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Groups look to lasso LMAs

In race for duopolies, FCC filings likely to cement earlier deals, create few new ones

By Elizabeth A. Rathbun

Expect a flood of applications but not a lot of surprises when the FCC starts accepting applications for TV duopolies tomorrow (Nov. 16). Station owners and brokers agree that most applicants will look to create duopolies out of existing local marketing agreements that include options to buy the second station, rather than build new two-to-a-market holdings.

"Anyone who qualifies would be foolish not to rush in," especially in markets that hover around nine individual owners, says one TV group head who asked not to be identified. The FCC's new duopoly rules require that a market have at least eight individual owners post-duopoly.

There currently are about 35 qualifying LMAs in the country, according to Broadcasting & Cable research. And of the nation's 59 markets where BIA Research says there are nine or more individual owners, 15 have just nine different owners. Another nine markets have just 10 owners. Duopolies are further limited by the qualification that someone who owns one of the top-four-rated stations in a market can't buy another top-four-rated station.

There are some new deals in the works, however. Young Broadcasting Inc. is reportedly shopping its flagship, independent KCAL Los Angeles. With the money it would get from selling KCAL, the thinking goes, Young might be able to outbid NBC Inc. for NBC affiliate KRON San Francisco (see "Closed Circuit," page 17).

Meanwhile, Granite Broadcasting Corp. is said to be close to a deal to buy UPN affiliate WNGS Buffalo, N.Y., where it already owns ABC affiliate WKBW-TV. Neither Granite's nor Young's chief executive returned telephone calls seeking comment.

Still—and surprisingly—"most of the applications [filed this week] will be to firm up the stations that were LMAs," says Brian Cobb, a media broker with Media Venture Partners. TV owners are being selective for now, he says. But that should change and "eventually there will be more" new deals.

One reason why broadcasters aren't diving into duopoly just yet is that "a lot of prospective sellers think that 2000 is going to be such a great year," Cobb says. They're holding out to see if they can command more money for their stations later.

Also, with the coming of digital television, station owners are wondering if they really need to pay for a second signal, he says. Digital TV will allow broadcasters to air up to six channels over a single signal.

Broker Ben La Rue maintains that

Tribune locks up New Orleans duopoly

Exactly a week after announcing its investment in Prism Communications Partners, an equity fund designed to back media companies owned by minorities, Tribune Broadcasting said it is putting one out of business.

Last Tuesday, Tribune said it would pay $95 million to buy out the 67% interest of its partners in Qwest Broadcasting. Those partners include music magnate Quincy Jones and TV producer Don Cornelius, who are African-American, and TV talk-show host Geraldo Rivera, who is Puerto Rican.

Qwest owns WB affiliates WATL(TV) Atlanta and WNOI(TV) New Orleans (See "Changing Hands," pages 96-97). The deal gives Tribune a duopoly in New Orleans, where it already owns ABC affiliate WNOI(TV). Tribune swapped away WNOI(TV) Atlanta this past March.

"This was a very good investment [and the Qwest partners] decided the time was right to sell that investment," Tribune Broadcast President Dennis FitzSimons said. The deal requires FCC and Justice Department approval.

"It does not come as a surprise that Qwest is cashing out to Tribune," with TV-station prices said to be skyrocketing under the FCC's new duopoly rules, said David E. Honig, executive director of the Minority Media & Telecommunications Council. But he said he is concerned that the deal reduces the number of minority-owned TV stations in the U. S. to 31, or about 2.5% of about 1,222 commercial stations. The duopoly rules need to be "corrected" to keep that number from dropping further, he said.

"As active members of the industry, several of the partners plan to look for additional media ownership opportunities," Qwest Vice Chairman Willie Davis said in a Tribune news release. Neither he nor an Atlanta-based Qwest vice president returned telephone calls.

Tribune was one of about 18 TV and radio broadcasters that on Nov. 8 announced the formation of the $175 million Prism Fund, which will make up to $1 billion available to minorities and women who want to buy TV and radio stations.

Qwest was formed in November 1994 with the purchase of WATL for $150 million and WNOI for $17 million. Tribune paid $15 million for what was then a 45% stake in the company, which was chaired by Jones. At the time, Rivera said the Qwest principals would lobby for relaxation of the TV duopoly rules.

In December 1995, Qwest and Tribune won conditional approval from the FCC to allow Tribune to continue as a partner in Qwest without its interest, or attribution, being counted against it for station-ownership purposes. Commissioner Susan Ness reluctantly concurred, saying the case "pushes the limits of our rules."

— Elizabeth A. Rathbun
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prices currently are too high to allow many new deals. “There is a big gap between what the sellers want and what the buyers will pay,” La Rue says. In one case he cites, the owner of a religious station declined to accept $60 million for the station he acquired for $13 million just three years ago. In another instance, a would-be seller wanted $175 million for one of the only independents in a market, but the bidder stopped at $90 million.

Perhaps when buyers realize that “this is the only possibility to do a duopoly in a market,” they’ll pay up, La Rue says.

Tribune Co., for one, has been on a quest to create duopolies. Last week it announced a deal to buy its remaining interest in Qwest Broadcasting and add WB affiliate WNOL(TV) New Orleans to its current holding there, ABC affiliate WGNO(TV) (see story, page 4, and “Changing Hands,” page 96).

Tribune intends to do so in Washington and Seattle, but “there are discussions pending” in Hartford, Conn., where it owns WTIC and has an LMA with WTXX. Tribune Broadcast President Dennis FitzSimons says.

FCC sets combo lottery

It won’t rival Las Vegas or Atlantic City, but a new casino opens today at the FCC.

The agency announced last week that it would use a lottery to decide in what order it will process competing applications to form same-market broadcast combinations.

Industry trade groups were generally supportive of the decision because local marketing agreements existing on Aug. 5 will be given priority over buyouts of unaffiliated competitors. Because of the decision, most of the 80-plus in-market LMAs can convert to direct ownership without being subject to the lottery.

“They made the right call by protecting LMAs,” said Jack Goodman, counsel for the National Association of Broadcasters.

The deal is a blow to CBS, which asked the FCC to prioritize duopoly requests on a “first to contract” basis. The network, as part of its merger with Viacom, will need permission to establish duopolies in six markets and is likely to face competing applicants in two—Detroit and Pittsburgh.

The lottery is being implemented because new industry ownership rules go into effect today, and the FCC needs help sorting through an expected crush of applications to form TV duopolies and in-market radio/TV combos.

The new rules, approved Aug. 5, allow the broadcast combinations in markets where a specific number of outlets remain after the deal. For duopolies, a market must have eight separately owned TV stations; for radio/TV deals, up to six radios and two TVs are allowed if 20 separate broadcast, newspaper and cable voices remain.

Generally, applications for single market deals will be reviewed on a first come, first served basis. But the FCC said it would be too hard to track arrivals of competing applications filed on the same day. —Bill McConnell

Ameritech puts cable on hold

New owner SBC mulls shutdown, sale of overbuilder, which claims 250,000 subs

By John M. Higgins

In move that cheered competing cable operators, SBC Corp. Chairman Ed Whitacre has put the cable operations of his newly acquired Ameritech on hold while whether the Midwestern telco’s overbuild should be shuttered or sold.

After aggressively pursuing new franchises in 111 towns, largely suburbs of Chicago, Detroit and Cleveland over the past three years, sources say Ameritech New Media is signing no more new agreements and initiating no new construction. One municipal official working with Ameritech says Ameritech executives also told him that the telco is slowing the buildout of towns that have been partly wired. The Ameritech executive in charge of the operation, Ali Shadman, has left the company and been replaced by an SBC executive.

The company says it has signed up 250,000 subscribers in areas with about 1.5 million homes. That would give Ameritech overall penetration of about 15%, versus a 65% average for other cable operators.

The slowdown contrasts sharply with the aggressive stance Ameritech executives have tried to present, bragging that they were achieving high penetrations of up to 30% in some towns. But it is in keeping with Whitacre’s track record of dumping video operations at SBC and in telcos he’s acquired. Pacific Telesis scrapped and sold its video operations and Southern New England Telephone is looking to at least halt expansion. Whitacre long ago scrapped SBC’s own video operations.

During the year leading up to SBC’s $72 billion takeover of Ameritech in October, SBC has never said precisely what it would do with the cable division.

The company is, however, bullish on the digital subscriber line services, a high-speed Internet service that may eventually allow cable-like video service.

An Ameritech New Media spokesman would not comment on the status of the cable unit’s operations, but acknowledged that SBC executives were reviewing the unit. “It’s a process they are going through everywhere in the company.”

An Ameritech executive contends the operation has continued to meet the goals laid out in the cable unit’s business plan. “Whether it’s a business plan that’s acceptable to a new owner, that’s another question,” the executive says.

Cable operators who faced competition from Ameritech say they are not surprised SBC is considering selling or shutting the unit, believing the unit was suffering significant losses. Says one midwestern operator: “Sooner or later, the blood finds its way into the boardroom.”
NASCAR in the driver’s seat

But can networks make money on the $400 million annual package?

By Richard Tedesco

NASCAR wheeled into the big time of network TV rights players last week, pulling down $400 million per year in a multiyear pact with a quartet of broadcast and cable partners and leaving TV crews that helped build its high profile in the dust.

Fox put $200 million a year on the table for its eight-year deal—beating a $130 million bid from CBS and TNN—with Fox willing to schedule twice as many races as CBS, sources report. NBC and TBS trumped ABC and ESPN with a $200 million-a-year bid for their six-year deal. All the contracts begin with the 2001 racing season.

That kind of money puts it in the major leagues of sports rights (Major League Baseball gets $336 million annually from its contracts with NBC, ESPN and Fox).

However, observers are questioning the networks’ ability to make money on their deals. “If it’s not a loss leader, it’s pretty close,” one TV sports executive observed. Heavy on-air promotion is an integral part of the deals, and that’s something the networks may sorely need if they hope to do better than break even.

NASCAR’s ascendancy is based on being TV’s second-biggest draw to the NFL for the coveted 18-to-49-year-old male demographic. It’s the only major sport with steadily escalating TV ratings over the last decade. Winston Cup races have averaged a 6.4 Nielsen rating on CBS this year and a 5.3 rating on ABC. Current ratings on ESPN, TNN and TBS are averaging 3.0 or higher.

While NASCAR is drawing viewers beyond its traditional southeastern base, advertisers will doubtless face booming ad rates as the networks try to make the economics work. “It sounds to me like there will be a tremendous hike for the advertisers to absorb,” says Richard Kostyra, president of Media First International.

NASCAR could dilute viewership with possible plans to introduce its own cable and satellite network next year. The vehicle for that new venture could be SpeedVision, the motor sports cable network that already features some NASCAR shows, but no live races.

SpeedVision would like to expand that relationship, according to its president/CEO, Roger Werner, who says, “There may be other programming we can work with them on.”

Meanwhile, long-time NASCAR rights-holders CBS, TNN, ABC and ESPN were left spinning their wheels when NASCAR’s ruling France family chose new partners, who provided a four-fold jump from its current $100 million patchwork of rights deals. It drove the deal by consolidating rights in a single package rather than permitting individual racetracks to negotiate rights. “Certainly money was one of the factors,” says Bray Cary, NASCAR vice president of broadcasting. After money, he says, desire for increased broadcast exposure was “huge.”

Fox and NBC each will carry 17 to 20 Winston Cup and Busch Grand National stock car races (alternating coverage of the Daytona 400, with respective cable counterparts FX and TBS carrying the remainder. (The mix will be 70% broadcast, 30% cable.) Fox has space on its broadcast schedule because there are no National Hockey League games from February through June and NBC’s loss of NFL rights made NASCAR an attractive property from July through November.

Pax makes L.A. moves

Some departments moving from West Palm to West Coast

By Joe Schlosser

Less than two months after NBC acquired an ownership stake in Pax TV, the West Palm Beach, Fla.-based network is relocating a number of its top executives and divisions to Los Angeles and will move the network’s entire headquarters to Los Angeles within the next year or two.

Pax TV executives say the move has nothing to do with NBC’s recent purchase of 32% of Paxson Communications (Pax TV’s parent company) and everything to do with “being where the action is” in the television industry.

“If NBC were in Dallas, we’d still be moving to Los Angeles,” says Steve Sohmer, executive vice president of Pax TV and one of the start-up network’s top executives changing addresses. “It was very useful for all of us to get to know each other in West Palm at the beginning, but when you get right down to it, the Shangri-la of television and entertainment promotion and production is Los Angeles.”

Pax TV’s marketing, advertising and promotion divisions are all being shipped to Southern California in January, and a number of other units may soon follow. Along with Sohmer, who oversees Pax TV’s marketing division, Executive Vice President Paul Wang and a
TOP OF THE WEEK

handful of other top Pax TV executives will now call Los Angeles home. The creative affairs division, which currently employs 30 or so executives, has been given the option of moving west by the end of the year.

Paxson Communications’ Chairman Lowell “Bud” Paxson recently purchased a home in the exclusive Bel-Air section of Los Angeles, and fellow Pax TV executives say he’s going to be spending a lot more time there in the coming months.

Paxson built his radio and TV company in his hometown of West Palm Beach and the company is still headquartered in the South Florida town. Two of the network’s top programming executives, Bill Scott (president of programming) and Stacey Neagle (vice president of programming acquisitions), will remain in West Palm, at least for the time being, Pax TV executives say. Bud Paxson’s senior management team, investor relations and other corporate executives are also staying in West Palm.

Jeff Sagan-sky, the network’s CEO and president, currently resides in Los Angeles and New York, commuting to Florida nearly every week. The network’s top development executive Tim Johnson and other programming executives already reside in Los Angeles.

Pax TV currently produces its seven original series in a number of different locales, including Australia, Canada and Virginia Beach. Reality series It’s a Miracle and Chicken Soup for the Soul are taped in Los Angeles, and sources say Pax TV is developing at least two more shows, including a potential game show, that will be based out of Los Angeles.

Sohmer says a final decision has not been made on where the West Coast office will be located, but says it will likely be in West Los Angeles or the San Fernando Valley. Sources say Pax TV’s new Los Angeles home will likely be only a few miles from NBC’s Burbank, Calif., headquarters in the San Fernando Valley.

Marinelli in for Marcus

Buena Vista chief moves to Disney’s Go.com; exec VP of sales set to succeed him

By Joe Schlosser

Buena Vista Television President Mort Marcus is leaving the studio after a six-year run to join co-owned Disney Internet portal Go.com. His second in command, Janice Marinelli, is expected to take over the reins.

Marinelli, executive vice president of sales at Buena Vista Television since 1996, would become the first female to run a top Hollywood syndication studio since Lucie Salhany was head of Paramount and 20th Television. Marinelli and Disney executives were negotiating her deal late last week, and sources say her contract should be finalized by the end of this week.

The executive moves coincide with the expected announcement that Buena Vista Television’s programming division will go the way of fellow Disney studios and be placed under the auspices of ABC management. Sources say ABC’s daytime division, headed by Angela Shapiro, will soon have final say on most programming decisions coming out of Buena Vista Television. The structural changes are expected to come down by the end of the month, ABC insiders say.

As for Marcus, president of Buena Vista Television since 1994, he is leaving at the end of the month to become executive vice president of sales and development for Go.com. Marcus will be reunited with his former ABC boss, Steve Bornstein, who recently was named chairman of the Buena Vista Internet Group. Marcus will handle advertising, sponsorship sales and new business development at Go.com.

While at Buena Vista Television, Marcus oversaw the production and sales of such series as Live With Regis and Kathie Lee and the Comedy Central game show Win Ben Stein’s Money. Marcus also helped make the studio the largest pay-per-view supplier in the industry with sales of such Disney films as Con Air and Scream. His move to the computer world comes at a time of massive consolidation on the television syndication side — something he says helped make the decision a little easier. “We know for a fact that the Internet is going to change all of our lives within a short period of time, and [we] know what that means to this company and how much [Disney Chairman] Michael Eisner is paying attention to it,” Marcus says.

“Plus,” he adds, “Steve [Bornstein] called me up just after he got there and asked me if I would come over. So all of those things combined with the consolidated business in syndication, and I just knew it was time.”

If Marinelli gets the top spot as expected, the transition should not be too difficult, fellow syndication executives say. She has been at the studio since 1985, when she started as a Buena Vista Television account executive. She moved up the ranks to director of western division sales and, eventually, senior vice president of sales. In 1996 she became Marcus’ top sales executive and handled syndication deals on series including The Keen Ivory Wayans Show, Disney’s Honey, I Shrunk the Kids and a number of movie packages.

“I think it’s just a reaffirmation of their confidence in someone who has helped to build their operation over the past 10 years,” says Bill Carroll, vice president and director of programming at Katz Television, of Marinelli’s promotion. “She just happens to be a female, but she is a darn good executive.”
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Sold: Atlanta WAGA/FOX
Sold: Houston KPRC/NBC
Sold: Seattle KING/NBC
Sold: Cleveland WKYC/NBC

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BEHIND THE SCENES, BEFORE THE FACT

SAN FRANCISCO

KRON-TV bid nears $800 million mark

The price for KRON-TV San Francisco is edging toward $800 million as NBC faced several serious bidders for its affiliate at the bidding deadline last Friday (Nov. 12). Topping that list, sources say, is Young Broadcasting Inc. Others on the short list are said to include Gannett, Belo and perhaps News Corp. Last week, NBC was said to have raised its bid to the upper $700 million range for the station. Chronicle Publishing put it on the block in May. NBC’s initial offer was $700 million (B&C, Nov. 8). In another twist in the ongoing drama, NBC is now acting alone. Citing tax reasons, it has dissolved its partnership with Sunrise Television, under which NBC would have controlled KRON and Sunrise (owned by Hicks, Muse, Tate & Furst) would have run Chronicle’s other TV assets, KA&E-TV Wichita, Kan., and WOWT-TV Omaha, Neb., according to a source close to the former partners. Observers wonder whether Chronicle would accept NBC’s offer for KRON even if NBC were the highest bidder. Chronicle executives were infuriated by NBC’s warning that any other buyer might face termination of KRON’s NBC affiliation (B&C, Oct. 18).

On another major deal front, Chris-Craft Industries Inc. has hired investment banking firm Allen & Co. to weigh offers for its TV stations. The group received a reported $2.15 billion buyout offer from CBS (B&C, Nov. 8). Other said to be interested: Tribune, Gannett and possibly News Corp.

WASHINGTON

Taking antennas to new heights

General Electric, its NBC subsidiary and Thomson Consumer Electronics have received a three-year, $3.52 million federal grant to improve digital TV receivers and antennas.

A Thomson spokesman said joint research to improve indoor and portable reception has been under way for more than a year and is not a reaction to recent disputes about the viability of the current DTV modulation standard, 8-VSB.

"Research in antenna technology came to a halt with the growth of cable," he said. "There have been no new developments until the last 18 months."

LOS ANGELES

Fox DTV goes to bird

Fox has moved distribution of its DTV feed from DS-3 fiber-optic links to satellite delivery now that 15 owned stations and two affiliates are broadcasting DTV. "The economics flip-flopped," says Andrew G. Seto, executive vice president of News. Corp.’s news technology group. While Fox continues to deliver a separate NTSC feed in analog form off Loral’s Telstar 6, the network plans to launch one dual-purpose digital feed by late 2000 that will support both widescreen 480p DTV and 4:3 NTSC programming.

NEW YORK

ICast recast

It’s been in the wind for weeks, but CMGI has finally made it official: Neil Braun and Matt Farber, top executives at its iCast Webcasting venture, are history (B&C, Nov. 1). What remains to be determined is what happens. Braun says there were “significant disagreements” about the strategic direction of the company. He also says CMGI isn’t honoring his contract and he’s preparing a legal response. CMGI isn’t officially saying whether Braun resigned or was pushed. A CMGI source says Braun was asked to leave because he wasn’t providing the “vision” the company wanted.

Web flap in Philly

CBS, AFTRA bump heads over Internet-staffing jurisdiction dispute

By Dan Trigoboff

In a negotiation that could foreshadow labor problems nationally, CBS-owned KYW-AM-TV Philadelphia and the local American Federation of Television and Radio Artists union are battling about Internet-staffing jurisdiction.

AFTRA has told its members it seeks “unequivocal Internet jurisdiction. That means that anyone who does the kind of work that [AFTRA members] do for broadcasting, must be represented by AFTRA for their work time and their work product on the Internet.” The union and the network are also far apart on compensation issues at the radio station. Work is continuing under contract extensions.

“Our members realize that CBS is in it for the long haul on the Internet,” said John Kailin, executive director for AFTRA’s Philadelphia local, “and they want to go along for the professional ride. It’s a matter of professional pride. Our members have made this their career, and they should be equally involved with any extension of their work and its uses.” Not to do so, said Kailin, “would be a disservice to the public.” When hiring is out of control, Kailin continued, the work is likely to be inferior. “They’re not going to get the best unless they pay for it. CBS will hire the cheapest workers it can.”

CBS negotiators could not be reached for comment. But sources say the network, which wants to maintain flexibility in Internet hiring and staffing, recognizes that jurisdiction will almost certainly become a national issue. Rather than deal with each AFTRA contract, CBS may seek talks with AFTRA nationally. And CBS is hardly the only network or broadcast news source creating a significant Web presence.
Gramm holds up satellite bill

But despite Senator’s objection to loan guarantees, passage is seen certain

By Paige Albinia

At least one more hurdle remains before satellite TV companies can begin to roll out local TV services that would allow them to compete with cable.

Sen. Phil Gramm (R-Texas) is upset about $1.25 billion in federal loan guarantees intended to help bring local TV service to rural communities via satellite. Gramm objects to the measure’s inclusion on jurisdictional grounds: As chairman of the Banking Committee, he feels it should have been brought to him first. Senate staffers say, however, that if the bill had been introduced alone it would have been referred to the Agriculture committee.

“I want to make it clear that if the bill comes to the floor of the Senate and it has that loan guarantee in there obligating the American taxpayer for $1.25 billion, money that was not in the House bill, was not in the Senate bill, I intend to object to its consideration, and it will not become law in this millennium,” Gramm said on the Senate floor last week.

By week’s end, the measure remained in the bill and the Senate had recessed for the Veterans’ Day holiday. A spokesman for Sen. Conrad Burns (R-Mont.), the amendment’s sponsor, said Burns had agreed to strip the rural provision in exchange for quick movement next year on a stand-alone version. But Democrats, led by Sens. Tom Daschle (S.D.) and Patrick Leahy (Vt.) who represent rural areas, were working to keep the provision in the bill.

“This is a must-pass bill,” Leahy said on the floor last week. A Leahy staffer said that the Senate will not make changes in the bill and that House leadership is not willing to reopen the legislation.

The Senate will not hold any more votes until this Wednesday. Meanwhile, the House passed the bill 411-8.

Even with all the delays, everyone involved sees the bill’s passage as certain. “One way or another the bill will pass next week,” said CBS Senior Vice President Martin Franks. “There is a great deal of pressure for Congress to pass this bill,” said Wade Hargrove, a North Carolina attorney who represents broadcast affiliate groups. “It is touted as consumer-friendly, and there has been a lot of press. It would be difficult to explain to constituents that local-into-local service was blocked because Congress failed to act.”

After a full weekend of backroom negotiating, DirecTV, the broadcast networks and the National Association of Broadcasters all supported the bill’s final version, while EchoStar blasted it.

“EchoStar is disappointed that Congress has failed the American public by not creating satellite TV legislation that offers effective competition to cable,” EchoStar CEO Charlie Ergen said. “This bill, in its current state, is anti-consumer, anti-competitive to cable, and is a sellout to the special interests of the network broadcasters.”

Ergen particularly dislikes provisions that would require satellite TV companies after six months to either turn off local signals or pay huge penalties if they have failed to strike carriage agreements with local TV stations.

Senate Commerce Committee Chairman John McCain (R-Ariz.) plans to oppose the bill for many of the same reasons. “Provisions in the bill make it virtually impossible for satellite carriers to actually begin carrying local stations unless they are willing to assume one of two unacceptable risks,” McCain explains. “The first risk is the possibility that satellite carriers will ultimately be forced to drop the local stations...This is clearly anti-consumer. The other risk is the possibility that...satellite carriers will ultimately be forced to accept whatever retransmission consent terms the big TV networks choose to dictate. This is anti-competitive.”

OSP logs on to satellite bill

There’s no such thing as minding your own business in Washington.

Online service providers last week were astonished to learn that Hollywood lobbyists had slipped an eleventh-hour provision into satellite TV reform legislation. The new language stipulates that OSPs have no right to stream broadcasters’ local signals without the permission of every copyright holder a local broadcaster airs. “They had no awareness of this bill before this,” said one satellite lobbyist of the online industry.

A license in the satellite bill gives satellite providers and cable operators copyright clearance under a compulsory license to carry local and distant TV signals as long as they get the local broadcasters’ permission first.

Once Internet companies became aware of the new provision, companies such as AOL, Microsoft, Yahoo! and AT&T began fighting hard to get the provision knocked out of the bill. Meanwhile, Hollywood, sports leagues and cable programmers were working just as hard to keep it in, fearing that their copyrighted content could be sent over the Internet for free to far corners of the globe.

The new provision would not alter the existing copyright framework for OSPs, but it would install a legal regime where none previously existed. That brings up a whole range of legal questions—such as what rules apply to OSPs carrying any part of a broadcaster’s signal—none of which Congress has had an opportunity to address.

Sources said House Judiciary staffers inserted the language last week at the behest of entertainment industry lobbyists, although no one stood up to take credit. The result was a last-minute uproar that extended all the way to the House floor.

Before voting on the bill, Commerce and Judiciary subcommittee Chairmen Billy Tauzin (R-La.) and Howard Coble (R-N.C.) agreed to “fix” the provision before the bill passed the Senate. For that to happen, the measure likely will have to be changed by amending a moving spending bill. Lobbyists met last week with both House and Senate staffers to try to resolve the problem, but sources don’t expect it to keep the Senate from passing the entire satellite TV reform package. —Paige Albinia
The dish on satellite TV reform

A satellite TV reform bill (officially the "Intellectual Property and Communications Omnibus Reform Act of 1999") did not pass Congress last week, but negotiators had worked out the bill's basics. The following is a layman's guide to the bill, which is expected to be enacted this week.

Compulsory licenses: The bill grants satellite providers a permanent compulsory license for local TV signals and extends the compulsory copyright license for distant signals through Dec. 31, 2004.

Copyright fees: It lowers copyright fees satellite companies must pay for distant signals and superstations from 27 cents per subscriber per month to about 19 cents per subscriber per month for superstations and approximately 15 cents per subscriber per month for distant network signals. Satellite carriers pay no copyright fees for local stations, although satellite carriers must negotiate individual agreements with each local TV station they want to carry to acquire the right to retransmit that station's signal.

Must carry: By Jan. 1, 2002, satellite companies must carry all local TV signals in all markets they choose to serve. The FCC must issue rules on this provision within one year of the bill's enactment.

Retransmission consent: DBS companies can carry local TV signals for six months before they must have carriage agreements in place with local broadcast stations. If DBS companies continue to carry signals without such agreements after that time, they face fines of $25,000 per subscriber per day and will be subject to federal lawsuits. Broadcasters can file retransmission consent complaints with the FCC or in a federal district court until Dec. 31, 2001, after which the law will require satellite carriers to begin carrying all the local stations in all the markets they serve.

Until Jan. 1, 2006, broadcasters must negotiate retransmission consent agreements nonexclusively and in good faith, although they can offer different terms and conditions to different providers. DBS carriers need no carriage agreements for distant network signals.

Distant signals: The bill requires the FCC within six months to deliver a report to Congress on how to modify the picture-quality standard the commission uses to determine which households do not receive a strong enough broadcast signal over the air and are therefore eligible to bring in distant signals. Some conferees argued that the current standard leaves many households with poor reception of local signals but still unable to get distant signals legally. Requiring a study without authorizing the FCC to revamp the entire standard was a compromise struck between broadcasters and DirecTV in exchange for the six-month phase-in on local retransmission consent.

The bill allows satellite carriers to provide eligible subscribers as many as two distant affiliates and one local affiliate of the same national network. If grandfathered approximately 1 million existing DBS subscribers who receive distant network signals yet live close enough to their local broadcast stations to be able to get their local signals with a rooftop antenna. It also grandfathered C-Band subscribers who typically live in rural areas and cannot get local signals at all. A federal court last year ordered satellite companies to terminate distant signals for both groups, but the Senate decided early in this round of negotiations to grandfather some of the ineligible distant-signal subscribers.

The bill requires satellite carriers to deliver distant signals only to households that cannot clearly receive over-the-air signals with a rooftop antenna. Violators of this rule face a $50,000-per-day fine for each subscriber illegally receiving distant signals.

It allows recreational vehicles and commercial trucks to receive distant signal feeds.

It requires broadcasters to respond within 30 days to waive requests from subscribers who want to receive distant signals. If not, the waivers are automatically granted. If neither party can agree on whether a household should be able to receive distant network signals, an on-site test will be conducted. The loser pays for the test.

Duplicative programming: The bill requires the FCC to develop rules within one year that would govern how satellite companies handle sports, syndicated programming and network programming on superstations that duplicate programming already aired on any of the local TV stations in that market. It also requires the FCC to develop rules that would require satellite companies to block sports programming "to the extent technically feasible and not economically prohibitive" on any distant signal that duplicates a local station's programming.

90-day waiting period: The bill eliminates the 90-day period consumers used to have to wait before they could subscribe to satellite TV service after subscribing to cable.

Local-into-local: It requires satellite carriers to provide broadcasters with lists of local subscribers for verification purposes. Satellite carriers must deliver local signals only to subscribers in that market or face fines of $250,000 per each six months they continue to deliver local signals to ineligible households.

Congress also has attached 10 non-germane amendments, including measures that:

- Forbid any publicly funded broadcaster that receives federal money from buying, selling or swapping lists with political entities and from sharing any donor's name without the donor's permission.
- Give a permanent license to low-power TV stations that broadcast 18 hours a day or more and provide at least three hours a week of public affairs programming.
- Forbid registering famous or trademarked names to which the registrant has no legal claim (cybersquatting) with Internet domain providers.
- Require the FCC to complete its biennial review of the 1996 Telecommunications Act within six months of the bill's enactment. That review requires the commission to look at a cap that limits broadcasters to owning stations whose combined coverage reaches 35% of the national viewing audience and a rule that forbids any company from owning two broadcast networks.

—Paige Albiniak
Digital duel looms large

Alliances form in COFDM challenge to 8-VSB digital TV transmission standard

By Bill McConnell

Disputes over digital TV transmission standards appear to be a battle between the haves and have-nots.

Stations that have spent millions to launch DTV broadcasts, backed by the National Association of Broadcasters, want to forge ahead with the current 8-VSB modulation standard. Conversely, almost 400 outlets that have not launched digital service say they want the government to either authorize Europe’s COFDM standard as an alternative or conduct extensive tests to determine which technology is best.

Critics of the pro-COFDM campaign complain that the effort is simply an attempt to delay an expensive digital build out. The FCC appears to be equally skeptical of the campaign. Last week agency staffers said the pro-COFDM forces have a “heavy burden” to prove the standard must be changed. Thomas Power, mass media adviser to Chairman William Kennard, predicted the issue might “go away” as better 8-VSB receivers come on line. The FCC is expected to ask for public comment and make a decision within several weeks.

But the small station groups and networks The WB and Paxson that have joined the campaign deny they are trying to stall. Rather, they say, the stakes for their companies are too high to make the wrong decision.

“After making this investment we want what works in theory to work in practice,” says Larry Blum, executive vice president at Second Generation Ltd., which owns two eastern Iowa stations and has joined a petition to make both standards available. “We want to be assured that if one technology is adopted it will work. I don’t think that should be so difficult.”

Baltimore’s Sinclair Broadcasting sparked furor over the modulation standard this summer when it conducted a series of tests aimed at demonstrating 8-VSB’s poor reception with indoor antennas. The problems are especially acute in areas with high-rise office buildings or hilly terrain, Sinclair says. Mobile applications, such as data transmissions, are also plagued by bad reception.

So far, groups owning 389 stations have either joined Sinclair’s request for a dual standard or asked the FCC to reconsider the modulation requirement.

Among those 37 owners, however, there is only one with a DTV station operating—USA Network’s WHSH. But the modulation concerns may get a credibility boost if public television stations—nine of which are broadcasting in digital—join the fray. PBS and the Association of America’s Public Television Stations last week said they were still trying to decide whether to file their own request for FCC field studies comparing 8-VSB and COFDM.

The most vociferous opponents to any modulation change are equipment manufacturers, who say a switch would delay consumer acceptance of digital TV and make obsolete hundreds of millions of dollars worth of nearly new equipment. “To consider adding a new standard at this point would put us back to square one,” said Gary Shapiro, president of the Consumer Electronics Association (formerly the Consumer Electronics Manufacturers Association). What’s more, he said, the modulation standard received more than enough consideration during the 10-year development process completed in 1996.

But Julius Genachowski, USA Broadcasting’s general counsel and chief of staff to former FCC Chairman Reed Hundt, remembers the debate differently. “This issue never rose to any significant level of attention,” he said. “If this had been put to the FCC at the time, I have no doubt [Hundt] would have wanted to let the broadcasters decide, just as we did with other issues, such as progressive versus interlaced pictures and high-definition versus multiple formats.”

Only belatedly did broadcasters come to realize that digital’s potential for multicasting and data transmission could be a counterattack to the onslaught from cable and direct broadcast satellite. “I believe this is broadcasting’s last hurrah,” said William Smith, special project manager for Kentucky Education TV, which has 16 stations across the state, one of which is digital. “If DTV is not done right, cable and DBS will eliminate network affiliates because the public wants more channels.”

Commercial broadcasters are eying data services as an offset as well. Stations in small markets will be especially hard hit by the transition, if they don’t find a way to make more money,” said William St. Pierre, general manager of KFXF-TV, the NBC affiliate in Fairbanks, Ala. His town, though only the 203rd market, has station affiliates of the top four networks, PBS and a religious station. “I can’t afford to build something that I can’t make money on,” he said. “The money for conventional television is hardly here in the first place.”

Those calling for a review of the modulation standard say the cost of switching to COFDM, which one engineer placed at roughly $40,000, pales in comparison to sticking with the wrong choice and alienating viewers. “Even for the early adapters who are on the air now, making a change now will be a lot less expensive,” said Kathleen Pavelko, general manager at WITF-TV Harrisburg, Pa., which has launched a digital operation.
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Mega-mergers face federal scrutiny

Two top federal regulators last week told a Senate panel that lawmakers should be "very, very concerned" about mega-telecommunications mergers. "We should be quite concerned about the pace and scope of consolidation that we are seeing in these markets," said FCC Chairman William Kennard. FTC Chairman Robert Pittskey agreed. Meanwhile, Consumers Union Co-director Gene Kimmel-man said both regulators "describe a world about which they have tremendous concerns, but then they don't do anything about it." Senate Commerce Committee Chairman John McCain (R-Ariz.) also is worried about the increased consolidation, he said, but still is exploring what action Congress should take. "These valid concerns sometimes prompt the wrong responses," McCain said.

"[G]overnment sometimes confuses the notion of 'leveling the playing field' with 'reconstructing the stadium.'" The FCC and FTC have seen a record number of telecommunications mergers since the passage of the 1996 Telecommunications Act, including AT&T-TCI-MediaOne. Bell Atlantic-Nynex, SBC-Ameritech and MCI-Worldcom-Sprint. Members of the Commerce Committee voiced varied worries in the course of the hearing. Sen. Byron Dorgan (D-N.D.), citing the pace of consolidation in the radio industry, pressed members to reopen the act when Congress returns next session. Sen. Ron Wyden (D-Ore.), in whose state officials are fighting to require AT&T to open their broadband networks to competing Internet service providers, pressed Kennard on the FCC's approach to the arrival of broadband. Kennard responded that the FCC is watching the broadband market carefully, while maintaining a hands-off policy. "If we find that consumers' welfare is undermined or that consumers lack choice, we will step in, but I just don't think that now is the time," Kennard said. McCain is asking the General Accounting Office to look at "the consumer viewpoint of this entire situation.

Still pushing for the family hour

Members of Congress Wednesday urged a six broadcast network heads to bring the family hour back to prime time programming. "We urge you to reverse course and reinstate the family hour, once again making that time slot suitable for children," wrote Sens. Sam Brownback (R-Kansas) and Byron Dorgan (D-S.D.) and Reps. Henry Hyde (R-Ill.) and Tim Roemer (D-Ind.). They sent the letter to ABC Entertainment Chairman Stuart Bloomberg, CBS President Leslie Moonves, NBC Entertainment President Garth Ancier, Fox Entertainment Group President Doug Herzog, WB President Jamie Kellner and UPN President Dean Valentine. The lawmakers wrote that some studies show that this season's prime time contains "more violence, profanity and sexual depictions than ever."

Broadcasters press to delay auctions

Uncertainty surrounding the transition to digital television will force the government to delay the scheduled 2002 auction of spectrum now used for analog TV, industry officials said last week. "The time frame doesn't make sense today and won't make sense in 2002," said Richard Cotton, NBC general counsel at the annual DTV update of the Association for Maximum Service Television in Washington. Broadcasters are required to return their analog spectrum to the government in 2006, but only if 85% of households have DTV sets. There is widespread skepticism that enough TV viewers will buy digital sets in time to meet the deadline. Because it is unclear if bidders would acquire the spectrum by 2006, they will not be willing to pay full value for the transmission rights, industry officials said. "If the government is smart, it would want to hold off the auction," said Charles Sherman, executive vice president at the National Association of Broadcasters. But one FCC official predicted Congress would not delay because auction proceeds are already included in budget estimates. "The political pressure for keeping the deadline will be extraordinary," said David Goodfriend, adviser to Commissioner Susan Ness. Asked by MSTV to predict when TV broadcasters would return their analog spectrum, FCC Mass Media Bureau Deputy Chair Susan Fox predicted somewhere between the 2006 deadline and 2010, while Rick Chessen, aide to Commissioner Gloria Tristani, offered 2008. Robert Rini, attorney at Washington firm Rini, Coran & Lancelotta, predicted the giveback date would be "north of 2010."
Last May, the WB told advertisers they “...stand alone in growing young adult audiences...”

...well, not anymore!

NUMBER OF PRIME TIME HALF-HOURS WITH GROWTH

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What's RTNDA without the ND?

A commentary by Mark Effron, vice president, news, Post-Newsweek Stations

I'm not a joiner. I don't have the patience for all of the politicking that goes on in organizations. As my late grandmother used to say, that's not my plate of soup. While I belong to the Radio-Television News Directors Association, and believe in its goals, I've never had the desire to get involved beyond attending the annual convention. I've discovered other ways in which I can best further the cause of quality broadcast journalism.

However, I think that some of our biggest and best media companies are being very shortsighted by scaling way back on allowing their news directors to attend the annual convention.

It may be true that there was record attendance this year at the convention in Charlotte, but many of those who filled the gap appeared to be college students and job seekers and perhaps some new media-types. Now, that's great: Any organization benefits from a constant infusion of new people and new ideas.

But, the heart and soul of an RTNDA convention has always been the rank-and-file news directors who converge from all over.

And what do they do for those couple of days?

They get to hear firsthand from their networks on plans for upcoming elections/Olympics/Pope visits, etc. And more importantly, they get to tell network news officials, whom they might never normally meet, what they think about those plans, and the network newscasts, and what they would do to make them better.

They get to go to panels and hear talks on some of the exciting challenges facing us. They learn about ethical dilemmas faced by others. They get to question people who are the tops in their fields.

And on the convention floor, and in private demonstrations off the floor, they get an advance look at the new stuff that will make a big difference in how we cover the news in the next century. This year, I saw a nifty device that delivers beautiful digital video—ready to air—as a file over the Internet (not the herky-jerky postage stamp size). That's the kind of breakthrough that can excite a news director and lead to innovations in news coverage. Conceivably, that could translate into bigger ratings and a better bottom line. News directors are exposed to new equipment that might give them the edge in weather forecasting, Internet sites and more.

More than once, I've seen inspiration strike, as news directors figure out new ways to connect the dots. And they network like crazy: with each other, with the reporters and anchors and producers who descend upon RTNDA looking for the next step, with the agents, with the vendors.

I can already hear a counterargument: "I don't want my news director to do that much networking. I don't want him or her to be enticed by another job."

That's absurd. In this age of instant communications, with resumes (and video) flying across the Internet, it's counterproductive to believe that you can hide a good person. It's better business to help that good person become even more skillful and valuable.

So everybody goes back better informed, and maybe charged up, and filled with the inside intelligence that you only get by being there and doing that.

And another thing, one that's less finite but absolutely critical: They get out of the news foxhole for a couple of days. They can actually think! They can make connections without grenades being lobbed over their heads. They can dream ideas about how to improve their product, their television station, their industry.

There's critical mass when so many movers and shakers from all over converge on one place. We lose that critical mass at our peril.

Lots of people who were at RTNDA this year—news people and vendors—commented to me on the scant floor traffic at peak times. And one network news official bemoaned how poorly attended his network news meeting was compared to past years. Yet, one of the reasons for this was the very same network put a travel ban on news directors who wanted to attend! I fear that if critical mass is lost, it will happen pretty suddenly.

However, I think that some of our biggest and best media companies are being very shortsighted by scaling way back on allowing their news directors to attend the annual convention.

It's absolutely critical for our continued success that we attract and nurture the very best people out there. And one way to do that is to allow these folks who work like crazy all year long to have three or four days a year where they can recharge and come back with new schemes, a better sense of the whole, and a better sense of themselves and how they fit into their station.

If not, we are doing more than just shortchanging them.
14,000 transmitters

110 countries

1 company

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The merger of Viacom and CBS will put under one roof a "cradle to grave" collection of ad-supported media assets unmatched by any competitor. They start with Nickelodeon and MTV and continue with VH1 and CBS. UPN may also be in the mix if the FCC ban on the ownership of two broadcasting networks is changed. Throw in two of the largest TV and radio station groups and a huge outdoor advertising company, and it will be almost impossible for major advertisers to buy around the new Viacom-CBS. And the company will also be the largest syndicator in the business (if the Justice Department doesn’t force a divestiture of Paramount Domestic Television Distribution, King World or Eyemark Entertainment) and, of course, it owns the Paramount studio.

Conventional wisdom in the 1990s has been that networks must combine with studios to survive. Witness Disney-ABC and Fox. But Mel Karmazin, president and CEO of CBS, who will serve as president and COO of the new company and is heir-apparent to Viacom Chairman Sumner Redstone, says cable and international assets drove this deal, not the network-studio connection.

In an exclusive interview with B&C Editor Harry A. Jesseln and Deputy Editor Steve McClellan, Karmazin talks at length on his rationale for the merger. He also lays out his case for raising the current TV station ownership cap from 35% to at least 49%, and why the merged entity should be able to retain control of UPN. Karmazin also updates readers on the network’s evolving digital strategy, his views on duopoly, affiliate compensation, the Internet and more.
Basically you and Sumner Redstone have agreed that size and vertical integration matter. What makes you think you can pull it off any better than Disney’s Michael Eisner or even Rupert Murdoch at News Corp?

I’m not sure that size matters. These two companies are just a terrific fit. It wasn’t about just getting big. What intrigued me about the merger was the fact that CBS had a very significant position in the radio and outdoor business, and we had a very significant position in television. But we really had a very small position in cable, and if you want to be a very major media company and you want to deal with advertisers, to not have a significant position in cable is problematic.

So cable is the key?

I was attracted to Viacom for the cable assets. I was also attracted to Viacom because CBS, principally, is a company that does business here in the United States. A little over 95% of our business comes from the United States, and Viacom has a more significant position internationally.

So it’s cable and international.

Those are the two drivers for me.

Elaborate on the cable aspect.

The cable business is a terrific business. The new Viacom and CBS together will have EBITDA [earnings before interest, taxes, depreciation and amortization] of well over $5 billion. Just about two-thirds of that EBITDA is going to come from the fastest growing segments of media—radio, outdoor and cable. The reason cable is important is that it is currently getting only 5% of the advertising pie. Radio is getting 7%. Outdoor is getting 2%. So you now have a company that has a position in the fastest-growing segments of the media industry. That’s something that Time Warner doesn’t have because they don’t have radio and outdoor. That’s something that Disney doesn’t have. That’s something that Fox doesn’t have. Nobody has a media company with the bulk of its cash flow coming from the fastest growing components of advertising.

And you can make it work because...

Regarding the integration of the company, I think we see a lot of mistakes that a lot of other people have made and we made it very clear that we are going to operate each of our business units for what’s in the best interest of those business units.

So you won’t be merging production and distribution entities?

We said when we acquired King World that if King World could sell programming to Disney or to NBC, they ought to do that because we’d be very happy to take money from them. We don’t really view this as a situation where it’s all about synergy.

This studio-network combination was supposed to be the panacea, supposed to be the savior of the networks. It hasn’t really worked out for ABC, and it’s got to be on your list of reasons for doing this deal somewhere. Can you make that work?

We never said that.

Can it work?

Let me prove to you why that’s so unimportant. The number-one and number-two networks are NBC and CBS. Neither one of them has a studio. Last year, when Les [Moonves, president of the CBS Television Network] took the network...
to number one, we did it without having a "traditional studio." And NBC is doing real well as well without having a studio. I'm not suggesting it's bad to have a studio, but we certainly did not do this deal because we felt the need to get into the studio business.

How do you make the studio business work for the network?
I think the way you make it work is not make it work for the network—you make the studio work for the shareholders. So that if Paramount is going to sell programming to NBC because NBC is the highest bidder, that works real well for me. I really don't feel that we need to own a studio to be able to provide content for CBS. Les Moonves is going to want to put programming on the CBS Televisi-on Network that's going to get him the highest ratings and generate the most revenue no matter who produces it.

So this total integration at ABC is just wrong-headed?
I can tell you that that's not our vision. I can't speak for why other companies do work or don't work. But I can assure you that [Paramount Studio head] Jon Dolgen is going to make programming for whoever the highest bidder is, and Les Moonves is going to put programming on that's going to appeal to the largest audience possible.

Do you think you can boost revenue and profit more quickly as one company than you could as two separate companies?
Yes, sure. I think that's one of the benefits of consolidation. I think that there are some cost savings. We have not spent a lot of time identifying all of those cost savings, but obviously, we have corporate expense and they have corporate expense and there is some overlap in that area. We have a cable operation that has affiliate relations and sales and management. They have one as well.

Regulatory issues aside, would you be ready to close on the deal today and execute an operational game plan?
Yes, we are ready. Champing at the bit.

Let's get into the regulatory issues.
You have to reduce your TV station audience reach below the FCC's 35% cap. How do you do that? What stations go?
We believe that the 35% cap is a very antiquated rule. We believe that that rule will go away.

But not before you want to complete your merger early next year.
I can't tell you it'll be gone before this deal goes through. But we're prepared to close the deal and live with whatever the
Who is #1 in Tower Financing and Advisory?

1999 Selected Equity

$675,000,000
American Tower Corporation
Common Stock
Lead Manager
February 1999

$300,000,000
Conversion Bond
Lead Manager
September 1999

$422,625,300
Crown Castle International Corporation
Common Stock
Co-Manager
May 1999

1999 Selected M&A

American Tower Corporation
Merger of American Tower Systems and American Tower Corporation
Advisor
June 1998

American Tower Corporation
Merger with OmniAmerica, Inc.
Advisor
February 1999

Unisite
Sale of Company
Advisor
June 1999

1999 Selected Debt

SpectraSite
$500,000,000
Senior Credit Facilities
Co-Arranger
$340,000,000
Senior Discount Notes
Joint-Lead Manager
April 1999

SpectraSite
$500,000,000
Senior Discount Notes
Co-Manager
$180,000,000
Senior Notes
Co-Manager
May 1999

Crown Castle International Corporation
$150,000,000
Revolving Credit Facility
Lead Arranger
$100,000,000
Bridge Facility
Joint-Lead Agent
1999

Crown Castle International Corporation
$260,300,000
Senior Discount Notes
Co-Manager
$125,000,000
Senior Notes
Co-Manager
July 1999

Credit Suisse First Boston.
**COVER STORY**

requirements are to do so, and if that means that the rule is still 35%, then we will get down to 35%. We have not identified any specific stations that we would dispose of. We tend to like the largest markets. So one might assume that if you start with New York City and you work your way down until you get to the 35%, that would be where we’d want to wind up. Having said that, we also think duploy is very important.

Non-network broadcasters point to NBC and the sort of hardball they’re playing to get KRON-TV San Francisco, and asking why the cap should be lifted at all?

I think that’s the perfect example of why it has nothing to do with the cap. NBC has only 25% of the country and they are doing that. So, it really has nothing to do with the cap. If you’re a network, you’re dependent upon 100% distribution. If you don’t have 99.9% coverage of the country, you are really not a broadcast network. That’s why advertisers come to us, and why we’re obviously dependent on our affiliates in markets where we currently don’t have ownership.

Your best shot at getting the cap lifted is 18 months away—if a Republican ends up in the White House. Will you try to get a temporary waiver and hope for a rule change?

There is no good argument for the 35% cap to be in place. There is just no good argument.

But it doesn’t matter whether there’s a good argument or not. It’s a political question right now.

If you recall, under the 1996Telecommunications Act, they had this obligation for this biennial review. We would certainly love to see that biennial review take place as it applies to the television station cap and to see that cap raised. I have not lost hope that that will happen.

What are your chances?

I don’t think the likelihood is that it will happen. But I believe that it should happen, and generally things that should happen ultimately will happen. If, in fact, we have to go down to 35%, we will ask to be able to dispose of stations in some orderly manner so that we can contact the right organizations and give minorities an opportunity to buy them as well.

In an orderly manner, could that be 18 months?

That would be up to the commission.

But that’s something you might ask for?

We have absolutely no plans for asking for any waivers of the rules. I do believe that within the time frame that you are talking about, whether or not there’s a Republican or Democratic administration, that when smart people look at the rules, that 35% rule goes away. There is no justification for there to be the media gatekeeper, the cable company, to be able to have 37% of the country while broadcasters competing with a lot of other people in the market, can’t have more than 35%. It’s just bizarre. But regarding the Viacom transaction, we’ll do whatever the FCC tells us to do. The longer they give us to dispose of the stations, the fairer we think it would be.

How high should the cap be lifted? Or does it just go away?

I think that the politics of it are such that it probably won’t go away. Though I don’t see any really strong arguments to preserve it, but a realistic move that politically could make sense is that it would be 50%. What that would say is that the networks are dependent on the affiliates for at least 50% of the country. If it was important for them [affiliates] to have 51%, I could even live with 49%. We need more stations to make the model work. We all know the competition is there. We know the [network] audience is dropping. We need to be financially more successful. We’re not going to be able to do it without more television stations. If it’s not a financially attractive model, then good content—sports and other events—will all gravitate to pay cable.

What about all the broadcasters out there who oppose lifting the cap?

There is not one argument other than they want to improve their competitive position in being able to bid for television stations. They can’t come up with a good argument as to why the cap should be at 35%. The only argument that they can come up with is that they would like to have fewer bidders when a television station comes on the market. Had CBS been over the cap when we bid for Austin, maybe one of them bidding less would have gotten the station.

With the Viacom merger comes at least 50% of UPN and the issue of the dual network rule that currently prevents you from owning both CBS and UPN. Should that rule go away, too?

That rule is certainly even more counterintuitive with all of the channels that exist today, and I don’t mean just from cable. For one company to be limited to one channel is not logical, much in the same way that the 35% cap makes no sense in the age of the cable gatekeeper. One company’s ability to have two channels is not unfair competition. We can take a second network—that it CBS II—and put it onto cable. The only people who would get hurt are the 30% of the people who don’t have cable, and those tend to be the poorest people and minorities. So what is the compelling argument to encourage us to take networks and put them onto cable instead of having the ability to have two free over-the-air broadcast networks?

How important is retaining UPN?

We believe we should be allowed to do that, but if the rules say we can’t, then we won’t. This is an $80 billion merger that is being done, and we can’t let one of those pieces stand in our way of doing the deal.

It seems to us that you back the FCC in a corner with that statement. You are saying, ‘Well, OK FCC, you want to kill UPN, go right ahead. We’re just going to leave it up to you.’ So the headline is going to say ‘FCC kills UPN.’ Is that your thinking?

No. We hope that they don’t do that.

You hope that they don’t do it, but is your strategy that

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“There is no justification for the cable company to be able to have 37% of the country, while broadcasters competing with a lot of other people in the market can’t have more than 35%.”

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32 BROADCASTING & CABLE / NOVEMBER 15, 1989
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``I don’t have to fight this one because the FCC is not going to be able to pull the trigger?''

I don’t know what you mean we are not fighting. We are fighting it every day. We are making the arguments as to why we should be able to have more than one network. So, if in fact we fight the fight and we lose, what else can we do?

I thought you weren’t going to ask for a waiver in this area?

No, we’re hoping that they’ll change the rule to allow us to do it. We’re saying that if the speed limit goes from 55 to 65 that’s OK. We’re not saying that they should keep the rule at 55 and let us drive at 65. NBC can own Paxson, the number seven network, but CBS can’t be involved with UPN, the number six network. The reason NBC bought 32% of Paxson was the station cap. NBC could have owned 100% of Pax TV. The rule says we can’t own one of the other Big Four networks [CBS, NBC, ABC, Fox] and we can’t have one of those other two [UPN and WB]. We think that should be looked at.

How would UPN benefit from being co-owned with CBS?

It’s hard to comment on something that Viacom will only own 50% of, but let’s just talk about a hypothetical second network. You can see that there are some cost savings in research. You can see that there are cost savings in affiliate relations. You can see that there are sales opportunities where the cost per thousand might be better if in fact they were together. So there are opportunities that could be put into effect, both on the revenue side and on the cost-savings side, that would make it a far more viable alternative than a standalone second effort.

How big a TV duopoly player do you intend to be?

The duopoly opportunity is a tremendous advantage, as it is on the radio side. I think television needs it in light of the fact that all this new competition is there. It’s a necessary step.

If you can reach a deal with Chris-Craft, will you buy its stations?

I can’t really comment on anything that we’re going to do or not do, but when opportunities present themselves, we will look at them. That holds for radio, outdoor and television stations. So if in fact there is a potential seller of television stations, particularly in major markets where we like to operate, we would be very interested in them. We will not make an acquisition that is not accretive to our company. Whether we can do a deal depends upon what that price is.

One of the issues the Justice Department is looking at is the number of syndication companies under the proposed merger. What’s your argument for being able to keep them all?

Well, that’s pretty easy to make. We currently are involved in providing programming to television stations. Stations have a
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choice of programming. They could put local news on in these time periods. They could put local programming on. Or they could put syndicated programming on it. The people in the syndication business are Time Warner, Fox, Universal, Disney, MGM. So it is hard for me to find whom the government is looking to protect in this particular case. Viacom, for example, has Judge Judy. But I see that there's five more courtroom shows being developed by an assortment of syndicators. That sounds to me like there are plenty of choices.

Question about the minority investment fund for stations. Already it seems politicized to some degree in that the backers so far appear to be those who favor lifting the cap.

I think you're wrong. [Top Disney lobbyist] Preston Padden spoke up at the minority conference at the NAB, and what's happened is ABC is certainly not an advocate of having the caps changed or having any changes in the rules, and they are a very serious financial investor.* There are a lot of group owners. Belo, as an example, whom you mentioned earlier, is on the other side of the 35% cap from us. They are an important investor in that. This is a nonpolitical initiative that we're doing because it's appropriate. There is no quid pro quo. There is no political agenda.

The fund is a for-profit venture? How exactly does it work?

Yes, it's a for-profit venture. The fund is going to be called the Prism Fund. We purposely hired Chase Manhattan Bank, a credible company that is going to operate totally independently. There will be no input from the investors. So, as an example, they can bid against us for stations.

Analysts tell us that CBS-TV lost more than $100 million last year, and actually close to $200 million if you discount purchase price accounting benefits. This year, they say, the network will make close to $100 million. That's quite a turnaround. Can you confirm it?

We really don't break out the network as a separate stand-alone business. I wish we could because the story would be very strong, to be able to take it from where it lost money to where it's making money. It's a great turnaround story. I mean the Harvard Business School could do a case study on the dramatic turnaround at the CBS Television Network.

The network had its best upfront sales market ever earlier this year. How's it going at the local station level? We hear revenue at the CBS stations as a group this year will be essentially flat.

Again, we don't break out those numbers. I will say the fourth quarter has been terrific. I know that a lot of our competitors have been talking about how things are slow, but we are seeing today, in all of our major markets, that the demand from the networks has filtered down now. I think the network scatter market, prices are 25% to 30% higher than they were in the upfront, and network is principally sold out.

Are you going to spin off your Internet assets?

Probably. I think that we will probably have to do it in part because investors are not giving us credit for our Internet assets. In addition we want to have a currency out there that we would be able to use to make acquisitions. America Online today has a market cap of double that of CBS and Viacom together. We think we should be getting more. I'm not suggesting that they shouldn't be getting what they are getting. We just think that we should be getting a higher valuation. It's not dissimilar to when Infinity was part of CBS and we felt that we weren't getting the value.

The one area at the local station level where you don't seem to be doing that great is the ratings. Is that turnaround at the bigger stations taking longer than you thought?

Well, I don't know if it has taken longer than I thought, but I don't disagree with you. I think that the good news for us is that we're making a great deal of progress, although we still are doing pretty poorly in a number of places, so the upside continues to be very strong for us. We continue to invest in news and in programming. So I think the network is also going to help us. But particularly in the biggest markets—New York, L.A., Chicago—we have a long way to go.

Let's talk about affiliates for a little bit. They do seem relatively upbeat about the relationship. They say that compensation is an issue. What's your view on comp?

I think it's an individual situation, just like it was five years ago or 10 years ago. But we do think that there's been a shift. We've talked about how stations are making a lot of money and how the networks are not. So it's hard for me to defend today why somebody would expect comp [when] I'm going to give them their NFL games, entertainment programming and news, including the fortune we are spending next year on election coverage. That part is going to be a difficult negotiation. But that's a negotiation between us and the individual broadcasters as these contracts come up.

Can affiliates expect to pay for more programming in the future?

We think that the NFL was a special type of situation, and we told our affiliates at the time that they should not expect us to come to them asking for help every quarter. So I can't tell you there's a single thing that we have right now that we are planning on coming back to our affiliates with, and I hope that we don't ever have to. But on the other hand, if it were in our best interest and their best interest to do something again, we would certainly in the spirit of a partnership talk to them about it.

NBC's Bob Wright and Disney's Michael Eisner have talked about cable and satellite as being clear and viable alternatives to terrestrial distribution. The clear message to affiliates is, 'Be cooperative with us, or you risk your affilia-

*I believe that our network performs better on good, strong, local television stations as compared to cable systems. So the idea of taking away an affiliation and putting it on a cable channel seems to be harmful.*
tion. How do you feel about that?
I'm aware that it's an alternative. I don't think it's a good alternative. I believe that our network performs better on good, strong, local television stations as compared to cable systems. We can demonstrate that the ratings of our network get adversely affected when we have a weak affiliate. So the idea of taking away an affiliation and putting it on a cable channel seems to me to be harmful to your network.

What about digital? You begged the government for the second channel. You got the second channel. Nobody seems to know what to do with it.
Well, we sort of do know what we're doing with it. We're in essence broadcasting our entire prime time lineup in high-definition television. We think that we need to give it a chance. We believe that it's early on in the process. We think that this Christmas season could see some activity in the retail stores with what's going to happen with sale of sets. We're certainly doing our part by putting content on the air so that people can see how good that product is. At the same time, we're experimenting with sending some data out there along with the picture. One idea is to send coupons out over the air along with the commercial from the advertiser.

What about multiplexing?
We continue to explore opportunities for multiplexing. As an example, if there are enough digital sets out there, then maybe one day when we're broadcasting the Final Four, we'll be able to transmit over-the-air more choices within a market. The current NFL agreement doesn't provide for it, but maybe six years from now, there will be the opportunity for viewers to get multiple choice or multiple games in a market, without having to pay for it on DirectTV.

Basically you're still in test phase.
We're pursuing different courses. We just don't have the plan yet. We know that there are a lot of other business models, and these things may come about down the road. But what we're focused on today is exposing high definition. I think the intent of the lawmakers is to get the American public to see this technology. And then once they see it, let the marketplace decide whether or not it stays that way.

These businesses have one thing in common.

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BROADCASTING & CABLE's ninth annual Hall of Fame dinner was held at the Marriott Marquis in New York last Monday (Nov. 8), where a roomful of industry luminaries saluted the newest class of inductees. Hosts for the evening were William McGorry, vice president of the Cahners business publishing group, and Don West, group editor in chief. The dozen new names added to the Hall of Fame bring the total to 187 honorees. Proceeds from the black-tie dinner went to benefit the IRTS Foundation and the Broadcasters' Foundation.

Standing (l-r): B&C's VP, host William McGorry with honorees Dick Wolf; Ward Huey Jr.; Nickolas Davatzes; and Sam Marshall, who accepted on behalf of his father, the late E. G. Marshall. Seated (l-r): Frances Preston; Eddie Fritts; Deana Martin, who accepted on behalf of her late father, Dean Martin; Bob Pittman; and Alyana Adams, who accepted on behalf of her late husband, David Adams. (Not pictured is honoree Bernard Shaw.)

Nickolas Davatzes, president and CEO of A&E Television Networks, expressed his gratitude to then-ABC head Herb Granath and Ray Joslin, president of the Hearst Corp.'s entertainment and syndication division, for convincing him to take the top job at A&E. He recalled a 1983 lunch meeting in a New York deli where Joslin refused to let him leave without signing a napkin, agreeing to leave Warner Amex and take the position at the fledgling A&E. He also thanked his family, his sons Jody, Chris and Nick and Dore, his wife of 32 years.
While he was driving to work, your 60-second radio spot ran four times. His cell phone rang five times.
"I'm feeling magnanimous tonight," said Eddie Fritts, president of the National Association of Broadcasters, "and since there's no money attached to this award, I've decided to accept it on behalf of others: the local radio and television stations around the country." Fritts recalled his origins as a disk jockey at his father's radio station in Mississippi, noting, "Had it not been for him being the manager, I would have been fired many times over."

Bernard Shaw, veteran CNN anchor, was reflective as he accepted his award: "What is fame? Fame is so temporal and temporary, but for the moment, it sure feels good." Upon joining CNN in 1980, Shaw says he believed the 24-hour cable network would become "the first frontier of global news." And he warmly recalled that CNN's Tom Johnson was waiting to greet him when he arrived at customs in Washington upon his return from covering the Persian Gulf conflict.

Frances Preston, president and CEO of Broadcast Music Inc., commented on the global impact of the U.S. entertainment industry. "Ours is an exciting and incredibly powerful business. Broadcasting, cable—and now the Internet—affect the lives of millions of people every day. The music that the electronic industry permits us to share binds us together."

David Susskind had a love/hate relationship with television, according to his son, Andrew Susskind: "He loved it for its potential to inform, entertain and ennoble and he hated it for its too frequent lapses into mindlessness and mediocrity." And he described his father as an intense man to work with: "Those who experienced—and survived—his rare form of gusto and brio not only did some of their best work, but were never quite the same again."

Accepting for her late husband, veteran NBC executive David Adams, his wife, Ilyana Adams, said, "It is very appropriate that I should be here to accept this award for David since if he were alive, he would never appear to accept it himself." He preferred to remain out of the limelight throughout his 32-year network career, she said, describing her husband as a cerebral man who studied the works of W.B. Yeats, Shakespeare and Edgar Allan Poe in his spare time. But she also characterized him as an active, vibrant individual, of whom one of his NBC colleagues said: "If you put something in front of David Adams, he will either eat it or edit it."
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A self-effacing Ward Huey Jr. said: "For a guy who started out working on a weekend television floor crew about four decades ago, can you imagine what it's like to be standing here? It's quite incredible." The vice chairman and president of Belo Corp.'s broadcast division, said his two "great" breaks were marrying "the right girl," his wife Mimi, and joining "the right company." And Huey said he felt "unbelievably lucky" that his career kept him in his native Dallas.

Law & Order creator and executive producer Dick Wolf acknowledged "all those shows you never heard of" along with his long-running hit. "It has been an incredible run and the only shadow over this award is that it does have the horrible footsteps of some kind of lifetime achievement award," he said. "And here I am with a show in its adolescence that we all hope will go on for another 10 or 20 years."

Bob Pittman, MTV co-inventor and current president/COO of America Online, seemed a bit chagrined at the visual retrospective of his career: "How much money do I have to pay to get rid of those tapes?" He recalled his early days as a 15-year-old disk jockey in Brookhaven, Miss., saying, "I still think of myself as that southern DJ." And he said the most rewarding aspect of his varied career has been "to work with loyal and interesting friends."

Deana Martin revealed that the spontaneity of her father, singer Dean Martin, on his weekly NBC show, was no act. He much preferred golfing to rehearsing, she recalled, and during the week preceding his shows, "Everybody would rehearse and rehearse until they got it down just perfect—without Dad." Then Dean would show up to perform each Sunday afternoon. "That's how he kept everything so spontaneous," she said.

Sam Marshall, son of the late E.G. Marshall, painted a verbal portrait of a passionate man who started his acting career after high school, touring communities in east Texas and Louisiana with a classical theater troupe from his native Minnesota. He recalled his father's advice to his children about their own careers: "Love what you do, select the thing you most like to do and work hard at it."
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TVB Rohrs into 2000

Post-Newsweek veteran tapped to succeed Butensky as broadcast TV's chief salesman

By Dan Trigoboff

My number one qualification,” said Chris Rohrs, who will take over as president of the Television Bureau of Advertising in January, “is that I’m a broadcaster who believes in the product.”

Rohrs, currently vice president for sales and marketing at Post-Newsweek Stations, comes to the job after a career in broadcasting that covers nearly three decades and ranged from TV rep to station general manager.

Ave Butensky, current president of the organization that counts among its membership ad sales reps, broadcast groups and more than 500 stations, is retiring, but will remain a consultant.

Butensky exits the position with a $347,800 annual salary. TVB would not release details of Rohrs’ compensation.

Making the announcement last week, Tony Cassara, Paramount Stations president and chairman of TVB’s board of directors, said Rohrs’ “extensive broadcast experience and superb managerial abilities make him the ideal person to guide the TVB as we enter the 21st century. We are all looking forward to Chris’ insight and leadership to take the TVB to the next level of success.”

“This is a challenging time,” said Rohrs. “The whole environment has changed so drastically. In the past, the challenge was to focus on our share among TV competition, with some positioning relative to other media. But the pie was always big and certain and growing. That’s not the case anymore. The market is crowded and it’s noisy. But I don’t think our future is diminished.

“We in broadcast television,” Rohrs says, “have too easily conceded the story of targeted marketing. Cable has successfully taken that story, and they don’t deserve to own it. Low rates are one thing; efficiency is another. Broadcasters can target. We can cover the entire market for an advertiser; we can also do targeting. We have not asserted our ability to narrowcast.”

Some of the troubling news regarding growth in TV’s ad markets may identify a problem with how the measures are taken, Rohrs suggests. The upfront market indicates a drop of 14% in national spot sales alone. Butensky has suggested that this could be a “fluke year” (B&C Oct. 25). Rohrs says things may not be as bad as they seem. “It’s pretty clear it’s not a good year,” he said. “But since the Olympics went to a two-year cycle, every other year comes after a year with the Olympics and big-time political money. The political and Olympic dollars are so robust.” The two-year cycle, he said, needs to be “a factor in the equation. We’re almost going to have to look at this with a longer view. Of course,” he added, “that doesn’t make any of us satisfied with 1999.

“The future is rooted in all the things that have gotten us here. We in broadcast television are connected to the viewers in a very positive way. The Internet is a growth category. [Its developers] have figured out how to create awareness...branding. We are the perfect complement to the Internet. What we do, they don’t. The Internet is a great medium. It has great transaction potential. But I don’t consider it to be effective for branding. Television and the

Warner Bros. names exec VP for TV

In Barry Meyer’s first major appointment since becoming Warner Bros. chairman and CEO in October, he named Bruce Rosenblum the studio’s top TV executive last week.

Rosenblum, previously senior vice president of television business management, continues reporting directly to Meyer in the newly created post of executive vice president of television for Warner Bros. Meyer told BROADCASTING & CABLE (B&C, Aug. 9) that Rosenblum, who has been the studio’s No. 2 TV executive for the last five years, would be his successor as the studio’s television head. This appointment, however, makes it official. No other executive had been courted for the position, according to a company spokeswoman.


Television division heads continue reporting directly to studio head Meyer, as is the custom with the studio, with Rosenblum “serving as the conduit through which all television operations flow,” a company statement says. Rosenblum also will still manage corporate TV agreements and will handle TV matters relating to Time Warner divisions, including H&F, Cartoon Network, TNT, TBS and Time Warner Cable.

“I have been extraordinarily fortunate to have had Barry [Meyer] as my mentor for the last five years,” Rosenblum says. “Barry is not only an outstanding individual, but as a manager [he] allows people who work with him to excel and do their best. He has allowed me to learn all of our TV businesses and has prepared me to do this job.”

—Melissa Grego
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Rohrs and Post-Newsweek have denied numerous gender and age bias issues. Rohrs and Post-Newsweek have denied Peckinpaugh's charges, and the judgment is on appeal.

Sharing that time, and much better times in nearly 20 years at Post-Newsweek, makes it difficult to leave, Rohrs says. When he got the first inquiry about the job, in the form of a phone call from headhunter Don Noble, Rohrs said, "I immediately told [Post-Newsweek Stations President] Bill [Ryan] about it. I owed him that." Rohrs worked for the company in Detroit for nine years, when he left the position as station manager there to run WFSB-TV Hartford. He stayed with the station when it was sold to Meredith in 1997, returning to Post-Newsweek a year later. "We have a great relationship," Rohrs said of Ryan. "I've worked for him for a long time." And, Rohrs noted, he'll continue to work for Ryan, along with hundreds of other stations and station groups.

The mouse roars

ABC executives called last Sunday (Nov. 7) night's programming "The Richest Night of Television" and the catchy phrase or the programming, or both, appeared to work. The Disney-owned network turned in its best Sunday-night performance in more than two years, handily winning the night in viewers and in adults 18-49. ABC averaged a 8.2 rating/19 share in adults 18-49 and 24.6 million viewers for the night, according to Nielsen Media Research. A two-hour film made for ABC, a remake of Annie, led off the evening with an average of 26.7 million viewers and a 7.8/19 in adults 18-49.

The pitch: 'That Girl' meets Sally

NBC executives have given a 13-episode commitment to a comedy from Paramount Network Television that stars Broadway actress Kristin Chenoweth (Tony award winner as Sally in You're a Good Man Charlie Brown) and is written and produced by John Markus (The Cosby Show and The Larry Sanders Show). The untitled series is targeted for fall 2000 and will star Chenoweth as a struggling actress who works part time as an executive assistant.

Leg up for Legacy

Unapix Entertainment has cast two people for its planned syndicated probate court series, Legacy (originally titled Legacy: Rest in Peace). Stan Sanders and Karen Fillipi will serve as arbitrator and host/commentator, respectively, says Unapix President George Back. A pilot has been completed and is currently being sold for fall 2000. Another show from the syndicator for 2000, Singles Court, is currently being presented to stations as well. Back says Singles Court uses the court format to "bring justice to relationships." The show is hosted by dating expert Angela Segal.

Here comes 'The Mediator'

The Buena Vista court show said to be in development is titled The Mediator, not Mediator Court as had previously been reported. A 27-year veteran mediator will star in the half-hour strip. Sources say, Buena Vista will tape a "sample episode" of the show later this month.

Picketing the Peacock

Danny Bakewell and about 75 other supporters of a group called The Brotherhood Crusade protested outside NBC's Burbank, Calif., headquarters Monday (Nov. 8). Bakewell and his supporters were protesting what they called "a lack of diversity" at NBC and at network-owned KNBC-TV Los Angeles. The protesters wore pins reading "Turn off NBC," and claimed NBC executives have failed to meet with them. NBC executives put out a statement in response saying, "NBC has been responsive to The Brotherhood Crusade and the larger issue of diversi
ty. We have attempted to set up several meetings with Mr. Bakewell and remain open to do so."

Marriage-minded game show

The Millionaire phenomenon continues. Fox executives, fresh off early success with game show Greed, say they are developing a possible live special, Who Wants to Marry a Multi-Millionaire? The two-hour show will have 50 women competing to marry a multimillionaire, and could be ready for the next sweeps period (February). Elimination rounds will be designed around the millionaire's criteria. Fox producers are currently looking for that "perfect" eligible millionaire, but there must be pages of them in the Microsoft employee directory alone.

CBS taps millennium maven

Susan Winston has been named executive producer of all millennium specials for CBS. Winston, the executive producer of all three Miss Universe Organization Pageants (Miss Universe, Miss USA and Miss Teen USA) for CBS, will oversee all of the network's century-ending specials during the month of December.
**WEEKLY SYNDICATION WRAP-UP**

### TOP 20 SHOWS

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**HH/AA—Average Audience Rating (households)**

**HH/GAA—Gross Aggregate Average Rating (households)**

### TOP FIVE MAGAZINE SHOWS

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**HH/AA—Average Audience Rating (households)**

**HH/GAA—Gross Aggregate Average Rating (households)**

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**Enquiring viewers on the upswing**

The National Enquirer still stalks celebrities—in the ratings.

The syndicated strip from MGM Television that debuted this season is only a tenth of a rating point behind veteran celebrity-driven entertainment magazine Access Hollywood, the fourth-ranked syndicated newsmagazine, according to Nielsen Syndication Service figures for the week ending Oct. 31.

The new strip was up 12% from the previous week to a new high of 1.9, while Access was down 5% from the previous week to 2.0.

A number of factors indicate National Enquirer Television also has potential to grow beyond its 1.9 high, says Bill Carroll, vice president and director of Katz Media, who calls the magazine “a show that's evolving.” One reason is its improving time slots.

The show is changing creatively, too, says Hank Cohen, president of MGM Television Entertainment. Since the show went on the air, National Enquirer Television has added co-host Susan Campos, whose previous credits include MSNBC. It has more than doubled the number of stories featured from 16 to 33; and made a push to make stories more current, Cohen says.

Campos, who joins original host Mike Walker, The National Enquirer tabloid's senior editor, brings credibility to the show, Cohen says. “What I wanted to do early on is make a statement that we were going to be credible, presenting two sides to the story,” he explains.

Times are changing, Carroll notes. “The National Enquirer has become more like the mainstream, and the mainstream has become more like the National Enquirer,” he says. “Societywise and journalismwise, what you see on nightly news is stuff you never would have seen Walter Cronkite do. It's a broader definition of journalism than would have been the case 10 years ago.” As a result, people are more accepting of The National Enquirer brand, Carroll says. “Before, people would pick up the National Enquirer and stick it in their coat; now they read it on the bus.” —Melissa Grego

---

**This Season's Biggest Hit!**

**4.0 RTG. ↑33%**

**DiVORCE COURT**

Source: Nielsen Galaxy Explorer, week of 10/16/96 to week of 10/30/96. Households 1+ CAA.

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**NOVEMBER 15, 1996 / BROADCASTING & CABLE 49**

www.americanradiohistory.com
FitzSimons to lead Tribune

Dowdle retiring at end of year; Eigner named president of TV stations division

By Melissa Grego

Tribune Broadcasting President Dennis J. FitzSimons is set to take over all media operations for the Tribune Co. at the beginning of the year, when Tribune’s executive vice president of media operations, James C. Dowdle, retires.

Dowdle, 65, disclosed internally at the end of last year that he would be retiring. FitzSimons says it was not clear whom, if anyone, would succeed Dowdle. FitzSimons says he’s filling “some very big shoes.”

“I’ve been with the company for 17 years and have been fortunate to have had a lot of great opportunities within the company,” FitzSimons says. “This is the latest one, and I’m thrilled about it.”

FitzSimons will retain his title as president of Tribune Broadcasting, but he will add to his role as executive vice president of the Tribune Co. the additional responsibilities of the company’s publishing and entertainment businesses, as well as the Chicago Cubs.

At the same time, Michael Eigner, currently executive vice president of Tribune Television, will be upped to president of Tribune Television at year’s end. Eigner, who has been in charge of stations on the East Coast, will now oversee all of the company’s stations, which are expected to total 21 when the FCC approves its recent acquisitions.

As a result of Tribune’s agreement to acquire the remaining interest in Qwest Broadcasting, it will add WATL-TV Atlanta and WNOL-TV New Orleans, pending FCC approval, in the first quarter of next year. Also pending FCC approval, is Tribune’s purchase of WB Washington affiliate WJBD-TV Washington, which the company has managed since 1995 for Jasas Corp., with an option to buy, FitzSimons says.

Dowdle, who is in the Broadcasting & Cable Hall of Fame, joined Tribune Broadcasting in 1981 after a 25-year career in advertising sales and management at the station level. The Tribune job had been something of a homecoming, since he was both a native of Chicago and had begun his career selling classified advertising for the Chicago Tribune in 1956. Dowdle remains on Tribune’s board of directors, to which he was elected in 1985, until the annual stockholders meeting in May.

FitzSimons joined the company in 1982 as sales director of WGN-TV having held senior sales positions at Viacom and TeleRep. He was named vice president, operations, for Tribune Broadcasting in 1987, Tribune Television president in 1992 and Tribune Broadcasting president in 1994.

Eigner, a 25-year veteran of the company, has been executive vice president, Tribune Television, since July 1998. He joined Tribune in 1974 as national sales manager at KTLA-TV Los Angeles. He held sales and management positions there before serving as vice president and general manager of Tribune’s WPIX-TV New York from 1989 until being named executive vice president, Tribune Television, last year.

The Tribune shuffle (l-r): Dowdle, who is leaving at year's end; FitzSimons, a company veteran, becomes executive VP and adds publishing and entertainment responsibilities to his duties; and Eigner, who becomes head of all the company's TV stations.
USE YOUR NEWS.
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Long arm of the subpoena
Beaumont-Port Arthur, Texas, stations KBMT(TV), KFDM-TV and KBT-TV, had to move quickly to comply last week with an order from Judge Joe Bob Golden to produce perhaps more than a thousand stories collectively that have aired since March 1 on the killing of James Byrd, an East Texas African American dragged to death in a racially charged murder.

Subpoenas went out last Monday in an attempt by defendant Shawn Allen Berry for a change of venue based on pretrial publicity. The judge denied the motion Wednesday.

KFDM-TV News Director David Lowell said he said had no ethical problems complying with the order, as long as it covered only published material. Practical problems were another matter. After hearing that it would take days to respond with videotapes, Golden allowed stations to submit transcripts. Still, it took many hours and Lowell says he's not sure how to charge the court. He had to do the work himself to comply with the subpoena, he said, since he's officially custodian of the tapes. Normally the charge is $100 per hour and $100 per piece of video—not unusual for a TV station.

Questions over whether CBS producers would turn over tapes of a 60 Minutes II interview with Berry remained unsettled through much of last week, though.

Ironically, Lowell said, local stations were approached first about interviewing Berry by the same lawyers who later complained about local publicity. Considering the legal battle that's gone on over those tapes, Lowell said, it was just as well the locals left that alone.

Answer is 'yes' for Nydam in Boston
Last week we reported on Nancy Nydam, who came to Boston after only a few months as assistant news director at Sunbeam station WSVN(TV) Miami to be acting news director at WHDH-TV following the unexpected resignations of News Director Mark Berryhill and Assistant News Director Staci Geger-Childers. General Manager Mike Carson was apparently impressed enough with the way the department ran during the EgyptAir crash to let Berryhill and Geger-Childers out early. Only a couple of days later, after WHDH-TV reporter Andy Hiller gained national attention with his impression of Alex Trebek during an interview with presidential candidate George Bush, Nydam got the job permanently—well, as permanent as any news director's job can be.

"After only two weeks as acting," Carson said, "Nancy has proven she can do the job. Put to the test early with the EgyptAir crash and the swirl of excitement over the Bush interview, Nancy has demonstrated all the qualities of a major market news director."

WHDH-TV Boston reups with Nielsen
Also at WHDH-TV, the station rejoined last week the ranks of the Nielsen-measured. Sunbeam pulled both its Boston and Miami stations from the ratings service in a dispute about methods of counting Spanish-speaking households in its South Florida sample. Sunbeam said the sample fails to fully acknowledge bilingual and bicultural households, and understages WSVN(TV) Miami's viewership. Nielsen has defended its methodology, although the company plans some changes for February, WSVN General Manager Robert Leider said, and the Miami station remains a former subscriber. But it was never a Boston issue, he adds, and WHDH is now back with Nielsen.

Chicago news director moves up
Steve Ramsey, news director at WGN-TV Chicago, will be leaving the station later this month to become station manager at Tribune-owned KTLA(TV) Los Angeles. Ramsey said he will be overseeing a few departments at the new station, and while the full roster of departments hasn't been decided, news will certainly be one of them. Like WGN-TV, KTLA is heavy with local sports. Ramsey replaces Pam Pearson, who moved to Tribune's KTZZ-TV in Seattle as general manager.

Can kids stay up to watch Mom?
KMOV(TV) St. Louis News Director Steve Hammel—assisted in no small part by his wife, Renee—came up with an unusual plan to fill in while meteorologist Kent Ehrhardt recovers from a dirt-bike accident. Following Ehrhardt's motocross mishap—and the instigation of his wife—Hammel contacted his former chief meteorologist, Trish Brown, to see if she'd be interested in leaving her home in Lincoln, Neb., to go back on the air in St. Louis.

Brown, "had been with us several years and left on very good terms. I asked her if she could come back for any amount of time. She said she'd like to, but didn't know what to do with her two daughters." No problem. Renee Hammel stepped up and offered to babysit—and apparently for less-than-market rates. "I was able to negotiate that down," said Hammel. "My wife and I have a long-term contract."

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Charter IPO raises $3.2B

Stock offering one of the largest in history; 116 million shares traded on first day

By John M. Higgins

Charter Communications Inc. executives proved up to the task of launching one of the largest initial public offerings in history, generating $3.2 billion last week and setting the stage for smaller deals by other cable operators.

The deal was priced right at the top end of the $17-$19 range Charter had established last month. Unlike the shares of tiny Internet companies that go public, Charter’s price did not explode when trading opened last Tuesday (Nov. 9), but did trade up 19%. The supply of stock in Internet IPOs tends to be rather small, but Charter was flooding the market, selling 60% of its equity in the offering.

The deal ranks as the fourth-largest U.S. IPO, although one of the bigger ones was United Parcel Services’ $5 billion stock sale that broke a day after Charter’s. Still, Charter also ranks as one of the most active stocks ever, with 115.8 million shares traded across Nasdaq on Tuesday.

Charter sold 170 million shares, and its underwriters have an additional 25 million allotment to sell later. So Charter should ultimately gross $3.7 billion, less about $300 million in expenses. Further, Charter’s controlling shareholder, Paul Allen, kicked $750 million into the company in addition to the offering.

Charter CEO Jerry Kent says he’s happy the stock sale is complete. He and three of his senior executives spent three weeks on the road pitching the deal to major investors around the country. But the work is just beginning for Kent, who now has to execute Allen’s plans to launch digital video and other interactive services on Charter’s systems. On the day the deal was priced, one of the Goldman Sachs & Co. investment bankers working on the sale asked Kent what he planned to do now. “I’ve got a four-hour budget meeting in St. Louis,” Kent replied.

Charter definitely needs the cash. The company is fairly highly leveraged, with debt exceeding seven times annual cash flow. The company has acquisitions worth $9.4 billion pending, and even Allen’s $24 billion pockets are only so deep. After deals for Falcon Cable TV, Fanch Communications and Avalon Communications are complete, those systems will have to be upgraded, requiring even more investment.

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TV retrans squabble

Time Warner asks court to rule in dispute with Dispatch

By Deborah D. McAdams

Time Warner’s Ohio cable division chose legal fees over subscriber fees last week when it sued a broadcaster seeking to tie its local cable news network into a standing retransmission consent.

Dispatch Broadcast Group is threatening to pull its CBS affiliate WBNS-TV (ch. 10) off the cable system in Columbus unless the operator picks up the broadcaster’s Ohio News Network at upwards of 25 cents a subscriber, a spokeswoman for Time Warner said. The action violates the retransmission consent between the two companies, she said.

The suit, filed in U.S. District Court in Southern Ohio on Oct. 8, alleges that the consent agreement went into automatic two-year renewal on Nov. 2, the deadline for either party to provide written notification of termination. Time Warner claims it received a letter from WBNS-TV in mid-September stating the station’s intention to continue the arrangement. “The letter notified us that the agreement expired, but it didn’t mention their intent to pull in ONN,” Time Warner’s spokeswoman said.

Tom Griesdorn, WBNS-TV VP/GM, confirmed the letter did not mention ONN, and that it requested the continuation of the retrans agreement, but under new conditions to be negotiated. “I think that’s the understanding of every TV station,” he said, “not just WBNS-TV.”

The suit also says that “for the last several months” the parties negotiated possible carriage of ONN, but Time Warner ultimately refused the tie-in to WBNS-TV. Less than 1% of the 200,000 subscribers in the Columbus area have requested ONN, the spokeswoman said.

Other Ohio operators are paying 25 cents per sub for ONN, she said, and while Dispatch said the fee was negotiable, Time Warner was adamant. “We don’t believe a broadcast channel should be tied to a regional channel,” she said.

Before the suit was filed, the dispute was played out in the local Dispatch-owned newspaper, the Columbus Dispatch, and on the WBNS-TV Web site. “Click here to find out THE FACTS about the negotiations between the locally-owned Dispatch Broadcast Group and Time Warner, one of the world’s largest media companies,” it says.

“While Time Warner has used some creative license to characterize these retransmission consent negotiations as ‘blackmail,’ they are simply nothing of the kind,” the posting says. “Did Time Warner use the word ‘blackmail’ during retransmission consent negotiations with NBC…? No. But they did agree to provide their subscribers with what was then the very new CNBC channel.”
THE HUMAN DESIRE FOR MUSICAL EXPRESSION IS REFLECTED IN A 25,000-YEAR-OLD BIRD-BONE FLUTE FOUND IN FRANCE.*

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Central Region:
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Western Region:
Sonya DeRose
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YOUR PERSONAL MUSIC UNIVERSE

*National Geographic: "Bird-Bone Flute, Musée des Antiquités Nationales, St. Germain-en-Laye, France.

**DMX MUSIC weekly "tune in" level of 75% of universe (Marketing Advocates "DMX Concept & Exploration Study," 1999) is higher than any basic cable network’s weekly tune.
Cable

Odyssey getting more subs
Hallmark's hometown is getting the company's cable network in December. Odyssey, a Henson & Hallmark Entertainment network, will add 310,000 analog subscribers in Kansas City, Mo., beginning Monday, Dec. 20, under an agreement with Time Warner Cable.

Quinn upped to executive VP/GM
TBS Superstation has promoted Dennis Quinn to executive vice president and general manager, overseeing all day-to-day operations of the network. He will be based in Atlanta and will report to Bradley J. Siegel, president of general entertainment networks for Turner Broadcasting Systems Inc. Quinn most recently was senior VP and general sales manager for TBS Superstation.

Falcon spots go digital with SeaChange
Falcon Cable Television has bought digital ad insertion systems from SeaChange International to handle ad insertion at 20 of its headends. Falcon will deploy SeaChange SpotSystems at its operations in Atascadero, Calif.; Washington, Mo.; and Hickory, N.C. "The Spot System will make our ad operations more efficient and reliable, so we can offer...a broad variety of placements across channel lineups," says Ovie Cowles, Falcon ad VP.

3Q boost for Cablevision
Cablevision Systems Corp. saw adjusted operating cash flow for the third quarter increase 12% on a pro-forma basis, to $251.6 million, fueled largely by pro-forma adjusted operating cash flow from cable operations of $230.5 million, up 10%. (Cablevision defines adjusted operating cash flow as operating profit before depreciation and amortization and excluding the impact of stock plan expense and year 2000 remediation costs.) Cablevision also reported overall subscriber growth of 2.5% for the period, including 2.75% growth in its core New York market. The company's adjusted operating cash flow margin (adjusted operating cash flow divided by revenues) increase 0.4 percentage points to 43.7% compared to the same quarter last year. Cablevision also reported solid results for its Rainbow Media subsidiary, where pro-forma adjusted operating cash flow rose 107.1%, to $122 million, or $1.17 per share, up nearly 57%. The larger net loss was, in part, the result of a $163.9 million one-time gain in 1998's third quarter from the sale of programming interests and cable assets.

Cable's Top 25 People's Choice
Miami's 17-0 shutout over Tennessee catapulted ESPN to the top of the ratings. The game scored a 9.0 rating/13.1 share, while NFL Primetime yielded a 4.2 rating/6.4 share.

Following are the top 25 basic cable programs for the week of November 1-7, ranked by rating. Cable rating is coverage area rating within each basic cable network's universe; U.S. rating is of 100.8 million TV households. Sources: Nielsen Media Research, Turner Entertainment.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Program</th>
<th>Network</th>
<th>Day</th>
<th>Time</th>
<th>Duration</th>
<th>Cable</th>
<th>Rating</th>
<th>U.S.</th>
<th>Hhs</th>
<th>Share</th>
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<tr>
<td>1</td>
<td>NFL/Titans/Dolphins</td>
<td>ESPN</td>
<td>Sun</td>
<td>8:15P</td>
<td>181</td>
<td>9.0</td>
<td>7.0</td>
<td>6944</td>
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<td>2</td>
<td>WWF Entertainment</td>
<td>USA</td>
<td>Mon</td>
<td>9:00P</td>
<td>60</td>
<td>5.9</td>
<td>4.6</td>
<td>4537</td>
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<td>3</td>
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<td>USA</td>
<td>Mon</td>
<td>10:00P</td>
<td>207</td>
<td>5.9</td>
<td>4.6</td>
<td>4524</td>
<td>9.5</td>
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<td>4</td>
<td>SEC Ftb/Notre Dame</td>
<td>ESPN</td>
<td>Sat</td>
<td>7:30P</td>
<td>45</td>
<td>4.7</td>
<td>3.6</td>
<td>3628</td>
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<td>5</td>
<td>NFL Primetime</td>
<td>ESPN</td>
<td>Sun</td>
<td>7:30P</td>
<td>60</td>
<td>4.2</td>
<td>3.3</td>
<td>3236</td>
<td>6.4</td>
<td></td>
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<td>6</td>
<td>WCW Monday Nitro Live!</td>
<td>TNT</td>
<td>Mon</td>
<td>8:00P</td>
<td>30</td>
<td>3.9</td>
<td>3.0</td>
<td>2979</td>
<td>5.6</td>
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<td>7</td>
<td>Rugrats</td>
<td>NICK</td>
<td>Tue</td>
<td>7:30P</td>
<td>30</td>
<td>3.9</td>
<td>3.0</td>
<td>2974</td>
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<td>South Park</td>
<td>CMDY</td>
<td>Wed</td>
<td>10:00P</td>
<td>30</td>
<td>3.8</td>
<td>2.4</td>
<td>2363</td>
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<td>Rugrats</td>
<td>NICK</td>
<td>Thu</td>
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<td>30</td>
<td>3.5</td>
<td>2.7</td>
<td>2680</td>
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<td>Rugrats</td>
<td>NICK</td>
<td>Mon</td>
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<td>30</td>
<td>3.4</td>
<td>2.6</td>
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<td>NICK</td>
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<td>9:30A</td>
<td>30</td>
<td>3.4</td>
<td>2.6</td>
<td>2589</td>
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<td>2.6</td>
<td>2551</td>
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<td>230</td>
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<td>2.5</td>
<td>2529</td>
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<td>NICK</td>
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<td>7:30P</td>
<td>30</td>
<td>3.3</td>
<td>2.5</td>
<td>2528</td>
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<td>ESPN</td>
<td>Sun</td>
<td>7:00P</td>
<td>60</td>
<td>3.2</td>
<td>2.5</td>
<td>2503</td>
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<td>30</td>
<td>3.2</td>
<td>2.4</td>
<td>2428</td>
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<td>7:30P</td>
<td>30</td>
<td>3.2</td>
<td>2.4</td>
<td>2420</td>
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<td>30</td>
<td>3.1</td>
<td>2.4</td>
<td>2390</td>
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<td>NICK</td>
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<td>7:00P</td>
<td>30</td>
<td>3.1</td>
<td>2.4</td>
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<td>74</td>
<td>3.1</td>
<td>2.4</td>
<td>2364</td>
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<tr>
<td>21</td>
<td>Movie Blue Valley Song</td>
<td>LIF</td>
<td>Mon</td>
<td>9:00P</td>
<td>120</td>
<td>3.1</td>
<td>2.3</td>
<td>2327</td>
<td>4.6</td>
<td></td>
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<tr>
<td>22</td>
<td>Movie Batman &amp; Robin</td>
<td>TBS</td>
<td>Sun</td>
<td>8:00P</td>
<td>188</td>
<td>3.0</td>
<td>2.4</td>
<td>2356</td>
<td>4.8</td>
<td></td>
</tr>
</tbody>
</table>
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With Rocket Network™ Internet Recording Studios artists, producers, and engineers can meet and produce professional-quality audio online.

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Internet Recording Studios
INTRODUCTION

It seems unimaginable that as recently as 1994, there were only about 3,000 Websites on the Internet or that the Internet itself was then generally regarded as a shadowy, exotic realm accessible only to an elite group of technonerd hunched over their keyboards late into the night, exchanging arcane secrets in indecipherable languages. Today there are an estimated 3 million Websites with new ones being launched on what seems to be an hourly basis.

Today, the Web can still be a complex and baffling place without a road map. Hence this guide, which shows at a glance some of the valuable information and resources that are only a mouseclick or two away at cable-related Websites. And in case you need just a smidgen of help about exactly where to click that mouse, we've included an easy-to-use primer that will help you navigate your way through this new cyberworld.
Just as change is the only constant in the physical world, sudden, quantum change marks the character of the Internet.

What originated as a kind of "failsafe" communications network for the military evolved into a Web for academic interaction, and then into a free-form network molded by computer geeks and creative spirits exploring the limits of an undefined medium. In its latest phase, a large segment of the Net has become a crowded commercial conduit for businesses brokering wares to consumers and, increasingly, to other businesses.

What was tentative, speculative territory for businesses, big and small, has become a prized part of virtual territory to be occupied and exploited. "Everybody is putting an "e" on their name because of the
multiple they get in the market, says Bernard Luskin, co-CEO of Global Learning System. “Now it’s an avant-garde designation. In five years, it’s going to date you. Business is going to be business.”

As a new media pioneer who witnessed the Web’s evolution from the beginning, Luskin believes a cyber-space presence is now essential for most businesses. “Certainly in anything related to mass merchandise and mass communications, no company of any size will be able to function without a highly developed online commercial network,” he says. “The economics of the 20th century were based on supply and demand. The economics of the electronic century are based on big multipliers and suppliability.”

Dataquest estimates that worldwide business-to-consumer electronic commerce hit $11.2 billion last year and will reach $31.2 billion this year, topping $380 billion by 2003. Dataquest projects the bulk of that activity will benefit U.S. companies to the tune of $20.5 billion this year and $147 billion five years beyond.

That means the business of the Internet itself is similarly poised to become big business, according to Dataquest, which estimates that intermediary e-commerce creation companies engaged in developing e-commerce business-to-business protocols cranked out $12 billion worth of tools and services in 1998. And that figure is expected to grow exponentially.

“E-market makers will revolutionize trading relationships and business-to-business e-commerce, diverting a significant percentage of transactions from extranets, electronic data interchange (EDI) and Web storefronts while creating opportunity for a new breed of e-commerce transactions,” says Leah Knight, Dataquest senior analyst.

The business sector is expanding online because businesses, small or large, can conserve resources by providing information and services on the Web. “Businesses tend to be on the Web faster and more seriously than consumers,” says Peter Krasilovsky, analyst for the Kelsey Group. “They’re converting many of their business applications because it theoretically saves money over time.”

Globalization of business-to-business e-commerce is naturally enabled by the Internet, according to Krasilovsky: “You can sell leftover carbon to people all over the world.”

The recent merger between Digital Island and Sandpiper Networks is an indication of the growth of the business for e-commerce facilitators. The alliance between the two companies is aimed at
improving both centrally controlled transactional services and locally stored content on servers in close proximity to points of delivery, according to Tom Wilson, Digital Island vice president of marketing.

Digital Island currently serves more than 100 companies involved in e-commerce on the Net reaching 23 countries, including Microsoft, Intuit, Novell, Cisco Systems, Mastercard and E-Trade. Wilson foresees steady e-commerce expansion globally, particularly in high-tech hardware and software production, entertainment media publishing, financial services and the auction sector.

The growing impetus among companies to upgrade their capabilities online was another reason Digital Island linked with Sandpiper and its content delivery network to improve multimedia capacity of sites the companies service. “Customers we see are moving from static Web sites to more dynamic sites where they’re making and saving money on the Internet,” says Wilson.

The increased globalization of e-commerce is prompting localization of Net services customized to reach non-English speaking Web surfers. A company in the German market may require Web content in that language touting products that are available there. “What we’re doing is helping people make the content seem more locally relevant,” says Wilson.

The commercial rush to the Web is causing a sea change in the approach Web developers take to their business, according to John Sherry, design ethnographer for Intel Corp., who says design firms are no longer trying to be one-stop shops for Web services. “In the business-to-business domain, they’re not trying to be the all-in-one companies doing design and back-end services.” says Sherry. “It’s just too complex for any one firm to be an end-to-end service provider. It’s changing so fast, companies have to be nimble enough to change their focus.”

So the business ranges from companies doing what he calls “garage design” work for local businesses to companies pulling down multi-million-dollar contracts to execute increasingly sophisticated Web designs. “It could be that certain companies might find a niche that they’re comfortable with, but there’s just such a large space that’s changing so rapidly, there are always going to be companies exploring new things,” Sherry says.
Okay, you’re pretty savvy on the Internet already. And you’re getting what you need most of the time. However, there may be a few easy terms of Internet jargon that have eluded you so far. Or perhaps someone in the next office or cubicle may be just starting on the World Wide Web.

In the interests of passing along some helpful terminology—whether you’re a newcomer or a veteran surfer—BROADCASTING & CABLE offers these 15 phrases to build your Internet vocabulary. They’re arranged in order of usefulness, rather than alphabetically.

INTERNET SERVICE PROVIDER (ISP)—The company that provides you the technical on-ramp to the vast Internet computer backbone. ISPs range from small mom-and-pop dial-up services, to America Online, to round-the-clock access via cable modems. Think of it like your basic telephone service.

BROWSERS—The software used to surf the Internet. The most popular are Netscape Navigator and Microsoft’s Internet Explorer. This glossary mentions terms used by both browsers.

Contrary to what you may read in many computer and Internet books, a full history of World Wide Web esoterica or knowledge of elaborate terms really isn’t necessary to be a great surfer.

For instance, every Web address begins with “http://”—which is short for hypertext transfer protocol, with protocol being a common language between computers over a network. Now that you know that, forget it. No need to remember what “http” stands for, and no need to even type those few letters or even “www.” If you just typed “broadcastingcable.com” your browser would fill in the rest for you. See how easy it is already?

WEBSTES/HOME PAGES—The locations you visit to get information. They range from simple one-screen presentations to elaborate interactive locations with hundreds of screens.

URL—A Website address or location, such as “http://www.yahoo.com.” Just for trivia quizzes one day. “URL” stands for Uniform (sometimes Universal) Resource Locator. Early terminology was a bit cumbersome since the Internet started as a government-funded, scientific, university-active enterprise. We’re now in the consumer phase, where the lingo has to be much simpler.

DOMAIN—The letters that follow the dot in a URL, as in .com. The .com is a commercial site while .net is a network; .org is a non-profit organization and .edu is an educational institution.

SEARCH ENGINES/PORTALS—Websites that provide the means for searching the Internet via key words. Increasingly, the term “portal”
is being used as the search engines offer many links and serve as a gateway for specific topics offered at other sites. In this way they really function as a "launch platform" out into cyberspace. You've probably heard of Yahoo!, Excite, Infoseek and others. There's one called dogpile.com, which is a search engine of search engines. Instead of clicking on "search" when you've entered key words at dogpile, you click on "fetch." There's plenty of quirky humor across the Net.

**HYPERLINKS/LINKS**—Words and phrases that can link you to another site. For instance, you may be reading an article that mentions Microsoft and Netscape, as well as information contained in a recent edition of *Forbes* magazine. You can click on underlined words for a link to another Website featuring that subject.

**BOOKMARKS/FAVORITES**—Browsers offer icons with these terms so your software can remember sites you want to visit frequently.

**REFRESH/RELOAD**—By clicking on these browser buttons, the Web page you are visiting will provide its most current version. For instance, this action will update stock quotes, news or sports information.

**BACK/FORWARD**—Word buttons you can click on to direct your browser back and forth to sites visited on your current Internet session.

**BASIC/PREMIUM**—Somewhat like cable TV, basic sites are available at no additional charge beyond what you pay to access the Internet while premiums may be charged for certain material within a basic site or for initial access to some sites. Fees usually are billed online via a credit card.

**COOKIES**—A bit of information stored on your hard drive by a Website's server. When you return to that site, the cookie signals that you have been there before. Contrary to some cynical rumors, computer experts advise that cookies do not read your hard drive or engage in other nefarious activities.

**CACHING**—Sometimes Web pages are stored in a temporary and intermediate location, in order to speed retrieval and avoid traffic jams at popular sites. So, if you are using your cable system as an Internet Service Provider, via such entities as @Home or Road Runner, data from the original content site may actually be resting on their servers and just return to the original location as needed for updates.

**BANDWIDTH**—You've got to know this one to work in cable. Unless you're a technical person, just remember that it refers to the size of the pipe going into a home or office. Pipes are considered narrow or fat depending on how many bits-per-second (BPS) they can deliver.

**MODEM**—The critical access box that converts signals back and forth from digital to analog and vice versa. A 28.8 telephone modem moves 28,800 bits per second. There's a 56.6 version, and then you leap to warp speed with cable modems.

Now that you've come this far, pass on this article to a colleague or personal friend (in case s/he's still getting up to speed on this remarkable electronic library known as the Internet.)
Broadcasting & Cable
WEB GUIDE

ACRODYNE

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The Acrodyne difference begins with superior transformer, advanced technology, and Diode sideband technology built into our low, medium, and high power TV transmitters. Whether you're in the market for analog or digital transmission equipment, Acrodyne offers a unique combination of scalable power outputs which maximizes your flexibility and minimizes your transmission equipment investment risk.

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In business for three decades, Acrodyne Industries, Inc. is a leading provider of technologically advanced, high quality transmitters, offering analog transmitters from low power through 240kW and digital transmitters up to 100kW.

Acrodyne's e-commerce for broadcast transmission, www.acrodyne.com/store, provides a convenient mechanism for broadcasters to access parts, components, low power television transmission equipment, various RF components and broadcast related equipment over the Internet. Visit our website for product information, press releases, and our on-line store—www.acrodyne.com/store.

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The Broadcast Systems Division of ADC Telecommunications, Inc., formerly ITS Corporation, manufactures UHF and VHF transmission products for analog and digital applications. Products include Visionary® Series high power transmitters, solid state low and medium power transmitters, Exciter Plus™ System exciter/driver retrofits, the DT208 Digital Exciter System, and the DT18 8-VSB Digital Modulator.

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CJDS offers innovative technology solutions to enhance our customers' business-to-business relationships in the converging Internet and digital media landscape (Broadcast, cable, radio, wireless, ODS, advertising agencies, media buyers, and national sales reps). The company boasts the most complete array of software solutions, connectivity products, and consulting services available to the industry. CJDS products and services work for clients in all 50 states, throughout Canada, and in more than 35 countries worldwide.

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The NAB2000 web site is a virtual gathering of the most comprehensive collection of digital technologies in the world, showcasing every element of television and radio broadcasting, film/video production and postproduction, multimedia, the Internet, satellite and telecommunications. This is the single most important online resource for up-to-date information on our 1400+ exhibitors and 130+ educational sessions. Be sure to check out our fully searchable enhanced exhibitor listings, online scheduler, personalized home pages, interactive floor plans, and live webcasts from the show.

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The National Digital Television Center is well known for its world class studios, sound stages, edit suites, high-end equipment, and versatile production truck, along with its extensive and unbeatable network origination, traffic and satellite services. Producers around the world rely on NDTC for the highest level of network origination, television production, and post production. With facilities in Denver, Los Angeles, New York and Hong Kong, television's best producers choose NDTC to produce their best.

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The Broadcasting & Cable Web site provides online readers with a comprehensive daily update of events in the broadcasting and cable TV industries, along with stories carried in the magazine's weekly edition.

The home page carries a ticker with the latest breaking news and highlights from stories in Broadcasting & Cable's two daily fax editions. An Online Daily section contains all of the stories from each day's fax editions. Readers can also find the text from articles in each department of the magazine's weekly edition online for convenient access.

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DiviCom Inc. is the leading provider of award-winning open solutions for digital television. Products include audio/video encoding, decoding and compression systems, data broadcast solutions, network management systems, and consulting and integration services. Based on MPEG-2, DVB and ATSC international standards, DiviCom open solutions enable digital video broadcasting over a variety of networks including cables, satellite, wireless, fiber and DSL, while freeing the customer from the limitations of proprietary architectures and technologies.

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Cable wins one in Weymouth

Town changes mind and OKs franchise sale without access provision voted on earlier

By Price Colman

In a week of frenetic activity surrounding the cable access issue, a surprise about-face by officials in Weymouth, Mass., stands out as one of the stranger moments.

With deadlines looming for many municipalities on whether to approve or reject transfer of MediaOne’s cable franchises to AT&T, the rush of activity is no surprise.

As of midweek last week, a number of local governments from Massachusetts and Virginia to Michigan and California approved transfers without imposing a provision that would require MediaOne to open its network to outside Internet access providers.

One city, North Andover, Mass., bucked the trend and voted to impose an access provision as a condition of the transfer. But it was nearby Weymouth, a city of about 55,000 southeast of Boston, that riveted attention with its vote to drop an access provision approved earlier.

Weymouth’s Board of Selectmen had voted 5-0 in late October to impose the access provision as a condition of transferring MediaOne’s license to AT&T. Then, last Monday (Nov. 8), city officials reversed course and voted 3-0 (two selectmen were absent) to approve the franchise transfer with no access provision.

MediaOne characterized the change as a triumph of reason over rhetoric. The OpenNet Coalition, which has accused cable operators of “bullying and threatening local authorities,” was uncharacteristically quiet on the Weymouth turnaround.

So what really happened? Was it hardball lobbying or simply a change of heart?

Neither, says Boston Globe business reporter Peter J. Howe.

Instead, credit a historical change and political etiquette he says. “My reporting indicated that this was nothing more than an issue of local courtesy to the new mayor-elect, not any philosophical consideration,” Howe says.

Pam Nolan, Weymouth’s town administrator, declined to comment.

For the past 300 years, Weymouth’s city affairs have been directed by a board of selectmen. That changed in November’s general election when residents voted in the city’s first mayor and city council. The mayor-elect (who’s also the fire chief) opposes “open” or “forced” access, Howe says, and asked the selectmen not to burden him or the fledgling council with the access provision. And with four of five selectmen being lame ducks, they had little to lose in changing course, says Howe.

But if heavy lobbying wasn’t a major factor in the vote change, it very nearly resulted in a snafu. MediaOne was preparing to run a full-page ad laying responsibility on the selectmen in the Saturday, Nov. 6, edition of the Patriot Ledger newspaper in Quincy, Mass., just a few miles from Weymouth. MediaOne withdrew the ad, “at the request of the selectmen,” says a MediaOne spokesman. There were also reports that a representative of the selectmen warned MediaOne that the reversal vote wouldn’t occur if the ad ran.

Among the communities approving MediaOne-to-AT&T franchise transfers last week were Richmond, Va.; the suburban Detroit communities of Canton Township, Roseville and Deaiborn Heights; and Fresno, Calif.

Led by Portland, Ore., and surrounding Multnomah County, local governments that have imposed access provisions include: unincorporated Broward County, Fla.; Fairfax, Va.; St. Louis; and North Andover, Mass.

A number of the approvals that don’t impose an access provision include so-called reopener provisions that allow the governments to revisit the issue if AT&T loses its appeal against Portland and/or federal regulators and lawmakers move to support cable access.

Utah law raises access questions

While the cable-access debate has largely involved municipal governments, the cable industry could be headed for a confrontation with the state of Utah over the issue.

Utah voters in 1995 passed a state Telecommunications Act that requires all telecommunications operators to open their networks to competition.

The act defines a telecommunications service as, “the two-way transmission of signs, signals, writing, images, sounds, messages, data or other information of any nature by wire, radio, light waves or other electromagnetic means offered to the public generally.”

That definition applies to AT&T’s cable operations, which encompass Salt Lake City and some nearby communities, some Utah officials contend.

The Utah law raises certain questions. First, it appears to be in conflict with the federal Telecommunications Act of 1996, which differentiates between cable and telephone networks.

In addition, the issue of whether access to the Internet via cable is a telecommunications service or cable service is a question three appellate judges in the U.S. Ninth Circuit Court will attempt to answer.

The judges are hearing AT&T’s appeal against Portland, Ore., for imposing an “open” or “forced” access condition. How they answer that crucial question likely will determine the outcome of the case.

Under current federal law, local municipalities are empowered to regulate cable operations, while states regulate telephone companies and services. With the blurring of lines between cable and telecommunications technologies, the questions of who regulates what and how services are defined likely will require a final answer from the U.S. Supreme Court.

—Price Colman
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s old media and new media merge, they are producing a chain reaction that is creating enormous wealth and market power. Since the mid-1990s, television broadcasters and cable operators have seen the millions of dollars they’ve invested in new media companies turn into multibillions, at least on paper.

Of course, many of the established firms have suffered false starts and missteps in their efforts to go digital. And there have also been several technology stock market corrections—drops of 20% or more—that have seriously pruned the value of those holdings.

But, hey, it’s only the dawn of the digital age. The really big questions—who wins? who loses? which business models work and which ones don’t?—remain unanswered. And for the time being, unanswerable.

That’s not stopping any of the established players from embracing the new Net kids with varying degrees of ardor. But it’s a love affair that requires a strong stomach.

“If gut-wrenching change is your cup of tea, then you’re at home on the Internet,” says Marty Yudkivitz, president of NBC Interactive Media.

In the process of mating, old media and new media clearly are transforming each other. Traditional players are learning what it’s like to work without a safety net as they buy pieces of, and sometimes outright ownership in, companies where earnings are still a foreign language.

Meanwhile, the dotcom generation is learning to build business models that bridge the gap between present and future.

“I think there’s a perception that when old media touches new media, it tries to impose old media philosophy...
and culture. And that doesn’t work,” says Larry Gerbrandt of Paul Kagan Associates. “That’s the perception, but I’m not sure that’s the reality.”

Typically, when old and new collide, the established order goes into denial, spending considerable energy and capital resisting change only to eventually surrender to the inevitable. That’s true of the Internet age, but to a lesser degree; denial and resistance have given way to acceptance much more quickly.

**Multiple motivations**

The primary objectives for established media’s investment in new media are both strategic and financial. The strategic focus has centered mostly on using the digital media/Internet investments to enhance the traditional company’s core business. While that’s straightforward enough, the approaches vary as much as the businesses involved.

NBC, with its Snap and Xoom stakes, appears intent on establishing a Web-and-televison portal where it can aggregate eyeballs.

“Our motto is turn viewers into customers,” says Yudkivitz. “With convergence, video on the Internet, Internet on TV...we’re becoming more effective at aggregating a larger and larger audience with every device.” And the larger the audience, the greater the clout with advertisers.

The Internet-enabled PC is fragmenting the TV audience. That’s forcing traditional players to analyze factors like “audience flow”—how viewers move from TV screen to PC screen, wireless monitors, even household appliances that may eventually have built-in screens. The more NBC can maintain a presence on any and all screens, and perhaps even influence some of that flow, the more the network reinforces its identification with viewers, and further enhances its value to advertisers.

That’s a concept near and dear to the folks at Disney and ABC. While the much-hyped “convergence” of TV and PC is still embryonic, Disney already is tapping and capitalizing on audience flow. Its Zoog Disney TV programming regularly includes features that encourage its young audience to boot up the PC and “chat” online or vote on issues featured in its programming. Results are then incorporated into the next week’s show, creating a “sticky” link between PC and TV—all Disney branded, of course.

Broadcasters were already coping with the loss of audience to cable when the Net phenomenon, popularized by the World Wide Web, began stealing even more eyeballs.

“The network is in a situation of how are we going to build a bridge from where we are now to where we are in the future. [It] can do what Disney did and what NBC is trying to do—become the equivalent of a network in the Internet world, which is a portal,” says Josh Bernoff of Forrester Research. “That’s a very long and bloody fight.”

CBS is taking what appears to be a different approach, says Bernoff. Initially, he figured the network was simply repeating the same mistake it had made with cable—buying in late when assets are more expensive. But he’s changed his assessment.

“No, I think their strategy is potentially more attractive,” he says. “Go out and buy pieces of what are potentially highly attractive properties, and instead of saying we’re going to try to aggregate all traffic in a portal, we’re going to be where the destination is. Instead of owning the road, we want to be at the end of the road.”

One key strategy exemplified by CBS is to use a broadcast network’s most valuable currency—promotion—and swap it for a new media company’s most valuable and volatile currency—stock.

Lee Masters, president-CEO of Liberty Digital, says the mix at his company is roughly 80% strategic, 20% financial. As usual with a John Malone-controlled entity, Liberty Digital drills
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<td><strong>COMCAST Interactive Ventures</strong></td>
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<td>AIG Orion Fund</td>
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<tr>
<td>About.com (formerly Mining Co.)</td>
<td>7%</td>
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<td>BizTravel</td>
<td>20%</td>
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<td>CultureFinder.com</td>
<td>20%</td>
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<tr>
<td>Deja.com (formerly Deja/Unisys)</td>
<td>20%</td>
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<td>Hall.com</td>
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<td>Garden.com</td>
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<td>Internet Capital Group (ICG)</td>
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<tr>
<td>Kleiner Perkins Java Fund</td>
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<td>Lightspan</td>
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<td>LinkShare</td>
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<td>PrivaSeek</td>
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<td>QuickBuy</td>
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<td>Quokka Sports</td>
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<td>Ticketmaster Online-CitySearch</td>
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<td>TVG</td>
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<td>V-Span</td>
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<td>Verisign</td>
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<td>VerticalNet</td>
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<tr>
<td>What'sHotNow</td>
<td>20%</td>
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<td>Who?Vision</td>
<td>20%</td>
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<td>WIT Capital</td>
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<td><strong>COX ENTERPRISES</strong></td>
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<td>AutoTrader.com</td>
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<td>HearMe.com</td>
<td>N/A</td>
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<td>Homestore.com (HOMS)</td>
<td>N/A</td>
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<td>ivillage (virl)</td>
<td>N/A</td>
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<td>LookSmart (LOOK)</td>
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<td>MP3.com (MPPP)</td>
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<td>TaKt City</td>
<td>N/A</td>
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<tr>
<td><strong>DISNEY/ABC (Buena Vista Internet Group)</strong></td>
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<tr>
<td>InfoSeek</td>
<td>43%</td>
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<tr>
<td>Disney.com</td>
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<td>Disney's Blast</td>
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<td>Disney Story Online</td>
<td>100%</td>
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<td>DisneyTravel.com</td>
<td>100%</td>
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<tr>
<td>Family.com</td>
<td>100%</td>
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<tr>
<td>Toystar.com</td>
<td>60%</td>
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<tr>
<td>ESPN.com</td>
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<td>ESPN Store Online</td>
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<td>NFL.com</td>
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<td><strong>LIBERTY DIGITAL</strong></td>
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<tr>
<td>Priceline.com</td>
<td>2.20%</td>
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<tr>
<td>Village</td>
<td>3.2%</td>
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<td>ACTV</td>
<td>14.64%</td>
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<td>Drugstore.com</td>
<td>0.75%</td>
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<tr>
<td>Quokka Sports</td>
<td>2.55%</td>
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<tr>
<td>Sportline USA</td>
<td>3.00%</td>
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<tr>
<td>Interactive Pic.</td>
<td>5.48%</td>
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<td>TiVo</td>
<td>1.00%</td>
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<tr>
<td>Lightspan</td>
<td>12.35%</td>
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<td>Pogo.com</td>
<td>26.78%</td>
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<tr>
<td>Kaleidoscope Network</td>
<td>12%</td>
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<tr>
<td>Kaleidoscope Interactive</td>
<td>50%</td>
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<td>Litescape</td>
<td>15%</td>
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<td>7.53%</td>
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<td>20.67%</td>
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<td>3.5%</td>
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<td>netlibrary</td>
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<td>OpenTV</td>
<td>4%</td>
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<td><strong>MEDIAONE GROUP</strong></td>
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<td>Arepa</td>
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<td>autobuyt.com</td>
<td>5%</td>
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<tr>
<td>Classi.com</td>
<td>3%</td>
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<td>7%</td>
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<td>eCollege.com</td>
<td>8%</td>
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<td>Gloss.com</td>
<td>8%</td>
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<td>Interactive Pictures (ipix)</td>
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<td>ISSX</td>
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<td>Kleiner Perkins Java Fund</td>
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<td>Liberate Technologies</td>
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<td>Natus</td>
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<tr>
<td>Preview Travel</td>
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<tr>
<td>Road Runner</td>
<td>34%</td>
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<td>Quokka Sports</td>
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<td>Sportline Europe</td>
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<td>Sportline USA</td>
<td>6%</td>
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<td>22%</td>
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<td>Trip.com</td>
<td>26%</td>
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<td>WIT Capital</td>
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<td>Women.com</td>
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<td><strong>NBC/NBCI</strong></td>
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<td>NBC-in (NBC interactive Neighborhood)</td>
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<td>10%</td>
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<td>Telescan</td>
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<td>Replay</td>
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<td>N/A</td>
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<td>CareerBuilder</td>
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<td>Wink Comm</td>
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<td><strong>TIME WARNER (Time Warner Digital Media)</strong></td>
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<tr>
<td>CDNOW</td>
<td>37%</td>
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<td>Road Runner*</td>
<td>38%</td>
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<td>Public companies:</td>
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<tr>
<td>America Online</td>
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<td>Excite@home</td>
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<td>ivillage</td>
<td>3%</td>
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<td>Peapod</td>
<td>9%</td>
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<td>BrassRing w/Aol Post</td>
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<td>N/A</td>
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<td>nick.com</td>
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<td>nick-at-nite.com</td>
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<td>tvland.com</td>
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<td>Redrocket.com</td>
<td>90%</td>
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NO WONDER OUR MEDIA ANALYSTS ARE SO SMART. THEY DO HOMEWORK FOR A LIVING.

To a Bear Stearns analyst, the work day doesn't end at the workplace. We probe and pry, surf and network at all hours for clues that could predict a trend. That takes persistence and uncommon knowledge of an industry — inside and out. It takes inquisitiveness, intelligence and instincts. It takes knowing which brains to pick and which to believe. We talk to people others ignore — line managers as well as CEOs — and pore over material others overlook.

Find out how Bear Stearns can give you an edge using something that once made us all cringe. Homework.
deep to identify prospects, often looking past the sexy, high-flyers du jour to companies still in the background, the enablers. One recent example is Online Retail Partners, which helps name-brand retailers build a Web presence.

While most of Liberty Digital’s focus is on identifying and investing in businesses seeking to capitalize on the emerging interactive TV and e-commerce trends, “Some investments are purely opportunistic, purely financial,” Masters acknowledges. “We’re not above making an investment just because it’s going to make a lot of money.”

At Comcast Interactive Capital (CIC), the new media investment arm of Comcast Corp., Julian Brodsky and Mark Coblitiz look for opportunities that translate clearly into a broadband play.

“In our world, the criteria has to relate to things we’re doing with data, cable modems, Comcast e-commerce, E! Entertainment Online, and most importantly, how it plays into leveraging the digital set-top,” Brodsky says. “We happen to believe that when the Holy Grail of the digital set-top fully arrives, it turns cable into one vast intranet,” he says. “We’re placing bets that create value in that environment and perhaps one or two of these things turn into homeruns.”

While it may be premature to call it a homerun, one CIC bet has already paid off handsomely: a $25 million investment in Internet Capital Group (ICGE) is now worth nearly $1.9 billion.

Cable networks that reach a targeted audience—MTV and HGTW, for instance—may enjoy certain advantages in exploiting new media connections, Bernoff suggests. One of the strengths of the Internet is its ability to create and collect “communities of interest.” Such highly focused audiences are particularly attractive to advertisers and the source of e-commerce enthusiasm. Conversely, broadcast networks and general interest cable networks reach such broad audiences that it’s difficult for them to create Internet-based magnets for focused communities of interest.

Apprehension, opportunities and miscalculations

Broadcast and cable investment in new media businesses began in earnest in the mid-1990s, led largely by the broadcast sector. While cable made certain early moves—founding and funding fiber backbone builder Teleport Communications Group and cable Internet service provider @Home—money was tight in the years following the 1992 Cable Act, when the prospects surrounding the Web were somewhat uncertain.

On the broadcast side, Tribune was among the earliest new media investors.

“Like anything else, it was part plan and part accident,” says Andrew Oleszczuk, president of Tribune Ventures, the umbrella for Tribune’s new media investments. “We saw the developing digital media around 1989 or 1990 and were beginning to talk about how this thing called the Internet might affect our print businesses. We saw the potential for readership and subscription dollars being disintermediated.”

In 1991, Steve Case was drumming up financial backing for America Online and stopped by Tribune’s Chicago headquarters to show them what he was doing. His pitch convinced Tribune’s honchos to take roughly a 10% stake (since reduced) in the fledgling AOL. (Tribune’s gain on the investment led to the creation of a new security called PHONES that it could use as currency for new media deals.)

Cox Enterprises, parent of broadband cable operator Cox Communications, and Tribune Co. are emblematic of old-guard media companies. Both got their start in newspapers, then expanded into radio and television stations as the two technologies evolved. When it became apparent that the Internet-based new media sector was more than a fad, it was equally clear that Cox couldn’t sit on the sidelines, says David Easterly, president/COO of Cox Enterprises. Fear, as much as opportunism, was a motivator, he says.

“We started getting focused on online services, the Internet, at the turn of the decade,” Easterly recalls. “We got involved with Prodigy, which was probably three times larger than AOL then. We saw that if we didn’t get into this, we’d probably suffer some losses in our classified advertising category particularly.”

Cox’s initial new media strategy was to establish what are essentially local portals called city sites in communities where it has newspapers. That’s expanded, with the growth of Cox cable operations, to include the 30 markets where various Cox divisions have operations. And it’s increasing with Cox Communications’ recent cable acquisitions.

One new-media investment holds an honored spot in the pantheon, says Easterly, referring to @Home. “We put in $7 million. Today, that’s worth about $1.7 billion. All of the cable guys did as well or better.”

In contrast to Cox, MediaOne Group has taken a decidedly new-style approach to investing in new media.

“We’re trying to find bandwidth-
How many networks provide

Primetime Business Programming?

Only One... CNNfn.

With 45% of Americans investing in the stock market today, business news has become a valuable commodity. So has time. Which is why CNNfn provides the convenience of extended business programming in primetime, weekdays 7:30 - 11:00 pm ET.

www.cnnfn.com
intensive companies to stimulate demand for higher-speed applications," says Tom Cullen, vice president of MediaOne’s Internet Services division. In classical marketing strategy, create or anticipate a need and fill it.

To accomplish that, MediaOne has employed a three-pronged approach to new-media investing. “First, we’re clearly trying to tie [those investments] to the core business—the network and deployment of high-speed Internet services,” says Cullen. “We also wanted to realize some value creation, which we have. The last is sort of an intangible. We wanted to raise awareness of the Internet phenomenon within the company, and so we exposed our executives to board seats on the companies we invested in. We’re seeing firsthand the agility these [new media] companies have to operate.”

But cautionary tales abound in the new-media arena—for those willing to learn.

Time Warner, the world’s largest media-entertainment company, discovered there’s a big difference between having a Web presence and a Web presence that works. Its Pathfinder portal was one of the early old-media forays into the Internet. Launched in 1994, Pathfinder initially was a portal to Time Warner’s voluminous print publications, including Fortune and Time magazines, and later to content assets acquired in the Turner Broadcasting merger.

While Pathfinder may have demonstrated the visionary leadership at Time Warner, it simply didn’t work. Time Warner shut down the site in May, acknowledging that it should have axed Pathfinder perhaps two years earlier. There are various theories on why Pathfinder tanked. The most likely is that through Pathfinder, Time Warner was trying to exert too much control over a new medium, the Internet, where such old-line values often are anathema.

But if Pathfinder was a flop, Time Warner’s investment in Road Runner has been a plus. Today, warier and wiser after Pathfinder’s failure, Time Warner is taking a different approach to new media.

Richard Bressler, who was named chairman-CEO of Time Warner Digital Media in June, says the division will coordinate and integrate new media plays across all operations. “Gerry [Levin, Time Warner chairman] has said that Time Warner Digital Media has digital override on the company,” says Bressler. “That’s really going to signify how important digital media is to the future of this company.”

Instead of using the “one size fits all” approach exemplified in Pathfinder, Digital Media will seek to deliver to customers “a more personalized offering,” Bressler says. “We have tremendous financial wherewithal and promotional capability. We can create brand awareness for existing brands and new brands in the digital world. We will take investments or purchase companies, as we did with CDNOW that are important to help us reach strategic objectives. We will also be opportunistic in how we invest.”

Taking stock in new media

New media and IPOs have become nearly synonymous and, true to form, several stock offerings are ahead. One is Disney’s GO Network, which will double as portal play and holding company for Internet-related assets. In addition, NBC Internet (NBCi) is merging with Xoom, which is already publicly traded, and will contribute certain of its new-media assets to the merged entity.

As long as the insatiable appetite for all things Internet continues, the IPO action will continue. But more market corrections, and perhaps a broader reckoning, may be equally inevitable.

“The Internet is about as democratic as you can get,” says Forrester Research’s Bernoff. “If something is good, you can get people to look at it. If it stinks, it doesn’t matter how much you promote it, people won’t go there.”

But now that the mating has begun, new and old are unlikely to split. “These two media need each other,” he maintains.
The art of the media deal

Nothing creates more excitement on Wall Street than a merger. Investors see their values soar, investment bankers score their biggest fees, lenders are courted for billions of dollars in loans or bonds, CEOs get to collect on their options. Disappointment is usually found only on the faces of competitors, a few congressmen and a predictable, and generally powerless, group of consumer advocates.

But mergers don't always work out as promised, as The Walt Disney Co.'s problems following its takeover of Capital Cities/ABC demonstrate.

For these three media analysts, part of their job is to figure out which deals create true value and which ones might become troublesome. PaineWebber Inc.'s Christopher Dixon has followed broadcast, entertainment and cable stocks, while Bear Stearns & Co.'s Victor Miller and Salomon Smith Barney's Paul Sweeney track broadcast TV and radio stocks. They share Wall Street's general excitement about the latest merger wave sparked by more relaxed FCC rules on station ownership. But they also express some concern about the operations of the local stations themselves, seeing consolidation in large part as a survival tactic. They also worry about one major sector: local TV stations. The analysts sat down with BROADCASTING & CABLE deputy editors John M. Higgins and Steve McClellan to discuss the effects of recent mergers and why they don't worry about cable networks' and the Web's erosion of broadcasters' audiences. An edited transcript follows.
As you can see, we have EXCELLENT communication skills.

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www.americanradiohistory.com
The new FCC TV station ownership rules have put us into yet another wave of mega-media mergers. Are companies getting better, or just bigger? Is Viacom-CBS going to stall out the way Disney-ABC has?

Christopher Dixon: There are two levels of consolidation. The first is the formation of the four very large companies, Time Warner, Viacom-CBS, Disney and News Corp. This is the formation of a global oligopoly just as we saw in the oil and gas industry during the ‘50s, the auto industry during the ‘40s. From the 50,000-foot level, you now have an industry that has finally come of age, that is superbly positioned to take advantage of both the capital markets and has the ability to expand their business plans on a global platform.

At the second level is consolidation fueled by deregulation. That has occurred in the radio industry and is taking place in parts of the television business. Much of that is going to continue.

But a great deal is going to be dependent upon deregulatory environments as we move into the next administration.

Paul Sweeney: From the radio side of the picture, the consolidation has just been extraordinary since the Telecom bill passed in 1996. If you look at the top two players in the business, Clear Channel-AMFM and Infinity, they now control 30% of the industry’s revenue. That’s just extraordinary. We see no reason why that’s not going to continue. We see a day, pretty near-term, when the top two or three radio players control 50%-60% of the industry’s revenue.

Radio operators feel like their business has to evolve in order to be competitive with television and cable for advertising dollars.

Has it been good? Forget whether it’s been good for the public because, of course, nobody seems to care. But look at AMFM, they screwed it up. Tom Hicks overbought and couldn’t run what he was buying. It took Time Warner’s Jerry Levin and Viacom’s Sumner Redstone years to climb out of holes created from their big acquisitions.

Victor Miller: It’s an unfair generalization to say that AMFM screwed it up. The stock is $70 a share today, whether you grow your way out or merge your way out by creating an attractive asset pool that gets bought, which is precisely what Clear Channel is doing.

Tom Hicks is the one who said “Oops, we overbought, we’ve got to stop.”

Miller: It’s a gross generalization to pick out one company. Look at the radio business in general. Before the 1996 Telecom Act, stations had no leverage in a local market, no leverage in the national market. By being able to combine more stations in the same market, you’re able to increase the advertising CPM—cost per thousand—of listeners between you, the newspapers and TV. From 1980 to 1997, the average radio rate grew by about 28%. Inflation was about 58%. TV and newspapers were growing rates by 80%. When you rationalize the markets, you’re seeing the price gap narrow, which it should have been doing all along.

On the television side, it’s all about leverage. When they lifted station ownership rules to 35% of the national audience, certain networks, particularly Fox, immediately went to the cap. NBC, if they buy KRON in San Francisco, is going to go closer to the cap. We’ll see if Disney actually adds more to finally go toward the cap. CBS is going past the cap with Viacom. That creates leverage over their affiliates. It creates leverage for them to develop programming. It creates leverage over advertisers.

Dixon: We’re really talking about advertising. Advertising growth is going to continue. It has outpaced GDP. It’s now at a record level of 2.4% of gross domestic product, up from 1.7% in 1975. As the economy shifts to an increasingly service-based economy, marketing becomes a much bigger part of many companies’ operations.

If capital is what you spend as you go from a capital-based economy, marketing dollars are what you spend when you have a service-based economy. That is very, very good news for those that have consolidated. If in fact ad spending gets to 2.7% of GDP, you’re looking at...
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incremental $80 billion of advertising coming. These companies that have consolidated are now ready to take advantage of that increased revenue. They weren't before. It was a much too highly fractionalized market. There were some real pricing disparities. We may not run into a typical post-election slowdown after the 2000 elections.

What does that mean for the economy, as advertising becomes a more significant portion of GDP? For a lot of businesses, particularly retail, increased advertising costs are probably as bad as increasing interest rates.

**Dixon:** You are going to see pressure put on margins of other consumer stocks. One of the reasons this sector looks so attractive is that you look at consumer non-durable companies, the Gillettes, the Revlons, the Mattels, the Avons, the Coca Colas. These are all stocks that have run into difficulty and are looking to reposition and remarket. The beneficiaries are clearly going to be traditional media. That's good news for this sector. **Miller:** It's interesting that everyone was worried about Internet companies taking ads away from traditional media, and just the opposite has happened. They are spending more money on traditional media, legitimizing the power of traditional mass media. In radio, we have heard of markets where 10% or more of radio advertising is dotcom spending. And a year ago in the TV business, 0.3% of the money spent on television was dotcom. Now it's 3%. It's a 100-fold increase in one year because you're seeing the dollar start to percolate through radio, come up through television. And so everyone talks about audience erosion, all these things. The bottom line is that mass media is a very effective way to drive eyeballs to things.

**Dixon:** The real issue here is to recognize that the risk profile of these businesses is significantly less than it was 10 years ago. One of the reasons you saw consolidation was really to spread risk. One of the unique things in Viacom-CBS is you could have a company with $4 billion of run-rate cash flow that has basically diversified away the inherent cyclicality of the CBS network business. Not only do you have a much more stable, predictable cash flow. That's going to trade to higher valuation multiples than we've seen historically in the sector.

Let's go back to 1992. The typical investor demanded a 22%-25% return to be invested in broadcast and cable. That translated to an eight- to 10-times valuation multiple. What has happened since then is these businesses have de-leveraged. They've diversified their revenue streams. They're not just dependent upon video, but video, data and voice.

**Interest rates have gone down.**

**Dixon:** Yes. So the expected return for this sector is about 14% to 15%, a full 10 points. The lower the return you
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demand, the higher the price you’re willing to pay.

I remember the last recession. In 1991, what happened to outdoor and radio didn’t seem very stable then. Radio stations were trading for six times cash flow.

Sweeney: That’s right. Clearly, these are still cyclically driven stocks. But one of the benefits of consolidation is radio becomes a much more effective competitor for ad dollars against newspapers and television. Radio groups can now deliver a mass audience to an advertiser. Radio is cheaper. Arguably radio is more efficient. Even in a recession scenario obviously ad spend and growth would be significantly impacted. But radio is taking significant market share away. That trend will be to accelerate in a recession because radio can say, “Hey, I can deliver the same audience as the local newspaper in town or the local television affiliate in town, plus I can do it at half the cost.”

Dixon: The issue goes to pricing purity. Right now, the guys who are in a tough position are local television stations not aligned with a network. Paxson, even with NBC, is going to have a tough road. Look at dotcom advertising. That’s basically all about mass reach. So I’m going to go out and advertise on a cheaper emergent cable network, even the Food Channel or HGTV, before I’m going to go and advertise on that local television station.

So the business looks great for those media companies that are at the very clear local level, radio and outdoor or at those companies that have mass reach at a cost-effective basis. TV stations that have been busing their business on the Toyota dealer paying that big $25 CPM for local television spots are going to have a tough time.

Dotcom advertising is scary. Never has an advertising trend been so dependent on the IPO market. These guys are going public, spending two-thirds of the money on advertising, praying they can build a real business. If the IPO market slumps, ad spending is going to plunge.

Dixon: Fair question. However, for many of the larger dotcom companies, the AOLs, the Yahooos of this world, earnings are a decision. They are investing back into their businesses to expand it. If we see that the faucet is turned off for the financial markets, there’s going to be a couple of guys, little guys, out there who are going to fall by the wayside. But many of these companies are established and broad enough right now that they’re going to continue to be spending. For your scenario to really follow, you’ve got to suggest that everything from high speed internet across cable to the death of the Internet are just around the corner—and that just isn’t likely.

Sweeney: It’s safe to say that we’re seeing a mad rush here, particularly in the Christmas season, where the Internet and e-commerce companies come throwing all their money at traditional media. We might see a little bit more of a rational kind of buying next year. But just to put it into context, the radio business, radio ad spending this year will probably be up 13%—a huge growth rate. Dotcom might be 1% of that.

So is it a nice category? Are they paying on the margin and paying a top rate on the rate card? Yes. But let’s put it into context. It’s 1% out of a 13% to 14% growth business this year. It’s pretty much focused in the top markets right now.

Miller: Last year we think there were about nine major Internet advertisers where you could really say they were advertising heavily in television. Now there are more than 60. Gannett suggested on the conference call that 15% of all the advertising in San Francisco is coming from dotcoms. So the bottom line, no matter what happens, we’re going to be up. And the other thing is, there’s emerging distribution platforms that aren’t necessarily the Internet, like traditional telephone, telecommunications, the wireless communications, paging, cellular phones. There’s going to be a furious, mad rush for advertising on that. So distribution platforms in general are spending more money, and Internet is just one of them. That has not really emerged in television other than the top 10 markets.

So then what happened to the third quarter? Two-thirds of TV station groups are falling short of earnings expectations.

Dixon: First was this bifurcation where network prices went up so much that it
Credit Suisse First Boston has lead-managed 6 of the 9 deals completed thus far in 1999 for a 41% total market share of proceeds raised for the Broadcast industry. It's what you'd expect from a leading global investment bank.
pulled dollars from the stations. They allocate it first to our upfront network commitments; they went down market for cheaper media, effectively radio and outdoor. So this bifurcated market is already occurring. We think that that is going to continue, and this is just the beginning—the tip of the iceberg.

**Sweeney:** Also, I think we’ve misjudged the weakness in national spot advertising. I think most people are seeing decent strength in local spot [ads]. Let’s call it mid-single digit growth. But the national spot business has been weak for six or seven quarters and continues to confound the television companies. One of the biggest television station groups, Sinclair, says it is going to significantly redefine how it approaches the business, they’re going to focus much more on local at the expense of national. Their business today is roughly 50-50, local-national. They think several years from now it’s going to be 75% local, 25% national.

**Is the whole local TV industry going that way?**

**Miller:** It’ll never get that high.

**Dixon:** I go the opposite way. More and more companies recognize that this model of local-national is no longer viable and the model is really about mass versus very, very local. You can get great local and national pricing if you have clearly defined local markets. When there is Tribune’s properties that exist in Chicago, Belo’s properties in Texas, The New York Times, they’re going to do great. But it’s the guys who have a collection of television stations around the country where one may be an ABC affiliate, a Fox affiliate, or a CBS affiliate, that will suffer.

**So if you’re a pure-play TV group it’s tough.**

**Sweeney:** We kind of agree it’s going to be a challenging revenue environment for television stations, but that’s one of the reasons why the industry has been pursuing consolidation. And it’s one of the reasons that certain television operators have been pursuing LMAs, local-marketing agreements, with other stations very aggressively. One of the ways you maintain or improve the profitability of your business is to try to get some leverage out of your costs, which you can do by just getting bigger, maybe getting leverage over your programming costs, leverage over your rep firm fees, things like that.

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**Miller’s picks**

**What stocks do you like?**

USA Network: They’ll have 20%-25% growth rates in the next couple of years. The stock is only trading 14-times cash flow We think it’s a $55 stock. It’s about $43 today.

Clear Channel: I’ll let Paul [Sweeney] tout that one, because we both love that stock.

Viacom CBS: We think that they’re probably underestimating the revenue and expense-line potential.

**What don’t you like?**

Most radio stocks. All of the radio stocks have gone up 24% since the day Clear Channel announced its merger with AMFM, because they expect they’ll have to sell a lot of stations.

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**Miller:** By the way, the Telecommunications Act of ’96 was signed in February of 1996 and the radio business is showing 13% growth three years later. The TV duopoly rules were written Aug. 5. The effect hasn’t yet hit.

But Chris is right. If you are an operator with little dots on the map all over the place, you better sell, swap or buy to create geographic clusters. Look at what Belo is doing in the Northwest with the Boise, Spokane, Seattle and Portland stations there. And in Texas, they’ve got the four markets there. They created a cable news network out of that. Clustering is the rule of the telco business, the cable business.

**Sweeney:** One company, Ackerly Communications, for better or worse, is pursuing very aggressively creating clusters of TV stations—one in upstate New York, one in central California, one in Northern California. [They are] putting five, six stations together in very tight clusters and really operating most of the back-office expenses out of one station, much like Infinity does in New York City with its cluster of radio stations. This is just an acknowledgement that in order to maintain and improve the profitability of our business and remain competitive, we need to get a better handle on our costs.

**Is local cable advertising any kind of threat to the stations? Radio or broadcast?**

**Dixon:** Absolutely. We see in certain markets—New York City, for example—that local cable advertising is up 30%. Take just one market. You can overlay a Road Runner platform in the number one market, you combine that with a TBS, CNN cable network sale and a WB sale. Time Warner can basically create a one-stop shop for a broad array of advertisers with a whole variety of price points.

What’s really fascinating is CPM pricing. We see $50 to $75 CPM in certain magazines. Internet sponsorships run all the way down to $1.95 run-of-
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web purchases. The Internet now has a rate card that ranges from $2 to $75. And if you are a very focused media buyer, you're going to go in and optimize a media plan across a broad array of platforms, much more than ever existed before. That means that the guys who are not willing to come up with a very focused pricing mechanism that differentiates themselves relative to me, they’re going to have a tough time.

Is anybody here worried about recession?

Dixon: Each of us looks over our shoulder every day. Is the downturn real and is it coming? The more interesting issue is going to be capital. We are very fortunate right now. We're at a time where you see accelerating cash flows. You see expanding operating margins. And you see less capital requirements on incremental investments than we've seen in the history of the cable industry for 15 to 20 years, and clearly the same thing in many aspects of the broadcast and radio business at large.

So the question is as we move out to a digital platform, as we move out to developing and integrating some of these opportunities that exist on the Internet, how much capital is going to be required? Will the capital markets fund this?

Although the equity market has been very, very strong, it's been a tough market in some of the high-yield debt markets, particularly for some of these early-stage companies.

Right now, that's not happening. So the issue here is not the first round of financing. But what happens with the second round of financing as these companies go forward.

Does anybody here believe in digital broadcast? Have you seen a business plan? I haven't.

Miller: A lot of other industries know what they would like to do with the broadcasters' digital spectrum more than the broadcasters know. Add that to the complexity of this whole broadcast standards controversy that Sinclair has raised. Do we even have a transmission standard that anybody can receive? Add to that the fact that the [federal] Office of Budget and Planning just concluded that without digital must-carry, you're never going to get to the 85% home penetration level with digital. But you shouldn't write it off.

Dixon: I haven't seen a business plan that works. Originally the justification supposedly was growing TV markets' share. Those numbers don't work. It'll cost a station around $2 million to upgrade for digital. So all of a sudden, you have to be able to take your market share from 15% up to 20% of local advertising to justify the investment on an advertising-based model. That takes you down to a multiplexing video model where other streams of revenue come in. So the digital models that I think are going to evolve are going to be along the lines of what Geocast is hoping to do—downloading the best of the Internet. It is clearly not going to be upon television or video or advertising-based service. Those numbers don't work.

Sweeney: One of the reasons television is trading at a significantly lower valuation multiple than radio is digital television issues. All shareholders know is that these TV companies are spending money for digital. Granted, it's not a tremendous amount of money. But capital expenditures are going up, free cash flow is going down. I don't know what the payoff is going to be. And the industry is compounding the problem because the players can't agree on anything.

Gee, should we really be focusing on the HDTV or should we be focusing on a lesser-standard digital that may allow us to, a' la Sinclair, get into some other businesses. Can any new businesses actually work? Who knows? I think Geocast is a great step in that direction. The point is the spectrum is extremely valuable.

So at the end of the day, we're going to have digital television. But it's not going to be television? Pretty lame.

Dixon: Exactly.

Miller: Well, it may be television.

Sweeney: Do you expect that HDTV is stillborn, dead in the water? Or is it just too early to tell?

Miller: The initial problem is, if you read the Telecommunications Act and you read what the FCC puts out in terms of what broadcasters can do with their spectrum, it basically says you
can do whatever the hell you want with that spectrum.

Why are so many of the broadcasters not supporting digital must-carry?

Miller: That's really a network issue. [They] want to work it out directly with the cable operator. All the affiliate groups, non-network-owned affiliate groups, I think are solidly behind digital must-carry.

So the broadcast networks are just trying to get more leverage with operators to favor their cable networks?

Miller: The broadcast networks own 17 of the top 20 rated cable networks.

How happy are you with the fall season?

Dixon: What's striking is that NBC has been able to get an incremental $100 million in the upfront with a 14% decline in ratings. That's very important. That really says that the days of the 20s, the 30s ratings, are gone. And advertisers are going to have to start paying premiums for 6s and 7s and 8s.

If this is mass advertising, you are going to see CNN, MTV, ESPN come up as well. For all intents and purposes, we have reached functional parity across media platforms.

Miller: But right now it looks like cable television captures about 18% or so of advertising dollars and about 33% of the revenues.

The audience for the major networks is coming down. Yet they're still able to get these huge increases. How far can the audience erode before that doesn't work anymore?

Dixon: From the advertisers point of view, in the land of the blind, the one-eyed man is king, and as long as I can deliver the kind of numbers that I can on Jay Leno or ER or Ally McBeal, broadcast is going to stay price.

Sweeney: This year's upfront was really staggering, given the terrible ratings the year before. But it drove home what the networks have been saying for a while, "We're not the only game in town. But we're still the best game in town."

Isn't that a losing proposition for the broadcasters at some point?

Sweeney: That's right. But now the ratings are relatively flat for the networks.

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The deal makers

The real players behind the mega-media mergers

When deals come down, big CEOs like John Malone and Rupert Murdoch grab the headlines as if they had hammered out all the details by themselves. But there are squads of people who make mergers and acquisitions happen—either inside the companies or hovering around outside, looking to act as the matchmaker or help supply money—for a fee. Here's a look at three different kinds of players that pull these transactions together.

The CFOs

Comcast’s Mr. Inside and Mr. Outside

By Price Colman

In nearly a decade together at Comcast Corp., Larry Smith and John Alchin have teamed up on a variety of industry-altering deals. For example, Microsoft’s $1 billion investment in Comcast, a transaction that supercharged cable values. Or working out the details that resulted in Glenn Jones’ cashing out of cable operations.

Despite what they’ve been through together, Smith and Alchin were both stunned when AT&T stepped in between Comcast and MediaOne.

“We were completely caught off guard,” says Smith, executive vice president and chief mergers and acquisitions guy for the MSO. “We were assured they were not coming. We felt strongly they were not coming. But all’s well that ends well,” he adds. “We did come out of it very nicely.”

Nicely, indeed. In addition to avoiding the debt the roughly $50 billion deal would have added, Comcast received a $1.5 billion walkaway fee and commitments for a series of deals with AT&T that will boost key Comcast clusters.

It’s typically the team of Smith, John Alchin, senior vice president and treasurer, and Comcast President-CEO Brian Roberts that negotiates the mega-deals. They’ve worked together a lot. So to some outsiders it might even seem like they can read each other’s minds. Turns out they do, sort of.

About the time of the MediaOne deal, Roberts and members of the broader executive team started carrying REMs—pagers with small keyboards that permit wireless electronic messaging to personal computers and other REMs. Roberts was reluctant to don a new electronic tether, but the gadgetry paid off during the intense talks.

“We were communicating across the table without having to convene a caucus,” Roberts recalls, laughing. “We were real-time talking to each other. things like, “Can you believe what this guy is saying?” That kind of thing. Our 10-plus year history converged and we were able to react very quickly.”

While Alchin and Smith are a team, they tend to work more apart than together. Like a corporate Smith & Wesson, Smith and Alchin are there when Roberts needs to draw upon them.

“I like to call Larry Mr. Inside and John Mr. Outside,” says Roberts.

“Together they’ve been an amazing component of Comcast’s success. But it’s not like they’re working in tandem. What’s so great, John is hammering on the Wall Street and media relations part of the business, and while this is going on, Larry and I are off with a team of lawyers, bankers and the rest of the Comcast folks looking for money, doing strategy.”

Alchin and Smith may focus on dif-

---

John Alchin

Senior Vice President and Treasurer

Age: 51
Hometown: Springsure, Australia
Education: BA and MBA, University of Toronto
Previous job: Managing Director, Toronto Dominion Bank

Lawrence Smith

Executive Vice President

Age: 52
Education: BA, Ithaca College
Previous job: CFO, Advanta Corp.
Arranger, Advisor and Investor to the Global Communications Industry

- **Lionheart Newspapers LLC**
  - $51,000,000
  - Senior Credit Facilities
  - Documentation Agent
  - 1999

- **Canon Communications LLC**
  - Senior Credit Facilities
  - $145,000,000
  - Documentation Agent
  - 1999

- **TIME WARNER**
  - Urban Cable Works
  - $125,000,000
  - Senior Credit Facilities
  - Documentation Agent
  - Bel Air Pictures LLC
  - $200,000,000
  - Senior Credit Facility
  - Documentation Agent
  - 1999

- **Gulfstream**
  - $400,000,000
  - Senior Credit Facilities
  - Documentation Agent
  - 1999

- **Universal**
  - Working Title
  - $200,000,000
  - Senior Credit Facilities
  - Co-Arranger
  - 1999

- **DIN**
  - $203,210,000
  - Senior Credit Facilities
  - Documentation Agent
  - 1999

- **Level(3)**
  - $2,000,000,000
  - Senior Credit Facilities
  - Managing Agent
  - 1999

- **FLAGAtlantic-I**
  - $600,000,000
  - Senior Credit Facilities
  - Co-Arranger & Documentation Agent
  - 1999

- **Qwest**
  - $1,000,000,000
  - Senior Credit Facilities
  - Managing Agent
  - 1999

- **GTS**
  - 5,415,584 Shares
  - Secondary Equity Offering
  - Senior Co-Manager
  - 1999

- **kpn Qwest**
  - $292,000,000
  - Cross Currency $/ $ Swap
  - Joint Swap Provider
  - 1999

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different aspects of the business, but their thinking meshes. For example, on key issues in the cable-telecom sector:

Alchin: "How does AT&T execute all of what it has on its hands at the moment? It impacts not just them, but the rest of us."

Smith: "All of the opportunities we see, the reason for all the problems or issues or excitement is because there are so many opportunities for us as a company and as an industry."

On how Microsoft's investment in Comcast has affected the company and the industry:

Smith: (laughs) "We've had to pay more for cable systems than when we started. But I think that's more positive than negative."

Alchin: "It's a positive to the extent you now have all of this brainpower out of Silicon Valley. They get up every morning and think about what next can go over these networks."

Comcast co-founder Julian Brodsky hired both men. Smith, a former tax partner and M&A guy at Arthur Andersen & Co.'s Philadelphia office as well as CFO at financial services firm Advanta, filled a key Comcast need at the time for a tax and accounting pro. Alchin, an Aussie native who earned a B.A. and an M.B.A. from the University of Toronto, joined Comcast in 1990. Hiring Alchin was both an offensive and defensive move, says Brodsky.

"My own favorite anecdote about John is that I had to hire him because he was the one banker on Wall Street that never loaned Comcast money," Brodsky quips.

Although close on a professional level, Alchin and Smith lead distinctly different lives outside of work. Alchin lives in Philadelphia and is an avid sports enthusiast. Smith is into a different kind of out-door activity: He loves big toys like tractors and backhoes.

"On financial stuff, Brian and John and I talk a lot in early morning," says Smith.

These days, there's plenty of fodder. Comcast's aggressive digital set-top rollout, the cable-access issue, increasing Comcast's cash flow, pushing ahead in commercial telephony. An overseas expansion figures in as well. Majority-owned home shopping channel QVC already enjoys a solid foreign presence, particularly in Germany. And in two recent deals, Comcast won the right to develop wireless broadband networks in Germany and Portugal.

On the domestic side, a chief challenge is managing Wall Street expectations, particularly on IP telephony.

"I'm getting more questions from some analysts on when revenue streams from that product are going to be evident on financials," says Alchin.

"The challenge Larry and I face is that technology has to catch up."

Smith, unperturbed, sees the upside.

"The beauty of that, it's cash-flow positive out of the gate," he says, adding, "We've been anxious to not get ahead of the curve on some of these things to just say we had it."
The banker

Forecast: content will drive media market

By Price Colman

The "content is king" mantra, so prevalent in the early 1990s, is making a comeback, according to CS First Boston's Louis Zachary.

"The last couple of years, things have kind of drifted back to distribution. I think it will come full circle," says Zachary, managing director and co-head of CS First Boston's global media and telecom divisions.

"When you have ubiquitous pipes to the home, bandwidth may become a commodity and pricing pressures may affect the AT&Ts, MCI-WorldComs, Qwests and others. The guys who are going to be looking pretty good are the content players, whether Viacom, or Disney or Liberty—and the list goes on."

So what does that mean for Zachary and CS First Boston? Increasing deal flow prompted by consolidation.

As Zachary's title suggests, his responsibilities in a single day may cover several continents and different businesses. One minute, it's an IPO for Poland's largest newspaper. The next, it's the Telstra IPO in Australia. In the midst of it all, there was Telecom Italia's mammoth $10.8 billion secondary equity offering.

Domestically, the deals have been even bigger. The media-telecom division is overseen by Zachary and co-head Gordon Rich. Zachary was adviser on the $48 billion AT&T-Tele-Communications Inc. merger, which closed in March, as well as on the pending $69 billion AT&T-MediaOne deal.

In the midst of that, Zachary's media-telecom division shepherded a number of radio deals that redefined the sector. Among them, American Radio Systems' $2.6 billion sale to CBS and the subsequent spin-off of American Tower Corp.; being lead manager of Capstar Broadcasting Corp.'s $589 million IPO and advising on its $4.6 billion merger with Chancellor Broadcasting. Besides those deals, CS First Boston was lead manager of WorldCom's $6.8 billion notes offering and adviser on USSB's $1.6 billion sale to DirecTV, a transaction that closed in May.

"The theme we've seen for quite a few years is, of course, consolidation," says Zachary. "We've also seen the disappearance of geographical borders. And now I think we're seeing the disappearance of technological borders."

As the wall between telephone, television and computer crumbles, content reasserts its prerogative.

"Converging technologies, whether on Internet side, in broadband, DSL and other means of getting content into the house, represent simply a huge opportunity for content players," notes Zachary. "It's creating a huge shuffle among [content] distributors on how to get on the pipe into the home."

The main threads running through the global deal dynamic originate in the U.S., Zachary contends. Among them, a benign regulatory climate, cheap capital and lofty equity values.

Similar conditions have occurred before. But today, new media—the Internet and its digital offspring—are wildcards that require Zachary and the financial community at large to re-examine financial models.

The past year "has been probably more challenging than any other year since I've been here because of the dot-com sector and the revolution it has brought," says Zachary.

To better understand the dot-com impact, Zachary's media-telecom division has worked closely with the technology group. But the digital business realm is so new, history is a limited teacher at best.

"I don't think anybody could deny those values are difficult to justify even at these levels, which are half of what they were in April," Zachary notes. "There is no doubt there will be shakeout. The question is when."

Offering a hint, he says the pipeline for dotcom deals, from equity offerings to mergers and acquisitions, is "extremely full" for the first quarter of next year. After that, who knows.

"We've seen this before," Zachary continues. "In the early part of 1999, we saw a correction, then saw many of the companies bounce back. But you can't justify the value of many of these dotcom companies. Very careful footsteps have to be made by traditional media. That's why you haven't seen more transactions."

For traditional media, creating new-media divisions can translate into access to cheap capital and the advantage of establishing another currency for deals.

Meanwhile, with deals such as the Viacom-CBS merger in the offing, Zachary and CS First Boston will have a full plate for the foreseeable future.

"Viacom-CBS is a powerful entity, but there certainly are some properties in there that don't make much sense," he says. "There's no doubt you go through these cycles of consolidations and of rationalizing the portfolio. There's also no doubt that large companies create multiple opportunities for spin-offs and for divestitures."
**Continued Excellence in Media,**

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# Broadcasting and Cable Finance

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The buyer
How to spend $1 billion in cash

By John M. Higgins

Jeffrey Stevenson is in an enviable, yet tough position. The fun part is that as the Veronis Suhler & Associates partner in charge of the firm’s money management operation, he has a $1 billion fund to invest in media properties. The hard part is that he has to not only live up to his own successful track record running the firm’s earlier funds, but he is also overshadowed by the image of Internet venture capital investors scoring 10, 20, even 100 times returns on some investments.

Not surprisingly, Stevenson is popular in media investment circles because he’s a prime source of money. Others have larger holdings, but VS&A Communications Partners has the largest available pool of cash allocated specifically to media buyouts.

“If you’ve got a deal of a certain size, you go to them early,” said one media investment banker.

Stevenson’s biggest frustration is watching consolidation waves sweep through sectors he likes. As giant media players get even bigger through multibillion dollar acquisitions, a relatively small player like VS&A has to build a sizable position.

“We would love to find a way to invest in the cable business,” said Stevenson, who in the past backed recent sellers Rifkin Associates and Triax Associates. He’s a believer in new digital and high-speed Internet services, and, to a lesser extent, telephone over cable. “We think it will have growth rates high enough to sustain the valuation multiples right now.”

The problem is a matter of opportunity, he says. “It’s very difficult for a private equity fund to get into a company.”

The fund grew out of Veronis Suhler’s core investment-banking operation, a niche firm specializing in media.

Founded in 1981 by John Veronis, co-founder of Psychology Today, and John Suhler, former president of CBS’ old magazine division, the firm at first concentrated on brokering publishing properties. The firm has broadened and publishing deals will account for just 32% of its fee volume this year.

The first two management efforts—a mere $52 million fund created in 1989 and a $264 million fund created five years later—generated gross returns of 40% annualized, though that’s not counting management and incentive fees to Veronis Suhler.

Stevenson has a clear approach: Take substantial, private positions—around $50 million in existing media operations with reasonably solid cash flow—or buy them outright. Expand by making complimentary acquisitions, say pairing a trade magazine with a trade show operation in the same sector, or buy cable systems near existing properties.

“We like larger companies with established infrastructure and management,” Stevenson said. “The way to generate the most value is to make incremental add-on acquisitions that complement and lever the core business.”

In buyouts, Stevenson says a mildly lucky firm can go for years without a truly failed investment. “In venture, you can have complete writeouts and have great success,” because a tremendous score on a single investment can make up for all the other losses.

Stevenson has been at the firm almost since the beginning, shortly after he graduated from college. Though his title was analyst, Stevenson said “that would be a generous description” of his lowly duties.

That changed. In 1984, Stevenson helped start the firm’s corporate finance department that worked to raise money for media clients rather than just help them sell out. In 1989, he assumed management of the firm’s first tiny equity fund. He was named full partner last year.

Veronis Suhler’s has invested across a range of media. About 22% of the last fund went into cable systems, another 15% into radio stations. Other sectors included business information services, telephone directories and wireless communications towers. The first fund’s portfolio was 41% broadcast TV, 30% cable and 12% radio.

Stevenson will have to struggle for a similar makeup in his new portfolio, because radio and TV stations are no easier to amass than cable systems. “Radio has the same issues in terms of industry consolidation as cable,” he said. “If you can sustain 10%-12% top-line growth and improve margins, it can be a great business.”

As for TV stations, VS&A would be interested in “the right transaction.” But “consolidation is an inhibiting factor for entry. I also think television is faced with some serious issues in terms of audience fragmentation. We have no chance bidding against the top players in the country.”

So where to spend the money? The firm’s tactic is to look abroad. Last month, the company opened a London office, looking to allocate up to 30% of the fund’s cash overseas. “It’s a matter of opportunity.”
OUR PERSPECTIVE COMES FROM KNOWING YOURS.

AT DANIELS & ASSOCIATES WE KNOW YOUR BUSINESS. AS EXPERIENCED BROADCASTERS AND FINANCIAL ADVISORS WE OFFER A PERSPECTIVE AND UNDERSTANDING TO OUR CLIENTS THAT IS HARD TO FIND ON WALL STREET. OUR MEDIA AND BROADCAST GROUP UTILIZES OUR EXPERIENCE TO LEAD TRANSACTIONS IN THE RADIO AND TV BROADCASTING, OUT-OF-HOME, E-COMMERCE AND INTERNET CONTENT INDUSTRIES. WE PROVIDE Mergers & Acquisitions AND Capital Formation Services TO THESE BUSINESSES. TO BEGIN A CONFIDENTIAL DISCUSSION, CONTACT DAVID KELLIVER OF OUR MEDIA AND BROADCAST GROUP.
Geocast deals for data$

Start-up gains momentum with DTV-to-PC plan adopted by Hearst-Argyle, Belo

By Glen Dickson

While networks debate the business model of HDTV versus that of multicasting and some station groups question the efficacy of the DTV transmission system, one company is quickly moving ahead with its plan to broadcast data over the digital television spectrum.

Geocast Network Systems Inc., a Menlo Park, Calif., technology startup, has attracted attention over the past month by signing deals with Hearst-Argyle Television and Belo to deliver a high-quality multimedia service over the broadcast digital spectrum. The data service, which will include local and national news and entertainment programming, will be delivered through a digital station’s 19.4 Mb/s data stream and received by a $299 device that plugs into a computer for display.

In addition to cementing Geocast use their digital spectrum and their content, Hearst-Argyle and Belo will both invest up to $10 million each in Geocast and will also provide promotional support, such as “soft mentions” in local newscasts. In return, Geocast and the station groups will share revenue from advertising and e-commerce applications, such as downloading electronic catalogs. The service should launch in one or two major markets by early 2001.

While many broadcasters and equipment suppliers sang the virtues of multicasting to PCs at NAB ’99, digital datacasting efforts so far have amounted to a smattering of broadcast trials and a few PC cards (just now becoming available) that can receive DTV pictures. Geocast, on the other hand, has presented a turnkey data-to-the-PC solution, and a possible revenue stream, to broadcasters willing to make a deal.

“What the broadcaster really needs is an additional revenue stream to justify the conversion to digital,” says Christopher Ensley, a Lazard Frères equity analyst who covers Hearst-Argyle. “It’s nice to see an opportunity [in Geocast] to generate a second revenue stream.”

“They’ve got a plan,” adds Bob Ross, CBS vice president of East Coast operations, who says that CBS has had exploratory discussions with Geocast. And the network is testing data broadcasting on its own, Ross says, and has found implementing a total solution isn’t easy. Geocast has found early success because “they’ve got the first end-to-end system,” he says.

Geocast was born in the spring of 1998, when a group of Cal Tech engineers who had been working on inserting Internet Protocol (IP) files into MPEG-2 bitstreams met with Joseph Horowitz, now Geocast chairman and CEO. Horowitz, a veteran venture capitalist who had been heavily involved in the electronic program guide firm StarSight Telecast and its merger with Gemstar, was excited by their work.

“Here we had the same open standard used on the Internet, and it was very robust in terms of how much data it could handle,” he says. So Horowitz set about developing an application for the technology—“it’s hard to get people to invest in an infrastructure play without an application”—and recruiting the capital and personnel to make it happen.

In December 1998, Geocast secured initial funding from three premier Silicon Valley venture capital firms—Klein-er Perkins Caufield & Byers, Institutional Venture Partners and Mayfield Fund. The company has also developed a diverse staff comprising leaders in the software, hardware and broadcast fields. Geocast’s software development team includes founding members of Netscape, including Tom Paquin; Silicon Graphics and IBM talent; and academics from Cal Tech, Stanford and Berkeley. Silicon chip experts came from PMC-Sierra, Intel and Cyrix. And to gain broadcast experience, Geocast hired John Abel, former NAB executive vice president; Charlie Jablonski, vice president of broadcast and network engineering for NBC; and Anita Wallgren, legal advisor to FCC Commissioner Susan Ness.

What Geocast has developed is a turnkey system for data broadcasting that won’t require any additional staffing on the station’s part. Geocast will install data insertion gear at the station and provide up to two dozen employees per station who will take the stations’ audio, video and text content and repackage it for multimedia delivery. Geocast will also contract with consumer electronics manufacturers to build the PC peripheral receiver, which will be sold at major retail outlets.

“It’s a little too early, but it does seem like a great deal for both parties,” says Lazard Frères’ Ensley. “For the broadcaster, it’s a way to outsource expenses that would come with setting up this business in-house. And I like
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Consumers will get high-quality video—30 frames per second—and a variety of news and information from local sports scores to views from traffic cameras and local weather updates. Geocast’s local content will be packaged along with a national service delivered via satellite to the station from a Silicon Valley teleport. That may include entertainment programming such as movie trailers and music videos as well as national news. The Geocast interface will also include links to a consumer’s existing Internet connection and e-mail account, so the user doesn’t have to waste time clicking from one window to another.

The Geocast receiver can be customized to user preferences, paving the way for targeted advertisements and promotional information. While the box receives everything Geocast broadcasts, it doesn’t have to save everything. Soccer fans can tell the receiver to discard baseball content, for example. Of if a Geocast user expressed interest in buying a new car, the Geocast box would make sure to record car spots and automotive programming, Horowitz says.

The Geocast receiver will include multiple DTV tuners so it can simultaneously receive data from several DTV stations, and Geocast will seek deals with up to four stations in each market. Horowitz confirms that current agreements with Hearst-Argyle and Belo would allow Geocast to reach deals with other stations in their markets and treat the aggregate DTV spectrum as one big pipe. If a Belo station was broadcasting HDTV, for example, Geocast could seek additional capacity for Belo’s local content with another Geocast partner station in the market.

Horowitz says he’d like to get the major network O&Os signed up for his service, but that Geocast doesn’t need them to be successful. One gray area, say several station group sources, is what may happen when a network launches a data service and wants a Geocast partner to carry it. Geocast may have beaten the networks to the punch, the sources say, since the networks don’t have current deals with affiliates to carry digital datacasting or multicasting. While improvements in compression may provide room for two data services along with standard video programming, there’s no guarantee there will be room for Geocast and a network service.

Because there are no affiliate data deals in place, the networks could potentially switch affiliates when it comes to DTV data. CBS’ Ross suggests that CBS could show its HDTV programming on a current affiliate and distribute a data service on another station if the current CBS affiliate didn’t want to carry it. “We could go elsewhere,” he says.

Meredith goes digital with GI

Group broadcaster will use DigiCipher encoders at all 11 of its stations

By Glen Dickson

Meredith Broadcast Group has selected General Instrument encoders to convert its 11 stations to DTV transmission. The ATSC-compliant DigiCipher II encoders, based on GI’s popular MPEG-2 compression product used in the satellite and cable industries, include a PC-based system controller and a PSIP (Program and System Information Protocol) generator to meet the terrestrial DTV standard.

Meredith has already been using a GI high-definition encoder at WGNX-DT Atlanta since November 1998. But the group is buying standard-definition encoders for its remaining 10 stations, with the option to upgrade the systems to high definition in the future. GI’s standard-definition ATSC models cost roughly $70,000, says GI Senior Director of Marketing Marty Stein, while an HDTV analog unit runs around $125,000.

Meredith is using the DigiCipher II standard-definition units at top-30-market stations KPXV-DT Portland, Ore., and KPHO-DT Phoenix. WOFL-DT Orlando, Fla., will begin broadcasting DTV in December, weather permitting, and WSB-DT Hartford, Conn., should launch in early spring 2000, says Meredith Vice President of Engineering Joseph Snelson.

Work on WOFL-DT’s tower was delayed by the several hurricanes that hit Florida this fall, Snelson says, while WSFB-DT has been looking for a new tower site. Meredith is pursuing an “interim DTV solution” in Hartford, mounting a digital antenna on its existing NTSC tower. “We’d like to be able to improve that facility since we received a lower replication number than originally issued [by the FCC],” Snelson explains. “We’re still researching our options.”

Meredith is also keeping its options open when it comes to HDTV investment. The group has been spending roughly $2.5 million to get each of its DTV stations on the air with standard-definition broadcasts, Snelson says. Readying a station for HDTV “pass-through,” i.e. the ability to retransmit HDTV network programming without any local HDTV commercial insertion or production, would add an incremental cost of $300,000-$400,000 for the encoder upgrade, new routing and switching equipment and an improved studio-to-transmitter link (STL). KPHO-DT Phoenix will cost more, Snelson adds, because the Mountain time zone station will need an HDTV server to time-shift CBS’s hi-def feed.

WGNX-DT Atlanta was an exception, because previous owner Tribune had already paid for a DTV transmitter and antenna when Meredith acquired the station in 1998. “The cost to do high definition there was permissible,” Snelson notes. “That studio is fairly close to the transmitter, and they had existing capacity on fiber between the two facilities. The incremental cost to do [HDTV] down there was not that much.”
A look at the television industry from the best minds in the business.

The Millennium Report published in the December 20th issue of Broadcasting & Cable, draws upon today's best thinking about tomorrow. It is designed as a guide to telecommunications in the 21st century with particular attention to broadcasting, cable, satellite and the Internet. It will start from now and go as far forward as vision can take us. This report will look backward as well. Among its features: The First 100 Fifth Estaters of the 20th Century, with signal attention to the one or several who led the rest. The Millennium Report will be in your hands on December 20. We think that you, too, will want to mark the millennium with a special message that will be seen by the entire television industry. Call your Broadcasting & Cable representative today and be part of a commemorative issue that will make history for years to come.

The Millennium Report

ISSUE DATE: December 20, 1999
CLOSING DATE: December 10, 1999

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**PROPOSED STATION TRADES**

By dollar volume and number of sales; does not include mergers or acquisitions involving substantial non-station assets.

### THIS WEEK

**TVs**
- **Price:** $95,000,000
- **Combos:** $250,000
- **FM Stations:** $5,796,194
- **AM Stations:** $3,395,350
- **Total:** $104,441,544

**30 FAR IN 1989**
- **Price:** $2,735,072
- **Combos:** $3,452,000
- **FM Stations:** $6,300,000
- **AM Stations:** $2,190,000
- **Total:** $11,677,027

### COMBOS

- **WSGB** (AM)-**WCKA** (FM) **Sutton, W.Va.**
  - **Price:** $250,000

- **KICE** (FM) **Bend, Ore.**
  - **Price:** $2.04 million

### FMS

- **KWAX** (FM) **Graham, Wsh.**
  - **Price:** $450,000

### AMS

- **KSOK** (AM) **Raymondville, Texas**
  - **Price:** $700,000

### CONSTRUCTION PERMITS

- **KBBC** (AM) **Lake Havasu City, Ariz.**
  - **Price:** $608,000

### Construction permit for **KWV** (FM) **Gillette**
- **Buyer:** Brian M. Encke, Estes Park, Colo.; no other broadcast interests
- **Facilities:** 94.3 MHz, 100 kW, ant. 1,643 ft.

### Construction permit for **KAWU** (FM) **Newberry Springs, Calif.**
- **Buyer:** Moon Broadcasting of Newberry Springs LLC, Los Angeles (Avel de Luna, managing member); owns KMAQ (FM) East Porterville, KLMN (FM) Modesto Bay, KLUN (FM) formerly KEXZ (Paso Robles and KRPS (AM) Santa Rosa, all Calif.
- **Seller:** B&GRSES Partnership, Atlanta (William G. Brown and Clifton G. Moor, co-owners); own KAVU (FM) Princeville, Hawaii. Brown and Moor each own 25% of WHEL (AM) Helen, Ga.
- **Facilities:** 103.7 MHz, 6 kW, ant. 246 ft.

### KWRP (FM) **San Luis Obispo, Calif.**
- **Buyer:** Golden Pegasus Financial Services Inc., Hughson, Calif. (spouses Nelson and Debbie Gomez, co-owners); no other broadcast interests
- **Facilities:** 107.5 MHz, 6 kW, ant. 328 ft.

### Construction permit for **KWRP** (FM) **Bakersfield, Calif.**
- **Buyer:** Golden Pegasus Financial Services Inc., Hughson, Calif. (spouses Nelson and Debbie Gomez, co-owners); no other broadcast interests
- **Facilities:** 107.5 MHz, 6 kW, ant. 328 ft.

**CONSTRUCTION PERMITS**

- **KBBC** (AM) **Lake Havasu City, Ariz.**
  - **Price:** $608,000

### Construction permit for **KWV** (FM) **Gillette**
- **Buyer:** Brian M. Encke, Estes Park, Colo.; no other broadcast interests
- **Facilities:** 94.3 MHz, 100 kW, ant. 1,643 ft.

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CHANGING HANDS

KVBM-TV, Minneapolis, Minnesota from
KVBM Television
(Dan Peters and Dale Lang)
to
Hubbard Broadcasting, Inc.

Brian E. Cobb and
Elliot B. Evers represented the Seller.

CHARLES E. GIDDENS
941-514-3375
ELLIOI B. EVERS
415-391-4877
BRIAN E. COBB
202-478-3737

RADIO and TELEVISION BROKERAGE • APPRASIALS

NOVEMBER 15, 1999 / BROADCASTING & CABLE 97

SOLD!

Buyer, owner of wkop: Citadel Communications Corp., Las Vegas
(Lawrence R. Wilson, chairman); owns/is buying 50 AMs and 111
FMs, including wkop(AM)-waal(fM) and wmbf(AM)-whwk(fM) Binghamton
and wvos(fM) Chenango Bridge/Binghamton, N.Y.
Seller: Titus Broadcasting Systems Inc., Endwell, N.Y. (Paul T. Titus,
director); no other broadcast interests
Facilities: winr: 680 kHz, 1 kw day, 500 w night; wkop: 1360 kHz, 5 kw
day, 500 w night
Format:.winr: MOR; wkop: Music of Your Life

KLLU(AM) Reedsport/Eugene, Ore.
Price: $350,000
Buyer: Pamplin Communications Corp., Portland, Ore. (Robert B.
Pamplin Jr., chairman); owns four
AMs and one FM, including keju(AM)
Junction City/Eugene, and kpam(AM)
Troutdale/Portland, Ore.
Seller: F & L Broadcast Development Corp., Arroyo Grande, Calif. (Jerry J.
Collins, president); no other broadcast
interests
Facilities: 1030 kHz, 10 kw day, 630
W night
Format: Traditional country

Donation of WTHI(AM) Terre Haute, Ind.
Value: $350,000
Beneficiary: Word Power Inc., West
Terre Haute, Ind. (Paul Ford, presi-
dent); owns wzk(AM) Casey, Ill.; is
building FM in Clinton, Ind./both
Terre Haute
Donor: Emmis Communications Corp.,
Indianapolis (Jeffrey H. Smulyan,
chairman/owner); owns three AMs, 13
FMs and seven TVs, including wthi-
tv FM and wwr(fM) Terre Haute
Facilities: 99.9 MHz, 50 kw, ant. 494 ft.
Format: Country

WN9G(AM) Toccoa, Ga.
Price: $300,000
Buyer: Chase Broadcasting Inc.,
Athens, Ga. (Gordon Van Mol, presi-
dent); owns two AMs and three FMs,
including wgbc(AM)-wrah(fM) Clayton
and wehr(fM) Eiberton, Ga.
Seller: Lee Street Properties LLP,
Toccoa (Elliot Caudell, general man-
ger); no other broadcast interests
Facilities: 630 kHz, 500 W day
Format: MOR

WLRV(AM) Lebanon, Va.
Price: $161,250
Buyer: Gary W. Ward Broadcasting Corp.,
Johnson City, Tenn. (Gary W. Ward, presi-
dent); no other broadcast interests
Seller: J. T. Parker Broadcasting Co.
Inc., Lebanon (J. T. Parker, president);
owns wgoc(AM) Blountville, Tenn.
Facilities: 1380 kHz, 1 kw day, 63 W
night
Format: Country

WACQ(AM) Tallassee, Ala.
Price: $160,000
Buyer: Progressive United Communications Inc., Heathrow, Fla. (Paschell
C. Mix, president); owns wcla-AM-FM
Claxton, Ga.
Seller: Hughey Communications Inc.,
Tallassee (Randall Hughey, presi-
dent); no other broadcast interests
Facilities: 1130 kHz, 1 kw
Format: News/talk
Broker: Hadden & Associates

WKAX(AM) Russellville, Ala.
Price: $65,000
Buyer: Jamar Communications Inc.,
Muscle Shoals, Ala. (Marshall R.
Moore, president); no other broadcast
interests
Sellers: Ronnie E. and Wanda Under-
wood (spouses), Russellville; no
other broadcast interests
Facilities: 1500 kHz, 1 kw day
Format: Southern gospel

WWQQ(AM) Aberdeen, Miss.
Price: $51,000
Buyer: Stanford Communications
Inc., Amory, Miss. (Ed Stanford,
president); owns WAMY(AM)-WAFM(fM)
Amory
Seller: J.D. Buffington, Aberdeen; no
other broadcast interests
Facilities: 1240 kHz, 1 kw
Format: News/talk

KADS(AM) Elk City/Tulsa, Okla.
Price: $50,000
Buyer: Fuchs Radio Inc., Hobart,
Okla. (spouses Chad and Shelley
Fuchs, co-owners. Fuchs own
ktls(AM) Hobart
Seller: Oklahoma Sports Properties
Inc., Las Vegas (Fred Weinberg,
president); owns ktrt(AM) Clare-
more, koko(AM) Guthrie and kmyz(AM)
Pryor/Tulsa, Okla. Weinberg owns
KRLV(AM) Las Vegas
Facilities: 1240 kHz, 1 kw
Format: Talk

WGCI(AM) Champaign, Ill.
Price: $100
Buyer: Vanguard Broadcasting Inc.,
Rantoul, Ill. (Keith A. Ayers, presi-
dent/owner); no other broadcast
interests
Seller: East Central Illinois Broad-
casting Inc., Urbana, Ill. (Tom Johnson,
president); no other broadcast interests
Facilities: 1460 kHz, 500 W day, 65
W night
Format: Christian

—Compiled by Alisa Holmes

Nov. 19-20 - Society of Motion Picture and Television Engineers 41st Technical Conference and Exhibition. Jacob Javits Convention Center, New York. Contact: (914) 963-9670.

Nov. 22 - The International Council of the National Academy of Television Arts and Sciences 27th International Emmy Awards Gala. The New York Hilton Hotel, New York. Contact: (212) 489-6699.

Dec. 1-4 - The Western Show Conference and Exhibition presented by the California Cable Television Association. Los Angeles Convention Center. Contact: (510) 428-2225.


March 27, 2000 - Broadcasters' Foundation Golden Mike Award. The Plaza, New York. Contact: Gordon Hastings (203) 862-8577.


April 7-10, 2000 - Broadcast Education Association 45th Annual Convention & Exhibition. Las Vegas Convention Center. Las Vegas, Contact: (202) 429-5354.


June 3-6, 2000 - CAB presents its 7th annual Local Sales Management Conference, Denver. Contact: Nancy Lagos (212) 508-1229.


---Compiled by Beatrice Williams-Rude (bwilliams@cahners.com)
Web guy makes good

From the beginning, Nicholas Butterworth believed in the future of SonicNet.

And what started out as a consultancy for an insignificant bulletin-board service has taken Butterworth, 32, to the position of president and CEO of MTvi, what may be the hottest collection of Internet music sites in the business.

The road he took to get there was a circuitous one, beginning in 1990 with his graduation from Brown University with a bachelor's degree in comparative literature. At the time, Butterworth was also the bass player in a band called the Dung Beatles, which brought him from Providence to New York City, where the band played gigs in the East Village. His day job was an internship on The Charlie Rose Show. (It was actually his second experience with television; Butterworth was a cast member on the syndicated children's show Zoom in 1977.)

In 1992, he started working for Strategic Political Response, managing a direct-marketing effort to raise money for the presidential campaign of then-Gov. Bill Clinton, and boost support for the Rock the Vote effort.

The next year, Butterworth had what he describes as his first "great immersive media experience" as a reporter for Magazine World and News Inc. Covering corporate finance and new media for six months was a sort of prelude for things to come: "It was pretty interesting to go to these conferences and hear people talking about interactivity and linking content to users."

He subsequently moved to Washington and became immersed in activism again as executive director of Rock the Vote, which attempted to bring young voters into the electoral process and was sponsored by MTV, the Recording Industry Association of America and various musical artists.

Ultimately he decided he didn't want a career in politics. But the experience had started him thinking about the potential of influencing millions through the emerging online media: "I had become fascinated by America Online and had started to think at Rock the Vote about the potential to deliver information to activists that way."

He returned to New York and contacted a new media pioneer named Tim Nye, who was running a music bulletin board service called SonicNet out of his apartment with a high-tech (486) computer connected to eight modems.

Butterworth became Nye's consultant, drafting a marketing strategy for what he thought could become a force in new media with cachet across the country. "We were crazy enough to believe that we could start with a bulletin-board service in an apartment on the Lower East Side of Manhattan and grow this into a national brand," he says. "And we were right."

It didn't exactly happen overnight, and they initially thought SonicNet would become some kind of interactive TV entity—not an Internet power. But in March 1995, the first SonicNet Web site was launched; the plug was pulled on the bulletin-board service later that year. During the transition, SonicNet streamed its first digital download from a group called Future Sounds of London. Butterworth was creative director and editor in chief of the emerging music entertainment and news service, and the future continued to brighten.

Prodigy invested several million dollars for a half interest in the service, and SonicNet seemed poised to take off with its support. But in the Internet business, things have a tendency to fall back to earth, and bad news was not far behind. "Everything looked good until six months later when IBM and Sears pulled the plug on Prodigy," Butterworth says.

But Butterworth didn't lose faith in SonicNet's future. His faith was rewarded when a Silicon Valley company called Paradigm Music bought SonicNet in the summer of 1997, and was in turn acquired by TCI Music for $24 million in early 1998.

MTV subsequently acquired TCI Music and formed MTVi last August, consolidating its Internet assets and naming Butterworth to his present post. "What's exciting now is that instead of just talking about music, we can deliver music itself," he says.

A 20% stake in MP3-powered RioPort puts SonicNet on target to do digital downloads this year. RioPort has licensing deals in place with the major music labels. Meanwhile SonicNet's Streamland site is streaming music videos, and the MTV sites will follow suit. A new game show, Web Riot, debuts on MTV on Nov. 29, offering PC users the chance to play online.

It's the first step in fulfilling a cross-media vision Butterworth has had since SonicNet's launch. And it's quite a leap from Butterworth's beginnings with that bulletin-board service just five years ago.

—Richard Tedesco
BROADCAST TV

Appointments, CBS, New York: Fran Eigendorff, VP, affiliate relations, named senior VP; Preston Farr, VP, affiliate relations, named senior VP.

Appointments, ABC, New York: Susi D’Ambra-Coplán, director, station relations, Northeast region, named VP; Jim Esposito, director, affiliate relations, Southeast region, named VP; Kathleen O’Connor, director, affiliate relations, West Coast.

Mountain, Los Angeles, named VP; Kristin Long, sales manager, national television sales, Philadelphia, named VP, national television sales.

Swain Weiner, VP, general manager, Katz American Television, New York, joins Eagle Television Sales there as chief operations officer.

Ron Fenster, chief operating officer, CPN Television, Clearwater, Fla., joins Paxson Communications Corp., West Palm Beach, Fla., as VP, East Coast production.

Steve Ramsey, news director, wgn-tv Chicago, joins ktl-a-tv Los Angeles as station manager.

Kathleen Mosolino, broadcast engineer, wnb-c-tv New York, named manager, technical operations.

Lisa Cunningham, corporate accountant, Journal Broadcast Group, Milwaukee, named director, corporate information and systems.

Carrie Johnson, director, program and special events, PBS communications and brand management division, Alexandria, Va., named senior director, program promotion strategy.

Appointments, CHUM Television, a Canadian broadcasting company and program provider, Toronto: Mark Rubinstein, VP, ChumCity, named senior VP and general manager; Jay Switzer, VP, programming, CHUM Television, named senior VP.

John N. Tamerlano, general sales manager, wews-tv Cleveland, joins koin-tv Portland, Ore., as director, sales.

Claire O’Connor-Solomon, director, development, wtedu-tv Tampa, Fla., named VP.

Appointments, wtmf-tv Milwaukee: Cheryl McMurtry, senior accountant, Milwaukee Journal-Sentinel, Milwaukee, joins as business manager; Stephanie Collins, associate producer, wsn-tv Milwaukee, joins as writer/producer, marketing and promotions.

Peter Morton, account executive, wcvb-tv Boston, named local sales manager.

Kelly Polk, sales manager, MMT Television Sales Inc., New York, joins wnb-c-tv there as account manager.

Jeff Winget, director, brand services, ksl-tv Salt Lake City, joins kdk-tv St. Louis as director, marketing and promotion.

Jamie Norton, media coordinator, Burknolder Flint Advertising, Columbus, Ohio, joins wtte-tv there as account executive.

PROGRAMMING

Appointments, Studios USA, Los Angeles: Arthur Hasson, senior VP and national sales manager, named executive VP, sales and new business; Debra Brause, manager, comedy programming, named director. She will be succeeded by Paul Dahmen, executive assistant.

Bob Cesa, VP, advertiser sales, Tribune Entertainment, Los Angeles, joins Twentieth Television, Beverly Hills, Calif., as executive VP, advertising and cable sales.

Laura Molen, VP, strategic planning and sales, Paramount Advertiser Services, Hollywood, Calif., named senior VP, sales and strategic planning.

Jeff Hufford, senior VP, central sales, Warner Bros. Domestic Television Distribution, Chicago, named senior VP and central sales manager.


Irv Schulman, director, advertising sales, Buena Vista Television, Burbank, Calif., named VP.

Frank T. Caruso, creative director, licensing, King Features Syndicate, New York, named VP, creative.

Gregory Calvosa, manager, marketing and visual communications, Pearl Television, Santa Monica, Calif., named director, worldwide marketing.

JOURNALISM

Chad Myers, meteorologist, WXYZ-tv Detroit, joins CNN, Atlanta, in same capacity.

Dick Russ, anchor/reporter, WJW-tv Cleveland, joins WKYC-tv there in same capacity.

Appointments, WNCN-tv Charlotte, N.C.: Kelly Ryan, anchor/reporter, KMCG-tv Denver, joins as co-anchor; Anzio Williams, assistant news director, WLWT-tv Cincinnati, joins in same capacity.

Mary Tillotson, anchor/correspondent, CNN, Atlanta,
joins Feature Story News, Washington, as political correspondent.

Chris Sedens, news/sports anchor, CCFP-TV Montreal, joins WFTV-TV Ft. Myers, Fla., as news anchor.

John Dougherty, anchor, WBZ-TV Boston, joins WMTW-TV Portland, Maine, in same capacity.

Appointments, WYTV-TV Youngstown, Ohio: Vince Bevacqua, anchor, WMUR-TV Manchester, N.H., joins in same capacity; LaChrystal Tucker, reporter/anchor, WHOA-TV Montgomery, Ala., joins as weekend anchor/reporter.

**RADIO**

Appointments, AMFM Inc., New York: Mick Anselmo, VP and general manager, KEEN-FM/KQQL-FM/KFAN-AM/KFXN-AM Minneapolis, named VP, Minneapolis cluster; Brian Bieler, VP and general manager, KTXQ-FM Dallas, named VP, Sacramento, Calif., cluster; Jake Karger, senior VP and general manager, WXKS-FM/AM, Boston, named VP, Boston cluster; Christine McMurray, VP and general manager, KLDE-FM and KODA/AM Houston, named VP, Houston cluster; Douglas Sterne, VP and general manager, KKSF-FM San Francisco, named VP, San Francisco cluster; Clancy Woods, market manager, Phoenix cluster, named VP.

Ann Minotillo, local sales manager, WKU-FM New York, named general sales manager. Appointments, Metro Networks/Shadow Broadcast Services, New York: Bill Burns, general sales manager, Express/Shadow Broadcast Services, named general manager, Philadelphia; A. Richard Marks, chief operations officer, Shadow Broadcast Services, named senior VP; Warren Maurer, VP, Eastern region, named VP, affiliate sales. He is based in Philadelphia.


Scott Keeler, general manager, Radio Unica, San Antonio, named VP, sales, Southwest region.

Kathy Stinehour, VP and general manager, WTJF-FM New York, named market executive VP, Chicago station group, for parent company AMFM Inc.

Michael C. Frohm, VP and general manager, WWSE-AM/FM and WJII-FM Pittsburgh, joins WMJO-FM Washington as national sales manager.

**CABLE**


Axel de Torres, regional director, Fox Inc., Miami, joins HBO Brazil there as general manager.

John Rose, senior VP, player relations and administration, NBA, New York, joins ESPN, Bristol, Conn., as VP, human resources.

David Blau, director, finance, business development, Cox Communications, Atlanta, named director, business operations.

John Stack, director, international partnerships, NBC, New York, joins Fox News Channel there as VP, newsgathering.

**ADVERTISING/MARKETING/PUBLIC RELATIONS**

Richard Kostyra, senior VP, director of media services, TBS Media Management, New York, joins Media First International there as senior partner.

Drew Wesley, account supervisor, Keller Crescent Co., Evansville, Ind., named VP, account supervisor.

**TECHNOLOGY**

John A. MacDonald, president and chief operating officer, Bell Canada, Toronto, named president and chief executive officer, Leitch Technology Corp. Board of Directors.

Henk Mensinga, account manager, Helios Recording & Broadcast, Amsterdam, joins Orban, a provider of digital audio systems for broadcasters, Amsterdam, as European sales manager.

Joseph Nucara, VP, marketing, communications division, Thomas & Betts, Toronto, joins Philips Electronics, Manlius, N.Y., as VP, marketing, broadband networks division.

John Keenan, Western district sales manager, 3 Com, San Francisco, joins V-Bits, San Jose, Calif., as director, sales.

**INTERNET**

Craig Hahn, director, Internet services, Infinity Radio Group, Charlotte, N.C., joins mp3radio.com, Atlanta, as director, sales.


Greg Johnson, chief technology officer, HomeSeeker.com, named to board of directors of BuySellBid.com Inc., Longview, Wash.,

**ASSOCIATIONS/FIRMS**

William Cooperman, director, public broadcasting division, National Telecommunications and Information Administration, Washington, named director, public telecommunications facilities program.

Sal Tofano, account executive, Fox Sports Cable Sales, New York, joins National Cable Communications there as director, sports sales.

Cynthia Patrasso, VP and executive producer, Intersport Inc., New York, joins Healthway Communications International Inc. there as president, Orbis Broadcast Group.

Compiled by Mara Reinstein mreinstein@cahners.com
Help Wanted Manager

University at Buffalo
The State University of New York

General Manager
WBFO-FM

WBFO is the primary NPR station in Western New York, the Southern Tier of NYS and Southern Ontario (Canada), providing 24-hour daily service consisting of the best NPR and PRI programming. WBFO, which is in its fortieth year, is a major public service of the University at Buffalo, State University of New York. Award winning, locally originated news, public and cultural affairs programming, jazz and ethnic music, and information about UB resources and events offer a breadth of outstanding learning and listening opportunities for the community.

Among the General Manager’s responsibilities are the following:
- Developing and articulating a vision of the station’s future as a regional cultural entity and a UB public service asset
- Managing personnel, budget, facilities and other station resources
- Formulating and implementing plans for the station’s growth and developing station policies
- Obtaining grants and gifts that build upon the station’s endowment
- Expanding the station’s audience reach and its services to listeners and members
- Developing strategies that will maximize the use of new technologies

Visit our website at www.wbfo.buffalo.edu
Review of applications is ongoing. Applications and nominations can be sent to:
Dr. Kathryn A. Foster, Chair of the WBFO General Manager Search Committee,
University at Buffalo, 201 K Hayes Hall, Buffalo, New York 14214

Help Wanted Sales

Radio Station Developer highly skilled in all aspects for startups, turnarounds, or to take you to the next level, Permanent or interim, 813-920-7102. radio35@netscape.net

Leased Programming
Produce, host your own radio show, and generate hundreds of qualified Leads 50,000 watt NYC radio station. Call Ken Sperber 212-760-1050.

Help Wanted Sales

National Sales Manager WVEC-TV, a subsidiary of Belo Corporation, has an immediate opening for a National Sales Manager. The 40th market ABC affiliate has an excellent opportunity for a dynamic individual who is self-motivated and understands inventory control. The position requires a candidate who has strong organizational skills, is detailed oriented and has superior negotiating abilities. Minimum 4 years rep experience or major market sales experience. Current National Sales Managers are encouraged to apply. Submit resume to: Human Resources, WVEC-TV, 613 Woodis Avenue, Norfolk, VA 23510. WVEC-TV is an Equal Opportunity Employer.

Interactive Sales Account Executive KGW, a Belo station and the NBC affiliate in Portland Oregon, has an immediate opening for an individual to work as an interactive sales account executive. Individual is responsible for generating revenue by prospecting and selling web site advertising on kgw.com to a diverse client base. Responsible for client calls, proposal preparation and presentation. Must understand and be able to explain the benefits of Internet use and exposure. Requires excellent communications skills including ability to compose and deliver strong, creative sales presentations. Good organizational and prospecting skills are essential. At least 2-3 years high technology, high tech sales, or related sales experience and thorough understanding of the Internet and related Microsoft systems also required. College degree preferred, Interested individuals should send their resume and references to: Human Resources, KGW, 1501 SW Jefferson St., Portland, OR 97201. EOE/Drug Testing.

HELP WANTED MANAGER

GENERAL SALES MANAGER
Los Angeles

Major Los Angeles Radio Station seeks experienced General Sales Manager. Send Resume to: Reply to Box 01611 EOE.

General Manager Wanted: Connoisseur Communications has a rare opening for a General Manager’s position in the Quad Cities, IA/IL. The candidate must be someone with strong leadership abilities and must possess the skills and experience necessary to oversee our five station radio cluster. If you want to join a leader in the industry known for its integrity and commitment to the development of its people, then this is the opportunity for you. If you are looking for a challenge, are a proven leader, and are self-motivated, apply for this position at once for it will fill quickly. You will receive great compensation and benefits, in addition to working in a tremendously creative and exciting environment. Send resumes to: Jeff Dinetz, Vice President, Connoisseur Communications, 136 Main St, Westport, CT 06880, Or fax to: 203-227-2373. Connoisseur Communications is an equal opportunity employer.

Send Blind Box responses to:
Box 01611
Broadcasting & Cable
245 W. 17th St. 7th Fl.
New York, NY 10011

HELP WANTED MANAGER

HELP WANTED SALES

HELP WANTED SALES

HELP WANTED SALES

HELP WANTED SALES
HELP WANTED SALES

Growing Broadcast Group seeks GM/GSM candidates for possible expansion. Mid-Atlantic broadcast group will give you all the tools you need: Lytle, TOMA and more to succeed. Experience in person needs strong skills in new business and cluster management experience preferred. Send resume and salary requirements to Donald R. Walton, 485 Tower Road, Christiansburg, VA. 24073. EOE

Growing 3 station group seeks GSM at dominant station in beautiful N.W. market with #1 local late news all of CBS's in America. Candidates must be fully versed in inventory control, pricing, budgeting, motivation, ratings and training. Knowledge of traffic and sales related software a must. Ability to administer successful sales promotions critical. Successful candidate will also have the ability to create one-sheets and research pieces to support all sales. Winning candidate will have to be willing to go the extra mile. Position manages national, regional and local sales. This is a FULL-TIME position! Send resumes to: Corporate Dr. Station Group Sales, Catamount Broadcast Group, 1100 Blue Lakes Blvd. North, Twin Falls, ID 83301. No phone calls please. EOE. Drug-free workplace.

HELP WANTED TECHNICAL

Need an account executive or sales manager? Over 1,000 candidates with an average of 4+ years of media sales experience available. Over 80% of our candidates are currently employed by our Satellite and all 50 states. Total cost $295. Contact birschbach media sales recruitment at 303-368-5900. Check our website at www.birschbachmedia.com.

Shook Electronics USA, leading manufacturer of mobile television vehicles, is looking for a "Head Installation Technician". This position should have a radio/television installation background, and must be knowledgeable in all aspects of broadcast engineering, including computers, computer networks, and CAD. A SBE certification would be helpful, as well as HDTV knowledge. Fax, mail or "E" mail your resume to VP of Engineering, Shook Electronics, 18875 Marbach Lane Blvd. 200, San Antonio, TX 78266. Fax 210-651-6354; "E" Mail traven@shook-usa.com.

HELP WANTED GENERAL

Maintenance Technician I KGW, a Belo station and the NBC affiliate in Portland Oregon, has an immediate opening for an individual to work as a Maintenance Technician in the Engineering Department. Individual will be responsible for electronic maintenance of television broadcast equipment, computer and telephone systems for station including project design and installation of new broadcast, computer and telephone systems. Duties will also include driving and operating television equipment. Candidate must have minimum experience in broadcast maintenance including trouble shooting and repair of studio, audio, graphic and computer systems. FCC General Class license or SBE certification strongly desired. Knowledge of microwave and satellite transmission systems. Experience with Novell, Microsoft NT, Microsoft Office and Windows 95 also desired. Requires a chauffeur’s drivers license and a valid Oregon CDL. Interested individuals should send their resume and references to: Human Resources, KGW, 1501 SW Jefferson St, Portland OR 97201. EOE. Drug Testing.

Maintenance Engineer: Univision 41 seeks a candidate with 3-5 years experience in Television Engineering, ENG Microwave trucks, Satellite and Microwave equipment, Betacam Format VTR’s, Digital & Analog systems. Strong computer skills are required. An FCC Commercial license and/or SBE Certification is preferred. Ability to work evenings/weekends/weekends a must. No calls. Please apply in person. Unvision 41, 500 W. Burr Blvd. 6th floor, Teaneck, New Jersey 07666. EOE.

Vice President, Engineering: Oversees technical operation of facility and engineering/operations staff. Manage capital budget and coordinate with Fox Corporate on acquisitions. Oversees purchase and installation of broadcast and related equipment. Work closely with other department heads on their engineering needs. Five years operations/engineering experience in a live newscast environment with 3 years management experience required. Working knowledge of negotiation/bidding process. Overall knowledge of television production. Strong leadership, communication and people skills. Please send your resume and salary requirements to: Human Resources, Univision 41, 110 E. 10th Street, Delin. 7TH, Teaneck, New Jersey 78701. Ref: position title on envelope. No phone calls, please. EEO Employer.

Transmitter Engineer: USA Broadcasting of Tampa is seeking an individual with strong UHF transmitter experience. Must have experience in microwave/RF equipment. Tape experience a plus. Experience and salary benefits. Send resume to WBHS TV. Attention: Robert Guzman, 1215 28th St. N., Suite #301, St. Petersburg, FL 33716.

Chief Engineer Unvision-KTVW is looking for a self starter "hands on" television Chief Engineer. Experience in all areas of broadcast maintenance, including UHF transmitter and microwave equipment required. Candidate will assist in preparation and administration of capital and operating budgets, and be responsible for equipment purchases and installations. Must have strong interpersonal skills to manage engineering and operations staff. Computer literacy required. Send resume to: 3019 E Southern Avenue, Phoenix, AZ 85040 EOE

Chief Engineer needed. Rare opportunity in beautiful Santa Barbara CA. Seeking hands on professional responsible for technical support of our young and growing Fox television station. Unvision is looking for our next digital technician. This position is a full time permanent position. Only 1st shift work. Unvision is looking for someone to help them take the tools they have and grow a profitable broadcast television station. If you are a professional with experience in broadcast television operations, and would like a fast paced career opportunity, e-mail your resume to catkinson@louth.com or fax to 650-643-3666.

CNB, The Comcast Network seeks experienced F/T audio tech to mix Live Studio and remote sports TV productions. Immediate availability. Fax resume to 908-851-8916.

HELP WANTED CLASSIFIEDS

Special Projects Reporter WDAF-TV, a Fox O&O in Kansas City, is seeking a creative reporter to join its Special Projects Team. Will report on interesting local issues and stories, and develop ideas from our viewers. The qualified applicant must have a minimum of 2 years television news reporting experience and strong journalistic skills. Must also be a good researcher, story teller and able to look beyond the obvious. A college degree is required. For immediate consideration, send resume and demo tape (VHS) to WDAF-TV, Human Resources Department, 3030 Summit; Kansas City, MO 64108. EOE/M/F/V/D.

Producer: Children’s Television Workshop (CTW), a global leader in using media to educate and entertain children, and Common Ground Productions (CGP), a leading producer of media to reduce conflict, have co-produced a dramatic new Macedonian series, Nashe Maalo (Our Neighborhood) targeted at children ages 7-12 and focused on conflict resolution and intercultural understanding. CGP is seeking an experienced producer for the second season of this pioneering series that will be shot in Macedonia in 2000. Producer will need to be in Skopje for a two week period of six months in November and December overseeing a talented local team. Must have solid experience in producing story-driven television programming. Cultural sensitivity and strong organizational/management skills a must. Hiring ASAP. Email resume to: lshochat@cfrg.org.
HELP WANTED NEWS

Photographer/Editor KCRG-TV is looking for a hotshot photographer/editor for Eastern Iowa’s 24-Hour News Source. If you can do more than just point and shoot, send tape and resume to Personnel Coordinator, KCRG, P.O. Box 816, Cedar Rapids, IA 52405. EOE

Newstalk 1530 KFBK is looking for aggressive reporters who can generate story ideas, take leads, and take breaking news to the next level. Candidates must possess strong investigative skills and be able to handle the daily pressure. Send tapes and resumes to Amy Lewis, News Director, Newstalk 1530 KFBK, 1440 Ethan Way, #200, Sacramento, CA 92825 or call (916)576-2211.

NewsCast Directors WTNH-TV, Connecticut’s ABC station, is expanding. We need 2 directors for our newscasts and special productions. Our fast-paced newscasts demands people who can communicate well and learn quickly. At least 2 years experience directing and technical directing a must. The ideal candidate must understand all the things that go into the newscast. Send a resume and tape of a show from the last 2 weeks, including director’s track to: Jerry Min, Production Manager, WTNH-TV, New Haven, CT, 06510. EOE.

NewsTalk 1530 KFBK is looking for a news lover to edit its #1 rated morning show. Candidate must be able to work, write under immense pressure and be organized. Strong news judgement is a must as is the ability to expand stories. Join an award-winning team and deliver the news to Northern California. Send resumes to Cristi D. Landes, Executive Producer/Editor, Newstalk 1530 KFBK, 1440 Ethan Way, #200, Sacramento, CA 92825 or call (916)576-2205.

News Producers KGW, a Belo station and the NBC affiliate in Portland, Oregon, has an immediate opening for a News Producer for the 6:30 PM weekend newscast. Responsibilities will include producing and writing on the weekend. During the week the producer will assist Associate Producer to support weekday newscasts. This individual may be required to fill in for other newscasts as required. Position requires excellent writing skills, solid news judgment, good organizational skills, Coordinate work under constant time pressure deadlines, creative, and strong computer skills. Previous news experience and applicable college degree. Interested individuals should send their resume, tape and references.

Chief Photographer WCBD-TV Media General Broadcast Group www.mgbg.com is seeking a Chief Photographer. Candidate must be able to handle agency business and develop new business. Strong negotiations and communication skills, thorough knowledge of ratings/research tools and working knowledge of computers, required. No phone calls. 

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HELP WANTED NEWS

Morning Anchor/Reporter: Aggressive station, competitive market. We’re looking for an experienced reporter and/or anchor for our morning show. You will also report. Requirements: Bachelor’s degree and at least 1-year experience as a reporter and/or anchor for a commercial television station. Send resume and non-returnable VHS tape to: Diane Dotson, News Director, KVII-TV, One Broadcast Center, Amarillo, TX 79101. E.O.E. No phone calls.

Looking for a four-day work week, with three days off? WOWT-TV, NBC affiliate in Omaha, NE seeks experienced News Producer for weekend newscasts. Must possess working knowledge of modern newscast production, use of graphics, satellite and ENG technology and program pacing. Excellent communication and editing/refreshing skills a must. Applicant must be a college graduate in journalism and newsroom computer system experience. Call our job line at (402)346-6556 ext. 7775 for details! Requires pre-employment drug testing and background check. EOE, M/F, Please send resume and tape to or fill out application at: WOWT/HR, 3501 Farnam Street, Omaha, NE 68131, Fax (402)233-7885 or Email hr@wchtv.com

Chief Photographer WCBD-TV Media General Broadcast Group www.mgbg.com is looking for an experienced photojournalist to shoot and edit local TV news. Must have experience shooting & editing television news tape. Must have microwave live shot experience, demonstrated leadership ability, and technical and aesthetic skills. No phone calls. 

Newscast Directors WTCI/WDKA (FOX) is looking for a news director with a solid background in investigative and enterprise reporting, plus high energy, high content newscast. This is an award-winning news team that needs very good leadership. A minimum of 3 years experience as news director required. Strong hands-on management and administrative skills a must. Female and minority applicants urged to apply. Send qualifications and resume to Box 01610 EOE. M/F/D/V.

HELP WANTED NEWS

Seeking a Marketing Director.

For Norfolk, technical or engineering school.

Immediate opening for the Daytime Executive Producer /Operations Executive, Sinclair Broadcast Group www.mgbg.com is seeking an experienced, organized, and creative candidate to work with and supervise the news department in the Snyder, Drew Carey, 5pm City, regional sports and much more. Candidate must have 3 years media sales experience, excellent organizational skills and a desire to share their "knowledge". Send resumes. Box #035

Seeking a News Anchor.

For Norfolk.

Immediate opening for an anchor with 10 years of experience, able to handle the daily pressure. The ability to work flexible hours. We shoot DTV-PRO and Beta. Send resume and tape to: Jerry Min, Production Manager, WTNH-TV, New Haven, CT, 06510. EOE.

Indianapolis, IN WTAY (WB) Broadcast Engineers

Immediate opening for a maintenance/operations engineer. Candidate should have troubleshooting experience to handle including computers, VTRs and various recording and processing devices. Should be able to perform systems maintenance and installation of new equipment. Broadcast experience a plus but will consider a recent graduate of technical or engineering school. Send resume and cover letter, noting desired position and referral source by November 15. Box #040

Lexington, KY WDKY (FOX) National Sales Manager

Immediate opening. Candidate must have previous national rep or agency experience. Must also have a love for travel and experience in Scarborough research is a plus! Send resumes. Box #050

Norfolk, VA WTVY (WB) Marketing Director

Seeking a dynamic Sales Marketing Director. Responsible for developing/implementing sales and station promoting ideas. Work with sales force and promotion department to increase sales. Sell new digital sales. Experience in both television and Cable is a plus. Send resume to: Jerry Min, Production Manager, WTNH-TV, New Haven, CT, 06510. EOE.

Norfolk, VA WTVY (WB) Research Director

Looking for a future superstar to assist our sales force in their efforts to increase revenue and market share. The duties of this position focus on, but are not limited to, processing and maintaining quarterly sales avails, creating qualitative presentations, and creating maintaining daily sales pieces. Experience with Microsoft Word and Excel a plus. Send resume to: Jerry Min, Production Manager, WTNH-TV, New Haven, CT, 06510. EOE.

Various Locations Account Executives

Must be able to handle agency business and develop new business. Strong negotiations and communication skills, thorough knowledge of ratings/research tools and working knowledge of computers, required. No phone calls. 

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HELP WANTED NEWS

NBG25, Sports Reporter: Energetic, self-motivated individual to become part of its three person sports dept. Must be able to shoot, edit and write. Some fill-in anchoring necessary. Send VHS Tape and resume. Weather/MultiMedia Producer: products in the NBC 25 viewing area. These two products are on the cutting edge, and will provide you with an excellent income and the opportunity for growth. Send VHS Tape and resume. Live Truck Operator/ENG Person: Position requires gathering spot news or other events as assigned. Must be able to shoot video & gather essential facts critical to story development. Also responsible for storing live truck and newswriting. Applicant should have an eye for visually appealing shots, demonstrate good news judgement and have good communication skills. Send resume. Reporter/Photographer: Highly motivated individual needed to shoot, write, edit and gather news. Must demonstrate good news judgement and good communication skills. Send VHS Tape and resume. WHAG-TV is a small market NBC Affiliate. We offer a comprehensive benefit package, including 401(k) and section 125 plans. WHAG-TV, Dept. W, 13 East Washington Street, Hagerstown 21740. Drug Screen Required. EOE. No phone calls please.

FOX28 News is expanding its entire staff. We need qualified candidates to fill full and part time positions as News Reporters, Anchors, Sports Anchor, Producers, Editors, Weather Anchors plus in all studio support positions. Tapes, resumes, salary requirements to: Gary Cooper, News Director, KAYU-TV, 4600 S. Regal, Spokane, WA 99223. EOE.

WHOI-TV has an opening for a General Assignment Reporter. Candidate must have strong writing and news gathering skills, plus the ability to handle breaking news. The ideal candidate will have one or more reporting experiences. Send resume and tape to Pat Livin- gston, News Director, WHOI-TV, 500 N. Stewart Street, Creve Coeur, IL 61610. EOE.

WHOI-TV seeks a full time 6pm and 10pm Produc- er. A person to produce it’s innovative, fast paced, high story count Six and Ten PM newscasts. Person must have strong writing and editorial skills along with the ability to work fast and make decisions. Send resume to Pat Livingston, News Direc- tor, WHOI-TV, 500 N. Stewart Street, Creve Coeur, IL 61610. EOE.

News Director: KRRC-G-TV, a CBS affiliate serving Mid-Missouri needs a leader for its top-rated news department. The successful candidate will have an exceptional journalistic abilities, strong people and coaching skills, be quality driven, and have the ability to develop and communicate a clear vision of the future. Candidate must have a 9 years management or producing experience. Send resume, news philosophy statement and VHS tape to: Betsy Farris, VP/GM, KRRC-TV, PO Box 659, Jefferson City, MO 65102. EOE.

Weekend Director: WAVY (NBC) and FOX43 are looking for a Saturday and Sunday director and weekend newscast coordinator. We hire on a weekly basis on production duties including camera, audio, and production director. May also do weekday newscasts. Two years newscast directing and switching required. Send tape, resume and salary requirements to Dave Whitener, Production Manager, WAVY-TV, 300 Wavy St., Portsmouth, VA 23704. EOE.

HELP WANTED PROMOTION

Senior Promotion Producer: Tired of being left out of the loop? Want to promote a news product that can deliver all those promises you made? Want to produce promos that will finally bring you all those awards and acclaim you deserve? Welcome Home to WXJ-T. Duties will include producing news packages, special assignment and, of course, topics. Minimum 2 years promo- tion experience required. Non-linear and photog- raphy skills a plus. Team work and patience are a sense of humor a must. Send tape and resume to Jan Haswell, WXJ-TV, 4 Broadcast Place, Jacksonville, Florida 32207. 904-393-9865. E-mail: haswell@wxjt.com EOE.

Media General Broadcast Group www.mgbg.com Promotion Producer/Editor WCBD-TV Excellent opportunity for experienced Promotion Producer/Editor in beautiful Charleston, South Carolina. Minimum of 2 years television station experience and highly skilled with editing equipment (especially non- linear experience). Candidates should have strong writing/producing skills ranging from image to topical promotion. College degree preferred. Team work a necessity. Send demo tape. EOE M/F Drug Screen. Send resume to HR Dept. 210 West Coleman Blvd., Mt. Pleasant, SC 29464.

HELP WANTED PUBLIC RELATIONS

Public Relations Specialist KGW, a Belo sta- tion and the NBC affiliate in Portland Oregon has an immediate opening for an individual to work as a Public Relations Specialist in the station's Creative Services department. Responsibilities in- clude maintaining a news promotion inventory; coordinating the recording of all syndicated promos; coordinating the crea- tion and tagging of all syndicated on-air promos and IDs; writing all station press releases; writing daily topical spots for Sunrise show; and assists producers, when requested, to set up promo shoots. Assists Creative Services Director in creating station events and promotion oppor- tunities. Also write daily topical spots for Sunrise show; picking up and dis- tributing Creative Services mail and faxes; acts as a liaison between Creative Services and other departments to help coordinate events; Proofreading; word processing; on-air talent, and trafficking radio promos and scripts to stations, primarily during sweeps periods. Candi- date should have excellent written and oral communication skills. Must also be detailed or- ented, creative and have great organizational skills. Requires tactfulness in dealing with clients, viewers and fellow employees. Strong computer skills using Office 97 Word and PowerPoint pro- ducts required. Must be able to multi task and handle multiple deadlines. College degree pre- ferred. Interested individuals should send their re- sume, and references to: Human Resources, KGW, 1501 SW Jefferson St, Portland, OR 97201. EOE. Drug Testing.

HELP WANTED CREATIVE SERVICES

Senior Graphic Artist NBC 13, Birmingham, AL is seeking experienced Broadcast Artist with ex- ceptional design skills. This is an excellent op- portunity for a creative, dynamic individual with strong interpersonal skills and attention to details. Promotion writing and design a plus. Effects a must. Join a cutting-edge creative team and make your artistic mark today! Qualified candidates should send resumes to: Human Re- sources, NBC 13, 1732 Valley View Drive, Birm- ingham, AL 35209. EOE.

HELP WANTED PRODUCTION

Graphics Operator: Empire Sports Network located in Western NY is seeking a qualified Graphics Operator possessing a four-year de- gree in broadcast communications or comparable technical background. Must have at least 3 years experience in live commercial TV. Must be profi- cient with infinite type choron equipment. Should have working knowledge of standard video pro- duction including video editing. Experience in operations are experience writing and producing a must. Energetic, self-motivated and have a keen desire to create. Should have a resume tape with an impressive body of work available that can visually demonstrate your skills and experience. A genuine interest and understanding of sports and programming is essential. Must possess a valid driver's license with a good driv- ing record. Successful applicant must pass a drug test, physical examination, criminal record check, and driving record check. Submit resume, (specify position and ESN90508), by Nov. 22, 1998, to: Empire Sports Network, Attn: John De- muzzio, 785 Indian Church Rd., W. Seneca, NY 14224. No phone calls. EOE.

Assistant Director, Creative Services, WABC- TV: The ABC owned station in New York City needs a smart professional for the number two position in the creative services department. We're looking for a creative leader who will oversee on-air promotion efforts, supervise a large staff including an art dept., and be able to write and produce great spots in short time. Three years experience writing and producing a must, excellent people skills required, prior man- agement experience needed and experience using an AVID and/or digital on-line edit suite a plus. Please send resume, cover letter, and tape to: David Vianello, Director Creative Services, WABC-TV, 7 Lincoln Square, New York, NY 10023. No telephone calls, faxes, or E-mails please. We are an Equal Opportunity Employer.

HELP WANTED FINANCIAL & ACCOUNTING

KSAS-TV/Phoenix, Fox 10 is seeking a VP of Finance. Qualified candidates must have Bachelor deg. in accounting/finance (CPA or MBA preferred). Strong accounting skills, 4-7 years accounting req. (broadcast pref.). Strong management, interpersonal and people skills. Resp for management of all phases of account- ing, general ledger, A/R, budgets, program amortization, financial reports and contract negoti- ation. Send resume, cover letter, and tape to: Steve Strazzeri, Controller, KSAS-TV, Phoenix, AZ 85014. EOE.

HELP WANTED TRAFFIC

Traffic: WWOR-TV's Traffic Department has positions in our Secaucus, New Jersey location. Responsibilities include: scheduling, news and weather, miscellaneous copy, spot placement, maintaining program formats, timing the log and various other traffic tasks. Candidates should have one to two years experience in any of these or related areas. Must be detailed oriented and have strong organiza- tional and computer skills. Previous BIA/S experi- ence a plus. Mail or fax your resume to WWOR- TV Attn: Liz Rivera 9 Broadcast Plaza, Secaucus, NJ 07096 fax (201)350-3470. EOE M/F/D.

SITUATIONS WANTED VOICE SERVICES

Art Kevin “Boss” Voice Avail. Spots. Station image liners. Narration etc. Millennium special: 3 mins. Free E-mail: Copy 10: raidiant@ix.netcom.com - or call: 702-592-5899.
SITUATIONS WANTED LIGHTING

Position Wanted: Experienced lighting director looking for a FT lighting position in video that could enhance my skills. Call Ken at 612-869-0757.

CABLE

HELP WANTED MANAGEMENT

Discovery Kids, a division of Discovery Communications, Inc., is seeking qualified candidates for the following position in our New York office: Manager (Programming) Supporting the development of upfront/quarterly scheduling strategies, you'll research and design programming stunts/events. Analyze rating reports and recommend programming strategy adjustments; participate in the development and delivery of on-air promotions; supervise the implementation of PDS/Gabriel scheduling systems. Requires a BS/BA, 3 years' experience in television programming/production, and proficiency in MS Word/Excel and Lotus Notes. Must be highly creative, analytical and an effective communicator. Discovery Communications offers an outstanding benefits package and a competitive salary. For immediate consideration, please fax your resume to: (212) 548-5070; or mail to: Discovery Communications, Inc. Attn: Discovery Kids, 641 Lexington Avenue, 9th Floor, New York, NY 10022. Only candidates selected for interviews will be contacted. No phone calls, please. EOE.

HELP WANTED NEWS

Accepting resumes for Experienced Producers. To produce music programming live and taped. Send resume: Black Entertainment TV, 1899 9th Street NE, Washington, D.C. Attn: Tia Butler.

CABLE

HELP WANTED PRODUCTION

Video Production Manager

Exciting opportunity for Video Production Manager with fast-growing production team at Comcast Communications. Minimum 5 years' management experience with commercial and program video production. Proven creative track record and effective leadership experience. Strong verbal and written communication skills. Commitment to customer service needed for success in this position. Please submit resume, cover letter and non-returnable VHS demo reel to, or apply at

Comcast Communications, Inc. (formerly Jones Intercable, Inc.)
Attn: Frances Gibson
4611 Montibello NE
Albuquerque NM 87107

Equal Opportunity Employer, M/F/PWD/V.
Successful Candidate will be required to submit to a drug test and background check.

CABLE HELP WANTED SALES

CableRep Phoenix
Interconnect Local Sales Manager

Huge growth opportunity for the right person! CableRep Arizona Advertising, the advertising sales division of Cox Communications, is seeking an aggressive, self-starter that enjoys a fast-paced, dynamic sales environment in one of the largest markets Cox Communications services. The ideal candidate should possess a minimum of three years media sales background, and a minimum of two years of quantifiable success in sales management. H.S. Diploma or equivalent required. BS/BA degree in Marketing, Broadcasting preferred. Requires completion of specialized training in business administration, sales and marketing techniques. Responsible for leading Interconnect Sales Representatives in all facets of attainment for sales goals for 41 cable networks. Includes development of sales training tools, coaching and performance evaluation. Excellent organizational and interaction skills, working knowledge of the following computer-based software programs: Word, Excel, Salescan and Cablescan. Cox Communications offers a motivating competitive wage, outstanding benefits and an excellent environment to succeed. Salary + Override. Competitive only need apply to CableRep Arizona, Attn: HR-LSM, 2020 N. Central Ave. #400, Phoenix, AZ 85004 or FAX (602) 379-2459. EOE

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Massachusetts AM's. Small city AM's. Collocated fulltimer and daytimer. Opportunity for entry into under-radioed medium market 1.6M. SalesGroup 781-848-4201.

INTERNET SERVICES

Parrot Media Network (www.parrotmedia.com) offers online databases of over 70,000 media executives with extensive up-to-date info on thousands of media outlets. U.S. and international TV Stations, Networks, Groups, Radio, Cable Systems, MSOs, Cable Networks, Satellite Operators, Radio, Press/Publicity, Newspapers, Advertising Agencies, Movie Chains and Movie Theatres. $49.95/month. Call for FREE one day password. All information also available in directory and computer disk formats. 1-800-PARROTC

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All orders to place classified ads & all correspondence pertaining to this section should be sent to BROADCASTING & CABLE, Classified Department, 245 West 17th Street, New York, NY 10011. For information call Brent Newmoyer at (212) 337-6962 or Yuki Atsumi at (212) 337-6960. Payable in advance. Check, money order or credit card (Visa, Mastercard or American Express). Full and correct payment must be in writing by either letter or Fax (212) 206-8327. If payment is made by credit card, indicate card number, expiration date and daytime phone number.

Deadline is Monday at 5:00pm Eastern Time for the following Monday's issue. Earlier deadlines apply for issues published during a week containing a legal holiday. A special notice announcing the earlier deadline will be published. Orders, changes, and/or cancellations must be submitted in writing. NO TELEPHONE ORDERS, CHANGES, AND/OR CANCELLATIONS WILL BE ACCEPTED.

When placing an ad, indicate the EXACT category desired: Television, Radio, Cable or Allied Fields; Help Wanted or Situations Wanted; Management, Sales, News, etc. If this information is omitted, we will determine the appropriate category according to the copy. NO make goods will run if all information is not included. No personal ads.

The publisher is not responsible for errors in printing due to illegible copy—all copy must be clearly typed or printed. Any and all errors must be reported to the Classified Advertising Department within 7 days of publication date. No credits or make goods will be made on errors which do not materially affect the advertisement. Publisher reserves the right to alter classified copy to conform with the provisions of Title VII of the Civil Rights Act of 1964, as amended. Publisher reserves the right to abbreviate, alter or reject any copy.

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The heed Martin to market, bringing down into the natory satellite legislation where and buy more AM $69 million of the proceeds stations, said ing company about lion more shares $320 million. pleased with our early showing. ABC shot out all- ABC's second sweeps during the first week of the all-important November sweeps race. The two-hour original film, Annie, led off the evening with an impressive 26.7 million-viewer average. The viewers who tuned in for Annie and Daddy Warbucks stuck around for more bucks. Millionaire scored its best ratings yet, averaging a 9.2/19 in adults 18-49 and 25.9 million viewers. The Regis Philbin-hosted game show followed that up with time-period victories in every category through Nov. 10. While ABC was enjoying a strong start to the sweeps, the news wasn't the same for the other Big Four networks. NBC, Fox and CBS were all down or flat compared to last year's early November sweeps results in terms of adults 18-49, total viewers and households. CBS was off 3% in adults 18-49 (3.8), 2% in total viewers (13 million) and flat in household average (9.0 rating). NBC was down 14% in adults 18-49 (5.4), 9% in total viewers (13.26 million) and 9% in households (9.1). Fox was off 23% in adults 18-49 (4.6), 27% in total viewers (9.36 million) and 26% in households (6.1).
Broadband & Internet Services, Dan Somers is studiously avoiding speculation about new deals and tracking stocks to focus on execution. “What we need to do in our business now is functionally deliver to customers their expectations,” Somers said last Thursday during a technology and business strategy briefing with media.

“I’m not going to talk about deals, financial instrumentation or anything else. The message you [should] walk out of here with is the team that’s here is committed to deliver.”

That, says Somers, is the message he and his executive team will deliver at an analyst conference in New York in early December.

At the same time, Somers isn’t shying away from potentially fractious intra-industry conflicts. AT&T in early November hosted what one executive characterized as a “summit” meeting with Excite@Home and its cable partners in Denver. The main topic: @Home problems, which have prompted some partner MSOs, including AT&T, to back off initially aggressive plans for rolling out the Internet-over-cable service.

Cable’s grudges with Excite@Home include inability to connect to @Home’s fiber backbone, @Home delays in activating service between its local points of presence (POPs) and cable headends and snafus in managing bandwidth once service is initiated.

“At Home has seriously dropped the ball in several markets,” said Tony Werner, executive vice president—engineering and chief technology officer at BIS. About 10% of @Home markets have encountered problems, Werner estimated.

As a result of the “summit,” which was a regularly scheduled session between cable operators and @Home, “I think [@Home’s] George Bell realized that there’s a tick-tick-tick clock going,” said Somers.

AT&T continues talking with other cable operators about potential phone deals, although such talks with Time Warner Entertainment (TWE) are on hold until AT&T closes on its merger with MediaOne, Somers said. (MediaOne owns 25.6% of TWE.) Meanwhile, AT&T and Time Warner are talking about how their relationship will change once the TWE partnership is restructured, Somers said.

—Price Colman

dios USA’s drama ‘DC.’
The WB has cut its initial order of 13 episodes down to seven, including the pilot, and sources say the show may not make it on the air at all this season. The series about young interns in Washington, D.C, is being produced by Wolf, and WB executives had expected to launch the series some time after New Year’s. A WB spokesman said plans for the show are still being formulated.

Companies developing competing in-band, on-channel technologies will get a chance to make their case on Jan. 24. That’s the FCC’s deadline for comments on its plan to create a digital radio service. Replies are due Feb. 22.

Going into November sweeps, members of Congress last week urged six broadcast network heads to bring back the family hour. “We urge you to reverse course and reinstate the family hour, once again making that time slot suitable for children,” wrote Sens. Sam Brownback (R-Kansas) and Byron Dorgan (D-S.D.) and Reps. Henry Hyde (R-Ill.) and Jim Roemer (D-Ind.) to ABC Entertainment Chairman Stuart Bloomberg; CBS Television President Leslie Moonves; NBC Entertainment President Garth Ancier; Fox Entertainment Group President Doug Herzog; WB Television President Jamie Kellner; and UPN President Dean Valentine. The lawmakers wrote that some studies show that this season’s prime time contains “more violence, profanity and sexual depictions than ever.”

NBC executives have ordered seven episodes, including the pilot, of ‘Battery Park,’ a new Gary David Goldberg (Spin City, Family Ties) comedy for next fall. The half-hour from DreamWorks will star Elizabeth Perkins (Big) and Justin Louis (Trinity). NBC executives say the comedy will look at police detectives from all walks of life working together in New York City’s Battery Park area. It should debut later this year.

NBC has also given a pilot commitment to a Touchstone Television comedy that will be written and executive produced by Adam Herz (American Pie). It’s being developed for fall 2000 and will be set at a 1970s or 80s high school, much like American Pie.

Columbia TriStar Television Distribution’s syndicated action hour ‘V.I.P.,” starring Pamela Anderson Lee, has been renewed through 2002 in more than 60% of the country, according to CTTD. The clearances include the Fox Station Group. CTDD also has cleared its new action hour, Sheena, starring another former Baywatch actress, Gena Lee Nolin, in more than 50% of the country. Individual stations that have picked up Sheena for fall 2000 are from groups including ABC O&Os, Lin, Spartan, Cox, Tribune, Hearst-Argyle, A.H. Belo, Newsweb, Clear Channel and Raycom.


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NOVEMBER 15, 1999 / BROADCASTING & CABLE 113

In Brief

Cablecasting's 'Chicken of the Sea' deal with the Miami Dolphins, announced last week, will not go into effect.

Cable operators can expect to see an expansion in the number of HD channels available through DIRECTV's satellite, according to a new study by the Electronic Industries Association.

The National Association of Broadcasters last week rejected a proposal by the Detroit Market Coalition to let stations use a single antenna. NAB chairman Tom Martin said the proposal is not in the public interest.

Walt Disney's ABC is extending its alliance with the BBC for a third year. The deal will give ABC access to internationally popular programs.

The cable industry is to spend $2.3 billion on marketing this year, compared with $1.8 billion that was spent in 1998.

Cable providers are expected to spend $15 billion on advertising this year, according to a new report from cable.TV.

The FCC is expected to release its network ownership orders by year-end, although it has yet to make a formal announcement.
Get on with it

We can see the headlines in the New York tabloids now (even if Mel Karmazin says he can't): FCC Smacks Down UPN! Feds Fold Netlet! UPN Upended!

Elsewhere in these pages, Karmazin says he wants the FCC to relax its dual-network rule so that the combined Viacom-CBS may continue to operate CBS and UPN. But, he is also careful to point out, he doesn’t need the relief. The rule, he says, will not stand in the way of an $80 billion merger (Karmazin’s figure), particularly since UPN is not the jewel in this crown (cable assets, cross-platform marketing opportunities and international holdings are higher on the list of merger motivators).

The position is canny gamesmanship as well as economic pragmatism. Karmazin knows—and the FCC should know—that without Viacom-CBS to help cover its considerable losses (around $180 million a year), 50% owner Chris-Craft/United is unlikely to sustain UPN on its own. If the FCC denies Viacom-CBS the ability to own half of UPN, it is effectively killing UPN. That’s when the headline writers go to work.

We agree with Karmazin that the dual-network prohibition makes no sense in an era when a Turner can own TNT and CNN and TCM and TBS and when owners can have two stations in a market and, with multiplexing, potentially many more. The scarcity argument has long been threadbare. It is now in tatters.

“We can take a second network—call it CBS II—and put it onto cable,” Karmazin says. “The only people who would get hurt [by the fact that they can’t do that on broadcast TV] are the 30% of the people who don’t have cable, and those tend to be the poorer people and minorities.” That is just the constituency that the FCC wants to protect in the new media millennium.

Karmazin thinks he can strengthen UPN. And a healthy UPN is, right now, one of network broadcasting’s best answers to charges that its programming is too white. Its schedule has a high percentage of minority cast members.

The FCC needs no other justification for relaxing the dual-network rule than the perpetuation of a sixth broadcast network, available to all for the price of a TV. The agency doesn’t need programming commitments. And it doesn’t need to insist that Viacom-CBS bring minorities into the ownership of UPN, unless, of course, they are willing to share fully the risks as well as the potential rewards.

It is in the public’s interest to approve Viacom-CBS’ ownership of the network. And it is in the FCC’s interest for the headline to read: Feds Save UPN!

...and on with it

Should the compulsory license/retransmission consent scheme that now covers cable, and will soon—we hope—cover satellite retransmissions of local TV signals extend to Internet streaming? Fearing that it might, Hollywood interests are trying to insert language into the satellite reform bill to make sure it doesn’t. Copyright holders don’t want to see their content bouncing around the globe on the Web at what it sees as a bargain-basement price (a government-regulated blanket license rather than the sort of free-market model that could keep the cash registers jingling like perpetual Christmas).

The issue is complicated, and we frankly don’t yet understand all the implications, permutations and ramifications. But we do know that broadcasters’ signals should not be streamed without their permission, that content providers should be compensated for play online as on anywhere else, and that neither of these issues should, or we trust, will be the undoing of an overdue satellite bill.
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