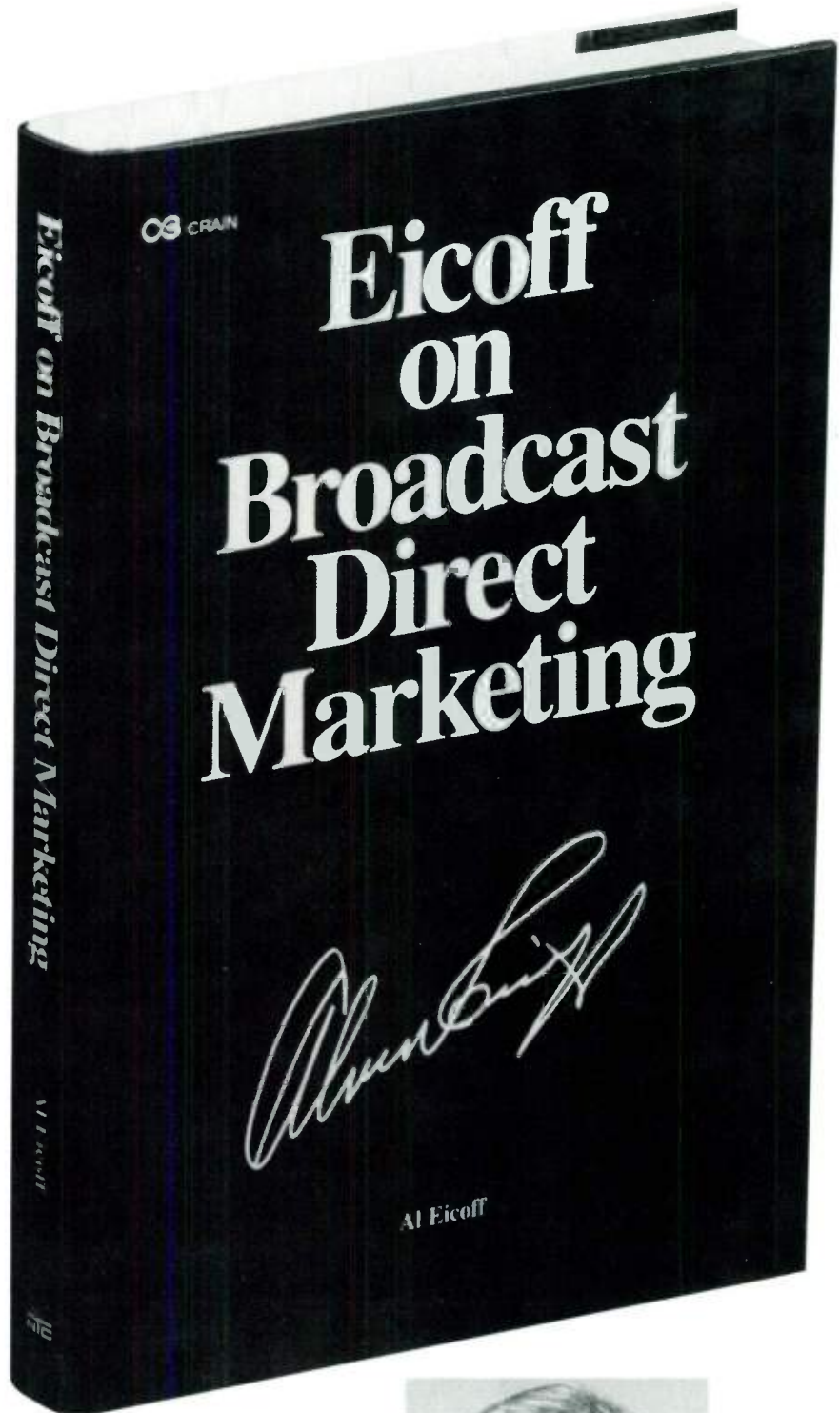
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