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BROADCASTING & CABLE

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April 14, 2003

NAB WRAP-UP



War jitters and a bad economy accompanied this year's NAB show. Attendance was down, and some exhibitors said the floor seemed too empty. But there were some technological highlights, too.

SEE NAB WRAP-UP BEGINNING ON PAGE 42

Another Fight Over Carriage

BY PAIGE ALBINIAK

An agreement last December between TV-set manufacturers and cable operators to build cable-ready DTV sets would not require those sets to include

digital TV tuners—and some broadcasters fear that would cut them out of the loop.

On March 28, the National Association of Broadcasters and the Association of Maximum Service Television (MSTV) filed comments with

Continued on page 71

Rupert's Vertical Reality

Tough sledding ahead, but Murdoch finally has his DBS system

BY JOHN M. HIGGINS

Rupert Murdoch should have a much easier time clearing regulatory scrutiny than did the previous suitor of giant DirecTV, EchoStar's Charlie Ergen. But that doesn't mean the News Corp. chairman won't have to quiet the alarms last week's satellite-TV deal is setting off around Washington.

One shrieking alarm is Murdoch's seeming concession to cable operators, which would face News Corp.'s Fox both as their biggest competitor and as one of their most important program suppliers. Murdoch declared that he would abide by federal program-access rules that currently govern only cable networks with co-owned cable systems, not satellite TV. Those

The Five Media Empires					
With DirecTV, News Corp. becomes the first of the big five media companies with a strong position in each of the five segments of the TV business					
	AOL TW	Disney	NBC	News Corp	Viacom
TV Stations	✗	YES	YES	YES	YES
MVP*	YES	✗	✗	YES	✗
Local Net	YES	YES	YES	YES	YES
Cable	YES	YES	YES	YES	YES

*Multichannel video provider (cable or DBS)

rules prohibit such networks from discriminating in their distribution deals.

But cable executives' attention has been drawn to a footnote in News Corp.'s pledge sent around Washington last week. "You can drive a Mack truck through that," said Michael Willner, CEO

of Insight Communications and chairman of the National Cable & Telecommunications Association.

"There's going to be a war out there," says Rocco Commisso, CEO of Mediacom, the No. 9 MSO. "The government should
Continued on page 70

MADISON AVE.

DOWNER
16M

Automakers may sell only 16 million cars in 2003, but it's not all bad news
TV BUYER, PAGE 34



BROADCASTER OF THE YEAR

DENNIS FITZSIMONS

He's Got It All

When the TVB convenes its annual meeting April 15 at the Auto Show at New York's Javits Center, Tribune Co.'s new CEO Dennis FitzSimons will be lauded as BROADCASTING & CABLE'S Broadcaster of the Year. **PAGE 15**

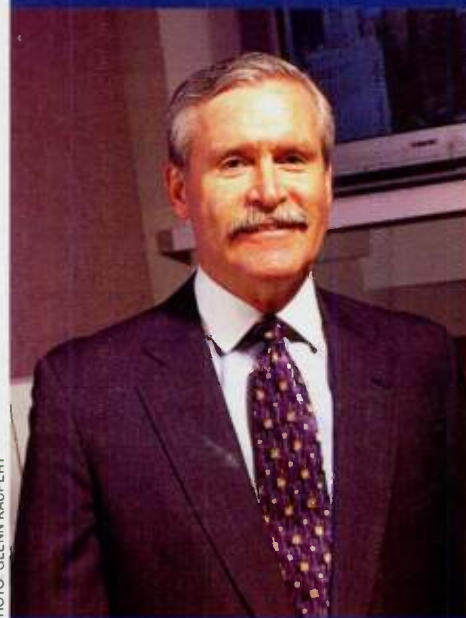


PHOTO: GLENN KAUFERT

NEWSPAPER

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ABC's On-Demand 'Moviebeam' Gets a Test

Without fanfare, network experiments with streaming service

BY STEVE MCCLELLAN

Two years ago, when it was trying to dazzle its TV affiliates with an array of potential broadcast-spectrum projects for the digital age, Disney and ABC officials were calling one such project "Blockbuster in a Box" or "Movie Box." The idea was to digitally stream movies via the unused portion of a station's spectrum to set-top boxes for an on-demand pay-TV service.

Two years later, the project is still taking shape. Now, though, the proposed service is called "Moviebeam" and is scheduled for testing in three markets—Salt Lake City and two still to be determined—later this year. Those tests will try to assess consumer demand for the service, which will offer 100 Disney movies from both current and library product.

That much was revealed by Walt Disney Co. CEO Michael Eisner in a speech at the NAB convention last week that dealt mostly with piracy and copyright issues.

Beyond that, Disney wasn't saying much. But sources indicated that the proposed service is now based on technology developed by Dotcast Inc., a Seattle-based datacasting firm in which Disney has purchased what some said last week is a controlling stake. A Disney spokeswoman refused to confirm or deny those reports. Dotcast President Doug Evans did not return repeated calls to his office by deadline.

The Moviebeam service will be delivered via the analog broadcast spectrum, although involvement by ABC affiliates will be limited for a number of reasons. Sources say that, with the Dotcast technology, the movies can be

delivered only on the high end of the VHF band and not on any part of the UHF TV band. Additionally, some PBS stations will get first crack at carrying the service because of an agreement between PBS and Dotcast that pre-dates Disney's investment in the latter.

Jackie Weiss, CEO of PBS National Datacast, referred all questions about Moviebeam and PBS's involvement with it to Disney. She did

work has not offered a specific business proposal for affiliates to consider. He did confirm that station participation would be "somewhat limited" given the inability of low-end VHF and UHF outlets to become involved.

That situation could change. As envisioned, the service would "migrate" to digital spectrum once stations begin to more fully utilize their digital channels. "Whether that hap-



ABC will test its Moviebeam service with Disney fare like *The Emperor's New Groove*.

confirm PBS's ongoing "relationship" with Dotcast.

Sources familiar with the situation say Dotcast tested the technology for Moviebeam in Seattle on both the ABC and PBS outlets some time last year and it appeared to work well.

Bruce Baker, executive vice president of Cox Broadcasting and chairman of the ABC TV affiliates advisory board, confirmed that Disney/ABC executives had briefed the board on the service a couple of weeks ago. A number of affiliates said they weren't aware of it, however.

Baker said it is hard to assess the service at this point because the net-

pens in our lifetime is an open-ended question," quipped one network executive who remains doubtful.

And some critics say Dotcast technology may have at least one technical snag. In March, Modulation Sciences Inc. told the FCC that it believes Dotcast's datacasts could cause interference with certain audio feedback channels used primarily for electronic newsgathering. MSI asked for further testing of the Dotcast technology before the company is allowed to launch a full-fledged service. Dotcast responded that MSI was too late with its request and did not have standing in any event. ■

BREAKING...

Fox News Beats CBS's *Morning Show*

NEW YORK—Red-hot Fox News Channel is nipping at the broadcast networks. For the week of March 31-April 4, Fox's morning show *Fox & Friends* averaged more viewers than the *CBS Early Show*. *Fox & Friends* attracted 2.9 million viewers to CBS's 2.8 million. NBC's *Today Show* (with 5.8 million viewers) and ABC's *Good Morning America* (5.4 million) were still comfortably in front.

CNN Exec Reveals Uday Hussein's Plots

ATLANTA—CNN's chief of newsgathering Eason Jordan said Saddam Hussein's son Uday told him in 1995 of a plot to assassinate the King of Jordan. CNN's Jordan recounted this and other stories of his dealings with the Iraqi regime in an April 11 *New York Times* op-ed piece. "Now that Saddam Hussein's regime is gone," Jordan wrote, "these stories can be told freely."

A&E To Launch *House of Dreams*

NEW YORK—A&E is getting in on the lifestyle-programming craze. For the net's new reality show *House of Dreams*, 13 contestants will plan, build and decorate a dream house. One unlucky builder will be "evicted" each week until just one remains and the winner gets the house. Granada Television developed *House of Dreams* for A&E. No word yet on a debut date.

ABC, NBC To Meet Affiliates at Promax

LOS ANGELES—ABC has decided to hold an affiliate meeting in conjunction with the Promax&BDA Conference June 4-6 at the Westin Bonaventure hotel in L.A. NBC will also hold an "affiliates day" during the conference, with NBC President Jeff Zucker scheduled to address the attendees.

Crossing Over Spreads Out

NEW YORK—Universal's *Crossing Over With John Edward* has been sold to the nine Fox TV stations in the top 20 markets for fall 2003. The show has already been airing on Fox-owned stations in New York, Chicago and Houston, but the group deal will necessitate some major switches among Fox's other top-20 market stations, including in No. 2 market Los Angeles, where it will shift from KCAL-TV to duopoly KTTV(TV)/KCOP-TV.

BROADCASTING & CABLE

April 14, 2003

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FCC Says Cut Smut or Shut Down

BY BILL MCCONNELL

A Supreme Court showdown appears to be brewing over the federal government's power to punish radio and TV stations for indecent or obscene broadcasts.

If the FCC makes good on recent—and unprecedented—threats to revoke permits of licensees that repeatedly violate restrictions on raunchy broadcasts, justices undoubtedly will be forced to settle a longstanding debate over the constitutionality of the commission's avowed authority to fine or shut down broadcasters for what is said on the air.

In a break from his own expressed reservations over FCC authority, FCC Chairman Michael Powell said the commission will revoke licenses of stations that repeatedly violate the agency's restrictions on broadcasts found obscene or harmful to children.

"At some point, enough is enough," Powell told broadcasters attending the NAB's convention in Las Vegas.

Powell's comments were a warning that an April 3 admonition to Infinity Radio for an indecent broadcast by the company's WKRK-FM Detroit extended to the entire industry.

"Revocation is an option under the law," Powell said, although "only the most egregious, willful, repeated flouting of the law will justify that penalty."

The FCC has fined many radio stations but has never exercised its declared right to revoke a license for violating indecency or obscenity rules. Some First Amendment experts dispute the FCC's stated authority and predict companies will defend licenses to the highest court rather than comply with a revocation order.

"It would likely lead to a landmark case," said Robert Corn-Revere, a Washington attorney specializing in First Amendment cases.

The 1978 Pacifica Radio Case that set the first precedents for current FCC indecency rules was upheld only because the FCC issued a letter of admonishment, Corn-Revere said, rather than levy a fine or other sanction. In his view, the rules are on shaky ground because the court later agreed to let Evergreen Media defend an indecent broadcast by WLUP(AM) Chicago on First Amendment grounds. Judges never ruled in that 1994 case because the FCC

dropped a fine and agreed to publish indecency guidelines that would clarify when stations cross the line between bad taste and prohibited behavior.

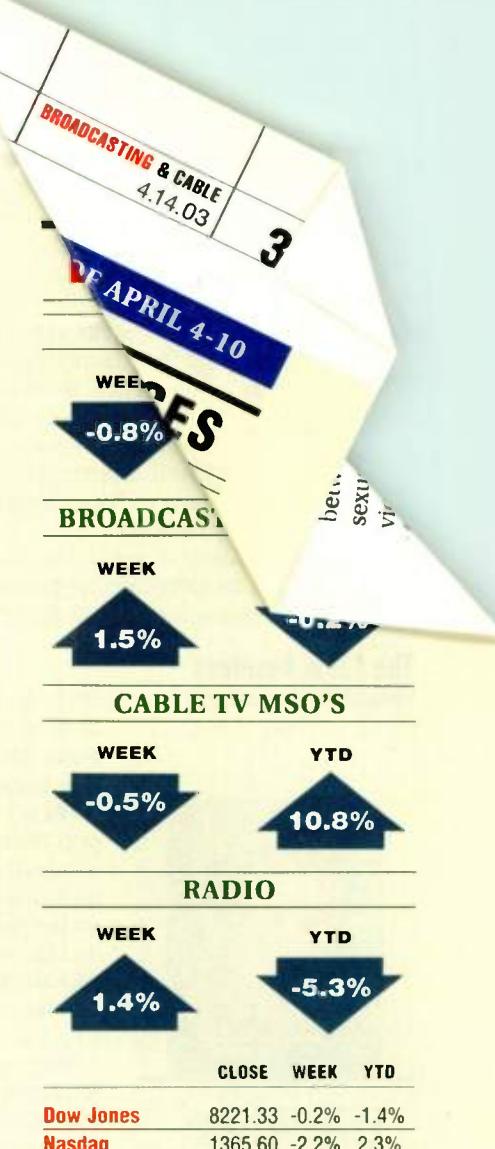
"The question of the FCC's authority to revoke licenses has never been addressed by the Supreme Court, nor has there been occasion to look at financial penalties," he added.

The battle over indecency appears to be coming to a head as media critics and some FCC commissioners complain about increasingly provocative broadcasts by radio shock jocks. Infinity, which has been singled out by the FCC as a possible revocation target because of repeated violations, was fined \$27,000 for a 4:30-5 p.m. segment of the Jan. 9, 2002, *Deminski & Doyle* show, in which nine callers each described an extreme or violent sexual act.

Current rules state that between 6 a.m. and 10 p.m., when children are most likely to be in the audience, broadcasters can't air indecent content "describing or depicting sexual or excretory organs or activities" in a way "patently offensive by contemporary community standards." ■



Washington attorney Robert Corn-Revere says an FCC move to revoke a license would 'likely lead to a landmark case.'



	CLOSE	WEEK	YTD
Dow Jones	8221.33	-0.2%	-1.4%
Nasdaq	1365.60	-2.2%	2.3%

The B&C 10

	CLOSE	WEEK	YTD
AOL Time Warner	\$12.65	12.3%	-3.4%
Clear Channel	\$37.05	1.7%	-0.6%
Comcast Corp.	\$28.41	1.7%	25.8%
Cox Comm.	\$31.00	-0.4%	9.2%
Disney	\$17.34	-1.8%	6.3%
EchoStar	\$28.27	-2.9%	27.0%
Fox Ent.	\$22.60	-19.6%	-12.8%
Hearst-Argyle	\$21.26	0.9%	-11.8%
Tribune	\$46.85	2.4%	3.1%
Viacom	\$40.47	2.8%	-8.5%

GOOD WEEK

Pegasus	\$19.98	42.8%	51.4%
AOL Time Warner	\$12.65	12.3%	-3.4%
SeaChange	\$7.73	6.9%	25.7%
Beasley Bcstg.	\$10.40	6.6%	-13.0%
Valuevision	\$11.26	4.8%	-24.8%

BAD WEEK

Fox Ent.	\$22.60	-19.6%	-12.8%
TiVo	\$4.60	-13.5%	-11.7%
Hughes Elect.	\$10.36	-10.9%	-3.2%
Emmis	\$16.96	-6.8%	-18.6%
Sony	\$32.99	5.7%	20.1%

PEGASUS PLAY

+42.8%

Will someone just buy Pegasus Communications? That's all investors want, as evidenced by the 43% spike the DBS reseller's stock took on News Corp.'s deal to take control of Hughes Electronics. Pegasus has been battered by operating problems and the ups and downs of the various DirecTV takeovers.

Source: CNET Investor (investor.cnet.com). This information is based on sources believed to be reliable, and while extensive efforts are made to assure its accuracy, no guarantees can be made. CNET Investor assumes no liability for any inaccuracies. For information regarding CNET Investor's customized financial research services, please call 415-344-2836.

Clear Channel Drops Pay-for-Play Deals

BY BILL MCCONNELL

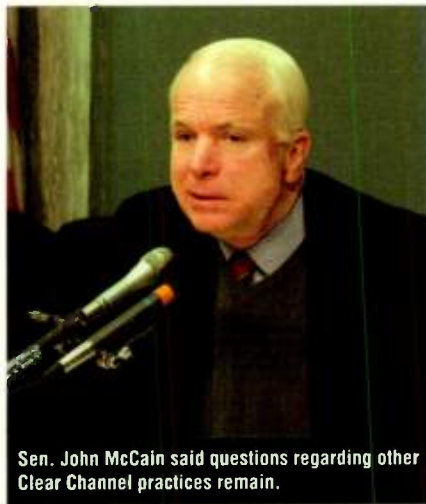
The country's largest radio group will drop the longstanding practice of accepting payments for research from independent promoters also seeking airplay for new songs.

The decision followed months of criticism from Capitol Hill, with legislators questioning whether the deals were simply a new take on the old, and illegal, payola schemes of the 1950s. Payola was criticized for making it harder for new artists to win radio play if they lacked the big-bucks backing of major labels. The same criticism has been leveled at the promoter contracts.

Although Clear Channel denied crossing any ethical boundaries, company executives conceded that pressure from lawmakers and public perception persuaded them not to renew promotion contracts. "We now recognize these relationships may appear to be something they're not," said Clear Channel President and COO Mark Mays. "We have zero tolerance for 'pay for play' but want to avoid even the suggestion that such a practice takes place within our company."

Clear Channel is the second major radio group to renounce the payments. Cox Radio stopped accepting them in October.

Independent promoters have been



Sen. John McCain said questions regarding other Clear Channel practices remain.

paying some stations hundreds of thousands of dollars a year, often with cash provided by record labels. For major station groups like Clear Channel, the fees added millions to the bottom line, but record companies have begun to resent and resist the practice.

Independent middlemen seem an anachronism in today's increasingly consolidated radio market. With conglomerates moving programming duties to regional offices, promoters are less able to capitalize on personal relationships with station executives. As a consequence, record companies increasing-

ly complain that the practice is a form of extortion that forces them to buy their artists onto the airwaves.

Clear Channel has insisted that promoters were paying for proprietary market research, not to win placement of songs.

Company officials said the decision will impact roughly a third of its 1,200 outlets. Because promoters seek airplay only for new songs, they make payments only to Top 40 and other contemporary-formatted stations rather than talk, classic rock or oldies. At Cox, only 14 of the group's 79 stations held contracts with promoters.

While saying the company was moving in the right direction, Senate Commerce Committee Chairman John McCain (R-Ariz.) said questions regarding other Clear Channel practices remain, such as allegations that the 1,200-station group and concert-promotion company often refuses to air music by artists signed with competing promoters. "While not responsive to all concerns raised about Clear Channel," he said, "[dropping promoter deals] appears to be an important step in addressing artists' concerns about pay for play."

The company's decision "is a step in the right direction," said Sen. Russ Feingold (D-Wis.), who has introduced legislation to ban pay for play. Nevertheless, he said Congress should pass legislation banning pay for play anyway. ■

TRACK

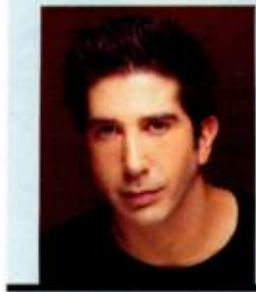
Science

TECHNOLOGY AND SPACE SUBCOMMITTEE last week released research about TV violence from academics who use "mapping science" to study kids and what they watch. Research from various academics suggested a causal connection between TV violence and real violence and argued that violent and sexual images are stored as references for future action. Sexualized violence is "high octane with lingering effects," said **DR. JOHN MURRAY** from **KANSAS STATE UNIVERSITY**.

The subcommittee is chaired by **SAM BROWNBACK** (R-Kan.), who, along with **SEN. JOE LIEBERMAN** (D-Conn.), wants the government to fund brain-mapping research on the effects of the media.

The Show Business

TRIBUNE ENTERTAINMENT has cleared **Family Feud** in 90% of the country for next fall. It airs in 142 markets. **Feud**, produced by **FREMANTLE-MEDIA NORTH AMERICA**, is going into its fifth season. ...



FOX is looking for the kind of ratings pop from the King of Pop for May sweeps that **ABC** got last February from its much-talked-about documentary on the troubled star. Fox is kicking off its May sweeps with the tentatively titled **Michael Jackson's Private Home Movies** on Thursday, April 24 at 8-10 p.m. ET. ...

ABC pulled Monday-night drama **Miracles** after the drama starring **SKEET ULRICH** failed to generate ratings behind **DAVID E. KELLY's The Practice**. For now, ABC will run back-to-back episodes of **The Practice**. **Dragnet**, which airs Sunday at 10 p.m. ET, is the only new drama out of six launched this year that remains on ABC's air. ...

FX more than doubled its prime time average with the debut of original series **Lucky**, a dark comedy about a down-on-his-luck gambler. Although the series premiered last Tuesday to a 2.2 rating and 2.5 million viewers, the numbers didn't match those of **The Shield**, its predecessor in the time period.

Play for Pepsi

After months of speculation, **THE WB** and **PEPSI** have finalized plans to air **Play for a Billion**, a live game-show

special, and **Pepsi Smash**, a live six-episode music series that will debut in July.

Play for a Billion, produced by **MICHAEL DAVIES** of **ABC's Who Wants To Be a Millionaire** and airing this September, will culminate a sweepstakes on Pepsi products starting in May. One of 1,000 sweepstakes winners will get a chance to win the big dough. **Pepsi Smash** will feature musical acts in front of an audience and will include backstage and up-close segments on the artists.

Deals and Dealers

PAXSON COMMUNICATIONS sold **WMPX(TV)** Portland, Maine, and **WPXO(TV)** St. Croix, Vt., to minority-controlled **MEDIA CONSULTANTS GROUP** for \$10 million. The deal brings to 22 the number of U.S. full-power stations owned by minorities. ...

EMMIS COMMUNICATIONS CEO **JEFF SMULYAN** said last week that **FOX**-owned stations in Austin, Texas, and Birmingham, Ala., are among the handful of smaller-market stations he has talked to **NEWS CORP.** about buying. Emmis is also part of a group looking at buying the **LOS ANGELES DODGERS** from Fox as well.

Correction

In the listing of the Top 25 Station Groups (4/7, p. 27), Gannett was incorrectly identified as owning a percentage of Entravision. It has no stake in the Spanish-language broadcaster.

For Now, a War of Words

Sony, Panasonic race to get new formats into the field

BY KEN KERSCHBAUMER

Back in February, the writing was on the wall: War was definitely going to happen. There was an uneasy quiet as plans were unveiled by one side to march ahead in an effort to make the world a better place. Meanwhile, the opposition sat quietly, seemingly doing nothing, leaving many wondering how it would respond to the impending attack.

So, when Panasonic introduced its new camera system based on solid-state SD memory cards last week, it caught the industry by surprise and was just the kind of weapon the company needed at just the right time. Sony's introduction of an optical-disc, blue-laser recording system in February had many reporters wondering when Panasonic would counterattack.

"This is mind-expanding," says Andy Setos,

an unnamed, unseen product is one simply waiting to be mocked. Meanwhile, CNN, NBC and Ohio's Dispatch Broadcast Group announced last week that they had opted for Sony's optical-disc ENG (see story, p. 46).

It has been about five years since the industry has engaged in a format war; that one centered on Panasonic's DVCPRO, Sony's Betacam SX and DVCAM, and JVC's D-9 format.

This one could be more interesting, because each has fundamental strengths and weaknesses that leave openings for the opposition to exploit.

For example, SD memory inherently is vulnerable to radiation and static. And the larger the storage capacity, the more vulnerable it becomes (Panasonic says it is working on a way to solve those vulnerabilities). As for optical disc, the weakness compared with SD is that it still requires mechanical transports, and Sony's initial specs say it can't record below 32

technology



Sony fired the first shot in the current newsgathering-technology war with its optical-disc, blue-laser camcorder (l). Panasonic responded with a camera based on solid-state removable SD memory cards.

president of engineering for the Fox Group. Fox, CBS and Raycom Media will work as consultants with Panasonic.

"There's no waste of tape, less battery consumption, less weight and less maintenance. And multiple people will have access to the content as soon as the disc is put into the system. This will revolutionize every single aspect of TV production."

Dave Folsom, Raycom Media vice president of technology, agrees that the lack of moving parts means more cameras in the field and less in the shop, a constant issue for today's ENG departments.

The revolution is still under development, although the company says it will be shipping in the first quarter of 2004. Panasonic did show members of the press a working prototype of the camera, with some caveats. It used a 512-MB SD memory card instead of the PCMCIA card with four 1-GB SD memory cards mounted on it. Transfer rates on the final system are expected to be 640 Mb/s. The demonstration model's transfer rate was only 10 Mb/s. Nevertheless, it did record, and material was ingested into a laptop PC via an SD memory card reader.

The need for a demonstration came on the heels of needling from the Sony booth, where some wags dubbed Panasonic's new camera the "Balsa-cam." Lesson one in the tech busi-

ness. The former is a problem that can't be solved; the latter, Sony execs believe, will be altered.

"When Betacam SX came out, we were just as conservative with the temperature range, and it has worked fine in Green Bay and Buffalo," says Steve Jacobs, Sony senior vice president of the broadcast and professional systems division. "If there's a *Survivor: Buffalo*, I want them to use Sony's optical-disc system."

Jacobs says the inherent disadvantage of SD memory-based recording is that the price of flash memory over the next five years will not challenge any tape or optical media. "Even Panasonic's own presentation doesn't show SD memory beginning to approach the recording time of today's optical disk until 2007."

Panasonic Vice President, Marketing, Stuart English agrees that optical certainly has more storage capacity (90 minutes vs. 18 minutes) but says Panasonic can resolve that by multiple cards.

There is plenty of room in the industry for two formats so it's hard to say which one or whether there will be a winner.

Check that. There will be one winner. "I don't know which one will be better in the end, but I do know this," says one broadcast executive. "We'll be able to negotiate a great price once we make a decision." ■

'I don't know which one will be better in the end, but I do know this: We'll be able to negotiate a great price once we make a decision.'

Broadcast executive

THE
Congratulations

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and your vision made us the network

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AP PHOTO/WINSLAW TOWNSON

SPORTS

Moonves Wins \$125

Just because CBS airs coverage of the NCAA basketball tournament doesn't mean CBS President and CEO Leslie Moonves has to recuse himself from the office pool. Moonves took sixth place and \$125 in a Hollywood pool that also included Twentieth Century Fox Television President Gary Newman, Warner Bros. Domestic Television President Dick Robertson, *The Bachelor's* creator and executive producer Mike Fleiss, CBS Entertainment President Nancy Tellem and ABC Executive Vice President of Entertainment Mark Pedowitz. —P.A.

TECHNOLOGY

CEA Says No to Labs

Broadcast Labs has suffered a setback. LIN Television's Gary Chapman last week confirmed that Consumer Electronics Association President Gary Shapiro told broadcasters the trade group would not help fund the proposed R&D center. Chapman and other labs proponents have a \$2 million-a-year commitment from NAB, but it's contingent on their getting another \$2 million a year from the consumer-electronics industry. Chapman said he understood CEA's turndown. Only 22 of CEA's many members—the major TV-set manufacturers—stand to gain from the successful deployment of digital TV, the principal goal of the labs, he said. Chapman remains hopeful that several of the 22 that do want to see DTV succeed will step up with funding. At the membership meeting of Association of Maximum Service Television, Mitsubishi Electronics' Bob Perryman fueled Chapman's optimism. "Some [manufacturers] are committed," he said. "Some are on the fence, and some may come over." Said Chapman: "That was a significant statement. That was a plug for the labs." —H.A.J.

BEHIND THE SCENES | BEFORE THE FACT

IN THE LOOP

PROGRAMMING

ABC Sports Presents Toyota

Another cable original will get a second life on ABC, this time thanks to its sponsor. Although the press release about the programs says "ABC Sports Presents" and makes no mention of Toyota, the car company and manufacturer of the 4Runner has bought time on the network to air a condensed version of the Outdoor Life Network's *Global Extremes: Mt. Everest 4Runners of Adventure*.



PHOTO: JIMMY CHIN 2003

Last year, ABC repurposed USA Network's quirky drama *Monk*.

On Outdoor Life, *Global Extremes* is a 20-episode series of adventure challenges across the globe, from desert running in Africa to mountain biking in Costa Rica to a chance to climb Mt. Everest.

The show will be edited down to four hour-long specials. The first was scheduled to air April 12. —A.R.

NAB Says: 'Do call'

Broadcasters have a new worry about "do not call" rules that the FCC is drafting for consumers who ask to be shielded from telemarketers. NAB wants Arbitron and Nielsen market research exempted, fearing that a prohibition on those calls would "dramatically reduce" local-market surveys. Previously, NAB has urged an exemption for prerecorded-message calls encouraging people to tune in individual programs. Cable operators want exemptions allowing them to pitch new services such as digital cable, broadband and telephony to subscribers who place themselves on don't call lists. —B.M.

NEWS

Sinclair Revives Newscasts

Sinclair, which dropped several newscasts only to add and reshape them through its Hunt Valley, Md.-based News Central, where it mixes local and national feeds, will be bringing news back to one of the markets it cut.



Greensboro, N.C., will be one of six markets that will see the News Central mix before the end of the year, like the one at Sinclair's Flint, Mich., station (above). But, where the company had news at WXLV-TV Greensboro prior to January 2002, the new newscast will be at Sinclair's duopoly partner WUPN-TV. Sinclair's corporate News Director Joe DeFeo said that the local department will be headed by Pam Cook, who had been the last WXLV news director, and that he hopes to hire back some of the 35 staffers who lost their jobs.

The company plans also to add News Central-casts to stations in Birmingham, Ala., Milwaukee, Tampa, Cincinnati and Las Vegas.

—D.T.

FCC Moves To Break Broadcast-License Logjam

BY BILL MCCONNELL

The FCC last week came out with new rules to settle a dispute over doling out broadcast licenses when both commercial and noncommercial operators apply for the same channel. For the most part, commercial broadcasters won the day.

If the rules—a rewrite of rules struck down by the courts—stand, they would not only resolve an allocation dilemma created when Congress ordered the FCC to auction commercial licenses in 1997 but would clear the way for the auction of

more than 400 FM permits. The FCC also would be free to complete review of almost 3,000 other applications for noncommercial FM licenses, low-power/translator TV allotments and other assorted commercial channels.

Uncertainty over dealing with conflicts between commercial broadcasters, which must resolve competing applications through auctions, and noncommercial broadcasters, which are forbidden from bidding in auctions, has stalled the addition of many new stations since July 2001, when federal judges struck down rules permitting noncommercial

applicants to join the bidding.

Although the commissioners tried to soften the blow to noncommercial applicants, the decision largely went against nonprofits seeking to gain spots outside of channels reserved specifically for them. Under the decision, noncommercial broadcasters can't apply for non-reserved FM or TV licenses unless there are no competing applications from commercial broadcasters.

The FCC noted, however, that it will expedite qualified noncommercial applications for FM and TV channels outside the reserved band as long as there are no

conflicts with commercial applicants.

On the FM band, the FCC has reserved the 20 channels between 88.1 MHz and 91.9 MHz for noncommercial use. There is no corresponding band on the TV dial, but the commission has designated a similar proportion of reserved channels—roughly 20%.

The Association of Public Television Stations had no comment, but the decision is likely to disappoint public broadcasters. They had argued that a bar to competing with commercial stations would be tantamount to an outright ban on applications for non-reserved channels. ■

*B*ROADCASTER OF THE YEAR

Dennis J. FitzSimons

WE CELEBRATE YOUR

ACCOMPLISHMENTS

AND WE VALUE

YOUR FRIENDSHIP.

CONGRATULATIONS FROM YOUR FRIENDS
AT BUENA VISTA TELEVISION.



RTNDA BRIEFS

BY DAN TRIGOBOFF

Back to Baghdad

NBC and CNN said last week that they will open bureaus in Baghdad—re-opening, in CNN's case—to cover the transition to new government following the war. "Will [the transition] get as much air as the war itself?" asked NBC News VP Bill Wheatley, speaking to a Radio-TV News Directors Association panel in Las Vegas. "Probably not. That's the nature of journalism. But it will get airtime."

CNN has had a bureau in Baghdad for 12 years but was booted last month by the Iraqi government. The network's chief of newsgathering Eason Jordan said it will be reopened and bolstered. Responding to questions from the Poynter Institute's Jill Geisler, Jordan noted that CNN's international networks take a different perspective from its domestic ones in war coverage. Coverage on the international nets, he said, reflects much more the view of nations that don't favor the U.S. policy.

Panelist Will Wright, head of BET News, also said that his network made sure to give voice to "Moslem-Americans and Arab-Americans" and "included opinions from ministers to Imams." But, he added, "it would not be fair to say that our newscasts represent a negative view of the war" but rather one with more contrasting viewpoints.

Dueling Studies

A study commissioned by the Radio and Television News Directors Foundation and unveiled last week concluded that "local television is the major source of news for the American public and more than two-thirds of those surveyed rate local TV news as good or excellent. More than half those polled, though, wanted to know more about the process of story selection.

The public isn't channel-surfing as much as many news directors think; nearly half of viewers responding said they don't change the channel at all during local news. The survey was done for RTNDA by Ball State University Professor Bob Papper.

Only last week, however, a *Los Angeles Times* poll showed that more than two-thirds of respondents were relying on the three major cable news net-

HONORED

Schieffer Warns Against Shortcuts



CBS News icon Bob Schieffer warned young journalists last week against moving from reporting to the anchor desk too soon. Accepting the RTNDA's highest honor, the Paul White Award, the longtime broadcast journalist and *Face the Nation* host told the many students and fledgling journalists at the awards banquet that, often, the most talented young broadcasters become reporters and then move up the ranks, continuing to anchor until "you have someone who is very good at reading a Teleprompter but has never really covered a story. Talented broadcasters deserve better than that. It's a shortcut," he said, "but don't do it. The point of journalism is not getting on television. It's getting on and telling stories."

works for their news about the war in Iraq. According to the newspaper, 23% cited local TV news, and 18% cited the three broadcast networks.

Knight Funds High School Program

The Radio and Television News Directors Foundation received a big cash infusion from another foundation to fund journalism programs and First Amendment education in high schools. The John S. and James L. Knight Foundation has given it \$2.5 million for a three-year effort, the High School Electronic Journalism Project. The project will fund 100 new high school journalism programs and 75 school-newsroom partnerships and will also sponsor regional workshops. It is the biggest grant in foundation history.

Classy Cosby

One TV legend paid tribute to another during the entertainment following the NAB/RTNDA's kickoff dinner Sunday night in Las Vegas. Bill Cosby prefaced his show by telling the audience that a good friend had died recently. In tribute to Fred Rogers, TV's famed "Mr. Rogers," Cosby left the stage with a spotlight on an empty chair, which, he said, stood not only for Rogers but also for the men and women serving in the Persian Gulf and in the hopes of "their return, vertically."

RTNDA Changes on the Fly

War shifts focus, agenda just as 9/11 shifted venue

BY DAN TRIGOBOFF

Events overtook us," noted a reflective RTNDA Chairman Dave Busiek in a farewell address that followed a term of office that was extraordinary even for an organization whose members define themselves by events and change.

Busiek, whose tenure as Radio-Television News Directors Association chairman was longer than planned—a consequence of 9/11—told a ballroom full of journalists gathered for the group's Paul White Award Dinner how his proactive agenda turned necessarily reactive.

"Events continue to affect us," he said, "such as trying to hold a convention for journalists during a war."

The decision to cancel the Sept. 12, 2001, conference was academic: The dozens of news executives already in Nashville scrambled to return to their newsrooms despite the sudden cessation of air travel.

The convention then moved from a traveling show in a different city each year

to one in conjunction—for at least five years—with the larger NAB show in Las Vegas. RTNDA put that first conjoined convention together in a matter of weeks.

Although RTNDA did not report final numbers, early returns showed growth over last year's 1,150 paid attendees, perhaps approaching 1,300. Busiek said the war did not lead to a deluge of last-minute cancellations; only about 30 opted out, slightly more than in an average year.



'Events continue to affect us—such as trying to hold a convention for journalists during a war.'

DAVE BUSIEK,
RTNDA

War hung over the convention from the start. RTNDA opened its business meeting with a resolution honoring NBC's David Bloom and other journalists who had died during the conflict. More would be dead before week's end.

Busiek credited RTNDA President Barbara Cochran and her staff with keeping the association on track, successfully rescheduling a fall Edward R. Murrow Awards ceremony and securing the NAB partnership.

RTNDA shifted on the fly once more for this year's convention. Quickly added sessions on war coverage were among the highlights even as the demands of war coverage forced some panelists to literally phone it in. Embedded AP radio reporter Ross Simpson, for instance, defined grace under pressure—even under fire—as he recounted an explosion "that rattled the ground I was sleeping on" and spoke of jumping from an armored Humvee under fire. "The term 'non-combatant' didn't mean anything," he said.

An added session on the technology of war reporting illustrated how war showcases the increased power of

both the warrior and the messenger—although CNN's Dick Tauber joked that "the last three weeks have set back video quality."

When one attendee suggested that the sometimes fuzzy video could be "the *Blair Witch Project* of TV news," Tauber said he prefers the term "edgy."

Associated Press tech expert Mike Palmer said the current crop of satellite and video phones "isn't going to replace your ENG truck." ■

Victims' Relatives Ask: Be Sensitive

Relatives of crime victims had a few choice words for news directors and reporters last week: Try a little sensitivity, would you?

On a panel during the RTNDA convention, David Smart, uncle of kidnap victim Elizabeth Smart; Carrie Lemack, president of Families of September 11; and Sandy Sharp, director of Families of Murder Victims, asked that the media look at the human consequences of their often aggressive reporting.

"How do you feel?" is often the one question considered the least sincere and the most offensive, they all agreed.

Smart said even seeming support-

ers have their own agendas. He said Mark Klaas, who has become a prominent victim's rights spokesman since

the kidnapping-murder of his own daughter Polly, ingratiated himself with the Smart family but then was critical on the air, when the family rejected his suggestion that forensic artist Jeanne Boylan be brought in to aid the investigation. Later, Fox host Bill O'Reilly also questioned the family's reluctance to engage Boylan. Fox did not return calls for comment.

Smart had nothing but praise for another well-known victim's advocate: John Walsh—who also works for Fox. ■



David Smart knocked media coverage.

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ON THE BROADCASTER OF THE YEAR AWARD

With all due respect to a former Cubs Manager
Nice Guys Do Finish First

FROM YOUR FRIENDS AT
UNIVERSAL DOMESTIC TELEVISION



Diller Wants More Regulation

Networks have turned into an 'oligopoly,' he laments



Barry Diller told an NAB audience that, 40 years ago, ABC, NBC and CBS "might have controlled 90% of what people saw, but they operated with a sense of public responsibility."

BY STEVE MCCLELLAN

About those huge vertically integrated media companies that USA Interactive CEO Barry Diller has spent most of his career working for. He wants you to know they're not evil. They just need to be regulated. In some cases, "tightly" regulated.

That was the message of the former Paramount CEO, Fox Studios president and Vivendi Universal Entertainment CEO to NAB convention attendees at the Las Vegas Hilton last week. "We need more regulation not less," he said, arguing that the 35% cap on TV-station ownership ought to stay in place. Raising it "is not good for the industry or the public."

Diller also said that the reinstatement of "some form of financial-interest rules" for media conglomerates would be good for both the industry and the public. "Tight" ownership and financial-interest rules for

the "completely consolidated cable and satellite business is mandatory."

He argued that deregulation policies written into the Telecommunications Act of 1996 has achieved "the exact opposite of what it intended to do." Dereg was supposed to increase competition. Instead, he said, the Big Four networks (ABC, CBS, Fox, NBC) "have reconstituted themselves into the oligopoly that the FCC originally set out to curb."

Throw Time Warner into the mix, he said, and you've got "five corporations with their TV and cable networks now on the verge of controlling the same number of households as the Big Three did 40 years ago."

The difference is that, back then, there was "this real scary regulation" to keep ABC, NBC and CBS in line. "They might have controlled 90% of what people saw, but they operated with a sense of public responsibility that simply doesn't exist with these vertically integrated giant media conglomerates driven only to fit the

next piece of their puzzle for world media dominance."

With five big companies in an unregulated environment, Diller argued, it's highly unlikely that diversity, localism or competition would be promoted in the marketplace.

It's basically a commodities game with the Big Five, Diller charged. "Conglomerates buy eyeballs, and that's it. They leverage their producing power to drive content; their distribution power, such as retransmission consent, to drive new services; their promotion power to literally obliterate competitors."

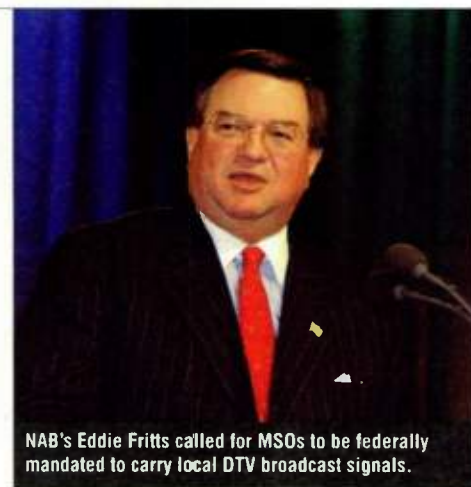
And forget about the independent route, he said. Ten years ago, independent producers created 13 new series for network television. Last year, they produced just one, said Diller.

As for localism? That's dying, too.

"The canary in the coal mine is radio," he said. Oligopolies now control a majority of radio markets. It used to be that the top two station owners had 115 stations between them. "Now they've got 1,400." In many markets, he said, they control 80% of the listenership, with programming originating hundreds of miles away. As for competition, the barrier to entry is now so high as to be "practically nil."

Diller harked back 20 years to the FCC headed by Mark Fowler under the Reagan administration. Fowler, he said, essentially chucked the doctrine of broadcaster-as-community-trustee in favor of viewing broadcasters as "marketplace participants."

The word *broadcaster* "used to carry with it special obligations and historic public-interest responsibilities," he opined. When he worked at ABC 25 years ago, Diller said, the network's founder, Leonard Goldenson, and other industry leaders understood those obligations and fulfilled them. That outlook, he concluded, should not be allowed to become "a relic." ■



NAB's Eddie Fritts called for MSOs to be federally mandated to carry local DTV broadcast signals.

Fritts: Cable AWOL on DTV

BY HARRY A. JESSELL

Never one to miss an opportunity to take a shot at cable, NAB President Eddie Fritts did just that in his state-of-the-industry address at the annual convention last week.

"The cable industry is missing at its post and absent without leave," he said. "Cable operators are carrying less than 13% of local DTV broadcast stations on the air today. At last count, only 107 of the 809 broadcast DTV stations were receiving cable carriage."

Federal law requires cable operators to carry the analog signal of any local TV stations that asks. NAB would like the operators to also carry broadcasters digital signals during the transition when stations are airing both analog and digital signals.

And, after the transition, when stations are airing DTV signals only, NAB would like a law or FCC rule requiring operators to carry the DTV signals in their entirety, even if they comprise several programming channels and data services.

"Broadcasters are under federal mandate to build DTV tuners," Fritts said. "Set manufacturers are under federal mandate to phase-in DTV tuners. And it is high time the cable industry be placed under federal mandate to carry local DTV broadcast signals." ■



Tech Excellence

Retired FCC engineer John Rieser received the Radio Engineering Achievement Award. Robert Eckert (not pictured), still active at the FCC, received the Television Engineering Achievement Award.



A Wonderful World

The NAB inducted the long-running *The Wonderful World of Disney* into its Hall of Fame. Presenting the plaque to Disney's Michael Eisner (c) are NAB TV Chairman Mike Fiorile (l) and NAB President Eddie Fritts.



Spirit of Black Rock

Picking up NAB's Spirit of Broadcasting Award was Don Hewitt, producer of CBS's *60 Minutes*. Said Hewitt: The magazine show proved "you could marry show biz and news biz and not shame yourself."



The Cokester

Cokie Roberts, of ABC News, received NAB's Distinguished Service Award from NAB Chairman David Kennedy (l) and NAB President Eddie Fritts. Accepting, she chided critics of TV's war coverage: "We are doing a fabulous job."



An Early Start

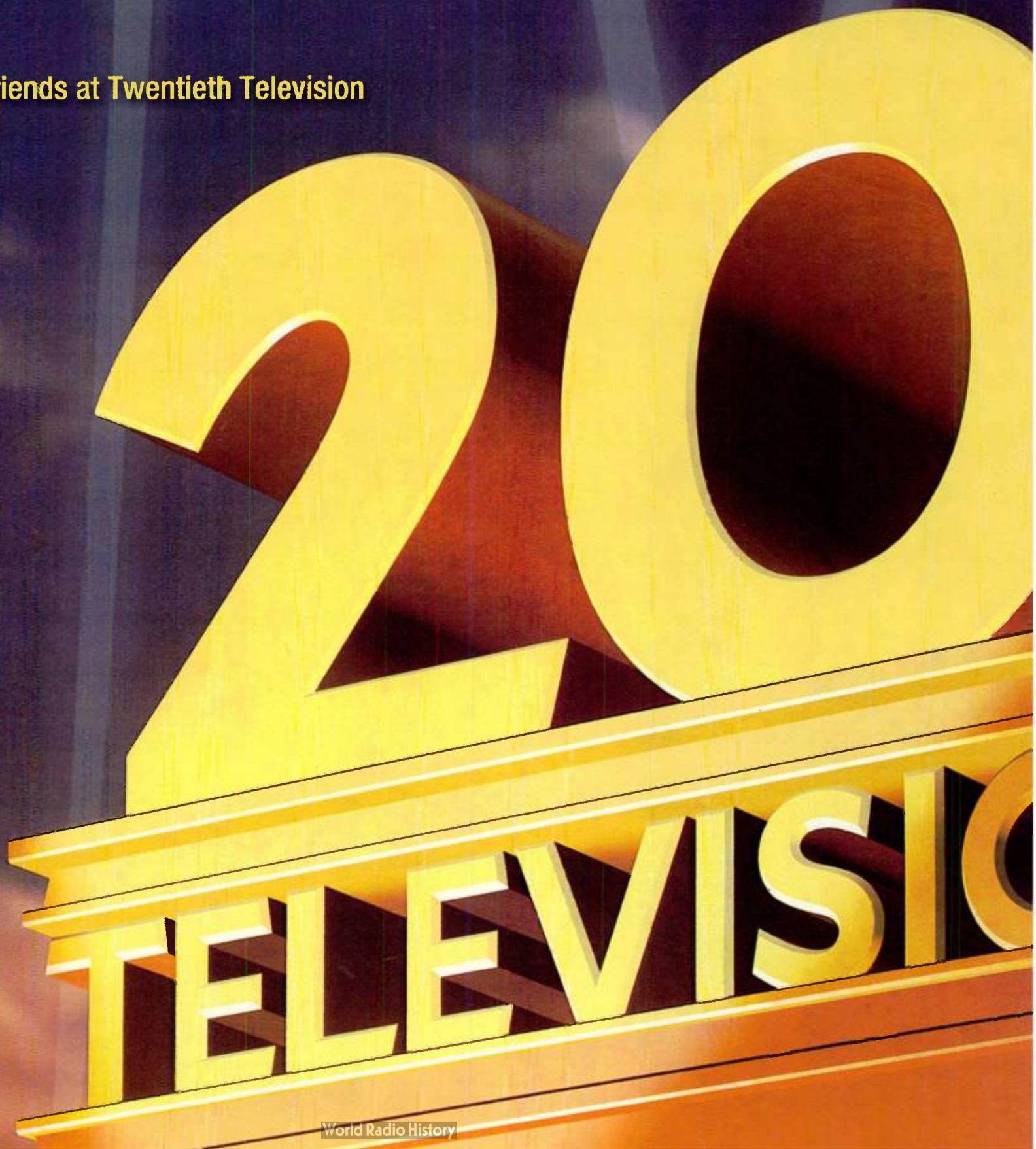
NAB President Eddie Fritts (l) and Chairman David Kennedy (r) welcomed legendary DJ Scott Shannon into the NAB Hall of Fame. As a boy, Shannon said, he saved \$19.95 to buy a transistor radio. He has been enthralled by "the magic" ever since.

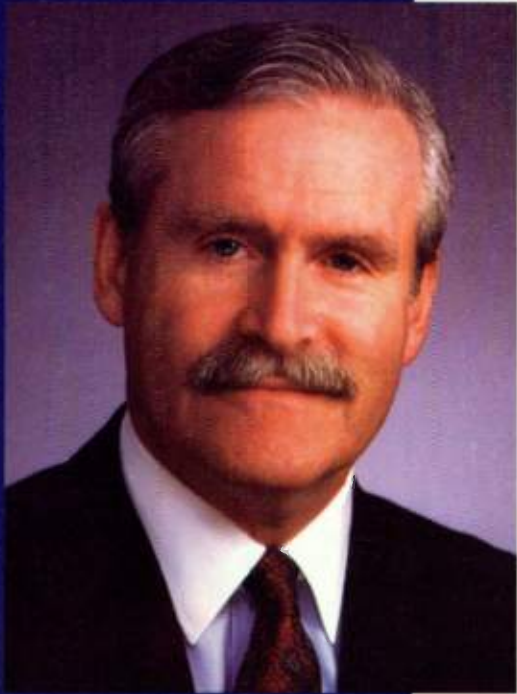
Congratulations to

Dennis J. FitzSimons

*2003 Recipient of Broadcasting & Cable's
Broadcaster of the Year Award*

From your friends at Twentieth Television





Dennis,

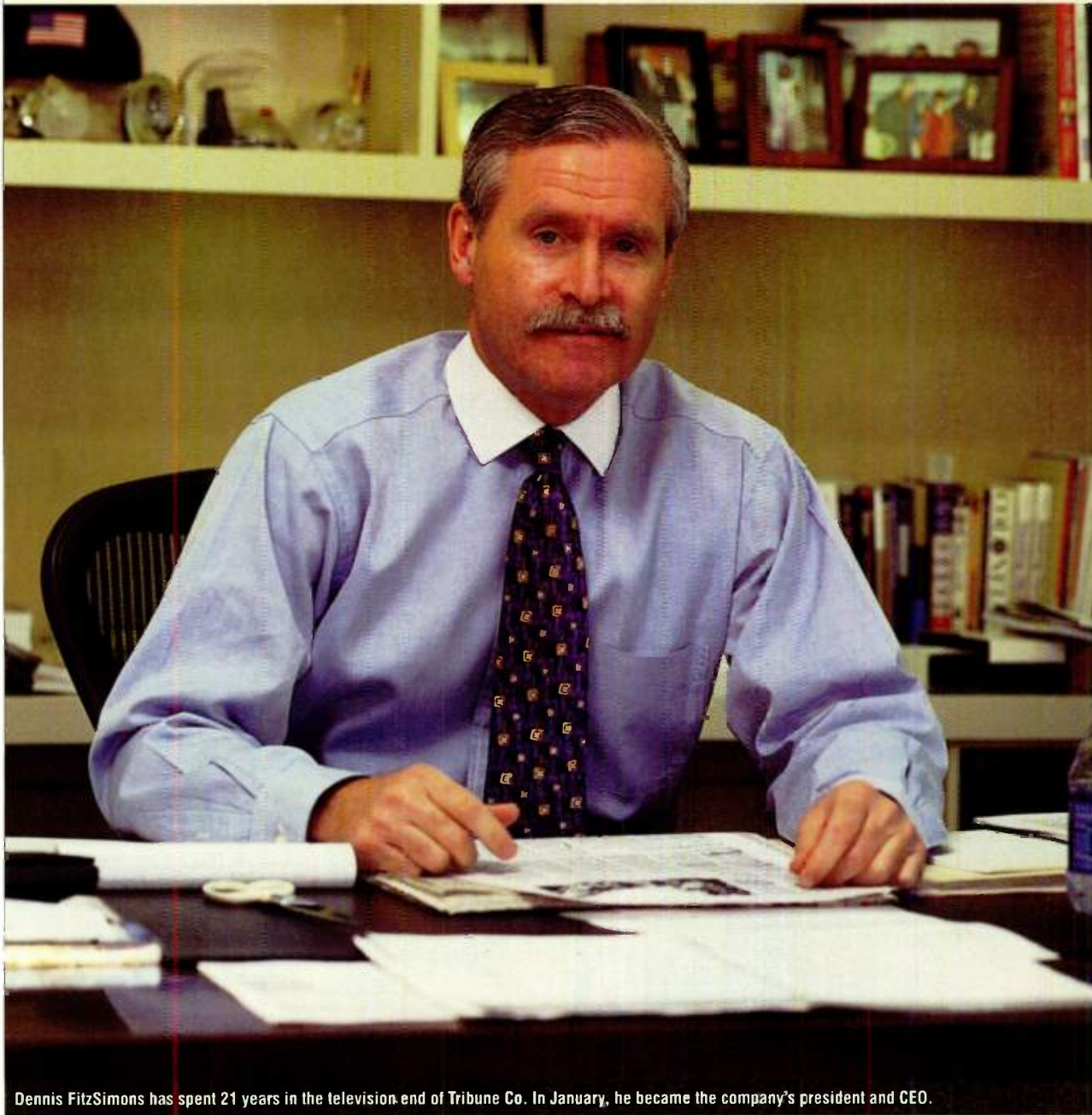
Congratulations on the well-deserved
2003 Broadcaster of the Year Award.

Your vision has helped to shape our
strong and dynamic industry.

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BROADCASTER OF THE YEAR

DENNIS FITZSIMONS


PHOTO: GLENN KAUBERT

Dennis FitzSimons has spent 21 years in the television end of Tribune Co. In January, he became the company's president and CEO.

Tribune's Chief is Second to None

This week, the Television Bureau of Advertising, for the second consecutive year, will hold its annual conference at the Javits Center in partnership with the New York Auto Show, and it expects upwards of 1,000 broadcasters to attend

During the TVB confab, BROADCASTING & CABLE will award its second annual Broadcaster of the Year Award to Dennis FitzSimons, the new president and CEO of Chicago's Tribune Co. He runs a giant media company, which owns a dozen prestigious daily newspapers and 27 television stations covering more than 40% of the nation (with stations in nine of the top 10 markets.)

Although FitzSimons has a bigger job than just overseeing broadcast stations, he cut his teeth as a TV sales executive and general manager and has aggressively maintained Tribune's status as a television powerhouse.

By STEVE MCCLELLAN

For the first time in its 156-year history old-line publisher Tribune Co. has turned to a broadcaster—Dennis FitzSimons—to steer its future course as chief executive officer.

FitzSimons, who receives BROADCASTING & CABLE's Broadcaster of the Year Award at this week's TVB Conference in New York, has been an innovator in the TV business for 31 years, the last 21 years at Tribune. He assumed the CEO spot on Jan. 1.

It was probably just a matter of time, observers say, before a broadcaster ascended to the helm of Tribune.

"It's not surprising, given the aggressive expansion on the TV-station side of their business, the successful partnership they've created

'Perhaps the biggest thing we need to do is increase the amount of localism, which is what makes our stations unique.'

with The WB, and Dennis's role in all that," says Bill Carroll, vice president, programming, Katz Media Group. "They've created a real niche in the broadcast marketplace targeting younger viewers. You look at all that, and you have to say, 'Well done.'"

In 1992, FitzSimons was named head of Tribune's TV division, when it owned six stations in six markets. Two years later, he was named president of Tribune Broadcasting.

FitzSimons has been instrumental in making Tribune, with 2002 revenues totaling \$5.4 billion, one of the TV industry's most important players. Today, Tribune owns 26 stations in 22 markets with four duopolies; in another five markets, it co-owns TV stations and daily newspapers. Four of those cross-ownership markets were created by the company's \$8.3 billion Times Mirror acquisition in 2000, which effectively doubled the size of the company.

"I can't think of a better choice than Dennis," said another guy with the same first name, Dennis Swanson, executive vice president and COO for Viacom stations, who last

Continued on page 16

The FitzSimons File



CURRENT POSITION: President and chief executive officer, Tribune Co., since Jan. 1, 2003

BORN: June 26, 1950, Queens, N.Y.; grew up in Jackson Heights section of Queens (so where's the Noo Yawk accent?)

COLLEGE: BA, political science, Fordham University, New York, 1972

FIRST MEDIA JOB: Assistant buyer, Grey Advertising, New York, 1972-73.

THE REP YEARS: Peters, Griffin, Woodward (New York), Blair Television (New York), TeleRep (New York and Chicago), 1973-81

FIRST STATION JOB: Director of sales and marketing, WVIT(TV) Hartford, Conn., 1981-82

FIRST TRIBUNE GIG: Director of sales, WGN-TV Chicago, 1982

FIRST STATION GM POSITION: WGNO-TV New Orleans, 1984

UPWARD!: Named vice president of operations, Tribune Broadcasting in 1985, became vice president and general manager of flagship WGN-TV in 1987

FAVORITE NBA PLAYER: Michael Jordan, who led the Chicago Bulls, and Trib's WGN-TV, to great glory in the late '80s and '90s

RISKIEST MOVE: Chucking Tribune's high-profit all-movie-and-sports prime time formula and partnering with The WB. But it all turned out okay, even without *Buffy*

HE'S COMMITTED: In addition to his day job, he is chairman of the Media Security and Reliability Council, which the FCC created in the wake of 9/11. He is also active on the boards of the Newspaper Association of America, the Television Operators Caucus, the McCormick Tribune Foundation and the Big Shoulders Fund. He serves as a member of the board of trustees for Northwestern University, the board of visitors for the Medill School of Journalism, and the board of Chicago's Museum of Science and Industry



FitzSimons with some beneficiaries of Tribune's annual Bozo Ball charity.



FitzSimons and former Chicago Cubs announcer Jack Brickhouse.

Continued from page 15
year was the magazine's first Broadcaster of the Year.

Swanson and FitzSimons competed when both were general managers in Chicago—Swanson at ABC-owned WLS-TV and FitzSimons at Tribune's flagship WGN-TV—and Swanson clearly admires him: "He's a terrific manager who has demonstrated himself to be one of the country's greatest broadcasters. He adds dignity to the title, and I'm flattered to be included on the same list."

The Fordham University graduate has the crisp, unwrinkled look of a manager from another era. Indeed, Ward Quaal, one of BROADCASTING & CABLE'S Top 100 Broadcasters of the Century and

a WGN-TV general manager in the station's early days, notes, "He can handle a tremendous amount of work, and, when he's under pressure, you would never know it."

He is unflappable, says Quaal: "A gentleman's gentleman."

Perhaps Tribune's biggest risk in TV was the decision to align its stations with and take a 25% partnership interest in The WB Network, which launched in 1995.

FitzSimons and his then-boss Jim Dowdle were the biggest proponents of doing the deal inside the company. If it hadn't worked, it's probably safe to say that FitzSimons wouldn't be where he is today.

What made it so risky was

that, in the early 1990s, when FitzSimons and Dowdle were pondering TV's future, the Tribune stations were making tons of money as one of the most successful independent-station groups in the country.

"Our profit margins were terrific due mainly to a prime time slate that was dominated by movies and local sports," FitzSimons recalls.

Problem was, that programming formula was being duplicated by emerging cable channels, which meant Tribune's offerings weren't going to look so special five or 10 years down the road. "As we looked forward, we saw there would be more and more options for viewers in

Continued on page 20

Significant Events in Tribune Co. History

1847

The *Chicago Tribune* is founded. The original press run consisted of 400 copies printed on a hand press.

1869

The *Tribune* erects its first building, a four-story structure at Dearborn and Madison Streets. In October 1871, when the Great Chicago Fire raged through the city, the wooden building was destroyed, as was much of the city. The *Tribune* reappeared two days later with an editorial declaring,



Tribune founder Joseph Medill (c) poses with his grandchildren in 1899.

"Chicago Shall Rise Again." The newspaper's editor and part-owner, Joseph Medill, was elected mayor and led the city's reconstruction. A native Ohioan who acquired an interest in the *Tribune* in 1855, Medill gained full control of the newspaper in 1874 and guided it until his death in 1899.

1912

Medill's two grandsons, Robert R. McCormick and Joseph Medill Patterson, assume leadership of the company. Also, the *Chicago Tribune's* first newsprint mill opens in Thorold, Ontario. The mill marked the beginnings of the Canadian newsprint producer later known as QUNO, in which Tribune held an investment interest until 1995.



Tribune leader Robert McCormick

microphones in the courtroom during the 1925 Scopes "monkey trial" in Tennessee.

1924

WGN(AM) Chicago signs on, its call letters reflecting the Tribune's slogan, "World's Greatest Newspaper." It was first to broadcast the World Series, the Indianapolis 500 and the Kentucky Derby and broke new ground by introducing

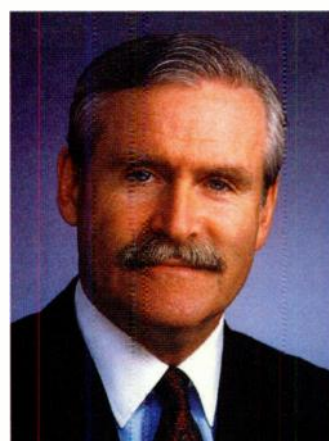
1925

Construction completes its new headquarters, Tribune Tower, one of Chicago's first skyscrapers. Tribune Tower's neo-Gothic design was chosen from 263 entries in a \$100,000 international competition. The 36-story building is a



WGN radio, in the early days

The perfect choice for
an award honoring excellence.



Dennis FitzSimons

2003 Broadcaster of the Year
Broadcasting & Cable

Congratulations, Dennis.

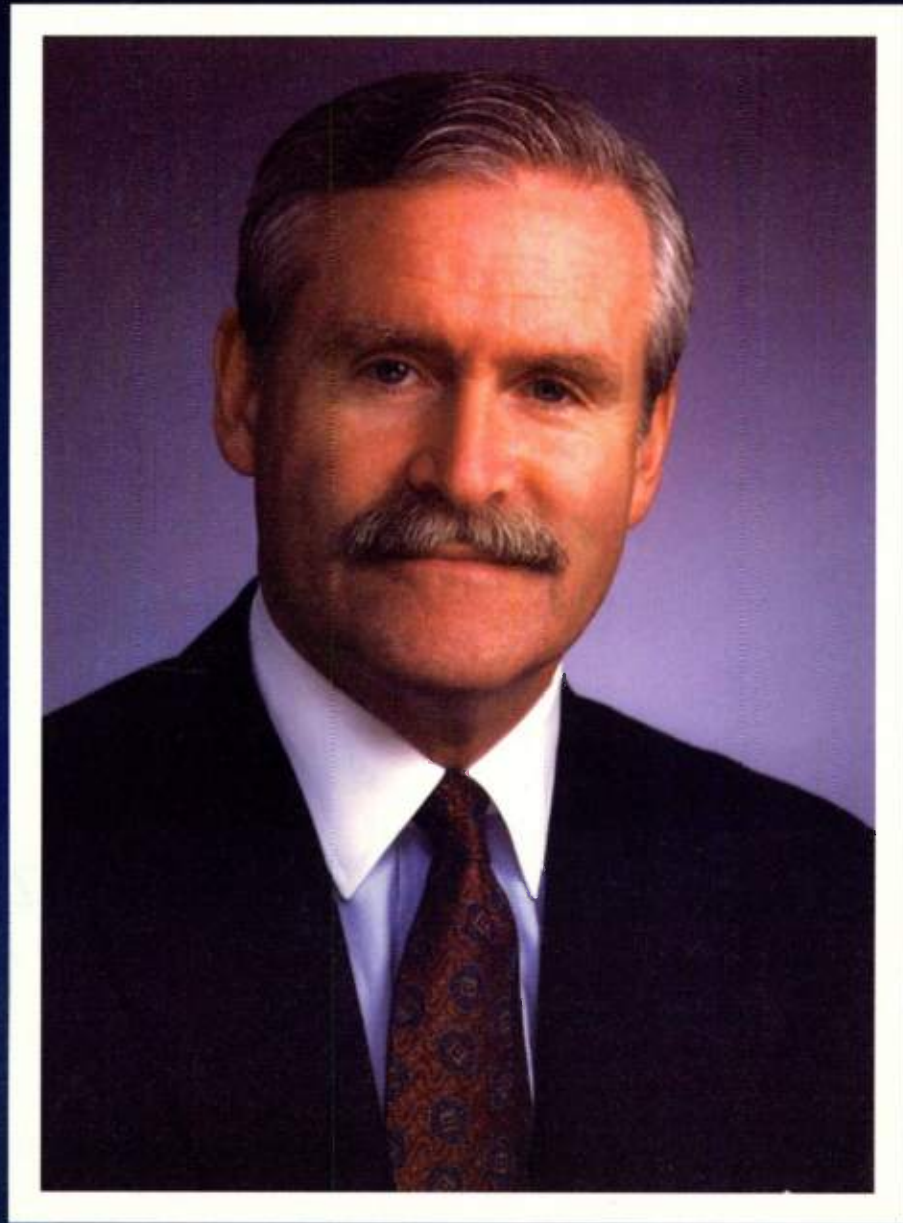
*Thank you for your leadership, inspiration
and unwavering commitment to the
employees of Tribune Broadcasting.*

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WPIX-TV, New York • KTLA-TV, Los Angeles • WGN-TV, Chicago • WPHL-TV, Philadelphia • WLVI-TV, Boston • KDAF-TV, Dallas
WBDC-TV, Washington, DC • WATL-TV, Atlanta • KHWB-TV, Houston • KCPQ-TV & KTWB-TV, Seattle • WBZL-TV, Miami
KWGN-TV, Denver • KTXL-TV, Sacramento • KPLR-TV, St. Louis • KWBP-TV, Portland • WXIN-TV & WTTV-TV, Indianapolis
KSWB-TV, San Diego • WTIC-TV & WTXN-TV, Hartford • WXMI-TV, Grand Rapids • WGNO-TV & WNOL-TV, New Orleans
WPMT-TV, Harrisburg • WEWB-TV, Albany • WGN-AM, Chicago • Tribune Entertainment • Superstation WGN

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DENNIS FITZSIMONS

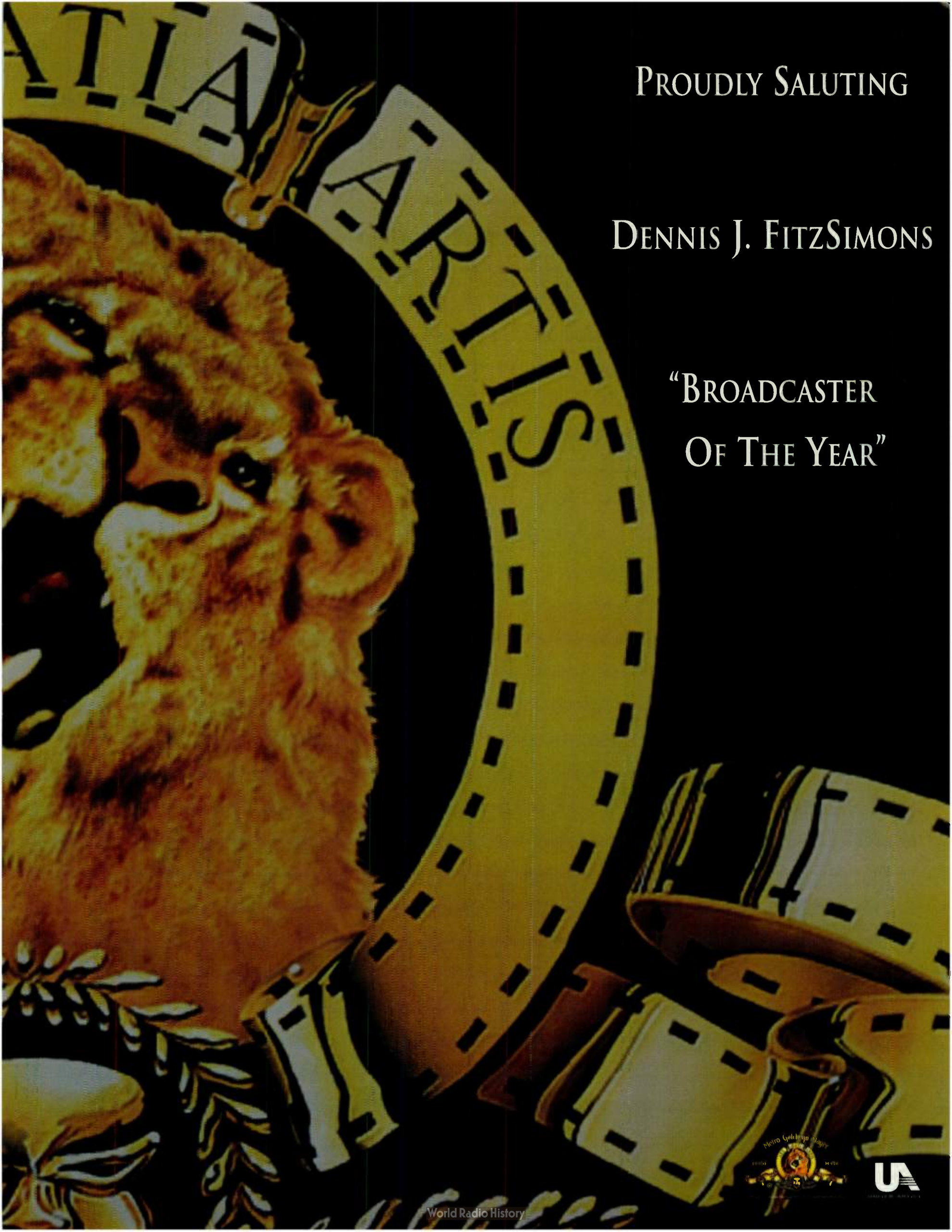
BROADCASTER OF THE YEAR

COX TELEVISION NATIONAL SALES REPRESENTATIVES

HRP

TELEREP

A stylized, handwritten signature logo in white ink, appearing to read 'Dennis'.



PROUDLY SALUTING

DENNIS J. FITZSIMONS

“BROADCASTER
OF THE YEAR”



Continued from page 16

those two genres on basic and pay cable," he says.

But, as FitzSimons and Dowdle were mulling future strategies, Barry Meyer, then head of Warner Bros. TV operations, and Jamie Kellner, who had recently departed Fox (having helped build it from the ground up), paid a visit. They had an idea for a new network.

After the meeting, FitzSimons and Dowdle huddled. They could hardly believe their good fortune. They agreed almost immediately that what Meyer and Kellner proposed was the answer to their future TV strategy.

"We realized we were going to need first-run prime time programming, and they had a very good concept," FitzSimons says. "I think they were both kind of

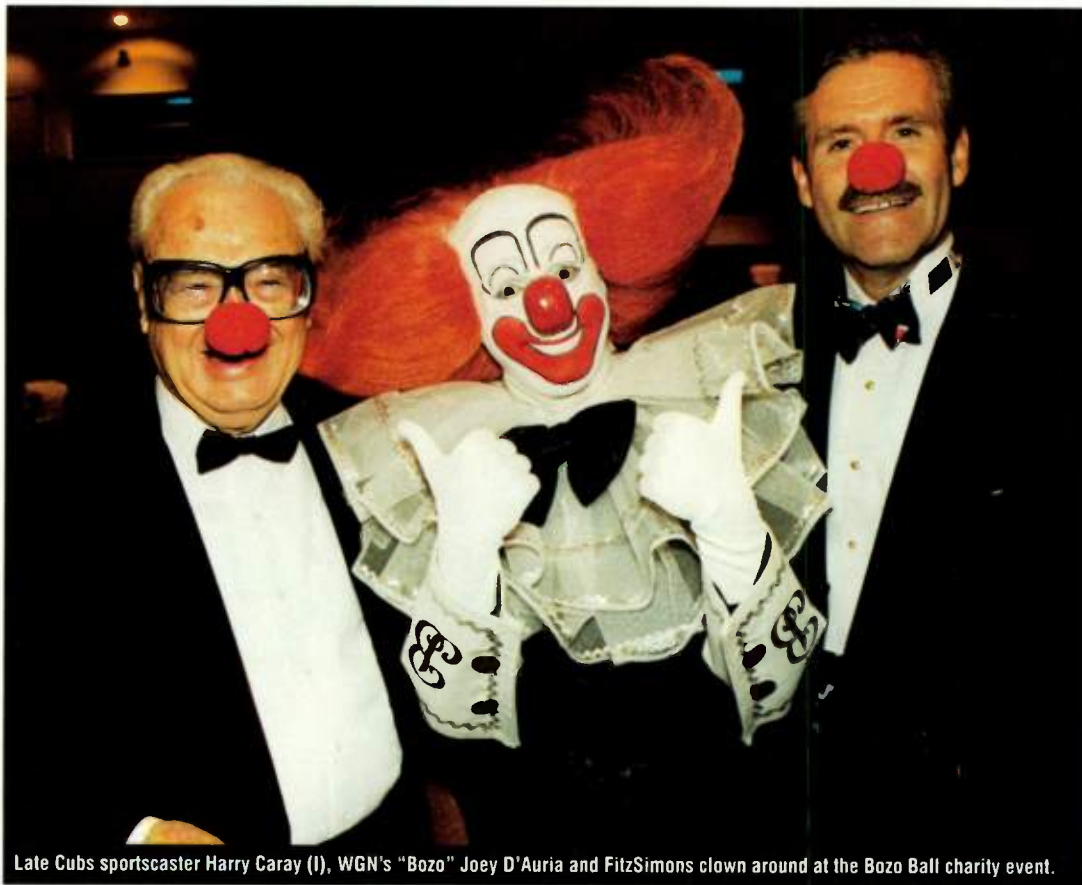
strong management succession," says Kevin Gruneich, the publishing analyst at Bear Stearns. "Dennis FitzSimons's ascension to the CEO post is just further indication of this." Although his background is broadcasting, Gruneich says, he's a "quick study and understands the newspaper business well, as he must given the company's pursuit of operational convergence across media."

Other FitzSimons watchers aren't surprised that he has been able to reach the top of Tribune's corporate ladder. Back in the late 1970s and early '80s, he worked for Al Masini, then the hard-driving head of TeleRep, the TV sales rep and programming syndicator. Masini remembers FitzSimons as someone who was clearly on the fast track. "The

prime time TV movies under the "Operation Prime Time" banner. At the time, OPT was hailed as bold innovation and one of the first concerted efforts to give independent stations (some affiliates, too) fresh programming in prime time.

FitzSimons started his career at Grey Advertising but soon concluded that bigger and better opportunities awaited on the sales side. He jumped to the TV-rep business, where he spent about eight years—first at Peters, Griffin, Woodward, then at Blair and finally at TeleRep.

It was at TeleRep that FitzSimons, a native New Yorker, got his first taste of Chicago, where Tribune is based, as group sales director for TeleRep's office there. That was in the late '70s. In 1980, he returned to New York to sell



Late Cubs sportscaster Harry Caray (l), WGN's "Bozo" Joey D'Auria and FitzSimons clown around at the Bozo Ball charity event.

surprised at how quickly we bought into it given our success as an independent operator."

The downside? "We realized it was very risky, given our success up to that point. But it was worth the risk given what we thought we saw coming in the years ahead." Last year, for the first time, The WB turned the break-even corner. This year, it's on track to be cash-flow positive.

Wall Street remains impressed with Tribune under FitzSimons's watch. Over the past year, its stock price has been one of the most stable in the media sector, outpacing the major indexes as well as such companies as Viacom, Disney, News Corp., Hearst and Belo.

"Tribune has awesome management depth and a history of

thing I remembered most about Dennis is that he seemed to be a very balanced person," recalls Masini, now retired and living in Hawaii. "He had everything in good quantities. He was aggressive but, at the same time, not too aggressive. He was diplomatic and had the intelligence and judgment skills required of a top manager. He was tenacious, and he was well-liked by both the clients and the people he worked with."

And he worked well under pressure, says Masini, who applied a lot of it as FitzSimons's boss. But he got the job done at TeleRep, first as account executive selling national spot time for TV stations and then as program salesman, selling Masini's innovative package of original

OPT in midsize and small markets around the country. "I was traveling to five cities a week in those days," recalls FitzSimons. "It was intense."

In 1981, he accepted an offer to run the ad-sales unit of Viacom International, then headed by Ralph Baruch. It was there that FitzSimons had the idea of putting on a version of PBS staple Louis Rukeyser's weekly Wall Street show on commercial TV. It had a two year run.

By then, FitzSimons had moved on to his first TV-station job, as director of sales and marketing at WVIT-TV Hartford, Conn., then owned by Viacom. Shortly after he arrived, though, he received a call from Dowdle, who had recently joined Tribune

Continued on page 24

Significant Events in Tribune Co. History



Historic Tribune tower

Chicago landmark and perhaps best-known for the many historic stones and artifacts from other famous buildings embedded in its limestone exterior.

1933

Chicago Tribune-New York News Syndicate is formed. Its successor, Tribune Media Services, offers hundreds of different products, including classic to cutting-edge comic strips, columns from top commentators, and other specialty features products. In addition, the TMS Entertainment Products Group now collects and distributes television, movie and Internet programming data.

1948

■ WGN-TV Chicago signs on, followed by WPIX(TV) New York. These stations, now affiliates of The WB Television Network, became the foundation for Tribune Television, today one of the country's largest TV groups.

■ Tribune publishes its famously wrong "Dewey Defeats Truman" headline on Nov. 3. Surprisingly, the newspaper did not possess a copy until a Tribune executive, Owen Youngman, bought one off of e-Bay in 1998.



President Truman laughed last.



WGN-TV's Bandstand Matinee, 1956.

1955

A century of family leadership, starting with Joseph Medill in 1855, ends with the passing of Col. Robert R. McCormick, the longtime editor and publisher of the *Chicago Tribune*. The McCormick Tribune Foundation was established as a charitable trust upon McCormick's death and now claims assets of more than \$2 billion and annual giving of \$100 million.

1963

Tribune acquires the *South Florida Sun-Sentinel*.

1965

Tribune acquires the *Orlando Sentinel*.

1966

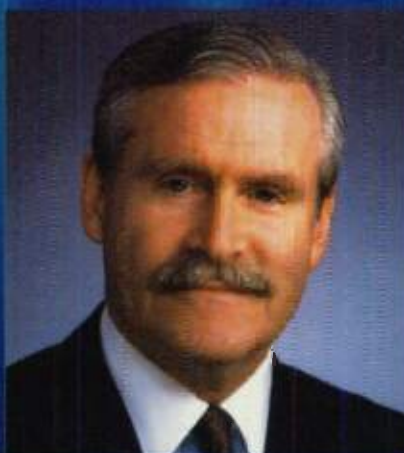
Tribune acquires KWGN-TV Denver.

1975

Tribune enters television syndication with its *U.S. Farm Report*.

1978

WGN-TV becomes a superstation, reaching television audiences nationwide via cable



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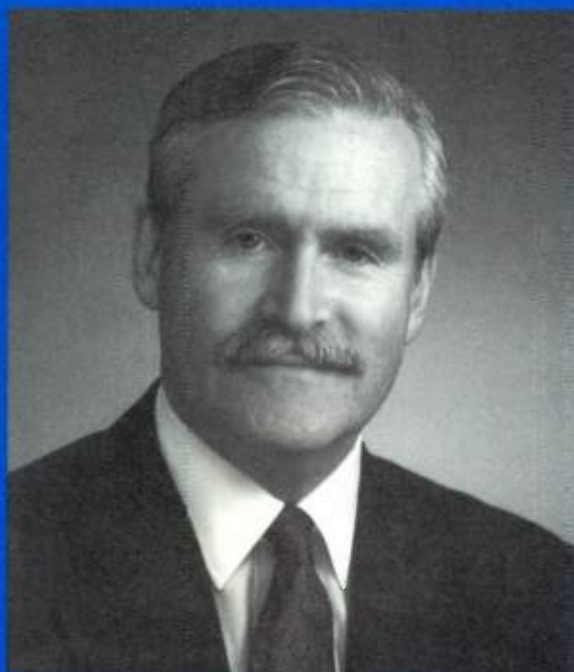
DENNIS FITZSIMONS

on receiving the
**2003 BROADCASTER
OF THE YEAR AWARD**
and salute his
extraordinary contribution
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Broadcaster of the Year



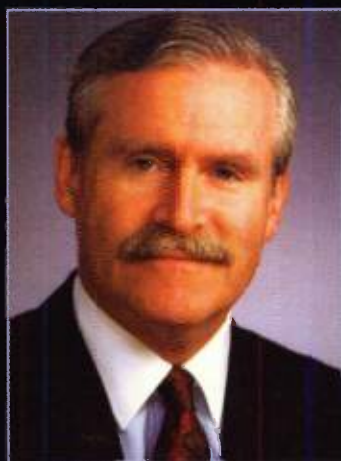
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World Radio History

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Dennis FitzSimons



President and CEO,
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2003 Broadcaster of the Year

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 **NBC ENTERPRISES**
DOMESTIC SYNDICATION

Continued from page 20

to run its TV operations. Dowdle was looking for a few good executives to shore up problems at the division. One of those problems was WGN-TV's underperformance, particularly on the revenue side.

The first time Dowdle called, FitzSimons turned him down, having only recently joined WVIT-TV. Months later, Dowdle called again. This time, FitzSimons listened and accepted the top sales post at WGN-TV. The problem at WGN-TV wasn't programming or ratings. Dowdle felt it was being undersold. "So my job was to get the sales research right and then price it right," FitzSimons says. The upshot was

In 1987, FitzSimons was promoted again, to vice president and general manager of the flagship station, WGN-TV. It was a heady time in the broadcast business and challenging as well, as dozens of new stations came on the air, sparking bidding wars for available programming. Programming costs skyrocketed, and FitzSimons had the difficult challenge of streamlining the station's operations in order to afford programs.

A major plus for the station was controlling the rights to three popular sports franchises, including the Chicago Bulls basketball team, which was zooming to national prominence thanks to superstar Michael Jor-

"David and I were able to work it out," FitzSimons says. "It's better to be at peace."

Even though WGN-TV is a superstation, Tribune thinks locally wherever it owns properties. While the company has a healthy appetite for acquisitions, FitzSimons says that "perhaps the biggest thing we need to do is increase the amount of localism, which is what makes our stations unique."

He isn't just paying lip service to the notion. Years ago, while at WGN-TV, he founded an annual event called the Bozo Ball, a nod to the kid's programming staple that ran on the station for nearly 40 years. The black-tie event (red nose optional) has raised



FitzSimons greets a former Cubs sportscaster, President Ronald Reagan, at the sports club at Wrigley Field.

that he was able to boost the station's share of revenue in the market by about five percentage points.

His reward was a promotion to general manager of WGNO(TV) New Orleans, which Tribune had just purchased. His mission: bring it up to "Tribune standards." It took about a year to do that, and then Dowdle brought him back to Chicago as vice president of operations, effectively the number-two executive at the TV division. That was in 1985, just after Tribune bought KTLA-TV Los Angeles. Dowdle was spending a lot of time on investor issues, and FitzSimons stepped up to coordinate most of the group's activities and also help integrate KTLA-TV into the group.

dan. Also carrying baseball's White Sox and co-owned Cubs, the station dominated the Chicago sports market. It also attracted additional advertisers because WGN-TV is among a handful of cable "superstations" available to viewers virtually across the country.

But that superstation status didn't go over too well with National Basketball Association Commissioner David Stern, who believed that the league should control the station's Bulls schedule since they were telecast nationally. Tribune disagreed, citing national common-carrier regulations over which it had no control. Six years later, both sides got tired of beating each other up in court battles and settled on a 25-game schedule.

almost \$4 million since its inception. The money has gone to building and maintaining a youth center called the Off the Street Club in one of Chicago's rougher neighborhoods.

Tribune stations and the company itself are very active in their communities. The stations produce 18 newscasts in 22 markets. The corporation makes numerous contributions to local communities through the McCormick Tribune Foundation.

Still, says FitzSimons, for a broadcaster, there's no such thing as too much localism. If it's done right, communities benefit, and it's good for business. "In a sea of basic-cable networks," he says, "broadcasters have an edge by serving communities well." ■

Significant Events in Tribune Co. History

1981

■ Tribune Broadcasting Co. is established, signaling the growing importance of television in the company's business mix.

■ Tribune Co. acquires the Chicago Cubs baseball team from the Wrigley family for \$20.5 million. WGN-AM-TV had been broadcasting Cubs games since those stations first went on the air. Since 1978, when WGN-TV became a superstation, the Cubs have been aired to a national audience via cable. Today, superstation WGN reaches about 60 million U.S. homes outside Chicago through cable and direct-broadcast satellite.



1982

Tribune Entertainment Co. launches in Hollywood to develop, produce and distribute television programming for Tribune stations and non-Tribune stations nationwide.

1983

■ Tribune Co. goes public with an initial offering of 7.7 million shares valued at \$206 million. Opening price per share was \$26.75. At the time, it was one of the largest IPOs ever made. The company's New York Stock Exchange ticker symbol is TRB.

■ Tribune acquires WGNO(TV) New Orleans.

1984

Tribune acquires WGNX(TV) Atlanta (now WGCL-TV).

1985

Tribune acquires KTLA(TV) Los Angeles for \$510 million, making it the only non-network company to own VHF stations in the country's top three markets.



Geraldo Rivera (l) and FitzSimons had a newsworthy 1987.

1987

■ Tribune Entertainment launches *Geraldo* daytime talk show.

■ Dennis FitzSimons is named GM of WGN-TV.

1991

Tribune invests in America Online.

1992

■ Tribune acquires WPHL-TV Philadelphia.

■ Chicago Online debuts on America Online

1993

■ Full text of *Chicago Tribune* becomes available online.

■ CLTV cable news channel launches in Chicago.

■ Tribune launches ¡Exito!, Spanish-language newspaper

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PARAMOUNT
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FITZSIMONS

ON RECEIVING
BROADCASTING & CABLE'S
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OF THE YEAR AWARD

Long a Power in Newspapers

On March 13, 2000, Tribune Co. became the third-largest newspaper company in the U.S. when it sealed a \$8 billion deal to absorb the Times Mirror Co. and its cache of newspapers, some of the best in the country. Although the *Chicago Tribune* once called itself The World's Greatest News-

paper, *The Los Angeles Times* is arguably better and more influential, and other former Times Mirror papers—notably, *The Baltimore Sun*, *Newsday* (New York) and *The Hartford* (Conn.) *Courant*—are among the nation's most influential and historic. The Tribune also owns the *South Florida Sun-Sentinel*

and the *Orlando Sentinel* among other daily newspapers.

Tribune also owns Spanish-language newspapers *Hoy* (New York), *!Exito!* (Chicago), *El Sentinel* (Orlando, Fla.), and *La Opinion* (Los Angeles). Smaller papers include *The Morning Call* (Allentown, Pa.) and *Greenwich* (Conn.) *Time*.

An early investor in America Online, Tribune has evolved into a multimedia company with diverse holdings that in-

clude radio stations and online interests including Careerbuilder.com, Apartments.com, and Cars.com. It owns the Chicago Cubs baseball team and such subsidiaries as Tribune Media Services, Zap2it.com, *Chicago* magazine, *Williamsburg* magazine. Cable holding include all-news Chicagoland TV. In syndication, it owns Tribune Entertainment Co., which distributes *Andromeda*, *Soul Train*, *Family Feud* and other shows.—P. Llanor Alleyne



Tribune TV Stations

The Tribune station group is No. 5 on the B&C Top 25, by percentage of U.S. TV homes reached as calculated for compliance with FCC rules, which discount the reach of UHF stations by half. The ranking also shows reach without the UHF discount. The ranking is based on data from Nielsen Media Research and BIA Financial Network.

29.98% coverage (FCC)
27 stations

40.11% coverage (total)

435 N. Michigan Ave., Ste. 1800,
Chicago, IL 60611

Phone: (312) 222-3333

Fax: (312) 329-0611

Web site: tribune.com

JOHN W. MADISAN, chairman,
Tribune Co.

DENNIS J. FITZSIMONS,
president/CEO, Tribune Co.

PATRICK J. MULLEN, president,
Tribune Broadcasting Co.

STATION	MARKET (channel)	DMA
WPIX(TV)	New York (11)	1
KTLA(TV)	Los Angeles (5)	2
WGN-TV	Chicago (9)	3
WPHL-TV	Philadelphia (17)	4
WLVI-TV	Boston (56)	6
KDAF(TV)	Dallas (33)	7
WBDC-TV	Washington (50)	8
WATL(TV)	Atlanta (36)	9
KHWB(TV)	Houston (39)	11
KCPQ(TV)	Seattle (Fox)	12
KTWB-TV	Seattle (WB)	
WBZL(TV)	Miami	17
KWGN-TV	Denver	18
KTXL(TV)	Sacramento (Fox)	19
KPLR-TV	St. Louis	22
KWBP-TV	Portland, Ore.	23
WTTV(TV)	Indianapolis (WB)	25
WXIN(TV)	Indianapolis (Fox)	
WTTK(TV) ^S	Indianapolis (WB)	
KSWB-TV	San Diego	26
WTIC-TV	Hartford (Fox)	27
WTXX(TV)	Hartford (WB)	
WXMI(TV)	Gr. Rapids, Mich. (Fox)	38
WGNO(TV)	New Orleans (ABC)	42
WNOL(TV)	New Orleans (WB)	
WPMT(TV)	Harrisburg, Pa. (Fox)	47
WEWB(TV)	Albany, N.Y. (ch. 45)	55

^S=Satellite station

SOURCE: BROADCASTING & CABLE, BIA Financial Networks, Nielsen Media Research

Deutsche Bank

congratulates

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as Broadcaster of the Year for 2003

Best wishes for continued success.

Deutsche Bank



DENNIS FITZSIMONS

**1982...SALES DIRECTOR, WGN-TV
1992...PRESIDENT, TRIBUNE TELEVISION
2003...PRESIDENT AND CEO, TRIBUNE COMPANY
AND NOW...BROADCASTER OF THE YEAR**



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DISTRIBUTION

In Chicago, Tribune Has an Omnipresence

BY KIM McAVOY

Tribune Co. has all the bases covered in Chicago. The multimedia giant is a leader in the Windy City's news and advertising marketplace. And its influence in the sports arena is evident through its ownership of the Chicago Cubs and Wrigley Field.

Certainly, Tribune's roots in the city are deep. Residents have been reading the *Chicago Tribune* since 1847. The paper is as much a part of Chicago as a snowstorm. The city's convention center is named after Col. Robert R. McCormick, the *Tribune's* longtime publisher and editor and grandson of its first owner, Joseph Medill.

Chicagoans have listened to Tribune's WGN(AM) since 1924 and rely on WGN-TV for a steady diet of Cubs, White Sox and Bulls games. CLTV, the area's first 24-hour all-news cable channel, was launched in 1993. And last year, *Chicago* magazine was added to the company's local-media holdings.

NECESSARY DIVERSITY

"We want all of Chicagoland to think of Tribune," says Mark Krieschen, vice president and general manager of WGN(AM). In fact, "Chicagoland" is a *Tribune*-invented word.

"We want you to wake up to WGN(AM), have the *Tribune* at your doorstep, tune in WGN-TV for any additional news, and, when you get to work, go on the *Tribune* Web site," says Krieschen.

Tribune CEO Dennis FitzSimons sees such diversity as necessary: "As newspapers continue to face more media competitors, amortizing the costs of these very large staffs of journalists becomes very difficult. The viewing public benefits from the additional depth that print journalists can bring to a newscast."

News/talk station WGN(AM) is considered a market leader in sales and ratings. It also carries the Cubs. WGN-TV, a WB affiliate (Tribune is a part owner of the WB), has been on the air since 1948.

"People in this market grew up with WGN-TV," says Station Manager Dominic Mancuso. Indeed, its *Bozo the Clown Show*, which ran daily from 1961 until 1994, became such a local institution that there was, at one point, a 10-year wait for tickets and some expectant mothers received Bozo tickets as baby-shower gifts.

In 1987, during FitzSimons's tenure as general manager, the show was cut from 90 minutes to an hour. It undoubtedly was not a draw for most daytime spon-



sors. But, at the time, FitzSimons told Robert Feder, television columnist for the *Chicago Sun-Times*, "Producing it is a luxury, but that is the price we're willing to pay to maintain our position as Chicago's No. 1 independent station."

WGN-TV offers 3½ hours of news in the morning, an hour newscast at noon, and a late-news broadcast at 9 p.m. "We have the No. 3 late news in the market and the No. 2 morning news in the market," says Mancuso.

The TV station—Chicago's Very Own, it claims as its slogan—says it has "the strongest community presence in the marketplace," plus a legacy of goodwill from its old *Bozo the Clown* show and other personalities long associated with the station, including late sportscasters Harry Caray and Jack Brickhouse. "We raise a lot of money for charity," Mancuso says. "We hold the 'Bozo Ball' every year to benefit WGN-TV's children's charities."

Indeed, FitzSimons started the WGN-TV fundraiser, which helps support groups like the "Off the Street Club," a boys and girls club located in an impoverished area on the West Side.

Community involvement is important at WGN(AM) as well. The radio station has its "Neediest Kid's Fund" and conducts fundraising activities for the Juvenile Diabetes Research Foundation.

SIGNIFICANT CLOUT

Tribune's clout in the community is made even more significant by its McCormick Tribune Foundation. The foundation was created in 1955 after the death of McCormick. Some \$33 million was distributed to 477 Chicago-area charities and organizations in 2002. This year, the foundation plans to donate about \$35 million

Chicago's Northwestern University's Medill School of Journalism can thank the Mc-

Cormick Tribune Foundation for the majority of funds to build the new McCormick Tribune Center, a \$17.5 million state-of-the-art facility.

AT ODDS WITH CHICAGO

With such a powerful media and sports portfolio behind it, Tribune sometimes finds itself embroiled in controversy. Currently, the Cubs are at odds with city officials over a proposal to designate Wrigley Field a historic landmark. The team opposes such a move, claiming it would hamper efforts to renovate and upgrade the 89-year-old stadium. Contention between city officials and Tribune is really not unusual given the company's high profile in the community and the fact that the *Tribune* does not always back Mayor Richard Daley.

If city officials prevail, however, Wrigley Field won't be the only Tribune property designated a landmark. The company's Tribune Tower on Michigan Avenue, built in 1925, is already a city landmark, housing corporate offices, WGN(AM) and the *Tribune* newspaper among other company divisions.

Despite numerous media assets in Chicago, some observers say Tribune does not control the city's media agenda. "With their audience footprint—their significant audience footprint—they're clearly formidable competitors," says Larry Wert, president and general manager at NBC's WMAQ-TV. Nor, he adds, is there any question that Tribune controls the largest aggregation of ad revenue in the \$764 million TV market.

However, he note, Chicago is an extremely dynamic market, and there is a variety of major media organizations with a strong presence. Despite the intense competition, he says, Tribune is a "good group and classy organization." ■

Significant Events in Tribune Co. History

1994

Tribune acquires WLVI-TV Boston.

1995

Tribune gains an equity interest in The WB Television Network.

1996

- Tribune acquires KHWB(TV) Houston.
- Tribune acquires KSWB-TV San Diego
- Chicago.tribune.com launches

1997

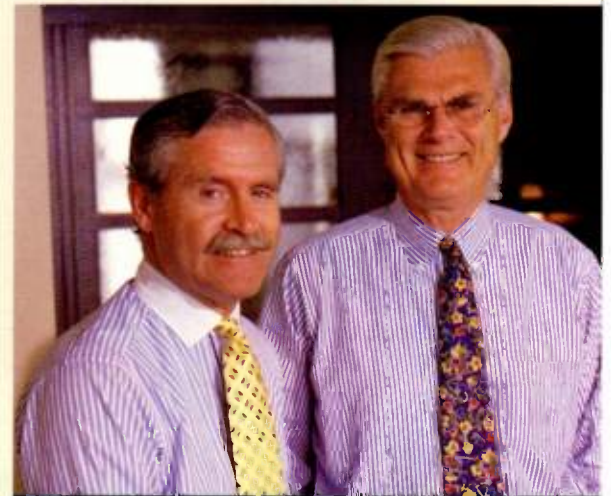
- Tribune acquires Renaissance Communications, adding six TV stations: KDAF(TV) Dallas; WBZL(TV) Miami; KTXL(TV) Sacramento, Calif.; WXIN(TV) Indianapolis; WTIC-TV Hartford, Conn.; and WPMT(TV) Harrisburg, Pa.
- *Orlando Sentinel* and Time Warner launch Central Florida News 13.
- Tribune Entertainment launches *Earth: Final Conflict*.

1999

- Tribune acquires WBDC-TV Washington and WEWB(TV) Albany, N.Y., and trades WGNX(TV) Atlanta for KCPQ(TV) Seattle.
- Tribune Interactive Inc. is established

2000

- Tribune acquires WATL(TV) Atlanta and WNOL-TV New Orleans
- Tribune acquires The Times Mirror Co., adding eight newspapers: *Los Angeles Times*, *The Baltimore Sun*, *Newsday* (New York), *Hoy* (New York), *The Morning Call* (Allentown, Pa.), *The Hartford Courant*, *Greenwich Time* (Greenwich, Conn.), and *The Advocate* (Stamford, Conn.). The \$8.3 billion transaction



FitzSimons with Tribune Chairman John Madigan.

is the largest acquisition in newspaper industry history.

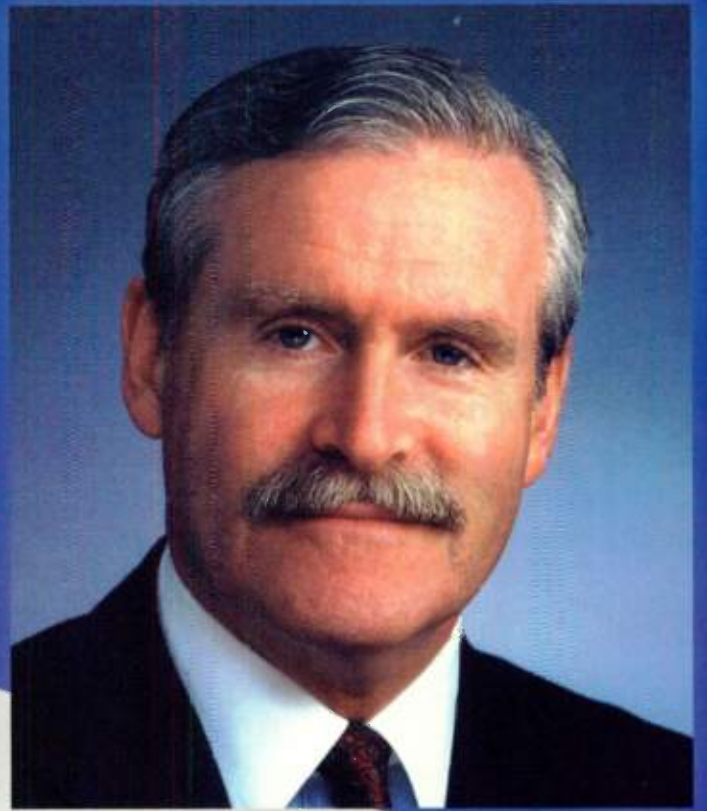
- Tribune Entertainment launches *Andromeda* in syndication.
- *Orlando Sentinel* launches Spanish-language version.

2002

- Tribune acquires WTTV(TV) Indianapolis.
- Chicago Tribune Co. acquires *Chicago* magazine
- *Sun-Sentinel* launches *el Sentinel*.
- *Chicago Tribune* launches *RedEye* edition aimed at young-adult audience; *Chicago Sun-Times* begins copycat edition *The Red Streak*. Both are universally panned.

2003

Tribune acquires KPLR-TV St. Louis and KWBP(TV) Portland, Ore.



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PROGRAMMING

UPN Seeks Ratings Gold With *Platinum*

Platinum, a hip, edgy show starring Jason George (l) and Sticky Fingaz, is targeted to the 18-34 demographic and heavy consumers of media, technology and pop culture.

But African-American dramas have a dismal track record on broadcast TV

BY PAIGE ALBINIAK

If the six-episode run of *Platinum*, premiering tonight on UPN, fails to attract much of an audience, it will just be another blip on TV's never-ending cycle of developing and launching prime time programs. If it succeeds, though, it will be a landmark for UPN on several levels.

First, it will be one of this year's few bright spots for the network, which has found itself struggling with a 20% decline in ratings, including drop-offs in the network's linchpins, *Buffy the Vampire Slayer*, *WWE Smackdown!* and *Enterprise*.

It also will be the first success for UPN President of Entertainment Dawn Ostroff, who is launching the first shows she has developed since CBS President and CEO Leslie Moonves hired her in January 2002.

And it will be the first success-

ful prime time television drama built around a mostly African-American cast of characters. Although there have been many popular sitcoms starring African-American casts on prime time broadcast television, no drama

'This show has the potential to be a franchise series for this network.'

DAWN OSTROFF, UPN

has ever made the cut. And dramas with mostly minority characters, such as CBS's recent *City of Angels*, also have failed.

But UPN, whose Monday-night slate of urban comedies is a solid performer, believes that its audience is ready for a show like *Platinum*, which features an African-American family that owns a hip-hop record company.

The show also has Caucasian characters, and Ostroff thinks it can be a crossover hit. "Look at movies like *8 Mile*, starring Eminem. When you see the success of the movie, the DVD and the CD, it makes you realize how much interest people have in this subject matter. You have an opportunity to cross over when you see how broad this is.

"This show has the potential to be a franchise series for this network," she adds. And UPN needs such a series, especially with *Buffy* going off the air after its May 20 finale.

If *Platinum* works, it will set a positive tone for UPN's fall season. Already, the network has several urban-themed shows in development, including one with Will Smith and Jada Pinkett-Smith and one with hip-hop artist Eve.

Platinum is a hip, edgy show written, directed and produced by top talent John Ridley, Francis Ford Coppola, Sophia Coppola and Kevin Bray and executive-produced by Robert Greenblatt and David Janollari, executive producers of HBO's award-winning *Six Feet Under*. UPN is airing six episodes over five weeks, starting with tonight's show and then moving to the show's regular time period on Tuesdays at 9 p.m. ET.

Ostroff expects the show to appeal directly to UPN's target audience: "18- to 34-year-olds who are bold, daring trend-setters, people who have a lot in common with people who buy hip-hop and rap music. They are heavy consumers of media, technology and pop culture. They are our core viewers and the viewers we reach out to."

To further reach this audience, UPN will repurpose the show eight to 10 days later on Viacom sister network MTV, whose core demographic is similar to UPN's. Both networks will promote the show.

UPN has heavily promoted *Platinum*. It has run progressively longer promos, starting with 10-second teasers a month before the show launched and finishing with longer-form 45- and 60-second spots last week.

The network also bought time on cable networks VH1, Comedy Central, TNT, TNN, FX and E!, Clark says. And UPN targeted publications, including *People* magazine, *US Weekly*, *Entertainment Weekly*, *Vibe*, *Jet* and *Ebony*, as well as urban hip-hop and pop radio stations in top markets. ■



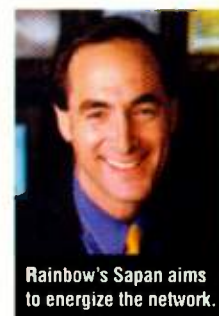
Fuse's Juris says, "We're an independent alternative music network created for and driven by viewers."

MuchMusic Gets A New Name, New Look

BY ALLISON ROMANO

Trying out potential new names for MuchMusic USA. Rainbow Media executives toyed with "Interactive Music Exchange" and "Total Choice Music." But, when the goal is to meld hip young viewers with fresh new music and technology, "Fuse", they ventured, simply said it better.

So, on May 19, MuchMusic USA will relaunch as Fuse. The network will also move into a new \$12 million midtown-Manhattan studio and kick off a new branding campaign.



Rainbow's Sapan aims to energize the network.

Fuse still targets the same 12- to 34-year-old music fan. But, as when Rainbow relaunched Romance Classics as slightly hipper, younger WE: Women's Entertainment,

"we saw an opportunity to energize [the network] and take it to a different place," said Rainbow President and CEO Josh Sapan.

To keep up with teens' short attention spans, Fuse's new look features scores of logos and a slew of—sometimes bizarre—taglines (among them, "Fuse: Tastes better than chicken" and "Fuse: Kicking ass and taking names").

Like MuchMusic, however, Fuse still wants to be the anti-Viacom music channel. Viacom owns MTV, VH1, BET and CMT, along with a batch of digital music nets.

"The need for an alternate voice is greater than ever," said Fuse President Mark Juris. "We're an independent alternative music network created for and driven by viewers."

Rainbow launched the music net in 1994 with Canadian programmer CHUM Group Television. In 2000, it bought out CHUM's interest and has been plotting this makeover ever since.

Ratings and distribution are other challenges. Fuse's Nielsen marks barely register; in the first quarter, the net averaged 49,000 households and did not count a household rating.

Distribution has grown steadily in the past two years to 31 million subs, according to Nielsen universe estimates. The channel has carriage deals with most major MSOs, but Rainbow is working to improve Fuse's tiering and channel positioning. ■

SYNDICATION WATCH

RATINGS | March 24-30

Nielsen Media Research

| magazine show |

Top 25 Shows
Adults 18-34

RANK/PROGRAM	AA	GAA
1 Friends	5.0	5.8
1 Seinfeld	5.0	5.8
3 Seinfeld (wknd)	4.1	4.7
4 That '70s Show	3.3	4.0
5 Everybody Loves Raymond	2.9	3.2
6 King of the Hill	2.6	2.9
7 Will & Grace	2.5	2.7
8 Oprah Winfrey Show	2.0	2.0
9 Wheel of Fortune	1.9	NA
9 Home Improvement	1.9	2.3
9 Buffy the Vampire Slayer	1.9	2.1
12 Just Shoot Me	1.7	1.9
12 Entertainment Tonight	1.7	1.8
14 Everybody Loves Raymond (wknd)	1.6	NA
14 The X-Files	1.6	1.8
14 It Takes Two (s 3/30)	1.6	1.7
17 Dharma & Greg	1.5	1.7
17 Drew Carey	1.5	1.6
17 Maury	1.5	1.6
17 That '70s Show (wknd)	1.5	1.5
21 Stargate SG-1	1.4	1.5
22 Jeopardy	1.3	NA
22 Blind Date	1.3	1.4
22 Jerry Springer	1.3	1.4
22 The Practice	1.3	1.4
22 WW Police Videos	1.3	1.4
22 Frasier	1.3	1.3

Top Off-Net Dramas
Adults 18-34

RANK/PROGRAM	AA	GAA
1 Buffy the Vampire Slayer	1.9	2.1
2 The Practice	1.3	1.4
3 ER	0.9	1.0
4 Sabrina the Teenage Witch	0.7	NA
5 Proffler	0.6	0.6

According to Nielsen Media Research Syndication Service Ranking Report March 24-30, 2003

AA = Average Audience Rating

GAA = Gross Aggregate Average

ONE NIELSEN RATING = 1,067,000 households, which represents 1% of the 106.7 million TV Households in the United States

NA = not available

A Big-Market Success

BY PAIGE ALBINIAK

Distribution-wise, NBC Enterprises' *Access Hollywood* has long had one important thing going for it and one important thing going against it.

Going for it are prime access clearances on the NBC owned-and-operated stations in New York, Los Angeles, Chicago, Philadelphia, San Francisco and Washington, where the magazine show regularly turns in strong performances.

Going against it has been an inability to secure similar clearances in the rest of country. Access time periods are tough to come by and are mostly locked up for years on top network affiliates.

When NBC took over distribution of *Access Hollywood* from Warner Bros. two years ago, the show was distributed in access slots in about 35% of the country. By this fall, the show will have prime access slots in 50% of the country, moving toward 60% by fall 2004, says Executive Vice President, Sales, Barry Wallach. Moreover, NBC has cleared the show in most of the country through the 2006-07 television season and through 2008-09 on some stations.

Among women 18-49, the show is second behind *Entertainment Tonight*, with a 3.8 to *ET*'s 4.5, according to Nielsen's weighted metered-market ratings in top-three affiliates in prime access. That just beats King World's *Inside Edition*, which comes in with a 3.7 in the demo. Warner Bros.' *Extra* is fourth with a 3.1.

Access Hollywood claims the largest total 18-49 audience of all the access shows, including game shows. According to NBC, 50% of *Access Hollywood*'s audience is adults 18-49, compared with 49% of *Extra*'s, 42% of *Entertainment Tonight*'s and 40% of *Inside Edition*'s.

Access Hollywood's audience also is the richest, NBC says, with the largest percentage of viewers with incomes higher than \$75,000 a year. The young/well-heeled combination appeals to top advertisers, notably movie studios, which spend \$6 billion on TV advertising a year, particularly in the entertainment-magazine genre.

Finally, although *Access Hollywood*, *Entertainment Tonight* and *Extra* are all rivals, Wallach says the three shows perform well when aired back to back. *Access Hollywood* is having success teaming with *ET*, Wallach says, on KIRO-TV Seattle; WAVY-TV Norfolk, Va.; and WESH-TV Orlando, Fla. ■



Access Hollywood performs well in access slots in the top markets.

Syndie

Insider

Warner Bros. Gives Up Some Spots

Warner Bros. Domestic Television is giving stations one 30-second spot per day in each of its 13 syndicated shows to help them recoup losses created by war coverage. Since the war began, viewers have fled daytime network television in favor of cable war coverage. Warner Bros.' aid program starts today and continues for six weeks. It applies to *The Caroline Rhea Show*, *Change of Heart*, *ElimiDate*, *Extra*, *Friends*, *Jenny Jones*, *Judge Mathis*, *Street Smarts*, *Suddenly Susan*, *The Drew Carey Show*, *The People's Court* and *Will & Grace*.

As reported previously, NBC Enterprises started the giveback by providing stations an extra 30-second spot on *Access Hollywood*.

Trio of Sales Promotions at Sony

Mark Wurtzel, Andrew Deutscher and Howard Nelson have been promoted at Sony Pictures Television. Wurtzel becomes senior vice president for the western region, heading Sony's Los Angeles sales office based in Culver City. Deutscher becomes vice president of sales for the northeast region, relocating to New York City from Chicago. Nelson was named executive director of integrated promotion and will be creating national promotions and marketing partnerships for Sony's first-run and off-net series.

War? What Is It Good For?

Daytime shows continued to take a one-two punch in the week ended March 30. The "left uppercut" was that, for the first time, syndicated shows had to compete against war coverage for an entire week, with the number of households viewing major cable news nets in daytime up dramatically compared with the week prior to the war. CNN was up 220%, MSNBC 236% and leader Fox News Channel 138%.

The "right cross" was that, although some shows were preempted, the preemptions were not high enough in many cases for Nielsen to discount the show from the weekly average. (Coverage has to drop by 10 percentage points—say, from 95% coverage of the U.S. to 85%—for a show's performance to be discounted.) As a result, only two of 14 syndicated talkers were up for the week: Warner Bros.' *Jenny Jones*, up 21% to a 1.7, and Universal's *Crossing Over With John Edward*, up 10% to a 1.1.

CLEVELAND UPGRADE

ROCKS ACCESS!

Recent Access Upgrade propels
King of the Hill (WJW/F, 7:30pm)
past Friends and Will & Grace!

MIKE JUDGE

And... that's not all.

	M18-49 NOV '02 TP RANK	M18-49 FEB '03 TP RANK
ATLANTA WAGA/F 7:30 pm	#2	#1
TAMPA WTVT/F 7:00 pm	#3	#2
ORLANDO WOFL/F 7:00 pm	#2	#1

Source: NSI, SNAP 3, Feb '03 & Nov '02, M18-49 Rtg, CL = WRAP Overnights, w/o 3/31-4/4/03 & Nov '02, HH Rtg

NIELSEN | March 31–April 6 | RATINGS

THE PRIME TIME RACE

Top 10 Basic Cable Shows

March 31–April 6

Total Households (in millions)

PROGRAM	DATE	NET	HHS
1. Fox Report 7:30p	4/1	FOXN	4.7
2. The O'Reilly Factor	4/3	FOXN	4.6
3. The O'Reilly Factor	4/1	FOXN	4.3
3. Fox Report 7p	4/1	FOXN	4.3
5. Fox & Friends 9a	4/5	FOXN	4.2
5. The O'Reilly Factor	4/4	FOXN	4.2
5. The O'Reilly Factor	4/2	FOXN	4.2
8. Hannity & Colmes	4/1	FOXN	4.1
9. Fox & Friends 8:20a	4/5	FOXN	4.0
9. The Cost of Freedom	4/5	FOXN	4.0

Adults 18-49 (in millions)

PROGRAM	DATE	NET	AA
1. WWE 10p	3/31	TNN	2.8
1. Real World XN	4/1	MTV	2.8
3. Trading Spaces	4/5	TLC	2.7
4. WWE 9p	3/31	TNN	2.6
5. Fox Report 7:30p	4/1	FOXN	2.4
5. The Shield	4/1	F/X	2.4
7. Special Report/Info*	4/1	FOXN	2.2
7. Newsnight/A. Brown	4/3	CNN	2.2
7. Fox Report 7:30p	4/1	FOXN	2.2
10. Hannity & Colmes	4/1	FOXN	2.1

SOURCE: Turner Entertainment Research, Nielsen Media Research
* Program length less than 15 minutes

Broadcast Networks

Mar. 31–Apr. 6

Total households (in millions)

	WEEK	STD
1. CBS	8.6	8.9
2. NBC	7.8	8.3
3. FOX	6.0	6.4
4. ABC	5.3	6.9
5. WB	2.1	2.8
5. UPN	2.1	2.4
7. PAX	0.8	0.9

Adults 18-49 (in millions)

	WEEK	STD
1. NBC	5.5	5.8
2. FOX	5.4	5.4
3. CBS	5.0	5.1
4. ABC	3.6	5.1
5. WB	1.7	2.3
6. UPN	1.6	1.9
7. PAX	0.3	0.4

Top 10 Broadcast Shows

Total Households (in millions)

	WEEK	
1. CSI	CBS	17.7
2. Friends	NBC	13.9
3. American Idol Tue	FOX	13.4
4. ER	NBC	13.2
5. American Idol Wed	FOX	12.6
5. Everybody Loves Raymond	CBS	12.6
7. Survivor: Amazon	CBS	12.3
8. CSI: Miami	CBS	12.1
9. Law & Order	NBC	11.2
10. Law & Order: SVU	NBC	11.1

Adults 18-49 (in millions)

	WEEK	
1. Friends	NBC	12.6
2. American Idol Wed	FOX	12.4
3. American Idol Tue	FOX	12.3
3. CSI	CBS	12.1
4. ER	NBC	11.3
5. Will & Grace	NBC	9.9
6. Scrubs	NBC	9.7
7. Survivor: Amazon	CBS	9.3
8. Everybody Loves Raymond	CBS	8.6
9. Wanda at Large	FOX	8.5
9. CSI: Miami	CBS	8.5

SOURCE: Nielsen Media Research

Week 28	abc	CBS	NBC	FOX	PAX	UPN	WB
MONDAY	4.9/8	10.3/16	6.6/10	5.0/8	0.6/1	2.1/3	2.0/3
8:00	62. ABC News: War With Iraq 5.4/8	19. King of Queens 8.8/14	44. Fear Factor 6.1/9	60. Boston Public 5.5/8	136. Dirty Rotten Cheater 0.5/1	106. The Parkers 1.9/3	96. 7th Heaven 2.5/4
9:30	47. The Practice 5.9/9	17. Yes, Dear 9.0/13	37. Third Watch 6.6/10	72. Married by America 4.5/7	136. Sue Thomas, F.B. Eye 0.5/1	97. One on One 2.3/3	112. Everwood 1.5/2
9:30		5. Ev Lvs Raymond 11.8/17				104. Girlfriends 2.1/3	
9:30		13. Still Standing 9.7/14				101. Half and Half 2.2/3	
10:00	85. Miracles 3.3/5	8. CSI: Miami 11.4/19	30. Crossing Jordan 7.0/12		127. Diagnosis Murder 0.8/1		
10:30							
TUESDAY	5.8/9	8.3/13	5.5/9	10.0/15	0.6/1	1.2/2	1.8/3
8:00	47. 8 Simple Rules 5.9/9	21. JAG 8.3/13	62. The Three Stooges 75th Anniversary 5.4/8	3. American Idol 12.6/19	136. Weakest Link 0.5/1	112. Buffy the Vampire Slayer 1.5/2	107. Gilmore Girls 1.8/3
8:30	60. According to Jim 5.5/8		43. Frasier 6.2/9	28. 24 7.4/11	140. Just Cause 0.4/1	122. Girlfriends 1.0/2	107. Smallville 1.8/3
9:00	46. According to Jim 6.0/9	26. The Guardian 7.8/12	70. A.U.S.A. 4.8/7			124. Half and Half 0.9/1	
9:30	54. Lost at Home* 5.7/9						
10:00	51. Barbara Walters Special 5.8/10	18. Judging Amy 8.9/15	54. Dateline NBC 5.7/10		122. Diagnosis Murder 1.0/2		
10:30							
WEDNESDAY	5.4/9	6.8/11	8.5/13	9.6/15	0.7/1	2.0/3	2.3/3
8:00	47. My Wife & Kids 5.9/10	42. Star Search 6.3/10	37. Dateline NBC 6.6/10	35. That '70s Show 6.7/11	132. Candid Camera 0.7/1	94. Enterprise 2.6/4	101. Dawson's Creek 2.2/3
8:30	57. George Lopez 5.6/9			5. American Idol 11.8/18			
9:00	37. The Bachelor 6.6/10	31. 60 Minutes II 6.9/10	20. The West Wing 8.4/13	23. Wanda at Large 8.0/12	132. Doc 0.7/1	115. The Twilight Zone 1.4/2	97. Angel 2.3/3
9:30							
10:00	78. All American Girl 3.9/7	29. CSI 7.3/12	9. Law & Order 10.5/18		127. Diagnosis Murder 0.8/1		
10:30							
THURSDAY	5.2/8	12.4/19	10.9/17	2.5/4	0.7/1	3.3/5	1.5/2
8:00	83. Whose Line Is It 3.5/5	7. Survivor: Amazon 11.6/18	2. Friends 13.0/21	97. Married by America 2.3/4	134. It's a Miracle 0.6/1	85. WWE Smackdown! 3.3/5	116. Sabrina/Witch 1.3/2
8:30	84. Whose Line Is It 3.4/5		12. Scrubs 9.8/15				116. Sabrina/Witch 1.3/2
9:00	77. The Bachelor 4.0/6	1. CSI 16.6/25	14. Will & Grace 9.6/14	93. The Pulse 2.7/4			94. Jamie Kennedy 2.0/3
9:30			27. Good Mng Miami 7.6/11		127. Diagnosis Murder 0.8/1		105. On the Spot 1.3/2
10:00	22. Primetime 8.2/14	16. Without a Trace 9.1/15	4. ER 12.4/20				
10:30							
FRIDAY	5.0/9	5.2/9	8.1/14	3.1/5	0.6/1	1.2/2	2.0/3
8:00	54. America's Funniest Home Videos 5.7/10	64. Star Search 5.2/9	31. America's Most Talented Kid 6.9/12	90. Fastlane 2.9/5	136. Friday Night Fix—Trial of Old Drum 0.5/1	119. UPN's Movie Friday—Cutaway 1.2/2	107. What I Like About 1.8/3
8:30	76. 8 Simple Rules 4.2/7	64. Hack 5.2/9	31. Ed 6.9/11	85. John Doe 3.3/6			111. Greetings/Tucson 1.6/3
9:00	78. Regular Joe 3.9/7						94. Reba 2.6/4
9:30							101. Grounded for Life 2.2/4
10:00	64. 20/20 5.2/9	68. 48 Hours Investigates 5.1/9	10. Law & Order: Special Victims Unit 10.4/18		127. Diagnosis Murder 0.8/1		
10:30							
SATURDAY	3.9/7	7.2/13	3.2/6	5.3/9	1.1/2		
8:00	70. More Classic TV Bloopers 4.8/8	(nr) NCAA Basketball 6.3/13	97. Mtg/Fear Factor 2.3/4	72. Cops 4.5/8	124. Diagnosis Murder 0.9/2		
8:30		57. NCAA Basketball 5.6/10		64. Cops 5.2/9			
9:00	89. Are You Not? 3.1/5	25. NCAA Basketball Championships—Texas vs. Syracuse 7.9/14	85. NBC Saturday Night Movies—Indiana Jones and the Temple of Doom 3.3/6	51. AMW: America Fights Back 5.8/10	119. PAX Saturday Night Movie—MNC: Pretend You Don't See Her 1.2/2		
9:30							
10:00	80. Are You Not? 3.8/7						
10:30							
SUNDAY	5.8/9	6.6/11	8.1/13	5.0/8	1.0/2		2.5/4
7:00	74. Wonderful World of Disney—Atlantis: The Lost Empire 4.3/7	23. 60 Minutes 8.0/14	35. Dateline NBC 6.7/12	91. Futurama 2.8/5	134. Candid Camera 0.6/1		112. Gilmore Girls 1.5/3
7:30		34. Big Fat Grk Life 6.8/11	41. American Dreams 6.4/10	81. King of the Hill 3.6/6			
8:00		37. Becker 6.6/10		47. The Simpsons 5.9/9	124. Doc 0.9/1		91. Charmed 2.8/4
8:30				69. Oliver Beene 4.9/7			
9:00	81. Alias 3.6/5	51. CBS Sunday Movie—The Whole Nine Yards 5.8/9	11. Law & Order: Criminal Intent 10.1/15	57. Malcolm/Middle 5.6/8	119. Sue Thomas, F.B. Eye 1.2/2		107. Black Sash 1.8/3
9:30				74. The Pitts 4.3/7			
10:00	44. Dragnet 6.1/10		15. Katie at Night 9.2/15		127. Just Cause 0.8/1		
10:30							
Averages							
Week	4.9/8	8.0/13	7.3/12	5.6/9	0.8/1	2.0/3	1.9/3
S-T-D	6.5/11	8.3/14	7.8/13	6.0/10	0.8/1	2.3/4	2.6/4

KEY: Each box in grid shows rank, program, total-household rating/share | Blue bar shows total-household rating/share for the day | Top 10 shows of the week are numbered in red | TV universe estimated at 106.7 million households; one ratings point is equal to 1,067,000 TV homes | Tan tint is winner of time slot | (NR)=Not Ranked; rating/share estimated | *Premiere | Programs less than 15 minutes in length not shown | S-T-D = Season to date | SOURCES: Nielsen Media Research, CBS Research | Compiled By Kenneth Ray

New Fox Net Dubbed 'Fuel'

BY ALLISON ROMANO

A year after announcing that it was going to start an "action sports" network, Fox last week gave it a name and a debut date: Fox Cable Networks' new Fuel debuts July 1 as the first cable network dedicated to extreme sports.

General Manager David Sternberg says the network "is placing a big bet on a very strong future trend in sports participation and sports viewing."

Fuel will start off with about 2 million digital subscribers on DirecTV, Time Warner Cable and Cable One.

The channel will tempt young male viewers 12-24 with extreme sports like snowboarding and wakeboarding, which are only sporadically offered on TV. Because of the nature of extreme sports, says Programming Vice President C.J. Olivares, much of the content will be pre-taped. "There is tradition in these sports that they are shot for air later."

Fuel will have some live competitions. Network executives are negotiating with IMG, for example, to license rights to the Association of Surfing Professionals. Fuel may share some programming with Fox Sports, like Fox's new 54321 action-sports highlight show. There are also initiatives to partner with Fox Sports regional nets, Fox Sports World and Fox Sports en Español.

Olivares said Fuel may also look to license second windows to other networks' programming, like NBC's *Gravity Games*.

Fuel will be ad-supported, but it's exploring ways to reduce traditional commercial breaks. Two Olivares ideas: fewer but longer spots or event sponsorship.

As for the name, Olivares explains that Fuel personifies "the power, the passion, and the depth of these sports and the influence they play in youth culture." ■



MARKET | El Paso | FOCUS

AT A GLANCE

The Market

DMA rank	101
Population	870,000
TV homes	276,000
Income per capita	\$11,248
TV revenue rank	80
TV revenue	\$45,200,000

Commercial TV Stations

RANK*	CH.	AFFIL.	OWNER
1	KINT(TV)	26	UNI Entravision
2	KVBA-TV (tie)	7	ABC News-Press
2	KTSM-TV (tie)	9	NBC Comm. Corp.
4	KDBC(TV)	4	CBS Imes Comm.
5	KFOX-TV	14	Fox Cox

*February 2003, total households, 6 a.m.-2 a.m., Sun.-Sat.

Cable/DBS

Cable subscribers (HH)	162,840
Cable penetration	59%
ADS subscribers (HH)**	48,300
ADS penetration	17.5%
DBS carriage of local TV?	No

**Alternative Delivery Systems, includes DBS and other non-cable services, according to Nielsen Media Research

What's No. 1

Syndicated Show	RATING/SHARE***
<i>The Simpsons</i> (KFOX)	7/15
Network Show	
<i>CSI</i> (KDBC)	11/17
Evening Newscast	
<i>KVIA-TV</i>	9/17
Late Newscast	
<i>KINT</i>	10/19

***February 2003, total households

SOURCES: Nielsen Media Research, BIA Research

Profiting From Two Worlds

Out in the West Texas town of El Paso, the clocks read differently from the rest of that enormous state. "This is the only city in Texas in the Mountain time zone," notes Larry Bracher, general manager of NBC affiliate KTSM-TV. "Everyone else is Central time. And it's always confusing to buyers, to national reps, to syndicators."

But advertisers and their reps can read the census reports, and the money is pouring into this geographically isolated and heavily Hispanic market, which crosses into the Las Cruces area of New Mexico—and adds some of that state's lucrative political and other advertising to its Texas dollars.

The 101st-ranked DMA has a per capita income of only \$11,248, according to BIA Financial, and local TV executives say poverty is indeed conspicuous. But the market nonetheless jumps 21 spots, to No. 80, when ranked by revenue. And, when many markets dropped 10%, 15%, even as much as 25% from banner year 2000 to 2001, El Paso slipped a minuscule 0.4%.

"We weren't affected by a lot of the dotcom fluctuations," notes John Witte, general manager of Fox affiliate KFOX-TV. The market is influenced, say Witte and other TV executives, by the value of the peso, by the thousands of Americans and Mexicans who cross the border in either direction daily, by the twin-plant *maquiladora* system, and by a strong local military presence. Because of nearby Fort Bliss, local news operations have spent much time before and since the war in Iraq began tracking the many, sometimes tragic local connections to that conflict.

Spanish-language Entravision-owned Univision affiliate KINT(TV) is the market leader and attracts an enormous amount of advertising. But executives at the local English-language stations insist that the local population is far more bilingual and that, "if you want to reach the majority and mainstream of El Paso, you've got to buy English-language TV," says Kevin Lovell, general manager at ABC affiliate KVIA-TV.—Dan Trigoboff



WHAT THEY DO

No. 3 With 1.86% projected annual growth over the next decade, El Paso is the third-fastest-growing metropolitan area in the U.S.

78.2% of El Paso County residents were listed as Hispanic in the 2000 Census.

8,400 residents are employed in call centers for such companies as EchoStar, MCI and Southwestern Bell.

SOURCE: Greater El Paso Chamber of Commerce and *El Paso Profile and Economic Summary 2001-2002*

GREENVILLE DISCOVERS PYRAMID!

PYRAMID delivers the time period's BEST rating in 5 years on WLOS at 4:30pm!

PYRAMID

3.3

HOUSEHOLD RATING!

+313%

OVER YEAR AGO PROGRAMMING!

+14%

OVER LEAD-IN!

Emmy® Nominated Donny Osmond
Outstanding Game Show Host

Source: NSI, WRAP Sweeps, M-F, Feb '03 Sweep, year ago = Feb '02 Sweep, best = Feb histories

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www.sonypicturestelevision.com

TV BUYER



DaimlerChrysler has increased its marketing efforts, like this ad for its Jeep division, to keep up with its new financing incentives and rebates.

Car Ads Should Hold Steady

But some automakers are increasing marketing to woo wary consumers

By JOHN M. HIGGINS

The automobile industry may be slumping, but that doesn't mean car companies and dealers are pulling back on advertising. And industry executives believe sales would have to drop dramatically before ad spending would be reduced significantly.

The recession has forecasters predicting car and light-truck sales will dip to 16 million-16.5 million units this year, off from 16.8 million in 2002 (and the magical 17.4 million units moved in 2000, back when stock market and economy were still booming). As TV and advertising executives meet to discuss the ad climate at the Television Bureau of Advertising's annual marketing conference at the New York International Auto Show this week, they're frightfully aware that a continued sluggish economy could mean a \$20 billion-\$30 billion reduction in retail sales volume from last year's \$378 billion.

But there's a few bits of good news for TV stations and networks. The war—which seems at this point to be a rather short one—has not battered car sales as much as many executives feared. Honda and Toyota, for example, have posted gains amidst the war drums.

Up to a point, bloating inventories can prompt car companies to increase advertising to drive sales. Some automakers have launched new rounds of financing incentives and rebates that they need to tout.

General Motors has relaunched its five-year/0%-financing plan, a move that juiced sales immediately after 9/11. Ford and DaimlerChrysler are offering a similar deal on a more limited selection of vehicles, including Chrysler's PT Cruiser. But the automaker has boosted

cash rebates on some cars and SUVs to as much \$4,000.

Ford is offering four-year leases touted as "\$5-a-day" on its Mustang Coupe and Ranger Edge pickup.

"Any time you have something to communicate, you get a bump in ad spending," said Paul Taylor, chief economist for the National Automobile Dealers Association. "I'd certainly look at it as the bright spot in what is otherwise a soft retail market." He added that "our dealers increased advertising every year, even as sales have come off the peak."

Others agree, to a point. "I still think these guys aren't in a position to pull away from ad spending," said Bear Stearns & Co. auto analyst Domenic D. Martilotti. "They can't afford to pull back unless it gets real ugly." To him, "real ugly" means 2003 sales of 15 million units, rather than the 16.4 million he currently forecasts.

Toyota's not pulling back. Corporate Manager of Marketing Communications Deborah Meyer said that, when the war started three weeks ago, the car company pulled one spot off the air briefly. "We've been back on everything other than news coverage. We think it's important to keep getting our message out." March sales were stronger than most other manufacturers', and the company has introduction of four cars and trucks set for this year.

One adaptation to the conflict in the Mideast is that Toyota is emphasizing the relative fuel-efficiency of its cars.

Here's the big downside. The car business has some significant fundamental problems. Some analysts expect demand to drop to as low as 15.7 million units by 2005. Worse, pricing could suffer further because of substantial overcapacity in car factories around the world.

Sanford Bernstein & Co.'s Scott Hill says manufacturers could shut down every facto-

Continued on page 36



Top Auto Advertisers

Local Broadcast TV, January-December

What the major car manufacturers and dealer organizations have been spending

RANK/ COMPANY	2002 (MILLION)	2001 (MILLION)	CHANGE
1 DaimlerChrysler AG	\$559.5	\$561.8	0%
2 General Motors	\$520.8	\$477.3	9%
3 Ford Motor Dealer Assn.	\$402.8	\$347.6	16%
4 Ford Motor Co.	\$328.0	\$250.9	31%
5 Honda Motor Co.	\$297.1	\$277.1	7%
6 General Motors Corp. Dealer Assn.	\$277.5	\$104.4	166%
7 Nissan Motor Co.	\$236.7	\$172.6	37%
8 Toyota Motor Corp. Dealer Assn.	\$220.0	\$163.9	34%
9 Toyota Motor Corp.	\$212.0	\$202.3	5%
22 DaimlerChrysler AG Dealer Assn.	\$85.2	\$81.6	4%
24 Hyundai Corp. Dealer Assn.	\$84.0	\$69.9	20%

Includes both local and national spot activity

SOURCE: Television Bureau of Advertising/CMR MediaWatch in the top 75 markets

EBB & FLOW

Still Spending on Cable

Agency concerns compete with cable optimism while equally conflicted advertisers appear to be spending through both war and hard times.

"Overall spot TV is not as strong as we expected," says Bonita Le Flore, EVP/director of local broadcast, Zenith. "The year started with a bang, but the war and a weak economy are

1Q SPOT SALES

+26%

making advertisers reluctant to do anything."

Jean Pool, EVP/director of North American Operations, Universal McCann, concurs. "Spot is very negotiable," she says, adding, "I don't think we'll see the 2% growth recently predicted."

What categories are hot? "I still expect to feel a downturn from automotive, especially as domestic sales are down. I think domestic automotive is spending through [bad times] in order to retain share."

Nonetheless, "spot cable is doing great," says Kevin Barry, VP, local sales and marketing, Cabletelevision Advertising Bureau. "It's been a good year for national and local cable, but spot cable is enjoying even greater increases and growing faster than any other television medium."

Indeed, the CAB recently announced that network-cable advertising revenues rose 5% from 2001 to \$10.64 billion in 2002. National Cable Communications, the largest cable rep firm, reported a 26% jump in spot sales in the first quarter, beating 2002's 24% increase over the comparable period in 2001. Although auto sales are good, cable spot insiders say that substantial spending increases in the media, telecom, restaurant/fast food and banking/investment categories are fueling the growth.

—Jean Bergantini Grillo

NEXT WEEK:

TV Spot

HELEN OF TROY

DESIRE IS WAR

THE EPIC MINISERIES BEGINS
SUNDAY, APRIL 20TH 8PM/7C

USA
NETWORK

War No Drag on U.S. Ad Spending

BY JOHN M. HIGGINS

Rather than toppling over like a statue of Saddam Hussein, U.S. ad spending should rise nicely this year. But the picture for European and Asian markets is not nearly as bright.

ZenithOptimedia thinks the war in Iraq isn't having much of an effect on U.S. spending. In a report last week, the media-services giant boosted its estimate of U.S. ad spending to \$146.7 billion this year, a 2.2% hike from last year. Its previous forecast, issued in December, predicted growth of 1.9%.

"U.S. advertisers are so far unfazed by jumpy consumers or the outfall of war," the report said. "There are pockets of strong advertiser demand."

Some advertisers were hesitant in the weeks leading up to the first U.S. attack on Baghdad, but that's largely dissipated, according to Rich Hamilton, CEO of Zenith's U.S. division. "This war was not going to be a four-day war."

Television should remain the biggest beneficiary, as evidenced by the strength of the scatter market. "Generally, in times of volatility, especially in times that are soft, the magazine business tends to get hit harder," Hamilton said. "Newspapers, the driver of retail, do well. ... But television is where the horsepower of advertising is."

Spending by European advertisers is seen as much weaker, up 0.4% in the five largest countries. France should be up 1.1%, but spending in Germany is seen dipping 0.9%. Japan should also see slower growth, 0.8%.

U.S. ad growth is expected to be stronger because of its different ways of responding to the recession. U.S. companies have aggressively laid off workers and reduced other costs. The resulting profitability "underpins the con-

Major-Market Ad Spending

COUNTRY	2001 (MILLION)	2002 (MILLION)	2003e (MILLION)	2004p (MILLION)	2005p (MILLION)
USA	\$141,636	\$143,552	\$146,671	\$153,335	\$158,319
Japan	37,650	35,089	35,359	35,906	36,578
Germany	20,146	19,323	19,147	19,819	20,910
UK	15,888	15,889	16,067	16,538	17,074
France	10,532	10,281	10,416	10,707	11,027
Italy	8,349	8,053	8,098	8,337	8,634
Spain	5,710	5,787	5,828	6,062	6,339
Total	239,910	237,974	241,586	250,705	258,882

e=estimated p=projected

SOURCE: ZenithOptimedia

confidence to advertise," Zenith said.

Regulation and culture make it harder for Western European and Japanese companies to wield chainsaws. European "investment spending is expected to shrink for the third year in a row this year (-0.3%) and is struggling to go positive in Japan (0.1%), whereas the US is expected to bounce back at 2.9% after two years' heavy retrenchment," Zenith said. ■

Automakers Continue to Spend on Ads

Continued from page 34

ry on a single continent and still produce enough cars to satisfy consumers.

In the U.S., sales of high-priced truck-like SUVs are waning in favor of lighter "crossover" SUVs built on a smaller car chassis. The truck-like vehicles not only are less profitable but open the Big Three manufacturers up to greater competition from Asian manufacturers. The home markets of the likes of Toyota and Hyundai have little appetite for big trucks, so the absence of international economies of scale have made them smaller players in U.S. SUV game.

But American buyers' appetite for smaller utility vehicles means that Toyota can readily play by using, say, a Toyota Camry chassis for a Lexus RX 330 saleable in multiple markets.

The bottom line is that brisk ad spending won't last if the auto business weakens substantially.

Kathy Crawford, executive vice president and director of local broadcast for Initiative Media, said that TV stations in particular have to worry. "Auto ad spending is up, but what does it really mean in the end? What are stations going to do when the business that generates 25%-30% of their sales has big trouble?"

'Any time you have something to communicate, you get a bump in ad spending. I'd certainly look at it as the bright spot in what is otherwise a soft retail market.'

PAUL TAYLOR,
National
Automobile Dealers
Association

Nielsen Monitor-Plus estimates that car manufacturers and dealers spent \$11 billion on advertising last year. About \$4.4 billion of that, or 40%, went to TV stations; \$2.7 billion, or 24%, to broadcast-TV networks. Just \$1.1 billion, or 10% went to cable systems. Newspapers got about \$900 million.

(Nielsen's ad-tracking numbers differ somewhat from estimates by Competitive Media Reports.)

Deutsche Bank estimates that the ad spending by the Big Three U.S. automakers comes to \$429 per vehicle sold, while Japanese manufacturers spend about \$476. That's about 2% of the total manufacturing cost of the car.

Ad-sales folks should also be able to count on an increase in model introductions. Different analysts count 75-85 model launches and major "refreshes" during 2003. That's a year-round cycle, not the September rush of the past. GM, for example has 20 product launches this year but only 12-14 next year.

Each launch carries a fairly significant ad budget. Hill said that manufacturers can't really control the timing of launches, which take three to five years to plan. "They have to spend to support the engineering spending they've done." ■

HOT SPOTS

New Campaigns

Honeywell Consumer Products' **AUTOLITE** spark plugs are getting their first TV-ad support in nearly a decade. The spots, which broke last week, feature characters from Fox's prime time animated series **King of the Hill**. Interpublic Group of Cos.' **MCCANN-ERICKSON WORLDWIDE**, Troy, Mich., is the agency, having picked up Honeywell's Autolite and Fram accounts last year. The budget is estimated at \$10 million. ...

KONICA BUSINESS TECHNOLOGIES USA last week broke a business-to-business campaign that included TV, network cable, print, online and direct mail. The spots carry the overall theme "Change the Tone," in support of its line of color products—including its new ColorForce 8050 Imaging System. Konica will run its broadcast-network commercial through Aug. 22, emphasizing the early-morning news shows. **CRONIN & CO.**, Glastonbury, Conn., is the Konica agency. ...

Regis Corp.'s **SUPERCUTS** hair-care chain next week will break three humorous, guy-oriented TV commercials carrying the theme line "We know how it is." One spot will feature NASCAR driver **KERRY EARNHARDT** and balding former NFL star **TERRY BRADSHAW**. (Bradshaw is part owner of FitzBradshaw Racing, Earnhardt's racing team.) **OMNICOM GROUP'S ELEMENT 79**, named Supercuts' creative agency last December, handles the campaign. ...

TBWA Snags Pennzoil Account

PENNZOIL's creative-account review, which had recently dwindled to the final four agencies, has concluded with **INTERPUBLIC GROUP OF COS.' TBWA/CHIAT/DAY** the victor of the account, estimated at \$20 million-plus.

Interpublic and **OMNICOM GROUP** had two contenders apiece in contention to the end. **DEUTSCH**, Los Angeles, and **THE MARTIN AGENCY**, Richmond, Va., are under Interpublic's corporate umbrella, while TBWA/Chiat/Day, Playa del Rey, Calif., and the Pennzoil incumbent Austin, Texas-based **GSD&M** are under Omnicom's.

GSD&M is said to be retaining the estimated \$20 million Pennzoil media-buying and -planning account.

Big Brand on Campus

COCA-COLA will take a \$10 million equity stake in **COLLEGE SPORTS TELEVISION**, a new digital cable network that launched last week. In addition, Coke has struck a \$5 million marketing partnership with the new network.

The two companies intend to develop new programming as well as consumer marketing initiatives meant to reach the college athletic community—from fans to athletes to alumni.

As part of the deal, Coke will be the presenting sponsor for CSTV's Sunday-night block of University of Notre Dame programming this fall; Notre Dame is the latest to be added to the CSTV's roster.

Chrysler Spots Tune In Viewers

Viewers sang the praises of Celine Dion's **CHRYSLER** spots in **INTERMEDIA ADVERTISING GROUP's** latest consumer research on the most recalled and most liked TV commercials.

In its data on the top new TV spots airing in the two weeks ended March 30, the Canadian songbird's TV spot for **CHRYSLER's** Sebring was tops in terms of ad recall, while her spot for the Pacifica ranked first in likability. The Sebring spot came in at No. 8 on the likability list. Both spots are in black-and-white.

The two versions of **KFC's** Honey BBQ Boneless Wings spot, pairing **JASON ALEXANDER** with the *Joe Millionaire* hunk (a :15 and a :30) ranked second and third in recall, followed by an animated spot for **MCDONALD'S** latest game, "Winning Time." A second Winning Time spot ranked seventh.

On IAG's likability chart, McDonald's Winning Time spot was locked in a three-way tie with **CHRYSLER's** Pacifica spot and **DR PEPPER's** "Be You" spot featuring **PAULINA RUBIO**.

Holland America Inks Travel Channel Deal

Cruise line **HOLLAND AMERICA** has signed a one-year advertising partnership with the **TRAVEL CHANNEL**, according to Discovery Networks U.S. President of Ad Sales **JOE ABRUZZESE**. The deal includes Holland America's sponsorship of Travel's upcoming "Beach Week 2003."

Holland America VP of Worldwide Marketing **MARK KAMMERER** said the cross-platform buy also includes a national consumer sweepstakes, to be promoted on Travel and Discovery.com through May 10 via spots that integrate Holland America's cruise-ship footage. About 50,000 co-branded direct-mail pieces will be sent out; Discovery Channel's retail stores will run sponsor-tagged Beach Week promos as well.

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Internet users



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subscribers



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WASHINGTON



FCC chief Michael Powell (r) told interviewer Sam Donaldson at the Chairman's Breakfast during the NAB convention last week that there will be no wholesale scrapping of the regulations: "You should not look for the elimination of all the rules."

Mark Your Calendars for Media Rules

June 2 is hard date: Ferree; hard date to meet: Copps

By PAIGE ALBINIAK

The road to reviewed and revised media-ownership rules by June 2 may not be smooth if commission divisions evident at NAB last week are any indication. But it will be traveled nonetheless, says FCC's Media Bureau Chief Ken Ferree.

At the National Association of Broadcasters convention in Las Vegas, Commissioners Kathleen Abernathy and Michael Copps took strong and opposite positions on Chairman Michael Powell's deadline for the already delayed 2002 biennial review of broadcast-ownership rules. Commissioners Kevin Martin and Jonathan Adelstein staked out some middle ground.

Copps is adamant that not enough time has been spent answering key questions on the effects of relaxing the ownership rules: "We need to study this more. I don't think we have all the regularity of data that we need." Abernathy, on the other hand, argued that, with 15,000 comments gathered, "we do possess the knowledge to make these decisions."

That sentiment was seconded by Nancy Victory, head of the National Telecommunications and Information Administration, the telco-policy arm of the administration: "At this point, there is a very voluminous record. It is time to make a decision."

During another panel session, Ferree put an exclamation point on it: "There will be no delay. June 2 is the final date." He also said that all the rules will be dealt with at that time.

The FCC has been under pressure from some in Congress to stick to its timetable and to either revise or throw out the rules. It has also been under pressure from others in Congress to loosen the deadline to allow for more public comment on the rules or on a new "diversity index" the commission wants to use to determine which markets can be deregulated.

DIVERSITY INDEX DIVIDE

The commission is divided over the diversity index, which would use a mathematical formula to determine whether there is enough media diversity in any given market.

On yet another panel, Powell said the index concept was "not that sophisticated or complex. I don't think there should be a freak-out about using data methodology to make sense of data." But Martin, who has bucked Powell before, said later that the commission should be moving toward "simple rules that everyone can understand and then creating tools that everyone can use."

Adelstein and Abernathy stepped into the fray, opining that a diversity index would be used to give the rules across-the-board consistency and an ability to provide case-by-

Continued on page 40



CAPITAL WATCH

Disney Open to Tech Solution

Disney last week indicated its willingness to explore technological solutions to protecting the digital distribution of its content, rather than insisting, as has it historically done, on persuading Congress to legislate a copyright mandate. Why? "To be blunt, if we don't distribute our products to consumers in a timely manner, the pirates will do it for us," said Disney Chairman Michael Eisner. "Many are paralyzed by the fear of digital piracy," he said in accepting the NAB's Hall of Fame Award for *The Wonderful World of Disney*. "We are mindful of the perils of piracy, but we will not let fear keep us from innovating how our product is distributed."

Disney has spent much of the last two years working to get the government to intervene to force an industry solution that Congress could then write into law. But the bill that supported that notion, sponsored by Sen. Fritz Hollings (D-S.C.), stirred up a hornet's nest among public-interest groups and technology companies and didn't make much progress. It hasn't been reintroduced this Congress, and industry sources say that, without strong Disney support, it is unlikely to resurface.

War-Coverage Conundrum

What does Sen. Conrad Burns (R-Mont.), a former broadcaster and a member of the Senate Communications Subcommittee, think about TV's coverage of the war in Iraq? Depends on whether you ask Paxson Communications chief Bud Paxson or Hubbard Broadcasting head Stan Hubbard. Speaking at a free-wheeling NAB panel session last week, they were asked what they thought of the coverage. Paxson answered by noting that he had had cocktails with Burns and Sen. John McCain (R-Ariz.), who said that they get briefed by the Pentagon "every morning at 9 a.m." As a result, he said, Burns feels that watching the coverage on TV "is a waste of time." Hubbard countered that he had heard Burns at an NAB breakfast meeting offer nothing but praise for the coverage. "The TV industry should be congratulated for all this wonderful coverage," Hubbard recalled Burns saying. For his part, Hubbard called the coverage "fantastic."

Orlando Stock Rises

In the see-saw battle to replace former NAB Executive VP Jim May, John Orlando, acting NAB chief of government relations, was on the way up last week, particularly among industry types gathered for the NAB convention in Las Vegas. Industry buzz has been that Orlando's standing as a Democrat could hurt him, but sources say his deft handling of political issues and general popularity on Capitol Hill make up for the fact that he's a Democrat when the White House and Congress are run by Republicans. Stay tuned.

FCC Tech Type Gets Stripe

Jim Schlichting has been named deputy chief of the FCC's Office of Engineering and Technology. Previously, he was deputy chief of its Wireless Telecommunications Bureau and has been an attorney at the commission since 1985.

WRIGHT VISITS D.C.



According to a source, NBC Chairman Bob Wright was in Washington recently, meeting with FCC Chairman Michael Powell, FCC Commissioner Kevin Martin and Sen. John McCain (R-Ariz.) to make the case for relaxing national and local media-ownership rules. Wright's visit to the commission came about the same time as a letter from Rep. Billy Tauzin (R-La.) and others asking that the FCC modify the rules and urging the FCC to stick to its June timetable, a point also made by Wright. He is said to feel that the issue is no longer one of economics but of the politics of lining up three votes for loosening the regs, which he believes can be done.

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Media Ownership Scorecard

Pushed by Congress and federal judges, the FCC is reviewing all of its broadcast-ownership rules. For each rule, it must 1) scrap it altogether, 2) amend it and explain the change, or 3) justify keeping it as it is. Agency Chairman Michael Powell plans to vote on the review at a June 2 special meeting, a date recommitted to last week by Media Bureau Chief Ken Ferree. Based on FCC filings and public statements, here's what groups—broadcasters, industry trade groups and public-interest organizations—actively lobbying the FCC want, including what some say ought to be done.

35% cap

The combined reach of one company's TV stations may not exceed 35% of U.S. television households.

ELIMINATE

- CBS, Fox, NBC

RELAX

■ Minority Media Telecommunications Council: *Relaxation should be phased in to gauge impact on ownership diversity; create merger "diversity index" based on antitrust models; consider diversity credits companies could trade to boost diversity measures.*

RETAIN

■ National Association of Broadcasters, Network Affiliated Stations Alliance, Cox Media, Media Access Project, United Church of Christ (UCC), Connecticut Attorney General

Newspaper crossownership ban

Broadcast stations and daily newspapers in a market may not be owned by the same company. More than 70 grandfathered combos currently exist.

ELIMINATE

■ NAB, Tribune, Hearst-Argyle, Gannett, Belo, Cox, Dispatch Broadcast

RETAIN

■ Media Access Project, UCC, Connecticut Attorney General

TV duopoly

Two TV stations may be co-owned in a Nielsen market only when more than eight separately owned outlets remain. Only one of the stations may be among the market's four top rated.

ELIMINATE

■ Sinclair, Paxson, Granite

RELAX

■ NAB: *"10/10" plan would allow pairs in smaller markets by permitting stations with a 10 share or greater to pair with ones below 10 share; case-by-case waivers for combos not meeting 10/10 criteria; triopolies in big markets among bottom-rated and financially struggling stations; count cable and satellite TV toward audience share.*

■ Belo: *Eliminate "eight-voice test" but retain prohibition on pairs among top-four local stations.*

■ Hearst-Argyle: *Permit in any market as long as collective audience share is 30% or less and combo passes Justice Dept./FTC horizontal merger guidelines.*

■ LIN/Raycom: *Allow anywhere unless all local stations would end up with one owner.*

RETAIN

■ Coalition for Program Diversity, Media Access Project, UCC, Connecticut Attorney General

Radio/TV crossownership limits

Ownership of two TV stations and six radio stations is permitted in markets where TV pairs are permitted and 20 separately owned broadcast stations, daily newspapers and cable systems operate. In those markets, ownership of one TV and seven radios is also permitted as an alternative. Two TVs and four radios may be owned in markets with 10 independent voices; ownership of two TVs and one radio is permitted in smaller markets.

ELIMINATE

■ NAB, Clear Channel

RELAX

■ Paxson: *Replace voice test with ad-revenue test.*

RETAIN

■ Media Access Project, UCC, Connecticut Attorney General

Radio-market measurement

Market size for purposes of local ownership limits is measured via complex system of overlapping signal contours.

TIGHTEN

■ National Association of Black Owned Broadcasters-Rainbow/PUSH Coalition, Inner City Broadcasting: *Decrease number of stations a company can own locally by measuring markets based on Arbitron model, not overlapping signals.*

RETAIN

■ Clear Channel

■ NAB: *Change, if any, should be limited to ignoring signal contours of powerful out-of-town stations that boost market size and number of stations permitted to one owner.*

Local radio concentration

Limits on local radio ownership are determined by sliding scale based on market size. In largest markets, the total tops out at eight.

ELIMINATE

■ Clear Channel

RETAIN

■ Media Access Project, UCC, Connecticut Attorney General

TIGHTEN

■ National Association of Black Owned Broadcasters-Rainbow/PUSH Coalition: *Assess impact of each acquisition on minority ownership; eliminate temporary waivers for deal exceeding ownership limits; require station sales needed to comply with limits to be made at time of merger; "flag" and give extra scrutiny to deals that allow one owner in a market to control 40% of radio ad revenue or two owners 60% (rather than the current 50%/70% screen); make local marketing agreements count toward operator's ownership tally.*

Dual-network rule

ABC, CBS, Fox, NBC are prohibited from owning each other

ELIMINATE

■ CBS, Fox, NBC

RETAIN

■ Network Affiliated Stations Alliance, UCC

UHF discount

Household reach of UHF stations is calculated at 50% for purposes of national ownership cap.

ELIMINATE

■ Media Access Project, UCC

RETAIN

■ Sinclair, Paxson

Fin-syn return*

Former financial-interest and syndication rules limited networks' in-house prime time shows.

YES

■ Coalition for Program Diversity: *Carve out 25% of prime time lineup for shows not produced outside Big Four nets' in-house studios.*

NO

■ Disney, Viacom, NBC, Fox

General rule elimination

■ CBS, Fox, NBC: *Replace all rules with new technology-neutral "safety net" that measures diversity across all media, including the Internet, weekly newspapers and regional magazines.*

■ Sinclair: *Eliminate all local limits.*

*Not technically one of the rules under review and so off the table for this review, according to FCC Chairman Powell, who promises to take it up separately.

Continued from page 38

case analysis on media mergers.

The most contentious ownership decision the commission faces is what to do with the 35% cap on TV-station household reach. Networks want it raised or eliminated so that they can grow; stations want it to remain as a check on network power.

A federal court has ruled that 35% is an arbitrary number, so the commission must justify whatever new—or old—number it comes up with.

CAP PREDICTIONS VARY

Blair Levin, former FCC chief of staff and now with investment firm Legg Mason, predicted the commission will raise the 35% cap and would create some "metric" for loosening TV-duopoly



'We need to study this more. I don't think we have all the regularity of data we need.'

MICHAEL COPPS,
FCC

rules, allowing ownership of two TV stations in a market, on a case-by-case basis.

Levin also predicted that the dual-network rule will remain intact and that the FCC will not deal with the 50% discount it gives to UHF stations in calculating national household reach. The discount policy will be decided by the courts, he said.

Communications attorney Wade Hargrove, who represents the ABC TV affiliates on Washington issues, predicted the cap will remain, as he and the affiliates

have urged. Like Levin and numerous others, Hargrove expects the newspaper/broadcast-crossownership rule to go and foresees "some modification" of duopoly rules. He predicted that the UHF discount and rules barring big networks from buying each other will be retained.

NO WHOLESALE REG SCRAPPING

Washington attorney Brian Madden predicted a redefinition of the term "local market" as it applies to radio ownership. LIN Television's Greg Schmidt expects "major revisions or repeal" of just about all the ownership rules, "except perhaps the national cap."

One NAB participant said flatly there will not be a wholesale scrapping of the regulations. Powell told interviewer Sam Donaldson at NAB's Chairman's Breakfast, "You should not look for the elimination of all the rules." He also said not to look for a revival of the fin-syn rules, which checked the networks' ability to profit from the shows on their air. Technically, the rules are not a part of the proceeding since they are no longer in effect, although arguably they could be part of a modification of another rule.

"Those issues are bigger than what is in this ownership proceeding," Powell said of fin-syn. He did say he would review the issue, just as he is obligated to review all issues that come across his desk.

Some independent producers have been asking the FCC to set aside 25% of network prime time for independently produced programming. Since the scrapping of the rules, they argue, the networks have dominated the airwaves with programs in which they have a financial interest. ■

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TECHNOLOGY

NAB WRAP-UP



An HD version of *Sportscenter* is slated to premiere from ESPN's new digital facility next March.

ESPN Set To Play With Quantel

generationQ servers, editors will mesh with BBC Tech asset management at new digital facility

BY KEN KERSCHBAUMER

ESPN recently had a March Madness of its own. More than 60 broadcast-equipment manufacturers competed for the storage and editing contract for ESPN's new digital facility. The decision-making process took about six months, and, in the end, Quantel walked away with the prize.

"There are only 20 tape machines in the entire facility," says Chuck Pagano, ESPN senior vice president, technology, engineering and operations. The deal with Quantel calls for installation of 68 generationQ servers, 23 generationQ editing suites and 200 generationQ desktop editing/browse seats.

A major consideration, he says, was not to shift ESPN's operations to an IT-based model, something many of the

server manufacturers are pushing. "We just wanted to replace our VTR with a system that has a hard disk in it and a network to remove the sneakernet. That's what we liked about the server architecture from Quantel."

Three of the strengths of the system that attracted Pagano were its robustness, backup system and approach to disaster recovery. "If certain things go down, there is a manual function that can be used. It isn't just an IT-type server that sits there if something goes wrong."

Quantel Executive Chairman Richard Taylor says the company learned of the deal the week before NAB, giving the company a nice sense of momentum heading into the show. He echoes Pagano's sentiments on the server's ability to speak the language of the broadcast world, although, he notes, it can work in an IT environment as well.

"One of the things that is unique to the broadcast world is that it has video frames," he adds. "And our servers track frames individually, so, when you do an edit, all it does is reorder the way you read the frames. You don't have to do any copying. Systems for the IT world looks at content in terms of files; if you go looking for individual elements, you have to look through the complete file."

The system also creates a browsable image tied to the broadcast-quality im-

ages, he explains. That could prove important at a facility that will bring in 200 hours of content a day as source material for creating sports highlight packages.

"We think the interface on the editor is very good," Taylor adds, "because it's intuitive and scalable, which means that, no matter what level of editing is being done, the interface still looks the same."

A pilot system will be installed this summer, Pagano says, with an on-air date set for next March with the debut of *Sportscenter HD*, the hi-def version of ESPN's long-running sports news and highlights program. Other equipment, such as cameras and lenses, are still to be chosen. ESPN isn't buying graphics equipment, he adds, because the current output "looks really good when upconverted."

The Quantel system won't be operating in a bubble. ESPN also tapped another U.K.-based manufacturer, BBC Technology, to provide its Colledia digital-media infrastructure system to handle content sharing and flow throughout the Quantel generationQ system.

"The Colledia systems puts an asset-management umbrella over the server database so you can search for pieces and parts of clips and have rights issues sent through it," says Taylor. "It allows for exotic searches and gives the user a video-viewing window with all the text data on one screen." ■

servers



Quantel has been tapped to install 68 generationQ servers at ESPN.



Technology Stars

BROADCASTING & CABLE presented its sixth annual Technology Leadership Awards at the NAB convention last week. Pictured at the awards reception (l-r): Harry A. Jessell, editor in chief, B&C; Chris Bowick, vice president of engineering and chief technology officer, Cox Communications; Marty Faubell, vice president of engineering, Hearst-Argyle Television; Bruce Allan, broadcast communications division, Harris Corp.; Preston Davis, president, ABC Broadcast Operations and Engineering; and Bill McGorry, senior vice president, Reed TV Group, the publisher of BROADCASTING & CABLE, *Multichannel News* and *TWICE*.

In his remarks, Jessell cited Bowick for successfully bundling TV, telephone and high-speed Internet access for Cox cable subscribers; Faubell for developing an Orlando, Fla.-based centralcasting system; Allan for keeping the DTV transition going by selling low-cost transmitters and educating consumers; and Davis for efforts in promoting HDTV in general and the 720P format in particular.



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Avid Gives Adrenaline Rush

New accelerator is deployed across its product line

BY KEN KERSCHBAUMER

Avid has introduced three Digital Nonlinear Accelerators (DNAs) designed to increase the processing power of editing systems.

The Adrenaline DNA is intended for NewsCutter; Mojo, for portable and field systems; and Nitris, for its high-end DS editing suite.

According to Avid Broadcast Director David Schleifer, development took more than two years and required new codecs and a new software engine that take advantage of FireWire's transfer capabilities to boost editing power and speed of traditional PC-based systems.

Hardware-based editing systems are based on a video card, so faster CPUs don't help improve performance. And software based systems are only as good as the PC they're running on, **editing systems** making performance enhancements limited by the CPU. "DNA marries the two in the box with the FireWire cable," explains Schleifer.

Uncompressed data moves between the two systems. He says any software-host-based system will be improved while hardware-based systems will have additional PC power equal to adding as many as 30 Pentium 4 processors.

Adrenaline accommodates a number of standard-definition inputs and outputs, including analog, YprPb, S-video, composite, and eight- and 10-bit SMPTE 259M SDI inputs and outputs. For audio, there are eight audio channels plus AES/EBU, ADAT and S/PDIF digital audio I/O. More important, it of-



Avid's NewsCutter editing system will get a boost in processing power from Avid's new Adrenaline Digital Nonlinear Accelerator. New NRCS tool will let reporters or editors link iNews or ENPS to NewsCutter.

fers optional HD-DI support.

"It's HD-upgradable so you have a path to the future," says Schleifer. "And broadcasters don't know when the move to HD will happen so this gives them an ability to budget for it."

The HD upgrade would be done via an HD expansion slot, which boosts the processing speed of the host CPU to handle the material.

The new NewsCutter Adrenaline FX nonlinear editing system, Schleifer says, will give users all the editing capabilities of Avid's Media Composer system plus the NewsCutter features. Among them is Quick Record, which allows the jog shuttle to be used for keyboard-free editing.

Other new features for NewsCutter include a Newsroom Computer System (NRCS) tool that allows reporters and editors to link from iNews or ENPS to the NewsCutter environment so editors can edit to words in a script. HyperClip and Post-to-Web features are designed to improve Web publishing. The system comes in four versions: NewsCutter Effects priced at \$34,995; NewsCutter FX Adrenaline at \$29,995; and NewsCutter XP with a

CPU at \$11,995 without at \$6,995.

The Mojo DNA for portable nonlinear editing systems is priced starting at \$1,695. It can be added to NewsCutter XP, allowing real-time DV and analog audio and video output to tape with real-time 2-D and 3-D DVE. Features include real-time video monitoring and analog-to-DV and DV-to-analog conversion. Mojo also allows genlock synchronization to black burst on both analog and digital ports.

For high-end nonlinear-editing requirements, the company now offers Avid DS Nitris system, which can deliver real-time effects for up to two streams of 10-bit HD media and eight streams of 10-bit uncompressed SD media. It uses a Media Composer-type interface and includes such features as a Symphony-style color-correction system. Features include global hue, saturation gain and brightness control as well as constant-luminance controls for shadows, midtones and highlights. More than 10 HD formats are supported in the system, which is expected to be priced at \$145,000 for Avid DS Nitris systems and \$78,995 for Avid DS Nitris editor systems. Upgrades will cost \$35,000. ■

Cutting Edge

iVast Cracks Codes

Streaming-video manufacturer iVAST introduced the Live Broadcast Encoder at NAB. The system allows real-time MPEG-4 audio/video encoding and simultaneous archiving for satellite and media backhaul, electronic newsgathering, and live event broadcasts. It reduces space required for storing source media by as much as 90% and lowers bandwidth and costs required for distribution. The company also introduced a multichannel head-end transcoder, an MPEG-4 digital headend system that integrates iVAST's MPEG-4 encoding and VideoTele.com's Astria content processor. It transcodes up to 180 audio/video channels from MPEG-2 to MPEG-4.

Logical Sound Debut

Dolby Laboratories unveiled the Dolby Pro Logic II encoder for the broadcast market. It provides a matrixed, five-channel surround-sound signal through any existing analog or digital stereo. "This enables broadcasters to deliver dynamic five-channel surround sound over their existing analog or digital stereo infrastructure," says Tom Daily, marketing director, Professional Audio, Dolby Laboratories. "Dolby Pro Logic II processing offers the next-best solution for stations not currently able to make the transition to true discrete 5.1-channel audio." The DP563 Dolby Surround Encoder can be upgraded for \$400 to include real-time encoding for Dolby Pro Logic II and Dolby Surround Pro Logic. New DP563 units will come equipped with the upgraded capability of Dolby Pro Logic II encoding, and will be available after NAB for \$3,700.

Earth to Andrew

Andrew Corp. now offers a 9.4-meter dual-reflector Earth Station Antenna (ESA). The new antenna was a computer-optimized dual-reflector Gregorian optics system for high gain and improved radiation-pattern performance. One way that is achieved, according to the company, is with the use of close-tolerance techniques established for antennas operating at high frequencies. These ensure an extremely accurate surface contour, resulting in high antenna-performance efficiency. The new antennas are available for Ku- or K-band two or four-port configurations with linear or circular polarization. All 9.4-meter antennas comply with AsiaSat, APSTAR, Eutelsat, Intelsat(R), ITU-R, and U.S. FCC standards. It also has standard wind survival up to 125 mph (201 km/h) in any position of operation. Other options available include anti-icing equipment, waveguide cross-axis kits, and pressurization systems.

Zenith's Latest for VSB

Zenith Electronics announced a 50% reduction in the factory price of its top-of-the-line ATSC VSB Modulator, the DTVMOD-30, to \$14,999. Even deeper volume discounts are available, it says, for strategic partners. The unit creates an 8-VSB Trellis-encoded signal from an ATSC MPEG-encoded bit stream. The modulated signal uses a standard 44-MHz intermediate-frequency (IF) output, which is upconverted to the desired channel and used by low-power digital transmitters for terrestrial broadcast. Standard features include ATSC-compliant 8-VSB Trellis-encoded modulation, ATSC-compliant 16-VSB modulation for high-data-rate applications in private networks, SMPTE 310M-standard bit-stream input, ASI-standard bit-stream or LVDS-parallel-standard bit-stream input, standard 44-MHz (center of channel) IF output, microprocessor control on board, and a one-year warranty.

Ai Repeats Transmission

Ai introduced the DTVR-100U ATSC DTV repeater at NAB. It includes an 8-VSB receiver, 8-VSB modulator

VizRT CG System Improves Transitions

BY KEN KERSCHBAUMER

Graphics-system manufacturer VizRT has found believers in broadcasters like CNN and CBS, which use the company's VizTicker and VizContentPilot products. Now the company is seeking additional believers with its new VizTrio character-generator system.

Starting price is \$35,000 for a one-channel system that, according to VizRT CTO Peter Ole Jakobsen, can work with a facility's existing application protocols. More important, it gives the user more-advanced graphics with the use of VizRT's 3-D graphics "transition-logic" technology.

"It allows the graphics to flow around the screen," says Jakobsen. "For example, the

graphic can go from over the shoulder to a front lower third without the operator needing to consider what to do to move from one layer to the next. It will animate out one graphic and then animate in the next one."

VizRT also introduced a graphics system that sits on top of Panasonic's new graphics processor. Jakobsen says the new processor has impressed him, adding that he hasn't seen anything else that is close to its performance level. Forty of the units have already been sold to Japanese broadcasters, among them NipponTV, which will use it for virtual-studio and other graphics applications.

"With two live video inputs, stations can create HD broadcasts without a production switcher or DVE," Jakobsen explains, "and that can be very attractive." ■



VizRT graphics system uses new Panasonic processor.

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Metadata

identification of your recorded assets. And how **SNMP** means higher uptime via industry-standard Simple Network Management Protocol while supporting all existing Sony products with Interactive Status Reporting. Perhaps the most striking of all is Sony's new **Optical Disc** Recording, an acquisition medium so agile, it transfers low-resolution proxy A/V to an editing system at up to 50 times faster than real time. Plus, Sony Optical is fully compatible with your existing tape production systems.

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(W/S)²

CNN, NBC Tap New Sony Format

Optical-disc system set for field test this fall

By Ken Kerschbaumer

Among the sales and deals announced by Sony last week were the decision by CNN to test and deploy the manufacturer's new optical-disc ENG system this fall and by NBC's to use the format to acquire material for athlete profiles for the 2004 Summer Olympics.

At CNN, according to Senior Vice President, Strategic Digital Systems, Gordon Castle, the initial deployments will be to prove out the different workflow configurations that the system introduces. "We want to see how it can be integrated into the standard production environment. We'll start slowly and then deploy units from there."

Sony's optical-disc system offers up to 90-minute recording on one disc and can transfer a proxy video copy of full-resolution content into an editing system at 50 times real time, making it strongly suited for use in laptop-based field editing systems.

"Our move to a system like this actually began two years ago when we put nonlinear editing systems in the field," says Castle. "That allowed us to start transferring files between editing systems over different types of networks."



Sony's optical-disc ENG system offers up to 90-minute recording on one disc.

With the exception of deep archives on tape, Castle says, CNN is looking for an end-to-end data-based production system, something Sony's new format allows. With Macintosh G4 laptops coupled with Final Cut Pro nonlinear editing systems, the loop is almost complete.

CNN's Atlanta-based photo pool will be the first test of the format, which will be used for acquisition of on-air material. "We don't have a history of testing things that aren't planned for deployment," Castle observes. "We don't have time for that sort of approach."

For Castle, one of the key aspects of the system is that it allows the network to realize one of its technical dreams: moving the exact file shot in

the camera all the way through the production process and then into the archive fully intact. Right now, the material that comes into the Atlanta facility is raw material but is not the entire camera-originated footage.

He expects the bureaus to retain the discs and send copies of all the footage to CNN. "But, because we'll be able to move that file into the studio without recompressing it, what will go into the archive will be [all] the camera original [content]."

This capability will also help smooth the transition to HDTV. Castle says the move will be more natural. "You can load a new operating system or program on a computer; you don't have to replace it per se."

Sony's deal with NBC is part of a broader deal to provide technology through 2009. NBC Olympics Senior Vice President of Engineering Dave Mazza says the system offers new workflow advantages that will allow NBC to cover more ground quickly when assembling the human-interest stories that set Olympics coverage apart from other athletic events.

"We'll be able to review and edit material more quickly and efficiently than ever before," he says.

Sony also announced that The Dispatch Broadcast Group will also deploy optical disc camcorders to WBNS(TV) Columbus, Ohio, WTHY(TV) Indianapolis and the Ohio News Network. ■

Fujinon One-Ups Canon

By Ken Kerschbaumer

Fujinon literally one-upped Canon's new 100-times magnification lens with a 101-times magnification, setting the stage for Canon to respond with a 102-times lens. Whether that will actually happen remains to be seen, but, for now, its advantage Fujinon when it comes to zoom ratio.

Even Fujinon Marketing Manager Dave Waddell questions how much more zoom ratio is actually needed. The XA101x8.9BESM also features the widest angle of any high-magnification sports lens and also has a motorized macro feature, which allows it to swing around from covering game action to get a shot of a reporter in the booth who can be as close as 3 feet away. The lens is designed for $\frac{2}{3}$ -inch high-definition CCD cameras and weighs 50 pounds.

Helping drive lens development are new computer programs that greatly increase the speed and accuracy with which new lens designs can be created.

"We can design a lens in about one-third the time it previously took," says Waddell. "And the design comes out of the computer almost ready to go to production. It requires much less field-testing now to develop a lens."

Also new from Fujinon this year are six new prime lenses for the digital-cinematography market. Dubbed the Cine Super E series, they each have a front-end di-



New Fujinon lens provides 101-times magnification and is designed for use with $\frac{2}{3}$ -inch high-definition CCD cameras.

ameter of 95 mm and a length of 144 mm. One of the important features, according to Waddell, is minimal "breathing" during focusing, ensuring that the images remain sharp and don't shift when the lens is focused.

lenses

The lineup also has a focus rotation of 280 degrees; standard Cine Style lenses previously featured 144.5-degree rotation.

To meet HD ENG demands, Fujinon has introduced the HA22x7.3ERM/ERD lens for $\frac{2}{3}$ -inch-format cameras. The F-stop range is up to 1.9, and the cameras feature the company's DigiPower servo system. Two versions are available: The BERM version has a 2X extender, manual focus and servo zoom; the BERD version has a 2X extender, servo focus and servo zoom.

"The HD market is starting to take off," says Waddell. "Broadcasters are still hesitant, but a lot of commercial work shot on film is now being shot in HD." ■

Cutting

Edge

(including precorrector), upconverter, high-power amplifier, and co-channel band-pass filter. Options include power metering, status monitoring, and remote-control systems. The repeater mounts directly on the pre-corrector board, which then corrects system group delay and nonlinearity. Ai says the channel-converter module has very low-phase noise and a very high-frequency stability using a multi-loop PLL local oscillator and high stable reference clock. System power is also controlled in the module.

Ascent Taps SeaChange

Ascent Media Network Services has selected SeaChange International's Broadcast MediaLibrary storage system to fulfill its near-line media-management strategy. In 1999, Ascent Media Network Services chose SeaChange to provide on-air Broadcast MediaClusters for playback of all its network clients. And now, networked to a near-line Broadcast MediaLibrary supported by Straylight Digital's media-management software, Ascent Media Network Services' on-air servers will have real-time access to more than 2,000 hours of programming and interstitial material, mitigating the work with multiple media sources to build program schedules. The Broadcast MediaLibrary uses TCP/IP networks to provide access to more than 24 TB (up to 6,850 hours) of content.

Notebook-Based Payout

On-Air Systems is introducing a notebook-based broadcast preparation and payout system called On-Air NBTV. The software-only system can be operated from a standard laptop or desktop computer equipped with a dual-port VGA card. It's designed to be used for scheduling, editing and payout of content, making it useful for remote contributions. A second VGA port is set up for PAL, NTSC or HD output. It supports MPEG-1, MPEG-2, Windows Media 9, DV, DVCPRO, TGA, JPEG and BMP formats in both standard and high definition. On-Air Systems also unveiled Version 3 of its On-Air Central suite of applications and two new modules: On-Air VR is a new application for easy 2-D VR and DVE; On-Air MediaManager is an application module that automatically tracks media files and transfers them to the payout system per playlist requirements.

Cove Unveils Z-Link

Cove Broadcast introduced its Z-Link product line of compact digital optical links for remote-camera broadcast operations. Fiber optics allows transmission distances of up to 6 miles with no loss of video or audio transmission quality. All three versions of Z-Link launched at the show comprise a camera unit and base unit and are compatible with all professional broadcast cameras. Along with the video signal, Z-Link handles return video, program audio, talk back and other data delivery without add-on products. The standard model handles composite and SDI video with an optional board for additional signals. The Hybrid Power unit uses a hybrid fiber/copper cable to provide the power to the camera unit; it's available in two models: Hybrid 100 (100 W) and Hybrid Max200 (200 W). Pricing starts at \$15,400 for the Standard Model and at \$23,870 for the top-of-the-line Hybrid Max200.



ENPS Goes Global

Several international broadcasters have selected AP's ENPS newsroom system for use in their facilities. Mexico's Canal Once, Panama's Corporacion Medcom, Canada's Citytv, Portugal's RTP, India's SaharaTV, Denmark's TV2 Lorry and Indonesia's TVRI are all using the system. Russia's RTV International is using it in its New York City bureau.



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High-Quality Attendance, Technology at NAB

BY KEN KERSCHBAUMER

Back in February, a number of NAB exhibitors were braced for the worst-case scenario: If war erupts in Iraq in March and many customers cancel out of the April convention, the exhibitors would forfeit what they paid for exhibit space and stay home, too.

Fortunately, the worst-case scenario never came to pass. Most NAB buyers stuck to their plans, and so did the vendors.

NAB estimates a final attendance count of 89,000, down from 92,000 last year. But attendees and exhibitors consider that estimate inflated. Many overseas buyers—particularly from Asia—canceled, they said, presumably because of worries about terrorism and SARS.

'The high-quality people are still coming into the booth, but we just don't have people standing in line to talk to us.'

NAT OSTROFF,
Acrodyne Industries

Floor traffic was good Monday through Wednesday but fell off greatly on Thursday.

Nat Ostroff, president and chairman of Acrodyne Industries, said his three ways to gauge attendance—the wait to eat, park and use the bathroom—all pointed to a smaller crowd. But he and others said those who were there came to buy, not just to kick the tires of ENG trucks.

"The people who are here are here for a reason, and that's good stuff," he said. "The high-quality people are still coming into the booth, but we just don't have people standing in line to talk to us."

Other exhibitors griped about floor traffic but attributed it to poor locations in sprawling exhibit halls. In any event, traffic was good enough that they are optimistic that business will pick up over the rest of the year.

"The war has frozen the business in the U.S. over the last six weeks because stations are focused on covering the war and they're uncertain about the economy," said Tim Thorsteinson, vice president of Thomson Grass Valley. "Positive or negative, uncertainty is always bad for business. But it's our belief that business will come back in the second quarter."

One of the hopes for the many non-transmission manufacturers is that many large TV stations now have their DTV purchases behind them and will begin focusing on other product lines. Sony Vice President of Marketing Alec Shapiro expects several

large groups to pick next-generation ENG equipment this year.

Meanwhile, broadcasters had no complaints about the quality of the technology they found in the sprawling exhibit halls. Tapeless ENG formats officially became a trend, and tapeless stor-

age systems came in all sizes, from Thomson Grass Valley's iVDR to Leitch's NeoVR (virtual recorder) card.

Sony exemplified one of the trends among manufacturers: the move to server and non-tape-based products and systems. It

was enough to make some declare that tape was dead or at least dying. Sony's Shapiro was not among them, though. He believes that tape and products like Sony's new optical-disc ENG system will coexist for some time.

Thorsteinson agrees. "People



WHO WHAT WHEN

NEWSWIRES

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TELEVISION NEWS

will replace tape-based systems with disk-based systems ... although that transition will probably be a lot slower than we think."

Broadcasters and other news techies got to witness the opening round of what's shaping up to be a classic ENG camcorder fight between Sony and Panasonic (see story, p. 4).

And the show's biggest deal was ESPN's. The sports network

chose Quantel to supply the storage and editing gear for its new digital facility (see story, p. 42).

This was the first year since 1997 without an NAB exhibit at the Sands Convention Center. Those exhibits were in the Las Vegas Convention Center's massive South Hall, which is awfully big, exhibitors and attendees discovered. Pesa's booth was located halfway down the hall in a

space that Pesa's Bob McAlpine considered less than ideal.

"We know we have a half-hour wait before people start meeting us because we're further back in the hall," he says. "But we're blocked from the main road down the center of the hall by drapes and pipes [hiding unsold space], and there is no reason a 2,500-square-foot booth should be behind a row of 10x10 booths."

McAlpine won't be alone in complaining to NAB about back-of-the-hall treatment. One SGI executive says NAB told the company that the back entrance of the hall would provide a steady stream of people. That didn't turn out to be the case, he says.

"Other than the occasional customer complaining they have a long walk, it really hasn't had an impact on our show," said Thom-

son Grass Valley's Thorsteinson.

On the HDTV front, several companies had developed products that switches between standard-definition and HD. Pinnacle's MediaStream line now has a card standard for making the switch, according to company President Ajay Chopra. In addition, SD data can be scaled up to HD, and HD can be scaled down to SD.

"When we looked at the cost of building the card, we realized it was no extra cost to offer HD," says Chopra. "While we thought about charging more, we realized it would be great to be able to tell broadcasters that, if they made the investment today, they don't have to make an investment in the future."

Avid's Adrenaline also had a similar concept (see story, p. 44).

Among the few new-technology demonstrations was one by Microsoft and Linx Electronics, which showed off DTV mobile reception using 2-VSB technology. The companies received live

'People will replace tape-based systems with disk-based systems ... although that transition will probably be a lot slower than we think.'

Tim Thorsteinson,
Thomson Grass Valley

720p HDTV picture (with 5.1 sound) and an SD picture via a 9-Mb/s digital signal in a van being driven around Las Vegas.

The video occasionally locked up in weak-signal areas, but Microsoft media architect Kilroy Hughes said use of a diversity antenna would help solve the reception glitch, which occurred six or seven times during each 15-minute demo.

Linx Electronics chief scientist Richard Citta found that, near the Convention Center, the dropout point was a signal-to-noise ratio of 13 dBs whereas, on the road, it was around 11 dBs. "Las Vegas has a 6-mile curtain of steel and windows with reflections coming off it that are tremendous and introduce ghosts," he says.

Ostrow, who is also vice president of new technology for Sinclair Broadcast, was impressed with the demonstration. "It's easy to be super-critical of some dropouts, but what we have in the [8-VSB] standard today means you can't move the truck, period," he says. "We have a system that works 90% of the time vs. one that doesn't work at all. The big question is, are broadcasters prepared to see that mobile reception can be done and then give it up and not do it." ■



WHERE WHY HOW

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WHAT HAPPENS HERE

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ROBERT M. BENNETT, Former President of Metromedia Television (Fox), *presented by John Conomikes*

STANLEY E. HUBBARD SR.*, Founder of Hubbard Broadcasting, Inc., *presented by Herb Schlosser*

DONALD H. MCGANNON*, Former President of Westinghouse Broadcasting, *presented by Reverend Joseph O'Hare*

THOMAS S. MURPHY, Chairman and CEO Emeritus of CapCities (ABC), *presented by Dan Burke*

WARD L. QUAAL, Former President of WGN Continental (Tribune Broadcasting), *presented by Dennis FitzSimons*

J. LEONARD REINSCH*, Former Chairman of Cox Broadcasting, *presented by David Roosevelt*

DANNY VILLANUEVA, SR., Partner, Spanish International Communications (Univision), *presented by James McNamara*

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Management HALL of FAME

Spotlight On Leadership

A new Hall of Fame recognizes seven who helped shape the television industry

By Kathy Haley

The TV industry will recognize seven of its most important earlier figures on Tuesday, April 15, when the National Academy of Television Arts and Sciences inducts the first members of a new Management Hall of Fame.

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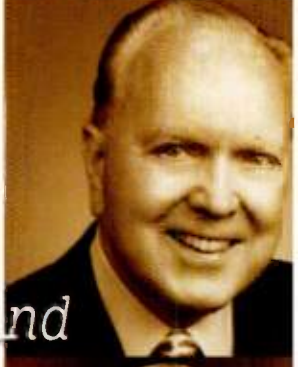
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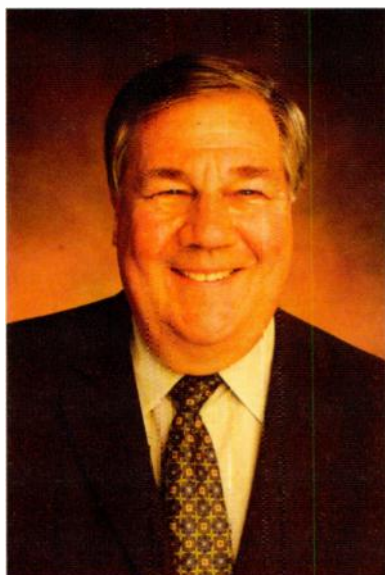


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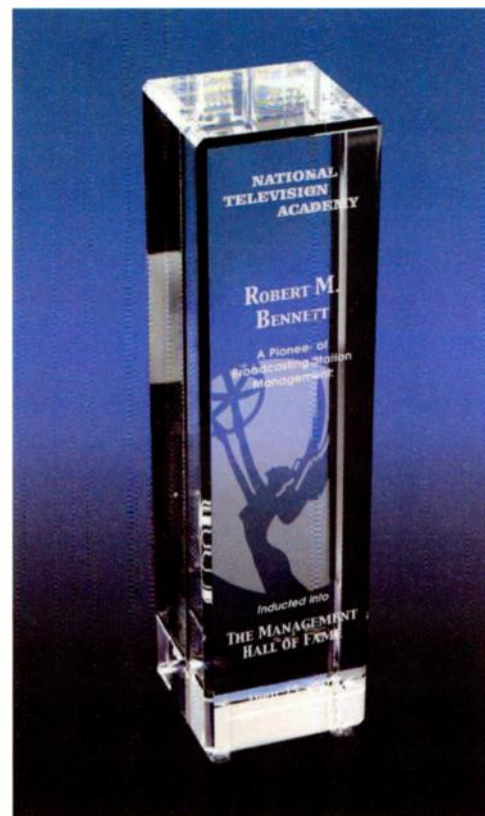


Leadership





NATAS chairman Dennis Swanson, executive vice president, COO, Viacom TV Stations, and NATAS president Peter Price; the new Hall of Fame award



The awards, which will be presented during a dinner reception at the new Copacabana, 560 West 34th St. in New York, represent a departure for the Academy, which typically recognizes, through its Emmy Awards program, the best of what goes on the air. This time, says the organization's president, Peter Price, the honors go to those who made the on-air work possible, by building great stations and companies.

"The Emmys recognize excellence in a broad range of fields, ranging from acting, writing, directing and producing to engineering, graphic arts, and the work of many kinds of stylists and technicians," Price says. "What they have never done is recognize the managers, the people who work behind the scenes, to make television possible."

Managers "drive TV's financial engine, the station business," Price says. "They are a major, under-recognized contingent in our community." Some of the industry's best managers go unrecognized unless they rise to the top echelons of the industry and become

Some of the industry's best managers go unrecognized unless they rise to the top echelons of the industry and become network chiefs or company CEOs

network chiefs or company CEOs, Price continues, but what's interesting is that those top players have often come from the ranks of station managers. "A lot of the people who run major communications companies grew up in station management," Price says.

All seven of this year's honorees built or managed powerful station groups and through their policies and practices, had a wide-ranging impact on their industry at large.

Bob Bennett, who was recognized for managing what the New York Times mused was the best TV station in the country in 1981, ran Metromedia Television, the powerful independent station group that later formed the backbone of the Fox Broadcasting Co.

Hubbard Broadcasting founder Stanley E. Hubbard put one of the first radio stations on the air and then pioneered in television

while building what many believe is the industry's longest running family dynasty.

Don McGannon, the legendary chairman of Westinghouse Broadcasting (now part of CBS) inspired a generation of managers by balancing huge profits with a large and highly visible commitment to public service and localism.

By building one of the best managed TV station groups in the country, Tom Murphy was able to convince Wall Street to let him buy the much larger ABC Inc., forming a powerful combination that later became the broadcasting empire of the Walt Disney Co.

Ward L. Quaal, the colorful executive who established the format for successful independent television in the U.S., ran WGN Continental Television (now Tribune Broadcasting) before becoming one of the industry's most prominent consultants.

Four U.S. presidents relied on the counsel of J. Leonard Reinsch, the lively chairman of Cox Broadcasting, who also engineered his company's successful entry into cable system ownership.

After a successful career as a kicker in the NFL, Daniel Villarueva helped found Spanish International Communications Corp., now known as Univision, and continues to play an important role in the evolution of Spanish language TV in the U.S.

This inaugural group of Hall of Famers "built the foundations of the business as we know it today," Price says. "These are some of the people who shaped our industry."

To select the honorees, NATAS relied on a special committee, headed by NATAS chairman Dennis Swanson, executive vice president and chief operating officer of the Viacom Television Station Group.

Bennett, Murphy, Quaal and Villarueva will be present at the ceremony to receive their awards. Hubbard, McGannon and Reinsch are being honored posthumously, but family members or friends will be on hand to accept their awards.

The dinner ceremony, which will be held during the Television Bureau of Advertising's annual convention, is set to begin with cocktails at 5 p.m. The Copacabana is located across the street from New York's Jacob Javits Center, where TVB is meeting in conjunction with the National Automobile Dealers Association convention.

The dinner and ceremony, which Price promises won't be the lengthy affair that typically characterizes such events, is set to end by 7:30 p.m. "We aren't going to do 'This Is Your Life,' Price says. "There won't be a lot of folderol. What we'll do is recognize a group of individuals who were, and are, extremely important to our industry."

The television industry was created with courage, vision and a pioneering spirit that continues to inspire us as we entertain, inform and serve all of America.

Congratulations and thank you to our founder, Stanley E. Hubbard, and the inaugural class of the NATAS Management Hall of Fame.



Creativity Unlimited

BOB BENNETT

He built what was widely acclaimed as the best local TV station in the country

By Wayne Karrfalt

Bob Bennett took a chance when he left New York independent WNEW-TV to become vice president and general manager of WCVB-TV in Boston. It was 1971, the year Boston Broadcasters Inc. finally wrestled the ABC affiliate's license away from the Boston Herald Traveler by promising to air an unheard of 50 hours of local programming a week.

Bennett was being groomed to be the next president of Metromedia, but WCVB's owners had promised him a percentage of the station. Once on board, he made the mandate for 50 local hours an asset, opening what would become one of the most storied chapters in broadcasting history. Not only did WCVB produce more programming than any local station had in years, it set new standards of excellence throughout the 1970s. In a feature story in 1981, the New York Times would call it "probably the best station in the country."

"Bob's greatest strength was that no idea was too far fetched," says Paul LaCamera, WCVB's current general manager. "He had an uncanny ability to surround himself with creative people and nurture them."

Locally produced children's show *Jabberwocky* and medical show *House Call* went into national syndication along with the 90-minute strip, *Good Morning!*, which featured three live remotes a day.

WCVB produced sitcoms *The Baxters* with Norman Lear and *Park Street Under*, which served as the model for NBC's long running hit, *Cheers*. Even more ambitious was feature film project *Summer Solstice*, based on a script from a local contest and starring Henry Fonda in his last role. Fonda was so tickled by the crew's pluck he wanted to make more projects with the station.

"I think what you're seeing is enthusiasm," Bennett recalls telling him. "He said he hadn't seen it in 50 years."

By the late 1970s, the station had doubled revenues and won every major award, including a unique Peabody given for its whole programming line-up. ABC tried to hire Bennett to run its network, but Bennett went back to Metromedia, becoming its president in 1982.

There, he lined up partners and developed programming to launch a fourth TV network, but the plan crumbled when



Metromedia chairman John Kluge sold his station group to Rupert Murdoch for \$2 billion. What could have been Bennett's baby became the Fox Network.

"I was devastated," admits Bennett, "but in the end, it was his candy store and he could do with it what he wanted."

Bennett went into film production, launching Trans Atlantic Entertainment and later, with son Casey, Bennett Productions.

Looking back, he is wistful, but has no regrets. TV has changed, he says. "I don't think I would be happy in the business anymore. Everything is tied to the bottom line now. It's a much more stressful situation. Everything was a lot more personal before."

Crazy Like a Fox

STANLEY E. HUBBARD

One of broadcasting's most colorful pioneers helped shape both radio and TV industries

By Kathy Haley

People told Stan Hubbard he was nuts to go into the television business and by about 1949, it had begun to look like they were right. Hubbard had launched the country's first regularly scheduled 10 p.m. newscast, but it was costing him a fortune.

His solution was to approach the local banks with an idea: If they'd advance him the cash to keep KSTP-TV on the air, he'd let them have all the advertising time in the 10 p.m. news. Only one bank, Mellon, took the offer. A few years later, when KSTP was the top rated station in Minneapolis-St. Paul, its sales reps laughed at the irony, as they booked order after order from the once non-believing banks. "They were our greatest source of revenue," chuckles Jim Dowdle, longtime president of Tribune Broadcasting, who spent part of his career working at KSTP.

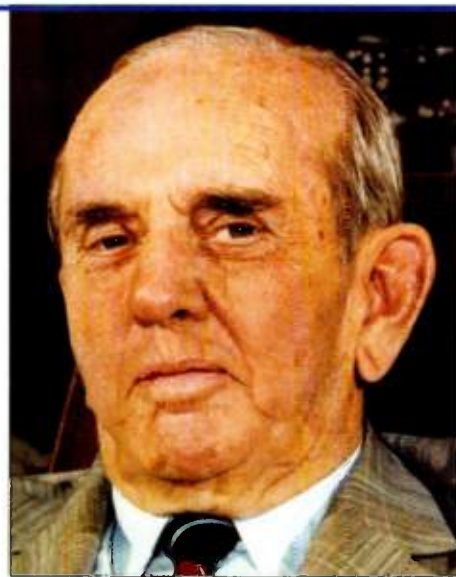
This was hardly the first time Stanley Eugene Hubbard had been proven right. After losing his shirt launching the country's first commercial airline service, Hubbard started the first radio station to be fully supported by advertising time. WAMD (Where All Minneapolis Dances) eschewed the poet-

ry readings and other esoteric fare being broadcast at the time, and set up shop in a dance hall, where it transmitted live popular music five nights a week. The station also had a daily 15-minute newscast, the first offered by any radio station in the U.S.

In 1928, Hubbard adopted the call letters KSTP and began carrying vaudeville acts from the St. Paul Orpheum Theater, giving the first on-air exposure to acts like Amos 'n' Andy, Eddie Cantor and the Marx Brothers.

A decade later, he purchased the first TV camera ever sold by RCA, painted KSTP's call letters on it, and began experimenting with closed-circuit coverage of events. In 1948, although most radio broadcasters were betting TV would be nothing more than a passing fad, Hubbard launched KSTP-TV, the first NBC affiliate not owned by the network.

TV provided a near-endless playground for Hubbard, who would race his news crews to fires and police incidents, often beating them there. KSTP was known for its investigative reports, many of them instigated by Hubbard himself.



Hubbard and his son, Stanley S., expanded their company so that by 1981, it operated five radio and three TV outlets.

Still a licensed pilot at age 84, Stanley E. didn't hesitate to endorse his son's ambitious plan to launch United States Satellite Broadcasting, the first direct broadcast satellite company in the U.S.

Like a lot of pioneers, Stanley E., who died December 28, 1992, was driven by a desire to explore. "He always wanted to find the next exciting thing in broadcasting and technology," Stanley S. says.

His business philosophy? "He pounded it into our heads," Stanley S. says. "If you serve the public, profits will take care of themselves."

Ward L. Quaal

Pioneer and Innovator

These words well describe Ward Quaal's lifetime of achievement in the broadcast industry.

He built WGN into the nation's quintessential local TV station and national presence through a powerful combination of great local sports, news and entertainment programming.

As as a pioneer, it is fitting that Ward Quaal is leading the way again as one of the first to be inducted into the NATAS Management Hall of Fame.

Congratulations Ward on receiving this well-deserved honor.



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WPIX-TV, New York • KTLA-TV, Los Angeles • WGN-TV, Chicago • WPHL-TV, Philadelphia • WLVI-TV, Boston • KDAF-TV, Dallas
WBDC-TV, Washington, DC • WATL-TV, Atlanta • KHWB-TV, Houston • KCPO-TV & KTWB-TV, Seattle • WBZL-TV, Miami
KWGN-TV, Denver • KTXL-TV, Sacramento • KPLR-TV, St. Louis • KWBP-TV, Portland • WXIN-TV & WTTV-TV, Indianapolis
KSWB-TV, San Diego • WTIC-TV & WTXX-TV, Hartford • WXMI-TV, Grand Rapids • WGNO-TV & WNOL-TV, New Orleans
WPMT-TV, Harrisburg • WEWB-TV, Albany • WGN-AM, Chicago • Tribune Entertainment • Superstation WGN

Aiming Higher

DON MCGANNON

The long-running chief of Westinghouse Broadcasting balanced public service with profit

By Kathy Haley

In what would become one of the most famous speeches ever delivered about the television business, FCC chairman Newton Minnow challenged broadcasters in 1961 to sit down and actually watch their stations for an entire day. What they'd find, Minnow promised, would be "a vast wasteland," littered with violence, sex, inane game shows, meaningless sitcoms and far, far too many commercials.

Regardless of how they felt about the speech, broadcasters at the time tended to agree: Only one among them fought aggressively to balance TV's capacity for profit with an intense focus on serving the public.

His name was Don McGannon. The chairman and CEO of Westinghouse Broadcasting from 1955 to 1982, McGannon ran the most powerful TV station group in the country, other than those owned by the three major networks. Year after year, while generating one of the industry's biggest profit margins, McGannon waged a highly visible campaign to keep localism and public service at the center of his industry's efforts.

"Don believed firmly that a station's obligation was first to its local community, and second, to shareholders," recalls Bill Baker, president of WNET-TV New York, and

a former president of Westinghouse's broadcast and cable businesses.

McGannon expected each of his stations to produce and air a live primetime news special each month on a topic of local import. "The networks went wild over the preemptions," recalls George Moynihan, who for many years was programming vice president of the Westinghouse stations.

Alarmed at the steady encroachment of network programming on affiliates' schedules, McGannon convinced the FCC to cut back the amount of time networks were allowed to program in primetime from three and a half hours to three. The resulting Prime Time Access Rule triggered a firestorm of protest from fellow broadcasters, until they realized it had created the day's most profitable time period.

A devout catholic and the son of a New York City fire chief, McGannon combined his fierce commitment to public service with a strict work ethic. He rarely left the office before 9 p.m., and was legendary for his tough questioning during "profit plan" meetings.

At a time when race riots and the Black Power movement roiled the U.S., McGannon founded the Broadcast Skills Bank, a



national effort to train, employ and upgrade minority manpower in the broadcasting industry. He also served for a time as president of the Urban League.

After Alzheimer's Disease began to take its toll, McGannon retired in 1982 and died two years later.

Those who knew him speak wistfully of what he represented. "If you ask me about his legacy in the broadcasting industry, I'd have to say it has vanished," says Joel Chaseman, retired president of Post-Newsweek Stations and a one-time Westinghouse manager. "Broadcasting today is a commodity, treated solely for its power to generate money," Chaseman says. "All of the McGannon beliefs—his moral leadership and sense of ethics—are gone.

"It's a tragedy."

With Utmost Class

TOM MURPHY

While building one of broadcasting's biggest empires, he showed peers how to manage well

By Alan Breznick

In the summer of 1954, Thomas Sawyer Murphy seemed well on his way to a successful advertising career. A Navy veteran and Harvard Business School graduate, the 29-year-old had already spent five years as a product manager for New York ad agency, Kenyon & Eckhardt, and a major consumer goods company, Lever Brothers.

Then a friend offered Murphy an opportunity to run a tiny, struggling TV station near Albany. Murphy knew the outlet could end up in bankruptcy, but he took the job anyway. "It gave me the chance to run something myself, to see if I was any good at it," he recalls. "It was the greatest opportunity of my life."

From that obscure beginning, Murphy built a media empire. The first employee of fledgling Hudson Valley Broadcasting Co., he steadily built the firm into Capital Cities Broadcasting, one of the industry's biggest, most profitable TV station groups. He stunned the media world in 1986 by buying the much bigger ABC for the then-princely sum of \$3.5 billion. Then he astounded his peers again in 1995 when he sold the entire operation to Walt Disney Co. for a whopping \$19 billion.

Along the way, Murphy showed how well, and leanly, a giant broadcasting company could be run. Operating out of an historic townhouse behind St. Patrick's Cathedral in Manhattan, Murphy and right-hand man Daniel Burke managed CapCities with a corporate staff of about 30 people.

"We hired the best possible people we could find and gave them as much responsibility as they could handle," Murphy says.

While generating some of the industry's biggest margins, CapCities' TV stations usually led their markets in local news ratings. They also excelled at public service with huge commitments to such campaigns as the Partnership for a Drug-Free America and Project Literacy U.S.

Murphy's approach worked from the beginning. Within three years of taking over in Albany, he had eked out his first profit. Quickly, he and owner Frank Smith took the company public and added another station, WTVD-TV Raleigh, N.C. then switched the company's name to Capital Cities Communications.

Nearly 100 other successful bids for TV stations, radio stations, newspapers and



cable networks followed over 28 years. Murphy became company president in 1964 and advanced to chairman and chief executive officer in 1966 after Smith died of a heart attack. Then the company made the big time in 1971, outmaneuvering rivals to buy Triangle Broadcasting's three TV stations in Philadelphia, New Haven, Conn. and Fresno, Calif., from then-U.S. Ambassador to Britain Walter Annenberg for \$100 million. At the time, it was the biggest deal in broadcasting history.

"It was the making of CapCities," says Murphy, who was the only suitor who flew to England to make an offer. "It allowed us to buy the network." To this day, it's the most memorable moment of his career.



WARD L. QUAAL

A Real Original

The man who created the format for independent TV is also one of broadcasting's most effective lobbyists

and public affairs programming and helped put WGN-TV, the first TV outlet to begin commercial operations in the city, on the air. Four years as executive director of the Clear Channel Broadcasting Service followed, along with four years as executive vice president of Crossley Broadcasting's radio and TV stations and allied properties.

Quaal returned to WGN in 1956, this time to rescue the company's stations from a flood of red ink. He dumped WGN-TV's lineup of paid religion and shows created by advertisers and replaced them with a mix of locally produced news, children's shows, daytime programs targeting women and eventually, movies and sports. The format he established would become the template for independent stations across the U.S.

In less than a year, WGN was in the black and four years after that, it was regularly beating CBS O&O WBBM-TV and at times tying the city's ABC and NBC outlets. In 1963, Quaal became president of WGN Continental Broadcasting.

Impeccably groomed and possessed of a gracious, formal speaking style, Quaal seemed ideally prepared for his next career

step, which would begin when he retired from WGN Continental (now Tribune Broadcasting). Since then, the Ward L. Quaal Co. has provided management consulting and Washington representation to a number of leading companies, most notably Tribune, Hubbard Broadcasting, Freedom Communications and Gray Television.

In the capital city, Quaal's contacts have helped him as much as his vast knowledge of the industry. A longtime friend of former President Reagan, he has also been on first-name terms with numerous other powerful political figures including other presidents. His influence is credited, among other things, with quashing a legislative effort to resurrect the Fairness Doctrine during the 1980s.

Quaal's drive, style and vast experience make him an unusual asset for the industry, says Don West, longtime editor of *Broadcasting & Cable*. "He is one of the greatest broadcasters of the 20th century," West says.

Concurring is Tribune Co. CEO Dennis FitzSimons. "We all have enormous respect for Ward," FitzSimons says. "He's a real original."

By Kathy Haley

Ronald Reagan called him The Great One. Others introduce him as the Dean of American Radio and TV. It isn't just the more than five decades Ward Quaal has spent in broadcasting, however, that have earned him such accolades.

Quaal, it seems, has a knack for rising to the top.

His career officially began in 1941, when, although only 21 and fresh out of the University of Michigan, he landed a staff announcing job at WGN (AM) in Chicago. It was Quaal's voice that first broke the news for many Chicago area listeners that Pearl Harbor had been bombed.

After serving in the Navy, he returned to WGN, where, as assistant to the general manager, he punched up the station's farm



"Leadership is action, not position."

—DONALD H. MCGANNON

In tribute and remembrance, the Viacom Television Stations Group salutes the late Donald H. McGannon, former President and Chief Executive Officer of Westinghouse Broadcasting Group W, and all the other broadcasting pioneers being honored with the first NATAS Management Hall of Fame Awards.

VIACOM
TELEVISION STATIONS GROUP

Man of Influence

J. LEONARD REINSCH

An advisor to four U.S. presidents also ran one of broadcasting's most forward thinking companies

By Alan Breznick

James Leonard Reinsch helped get four U.S. presidents elected by adroitly mixing broadcasting and politics. But his name may never appear in a history book.

That's because Reinsch, a lifelong broadcaster who ran Cox Communications' broadcast operations for more than three decades, spent no more than a couple of weeks on the federal payroll. Instead, he exerted his influence from Cox headquarters in Atlanta, giving behind-the-scenes advice to Franklin Roosevelt, Harry Truman, John Kennedy and Lyndon Johnson. He also advised Adlai Stevenson in his two unsuccessful presidential races, directed several Democratic presidential conventions, served briefly as Truman's first press secretary and helped Winston Churchill with his famous "Iron Curtain" speech.

"He did not want to go into politics on a permanent basis," says Elmo Ellis, a former Cox Broadcasting vice president who worked for Reinsch for 33 years. But, he notes, Reinsch "did maintain a hand in it."

Indeed, Reinsch, who retired as Cox Broadcasting Corp. chairman in 1979 and died in 1991, may have single-handedly won the 1960 election for Kennedy because

of his role in planning and staging the nation's first TV presidential debates. Reinsch, already a close Kennedy adviser, insisted that Kennedy get makeup to look good on TV while opponent Richard Nixon declined. These and other bare-knuckle tactics helped Kennedy win the debate in most viewers' eyes, and eventually the election.

"I don't think Leonard ever had enough of politics," says Marcus Bartlett, a former Cox Broadcasting executive vice president who worked under Reinsch for 33 years.

First and foremost, however, Reinsch was a broadcaster with remarkable vision. As head of Cox's radio and TV operations from 1939 through 1973, he pioneered the company's early moves into FM, TV and cable. In particular, he orchestrated Cox's push into cable system ownership years ahead of other broadcasters. He saw it as "the way of the future" even in the early 1950s.

All this was ahead of Reinsch in 1924, when he started out in radio as a 16-year-old high school student, acting in a minstrel show on WLS (AM) in Chicago. WLS promoted him to a full-time announcer in 1928 and, one year later, he moved into sales.



Then, after graduating from Northwestern University in 1934, he got a call from newspaper baron James M. Cox. A three-time governor of Ohio and the 1920 Democratic presidential nominee, Cox wanted a young, ambitious sort to launch his new Dayton station, WHIO-AM.

Reinsch accomplished the job and moved to Atlanta in 1939, when Cox bought WSB-AM and shifted its operations there. He then proceeded to build the company's radio and TV empire. So when President Roosevelt, Cox's vice-presidential running mate in 1920, asked his old colleague to lend a "radio man" for help in the 1944 campaign, Cox sent him Reinsch.

The rest may not be history. But it sure comes close to that.

Scoring Big, Giving Back

DANNY VILLANUEVA

While playing a huge role in building Spanish language TV in the U.S., he never forgot to mentor others

By Wayne Karrfalt

Daniel Villanueva's entry into broadcasting came about because of a good deed. During his rookie season as place-kicker/punter for the Los Angeles Rams in 1960, Jerry Simmons, then vice president of sales for Metromedia, asked him to work with his son, who wanted desperately to be a kicker himself, during his spare time.

"I'm not sure why I said yes," recalls Villanueva. "Spring training was killing me. It was always very intense; you're fighting for your job, but I did it anyway."

To return the favor, Simmons introduced Villanueva to Emilio Azcarraga Milmo, the former president of Mexico's Grupo Televisa S.A. and chief program supplier to L.A.'s independent Spanish language station, KMEX-TV. Azcarraga hired Villanueva to do sports commentary for the station, and soon Villanueva was moonlighting in English with NBC Sports on the weekends.

After his last game as a pro for the Dallas Cowboys, in 1967, broadcasting became his career, which, from then on, mirrored the rise of Hispanic TV in the U.S. From his announcing job, he quickly worked his way

up to news director and then general manager of KMEX. He also became a founding director of Spanish International Communications Corp., which ultimately became Univision, and later, was co-architect of the deal to sell Telemundo to NBC for \$2 billion.

Villanueva's tenure paralleled KMEX's rising importance as a news source for L.A.'s burgeoning Hispanic community. The station won a Peabody Award in 1970 for its coverage of the investigation into the tragic killing of its own journalist, Ruben Salazar, whose death became a symbol of police brutality and failed justice for Hispanics. The station's commitment to news translated to higher profits, and KMEX was soon bringing in 70 percent of SICC's profits.

SICC, which ran afoul of the FCC's foreign ownership rules, sold its stations and program service, Spanish International Network, to Hallmark in 1988 for \$300 million.

Villanueva's Bastion Capital Corp., the largest Hispanic private equity firm in the U.S., was the largest shareholder of the Telemundo TV Network when it was sold to Sony and TCI/Liberty in 1995. Under terms of the deal, it retained an almost 20 percent



share in the network, which it sold to NBC.

Still very much his Mennonite wife's husband and minister father's ninth son (of 12 kids that is), Villanueva is not comfortable with his wealth, giving away more than he keeps. He is equally generous with his time, mentoring college students and founding Hispanic entrepreneurial organization New America Alliance.

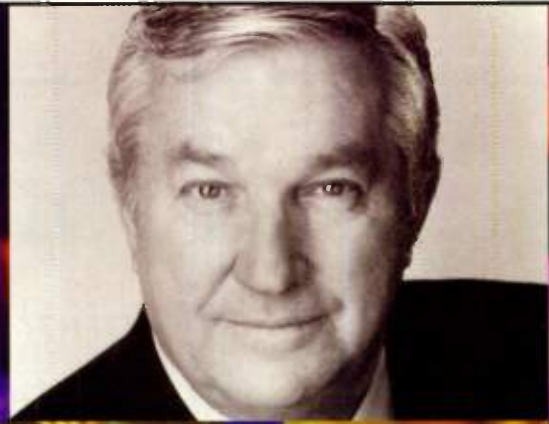
He believes the phenomenal growth of Spanish language TV in the U.S. validates his belief in the industry's obligation to serve the public and he maintains that Latino TV will remain crucial to keeping the Hispanic culture alive and well in this country.

"We were the trustees of that," he says. "We have to maintain it."

Robert M. Bennett

Founding General Manager WCVB-TV

He started a revolution
in original local
television programming.



He earned us the title "America's best television station." -NY Times

And he left us a legacy on which to build.

So we'd like to say thank you
and CONGRATULATIONS!

WCVB-TV
B O S T O N



Hearst-Argyle
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WCVB-TV and Hearst-Argyle Television celebrate your induction into the NATAS Management Hall of Fame.

**Cox Broadcasting salutes
J. Leonard Reinsch
and remembers him for
all of his contributions
to our company
and the industry.**



COX
BROADCASTING

*Pictured here with Jim Cox, Jr. (left).
Reinsch served as Chairman of
Cox Broadcasting from 1939 to 1973*

Promoting Excellence

Through awards, scholarships and other services, the National Academy keeps the bar high

The National Academy of Television Arts and Sciences traces its history to 1955, when a group of broadcasters, led by famed variety show host Ed Sullivan, began meeting. Their aim: to be sure the developing TV medium maintained a high level of excellence in what it put on the air.

The Committee of 100, as the group became known, included a number of well-known industry figures: CBS News vice president Edward R. Murrow, CBS correspondent Walter Cronkite, actor Carl Reiner and game show producer Mark Goodson. After two years, the committee changed its name to the National Academy of Television Arts & Sciences and launched officially, with 3,000 members. Sullivan served as the group's first president.

Today, NATAS has more than 14,000 members. Its goal remains the same as it was during those early days: "to bring TV and everyone in it nearer to the realization of [the medium's] great potential."

NATAS is best known for presenting the Emmy Awards, designed to recognize excellence in daytime, sports, public affairs, news and documentary programming, as well as in technology. The familiar Emmy statuette's name is a feminization of "immy," a term commonly used for the early image orthicon camera tube. Louis McManus, an engineer at Culver City's Cascade Pictures, designed the statuette, using his wife, Dorothy, as his model.

Not all of the Emmy Awards go to individuals in the U.S. Each November, NATAS also presents the International Emmy Awards.

One of its highest honors is the Trustees Award, presented on

select occasions for outstanding or enduring contributions to the TV industry by an individual or entity.

This year's Trustees Award will be presented to Comcast founder and chairman Ralph Roberts in June. Past recipients have included longtime ABC News and Sports chief Rooney Arledge, comedians Jack Benny and Bob Hope, Cronkite, former Time Warner chairman Gerald Levin, Viacom chairman Sumner Redstone, Turner Broadcasting founder Ted Turner and NBC chairman Bob Wright.

Each year, NATAS awards two \$40,000 scholarships to outstanding high school students. The society's board reviews more than 900 applications before choosing 10 finalists. Eight runners-up to the two top winners receive \$1000 scholarships.

In order to support and expand its scholarship and educational initiatives the Academy recently established the Foundation of the National Academy, chaired by Stanley S. Hubbard. The foundation spearheads new programs like National Student Television.

The Academy operates an online job bank containing listings from TV companies in search of staff and resumes of members seeking new employment.

Along with its national activities, NATAS has chartered 19 local chapters. Each of these presents regional Emmy awards annually.

Chapter locations include New York, Philadelphia, Boston, Atlanta, Colorado, Minneapolis, San Diego, Northern California, Seattle and Washington, D.C., and most recently Texas.

For more information about NATAS check Emmyonline.org

Ward Quaal
Radio's greatest statesman.

**Our profession is informed
and exalted by his example
and wisdom.**

We are all his students ...

**Love,
Nancy and Bill O'Shaughnessy**

Starting Young

High school students can now compete for TV journalism awards, thanks to a new program at the National Academy of Television Arts and Sciences.

The Student Award of Excellence, to be presented by NATAS chapters around the U.S., will recognize outstanding work in high school TV journalism. They will single out work in five categories: News; Arts & Entertainment/Documentary; Public Affairs/Community Service/Public Service; Sports; Technical Achievement; and Writing. A national awards ceremony, held in partnership with PBS, will also recognize winners in Washington, D.C. in June.

While promoting excellence through its new award program, NATAS will also support high school TV journalism through another new program, National Student Television. This will promote, encourage and support journalistic skills among students by exposing young journalism enthusiasts to

substantive and ethical aspects of TV news.

National Student Television is the first program supported by the Foundation of the National Television Academy, a non-profit corporation formed to administer educational initiatives. Heading the foundation as executive director is Av Westin, long-time ABC News executive and former executive producer of ABC News' 20/20.

"There is more to TV journalism than hair, make-up and on-camera performance," said Westin in announcing National Student Television. "This program will serve as an educational tool for high school broadcast journalists, broadening their outlook by providing them with a significant grounding in the need to be clear, fair and accurate in the presentation of information on television."

For more information about National Student Television, go to Emmyonline.org.

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PEOPLE

THE FIFTH ESTATER

Cable Is More Fun Than Corporate Law

Legal assignment sets Zaslav on path to top of NBC Cable

The Discovery Channel has never been the sexiest player in the TV business, even in the old days when it aired animal-husbandry scenes. But it was alluring enough to attract David Zaslav into the cable business.

Zaslav, now president of NBC Cable Networks, started out as a corporate lawyer at New York firm LeBouef, Lamb, Leiby & MacRae. Managing Partner Richard Berman, a former Warner Cable executive, counted among his clients John Hendricks, who was launching financially shaky Discovery Channel. In 1988, Hendricks's number two was out on maternity leave, and Zaslav was assigned to pick up some of the slack.

"I got to travel around with John a lot," Zaslav says. "It was exhilarating. They were bursting out. They were trying to buy content, trying to build a brand, trying to get distribution."

Thereafter, Zaslav was simply bored with corporate law. At work on a reinsurance company's IPO, "I remember thinking at 2 a.m. that cable was a lot more fun."

And he started down the path to the top of NBC's cable division. Zaslav is responsible primarily for the distribution side of the number-one broadcaster's cable portfolio: CNBC, MSNBC, CNBC World, Shop-NBC, Telemundo, mun2. He's also responsible for securing cable distribution for parts of NBC's biennial Olympics coverage and the company's investments in A&E Networks and Cablevision Systems' Rainbow Media. In addition to affiliate sales and marketing, Zaslav is responsible for strategic development of new ventures and helped negotiate NBC's recent acquisition of arts network Bravo from Cablevision.

Zaslav joined NBC when President Bob Wright—himself a former cable-system executive—decided to expand NBC's cable holding, first by starting up the Consumer News and Business Channel. At the time, CNBC was envisioned as a softer counterpoint to Financial News Network.

Zaslav pitched then-NBC Cable President Tom Rogers to get the general counsel job.

"There weren't a lot of lawyers that had cable experience at that time."

He migrated toward NBC Cable's core function, affiliate sales, just as Congress snatched away cable operators' right to simply retransmit the signals of local broadcast stations. Now they had to secure "retransmission consent" from major stations, many of which wanted serious cash for carriage. Operators, of course,

had no interest in paying what could easily have been a \$3 billion to \$5 billion annual tab.

Zaslav sold operators on a plan of committing to full distribution of CNBC plus startup network America's Talking (which later became MSNBC). Rival CBS kept demanding cash but walked away literally with nothing, its leverage dissipating when NBC and Fox worked out carriage deals.

He doesn't like the kinds of fights Fox and Disney have had with operators in recent years. "Our approach is to try to find a way to find a reasonable compromise."

The downside is that NBC's portfolio is loaded with some of the lowest-rated networks in cable. The stock-market crash has slammed CNBC's ratings. Before the war with Iraq, MSNBC's audience was just a fraction of Fox News' or even second-place CNN's. Newly acquired Bravo's viewership has been even lower for years.

Zaslav says low-ratings go with the territory. "The real strength of cable is that it's niche. Look at CNBC: It has carved a very meaningful place for itself. We just need to be the best business network."

He believes that many cable networks have made a mistake by striving to grow their ratings every year with moves that dilute their identity. "They've added programming, like movies and network series, that takes them away from their core."

He won't comment, however, on A&E's pursuit of that strategy. As for Bravo's initial steps down that road, Zaslav notes that NBC has owned the network for only three months. "One of the keys to Bravo: Stay focused on the niche and stay true to it."—John M. Higgins

David M. Zaslav

President, NBC Cable Networks

B. Jan. 15, 1960
Brooklyn, N.Y.

EDUCATION

Cornell University (1978-1979)
BS, SUNY Binghamton, 1982;
JD, Boston University School of Law, 1985

EMPLOYMENT

Associate, LeBouef, Lamb, Leiby & MacRae, 1985; general counsel, NBC Cable Networks, 1988; executive vice president, business development and affiliate sales and marketing, NBC Cable Networks, 1992; president, NBC Cable Distribution, 1995; current position since 1999

PERSONAL

M. Pam, 1987; children: Jordan (13), Ali (11), Jamie (8)



FATES & FORTUNES

Broadcast TV

CHRISTOPHER ROMAN, general sales manager, Entravision Communications, Palm Springs, Calif., television and radio stations, appointed, GM, Entravision's Santa Barbara, Calif., television stations.

KIERAN CLARKE, director, sales, KTXL(TV) Sacramento, Calif., named VP/GM, KWBP(TV) Portland, Ore.

BRAD NIMMONS, research director, WFLA-TV Tampa, Fla., promoted to director, broadcast research, Media General Broadcast Group, Richmond, Va.

GERALD FETNER, associate university dean for research, City University of New York, joins WNET(TV) New York, as director, foundation and government grants.

TERRY CONWAY, general sales manager, KWBT(TV) Tulsa, Okla., joins WHNS(TV) Greenville, S.C., in the same capacity.

STEVE GAHLER, sales account executive, KOMO-TV Seattle, promoted to national sales manager.

JANICE D. REYES, assistant director, engineering, KGO-TV San Francisco, promoted to director.

Cable TV

KIP SIMONSON, VP, marketing and sales, Cox Communications, Orange County, Calif., joins Charter Communications, St. Louis, in the same capacity.

JODI FRIEDMAN, district manager, Starz Encore Group, Northeast and Mid-Atlantic states, Philadelphia, joins Comcast Cable Communications, Philadelphia, as director, programming.

JOHN SMOOT, direct sales manager, Time Warner Cable's Cape Coral, Fla., system named director, sales, national division.

ARTHUR C. ORDUÑA, VP, marketing, Canal+ Technologies, Cupertino, Calif., joins Advance/Newhouse Communications, Syracuse, N.Y., as VP, strategic initiatives.

Programming

ROB JACOBSON, senior VP, distribution and product development, In Demand, New York, promoted to COO.

TOM KEAVENY, senior VP, sales and revenue, Discovery Networks, Asia, Singapore, named senior VP/general sales manager, Discovery Networks, Latin America/Iberia, Miami, Fla.

CLIFF LACHMAN, executive VP, first-run programming development, Twentieth Television, Los Angeles, joins VH1, Los Angeles/New York, as senior VP, production and development.

JOHN SMOOT
Time Warner CableARTHUR ORDUÑA
Advance/NewhouseTOM KEAVENY
Discovery NetworksMARCI BRANDWYNNE
KTLA(TV) Los Angeles

At ABC Family Channel, Burbank, Calif.: **JULIE PIEPENKOTTER**, VP, research, Buena Vista Television, Los Angeles, joins as senior VP, research; **TOM ZAPPALA**, senior VP, programming, Viacom, Los Angeles, joins as VP, program acquisitions and scheduling.

JODI ROTH, director, specials, CBS Entertainment, Los Angeles, promoted to VP.

BRENT POER, director, marketing

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Publishing Date: 6/2/2003

Space Close: 5/8/2003

Material Due: 5/13/2003

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Send all entries to: PROMAX&BDA, C/O Brand Builders 2029 Century Park East, Suite. 555, Los Angeles, CA 90067



OBITUARY

IRVING HABERMAN, CBS photographer for 38 years, died March 25 in Pembroke Pines, Fla. He was 87.

Haberman got his start over a half-century ago at New York newspaper *The Brooklyn Eagle* in 1936. From 1942 to 1949, he worked at the tabloid paper *PM*, which later became *The New York Star*. He joined CBS in 1949 and covered all aspects of the broadcast industry for the network before his retirement in 1986.

A star photographer who was the official campaign photographer for Richard Nixon, Haberman was honored as The New York Press Photographer of the Year in 1969 and received the association's Lifetime Achievement Award in 1991.

He is also the author *Eyes on an Era: Four Decades of Photojournalism With Commentary* by Walter Cronkite.

and events, Lifetime Entertainment Services, New York, named VP, Lifetime Brand, print.

GREG NEAL, director, creative services, Fine Living, Los Angeles, promoted to VP.

LYNN GARDNER, consultant, The History Channel, New York, joins as director, public affairs.

At Starz Encore: **SKIP DESJARDIN**, VP, video products group, ESPN, Bristol, Conn., joins as director, sales, Time Warner Cable account team, Stamford, Conn.; **PAIGE HOLMES**, director, sales, Time Warner Cable account team, Stamford, named director, Adelphia Communications group, Denver; **DAN FERGUSON**, manager, strategic initiatives, El Segundo, Calif., promoted to director, DirecTV account team.

CARYL LIEBMANN, director, special events, The National Conference for Community and Justice, Los Angeles, named director, retail promotions, 4Kids Entertainment, New York.

MARIA NICOLLETTI, traffic supervisor, Tribune Entertainment, New York, promoted to manager, sales planning and traffic, advertiser sales.

DAVID LAUDANI, national sales manager, WTVX(TV) West Palm Beach, Fla., joins Transit Television Network, Orlando, Fla., as regional sales director.

Journalism

DEREK FRANCIS, anchor, KNDU(TV), Yakima, Wash., named morning anchor, WZZM-TV Grand Rapids, Mich.

AT KTLA(TV) Los Angeles: **MARCIA BRANDWYNNE**, executive producer, *KTLA Morning News*, named assistant news director; **RICHARD GOLDNER**, supervising producer, *KTLA Morning News*, promoted to executive producer; **LEILA FEINSTEIN**, reporter/fill-in anchor, KRON-TV San Francisco, joins as weekend sports anchor/weekday news reporter.

KEVIN MCCABE, freelance reporter, Fox Sports Net Arizona, Phoenix, joins as full-time reporter.

AT KCEN-TV Temple, Texas: **NICOLE MURRAY**, reporter, KWES-TV Midland, Texas, joins as Killeen bureau reporter/weekend producer;

CINDIE BROOKS, weather forecaster, KEYE-TV Austin, Texas, joins as weekend morning weather forecaster; **ANDREA BACA**, photojournalist, KAMU-TV College Station, Texas, joins in the same capacity; **KELLY CRIPE**, recent graduate, University of Texas, joins as associate producer.

Advertising/Marketing/PR

At Initiative Media, New York: **STACEY LYNN KOERNER**, senior VP/director, broadcast research, promoted to executive VP/director, global research integration; **DAVID ERNST**, senior VP/director, IM solutions, named executive VP/director, futures and technologies.

BLANCHE FRANKEL, executive director, Latin American division, SSA Public Relations, New York, promoted to VP.

CARTER SMITH, regional director, West Coast operations, OSDN, San Francisco, rejoins Eagle Television Sales, Los Angeles, as group sales manager.

SOFIA ESCAMILLA, manager, La Agencia de Orci Asociados, Los Angeles, promoted to media director.

Technology

PAUL KOSAC, VP, digital services worldwide, PamAmSat, Atlanta, rejoins Scientific-Atlanta, Atlanta, as VP, market development, media networks and headend.

MARTHA A. KARLOVIC, director, business partners, ACI Worldwide Inc., Omaha, Neb., joins Veil Interactive Technologies, St. Louis, as director, global integration.

MARK GRASSO, director, business development, Rocket-Network, San Francisco, joins ParkerVision, Santa Monica, Calif., as regional manager, Western region and Latin America.

Satellite

DARBY SANCHEZ, VP, Latin America sales, Globe Cast America, Miami, appointed CEO, GlobeCast Asia, Singapore.

WHAT'S YOUR FATE?

Send it to Llanor Alleyne, editorial assistant, BROADCASTING & CABLE (e-mail: palleyne@reedbusiness; fax: 646-746-7028; mail: 360 Park Avenue South, New York, NY 10010).



DATE BOOK

This Week

April 13-18

National Association of Broadcasters Management Development Seminar for Television Executives. Northwestern University, Evanston, Ill. Contact: Tracy Guerra, 202-429-5368.

April 15

Television Bureau of Advertising Annual Marketing Conference. Jacob Javits Convention Center, New York. Contact: Janice Garjian, 212-891-2246.

April 15

The National Academy of Television Arts and Sciences Management Hall of Fame Gala. Copocabana, New York. Contact: Katherine Ordway, 212-484-9440.

April

April 21-23

Tennessee Association of Broadcasters RAB Radio Training Academy. Courtyard by Marriott, Nashville, Tenn. Contact: Jill Green, 615-399-3791.

April 21-24

Mississippi Cable Telecommunications Association 49th Annual Summer Meeting. The Grand Bayview Hotel, Biloxi, Miss. Contact: LeeAnn Hayes, 601-981-3646.

April 24

International Radio & Television Society Foundation Newsmaker Luncheon. Marriott Marquis, New York. Contact: Michelle Marsala, 212-867-6650 ext. 303.

April 25-26

Associated Press-Radio-Television News Directors Association & Foundation Emerson College Regional Conference & Awards Dinner. Marriott Hotel, Newton, Mass. Contact: Bob Salsberg, 617-357-8100.

April 28-29

Second Annual PAC-ABLE Golf Tournament & Cable Day Hermitage Hotel, Nashville, Tenn. Contact: Stacey Briggs, sbtcta@aol.com.

April 28-30

Association of National Advertisers Seminar: *Creative, Media, Integrated Marketing, Direct Marketing, Agency, TV, Internet*. New York. Contact: Patricia Hanlon, 248-391-3121.

April 30

Satellite Entertainment 2003 Hyatt Regency Monterey on the Del Monte Golf Course, Monterey, Calif. Contact: 831-643-2222.

May

May 1

Cable Positive Annual Benefit Dinner. The Metropolitan Pavilion, New York. Contact: Melissa Hinnen, 212-459-1502.

May 1

Horowitz Associates Inc. 3rd Annual Forum on State of Cable and Broadband. The Marriott Marquis, New York. Contact: 914-834-5999.

May 4-7

Association of National Advertisers Advertising Financial Management Conference. Palm Beach, Fla. Contact: Patricia Hanlon, 248-391-3121.

May 11-14

SCTE Cable-Tec Expo 2003 Philadelphia. Contact: 800-542-5040.

May 12

NBC Upfront Sales Presentation Radio City Music Hall, New York. Contact: Rebecca Marks, 818-840-3914 or 212-307-7171.

May 13

ABC Upfront Sales Presentation The New Amsterdam Theater, New York. Contact: Kevin Brockman, 818-460-6655.

May 13

WB Upfront Sales Presentation Sheraton Towers, New York. Contact: Pamela Morrison, 818-977-6155 or 212-581-1000.

May 14

CBS Upfront Sales Presenta-

tion Carnegie Hall, New York. Contact: Anne O'Grady, 212-975-5525.

May 14

Telemundo Upfront Sales Presentation The Beacon Theater, New York. Contact: 305-884-8200.

May 14

Association of National Advertisers Central Region Meeting. Chicago. Contact: Patricia Hanlon, 248-391-3121.

May 15

Fox Upfront Sales Presentation City Center Theater, New York. Contact: Joe Earley, 310-369-2969.

May 15

UPN Upfront Sales Presentation Madison Square Garden Theater, New York. Contact: Joanna Lowry, 310-575-7080.

May 15

Pax Upfront Sales Presentation The Beacon Theater, New York. Contact: Tracey Speed, 818-487-2013.

May 16-17

Hawaii Association of Broadcasters Annual Convention. Sheraton Royal Hawaiian Hotel, Oahu, Hawaii. Contact: 806-599-1455.

May 15-21

National Association of Black Owned Broadcasters 27th Annual Spring Broadcast Management Conference. U.S. Virgin Islands. Contact: Susan Perez, 212-592-0499.

May 17-19

Broadcast Cable Credit Association Credit Conference. Century Plaza Hotel & Spa, Los Angeles. Contact: Mary Teister, 847-827-9330.

May 18-20

Cabletelevision Advertising Bureau 2003 Cable Sales Management Conference. Hyatt Regency, Chicago. Contact: Nancy Lagos, 212-508-1229

May 18-20

Cabletelevision Advertising Bureau Local Cable Sales Management Conference. Chicago. Contact: Nancy Lagos, 212-508-1229.

May 18-21

Broadcast Cable Financial Management Association BCFM 2003 43rd Annual Conference. Century Plaza Hotel & Spa, Los Angeles. Contact: Mary Teister, 847-296-0200.

MAJOR MEETINGS

April 15

Television Bureau of Advertising Annual Marketing Conference. Jacob Javits Convention Center, New York. Contact: Janice Garjian, 212-891-2246.

June 8-11

National Cable & Telecommunications Association Annual Convention. Chicago. Contact: 202-775-3669.

July 20-23

Cable & Telecommunications Association for Marketing Summit Washington State Convention and Trade Center, Seattle. Contact: Seth Morrison, 703-549-4200.

CAB

10th Annual Cable Sales Management Conference

May 18-20

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ISSUE DATE

May 12, 2003

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May 6, 2003

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World Radio History

Murdoch's DBS Entry: A 'Seismic Shift' is Coming

Continued from page 1

be more concerned about protecting me than the satellite industry. I don't have the same power as Murdoch."

The government should use this deal to reopen the program-access law and level the playing field between cable and satellite, Comisso said. "This is no longer a fledgling industry."

The deal would also mark the first marriage of a major multi-channel video provider (DirecTV) and a major broadcast network (Fox). "Clearly, it has the potential to create some seismic shifts in broadcasting," said Ken Johnson, spokesman for House Energy and Commerce Committee Chairman Billy Tauzin (R-La).

The DirecTV deal must be approved by the FCC and one of the federal antitrust regulators, probably the Justice Department. Congress also will likely hold hearings on the merger, which could affect the regulators.

Consequently, regulators are likely to use this merger to set program-access rules for cable programmers with DBS holdings in the corporate family. In other words, they may codify Murdoch's non-discrimination pledge.

Murdoch predicts that the regulatory process will be completed by January. "We will make our content readily available to all satellite-television providers as well as cable and other competing platforms," he said. "Our creative strength as a company will increase the vitality of the American television market as a whole, enabling the sort of fair and fierce competition that our company was built on and that

quite frankly which we've always thrived on."

Investors weren't thriving on the deal, whose broad strokes call for Murdoch to pay \$6.6 billion in cash and stock for 34% of DirecTV's parent company Hughes Electronics.

The structure of the deal is surprisingly unfavorable to outside shareholders of Hughes and News Corp. unit Fox Entertainment (which trades publicly). Both stocks got hammered after the details became clear. Even Merrill Lynch analyst Jessica Reif Cohen—a longtime Murdoch fan—put a "sell" recommendation on shares of Fox Entertainment, although she maintained a "buy" on Fox's 80% owner, News Corp.

But that doesn't translate into Washington problems. There's little sign that the regulatory friction will be anything like the heat that torpedoed EchoStar's planned takeover of DirecTV parent Hughes Electronics last year.

For one thing, Ergen's chief opponent in that process was Murdoch, who lost out in DirecTV's first auction. News Corp. campaigned hard to scuttle the deal, hoping to step back in after antitrust regulators scuttled it. (So far, that plan is on track.)

More important, though, News Corp.'s control of DirecTV isn't as blatantly anti-competitive. A takeover by EchoStar would have reduced the number of multichannel video competitors from three in most markets—EchoStar, DirecTV and a cable system—to just two. And, in some cable-free rural markets, the number of providers would

have dropped from two to just one. The hit on competition was so obvious that even the Department of Justice and the FCC of a merger-friendly Bush Administration moved to kill the deal.

In this round, the winds are blowing Murdoch's way. He's a conservative owner of news outlets that are aligned with the Republican line. The questions about competition directly affect not consumers but primarily rival cable operators and networks.

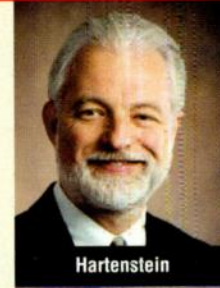
"I think it's just a question of how hard are the backslaps as he goes through the regulatory gauntlet," said Reed Hundt, former FCC chairman and currently an adviser to consulting firm McKinsey & Co. Programming-supply and pricing issues aren't substantial enough to scuttle the deal and possibly wouldn't even require a consent decree. "Rupert's opponents have as much chance as the Republican Guard," Hundt says.

"Washington had one bite at DirecTV," said Jimmy Schaeffler, CEO of media research firm The Carmel Group. "They wanted to make sure there was competition within the DBS industry, and they got it."

But even News Corp. executives recognize that program access is a hot, hot issue.

Securing control of DirecTV would make Fox the second-largest distributor of "cable" networks (behind cable operator Comcast) and an important producer of cable content, particularly news and sports channels. That would make the combative Murdoch cable operators'

The New Order



Hartenstein



Carey

Under the agreement that will give him control of Hughes Electronics and its DirecTV unit, Rupert Murdoch becomes chairman of Hughes, and his longtime lieutenant Chase Carey becomes CEO. Current DirecTV Chairman and CEO Eddy Hartenstein will be vice chairman of Hughes, reporting to Carey. Right now, Murdoch is promising to keep much of the DirecTV management in place. That management is led by President Roxanne Austin. "Hughes management has done a magnificent job running their business and controlling assets and controlling costs in the uncertain circumstance of the past couple of years," Murdoch said.

—J.M.H.

biggest competitor and one of their most important program suppliers. His networks include the Fox Sports regional sports networks, the top-rated Fox News Channel, and a handful of less powerful channels, including FX, Fox Movie Channel, and Speed Channel.

That kind of vertical integration is not unusual among cable operators. AOL Time Warner, for example, owns cable systems serving 10 million cable homes at the same time it controls Home Box Office and the popular Turner networks. So, in 1992, Congress mandated "program access." Vertically integrated cable operators have to license their networks to DBS rivals on the same terms the channels are sold to other cable operators. Cablevision, for example, can't withhold its AMC from DBS or charge, say, \$4 per subscriber monthly when cable operators only pay 50 cents.

Murdoch acknowledges that as an issue. The legislation didn't contemplate that the then-nascent DBS companies would be big or powerful enough to use networks against either cable or rival DBS services. Nevertheless, Murdoch said DirecTV would submit to a level playing field: "We will agree to be bound by FCC program-access regulations."

However, there are a couple of exceptions. DirecTV will keep or seek exclusivity for programming in which it has no ownership. That would most notably include the NFL Sunday Ticket package that gives sports junkies every National Football League game for \$200 per season and is considered DirecTV's biggest

programming advantage.

What has caught cable operators' attention, however, is a footnote in a "summary of commitments" News Corp. faxed to regulators and Congressional staffers last Thursday. That footnote excludes programming owned by any "affiliate" that owns a piece of News Corp. Right now, that means Liberty Media, which is News Corp.'s largest outside shareholder, owning 18% of the company's equity.

Liberty owns parts of many cable networks, including Starz!, Encore and the Discovery Channel, and has moved to buy control of more. CEO John Malone has been a partner with Murdoch in a number of ventures and shares his taste for confrontational business stances.

Cable executives worry that News Corp. could use the exception to structure deals around Liberty or some other cooperative entities.

"It's a clear indication that they would like to exclude a substantial amount of programming and keep their options open to distribute to themselves exclusively," said Insight's Willner.

But News Corp. executives say the concerns are overblown. Lobbyist Maureen O'Connell called the clause "a narrow exception." It's intended to keep some sort of DBS-only package from going straight to EchoStar simply because it was tied to Liberty or someone else that owned more than 5% of News Corp. "If the FCC has a concern about it," she said, "we'll change it." ■

Bill McConnell contributed to this story.

Why Shareholders Are So Sour

It's no surprise that News Corp. finally secured a deal to buy control of DirecTV. The surprise is how negatively shareholders are reacting.

News of the deal sent shares of News Corp. unit Fox Entertainment, which will run DirecTV, down 17%, while DirecTV's current parent, Hughes Electronics, dropped 10%. News Corp. agreed to pay \$6.6 billion to acquire 34% of Hughes stock at a price of \$14 per share.

News Corp. will pay \$3.8 billion for the 19.6% of Hughes owned by its parent company, General Motors. Murdoch will then offer to buy another 14% of the Hughes stock from public shareholders, aiming to deflect any criticism that outside holders would be left out and stuck with Murdoch in control. That purchase would come through a tender offer, a so far undisclosed mix of cash and News Corp. stock.

On the Fox side, investors were surprised at how the structure of the deal puts the financial burdens primarily on Fox Entertainment, a publicly traded division of News Corp. Outside shareholders own about 20% of

Fox Entertainment.

Although Hughes's controlling shareholder, General Motors, is receiving News Corp. shares, it's Fox that's really picking up the tab. Fox will take on \$4.5 billion in new debt and give \$2 billion of its stock to News Corp. Merrill Lynch media analyst Jessica Reif Cohen put a rare "sell" on Fox, saying News Corp. is treating Fox like a "piggy bank" and using it primarily as a "financing vehicle." She maintained her "buy" recommendation on News Corp. shares, however.

As for Hughes's investors, they were surprised that GM is getting a much better deal than the company's public shareholders.

GM will get its \$3.8 billion mostly in cash. News Corp. is planning to tender for another 15% of Hughes, but the currency will be News Corp. stock. Further, GM is pocketing an extra \$275 million payment unavailable to Hughes's public shareholders.

And even though most other stock swaps are tax-free, GM's exit will create a taxable event for all Hughes shareholders.—J.M.H.

inside dope

Broadcasters Want DTV Carriage Promise

Continued from page 1
commission might ratify the agreement without considering broadcasters.

"There's a base expectation of what's going to be in this device," said NAB head of engineering Lynn Claudy during a panel at the NAB convention in Las Vegas last week. "You don't want a consumer to buy a digital TV, suddenly decide he doesn't want his cable service any longer, and find out he can't get over-the-air television."

DTV: TOP PRIORITY

This squabble may get attention from the FCC, but the commission is preoccupied with revising six media-ownership rules by June 2. All five FCC commissioners agreed at NAB last week that resolving several DTV proceedings is a top priority, particularly determining cable operators' DTV-carriage obligations.

FCC Chairman Michael Powell said he doesn't expect the issue to erupt into much of a battle, but Commissioner Kevin Martin said it would concern him if consumers weren't able to receive both cable and over-the-air broadcast in the same set.

Powell issued broadcasters a broader and more familiar warning last week, as they continue to slow transition to digital: "You don't have that much political room. There are other constituencies waiting for spectrum. The transition should take the right amount of time but not one second longer."

Although the transition is pressing forward with more than 800 TV stations on-line, many issues remain to be resolved.

TUNER LOOPHOLE

Last August, the FCC required TV-set makers to include by 2007 digital-TV tuners in all devices that now include analog tuners, exempting devices, such as VCRs and DVD players, that do not receive broadcasts. Under the agreement hammered out between set makers and cable operators, no cable-ready digital set would have to include any tuner, creating a loophole, according to the broadcasters.

But some say broadcasters are anxious over a non-issue. Set makers are unlikely to build sets without tuners because the cost of adding them is incremental and adds to the functionality of a TV set.

"We were surprised by the broadcasters' reaction, and we don't think there's any grand conspiracy going on here," said Gary Shapiro, president of the

Consumer Electronics Association. Cable-industry executives said they were aware that no DTV-tuner provision was written into the agreement but they wouldn't fight over it if the CEA and NAB/MSTV conclude that one needs to be added.

Meanwhile, both Congress and the FCC are moving to eliminate some of the obstacles to completing the digital-television transition.

House Energy and Commerce Committee Chairman Billy Tauzin (R-La.) says he'll introduce DTV legislation after Congress re-

turns from Easter break. The bill is likely to include provisions that would mirror the interoperability agreement between set makers and cable operators. The bill also would include a DTV-tuner requirement, mandated by the FCC last August but being challenged

in court by the Consumer Electronics Association. It also likely will have provisions that would require manufacturers to include flag technology in any copying device so that digital broadcast television could not be copied and freely distributed online. ■

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EDITORIALS

BROADCASTING & CABLE COMMITTED TO THE FIRST AMENDMENT

What Were They Thinking?

No page has spoken out more often or more passionately for full First Amendment rights for broadcasters, even when broadcasters themselves have been willing to chip away at their own freedom in exchange for political advantage. We still believe broadcasters should be free to be irresponsible and offensive, and that the FCC shouldn't tell them what they can and can't put on. But when broadcasters appear to abdicate that editorial judgment, they should not be surprised when the FCC moves into the vacuum. We believe that broadcasters sometimes mistake the *freedom* to do something for the *obligation* to do it, as though they were helpless common carriers of whatever program they are advised will make a buck or titillate a demo. They are not.

All this is by way of preamble to the FCC's indecency fine against Infinity's WKRK-FM Detroit for what can only be described as patently offensive material by virtually any contemporary community standard. Painful as it may be, every broadcaster should type in the following address: http://www.fcc.gov/Daily_Releases/Daily_Digest/2003/dd030403.html. Scroll down to the "Texts" heading and click on the first blue link (FCC-03-71A1.doc). Scroll down to "Attachment A" and start reading.

Ask yourself whether that is appropriate for broadcast at 4:30 in the afternoon. Ask yourself if allowing that broadcast is responsible editorial stewardship. And we don't just mean of a regulated medium. Think of printing that in an afternoon daily newspaper. Ask yourself if the people directly responsi-

ble for putting that on the air should still have jobs. Our answer would be no.

Like it or not, and we don't, the FCC has the power to regulate indecent speech. Irresponsible behavior invites them to use that power. WKRK-FM's behavior was a gilt-edged invitation to regulators to lay their heavy hand upon the company that broadcast it, or on the entire industry, as the full commission has warned. No, it was more like a huge red banner waved in their faces.

Perhaps Infinity was simply setting up a test case by broadcasting something that so fit the definition of indecency that there could be no dispute of its indecency, leaving only the challenge of the constitutionality of the law itself. In its response to the initial complaint, Infinity did not dispute the indecency but did challenge the constitutionality. If it was a strategic gambit, Infinity should say so, apologizing profusely for having to broadcast such swill in order to carry the industry's standard. Given that Infinity has, in the past, paid seven figures rather than make that First Amendment challenge, our guess is that this was not a calculated ploy but a case of unchecked envelope-pushing and of lousy management.

Broadcasters are ultimately responsible for what goes on their air. Freedom of the press does not mean freedom from accountability. Infinity is controlled by Viacom, and Viacom is controlled by Mel Karmazin and Sumner Redstone. They are accountable for the WKRK-FM broadcast of Jan. 9, 2002. We wonder what they are going to do about it.



AIRTIME

GUEST COMMENTARY

Television War vs. Television Peace

The Iraq War has been the most extensively televised war in history. The whole world has been watching, though seeing very different versions of the conflict. With the end of the large-scale fighting, the next question is whether television can also be used to promote an Iraq Peace.

In this war, the U.S. government has taken extraordinary steps to create stories and scenes for American television to broadcast. These have been consciously from the point of view of front-line American soldiers. One result has been an alarming casualty rate for journalists. But another has been to rally tremendous and immediate support from the American viewing audience.

By contrast, Saddam Hussein's strange attempts to use TV—no one could be sure whether he or body doubles were on the screen—to rally support for fighting against the U.S.-led coalition have apparently counted for little, but what we might call Arab TV, the networks most prominently led by Al-Jazeera but also including Abu Dhabi TV and others, has clearly emerged as a geopolitical force. This TV, principally by and for Arab audiences, has seen the war through different lenses from those covering the American audience's war.

Arab TV has naturally reached an audience willing to accept a view of the war from the defenders' side just as American TV has been broadcast to an audience prone to an opposing view. The natural tendencies of the different audiences, though, have not been challenged by their respective TV mediums but apparently have been exacerbated. Now, in the wake of the military fighting, the American and Arab TV businesses will find themselves still in conflict but, perhaps for the first time, broadcasting to overlapping au-



An essential building block of an enduring peace in Iraq will be the creation of an economically healthy Iraqi-based broadcasting industry.

REED HUNDT,
Former chairman,
FCC

diences. Certainly, we should hope and expect that all the American media will reach the people of Iraq, with our splendid cacophony of channels and Western opinions. And the U.S. must expect that Arab media will seek expanded audiences not only among the Iraqis but also among millions of other Arabs perhaps more engaged in TV than ever.

In post-war Iraq, the critical imperative for the U.S. is to demonstrate that the means are justified by the ends. America needs to find and display on TV for Arab audiences Saddam's weapons of mass destruction and the evidence of the brutality of his regime. Most Americans already believe that Saddam was a brutal, evil dictator who acquired terrible weapons, but millions of Arabs need to see these truths to believe them. This proof can be provided in compelling manner only by TV, ideally both American and Arab in ownership, distribution and audience.

Indeed, an essential building block of an enduring peace in Iraq will be the creation of an economically healthy Iraqi-based broadcasting industry. A main element would be a bill of rights that would bring Arab and American TV, Al Jazeera and Fox, into marketplace competition. The post-war authority in Iraq should immediately license three or four television stations in each major city, permit any satellite TV distribution, open the telephone network to any Internet access provider, and reject any censorship (other than necessary for military security).

In short, a media bill of rights should be one of the first declarations of governance by a post-war authority in Iraq. By creating a marketplace of ideas, the new caretakers of that damaged land will guarantee the success of peace. ■



OPEN MIKE

Speak Out on Smut

Editor: Oddly, talk radio—a bastion of free speech—seems to be crying out for some measure of content regulation, in the wake of the WKRK-FM incident (B&C, 4/7, p. 2). Yet FCC commissioners ducked and double-talked-around requests for clarification, during two question-and-answer sessions at the NAB convention in Las Vegas.

Commissioner [Michael] Copps has been on the smut warpath since the Opie & Anthony sex-in-St. Patrick's Cathedral episode, which aired on Infinity's co-owned WNEW-FM. He says the \$27,500 fine levied against WKRK-FM is inadequate, and he's calling for [license]-revocation hearings.

But, when asked by both moderators and attendees in both NAB sessions whether the WKRK-FM case would end with the fine or whether there will be a revocation hearing, not one of the FCC's five commissioners would offer a simple yes/no response.

Chairman [Michael] Powell went as far as to laughingly admit that the FCC's general counsel, sitting in the audience, had gestured that he not reply. Should this not be a matter of public record? Having read a published transcript of the broadcast in question, I cannot imagine that radio has suffered more-graphic, gratuitous pornography than the *Deminski & Doyle* show that WKRK-FM aired during the 4 p.m. hour, when many parents would have had children in the car. It seems unfair to threaten that similar future programming by *other* licensees will be dealt with more harshly, without the guidance of a clear determination concerning these repeated demonstrations of Infinity's custody of the public trust.

HOLLAND COOKE,

Talk-radio consultant, Block Island, R.I.
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NORMAN LEAR on *South Park*
after the TV legend took a turn penning an episode of the animated comedy

"It was an event made in TV-news heaven, and the networks spent yesterday obsessively replaying footage of ecstatic Iraqis noosing a statue of Saddam Hussein and forcing it to the ground. And that was after the networks waited with almost comic—and no doubt ratings-generating—patience for the statue to actually keel over."

MATTHEW GILBERT and **SUZANNE RYAN,** *The Boston Globe*, on the toppling of Hussein's statue in Baghdad

**HARRY A. JESSELL**
EDITOR IN CHIEF

Quit Your Whining

Broadcasters don't embrace change; they work to stop it

At any convention, you expect the opening speakers to set the tone. Last week, on Day One of NAB in Las Vegas, NAB President Eddie Fritts and the once-and-future broadcaster Barry Diller did just that. They set the tone—a defensive one. Neither offered a bold vision or new ideas for local TV broadcasting, just more calls for help from the federal government. They declared NAB 2003's unofficial theme: A good defense is a good offense.

Fritts called on the government to save TV-station groups from uncooperative cable operators and from overbearing broadcast networks. The

over the past 40 years. You see, Fritts does want "reasonable and moderate deregulation" so that the non-network station groups can enjoy greater economies of scale.)

Diller seconded Fritts, saying the broadcast networks should be hobbled by a station-ownership cap and by some new rule limiting their ownership of their own prime time programming. This appeal for Fin-Syn II, I should note, comes from the same man who, as head of the Fox network, successfully fought in the early '90s to bring down Fin-Syn I and who has made repeated (mostly failed) attempts to own and control as many

looking to build new businesses on the foundation of DTV, they remain focused on ways of using technology to make their stations more efficient.

The membership meeting of the Association of Maximum Service Television was dominated by the fear that the consumer-electronics and cable industries may have cut a deal that cuts broadcast tuners out of future digital TV sets. It's a legitimate concern, but last week it seemed to be the only concern of the large station groups that make up MSTV.

At a panel session, Emmis's Jeff Smulyan once again complained that TV stations continue to be denied fees from cable operators that carry them. Perhaps stations should get paid for their programming. After all, cable networks that deliver a fraction of the audience get a cut of cable-subscriber revenue. But this isn't new business; this is simply squeezing more money out of the old.

The only one with the vision thing going at NAB 2003—at least publicly—was Michael Eisner. In acknowledging the induction of the *Wonderful World of Disney* into the NAB Hall of Fame, Eisner said Disney will embrace digital distribution of the company's precious content, despite fears of privacy. In particular, he said, the company is moving ahead with testing a system for downloading movies to consumers via a digital signal embedded in TV stations' analog signals.

Hey, it's something.

TV broadcasters have a means for switching over to offense, the so-called Broadcast Labs. It could be the forum for developing new digital businesses, but broadcasters aren't putting much of their own money into it. They are forcing its champions, LIN's Gary Chapman and MSTV's David Donovan, to go, hat in hand, to consumer-electronics manufacturers.

Defense is said to win championships. That may be true, and the NAB has a great middle linebacker in Fast Eddie Fritts. But you need an effective offense, too. Broadcasters need to get one. Anyone know a good quarterback? ■

Jessell may be reached at
hjessell@reedbusiness.com



A certain defensiveness pervaded the NAB gathering in Las Vegas last week.

government should force cable operators to carry broadcasters' DTV signals because, after all, the government is forcing broadcasters to make the transition from analog to DTV, Fritts said. Yeah, that's true. But Fritts conveniently forgets that NAB asked for the digital transition and practically wrote the rules for it through its always effective lobbying.

Fritts also said NAB has been working with the FCC "to protect the competitive balance in the broadcast marketplace." Let me translate: The NAB has been working to keep the 35% station-ownership cap in place and keep the big bad broadcast networks from getting bigger and badder. (Ironically, Fritts called for protective regulation right after noting that media outlets had grown by 200% and media owners by 140%

media properties as he could over the past dozen years or so. I guess his thinking is, if he can't have it, nobody else should either.

Diller's defensive posture was surprising, given his history of bold plays. But Fritts's was predictable. Playing defense is what NAB always does. Even its grab for the DTV channels in the '90s was mostly motivated not by a desire to offer news services and new businesses but to prevent others from walking off with the spectrum.

Defensiveness pervaded the convention, perhaps because business is bad and nobody has the time or money for anything new. Talk among broadcasters was about the wave of station consolidation that will follow that "reasonable and moderate deregulation" this spring. Group executives say they will have to get big or get eaten. And, instead of

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Harry A. Jessell/Editor in Chief/646-746-6964
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Linda Moss/Contributing Editor/646-746-6592
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DESIGN/NEW YORK

Todd J. Gast/Art Director/646-746-7017

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EDITORIAL/LOS ANGELES

Paige Albinak/Bureau Chief/323-549-4111

INTERNET/NEW YORK

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EVENTS

Sandy Friedman/Director, Special Projects/646-746-6740
Carolyn Gibson/Convention Services Manager/303-470-4832
Steve Labunski/Special Events Sales/212-889-6716

PRODUCTION/NEW YORK

David Rice/Production Manager/646-746-6524

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TV News Operations Modify Battle Plans

As war action shifts, some reporters head to Baghdad, while others take flights home

By ALLISON ROMANO

Just a few miles outside Baghdad last week, CNN's veteran correspondent Walter Rodgers decided it was time to leave his posting in the Army's 7th Cavalry. The big story was in Baghdad now. He bartered with soldiers for food, trading calls on his satellite phone for a stash of Army grub. And, at first light last Thursday, Rodgers and his crew dashed for the Palestine Hotel, where most of the foreign media has been holed up.

"We saw Baghdad disintegrating into looting and some chaos, and Saddam Hussein's regime disintegrating. I decided to try and get in," Rodgers said. Other CNN embeds Jason Bellini and Martin Savidge followed.

As action shifted to Baghdad last week,

That was evident as the boyish 39-year-old sped across the desert in his "Bloomobile," an M88 tank-recovery vehicle outfitted to transmit live broadcast-quality pictures on the move. Viewers and the news media alike marveled at both the technology and Bloom's chutzpah in utilizing it. He left the competition in the dust.

"This is where I want to be as a journalist," a jubilant Bloom told BROADCASTING & CABLE by satellite phone in an interview from the Iraqi desert.

His *Weekend Today* co-host Soledad O'Brien remembered Bloom as an "absolutely dogged interviewer and an intrepid reporter who did everything well." They had been partnered since 2000, when Bloom gave up his White House job for the anchor desk, ironically so he would not be forced to travel so much.

Bloom's cameraman, Craig White, marched on to Baghdad with the 3rd In-

parting from his 3rd Light Armored Reconnaissance outfit after four weeks, though, proved as tough as the travel had been. "We were a team, and it was very difficult to break up," Leventhal said.

To safeguard staffers, CBS News planned to withdraw some embeds last week. "Once the story shifts, there is no point in keeping extra people out. It just raises the risks," said Marcy McGinnis, CBS News senior vice president of hard news. The network already had a presence in Baghdad with correspondent Lara Logan, who returned to the Iraqi capital on April 4.

McGinnis said embeds Jim Axelrod and Mark Straussman will soon be heading home. Both of their wives are expecting a baby.

American troops may be in Baghdad, but Iraq remains a very big story. Along with military action, there will be humanitarian angles and rebuilding efforts to cover.

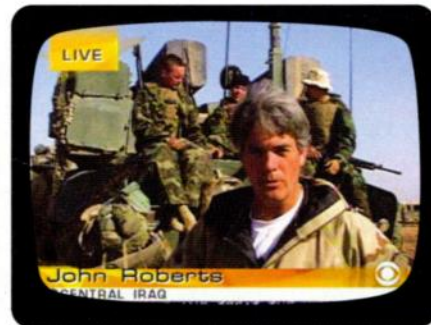
Cowan and Randall Pinkston and 11 other CBS and WCBS-TV staffers, who made their way from Amman last Thursday.

Fox News was preparing to send in Steve Harrigan and Jennifer Eccleston. ABC is sending Dan Harris to Baghdad and bringing Ted Koppel home.

Especially after Bloom's death, producers and news executives say they're taking extra care to inquire about the physical and mental well-being of their embedded and non-embedded (called "unilaterals") crews. Exhaustion and sunburn are some of the most common ailments.

"Everyone knows this is not forever. They are running on adrenaline," said Kathryn Kross, CNN vice president and Washington bureau chief, who has been one of the network's point people on embedding.

Still, regular contact is soothing for both sides. ABC News President David Westin has "made it his job to check in on



From left: NBC's David Bloom died April 5 of a pulmonary embolism; CNN's Walter Rodgers headed to Baghdad; CBS's John Roberts prepared to go home; and Fox News Channel's Rick Leventhal was also in Baghdad.

television news organizations modified their own battle plans. Having reached Baghdad, some embedded journalists, like Rodgers, left their units, opting to go on their own. Networks were shuttling in reinforcements from elsewhere in the Middle East. And some exhausted, weathered embeds began the trip home.

Amid the maneuverings, though, the safety of journalists weighs heavily. The day after U.S. TV networks constantly played images of Marines hauling down a statue of Saddam Hussein in central Baghdad, a suicide bomber struck at a nearby checkpoint. Both events occurred near the Palestine Hotel, which itself was a target of fire last week, from a U.S. tank.

"The pictures notwithstanding, the city is not totally secure," said Fox News Foreign Editor Brian Knoblock. "We don't want our people to become targets." For the time being, Fox's embeds were told to stay with their units.

Eleven journalists have died in Iraq, nine in combat-related situations, according to the Committee to Protect Journalists. Among the dead was NBC News correspondent David Bloom, one of the most recognizable faces of the conflict coverage, who died April 5 of a pulmonary embolism after complaining of leg pains.

NBC News Vice President Bill Wheatley called Bloom a role model for his generation. "He was a person who just wanted to do a good job and went all out to do it."

fantry division, continuing to film and even phoning in reports. NBC is trying to join White with another correspondent. Bloom's producer, Paul Nassar, accompanied his body back to the U.S.

With nearly 600 news staffers embedded with the military, media organizations were braced for the possibility that journalists

'It is difficult to predict the course of the war from here on out. In a few days, we will have to redeploy some people.'

BILL WHEATLEY, NBC News

might come in harm's way. But Bloom's untimely death and other fallen journalists underscored the risks in this conflict.

Where those who remain should be positioned is another debate. Under the Pentagon's rules, an embed who leaves his or her unit is not guaranteed re-entry.

Correspondents say they have better security travelling with the military. They also have better access to the troops and military planning, although it's often limited to their particular units.

Angling to get into Baghdad, Fox News reporter Rick Leventhal and his cameraman, embedded with the Marine's 1st division, switched to another unit. Facing the possibilities of snipers and angry crowds in Baghdad, Leventhal said he feels safer traveling with Marines. But

That prompted most news outlets to move quickly last week to beef up their Baghdad ranks. NBC, which plans to open a Baghdad bureau, brought in Brian Williams, Jim Macenda and Ron Allen. MSNBC's Dr. Bob Arnot and NBC's Chip Reid left their Marine units to report from Baghdad. NBC crews are operating from

the Palestine hotel, a former presidential palace and an undisclosed location.

"It is difficult to predict the course of the war from here on out," said NBC's Wheatley. "In a few days, we will have to redeploy some people."

NBC has reduced staffing in Israel and will likely reduce its presence in Kuwait, too.

CNN is moving nearly 30 staffers in, notably Nic Robertson and Rym Brahimi, who were expelled early on in the war, and senior foreign reporter Christiane Amanpour, who had been banned by the Iraqi regime.

CBS's Dan Rather was also heading for Baghdad, while ABC's Peter Jennings and NBC's Tom Brokaw remained stateside. Joining Rather are CBS correspondents Lee

physical and emotional needs of each staffer regularly," said *World News Tonight* executive producer Paul Slavin. ABC has already rotated out four embedded correspondents, including Bob Woodruff, a close friend of NBC's Bloom, who left his position with the Marines to return home and assist Bloom's family. (Bloom's friends have established a trust for his three daughters; donations may be sent to David Bloom Children's Fund, c/o Latham & Watkins law firm, New York.)

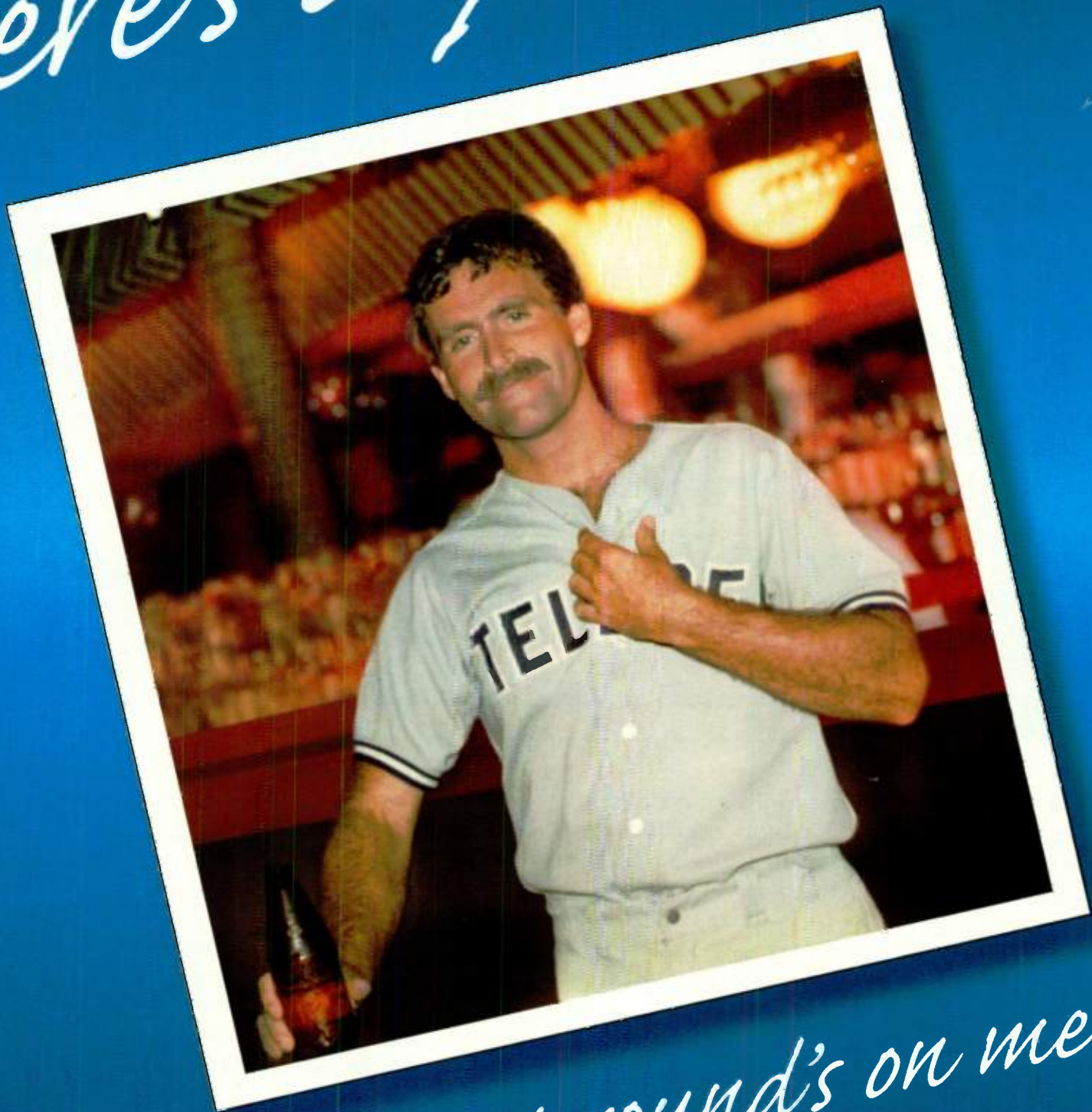
Returning staffers will have access to counseling services, standard practice after every major news event. NBC has been in regular contact with its crews and their families throughout the war, Wheatley said.

What CBS correspondent John Roberts wants when he returns home is sleep and a hot shower. Roberts, positioned on the outskirts of Baghdad with the Marines, was preparing to return home last week and resume his duties as White House reporter.

The Pentagon has promised to help embedded journalists get out of Iraq, but Roberts is improvising. He planned to hop a flight to Kuwait on one of the many military transport planes that arrive daily full and head back empty, and then fly commercially from there.

Sizing up his experience, Roberts quipped, "This is the worst camping trip I've ever been on." ■

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