

SALUTE TO EXCELLENCE '89

WHERE AD DOLLARS GO



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COLONY COMMUNICATIONS



SOUTH AFRICA NOW



STEVEN BOCHCO



DEGRASSI JUNIOR HIGH



HERBERT BRODTKIN

CHANNELS

NOVEMBER

THE BUSINESS OF COMMUNICATIONS

1989

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for you.

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THE BUSINESS OF COMMUNICATIONS

VOL. 9, NO. 11

NOVEMBER 1989



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A GOOD GAME
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BUT...

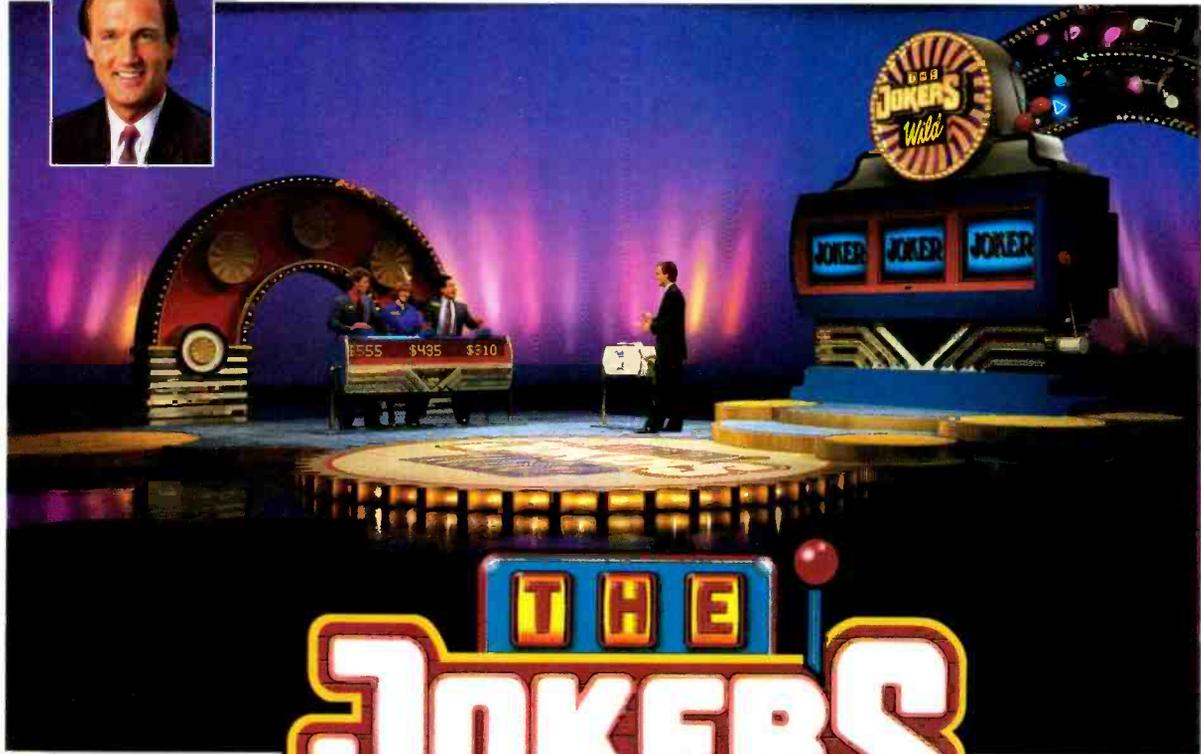
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*The undersigned acted as financial advisor to
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October 2, 1989

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LETTERS

Weeding Out the Farmers

I read with great interest Richard Katz's article on WPTY's efforts to attract more agricultural accounts ["The Farmer's Market," May].

However, at least one statement in the article was not entirely correct. According to the article, "the last extensive farm studies were the Doane and Arbitron studies done in 1983."

Katz Television has been producing farm studies annually since 1978. In fact, the 35+ demo, which you correctly characterized as *the* farm demo, was first isolated in the inaugural Katz study. Unlike other farm studies, Katz's considers persons 35+ only when they reside in the non-metro portion of a market's DMA. This way urban dwellers in the market won't affect the results.

George Feldman
*V.P., Dir. Management Services
and Sales Research,
Katz Television Group
New York, N.Y.*

Picking on Nothing

I must say I am shocked to see a big man like Frank Lovece picking on such a small has-been as RCA in "Is it TV's 50th Birthday or Not?" [June, *Reports*].

Of course the date is arbitrary. But the article's facts are all mixed up as well. Whether Vladimir Zworykin, Philo Farnsworth or Milton Berle invented electronic television has no bearing on the birthday of regular commercial television broadcasting and TV set sales.

If you want to date television to its proper start, how about 1884 when Paul Nipkow invented the scanning disc? Or 1900 when a Frenchman named Perskyi coined the word television? Or 1928, when Charles Francis Jenkins started broadcasting regular weekly programs of 48-line "radiomovies?" Or BBC's start of electronic television in 1936? Or the post-World War II beginning of TV broadcasting in the NTSC system?

No, 1939 is convenient. It was the year of the New York World's Fair. It was the year the first electronic TV



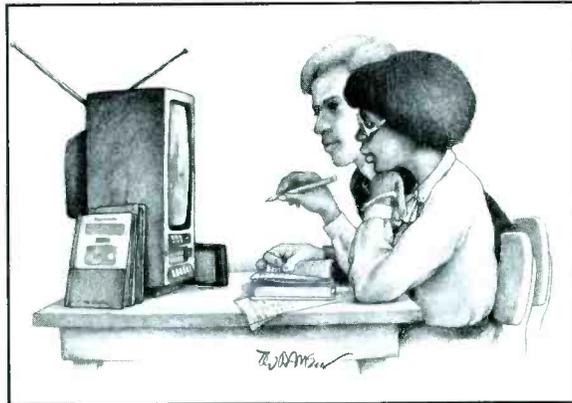
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And together with the nation's other major educational organizations — The American Association of School Administrators, The National PTA, The National School Boards Association, and the National Association of Secondary School Principals — we are meeting regularly with cable and network officials to advance the use of new technologies in the classroom.

nea

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sets became available—not only from RCA, but from Dumont and Andrea as well. To say that CBS was broadcasting television regularly in 1931 is a bit disingenuous, in view of the fact that CBS insisted on the air that these were experimental broadcasts and long after 1939 advised its radio affiliates to stay out of television, which it called a toy and a novelty.

So 1939 is arbitrary. But Lovece picks on RCA as if it were still a powerful cartel. RCA is nothing—it doesn't exist. RCA appliances are sold by GE. RCA Records are sold by Bertelsmann of Germany. RCA TV sets are sold by Thomson of France. RCA Laboratories is owned by Stanford Research Labs.

Shocking as it may seem, RCA has now become the underdog—the under-Nipper. Sold out by its board chairman, betrayed again by its buyer, GE, traded off to the French and the Germans and the Californians, there's nothing left but the ghost of David Sarnoff.

Let's stop fighting phantoms of the past. Everyone knows that television's real birthday was 1955, the year Panasonic invented the TV set. If you want a good crusade, how about keeping us out of the Vietnam war?

David Lachenbruch

*Editorial Director, Television Digest
New York, N.Y.*

Frank Lovece responds: The historical facts are not in question; RCA did do all these things ascribed to them, which Mr. Lachenbruch concedes. To then ask, "Why pick on them?" is to pretend the past never happened. And this isn't such a long-ago past: while industry veterans may be familiar with RCA's actions to denigrate Farnsworth, Major Armstrong and other TV/radio pioneers, and to rewrite broadcasting history in its own favor, the general public is not.

Constantin Perskyi was not a Frenchman, but rather a Russian engineer speaking in Paris at an engineering conference in 1900.

Is It Live . . . ?

Your July-August issue's piece on computer-generated music ["More Sound for Less"] concentrates on the alleged cost savings of synthetic sounds while giving short shrift to its question: "Does it sound like the real thing?" Its facade of balanced reporting is belied by its sources, all of whom are practitioners of electronic music-making, except for one "spokesman" for the American Federation of Musicians (an employee never to my knowledge authorized to make statements on behalf of our 200,000-member association).

QUESTIONS?

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CHANNELS

The Business Magazine for Television Professionals



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In their competitive marketplace, most music synthesists can be expected to promote the virtues of their own product, especially in a publication aimed at so many of their potential clients. Yes, the machines can “willingly” simulate the sounds of live ensembles, and, yes, using them sometimes (but not always) costs less than employing live studio orchestras. But an objective survey of the costs of synthetic music would probably reveal little or no savings—the more talented electronic musicians usually command substantial compensation for their time and investment in the ever-changing technological devices. More to the point, most synthesists (some quoted in Frazier Moore’s piece) freely admit that electronic simulation of acoustic musical instruments usually compares unfavorably to the real thing.

The true “progress” inherent in synthetic music stems from its ability to create new and unusual sounds. But the exploitation of electronics to replace live orchestras disgusts true music-lovers and perpetrates a cruel hoax on unsophisticated listeners.

What’s more, the use of these phony sounds is impacting disastrously on the musical world: highly qualified musicians are being forced out of the profession and some of our larger recording studios have folded.

Fortunately, the pendulum may have already begun to swing back in the acoustic direction. Many producers seem to be losing their fascination with the use of new technology merely for its own sake. More and more, synthesizers are being used with live orchestras to enhance, rather than replace, the output of live musicians.

There may always be some clients who will try to save a buck by using ersatz sounds. But we musicians are hopeful that the electronic simulation of live orchestras will increasingly be recognized by producers and the listening public alike as a second-class product. Instead of the wholesale replacement of acoustic instruments by computers, the future will more likely foster a more creative symbiosis between them.

Only time will tell if this forecast is accurate. While we wait to find out, your publication should provide objective reportage rather than serving as a platform for those who, for self-interested reasons, would contribute to the demise of our musical culture.

John Glasel
*President, Associated Musicians
of Greater New York,
Local 802, American Federation
of Musicians
New York, N.Y.*

Watchdogma

The Electronic Media Ratings Council (EMRC) article [“An Aging Watchdog”] in the July-August issue has been noted with interest. While it deals with the accreditation problems that the EMRC has had over the years, it fails to deal with a far more serious matter.

References to a “paper tiger” and “An Aging Watchdog” are far too mild when speaking of the EMRC. One need only to examine its recent position on the matter of extra diary sampling to get a picture of the weakness within.

In recent months, the EMRC has spoken out (whispered would be a more appropriate term) against the practice of permitting extra diary samples ordered for a specific geographic area within an ADI/DMA (county), and the inclusion of the extra sample as part of the rating book for that market. The EMRC has agreed with this writer that such extra samples that do not include the entire market should be reported separately—as a privately ordered coincidental study. The EMRC has recommended that the practice be discontinued. Arbitron has stated that they would do so if Nielsen agreed to do the same. The latter has said, “No Way!”

The “Aging Watchdog” refused to have the courage to back up the decision. What kind of a watchdog is that?

The industry needs the EMRC, but perhaps part of the problem stems from the fact that the Council is funded to a great extent by the very organizations it is supposed to be watching. It’s time to put teeth in the tiger’s mouth.

Murray J. Green
*V.P. and G.M., WFLX-TV
West Palm Beach, Fla.*

My quotes were taken somewhat out of context in “An Aging Watchdog” by Michael Couzens.

The EMRC *does* serve a very useful purpose, and while it took us two years to become accredited, our customers now have the assurance that our products are produced with the highest degree of accuracy and integrity.

We believe that all ratings services should be required to have EMRC accreditation, as some users of information are not sophisticated enough to understand all of the subtleties and intricacies that go into producing a “quality” research product. It is up to us to maintain the highest standards of quality assurance that are so vital to keeping our reputations beyond reproach. This can definitely be accomplished through the EMRC.



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Classic TV Shows • Funny Full-Length Films

...and you guessed it, much more — 24 hours a day!

It's unique, inventive television that will originate from a 16,000-square-foot "comedy factory" in the heart of New York City. And the world has never seen anything like it before! So wouldn't it be a serious mistake not to give your subscribers exactly what they've been waiting for?

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Bonus Convention Distribution: Texas Show
- APRIL:** "Cable Hones Its Ad Pitch"
Bonus Convention Distribution: CAB
- MAY:** "Cable's Future Mandate"
Bonus Convention Distribution: NCTA
- JULY/AUGUST:** "CTAM: Helping Cable Clean Its House"
Bonus Convention Distribution: CTAM
- SEPTEMBER:** "Power Programming: Strategies For Fall"
Bonus Convention Distribution: EASTERN SHOW
- OCTOBER:** "The Changing News Mission:"
Bonus Convention Distribution: ATLANTIC SHOW
- DECEMBER:** "Ninth Annual Field Guide"
Bonus Convention Distribution: WESTERN SHOW

For more information and closing dates, contact your
CHANNELS representative at (212) 545-5202.

CHANNELS The Business Magazine for Television Professionals

I hope that stations and agencies demand that all information producers receive accreditation from the EMRC. For only then can the users have confidence [that] what they actually receive is of the highest quality.

William P. Livek
Pres./COO,
Birch Scarborough Research
Coral Springs, Fla.

Michael Couzens refers to the EMRC as an "aging watchdog."

Perhaps the EMRC at 25 might be considered aging, but it is still very much a lively watchdog. Noting the distortion problem, for example, Nielsen and Arbitron, major television ratings services, recently issued notices stating that henceforth "special station activities" will be published on the computer tapes, as well as in the ratings books. This was a recognition of EMRC's campaign to make users who utilize the tapes more aware of such activities. Our next step is to have the third party processors similarly recognize this important step and not remove such notices from their software.

Regarding the two years it took for Birch Radio to receive EMRC accreditation, Tom Birch or Bill Livek will tell you it was time well spent. The EMRC audit procedure does not sacrifice speed for quality. It is a very rigorous procedure, which serves to improve the quality of all ratings research.

As for research done by non-accredited services, it should be recognized that EMRC's charter covers auditing of syndicated ratings reports, not special studies, and not one-time-only surveys.

In any event, the advertisers, agencies and broadcasters have the final say on what research services they use. The EMRC offers them the assurance that accredited services say what they are doing and actually do what they say.

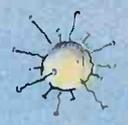
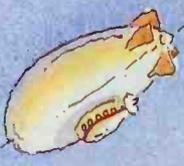
Melvin A. Goldberg
Executive Director, EMRC
New York, N.Y.

CORRECTION: In the September issue, an article on pay-per-view marketing incorrectly stated the cost of upgrading a Jerrold converter to addressability. The upgrade costs \$20 per converter. Channels regrets any confusion the error may have caused.

Channels welcomes readers' comments. Address letters to the editor to Channels, 401 Park Avenue South, New York, N.Y. 10016. Letters may be edited for purposes of clarity or space.

IT'S HERE!

24 HOUR COMEDY COMES TO CABLE!



COMEDY THE CHANNEL



**FOR
REAL
NOVEMBER 15**

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RADIO

SCREEN

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Vol. 119 No. 5

NEW YORK, WEDNESDAY, JULY 17, 1935

STICKS HICK PIX

World's Worst

N.T.G. is doing a film short for Ben Schwartz' Master Arts with the world's worst amateurs in it.

All the broken-down Sir Josef Ginzbergs, John McCormack, Jr., and other hopeleses are being assembled

Runner Runner-Up

Cry for 'Author' of Five Plays On B'way Will Get No Response

Top playwright on Broadway next season won't be there to see his own brain-children, the William Shakespeare cycle being due. No less than five of the Bard's classics will brave the Main Stem showshops for edification of earthy New Yorkers and waiting firemen.

With the exception of the Gilbert and Sullivan revivals, it is one of the rare times that five plays of the same genre will

Runner-Up

Chicago, July 16
Appears to radio execs here that Sears-Roebuck is after a record for the number of auditions for a future air program, a record which is now held by Schlits.

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Y

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72 PAGES

NIX

**NOT INTERESTED
IN FARM DRAMA**

Mid-West Exhib Says 'Barretts,' Rothschild,' Pimpernel' Among Best Grossers in Silo Belt—Musicals Lame and Story Tops Star as a Draw

STARTING TIME IDEA

By **GEORGE McCALL**

Hollywood, July 16

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When a major motion picture company wanted to explore new sources of financing, Chemical helped create an innovative private placement backed by a database which gave institutional investors new insight into industry performance.

Our experience also enabled us to move quickly when TVS Entertainment plc acquired Mary Tyler Moore's MTM Entertainment Inc. In this instance, we syndicated and closed the \$210 million transaction within four weeks.

And in an industry where you're only as good as your last performance, we played a leading role in financing three of this year's Oscar-nominated films.

Of course, they don't award Oscars for best supporting performance by a bank. But that's how we try to treat all our clients, whether it's in related industries like publishing, broadcasting and cable, or industries like retailing and natural resources.

For Chemical, the bottom line is knowing your business well enough to make a difference.

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Whitewashing The White House

How politicians manipulate TV news.

Any one of a dozen sound-bites in *Illusions of News*, a Bill Moyers documentary airing this month on PBS, could stand as an articulate indictment of the fourth estate. Part of a

it would make him a working-class hero.

This may be no news flash—the 1988 presidential elections made media manipulation a story in and of itself. But *Illusion of News* ani-



Bill Moyers laments the political exploitation of TV's need for nice pictures in *Illusions of News*.

mates the issue with on-screen testimony from those on the network news front-lines.

"You almost *have* to use [a staged presidential event]," admits NBC news president Michael Gartner. "It's an event—even if it's a staged event." Veteran White House correspondent Leslie Stahl tells Moyers she likes



Stahl: visuals bring backpatting.

to "wallpaper" her stories with video, although, she admits, the images often obscure the point of the piece. "If I had a great visual, I'd get a call, a pat on the back [from CBS News executives]," says Stahl. "[The pat on the back] drives you to do it."

Illusions of News methodically builds a case that broadcast news has become so saturated with a Hollywood/bottom line sensi-

bility that it will obscure truth for profit. Nowhere is that more evident than in coverage of the Reagan White House. The networks seemed fearful that if the stories about a popular president were too hard they would drive away viewers and profits.

Illusions of News producer Richard M. Cohen knows the documentary he and Moyers have made is likely to cause a firestorm at the network news divisions that take the brunt of its attack. But Cohen is no stranger to controversy. The former CBS news senior producer was forced out of the network after going public with criticism of super-anchor Dan Rather. Moyers had his own acrimonious split with the network. "We knew when we started out with this we had to have not the least appearance of conflict of interest," says Cohen. "We didn't want people to view this as Moyers and Cohen exacting their revenge on CBS." Moyers' and Cohen's alma mater doesn't, in fact, come off particularly well in *Illusions of News*. But then neither do ABC and NBC.

J. MAX ROBINS

four-part Moyers series entitled *The Public Mind*, the documentary is testimony to how the American news media, especially broadcast news, has lost sight of its mission of informing the public. The apparent culprit: an unprecedented drive for profit that translates into style winning out over substance.

"The media, while they won't admit it, are in the entertainment business, not the news business," former Reagan adviser Michael Deaver tells Moyers, gloating about how easy it was to manipulate the nightly news-casts because of their insatiable hunger for sexy pictures. Deaver knew that when he sent Reagan to the Indianapolis 500 to wave the starting flag or to a Boston bar for a beer with the locals

Emmy Edit Battle

While competition between news executives at NBC and CBS might be termed warlike, the competition between one news editor at NBC and his counterpart at CBS is called "a sweet rivalry."

Warren Lustig, editor on CBS's *Evening News*, and Jess Bushyhead, editor on NBC's *Today*, have had a friendly competition going since 1986, when Bushyhead won two Emmy awards, one for his Year in Review segment. When Lustig, editor of CBS's annual Year in Review segment, called Bushyhead to compliment him on his piece, the two hit it off and have been phone pals since.

The "year-enders" are news-video montages set to music. Bushyhead describes them as "doing news for the MTV generation," and notes, "these things are exhausting. You go into this little room, shut the door and deal with cataclysm, murder and mayhem and glue it all together."

In 1987, Lustig was nominated for his



CBS news editor Warren Lustig accepts his Emmy: spurred by a friendly competitor.

year-ender and Bushyhead for a documentary. They both lost, but the two finally met at the awards presentation. This year's news editing nominations (for 1988) included Bushyhead and Lustig, both for year-enders. This time they both won. Bushyhead couldn't attend the awards dinner because he was working; Lustig called him in his Burbank editing room with the news. In his acceptance speech, Lustig thanked CBS producer Marquita Pool and gave a special thanks to Bushyhead, "who every December makes me a little crazy."

RICHARD KATZ

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Parting Ways With The Pencil Pushers

Scott Tallal finds a survey shortcut.

Audience research has always been a labor-intensive enterprise, but veteran TV station consultant Scott Tallal claims he

has the methodology to streamline the process. A year ago Tallal left Dallas-based Audience Research & Development to form Ad-

vanced Research Services and launch his new audience-research methodology. Compared to preexisting research methods, Tallal claims his "is like the leap from a traditional picture to HDTV."

After more than eight years with AR&D, the 34-year-old Tallal was all too familiar with the costly, time-consuming business of gathering audience data. Computer-coding and then

keypunching multiple-choice responses from interviews conducted with paper and pencil seemed inefficient. Answers to open-ended questions had to be typed up and coded before they could be added to the mix.

Tallal spent more than seven months designing software that allows interviewers to forgo paper and pencil for computer keyboards. Once the data is gathered it's ready for analysis. "What took days, I can do more accurately in eight minutes," boasts the Dallas-based Tallal.

The software also tailors the questioning process. For example, if a respondent is asked what his favorite channel is and the answer is Channel 6, the questions following on the interviewer's screen will be about that channel. "This makes the interview more natural—like a dialogue," explains Tallal.

Cutting out steps has made the process less expensive. Tallal says a medium-market station formerly might have paid up to \$22,000 for an 80-question survey of 400 viewers. Tallal's computer system allows interviewers to ask 50 percent more questions in the same amount of time for less than \$13,000.

Sunbelt Broadcasting recently used Tallal when it purchased KCRL in Reno. "It allowed us to zero in on the image of all three affiliates in the market," says KCRL news director Hank Tester, "and the price was right."

Other research firms are beginning to employ similar methodology. According to president Bruce Northcott, Frank Magid Associates recently made the commitment to computerize its interview operation. "But for open-ended questions, sometimes you still have to use a paper and pencil," he says. "Computer-assisted interviewing helps the process, but it still comes down to how good you are at analyzing the information once you have it." J. MAX ROBINS

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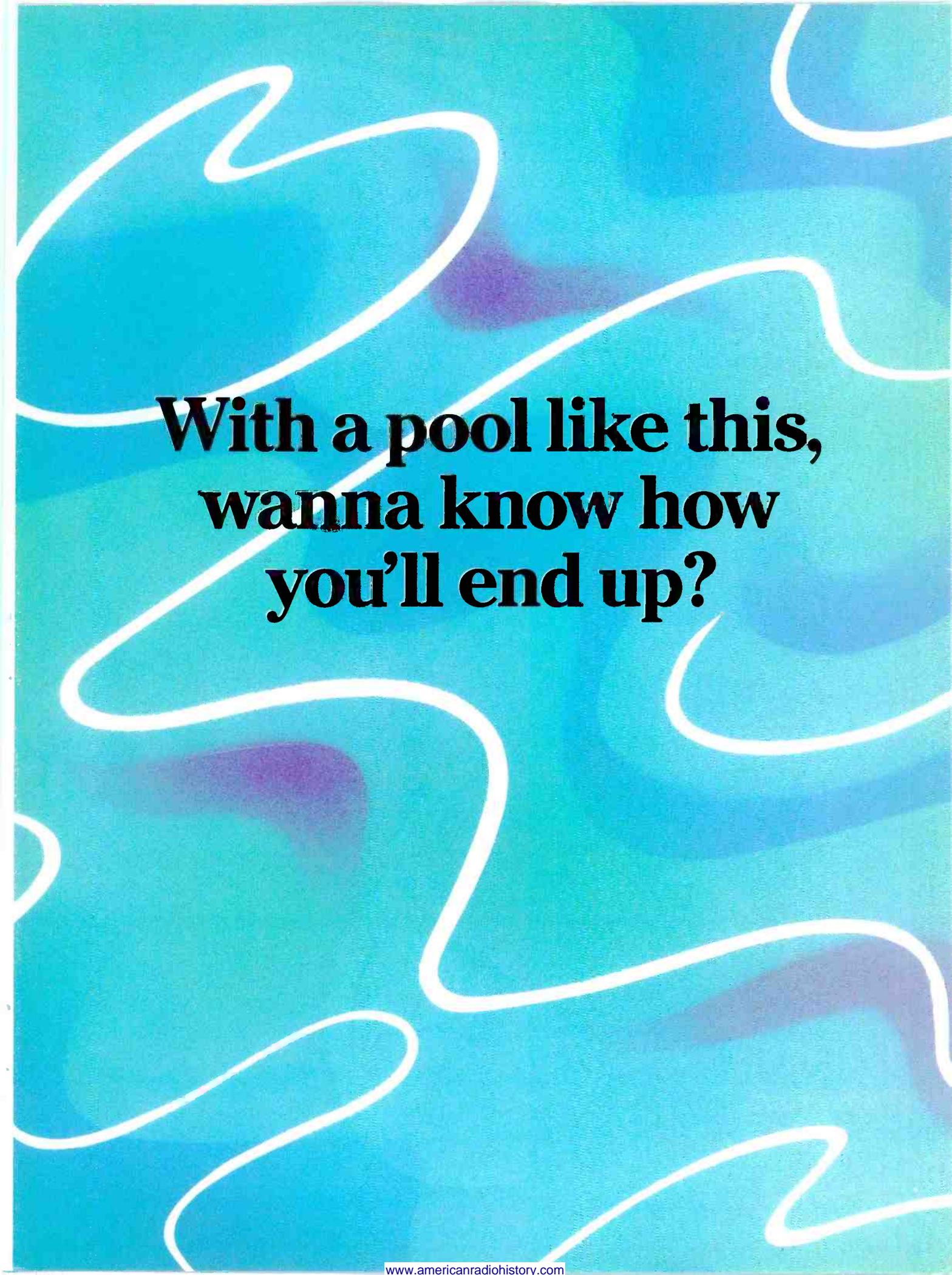
We need your help to stay out of there. Whenever you use our name, please use it as a proper adjective in conjunction with our products and services: e.g., Xerox

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The background is a vibrant, abstract composition of various shades of blue and green, ranging from light turquoise to deep, saturated blue and green. Overlaid on this background are several thick, white, hand-drawn style outlines that form irregular, flowing shapes, reminiscent of water ripples or organic forms. The overall effect is dynamic and fluid.

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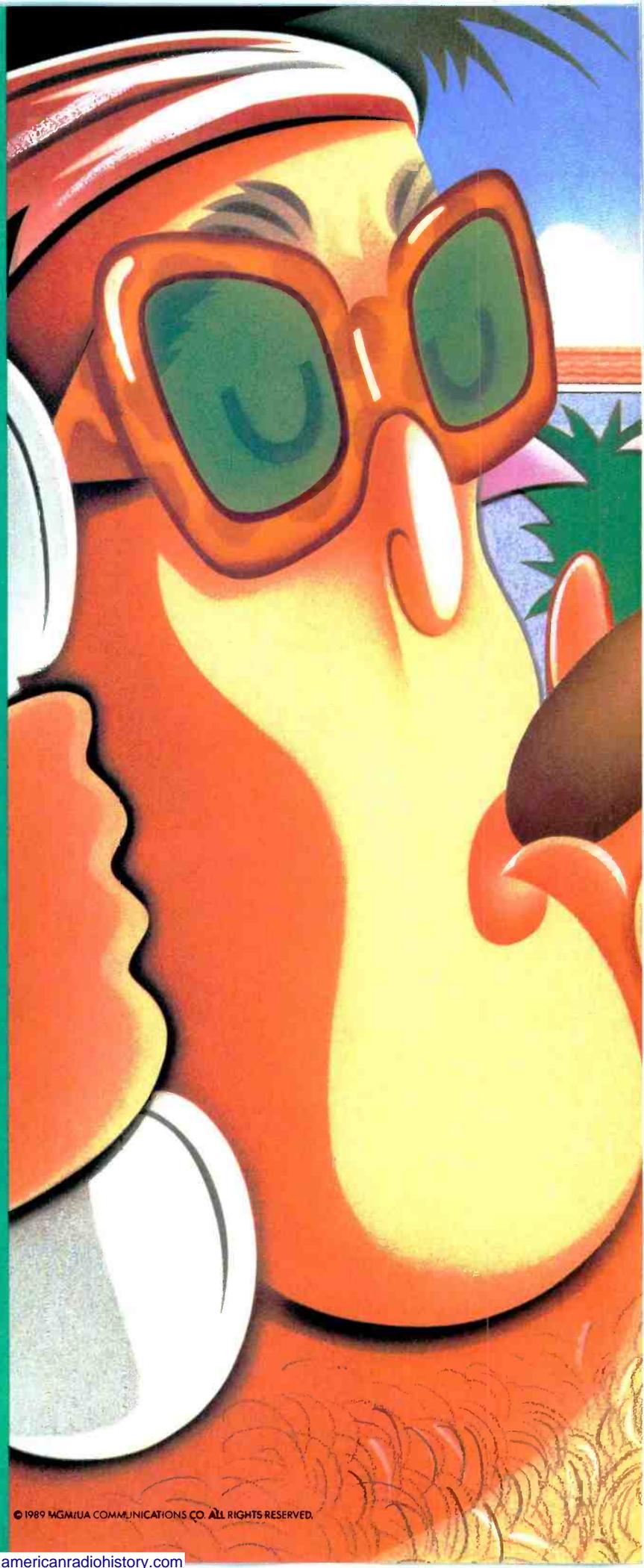
EVERYBODY INTO THE POOL!

AVAILABLE BEGINNING
JULY 1
1990

THE MOVIE POOL

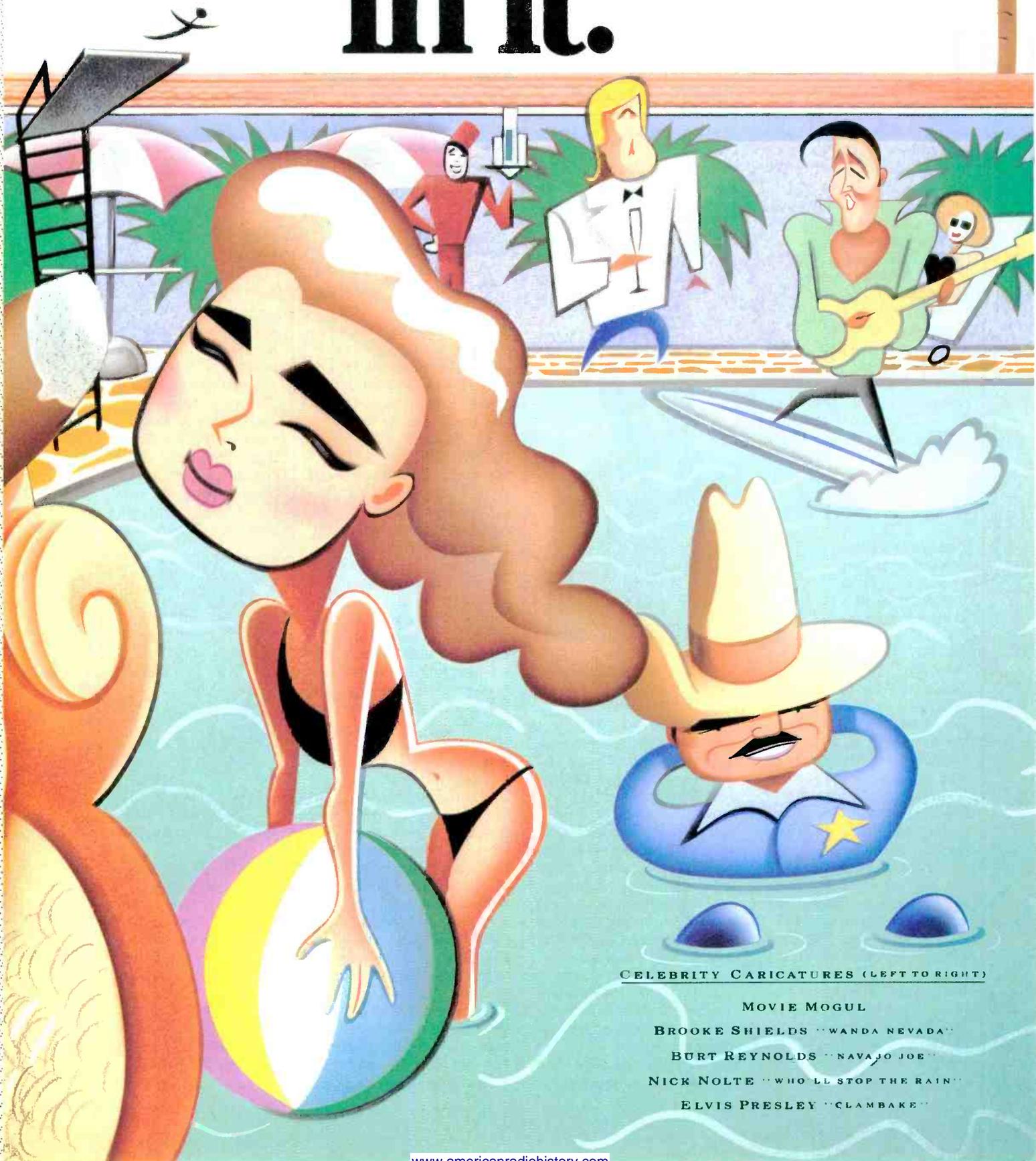


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Swimming in it.



CELEBRITY CARICATURES (LEFT TO RIGHT)

MOVIE MOGUL

BROOKE SHIELDS "WANDA NEVADA"

BURT REYNOLDS "NAVAJO JOE"

NICK NOLTE "WHO'LL STOP THE RAIN"

ELVIS PRESLEY "CLAMBAKE"

Off the Beach, Back Into Cable

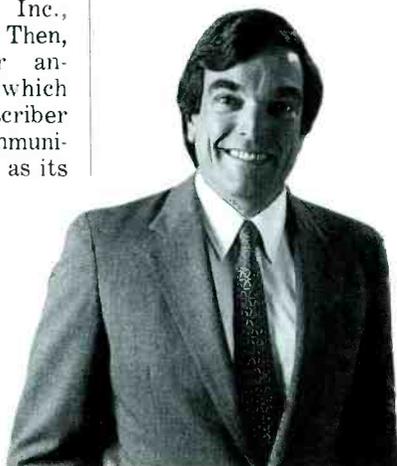
MSO deal-maker Jeff Marcus returns.

The tiny peninsula of Cap Ferrat on the French Riviera may provide a seductive refuge for a wealthy dropout from the cable industry, but it only held Jeff Marcus for a few summer months. The onetime head of MSO Marcus Communications has let it be known that he's back in the country and back in business.

Just last year Marcus merged his company, a Tele-Communications Inc. co-venture, with Western Tele-Communications Inc., another TCI holding. Then, nine months after announcing the deal—which created 560,000 subscriber strong WestMarc Communications, with Marcus as its

play,” he says.

Playing isn't all he did, however. He bought into the Texas Rangers baseball team last spring via a limited partnership managed by President Bush's eldest son, George, and Texas investor Rusty Rose. Even that investment had a cable slant: “It seemed to me that as cable became more viable [in the Dallas/Ft. Worth ADI], cable could help the Rangers and the Rangers could help



Marcus: using his Wisconsin systems to grow—and then probably sell off—his new company.

chairman and chief executive—Marcus decided he wanted out of the venture for personal reasons. Cable-industry buzz said his wife Nancy wanted to see more of him, and neither Marcus nor his wife wanted to move their two children from Dallas to Denver, West-Marc's new home.

Marcus acknowledges, “I felt like turning away from any business for awhile.” He sold his stock in WestMarc to TCI in exchange for some Wisconsin cable systems with about 16,000 subscribers, but Marcus says he never called his staff to check up on the systems while away. “There were some books I wanted to read and some sports I wanted to

cable,” he explains. Marcus has been active in negotiating the Rangers' TV rights for next season.

Sources say that even with the baseball diversion, all that relaxation got to be a bit much for the 43-year-old, who started selling cable door to door 23 years ago while still in college. Since then he has formed, or helped to form, such companies as Markit Communications, a sales and installation company, and the brokerage firm Communications Equity Associates.

Marcus' ability to borrow against the Wisconsin systems should help him considerably in financing new acquisitions. Marcus values the operation at about \$35 million and says it has manageable

debt. And no one would be surprised, Marcus says, if he cut another equity deal with TCI.

Marcus remains vague when discussing how large he'd like to grow his latest MSO: “There's no magic in getting big for the sake of getting big. We want to grow in a way that makes sense financially and from a management perspective.” He does say that the systems he

acquires are likely to be located in rural areas “where there's more of a dependence on cable for broadcast television as well as for satellite services.”

As for another time-out period abroad, Marcus only laughs. “My [youngest child] is in the fourth grade, so for the next nine years I've got to get up at 6:15 to make the kids breakfast . . . and show up at work.” JANET STILSON

Comedy Chief Nurtures Triplets

Nickelodeon's Debby Beece takes on HA!

When Debby Beece was in school, she was one of those kids invariably picked first for sports teams. Now, at age 34, she's the number one choice of MTV Networks to program its HA! The TV Comedy Network, expected to debut April Fool's Day. And she's set for what could be her toughest race yet, handicapped by several months' lead time as HBO's Comedy Channel moves out of the starting gate this month.

Beece terms the challenge at once “exhilarating” and “scary” as she sits in her sparsely furnished office, too preoccupied to notice that her lava lamp died some time ago. “Basic cable is something we've been doing so long, we really have a leg up on this,” she says.

A onetime secretary at MTV Networks' predecessor company, Warner Amex Satellite Entertainment, Beece is currently senior vice president of programming at Nickelodeon and Nick at Nite, and is taking on the same—albeit interim—title at HA. She was a key member of the think tank that transformed Nickelodeon's programming a few years ago. Hinting that there will be some resemblance between HA and the Nick networks, Beece also notes that HA

won't use v.j.'s and is aiming for 50 percent original, long-form programming when it gets up to speed. “There's an explosion of ideas once you hear ‘comedy network,’” she says. “It's bigger, in a way, than a kids channel, because it's a broader point of view.”

In learning to juggle three services, Beece says that

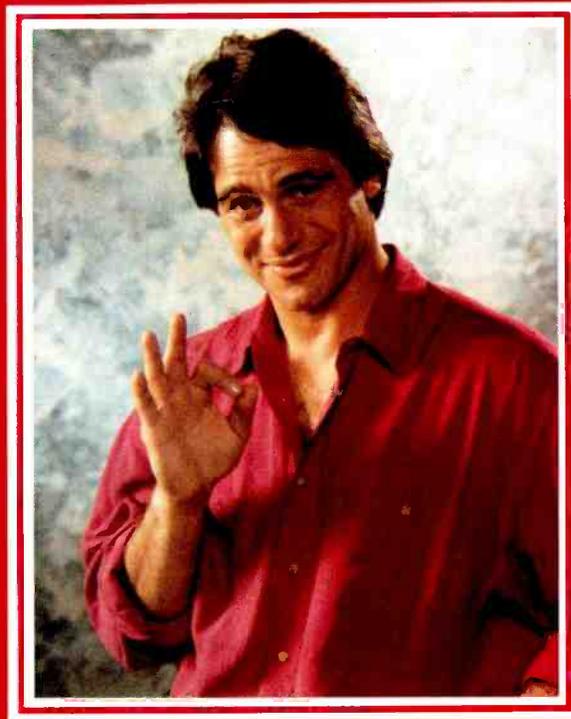


Beece: comedy beyond kids.

motherhood has turned out to be a good teacher. She had just returned from maternity leave after having her third child when the HA assignment came along. “You can never play favorites with your kids,” she notes, “and you have to cut to the quick of things. You know exactly what each one needs and what you should do.”

JANET STILSON

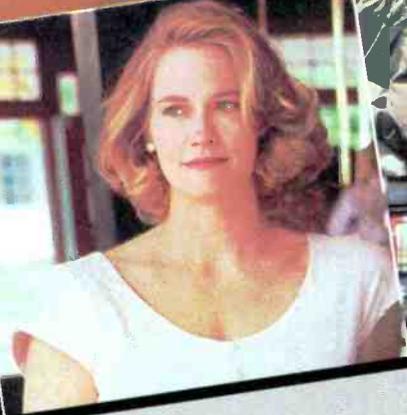
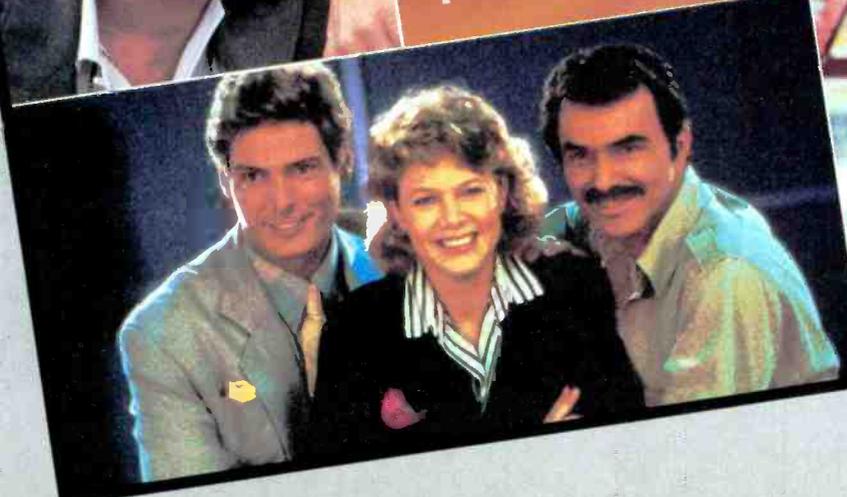
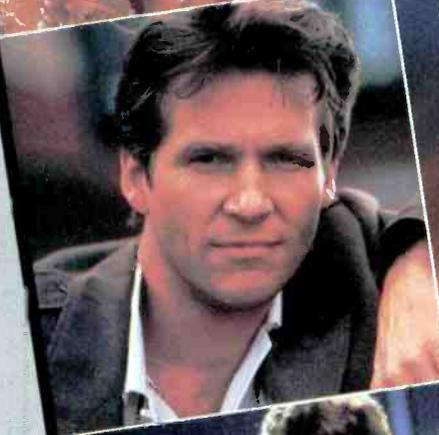
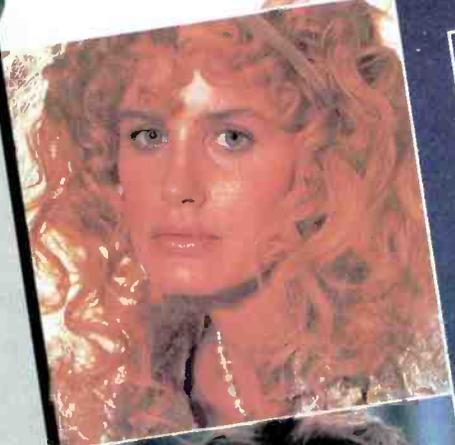
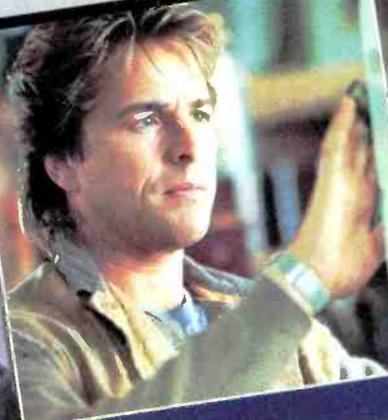
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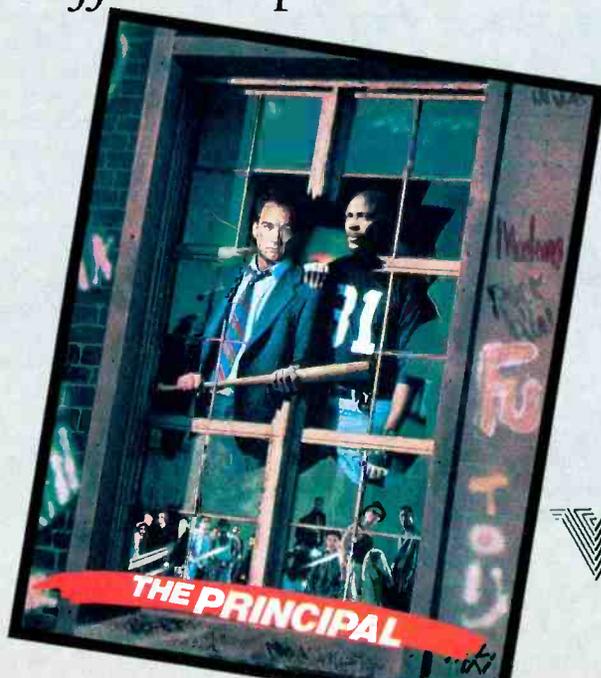
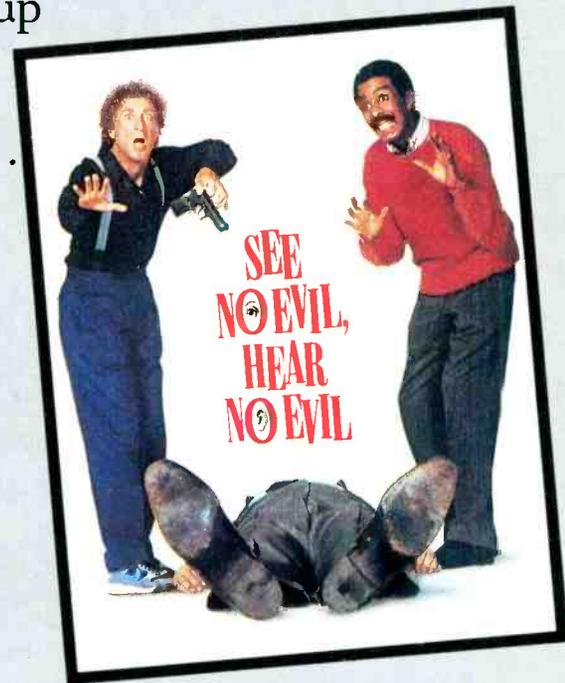
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Denver Does ScanAmerica

Stations are turning Arbitron's single-source data into ad dollars, but the going is slow.

BY MICHAEL COUZENS

Four Denver TV stations are working to turn Arbitron Co.'s pioneering single-source media research, ScanAmerica, into new ad revenue. But the numbers haven't yielded the instant gratification some had naively hoped for as recently as a year ago. That may impede national acceptance of ScanAmerica, because if stations fail to use the data fully, advertisers—Arbitron's prime sales targets for ScanAmerica—may prove harder to bring on board.

Pound for pound, ScanAmerica provides reams of data for the dollar, overnight and monthly. It offers TV ratings as well as such household characteristics as income and visits to local department stores and fast-food emporia. It also incorporates product-usage data, which ScanAmerica households capture by scanning the bar codes on the products they buy. Research of this depth allows TV stations to tell a local department store, for instance, exactly which shows its customers are most likely to watch.

KWGN, Tribune Broadcasting Co.'s VHF independent in Denver, got its first batch of ScanAmerica numbers in March and installed a computer to massage the data for custom research in April. Already, John Hummel, general sales manager, has found some promising new uses. ScanAmerica's reports of viewing, by program and daypart, were cross-referenced with car owners (adults 25-54) by make. A KWGN salesperson then showed an auto account a group of programs that reached more of its customers than previously available data would have predicted.

In another instance, the advertiser's goal was to reach an "upscale" audience

by purchasing early news, late news and network-affiliate prime time. Indie KWGN had only a late-news show to fit that profile. So, using ScanAmerica data, the station created a qualitative study comparing a KWGN package of late news, prime-time movies and *Star Trek: The Next Generation* against an affiliate's early and late news and *60 Minutes*. "Using [the advertiser's] demographic criteria, we did the same numbers as the affiliate," Hummel says. "That's an instance where [ScanAmerica] helped us. Without the re-

Denver 'was supposed to be the place where the bugs were worked out. It didn't work out that way.'

search, we'd only have sold our late news."

At the same time, Hummel notes that Arbitron's evening numbers all remain lower than Nielsen's, in some cases significantly lower, with a program garnering a six or seven share from one service and only a two or three on the other. This could be a byproduct of the very different technologies. Unlike a passive meter, ScanAmerica uses an on-screen prompt to force viewers to identify themselves when the set is turned on, and then to prompt new identifications periodically. The entire package of logging and recording by the household necessitates cooperation fees

in excess of \$300 per year. Although stations understand this, they still need cogent reasons for going to advertisers with a book that shows their ratings consistently lower in prime time. Recently, however, the gap with Nielsen has narrowed—outside of prime time, Arbitron's audience numbers are sometimes higher than Nielsen's, claims Pete Megroz, Arbitron vice president for television station sales.

Another Denver independent, KDVR, subscribed to ScanAmerica for the first two years but dropped it last year, citing inaccuracies and lower ratings. ScanAmerica has added CBS affiliate KMGH and two other indies. With KCNC, the NBC outlet, that gives it four customers in the market.

Roger Ogden, president and general manager of KCNC, talks as though ScanAmerica has a tenuous hold on his station, which was the system's first subscriber in the nation. "In the buying community, it's still very limited in its usage," he says. Increased use of ScanAmerica "will have to be client-driven," he adds. "As it is, agencies are deluged with numbers. [ScanAmerica] is a lot of data. It's more work."

Ogden also charges that Arbitron's "execution has been sorely lacking." Product data has been delivered late, he says, and Arbitron has encountered churn with its sample. "They had to rebate money to us because they had not hit their goals for 'in tab' for several months," Ogden says. "This was supposed to be the 'Beta site,' the place where the bugs were worked out for the national service. It didn't work out that way in practice."

Ogden expected ScanAmerica to help KCNC earn incremental revenue by confirming the upscale nature of its audience. Though this has not happened, he says KCNC has no plans to drop ScanAmerica. Arbitron's Megroz says the drop in panel size was related to a one-time equipment replacement and that the panel soon will be back to its designated strength of 600. A single-source sample of 600, however, is far more expensive to maintain than a conventional passive-meter panel, such as Nielsen's service in Denver.

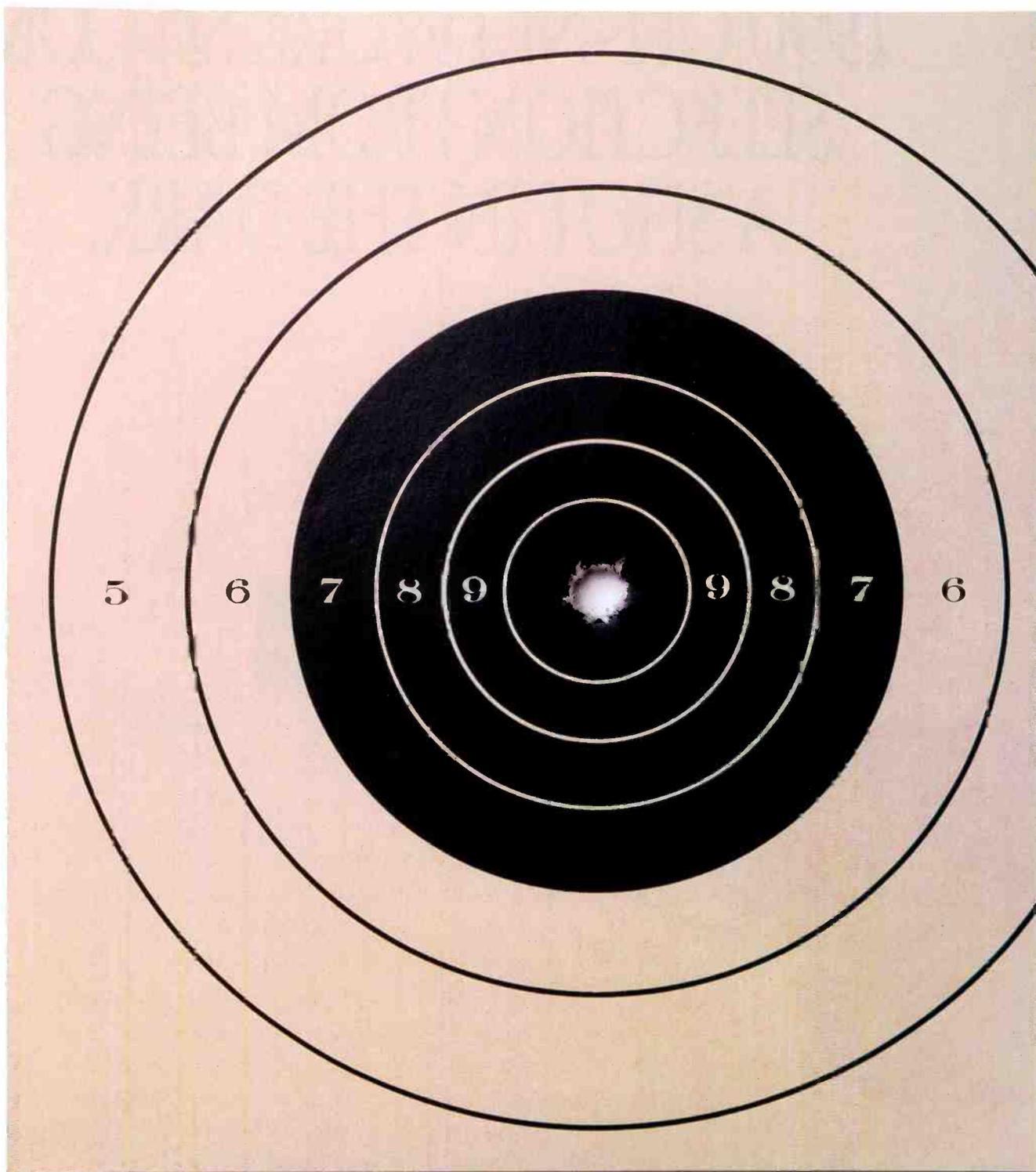
Unless more Arbitron users can find enough new applications, ScanAmerica could run perpetually at a loss. Local stations, and their ingenuity in expanding the uses for the data, will determine whether ScanAmerica can operate as a full-scale syndicated television-ratings and audience-research service. ●

.....
Michael Couzens is a San Francisco-based freelance writer.

HOW TO KEEP YOUR
1990 OFF-NETWORK SITCOM
SELECTION FROM BEING
A SHOT IN THE DARK.



TURN ON



THE LIGHTS.

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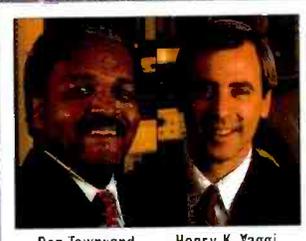
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An ancient Roman philosopher once wrote, "It takes a long time to bring excellence to maturity." In one way or another, that notion applies to the honorees in Channels' sixth annual salute to Excellence in Television, whether it be the remarkable Herbert Brodtkin, still active as a TV producer at age 76, or Lorne Michaels, at 45 celebrating the 15th anniversary of his reinvention of television comedy. But regardless of their age or tenure in the TV industry, all seven honorees have at least one quality in common: an unyielding commitment to excellence.

WUSA-TV



Ron Townsend Henry K. Yaggi



Lorne Michaels

Geincy Communications

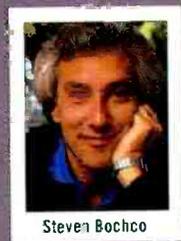


Bruce Clark Jack Clifford

South africa Now



Benny Schechter Carolyn Craven



Steven Bochco

Degrassi Junior High



Kit Hood Linda Schuyler



Herbert Brodtkin

Which Would You



Services whose cupboard is bare...

ou Rather Have?



Or services with more of
the Hollywood movies subscribers
can't bear to miss.

Lately some fairy tales have been circulating about who brings subscribers Hollywood's finest movies. Well, here are the bare facts: No one offers subscribers more of the biggest, best films than HBO®. And no one delivers more movies on pay TV than Cinemax®. Together, HBO and Cinemax are "just right," with a program schedule that gives your customers plenty of choices — all day, every day.

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The Best. The Most. The Ultimate.



WASHINGTON'S ONE & ONLY

Risk-taking and community involvement characterize Gannett's flagship station, WUSA, number one in the nation's capital.

By Jack Loftus

Charlton Heston, the Hollywood pitchman for the National Rifle Association, has just become Dave Pearce's worst nightmare. WUSA-TV's highly touted *Eyewitness News*—Washington's first 4 P.M. newscast—is 30 seconds into its premiere edition when the first commercial break hits, bringing the broadcast to a jarring halt. And it's a lulu. For the next 60 seconds, Pearce, vice president of news at WUSA, fights down a wave of bile as two TV monitors in his office seem locked in time, staring down the barrel of Heston's NRA commercial. "C'mon, c'mon, c'mon," he mutters impatiently, reaching over to turn up the volume on a third monitor where cross-town rival WJLA has a premiere of its own: *The Oprah Winfrey Show*. Oprah's topic *du jour* is the plight of 30-year-old virgin brides, and Oprah's on a roll.

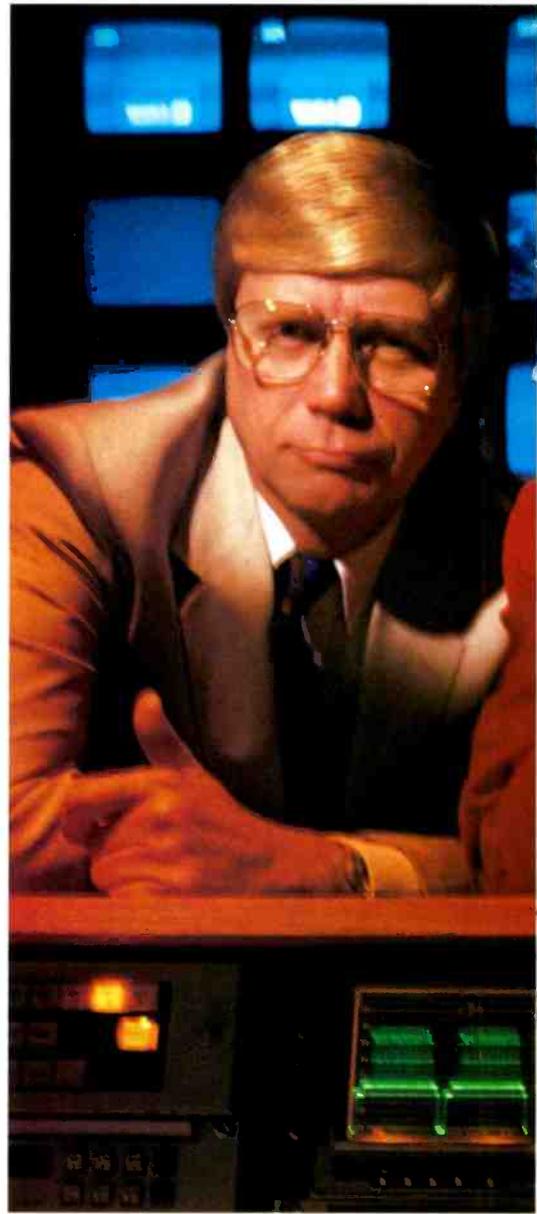
D-day is Tuesday, September 5, the day Oprah jumps from WUSA to WJLA, leading the Gannett-owned flagship in the nation's capital to make a bold gamble. It is risking the number one news franchise in the market by launching yet another hour newscast as a lead-in to its 5 to 6:30 P.M. *Eyewitness News* block.

When WUSA springs back to life, anchors Andrea Roane and Mike Buchanan move quickly into the day's top story: the Labor Day weekend riots and looting in

Virginia Beach. It's a natural for Washington's leading news station and a lucky break for this premiere broadcast. The Virginia Beach story is hot—though not as hot as Oprah's 30-year-old virgins—yet *Eyewitness News* is true to form; it delivers more on the story—and earlier—than any other station in town. The broadcast easily transits into the 5 P.M. broadcast, and WUSA never misses a beat.

"Hot damn!" Pearce is ecstatic. General manager Hank Yaggi, who made the gutsy call to be the first East-Coast station to attempt a 4 P.M. hour news, appears relieved. The broadcast has gone off practically without a hitch, and later rating returns will reflect moderate success. More importantly, no damage has been done to the sacred 5 to 6:30 local news that follows. "You don't get to be the number one news station in this town for the past decade without taking risks," says Yaggi. By programming the time rather than relying on somewhat safer syndicated programs, "we have taken our destiny—and our money—and put it in our own hands."

Pearce, Yaggi and the rest of the WUSA broadcast team have a right to celebrate. They are the stewards of Channel 9, representing four decades of risk-takers, innovators with an uncommon



commitment to excellence.

"There is a passion here," says editorial director Rich Adams, the voice of the station and three-time winner of the National Broadcast Editorial Award. "In places that win, you find it. And the further down it goes in the ranks the stronger it is."

Whether it's going against conventional wisdom by expanding its newscast, uncovering scandal in city hall and being consistently ahead of the curve in covering local governments, marshalling the station's resources to fight drug-related crime in the nation's capital, taking time out to honor the community's unsung heroes through its "The One & Only 9 Awards," or experimenting in locally produced programming, WUSA has led the pack, not followed it.

In fact, the station may have more number ones to its credit than most other broadcast operations:

- It claims to be the number-one-rated

The WUSA innovators: news, Dave Pearce (l); programming, Sandra Butler-Jones; g.m. Hank Yaggi.

1949 as WOIC, owned by Bamberger Broadcasting. In 1950 it was sold to the Washington Post Co. and became WTOP. Later the Post bought up CBS's 45 percent interest in the station. Then, in 1977, Post-Newsweek and Detroit's Evening News Association agreed to swap stations: WTOP went to the ENA and WWJ in Detroit went to P-N. The following year Channel 9 had new call letters: WDVM (for District, Virginia and Maryland). When ENA merged with Gannett in 1986, Channel 9 found itself with a new handle: WUSA.

Ron Townsend, a 30-year veteran of the broadcasting industry, has been one of the constants in the station's multi-owned life. He joined in 1974, moved up to station manager in '78 and

into the general manager's slot in 1986. He's served under three owners and helped steer the station through two ownership transitions. "Post-Newsweek ran some fine television stations," says Townsend, now ensconced in Gannett's corporate offices across the Potomac from WUSA as president of the Gannett Television Group. "They paid a great deal of attention to news and community involvement, and that became the tradition of Channel 9."

Longevity is another tradition. There are still three technicians on staff who were there when Channel 9 turned on the juice 40 years ago: Gene Beall, George Catron and Jack Waldron. Three employees have been there for 30 years and 13 are in the 20-year club. Noon anchor Bob Dalton has been with the station since 1951 and Gordon Peterson, the dean of Washington TV anchors, joined in 1969.

At top management, Yaggi signed on in 1979; general sales manager Steve Cook,

CBS affiliate in the country, sign-on to sign-off, and has been for years.

- Nielsen says WUSA is number one in Washington. Arbitron calls it a tossup with WJLA-TV and WTTG in the July book.

- It has been Washington's undisputed news champ for decades, the station most viewers turn to for breaking news. (On September 22 WUSA flattened *Oprah* with coverage of Hurricane Hugo.)

- WUSA has more local news a week—24.5 hours—than any other station in town. And most of those broadcasts win their time slots handily.

- WUSA is the market leader in the number of locally produced, regularly scheduled public-affairs programs—3.5 hours a week not including repeats—under the direction of Sandra Butler-Jones, vice president of broadcast operations. *Capital Edition*, now in its fifth year of offering a kaleidoscope of people, places and events in the metro area, has

won more than 30 awards.

- In the past five years, the station has picked up more than 300 local and national awards, including five Peabodys and five Ted Yates awards.

- Not surprisingly, at last June's local Emmy awards, WUSA walked away with the most—34—including top honors for sports programming and sports coverage, children's programming, regular public affairs and best on-air talent; one to reporter Bruce Johnson for *Why Won't They Come Home?*, a documentary on Vietnam vets who chose to stay behind in Southeast Asia after the war; and another Emmy to sports anchor Glenn Brenner for *Redskins Sidelines*.

- WUSA and Fox-owned powerhouse WTTG together take better than 50 percent of the \$270 million local and national revenue pie.

In its 40-year life, Channel 9 has had four call letters and four-and-a-half owners. It powered up on January 16,



'68; programming chief Butler-Jones, '80; and Pearce, '81.

"We went on the air on January 16, 1948 with just 31 people," recalls Waldron. "We were a small, close-knit group, and we've always been that way. The Post company treated you as family; they wanted you to stay." He recalls that *Washington Post* founder Eugene Meyer hosted regular dinners for all Post employees, and on one occasion handed out stock to everyone. Waldron got six shares, which today would be worth over \$400,000. "They shared the profits, gave out stock. . . . That's the kind of thing that makes you stay."

Townsend established something of a tradition himself, becoming a highly visible community leader. He is a past president of the D.C. Big Brothers and is currently president of the United Way National Capital-area board of directors. "Ron encouraged community involvement from all of us," says Yaggi.

When Channel 9 was absorbed into the Evening News Association, says Townsend, "there was really no corporate identity. We were just another TV station with some odd call letters. Our challenge was to maintain the momentum that Post-Newsweek had developed."

One advantage, however, was that, for the first time, Channel 9 could compete directly with the *Washington Post* for ad dollars. "We could, and still do, show key retail accounts how to cut back on newspaper spending and move those dollars into television," says Yaggi.

When Channel 9 was bought by Gannett, says Townsend, the station received an immediate infusion of ideas, talent, technology and money; lots of money, enough to build a new home for WUSA, now under construction just down the block from its present headquarters, and scheduled to open in 1991. The news division got a new satellite truck, courtesy of Gannett, use of the Gannett News Service/TV and more money to support community services through the Gannett Foundation.

"We are fortunate that the people who own us are good people," says Pearce. "Gannett is a news company and we're in the news business." What Gannett inherited, says Townsend, is "a winning tradition. . . . It's amazing. I've spent a third of my life in that building, and every day I'd see it: that winning spirit."

That's what makes everyone want to stay, says Butler-Jones. "Very few stations in this country have the people power that we have. . . . It's an energy, a reach for excellence you really don't find anywhere else." Her programming department is both prolific and innovative. In addition to *Capital Edition*, WUSA has broken new ground with *In Our Lives*, a show for and about teens which bumps the CBS Saturday schedule at 10 A.M. Relying on a mixture of acting and

in-studio discussion, the station auditions teen actors to make up a 12-member troupe that changes every year. And its *Music Video Connection* gets better ratings than NBC's *Friday Night Videos*. "I want that late-night audience," says Jones, ever eager to expand into other time slots.

In the past two years, Jones' documentary unit has turned out such productions as *Thurgood Marshall: The Man*, in which syndicated columnist Carl Rowan conducted a rare interview with the Supreme Court Justice. *Out in the Cold* was a look at the plight of homeless families and *Capitals of the World* is an annual

not been without difficulty. No sooner had Pearce become news chief in 1983 than he had a run-in with anchor Gordon Peterson. Peterson and Pearce had radically different ideas about the mixture of national and local news.

"The two of them would have these wild meetings that were more like free-for-alls," says one outside observer. "The whole thing made David a nervous wreck, even to the point where he'd become physically sick." With the in-house feuding making headlines, Pearce and Peterson reached a truce of sorts: The anchor was signed to a new contract and Pearce succeeded in redirecting the focus



Washington mayor Marion Barry responds to a WUSA report that he smoked crack with a drug dealer.

prime-time examination of some of the things Washingtonians have in common with people living in other capitals. "How many other program departments send their reporters to a foreign capital every year?" asks Jones.

The competition, adds Pearce, has thrown a lot of money at WUSA's talent, "but money isn't everything, and when you think about the environment in which you work . . . and this station with its tradition of being number one, a lot of people don't want to work any place else, so there is a stability here."

There's also a degree of notoriety. Last August, WUSA reporter Mark Feldstein broke the story that convicted cocaine dealer Charles Lewis told federal investigators that he purchased crack cocaine and smoked the drug with D.C. mayor Marion Barry on several occasions. The story hit Washington with a jolt. Pearce says he never hesitated about running Feldstein's story, nor did he question the reporter about his sources. "I didn't ask for source material," says Pearce matter-of-factly. "We put the reputation of this station in the hands of our reporters."

Yaggi has put his confidence in Pearce, whose six-year tenure as news chief has

of the station's news coverage.

WUSA began to strengthen its local coverage at the same time that Washington, like many other urban centers, began an agonizing slide into the mire of drug-related violence. Earlier this year, with opinion polls showing the public fed up, WUSA launched "We've Had Enough," a station-wide campaign involving news and public affairs aimed at combating this scourge. The point man for WUSA is editorial director Rich Adams.

"I don't have a secretary and I answer my own phone," says Adams, whose much-publicized "hot line" feeds into an answering machine he uses to monitor tips that he passes on to the police—or sometimes to the WUSA newsroom. Adams punches up one recent message and a woman's voice fills the room: "There's a crack house on * * * Street. We told the police, but they don't seem to do anything about it."

Adams knows his credibility is on the line. "I'll pass it on to the police, then follow up," he says. "It's important for people to know this machine doesn't just get erased and nothing happens. But when they see the police show up, word gets out that we're for real." ●

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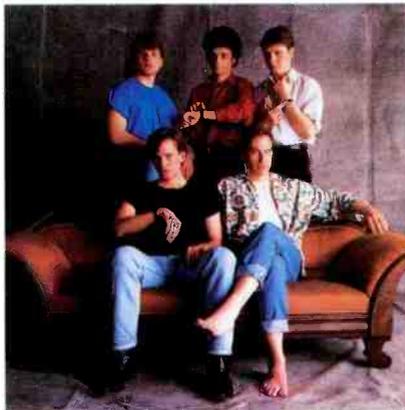
UP ALL NIGHT

Lorne Michaels and his Broadway Video cohorts, who 'can't sleep unless it's good,' bring the wonders of pop culture to television.

By Chuck Reece

It's been a loaded year for Lorne Michaels—a crazed landmark of a year. Since *Saturday Night Live* first ripped into the American consciousness 15 years ago, it's been clear that Michaels is alone in his league. He took a piece of the TV schedule and remade it for a new audience. He transformed an entire generation's conception of TV comedy. He changed network executives' ideas about the efficacy of weekend late-night programming. And he made home a cool place to be on Saturday nights.

What he didn't do was immediately parlay the success of *Saturday Night Live* into a Hollywood-style programming machine. He could have: If anyone owned the franchise on pop culture in the late 1970s, it was Michaels. But apart from continuing *SNL* and producing the occasional special and an aborted early-'80s series called *The New Show*, Michaels didn't churn out much product. He did start a production and postproduction company, Broadway Video, in 1979. "I wish that I could take credit for any kind of planning or foresight," he says today. "But it was like everything else in my life—I stumbled into it." He built Broadway Video, he says, because he couldn't find an editing room in New York that met his standards for sound recording. Broadway Video was suc-



The Kids in the Hall, left, and Detroit funkateers Was (Not Was) on *Michelob Presents Night Music*.

cessful with postproduction work alone, but still, there were no new series.

Until the 1988-89 season. This was finally the year Michaels' special touch for programming on the fringes took him beyond *Saturday Night Live*—to cable, to syndication, to new time periods, to even edgier forays into the wilds of American pop culture. The two new series—*Michelob Presents Night Music*, the late-night music series syndicated by Fox/Lorber Associates that was called *Sunday Night* last year, and *The Kids in the Hall*, an HBO comedy series starring five unknown wackos from Tor-

onto—made a point: Lorne Michaels is one person with the taste—and the clout—to get the truly brilliant bits of pop culture onto mainstream TV.

"What Lorne has done in the last two years is make a concerted commitment to quality new production," says Eric Ellenbogen, president of Broadway Video Entertainment, Michaels' production division. "It was just the right time to do it." But the right time, in the parlance of Broadway Video, doesn't mean the company had pinpointed new niches and built shows for them. "I don't know that our production is ever market-driven," says Ellenbogen.

That's putting it mildly. Michaels, in his car on the way to Kennedy Airport one day in early September, explains that he never intended to enter the business side of television. He was driven there. "The first 15 years of my work in TV, I was principally a writer," says Michaels, whose early work included writing for *Rowan & Martin's Laugh-In* and producing two Emmy-winning specials for Lily Tomlin. "I came into production as a reaction against the work being changed."

He has provided, with Broadway Video, a place for producers such as Robert Boyd of *The Kids in the Hall* and John Head of *Night Music* to work in similarly unimpeded circumstances. "I don't know how many people who have the intelligence and taste and interests of Lorne are attracted to television in the

first place," says Boyd, from his home in Toronto. Michaels has always populated his shows with talent from Toronto, where he grew up and attended college (studying English literature at the University of Toronto). Boyd and Head, who has been a colleague of Michaels' for more than ten years, independently offer the same assessment of the man's approach to television: The shows he makes are simply shows he himself would like to see.

That doesn't make Michaels guilty of blatant disregard for his viewers; he just knows which part of the audience is his and which part can be left to the *Mr. Bel-*

vederes of the TV world. Bridget Potter, the HBO senior vice president for original programming who helped make the deal with Broadway Video for *The Kids in the Hall*, puts it this way: "Lorne has the knowledge and understanding of what TV comedy can be if it doesn't have to appeal to the lowest common denominator in the audience."

The Michaels philosophy seems to be this: Program first to the hip high end of the pop-cultural marketplace; a good-sized crowd will—eventually—follow.

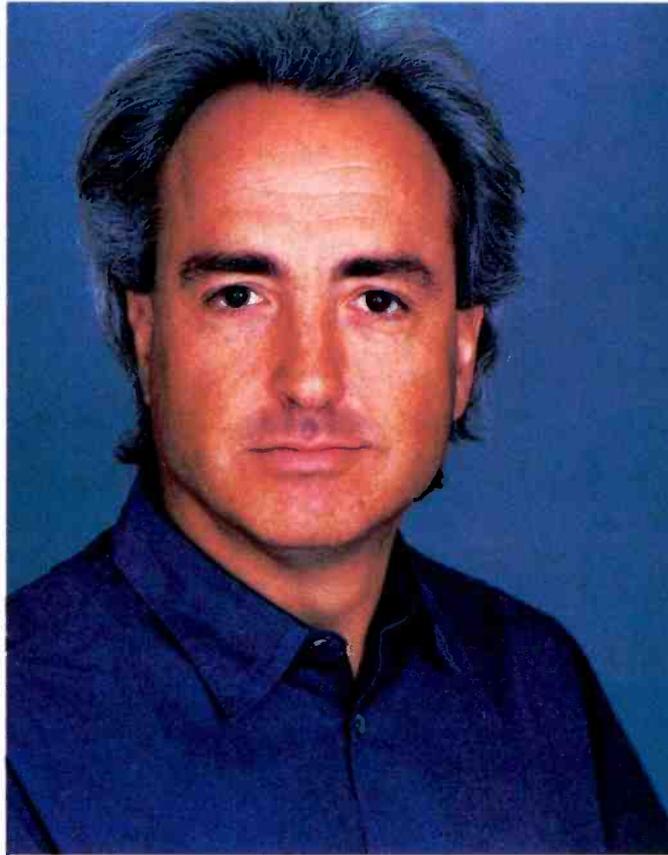
Michaels describes how this uncodified philosophy applies to *Night Music*. "I think it's going to build an audience," he says. "I think it's that kind of show, because what it does isn't available anywhere else and because it's pure to the people who want it. You have to start with a core audience that really cares. Word of mouth then helps it."

Word of mouth was what made *Saturday Night* a blockbuster 15 years ago. If NBC executives, and not the audience, had been given the chance to decide *SNL*'s fate, it might never have seen airtime. Michaels at the time had an offer to write a movie script for Paramount, a fact that made him "just cocky and arrogant enough" to hit NBC with a long list of demands. Today, those demands are principles he maintains when making new shows. "What I asked for and got was six months to put the group together," Michaels recalls. "Three months to find them and three months of preproduction, for everybody to sort of live together and so people could write beyond the things they had already written. I hoped a synthesis would take place, so that by the time we went on the air there would be a new style. And secondly, I argued and got a commitment for 17 shows. I wanted 20, they wanted 13, and we compromised. In the same way, with *Night Music* and *Kids* we got commitments for 20 shows. These kinds of shows tend to evolve on the air. You need the response of an audience. You can't do a pilot for them. So, with *Saturday Night*, the final hook was going live. Because of that, the network saw it when the public saw it. All of those clichés about 'you can't do that on television' evaporated when Western civilization as we know it didn't end."

Indeed, it seems Lorne Michaels wouldn't do a show unless someone was telling him he couldn't do it on television. *Night Music* was last season's first example. The show, hosted by noted saxophonist David Sanborn, who is backed by a house band of crack session players, has coupled in magnificent jam sessions musicians of great influence but not necessarily great record sales. The concept is working. In 1988, the show kicked off with clearances that yielded only 22 percent of the television audience. This fall, *Night Music*

began its season in more than 75 percent of TV homes.

The Kids in the Hall, however, is the best evidence that Michaels' desire to push TV's boundaries hasn't waned. The Kids, whom Michaels first saw in a Toronto club in 1985, write and perform comedy that reaches edgy, cynical extremes that even the early *SNL* seldom matched. One Kid, Scott Thompson, does a recurring character, a ridiculously blatant stereotype of a gay man. He sits



Michaels knows 'what comedy can be if it need not appeal to the lowest common denominator.'

(drinking martinis, smoking cigarettes and delivering monologues that shatter prejudice with satire: "They say blacks are inferior because they like to dance and screw around. They say heterosexuals are better than homosexuals because we're so promiscuous. I guess that means we're black also. It makes sense, 'cause we can really dance. And boy, do we understand the blues.")

Says producer Boyd: "You see these fresh faces, these guys who look like they could live next door to you. And then you start listening and they're talking about cancer. That's one of the most interesting things about them, that contrast. They

just look so innocent, but their eyes have this glint in them. You think, 'Oh, it's a friendly glint.' Then you realize it's something else. It's pretty malevolent."

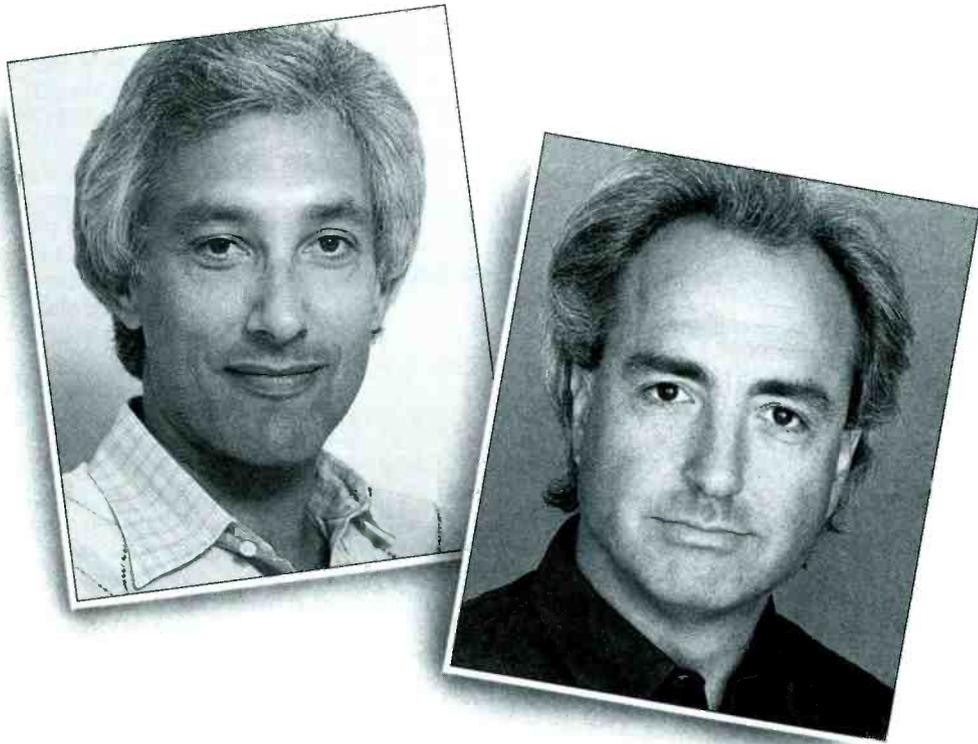
The Kids in the Hall and *Night Music* have met with critical acclaim, which leads to word of mouth, which leads to growing audiences, Michaels hopes. HBO's Potter says *Kids* is no ratings blockbuster, but adds that "we didn't expect it to be *The Cosby Show*. We use it to appeal to a young, hip audience, the movers and shakers of tomorrow."

Michaels' two non-*SNL* successes have not made him hungry for the money still more shows might generate. The ongoing success of *SNL* and Broadway Video's cash flow from postproduction work and syndication (*SNL* reruns are a mainstay of Nickelodeon's Nick at Nite lineup and run on a handful of broadcast stations) pretty much guarantee Michaels enough moolah to mount any production. He's interested, he says, only if he can couple fine ideas with fine people.

"This friend of mine once described this theory about what makes things successful," Michaels says. "The name of the theory was 'The Solitary Passionate Man.' That's when you get someone who isn't going to sleep at night unless it's good." Money, he says, isn't much motivation for The Solitary Passionate Man.

"I don't want to underestimate how important it is to get people who'll watch the money, but those people seem easier to find. But finding people who really care whether something's good or bad and are really passionate about it, I think I just demand that of the people I work with. Robert Boyd with *Kids in the Hall* and John Head with *Night Music* are people who care very much about their work." And right now, Boyd and Head work for a Solitary Passionate Man whose successes have left him sufficient clout to bankroll other passionate souls. That's a rare circumstance, and it is producing rare television. ●

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Congratulations to Steven Bochco and Lorne Michaels
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DOWN-HOME CABLE TV

With its longstanding commitment to local programming, Colony Communications has earned its reputation as a visionary company.

By Janet Stilson

Every summer, Jack Clifford, chairman of Colony Communications, wields a big wooden spoon at a chili cook-off in Cypress, Calif. The odds may seem stacked against a New Englander in the battle of Southwestern cuisine. But for Clifford, an occasional bread-baking instructor who looks like a cross between Telly Savalas and James Beard, the contest is an important show of community involvement in a market where Colony owns a cable system. So before heading back to his Providence, R.I., headquarters, Clifford invariably asks the judges why his concoction has been rejected.

"Jack keeps working on his recipe. He's determined we're going to be a winner," says Dodie Tschirch, director of government affairs and communications.

In a similar way, Clifford and his staff are convinced that the key to success in the TV business lies in figuring out local viewer appetites and finding innovative recipes for satisfying them.

That approach over the years has given the company a reputation as forward-thinking, particularly when it comes to local programming and sales. More than ten years ago, Colony saw the need to serve large ethnic communities and created The Portuguese Channel in the New Bedford, Mass., area. It followed up that venture in 1987 with Miavision, a

network aimed at the large Spanish-language population served by its system in the Coral Gables, Fla., region. In addition, Colony has six local newscasts around the country, some of which have been honored by ACE awards and picked up for feeds on Cable News Network. Its *Newscenter 13* is regularly rebroadcast on the CBS affiliate in Providence.

Likewise, Colony became an aggressive force in local advertising years ago. While most operators have just begun to realize that revenue potential, Colony, notes Trygve Myhren, former chairman and chief executive of American Television & Communications and currently owner of an investment and consulting firm in Denver, "has really been a pioneer in the advertising side of the business."

For all its strategizing on the programming and sales fronts, Colony bears a quiet exterior. It is a relatively small operation: the 36th largest MSO in the country, according to Paul Kagan Associates data, with over 323,000 subscribers in systems concentrated in New England, New York, Florida and California.

Details of its earnings performance are guarded by the New England families that own its parent, the Providence Journal Company, publisher of one of the oldest continuously published newspapers (160 years) in the U.S., the *Providence*

Journal-Bulletin. Along with the *Journal* and the *Evening Bulletin*, the Journal Company also owns the Providence Journal Broadcasting Corp., a group of four TV stations, and the Providence Journal Cellular Co.

Clifford says Colony's earnings are second only to that of the newspapers in contributions to the corporate bottom line. As president of CATV and broadcasting at the company, Clifford manages all of its businesses except the newspapers, and he says the cable division entails "the most significant amount of work of anything I do."

Like the New England estates in gothic novels, the Journal Company comes with its own dark mystery, "lifted from the pages of the most haunting Ellery Queen," according to the *Journal-Bulletin's* own reportage: the death in 1987 of Michael Metcalf, who was a key force behind Colony as the Journal Company's president, chairman, chief executive and the newspapers' publisher.

Some rumors suggest Metcalf's death was a Mafia hit on the head of two newspapers that have taken a hard look at organized crime. Yet a police investigation concluded that the death apparently resulted from a freak bicycle accident. Dissatisfied, the *Journal-Bulletin* has had two reporters investigating the mystery over the last two years, and their findings are expected shortly.

It was a meeting with Metcalf that made the personality of the Journal—and Colony—most striking to Clifford shortly after he joined the company 12 years ago as director of broadcasting and CATV. Just back from a grand tour of the company's radio stations (since sold) and cable systems, Clifford presented Metcalf with a scheme for expanding the cable business and acquiring TV stations. "I agree with most of what you've said," Clifford recalls Metcalf saying. "But whatever you do, never, never damage an employee."

The regard for employees at Colony is reflected in an extremely low turnover rate and the number of top officials that have risen through the ranks over the years. Among the longtimers are Colony's current president, Bruce Clark, who joined the company in 1976 as an assistant general manager in its Beacon, N.Y., system, and executive director of operations Paul Silva, who began his career in the early 1970s as a project manager at Colony's Greater Boston Cable Corporation system (since sold).

The nurturing of employees is but one element of Metcalf's legacy, carried on by Stephen Hamblett, the newspapers' present publisher and the Journal Company's president, CEO and chairman. The legacy is also manifest in the ongoing commitment to community involvement, notably in Colony's local programming.

Five of the company's larger systems produce six local newscasts 1,500 times a



Colony's president, Bruce Clark (left), and its chairman, Jack Clifford, in Providence.

year, in an effort to give viewers more insight into their communities than local TV stations provide.

Colony's Portuguese Channel, which is produced at its Whaling City Cable TV headquarters in New Bedford, Mass., is distributed to systems in 36 New England cities with large Portuguese constituencies. And in Coral Gables, Fla., the Spanish-language Miavision channel caters to the local Latin American population with a programming paella heavy on local information and news.

In the latest ACE awards competition, Miavision's half-hour weeknight newscast, *Noticiero Miavision*, walked past four English-language nominees to win in the series news category. (Two of the other four finalists were from Colony systems, its U.S. Cablevision system in New York state and Lowell Cable Television in Massachusetts.)

Joe Langan, Colony's director of programming, recalls that The Portuguese Channel was launched in 1976 as a

part-time network in an effort to increase the New Bedford systems' penetration in an area where about 60 percent of the population is of Portuguese descent.

But Clifford adds that Colony's local programming efforts also evolved out of a desire to make the cable systems a positive force within their communities. And doing the channels right required considerable effort.

"Most of the programming we had to produce ourselves," says Langan. "We basically did anything. We did music videos before we even knew what music videos were. We started filming [the Portuguese community's] favorite singers back in Portugal, lip synching their songs in the park or on the beach."

The value of the channel became evident about two years after its launch, when the system bumped it up to a higher priced tier and transformed it into a full-time service. Within a month, about 20 percent of the system's 15,000 subscribers had called a special number to talk with Portuguese-speaking operators about signing up for the higher tier, according to Langan.

The channel, begun as a co-venture with the local *Portuguese Times* newspaper, is still produced at Colony's New Bedford system. However, it is now wholly owned by the *Times*.

While Langan scoured Portugal looking for product for the channel, a different kind of hustling has taken place at *Newscenter 13*, a program put out by Colony's systems in Fall River and New Bedford, Mass. Each of the show's three reporter/anchors covers three to five stories daily. A local district attorney drops in after work to deliver the sports. And when the men in the group get ready

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to go on air, a customer-service rep applies their makeup.

This all-hands-on-deck approach has paid off in a big way: *Newscenter 13* rubs shoulders with the *CBS Evening News With Dan Rather* and the evening newscast produced by WLNE-TV in Providence. That station has picked up the cable show and transmits it at 6:30 P.M. as part of its regular evening schedule to the New Bedford/Fall River portion of its ADI, served by a translator station. In exchange, the New Bedford and Fall River systems air WLNE's evening news, along with the *CBS Evening News*, on their local-origination channels.

The impact of these efforts was a dramatic drop in the churn rate in New Bedford and Fall River. "That alone paid for the news," says Clifford. "On top of it, we sold advertising, and continue to sell it year after year."

This year, the New Bedford and Fall River systems are expected to attract roughly \$714,000 in advertising on their local Channel 13. Some \$200,000 of that comes from ad avails on *Newscenter 13*, according to Jeffrey Wayne, Colony's executive director of marketing and advertising sales. (In comparison, the systems' largest local ad-revenue earner among the basic networks, CNN, is expected to draw \$160,000.)

Langhan plans to expand the local programming effort in the future, and one opportunity he sees is in court trials. The Fall River system put its name on the journalistic map a few years ago when it gave area viewers complete, gavel-to-gavel coverage of the Big Dan's Tavern trial, on which the film *The Accused* is loosely based. Colony's coverage of the controversial trial—in which six Portuguese-Americans faced charges of gang-raping a woman in a local bar—is believed to mark the first nonstop coverage of a court case on TV in the U.S. CNN officials say that network initially picked up Colony's feed for its stories on the trial. But within days, CNN was picking up the complete gavel-to-gavel feed, until its own crew arrived on the scene.

In at least one instance, attention to local programming has proven a shining light for Colony when it has received sharp criticism for its service.

In 1987, the mayor's committee on cable television in New Bedford released a vitriolic report on Whaling City's performance. The 29-page report stated: "What we found was shocking. A cable

system which is technically obsolete, with inferior levels of service, gross violations of license . . . and a cable operator lacking in integrity, with little apparent regard for those it serves." In retrospect, Steven Sharek, who was vice chairman of the committee and is presently a New Bedford city councilman, says, "You can't lay all the blame at Whaling City's doorstep because the city didn't do a darned thing to monitor their contract for 15 years." He says that even at the time he railed against the system, he had nothing but praise for the company's local programming. He gives the system high marks for improvements since the report came out.

Colony's Tschirch says the system never had an opportunity to defend itself against the report's accusations.

"We were not in non-compliance of the terms of the agreement," she contends. "We feel that the report was the result of an underlying frustration of people in an underserved portion of the city." In attempting to wire the section, the system ran into opposition from some citizens who didn't want the system to use poles. After the report, the company spent a considerable amount of money wiring underground, a difficult task in that area because of various

physical obstructions. "The problem, on the part of both the community and the company, was a lack of communication," Tschirch explains.

Nonetheless, reports of disgruntlement at other Colony systems apparently are very limited. Indeed, the city of Los Angeles, where Colony has one out of 14 service areas, is so impressed with Colony's local studio facilities that it is modeling elements of its government-access channel facilities after them, according to a spokeswoman for L.A. councilwoman Joan Milke Flores.

Of equal value to Colony's programming assets are its sales efforts. In the recent past, advertising has made up 10 percent of the company's revenue, says Wayne. That compares with an industry average of about 3.2 percent, judging by Paul Kagan Associates estimates.

In addition to local sales, Colony has created several interconnects that attract local, regional and national spot advertising to its own systems as well as to some other cable companies.

Work done by the MSO's Colony Interconnects Inc. unit was responsible for picking up two of the three marketing awards received by the company this

year from the Cable Television Administration and Marketing Society.

Clifford's work as a founder and past chairman of the Cabletelevision Advertising Bureau (CAB) has redounded to the benefit of other cable companies as well. "Jack saw that cable advertising was going to be a different sell than broadcast advertising, that we would have to reinvent the wheel," says Bob Alter, president of the CAB.

The sales technique which Clifford honed at KTVK-TV and KTAR-TV in Phoenix, WXIA-TV in Atlanta and KXTV in Sacramento, and which he swears by to this day, is as simple as it is effective: Listen to what the advertising client wants, and then prove you can give it to them.

As for Colony's future, Clifford says the company will continue to grow through new-builds and expansion of franchises it already serves, rather than through acquisitions, because of current prices.

Colony's ranking as a medium-sized MSO has worked to its benefit in bidding for systems, says Clark. "If we had 1 or 2 million subscribers, there might be some advantage in terms of programming discounts. But nothing that's hurting us." By being smaller, he adds, Colony "makes decisions much more quickly."

Mark Dempsey, an account executive for the northeast region at Turner Cable Network Sales, confirms that attribute. "A lot of companies take a long time to respond" during negotiations, he says. "But Colony is very good at making decisions. And they're very strong in putting together marketing plans as well."

Its methodical growth which, combined with earlier purchases, has seen the company's sub base rise 200 percent in the last ten years, may not win Colony any awards, Clifford says. "But by golly, we do get slapped on the back every month at the bank. And we haven't had any layoffs."

Lack of acquisitions doesn't spell any shortage of enthusiasm for cable, however. The Journal's 20-year control of Colony makes it one of the oldest cable companies continually owned by one firm.

"They are tenacious in holding onto the cable systems," says Dennis McAlpine, a vice president at Oppenheimer Inc. "But that's not atypical of the Providence Journal. It's held on to other properties for a long time. It's private, so it doesn't have to answer to shareholders."

To say the Journal is in cable for the long haul is almost an understatement. "Our intent is to write a 150-year book about cable television and our activity in it," Clifford says. "I have no idea what the exact form of cable will be then. . . . But I can assure you the Providence Journal will have someone like a Jack Clifford around making damned sure it's being done. We're committed to it."

'Our intent is to write a 150-year book about the cable industry and our activity in it,' Clifford says. 'We're committed to it.'

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GETTING OUT THE TRUTH

A press crackdown and a penny-ante budget haven't been able to stop *South Africa Now's* compelling coverage of the strife-torn region.

By J. Max Robins

All hell is breaking loose in *South Africa Now's* ragtag newsroom. From the frenzied activity in this cluttered loft hovel in New York's Little Italy, you would think the troubles in South Africa were right down two flights of stairs and out the door instead of on the other side of the world.

But that's what this weekly half-hour news magazine has been doing since it premiered a year and a half ago: bringing the harsh reality of South Africa to American viewers. Despite Pretoria's press crackdown, ramshackle facilities and a minuscule \$25,000 weekly budget, *South Africa Now* provides just about the most comprehensive coverage going of the strife-ridden region.

On a monitor in the *South Africa Now* studio, the image of Andries Treurnicht, the South African Conservative Party's candidate for prime minister, screams out over and over again, like a maniacal mantra, "We as whites demand to be governed only by whites!" In another corner of the newsroom, noted South African photographer David Lurie's haunting images of his homeland are placed on an easel, one by one, to be videotaped. Across the newsroom, producer Stuart Sender plugs a decidedly low-tech tape recorder into the phone and calls Mary Burton, the head of the woman's anti-



Capturing the violence of life under apartheid.

apartheid group The Black Sash, in South Africa. The group has been active in the "Defiance Campaign" that has been rocking the country with protests all week, with South African blacks sitting in at all-white facilities from hospitals to beaches. "How bad was it?" Sender asks about a protest where Sash activists were arrested. "Have they been released yet?"

In the middle of the newsroom, *Village Voice* political reporter Joe Conason and *South Africa Now* producer Susan Levit huddle over a computer resting on a folding chair. Levit mutters something about there never being enough seats, and they resume hammering out a piece on how an American right-wing activist raises money in the U.S. for the Conservative Party in South Africa.

From an adjacent room the voice of

Danny Schechter, the program's co-founder and executive producer, booms out: "You guys want to keep it quiet, I'm trying to track in here." The "studio" where Schechter works is also the only entrance to the newsroom and, therefore, subject to a fairly constant stream of people coming into and out of the facility. Imagine trying to record in a bustling hallway and you get the idea. "It's an improvement over our old studio," says Schechter. "There we had to track between traffic lights."

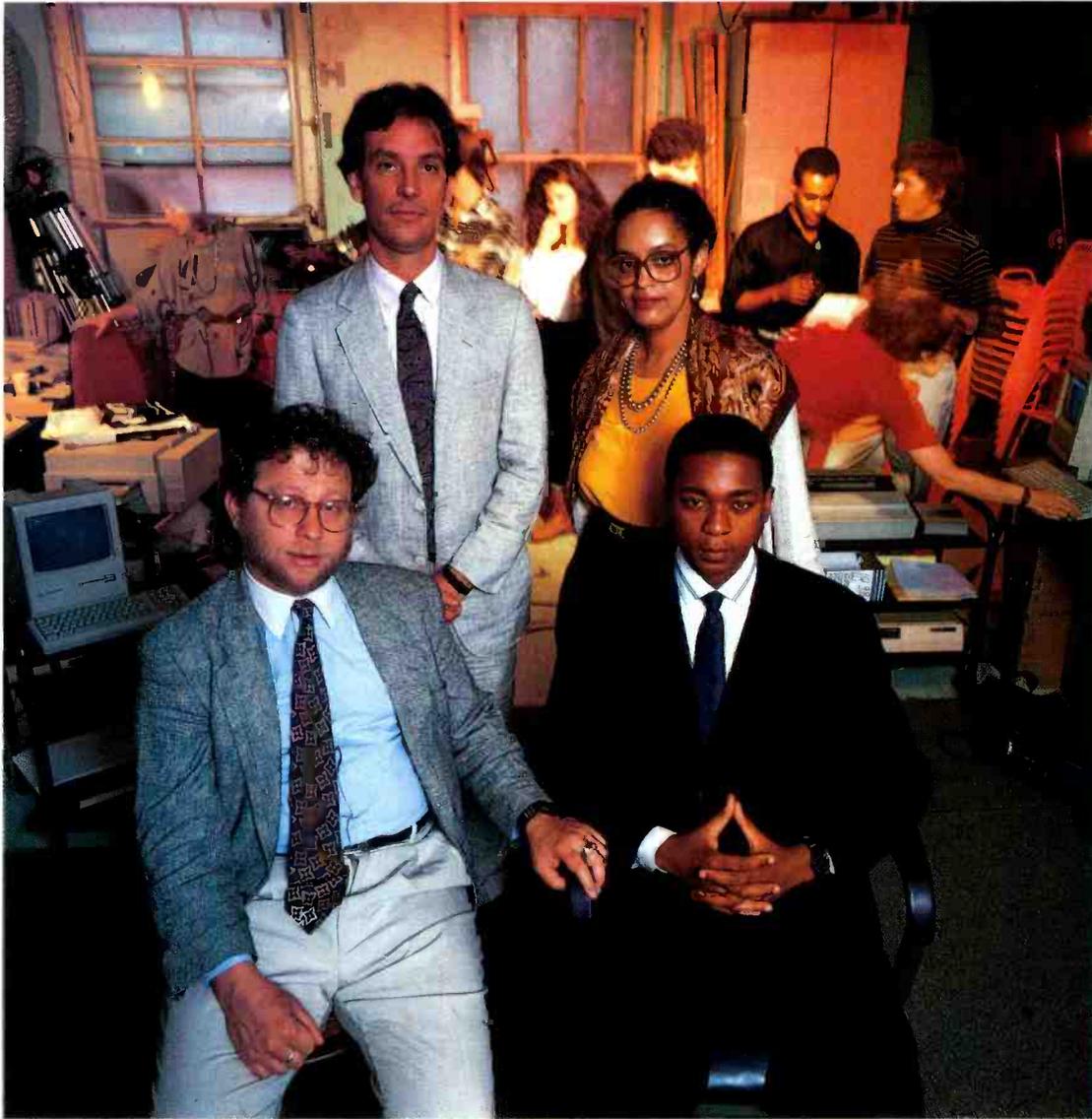
These days *South Africa Now* may be less dependent on the rhythm of stoplights, but it is still a hand-to-mouth operation. "We're always operating close to the margin," says Schechter, who used to spend the same money producing a single segment for *20/20* that *South Africa Now* budgets for half-a-dozen episodes. "But don't get me wrong. I'm optimistic about the future of this thing—that is, if I don't have a heart attack first."

South Africa Now had its genesis with Schechter. A longtime student of the region, he felt that with the state of emergency declared by Pretoria in June of 1985, and the press restrictions issued the following November, the region hadn't been getting the attention it warranted from mainstream news organizations.

Enter Rory O'Connor. Old cohorts from the early '70s in Boston, when O'Connor was the editor of the alternative weekly *The Real Paper* and Schechter provided biting news commentary on radio station WBCN as Danny Schechter "the News Dissector," the duo had often talked about launching their own production company. It was an idea bandied about for years through various job stops—both men were producers at Boston's WCVB and WGBH—and finally came to fruition when O'Connor moved to New York in 1987. Late that year, O'Connor told Schechter, "Now or never." That November, with Schechter moonlighting from *20/20*, they launched their dream, an independent production company called Globalvision. The fledgling company's first major project: *South Africa Now*.

"Our notion was to do programming we could be proud of," says Schechter, who left *20/20* last August. "We felt if we could demonstrate that we could get news out of one of the most difficult places in the world and then produce a program on a shoestring, it would give us a track record," adds O'Connor.

Since *South Africa Now* premiered, it has produced major investigative pieces. Reports documenting the South African government's efforts to build nuclear weapons, and another on how the country gets its oil despite an embargo from the major oil-producing nations, rival anything on the Big Three networks and CNN. *South Africa Now* scored a major coup last April when it obtained exclusive photos of the corpses of 20 people exe-



Clockwise:
Rory O'Connor,
Carolyn Craven, Mweli
Mzizi and Danny
Schechter.

cut by South African security forces in Namibia, prompting a United Nations investigation into the murders.

It's no surprise that *South Africa Now* has come under attack from the South African government for what it terms at best biased and at worst slanderous coverage. Even some critics stateside have accused the program of having a political agenda that taints its reporting.

South Africa Now's producers take umbrage when their journalistic integrity is called into question. The program always seeks out officials from the South African government for its side of the story, although they seldom agree to talk. "Our whole thing is, these are the facts, ma'am, just the facts," says O'Connor, sounding weary with an all-too-familiar line of questioning. "When the *Washington Post* interviewed us, the reporter asked me, 'Well, aren't you biased in your reporting, I mean, you are anti-apartheid?' I replied, 'What, you mean the *Washington Post* isn't anti-apartheid?'"

The folks at *South Africa Now* do believe the network news departments have

abdicated much of their responsibility for covering the region. Since Pretoria instituted its state-of-emergency measures, says Schechter, the networks have practiced a form of self-censorship. Too often, the violence that is part of daily life under apartheid never makes the news.

From Johannesburg, where he has been NBC News bureau chief for the last year and a half, Charles McLean admits there have been times when he has decided not to use footage that he felt might get his bureau booted out of the country. Still, he stands by the networks' coverage of South Africa. "The bottom line is there are very few shots we haven't used," he says. "As for the time we get on the *Nightly News*, of course I'd like more of that 22 minutes, but so would the bureau

chiefs in Tel Aviv or any other hot spot."

Richard M. Cohen, who was CBS's senior producer of foreign news from April 1986 to October 1987, says that's too facile an analysis of what motivates network coverage of the region. Indeed, Cohen charges, there is something much more insidious going on. "It is in part a racial bias," says Cohen. "Network news is driven by what sells. In that environment the struggles of black Africans don't have much currency."

Moreover, argues Schechter, the event-driven nature of network news' international coverage precludes comprehensive reporting on the region. "Listening to the nightly news, you'd get the impression that Prime Minister de Klerk was all reform-minded," says Schechter. "But before he was elected he was minister of education, something seldom discussed. We just did a two-part report on his education system and what we discovered is a racist nightmare."

In the midst of the press restrictions, *South Africa Now* hustles footage wherever it can get it, from Western Eu-

PHOTOGRAPH BY BENNO FRIEDMAN

ropean documentary-makers to independent news services to enterprising South Africans who somehow spirit tape out of the country at great personal risk. South African security forces have confiscated tapes and prevented *South Africa Now* crews from shooting, but so far nobody has been arrested. Still, the danger of violating press restrictions and doing hard time is always there. "People in my country are willing to risk a great deal to get the truth out," says Mweli Mzizi, a South African in exile who is one of the program's anchors. "That's the bottom line."

"We have no bureau in South Africa," adds Schechter, who for obvious reasons doesn't like to dwell on how the program gets material out of the country. "We can't really protect our people."

Much of the success of *South Africa Now* has been predicated on Schechter's dedication to the project. The former Nieman fellow sacrificed a major payday at *20/20*, where, as a producer, he managed to win a couple of Emmies during his nine-year stint, to work around the clock on *South Africa Now*. Usually operating on overdrive, Schechter somehow manages to check his passion with glib humor. A master at cajoling work out of people gratis, one of Schechter's favorite ploys is offering print reporters a chance to learn broadcast news in return for lending their skills to *South Africa Now*. "I always check my pockets after I talk to that guy," says the *Voice's* Conason, who contributes to the program for a little bit more than car fare.

"Danny is the most difficult, hysterical person in the world. He also works harder than anyone on staff," says Carolyn Craven, the program's senior producer and co-anchor. Craven, a former White House correspondent for National Public Radio, was lured by her old friend Schechter from a comfortable reporting spot at San Francisco's KQED to work for \$400 a week for the program. For Craven, who in college majored in African Studies, the job meant bringing her career "full-circle." Besides, like Schechter, she is one of those journalists who put getting the story above everything else. Years ago, she went into labor at the top of a news show she was anchoring and insisted on finishing the program.

Craven refers to herself and Schechter as the "Mommy and Daddy" of *South Africa Now*. The staff—17 in total, including full and part-timers—is mostly young, inexperienced and like a mini-United Nations in its composition. Some times the combination of having an underpaid and an overworked rookie staff means a volatile workplace. "The worst night I ever had was right after I took over as senior producer," remembers Craven. "Danny had been out of town and showed up Sunday night and made us do

the show over again. We were frustrated and furious, but he was right."

The upside to *South Africa Now's* rookie team is that people who wouldn't otherwise have the opportunity are being trained as broadcast journalists. The training component is crucial to the program's mission. "How could I do this back at home, where TV is government controlled and racist in nature?" asks Mzizi, who joined the show as an intern and now handles its cultural segment.

As the program's staff has become more seasoned, *South Africa Now* has grown much more polished. Having started out with scant distribution, the program now has berths on 62 PBS stations and cable channels, plus inclusion of show segments on CNN's *World Report*.

Crucial financial support has come from



Face-offs between police and media are commonplace in South Africa.

the Rockefeller Foundation and Carnegie Foundation, which have respectively contributed \$100,000 and \$25,000. New York's WNYC and WNET have donated free studio, production and crew time. Activist entertainers—Bruce Springsteen gave \$25,000 and U2 donated royalties from a recent album—are among the program's leading supporters.

The show has been lauded by an exhaustive list of publications, including *The New York Times*, *The Boston Globe*, and *Time* magazine. Peter Jennings and Bishop Desmond Tutu are among its fans. And Sen. Paul Simon, (Dem., Ill.) chairman of the Africa subcommittee of the Senate Foreign Relations Committee, hosted a *South Africa Now* screening.

"I've watched [*South Africa Now*] germinate from an idea to something quite remarkable," says Margaret Novicki, the editor of *Africa Report*, a leading magazine on African affairs. "At times it looked like they wouldn't make it, but they've managed to produce a show that makes the story of that region compelling to people who aren't just Afrophiles."

With elections and the Defiance Campaign, it has been a hot enough week in South Africa to return that troubled country to the network newscasts. But the 22-minute nightly newscasts inevi-

tably broadstroke the stories coming out of the region. Newscasters take a reductionist view of the Defiance Campaign, comparing it to the Civil Rights movement in the United States in the 1960s, hoping to bring the story home to viewers.

Carolyn Craven has been preparing her own report on the Defiance Campaign. For that purpose she has wrangled an interview with Bishop Tutu's daughter, Mpho, who is in the States administering a college-scholarship fund named after her father for South African refugees. The networks' spin on the Defiance Campaign doesn't sit well with Craven. It's too easy an analysis and glosses over how grave the situation in South Africa really is. Of course, Craven, a veteran of the Civil Rights movement, knows people died in

that struggle, but more than 60 people died in violence related to the Defiance Campaign just last week. She wonders if Mpho Tutu shares her discomfort with the comparison.

"In the 1960s Civil Rights movement you had a black minority asking a white majority for their piece of the pie," replies Tutu, whose mother

was detained by South African police the night before for her participation in the campaign. "And even if they got it, it wouldn't be that big a piece. In South Africa you're talking about a black majority—there's not going to be a whole lot left over when the black people have had their share. Here you have a constitution that guarantees black people equality. In South Africa blacks are specifically written out of the constitution. You're told you're never going to be equal. Forget it. End of story."

Riding back to the newsroom, Craven muses about her stint with *South Africa Now*. She gets a kick when cab drivers, obviously African emigrés, hail her on the street as "the *South Africa Now* lady." There is satisfaction in watching Mweli Mzizi grow more confident in his anchor role. The conversation becomes more serious. "I wish the networks would do what they should do in covering South Africa," she says wearily. "Then we could go out of business."

Who knows? Maybe the networks will. Schechter believes SAN has already prodded them to pay more attention to the region. There is also talk at Globalvision about a *South Africa Now* spinoff with the working title *Human Rights Now*. "There are important untold stories," says Craven, "all over the place." ●

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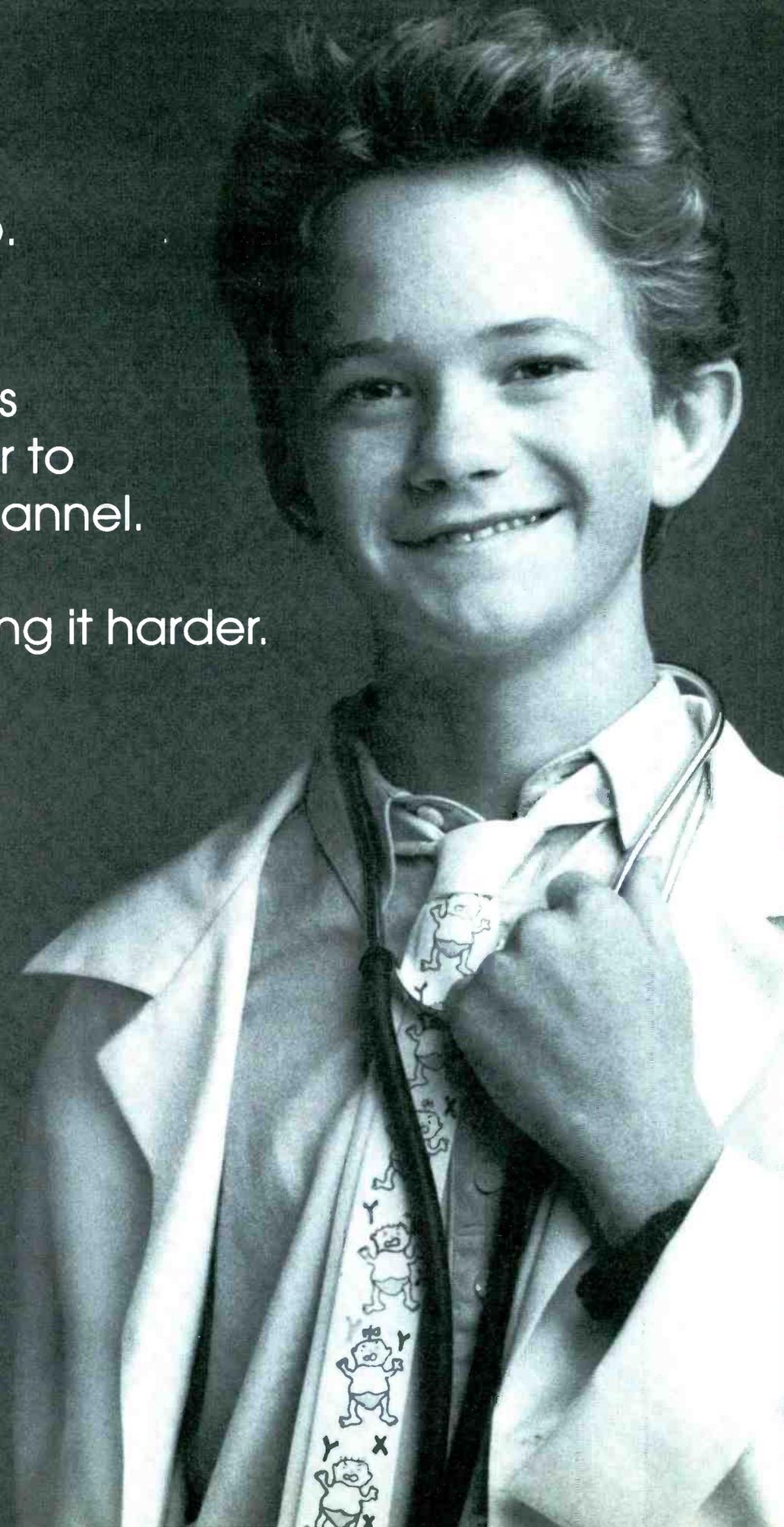


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PRIME-TIME RENEGADE

Maverick writer-producer Steven Bochco has brought new sophistication to commercial television drama.

By Neal Koch

Rudolph Bochco's dreams converged on cool October Sundays in New York. Every Sunday of the year, live chamber music flowed through the violinist's modest home off Central Park in Manhattan, a three-bedroom apartment constantly filled with the laughter and conversation of writers, artists and musicians. In their home, Rudolph and his wife, Mimi—both Eastern European refugees—combined the small-town warmth of Mimi's Lithuanian shtetl with the liveliness of a European salon. Apartment 7-C at 46 West 83rd Street became an informal artistic gathering spot in the city. On October Sundays, Rudolph pursued a second passion: With his son, Steven, he would slip away to the car showrooms along West 57th Street at Columbus Circle to see the new season's models, and kick the tires of automobiles that he'd never be able to afford.

A child prodigy who grew into a noted musician, Rudolph Bochco regularly refused the security of symphony-orchestra appointments, stubbornly living his dream of artistic independence—a choice that kept his family struggling for money. As a result of his troubles, he pressured son Steven and daughter Joanna to stay out of the arts: Steven, Rudolph decided, should become an engineer or a scientist. But stubbornness, it



L.A. Law: Bochco's revenge.

seems, was a Bochco trait: Neither child listened. Joanna became an actress, and Steven became a television writer and producer.

Yet Steven Bochco managed to do what his father had not. He melded an insistence on artistic freedom, a dedication to quality, an intelligent approach and a slightly dark, if puerile, sense of humor with a drive for big-time money. In the process, he has markedly influenced the direction of dramatic television while landing perhaps the most lucrative deal of any creative talent in Hollywood.

"Stevie," says longtime friend and writer-producer Bruce Paltrow, has "captured a certain rhythm of our time. He's helped the audience grow and become more sophisticated."

Bochco's work reflects the richness and complexity of modern life, something all too rare in commercial series television. At their best, Bochco's characters shift easily from adolescent humor to the drama of coping with the moral ambiguities of a changing world. Consider the cultural philosophy underpinning Bochco's *Hill Street Blues*, co-created with Michael Kozoll, as pointed out by author Todd Gitlin: Major cultural institutions and the cities as a whole don't work, yet change in the social structure seems out of the question; stability and human bonds are provisional; solutions are illusory, with reality often directionless; and life is a series of holding actions. *L.A. Law*, co-created with Terry Louise Fisher, expands on the issues of the limits and abuses of power and analyzes society's attempts to bring order—this time, through the legal system—to the dissarray of divorce, extortion, deception and the like.

Bochco's latest effort, *Doogie Howser, M.D.*, co-created with David E. Kelley, centers around a 16-year-old physician and explores not only the process of growing up, but the ability of an exceptionally intelligent kid—one living askew of society's norms—to maintain his unique view of the world.

Bochco's work, however, was not always so involved. In fact, it wasn't until he worked his way through a few personal and professional crises that he began to create television that had the power to alter the American consciousness. He got his start, at Universal Television, through a family connection during college. He learned the tools of his craft over 12 years at Universal, then prime-time television's dominant program factory, eventually turning out episodes of the studio's swaggering, sometimes whimsical '60s and '70s cop shows, including *The Name of the Game*, *McMillan and Wife* and *Columbo*.

Along the way, Bochco struck up important alliances. In Stephen J. Cannell, with whom Bochco co-created the short-lived 1978 show *Richie Brockelman, Private Eye*, associates say Bochco saw an accomplished politician who relished fighting with network officials over story content and direction. Writer-producer Bill Sackheim became a mentor who pushed the cocky young Bochco to demand more of himself and to stretch with his work.

But Bochco also chafed at the internal politics of Universal. "To tell the truth," he says, "I had the 'fuck-you' attitude and it was always getting me in trouble. I was always on the wrong side of the suits on the twelfth floor" of MCA's office



Steven Bochco: Proving that creative quirks and Hollywood perks aren't exclusive.

building, where Universal's television executives work. He was laid off several times, leaving him with the feeling that he'd never be taken seriously at the place where he'd grown up in television.

So in 1978 Bochco left his first professional home for the quality comedy shop of MTM Entertainment, joining MTM as it made its move into the hour market. At the time, MTM was run by Grant Tinker, revered for hiring creative types and then keeping out of their way. While there, under a variety of pressures, Bochco and his work matured. "It was a crucible," he avers. "How could you not grow up?"

The pressures began shortly before the move to MTM: After four years of battling cancer, Rudolph Bochco died. Steven took his father's death hard, despite their disagreements and Rudolph's sometimes distant nature. Then, over the next two years, all of Bochco's new shows failed, including *Operating Room*, a fun-and-games-in-surgery show developed with Paltrow (who went on to create *St. Elsewhere*); and the detective show *Paris*, starring James Earl Jones. By that point, Bochco had just one year left on his contract with MTM.

Paris changed the way Bochco created TV. Although Jones, an old family friend,

had asked Bochco to create the series for him, the two men clashed. One of the few shows Bochco had created and run by himself, *Paris* became an expensive, exhausting flop. "He was a wreck," recalls former MTM writer-producer Michael Kozoll. "It was a real turning point in Steven's life, that show. He told me he realized he couldn't do a show by himself and that a show really has to be built." All his major efforts since have been collaborations. "What [Steven] is good at," says his wife, actress Barbara Bosson, "is getting the best out of other people. What he hates is slogging it out alone at the typewriter."

So in 1980, when NBC came to Bochco with a request for a show about cops and their personal lives—and the network, in the ratings cellar, suggested it might accommodate more creative freedom than usual—Bochco drafted as his co-creator Kozoll, a former anti-war protestor and Universal cop-show veteran who would

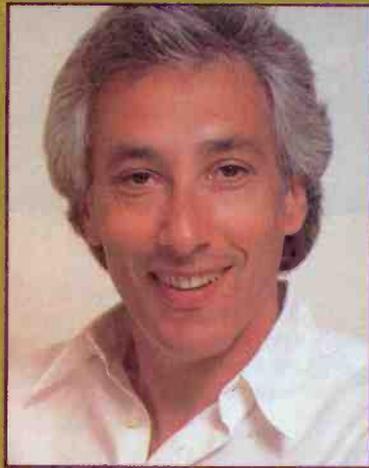
go on to co-write the original Rambo movie, *First Blood*. Bochco also pulled in other venturesome souls eager for a chance to break new ground, producer Greg Hoblit and director Robert Butler.

If he were going to fail again, Bochco vowed, at least it would be on his own terms. No more betting on a single star. He would run an ensemble show with unknown actors. And he would do it his way, the censors be damned. Recalls James B. Sicking—a longtime friend who went on to play *Hill Street*'s comically militaristic Lt. Howard Hunter and, later, Doogie Howser's father—Bochco came to him saying, "I'm gonna put all my friends in it. It's a western and we're gonna leave all the horseshit on the street."

Bochco anticipated big problems with NBC's censors. Before the first script was ever written, he picked a fight with them over the show. Recalls Kozoll, "He had a lot of anger and said, 'I'm going to go up to Broadcast Standards and say I don't want to be fucked with.'"

"We knew we were going to have one war a week," recalls Maury Goodman, NBC's former head West Coast censor. "Whenever I had a new member on the staff, I would send them to deal with Steven because I wanted to see what they

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were made of.”

The pilot—with its gritty look, filled with handheld camera shots, and infused with a palpable energy level and Bochco's now trademark bathroom humor—exploded off the screen. When the lights came up in MTM's screening room, says Sikking, “We were dumbfounded.”

Hill Street Blues so impressed the censors and NBC's top brass—and Bochco proved so formidable an adversary—that the network created a whole new set of standards for the show. *Hill Street* became one of the most celebrated dramatic series in television history. Moreover, it highlighted the market appeal of young, upscale urban viewers, an approach that has paved the way for much of today's crop of acclaimed quality dramas, including *thirtysomething* and Bochco's own *L.A. Law*.

Hill Street lasted more than six years, but Bochco was fired from the show by MTM in 1985, following clashes with management after Tinker had left to run NBC. Bochco routinely ran *Hill Street* over budget, relentlessly reshooting scenes in the pursuit of quality. Although MTM management declines to discuss the matter, Bochco and associates say that after he refused to eliminate the normal fifth-year salary increases for the show's cast, the issue became personal and management laid in wait for him. Shortly after *Hill Street*'s 100th episode was in the can, ensuring its viability for syndication, MTM fired Bochco.

Sources say Twentieth Century Fox chairman Barry Diller disregarded MTM's warnings about the spendthrift producer and brought Bochco aboard to help revitalize the studio's TV production arm. Once there, Bochco set out to prove MTM wrong in firing him by making a hit out of a show he had been brewing for some time, *L.A. Law*. NBC debuted *Law* in *Hill Street*'s 10 P.M. time slot. It grabbed best dramatic series honors at the Emmy awards its first year, and its ensemble cast of characters once again captivated both viewers and critics.

The roots of Bochco's producing and casting standards can be found back in the apartment on West 83rd Street. Over the years, he has employed, at various times, his wife (Faye Furillo of *Hill Street* and Capt. Stern of *Hooperman*, which he co-created with Terry Louise Fisher), his sister and brother-in-law (managing partner Douglas Brackman and his wife in *L.A. Law*), his father (as a musician on *Delvecchio* at Universal), many college friends who are now actors, their children and his 19-year-old daughter, Melissa, who works in her father's office. “Creating things is a very intimate affair,” Bochco explains. “My father's work was his love. Having all those musicians come over to the house was an intimate thing of shared music and affection. I love bringing your work into your home,

bringing your home into the workplace. It blurs all the lines and it's wonderful.”

As a boss, says one former Bochco writer, “He's a relentless perfectionist. He won't tolerate anything less than being as talented and as bright as he is. . . . He doesn't deliver praise very readily. You really have to prove yourself to him to work with him and advance.” To those who



Bochco's latest, *Doogie Howser* (top), and greatest, *Hill Street*: friends and family affairs.

demonstrate dedication and talent, however, Bochco is extremely loyal, say family, friends and associates. Last December, for example, Betty Thomas (Sgt. Lucy Bates of *Hill Street*) landed her first union directing job on *Hooperman* after observing on Bochco's sets every day for months. And his devotion is not necessarily limited to employees. Shortly after Maury Goodman left NBC's Broadcast Standards last January, Bochco agreed to read a feature film script Goodman had written. Bochco then took him to lunch and spent two hours explaining how he would reshape the script.

Extremely self-confident, Bochco is known for saying what he thinks, leading to a reputation for arrogance—for which he makes no apologies. “In the mix of things here, you have to be direct, honest, to avoid the kind of dodging that goes on in our business,” he says. “If you're a boss, if you have authority, if you care, I think

you owe it to your work, to yourself, to your colleagues to be honest. People used to the tap dance may consider that blunt.”

That attitude makes him uncomfortable around corporate types. When offered the head programming post at CBS by chairman William S. Paley in 1987, Bochco declined. Although he would have suffered financial loss to take the job,

Bochco and others say his decision also was strongly influenced by his independent spirit. “I'd always had the fantasy of running a network,” he says. But, “Networks have changed from when they were run by showmen and there was the feeling that a network was essentially a one-man operation,” he says. “Television's gotten too big, too lucrative, too corporate.”

Instead, Bochco struck a groundbreaking production deal with ABC and Twentieth Century Fox—passing up competing offers from MTM and Universal—worth \$50 million in cash, guaranteed, and possibly hundreds of millions more. He's contracted to create ten shows over the next ten years, over which he has total business and creative control. Frank Rohner, president and CFO of

newly formed Steven Bochco Productions, says the plan is to build a major TV company. Asked about that goal, Bochco sidesteps, saying that for now he prefers to immerse himself in the process of creating new hits.

One show on the horizon is a rock-and-roll drama scheduled for fall 1990. (“I'm talking cops and dirtbags singin' and dancin',” he says.) But the first show under his new banner was this season's *Doogie*, in whose lead character Bochco honors his father (who once studied medicine at Columbia University). “His father being a prodigy always somehow came out in family stories,” says Mimi. “And I think it stuck in Steven's head.” In the new company logo that ends each show, Bochco pays another tribute to his father. Through the use of technology and a 40-year-old photograph, Rudolph, an eternal 45, plays the violin again, sharing his dream. ●



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THE GREENING OF DEGRASSI

A Canadian-made series about the problems kids face while growing up has found the secret of longevity: Grow up with the kids.

By Kirsten Beck

Kit Hood thinks he and Linda Schuyler make a good pair. “The bottom line is Linda loves kids, and I love making movies,” says Hood. Hood and his partner Schuyler have spent the past decade creating a provocative, award-winning television series featuring a multi-ethnic cast of youngsters drawn largely from Toronto’s working-class Degrassi Street area. The programs often generate fervent responses from children and adults worldwide.

Occasionally viewer reaction to *Degrassi Junior High* is as gripping as the dramas themselves. Boston’s PBS station, WGBH, a series coproducer, received a letter last year from a young girl wondering what had become of Rick, a character who had not appeared for several episodes. Had he been killed by the father who was abusing him earlier that year? she inquired.

The reason for her concern emerged as she explained that she, too, was being abused by her father. WGBH’s outreach coordinator responded that the actor had left the series, and told the girl where to get help. WGBH also contacted child-welfare authorities in the girl’s city, enlisting their aid on her behalf.

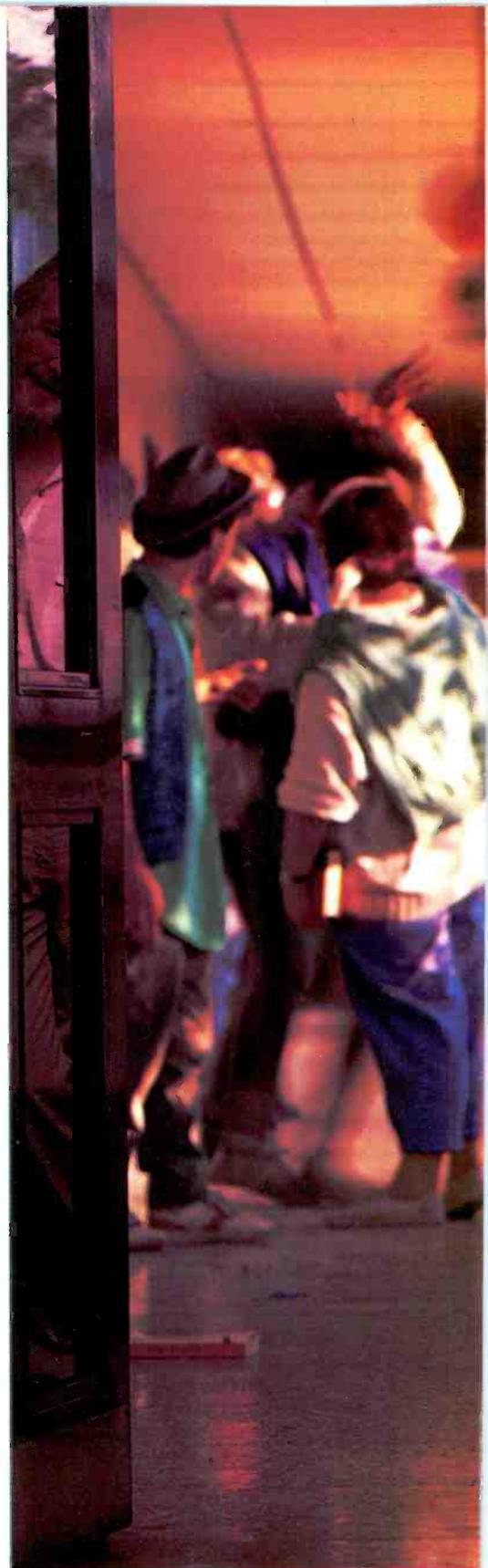
But the girl’s second letter was as heartbreaking as any *Degrassi* episode: While she was very grateful for the re-

sponse, she begged not to be contacted again because “that person came to our house, and now we have to move.”

Although WGBH made another attempt to help the child in her new town, the story ends there, without resolution, as do many *Degrassi* episodes. What series creators Hood and Schuyler call their *Degrassi* decade began back in 1979, when they scraped together some \$17,000 (U.S.) for their first half-hour fiction program, *Ida Makes a Movie*, a story in which a child confronts the dilemma of whether or not to accept a prize she knows she doesn’t deserve.

At the time, Schuyler was a junior high teacher and Hood a director and editor of commercials. Together they had set up a production company—Playing With Time (PWT)—and made several documentaries that were notable, Schuyler says, primarily for their earnestness.

She wanted to create quality classroom-discussion material that was “respectful of the kids.” He wanted to make movies with the same production values and care given to films for adults. Together they began crafting successful television fiction out of children’s experiences growing up. *Ida* was shot in the Degrassi Street home of a fellow teacher. Its cast was drawn from the neighborhood’s children because, Schuyler explains, “They had to be



able to walk to the set. We didn’t want parents hanging around, and we were too poor to pay transportation.” Distributors who had politely declined Schuyler’s and Hood’s early documentaries were enthusiastic about *Ida*. Everyone wanted more, including the Canadian Broadcasting Corporation, which had provided modest financing for *Ida*. Suddenly, Schuyler,



PHOTOGRAPH BY ELLEN TOFFLEMIRE

Hood and the neighborhood kids were in business. Over the next five years, they expanded their young acting troupe and created their first 26-episode series called *Kids of Degrassi Street*, licensed in the U.S. by The Disney Channel.

As the actors in *Kids* grew older, Schuyler and Hood decided to let the series grow up with them. In 1986, PWT

Hood (left) and Schuyler on the *Degrassi* set: making dramas that are respectful of the kids.

launched production on a new series, *Degrassi Junior High*, featuring a number of actors from the original series along with a group of new faces. The following year, *Degrassi Junior High* made its debut on U.S. public TV.

With this season, after production of 42 junior high episodes, the Degrassi teenagers enter high school, and the series becomes *Degrassi High School*. Hood's and Schuyler's *Degrassi* decade has resulted in a body of work that chronicles the humor, joy, pain and occasional silliness of growing up. Degrassi students cope with a virtual laundry list of teen issues, including peer pressure, drug and alcohol use, unwanted pregnancy, cheating in school, gossip and friendship, sexual harassment, homosexuality and more.

But *Degrassi's* weekly half hours stand apart from most other TV treatment of such subjects since the tales are told exclusively from the kids' viewpoint. Rarely are problems neatly resolved by show's end, which is always a freeze frame of the final shot. The adults in the show are seen from the kids' perspective, and family life is portrayed warts and all, not in Hollywood's spiffy, *Father Knows Best* fashion.

Although some story lines unfold over several weeks, each *Degrassi* episode is designed to stand on its own. The punk character Spike's discovery of her pregnancy was the focus of one episode, while her decision to have and keep her baby has resulted in an evolving portrayal of a single teenage mother who juggles child care, school work, a relationship with her own single mother—and still tries to have fun now and then. Intricate plot lines and steady doses of humor are *Degrassi* staples. Actors may be cast as principals one week and support the next, a repertory approach that is a PWT cornerstone, explains Schuyler. The entire company is nonunion for philosophical, not financial reasons. This allows for flexibility in casting and permits roles to evolve during rehearsal.

There are no stars and no Winnebagos on the *Degrassi* set. The show is shot with one camera on 16mm film, entirely on location in Toronto. Degrassi High School is actually a building on an unused campus of Toronto's Centennial College. Two second-floor classrooms serve as dressing rooms, but there are no makeup mirrors: Boys wear no makeup and girls wear only what they use every day.

As last summer came to an end, cast and crew were working hard to shoot the final scene of a new episode. Life on location looked more like summer camp than either junior high or a movie set. Kids sat around tables in the cafeteria making crafts; a couple off in a corner strummed guitars. In the kitchen, several cast members chatted as they helped prepare the day's vegetarian lasagna lunch.

"Kitchen duty" is not an assignment; people pitch in where help is needed. That's the way the company works, explains six-year PWT veteran Sari Friedland, who is *Degrassi's* production manager. The cast participates in many elements of production, partly because

PWT tries to give company members as full an exposure to the film medium as possible. Youngsters with an interest in the technical side of production, for example, occasionally get to fill in for absent production assistants.

Observers often call PWT a mom-and-pop operation, and both Hood, 47, and Schuyler, 41, speak of their youthful actors with the affection of parents. When Schuyler arrives at the school, her attachment to the actors and crew is evident. She is a slender, intense woman with a ready grin. On the way to the set she moves quickly from group to group of children, pausing for a breezy "Hello" and "How's it going?"

Degrassi, Schuyler explains, is her way of helping adolescents realize that "all their anxiety and sense of being alone" is a universal adolescent experience. She adds: "I also want them to hear people talking on TV about changes in their bodies and about sexual needs in a healthy way, so they see talking about these things isn't taboo."

Such topics are far from taboo for *Degrassi* actors, who play a regular role in script development. Following the first read-through of a new script, the entire cast discusses it with Hood, Schuyler and supervising writer Yan Moore.

The kids readily admit their advice is not always taken, but say they can usually steer the scripts away from lines that simply don't ring true. "We're lucky," says Moore. "We work with some 60 representatives of our audience, so we can't become isolated."

The kids also contribute ideas in workshops, and occasionally series episodes are based on events in the lives of cast members. Several parental deaths helped precipitate last season's opening show about the death of one character's parents, and his struggle to deal with the tragedy became a continuing story.

The *Degrassi* sagas that began as shoestring operations ten years ago now ring in at approximately \$228,800 (U.S.) per episode, thanks to support from the Canadian Broadcasting Corporation, Telefilm Canada (a government-funded enterprise that aids Canadian production), Corporation for Public Broadcasting, public TV stations, the Carnegie Corporation and other U.S. foundations. The Canadians provide two thirds of the production budget, the U.S. one third. U.S. public television has spent more than \$4 million on the series to date.

PBS involvement was initiated in 1985 by Kate Taylor, who, like Schuyler, is a former junior high teacher turned producer. Taylor, now 41, had seen *Kids of Degrassi* and other work done by PWT while she was associate director of children's and cultural programs for PBS. When she decided to return to independent production, Taylor proposed to coproduce the new *Degrassi* series with

PWT. "This series came along just as people were recognizing that kids were in a state of crisis and their problems had to be faced head on," she says.

Taylor worked with Schuyler and Hood to develop the PBS proposal for *Degrassi Junior High*, secured a development grant from PBS and signed on WGBH as the presenting station; together they have raised additional funds from eight foundations. Gaining public television acceptance was hardly a piece of cake.

"Starting a brand-new show for an early adolescent audience that's not part of public television's viewership was very risky," recalls Taylor. And *Degrassi* was, in her words, a blend of commercial-entertainment values and "good-for-you" television sensibilities, also unusual for public television. Nonetheless, stations said yes to the risk, and *Degrassi Junior*



A scene from the program: chronicling the humor, joy, pain and occasional silliness of growing up.

High premiered on PBS stations in fall 1987 with a season of 26 episodes. Sixteen new episodes came last year, and 15 will play this season, beginning in January.

Last season, 86 percent of the public TV stations bought the series, giving *Degrassi* 94 percent coverage in the U.S. The series achieved an average cumulative rating of 1.7 over the season, playing mostly during daytime or early access.

In Canada, *Degrassi* is a phenomenon. The show plays Monday nights at 8:30 on the CBC network and has won seven Geminis (equivalent to U.S. Emmys), including one for best continuing series, an international Emmy and a roomful of other awards. Furthermore, *Degrassi* enjoys such viewer popularity that this fall it won the Canadian *TV Guide* Readers' Choice Award for most entertaining Canadian program. Last season, playing against the second half of *MacGyver* and *Valerie's Family*, *Degrassi* averaged a 15 percent share of all English-speaking Canadian viewers and 31 percent of viewers 12 to 17.

This season, as *Degrassi's* kids enter

high school, the characters face more provocative challenges. Even Canadian coproducer and CBC head of children's programming Angela Bruce admits that she felt it advisable to smooth the way with upper management in anticipation of the new season's shows. The opener, for example, addresses abortion, and has caused the first serious artistic differences between two of the coproducers. WGBH's Taylor and the Hood/Schuyler team disagree—not about the episode's plot, but about the image on which the camera freezes to mark the program's end. Taylor, after screening the rough cut, requested a version that freezes earlier than the Canadian one. "Do you think that makes me happy?" snaps Schuyler, eyes blazing. It brings up the whole issue of creative control, she continues. Taylor agrees it's a creative issue; she wants the change for aesthetic reasons. But she stresses such disagreement is unusual, and may be resolved yet. "From a creative and artistic standpoint, the relationship has been a dream," she maintains. But in this case, Hood and Schuyler are standing their ground, refusing to make it easy for Taylor to change the ending, although contractually she has the right to do so.

The cross-border disagreement over the show's final image inevitably raises the specter of the power of U.S. television, a 2,000-pound gorilla south of the border that regularly dominates Canadian airwaves. Merely focussing on the issue of U.S. domination makes her irrational, confesses Schuyler, "but ultimately it's all worth it because we're getting the story we want to tell onto TV."

The *Degrassi* opus is set to continue through a total of 23 episodes of *Degrassi High*, but the end seems to be approaching. Hood admits he wants to "pack it in." He says he finds the weekly grind frustrating, that weekly delivery deadlines make it hard to maintain his standard of quality. But frustration is not the only consideration; some cast members will go to college soon, and it is unlikely that characters will be replaced simply to keep the series alive.

Facing the inevitable winding down of *Degrassi*, Schuyler feels torn. There has been talk of a kind of Canadian *twentysomething*, "but some of these kids are going to be ready to cut loose, and I don't want to make it too easy for them to stay." As Hood and Schuyler contemplate the future, the CBC's Angela Bruce, a good friend, explains, "It's a very delicate time. Everyone is on the verge of leaving the nest: Linda, Kit, the kids." But Bruce looks on the bright side; she wants to finance Kit's next movie in hopes it will spin off into a new series, a successor to the *Degrassi* decade. ●

Kirsten Beck is U.S. senior editor for Television Business International.

Drugs

Divorce

Sexuality

Self-esteem

Peer Pressure

Pregnancy

Alcoholism

AIDS

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WGBH

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Brodkin at home: He survived via 'a modicum of talent,' good hires and the fact that 'nobody could change my mind, especially not network people, who are invariably wrong, no matter what network or which people.'



AN ENDURING VIRTUOSO

Four decades as a producer haven't diminished Herbert Brodtkin's masterful approach to making quality television—or his legendary stubbornness.

By William A. Henry III

Television is a young enough medium that people who participated in its infancy are still around today. Quite a few have endured in news and public affairs, a smaller number in sales and management, even fewer in entertainment programming, in which long experience unfairly tends to be equated with being old-fashioned.

Practically no one has had as lasting and consistently high-minded a career as Herbert Brodtkin, 76, still semi-active as a producer after four decades. He has made his name almost a synonym for earnest, urgent, issue-oriented drama, from *Playhouse 90* to *The Defenders* to *Holocaust*. Longtime CBS programming executive Perry Lafferty calls Brodtkin a "living legend." HBO CEO Michael Fuchs, who persuaded Brodtkin to start making films for cable, including *Sakharov* (1984), *Murrow* (1986), and *Mandela* (1987), says, "His body of work makes him one of the giants of the industry. I was thrilled to get the opportunity to do business with him—though I might add that he is one cantankerous cat." Adds former ABC programming chief Martin Starger: "There is no producer of TV drama who I respect more. Everything he ever did had fine detail, and writers love to work with him. I wish there were more like him."

Brodtkin, a crustily combative iconoclast, is more accustomed to getting such praise than to lavishing it on others. He has spent almost his entire professional life biting the network hand that fed him—and getting away with it by dint of sheer talent. His credits read like an honor roll of the medium's history: "Judgment at Nuremberg" (1959) for *Playhouse 90*; *The People Next Door* (1968), an early glimpse of teenage drug abuse (three Emmies and a feature film spinoff); *Pueblo* (1973, five Emmies and a Peabody); *The Missiles of October* (1974, eight Emmy nominations); *The Last Tenant* (1978, an Emmy), and the prize-winning biodrama *Murrow*. Brodtkin may not be far wrong when he says, with characteristic bravado: "My companies don't do anything except good shows. I don't think we have ever done a clinker."

Brodtkin has a reputation for three things: hiring topflight talent, pursuing a vision with killer stubbornness and coupling his intransigent integrity with pragmatism and common sense. Shows from his Titus Productions (an erstwhile subsidiary of Taft Broadcasting and now a wholly owned but independently operated subsidiary of Great American Broadcasting) often triumph in the ratings and rarely misfire completely. To be sure, not everyone loves everything Brodtkin pro-

duces: *New York Times* TV critic John O'Connor has blasted a number of efforts as portentous and overblown. But criticism has as much effect on Brodtkin as the phases of the moon. "I have survived," he says, "through a modicum of talent coupled with very good taste in whom I hire and the fact that nobody could change my mind—especially not network people, who are invariably wrong, no matter what network or which people."

This fierce style of talk is not reserved for network executives. Day to day, in the streets and in the office, Brodtkin has what his longtime partner Robert "Buzz" Berger terms "command authority." Says Berger: "Herb looks in the mirror and sees this kindly older man. Other people see this threatening guy with a beak of a nose and a shock of reddish hair."

Brodtkin's gutsy, aggressive style propelled his early career in television. He moved up in about six months from painting scenery for *Philco Television Playhouse* to producing a CBS series, *Charlie Wild, Private Detective*. Brodtkin had knocked around the lower-middle echelons of entertainment for years, from studying the classics at Yale Drama School to making instructional films and mounting plays for the military during and just after World War II. At 37, he did not look like a candidate to become a whiz kid when he got that first break in 1950, in the heady Golden Age of TV. But he had unstoppable will. "I started out in the business aspiring to be a director," he recalls, "but I quickly learned that in TV, the producer has control of everything. That was for me."

Charlie Wild bounced from CBS to ABC to DuMont. Brodtkin bounded from *Studio One* to *Motorola Hour* to *Playhouse 90*. His learning curve was swift, his stage training invaluable for rapid-fire live drama. Many Emmies later, those remain Brodtkin's favorite days. "In the era of live TV," he recalls, "we were building a new art form, a third form of entertainment—the others being theater and film—and this one combining some of the best aspects of each. When the TV industry went from live performance to putting everything on film, that significance disappeared."

Brodtkin was a practical businessman as much as an *artiste* and, however disillusioned, he adapted to changing circumstances. When serious topical drama began to take hold, on film, he helped lead the way with such series as *The Nurses*, *Shane*, *Coronet Blue* and the show he expects to be remembered for, *The Defenders*. That portrait of a father-son team of attorneys ended its run 24 years ago, yet is still recalled with widespread admiration for its deft mix of family conflict, suspenseful legal theatrics and, at a time when most shows were still running scared of McCarthyism, a crusading social conscience. Far from every episode was

issue drama, however, as costar Robert Reed points out: "If you go back and look," he says, "a great many of them were domestic stories of a kind that other series might do. But audiences remember the controversial pieces because they were all but unique for the times."

The Defenders also had political impact behind the scenes. Hollywood's informal blacklist was still in operation, and a number of artists whom Brodtkin hired were taboo by reason of past ideological associations. Every time any network official protested, Brodtkin says, he invited the complaining executive to come onto the set and conduct the firing himself. "Of course," he says, "they never did."

The Defenders was inventive in purely artistic ways as well. Faced with a deficit, Brodtkin decided to do a "budget-saver" episode. Far from compromising his standards, he came up with one of the most memorable hours of the '60s. E.G. Marshall, as the older attorney, found himself holed up in his office with a criminal, played by Robert Redford in his last TV dramatic role. Through the entire installment the two men just talked, talked and talked—with electrifying tension and no small amount of philosophy. "You could still do that kind of

thing today," Brodtkin says, "except that it has become if anything harder to get past the network barriers. Nobody is willing to take risks." He may slightly overstate the case: Subsequent shows from *M*A*S*H* to *Moonlighting* have experimented with form and pushed the boundaries of content. But Brodtkin lighted the way.

Only once when making *The Defenders* for CBS (from 1961-65) did he let the network talk him into backing off a subject. "Jim Aubrey was running things then," he recalls, "and he heard that we were planning an episode on homosexuality. He got in touch and asked me, as a personal favor to him—he knew I wouldn't take an order—not to make the show. So I didn't." More than two decades later, however, Brodtkin got around to the topic again in *Welcome Home, Bobby*, a sympathetic portrait of an adolescent's experiments toward sexual definition that proved to be one of the most sensitive looks at teenagers ever to appear in prime time. In a sweet if not

necessarily intentional symmetry, the network to which Brodtkin sold the show was, of course, CBS.

If *The Defenders* was a high point in the history of prime-time series, it was also a turning point in Brodtkin's career: Within a year of its final episode, he had effectively stopped making series and then sold his first company, Plautus Productions, and all its shows to Paramount, which retains the rights to them and is said to be exploring the possibility of a revival of the *The Defenders*, this time with Reed as the father. (Both Titus and Plautus were named, sentimentally, for the Roman playwright whose work was the first Brodtkin ever staged at Yale.)

The deal made him, for the first time, a relatively wealthy man, and he learned to enjoy it. Yet he lived for work, not his investment portfolio, and regarded money as simply a way to assert his artistic and commercial freedom.

Brodtkin deflected overtures for major film-studio jobs to continue boutique production. Says Berger, "Herb has always said of programmers and studio executives, 'They're temporary. We are permanent.'" Berger, who has been with Brodtkin since 1962 save for a couple of years away in the mid-1960s, now runs

things operationally. A major reason that Brodtkin is serving as adviser and elder statesman these days is that, for nearly a year, a debilitating although not life-threatening illness has prevented him from going to the office regularly. But he confers with Berger every day and, except for his medical condition—which he declines to discuss on the record—he seems undiminished in mental and physical force.

It is often assumed that Brodtkin perceived the shift from series to TV movies and miniseries as an advancement—that he felt he had "graduated" from the rigors of weekly production to the artistic elbowroom of producing at most a few hours of film a year. He is quick to debunk that idea: "I have done relatively few series," he says, "because the networks wouldn't do the ones I wanted to do. After a while their resistance seemed so firm I stopped trying. Along the way I did a number of pilots of every kind you can imagine."

Occasionally Brodtkin and Berger

managed to break free of their typecasting. In 1973, for ABC, they adapted Fitzgerald's life and work into the poignant *F. Scott Fitzgerald and the Last of the Belles*, and in 1988 aired a version of the critically acclaimed novel *Stones for Ibarra* for *Hallmark Hall of Fame* on CBS. In a lighter vein, Titus is now producing a series of TV movies starring Richard Crenna as a big city policeman, launched with the 1988 hit *Internal Affairs*. A sequel is in production, another in preproduction, all for CBS. Additionally, Titus is negotiating a four-hour "legal thriller miniseries" with another network, and it has more films on order for HBO.

The signature of a Brodtkin show remains an unblinking confrontation of a problem. This passionate belief in facing the truth, whatever it may be, has earned Brodtkin a reputation as a liberal. In truth, friends say, he is actually a conservative who has not always welcomed the political consequences of his shows but has taken a journalistic posture of examining the world around him and reporting what he found. Curiosity has led him to some unlikely topics for TV movies: *The Deadliest Season* (1977, CBS) explored the roots of violence in pro hockey—including the fans' disquieting thirst for blood on the ice. *The Henderson Monster* (1980, CBS) focused on the hazards of recombinant DNA research.

Probably no undertaking was riskier, and no outcome in Brodtkin's career more impressive, than NBC's *Holocaust* (1978), which daringly traversed almost all the same terrain as ABC's *War and Remembrance* a full decade earlier and at a mere 5 percent of the cost (less than \$6 million versus approximately \$120 million). The miniseries proved Brodtkin a shrewd judge of talent. Among the supporting cast were such soon-to-be stars as Meryl Streep and James Woods. It demonstrated he was a sound executive: He brought the production in at only about \$500,000 more than NBC's licensing fee, a sum long since recouped with profit to spare.

More than that, *Holocaust* in its time was rivaled only by *Roots* (the work of Brodtkin's longtime collaborator Ernest Kinoy) and by some of Brodtkin's own work in illuminating the dark corners of history with the spotlight of reason and the torch of passion. At the time *Holocaust* aired, Brodtkin said, "I feel deep pride at having brought this piece of history into public view—at having enhanced understanding of a terrible fact." They were words he might have spoken, and words he surely and deservedly heard, about production after production in his uncompromising career. ●

Contributing editor William A. Henry III is the theater critic for *Time* magazine.



A scene from *Holocaust* (1978), starring (from left) Fritz Weaver, Meryl Streep, James Woods and Rosemary Harris.

HERB BRODKIN

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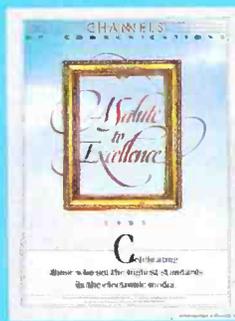
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GRANADA TELEVISION
WCCO-TV
WFMT RADIO
THE Z CHANNEL



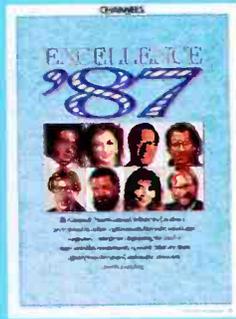
1985

AMERICAN PLAYHOUSE
CBC JOURNAL
THE GRAND OLE OPRY
KING-TV
MEDIA AND SOCIETY SEMINARS
BRANDON STODDARD
BRANDON TARTIKOFF



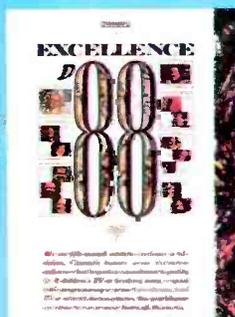
1986

CAGNEY & LACEY
CBS SUNDAY MORNING
CONTINENTAL CABLE
GROUP W TELEVISION
AMERICAN PUBLIC RADIO'S BILL KLING
THE LETTERMAN GANG
JAY SANDRICH



1987

CABLE NEWS NETWORK
THE U.K.'S CHANNEL 4
THE DISNEY CHANNEL
EYES ON THE PRIZE
HALLMARK HALL OF FAME
KYTV
BRUCE PALTRON
PAM ZEKMAN, WBBM-TV



1988

GLEN CHARLES, LES CHARLES, JAMES BURROWS
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RICHARD KAPLAN
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Worldvision Enterprises, Inc.
March 1989

\$153,955,910
Cable News Network, Inc.
2,150,000 Shares
Cumulative Exchangeable
Preferred Stock
July 1988

\$200,000,000
Cablevision Systems Corporation
Senior Subordinated
Reset Debentures
November 1988

\$200,000,000
Century Communications Corp.
12.75% 12-year
Senior Subordinated
Reset Debentures
November 11, 1988

US Dollar Equivalent of
A \$450,000,000
John Fairfax Group (U.S.A.), Inc.
A \$300,000,000
Senior Subordinated
Debentures with Foreign
Exchange Appreciation
Rights
A \$150,000,000
Subordinated Debentures
with Foreign Exchange
Appreciation Rights
February 1989

Lorimar Telepictures Corporation
has merged with
Warner Communications Inc.
January 1989

\$800,765,000
McCaw Cellular Communications, Inc.
\$400,000,000
14.00% 10-year Senior
Subordinated Debentures
\$285,765,000
20-year Convertible Senior
Subordinated Discount
Debentures
\$115,000,000
8.00% 20-year Convertible
Senior Subordinated
Debentures
June 10, 1988

Renaissance Communications Corp.
has acquired
Four Independent Television Stations
\$53,100,000
10-year Senior
Subordinated Notes
April 1989

\$550,000,000
Turner Broadcasting System, Inc.
12.00% 12-year Senior
Subordinated Debentures
October 11, 1989

\$60,000,000
United Artists Communications, Inc.
First Mortgage Notes
secured by 31
theatre properties
April 1989

United Cable Television Corporation
has merged with
United Artists Communications, Inc.
to form
United Artists Entertainment Company
May 1989

\$500,000,000
Viacom International, Inc.
\$300,000,000
11.80% 10-year Senior
Subordinated Notes
\$200,000,000
11.50% 10-year Senior
Subordinated Extendible
Reset Notes
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WGR-AM, New York, NY, Division I
WOKY, Milwaukee, WI, Division II

Newscast

WRAL-TV, Raleigh, NC, Division I
KARK-TV, Little Rock, AR, Division II

WSB, Atlanta, GA, Division I
KSFO/KYA, San Francisco, CA, Division II

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WUSA-TV, Washington, DC, Division I
WCVB-TV, Boston, MA, Division I
KREM-TV, Spokane, WA, Division II

WINZ, Miami, FL, Division I
WXRT, Chicago, IL, Division II

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WIVB-TV, Buffalo, NY, Division I
KXAN-TV, Austin, TX, Division II

WBAL-AM, Baltimore, MD, Division I
WRFC, Athens, GA, Division II

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KOMO-TV, Seattle, WA, Division I
KTBS-TV, Shreveport, LA, Division II

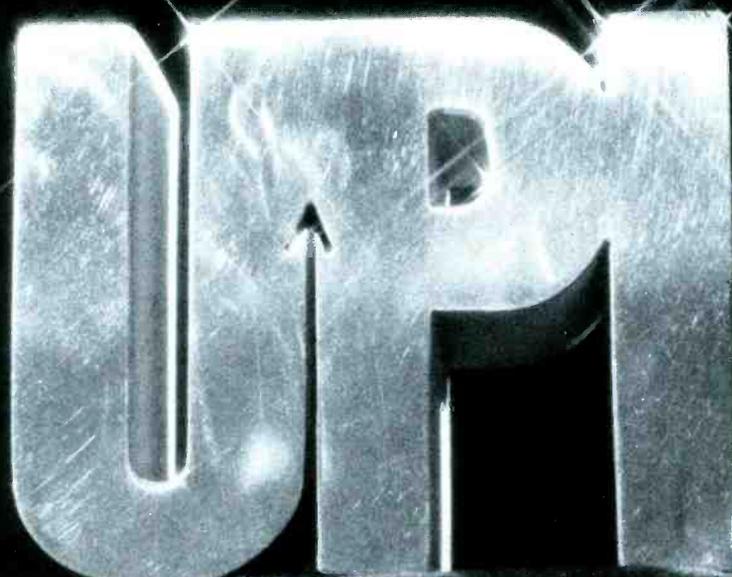
KYW, Philadelphia, PA, Division I
FL Public Radio, Tallahassee, FL, Division II

Spot News Videography

WBZ-TV, Boston, MA, Division I
KVUE-TV, Austin, TX, Division II

Sports Videography

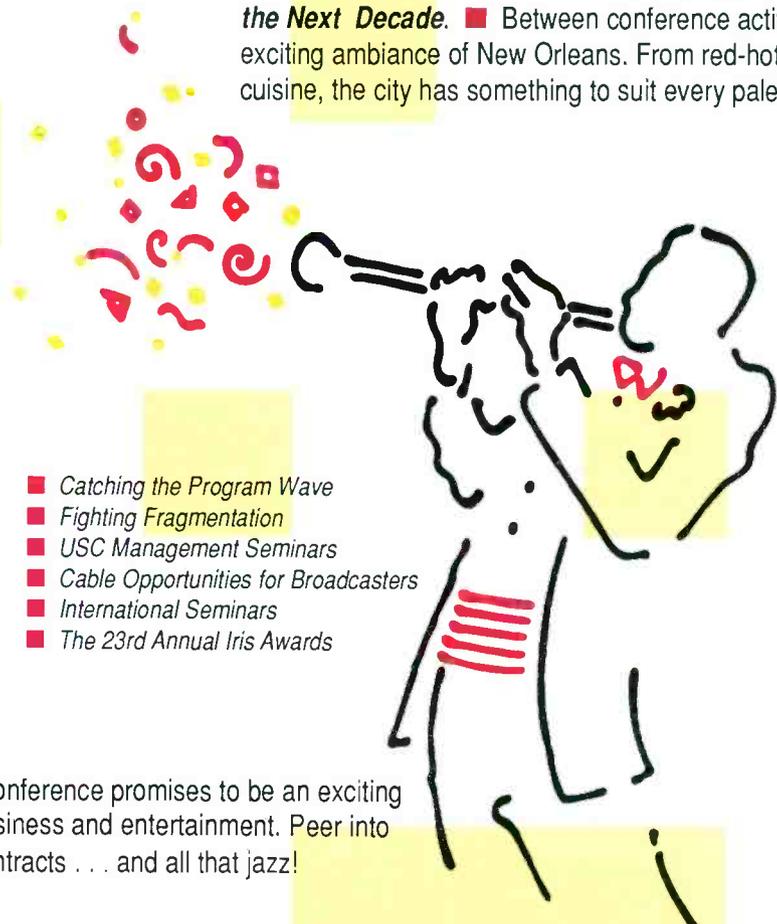
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Tonight Forever

BY RICHARD KATZ

NOVEMBER 27: What began as a local New York City program with **Steve Allen** in 1953 went national on **NBC** 35 years ago today. Despite **The Tonight Show's** seemingly eternal success, Allen has no regrets about handing over its reins to **Jack Paar** and then **Johnny Carson**, citing more important projects in prime time that called him away, in addition to sideline activities such as songwriting. Currently, Allen has a cameo role in **Lorimar's** new show on **CBS**, **The People Next Door**. In television from its inception, Allen says he's seen little change aside from technological improvements. However, he does have a gripe with today's trash TV shows. "Those of us who write jokes for a living now have a problem creating joke exaggerations or satires of these shows, such as **Donahue**, **Geraldo** or **Oprah**," says Allen. "I did a joke: 'Lesbian nuns—should they be permitted to have abortions? Watch **Geraldo** tonight.' The joke is pretty close to these shows." And how does Allen explain **Tonight's** longevity? "Even if the show was lousy now—and it's not, Johnny does a very good job—the ratings would still be high because of people's force of habit," he says.

DECEMBER 1: After years of decline, **The Playboy Channel** packs it in as a regular pay service and repositions itself as the pay-per-view **Playboy at Night**, which is basically just a new name for the already extant **Playboy on Demand** PPV service. "The Playboy Channel never met our or anyone else's expectations," says **Michael Fleming**, senior vice president and general manager of Playboy Video Entertainment. Fleming says he was surprised that few cable operators had pulled the plug wholesale on the pay service in the last year despite subscriber penetration below 4 percent in many systems. Playboy had originally planned to change its pay channel into a service called **Nightlife**, but Fleming says that the \$35 million to \$50 million needed to effectively market the altered channel was too much of an investment to risk. Playboy at Night has been marketed to consumers mostly on cable systems' all-promo "barker" channels and in cross promotions on other cable nets. Fleming says PPV deals will be inked soon with major MSOs that had previously avoided the pay channel, partially because of the stigma attached to providing a full-time sex-oriented channel. Fleming believes the PPV format will alleviate this problem. "I didn't want my teenage son randomly tuning into the Playboy Channel," says Fleming, "and I think that's the case with a lot of folks." He hopes the

PPV service will reach the revenue base the pay channel had in three to four years.

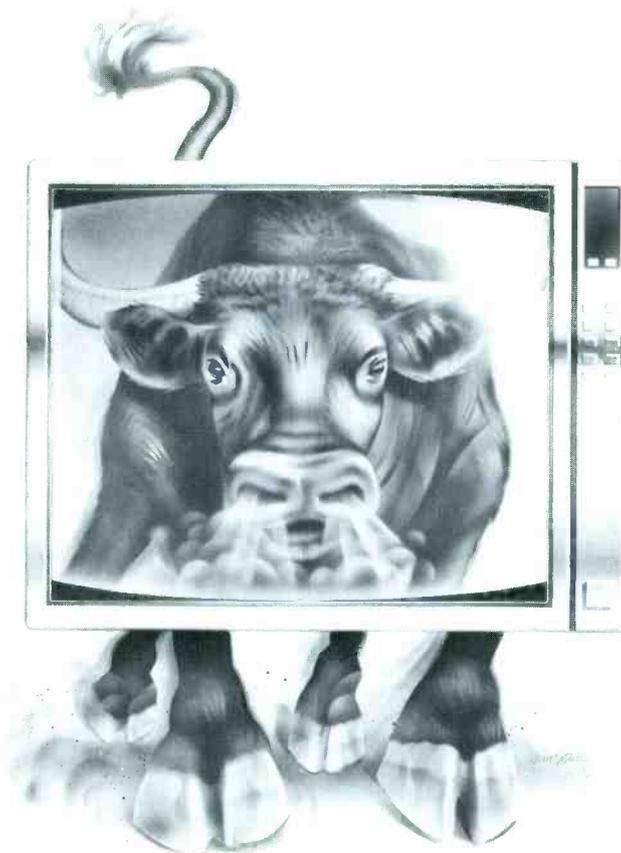
DECEMBER 12: Speaking of pay-per-view, the **Cable Television Administration and Marketing Society** demonstrates a new bravado toward PPV with its first annual conference devoted exclusively to the subject. **Bob Westfield**, CTAM's director of project development, expects over 300 attendees at the conference, held at the Anaheim (Calif.) Hilton one day before the **Western Cable Show** opens there. The winners of CTAM's PPV case study program will be announced at the seminar. Cable systems around the country have submitted plans to improve PPV business, and the lucky three will have their PPV activities closely examined over the next year by CTAM.

DECEMBER 13: **Chicago Cubs'** sportscaster **Harry Caray**, a 45-year veteran announcer renowned for his rendition of "Take Me Out to the Ballgame" during the seventh inning stretch, is inducted into the **American Sportscasters Association's Hall of Fame**. Proceeds raised from the A.S.A. fifth annual Hall of Fame dinner, held at the New York Marriott Marquis, will benefit the "War on Drugs" campaign and school outreach program of the American Sportscasters Charitable Trust. Probable future Hall of Fame sportscaster **Tim McCarver**, who will announce the only nationally broadcast over-the-air baseball games next year, for **CBS**, thinks that ex-players-turned-broadcasters have gotten a bad rap for their on-air skills. "A decade ago ex-athletes were getting into the business thinking their marquee value would carry them throughout their careers," says McCarver. "Obviously it allows you to get your foot in the door but after that it's like any other job—it's hard work that will distinguish who's good and who's bad." On the subject of whether too many baseball games are available only on pay or basic cable, McCarver says that since the majority of TV homes are passed by cable, the fans are not being shortchanged. "That's a bland argument," says McCarver. "Critics [of cable] love to fan the flames with that one but I think it's getting boring."

Channels welcomes contributions to "What's On." Material must be received at least 60 days in advance of the event in order to meet deadlines. Send to the attention of Richard Katz.

CALENDAR

- Nov. 13-15:** Television Bureau of Advertising Annual Meeting. Century Plaza, Los Angeles. Contact: Eleanor Pachanik, (212) 486-1111.
- Nov. 15-16:** Advanced Communications Technologies & the Public Interest conference, sponsored by the San Diego Communications Council. La Jolla Marriott Hotel, San Diego. Contact: Patricia Clarke, (619) 594-6933.
- Nov. 20:** 17th International Emmy Awards presentation. Sheraton Center, New York City. Contact: Gillian Rose, (212) 489-6969.
- Nov. 29-Dec. 1:** Private Cable Show. Caesars Tahoe, Lake Tahoe, Nev. Contact: Susan Blockmon, (713) 342-9655
- Dec. 4-6:** Association of National Advertisers seminar on creative advertising, media strategy and promotion strategy. Stouffer Westchester Hotel, White Plains, N.Y. Contact: Renee Paley, (212) 697-5950.
- Dec. 13-15:** Western Cable Show, sponsored by the California Cable Television Association. Convention Center, Anaheim, Calif. Contact: Judith Williams at Pittelli & Partners, (202) 639-8844.



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Cable Nets Go It Alone

Switching to in-house production of on-air promos can save money and improve quality.

BY RICHARD KATZ

Cable networks now face the decision large broadcasters faced several years ago—whether to keep production of on-air promotions outside or bring it in-house. Because a large part of a cable channel's promotional push consists of on-air spots touting specific shows and the overall network image, several networks, such as USA and The Family Channel, have chosen to invest in the machinery necessary to produce their own spots.

"The motivation to have our on-air spots produced in-house was for creative control," says Paul Krimsier, vice president of programming and promotion at The Family Channel. The cable net recently purchased the DF/X 200, a post-production facility manufactured by Digital F/X of Mountain View, Calif., which includes an integrated work station with a paint system, character generator and 3-D effects and an on-line digital edit bay. Krimsier says that the network had constructed an on-air master control and the next step in the upgrade was to buy support edit suites.

"We realized that at the volume of promotion production work we were doing in the competitive environment we're in, we had to really accelerate our ability to produce," adds Jack Norman, director of creative services at the network.

Economics also played a large part in purchasing the edit suites and state-of-the-art graphic capabilities. Before installing the equipment, The Family Channel, headquartered in Virginia Beach, Va., frequently sent its producers to New York, Washington, D.C., and Atlanta for most of its graphics and promotion production. The process was

costly and time-consuming. If a spot needed changes, it had to be sent back and forth again.

Even with the extra expense of hiring a full-time design artist to handle the graphics, Norman estimates the newly installed equipment will save the network \$1,000 a day. Besides, says Norman, "Adding this equipment without adding a designer is like having a racecar without the right driver—it will get you somewhere very fast without knowing where you're going." The network can now create a volume of distinctive graphics for each of its program blocks, such as its kids block and Western block, that would have been too expensive to order from outside. The Family Channel's 3-D animation typically cost \$3,000 per second to produce out-of-house.

Savings was also a big factor in USA Network's addition of extensive in-house facilities. "We looked at how

much we were spending and said there's got to be a better way," says Andy Besch, vice president of marketing for USA, which began adding \$3 million worth of custom-built editing and post-production facilities last December.

Jeff Grimshaw, vice president, on-air promotions for Turner Broadcasting, which produces 95 percent of its on-air spots in-house, remembers life at USA five years ago, when he was senior writer/producer under Dick Ross, vice president of network operations. "Those were the days when USA's plans were just a glint in Dick Ross' eyes," he says. "We were spending millions of dollars out-of-house and I was begging him for in-house facilities." Grimshaw says the sheer volume of spots Turner produces—more than 47,000 last year—dictated internal production years ago. But from his experiences at both companies, he says, "If you're going to keep a handle on costs, you've got to develop an in-house system."

Five years ago, says Ross, explaining why USA waited four years to move on his plan for massive production facilities, there were other areas where the investment was more needed. "As we became a larger network, it became more affordable to us and we didn't want to depend on someone else's facilities for our continuous look."

But some cable nets might hesitate to spend heavily on equipment they fear will become outdated quickly. "You always wonder if you're going to be archaic in two years," says The Family Channel's Norman. "Our system has a hardware plateau, so you can grow with the software improvements with the addition of software and boards."

Ross believes that as cable networks become more established and more investment dollars become available, they will be inclined to buy postproduction facilities. "If you are a continuous and on-going network," he says, "you can be

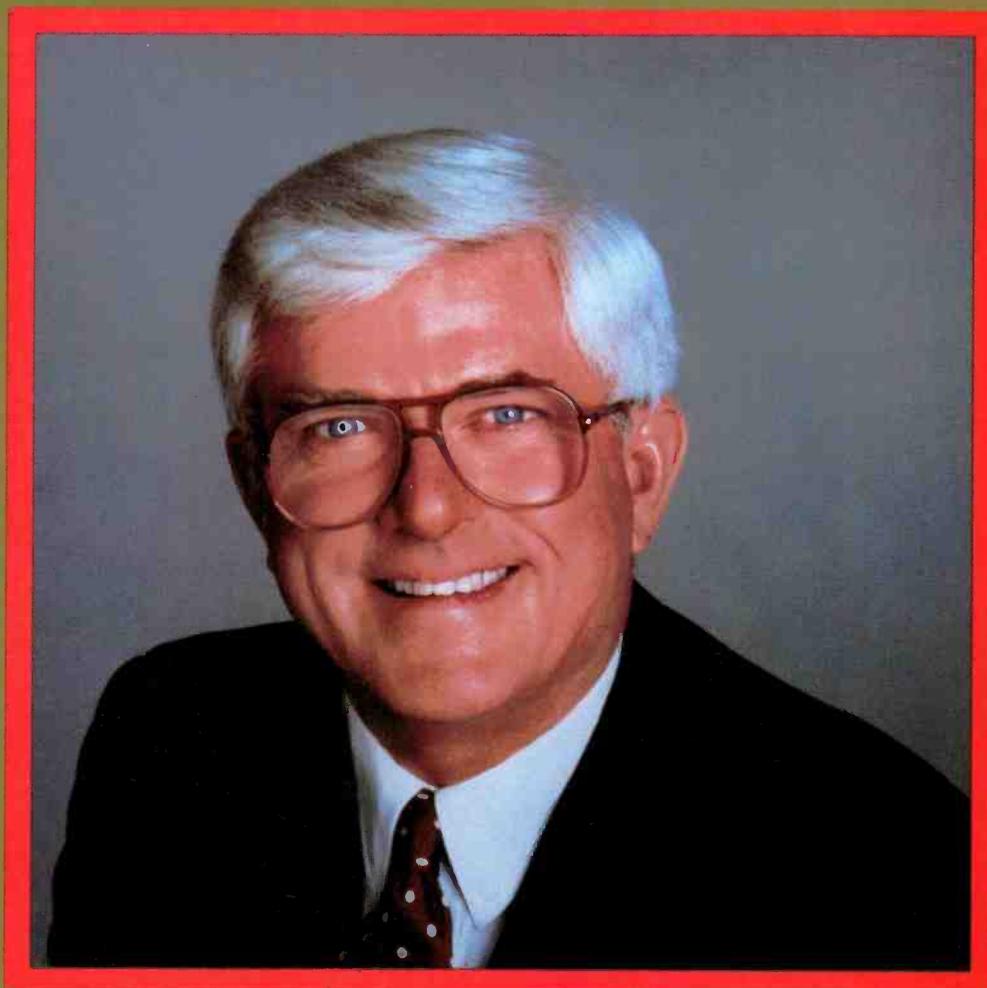
guaranteed to use postproduction equipment every day. Postproduction is something that's at the heart of the network." ●



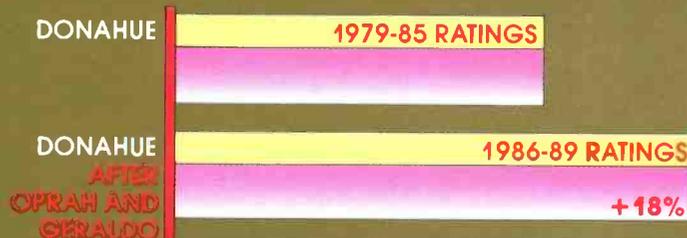
An investment in new equipment enables The Family Channel to create a distinctive look for each of its program blocks, such as the Western Block.

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SOURCE: ROSP: Nov, Feb, May 1979-89.





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Hit Series Moves to Cable

Lifetime, the only network for women, is having its day in court. The fast-growing cable network is again making waves with its exclusive three-year contract to air 84 episodes of the NBC megahit, "L.A. Law." Once again the show, a ratings sensation, walked away with the Emmy for "Best Dramatic Series." Praised by critics from coast to coast, "L.A. Law" landed more Emmy nominations than any other series.

Ratings with Women Cited

The series is viewed by industry insiders as a perfect match for Lifetime because of its appeal to women viewers, Lifetime's target audience. Lifetime's success with its Emmy-winning comedy, "The Days and Nights of Molly Dodd," is cited as a prime example of the network's appeal to upscale, urban women. "L.A. Law" has been rated as TV's 13th most popular



Why Broadcasters Woke Up

This fall, at long last, the broadcasting industry is taking up the cable challenge. Representatives of over-the-air television have started to press political and commercial measures to arrest the gains cable has made at broadcasting's expense.

Both in Washington, where the National Association of Broadcasters and the Association of Independent Television Stations have turned up the heat on cable, and in the marketplace for talent and programming, broadcasters seem to be waking up to the Age of Cable. It's about time.

Simultaneously, however, broadcasters seem tied in knots—confused about the future and politically handicapped by their lingering crusade to kill the Fairness Doctrine. Over the last several years, broadcasters waged an ideological war with key Capitol Hill players over the Fairness Doctrine. Though it has since been tempered, the crusaders' philosophical rigidity put an al-

Broadcasters have been napping—confused about the future and politically crippled by the crusade to kill the Fairness Doctrine. Facing cable's blitz, they're finally on the offensive.

batross around broadcasting's neck.

Cable does not have a history of that kind of political baggage. Aggressive rate hikes, however, have made the industry vulnerable to a populist backlash. A voter apathetic about the Fairness Doctrine may well respond to a candidate's invective against inflated cable subscriber fees.

In some ways, the broadcasting industry is paying a price for its Fairness Doctrine follies. Moreover, they're also getting slapped in the face by one of the increasingly obvious consequences of the Reagan crowd's hostility toward the vital role of government in contemporary society. The NAB and INTV encouraged the mindset that created a free-market free-for-all, and that's the environment they now must inhabit. They helped create, and are now paying the price for, a world in which the main concern of communications regulators and other Washington policy-makers became how best to limit federal re-

sponsibility. Expect, therefore, pleas for renewed regulation and demands for a return to a breathing, if not exactly activist, federal antitrust operation in 1990.

To cable's credit, over the past several years it has consistently taken the initiative, seizing, aggressively and creatively, on a variety of opportunities. Witness the creation of new networks, a scorecard of consistent victory in the Washington milieu (leaving cable virtually free of federal oversight) and a series of timely and strategically sound mergers and consolidations. Cable even captured the "high road" from Whittle Communications, public TV and commercial broadcasters by beating them into the nation's schools with television.

Meanwhile, the fall launch of Time Warner's WGRC in Rochester, N.Y. may be the last straw for the broadcasting community. Here the Time Warner behemoth, through its American Television & Communications subsidiary, has accomplished the inevitable, creating a local television station without any conventional regulatory requirements. ATC didn't even need to clear its appropriation of call letters when the project launched. Time Warner and ATC officials categorically deny that the WGRC gambit is part of a master plan, saying the situation is unique to a particular marketplace. But if it works, there can be no doubt whatsoever that more WGRCs will quickly follow from ATC, TCI and the rest.

It is such critical developments—for example, the rapid migration of sports to cable—that are bringing the television station and network communities to life. They have even forged an unlikely alliance with the telcos, an erstwhile monopoly now seen as an antidote to another monopoly. The INTV crowd, confronted with a dramatic drop in available sports programming this fall, has increased the volume of its complaints about the sports issue, about the daunting must-carry issues and channel positioning problems. NAB chief Eddie Fritts is stepping up calls for congressional action. At the same time, Fritts, his organization and its membership have begun to accept the cable reality. They're looking at the possibility of programming local cable channels, while concurrently preparing for heightened competition from local and regional cable interconnects.

In the face of a cable industry that, despite the launch of a fall public relations blitz, often seems impervious to criticism, political nuance and competitive pressures, the efforts of broadcasters must intensify on both the political and business fronts. Otherwise, cable is likely to continue to clean broadcasters' clocks. ●

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Scrambling for New Ad Dollars

The days when each television ad medium—network, syndication, etc.—fit neatly within its own walls are ending. Today, savvy TV marketers are drawing on sales tactics from every medium.

There is a new fact of life in television ad sales: If there's a new dollar to be had, someone will have to find a creative, *new* way to get it; the bucks no longer walk in the door and stop on the bottom line.

This section focuses on the creative thinking now happening in businesses that affect the bottom lines of every station and most cable systems—local ad sales, unwired networks and rep firms.

Mark Schone leads off the section with a look at four television stations and one cable interconnect that have changed their strategies to chase the local ad dollar more effectively. Their new tactics will give stations and cable systems ideas of their own; their successes and failures help point the way through the bazaar of marketing tools and programs available to today's local sales operations. Chuck Reece looks next at the future of the unwired network. In that young,

fast-growing segment, new ideas—the creation of local retail tie-ins, customized networks and one man's dream of building a single unwired net of independent stations—could alter permanently the amount of inventory stations move through unwired networks. Finally, Larry Collins finds ad doctors trying all sorts of cures on the wheezing rep-firm business. Some of those remedies have national spot reps trying to find a safe way into the spot-cable sales business—or at least thinking about it. Can the rep firms violate this traditional taboo and bring the enemies—local stations and local cable systems—together to dine from the same table? Collins' story looks at possible answers.

Uncertainty about the source of TV ad dollars in the year 2000 is fueling this scramble for new answers. The walls that separated media and their sales mechanisms from each other have crumbled into dust. Forward-looking marketers are mixing media and sales tactics to build the new bastions. ●

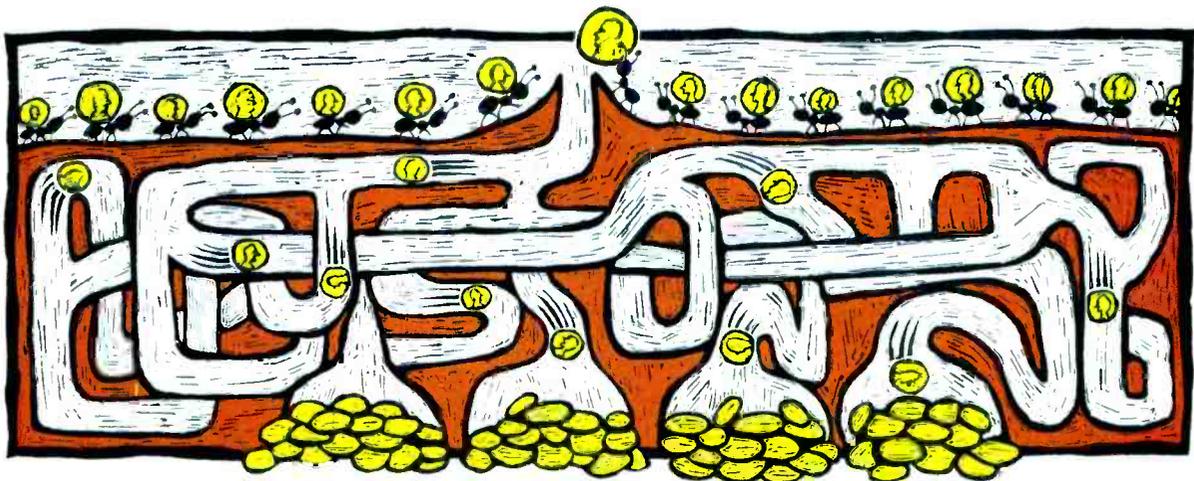


ILLUSTRATION BY RICHARD TASSONE

Local Heroes

The slowdown in advertising growth and stiffer competition prompts stations to find new ways to cut up the local pie.

BY MARK SCHONE

As local TV ad growth slips into the single digits, the admonition to "fire salesmen and hire marketers" has found an audience. As new competitors slice the ad pie into smaller pieces, stations have responded by stepping up market research, increasing client services, attacking rival media and getting into unfamiliar lines of business, such as direct mail and retail promotion.

The five stations discussed below are not necessarily market leaders in local ad revenue, but all have altered course to attract more local dollars. In the cases of ratings leaders like WCMH in Columbus, Ohio, or WDBJ, Roanoke, Va., that means staying ahead of the pack; for WJZY in Charlotte, N.C., and Cox Cable's Gainesville/Ocala (Fla.) Interconnect, that means getting in the door.

WCMH

Columbus is not the Rust Belt, whatever economic stereotypes come to mind when Ohio is mentioned. The city is young, healthy and white-collar. Corporate headquarters and government money have kept the state capital and home of Ohio State University booming and local TV ad-sales growth in the double digits.

Luckily for the stations already in the market, in the past five years no new TV station has signed on and survived to siphon off any of those dollars. The three network affiliates are within five points of each other in sign-on to sign-off share. Outlet Broadcasting's NBC affiliate, WCMH, leads with a 25 sign-on to sign-off share. WCMH pulls in 30 percent of the local revenue, however, and general sales manager Jeff Cash credits much of the station's success to custom research from Seattle-based Leigh Stowell & Co.

WCMH introduced Stowell data three years ago. Seven years ago, WCMH's revenues were 55 percent national, 45 percent local. Two years ago the totals had shifted to 56 percent local and 44 percent national, and they're now an estimated 58 percent local, 42 percent national. The increased importance of local dollars led WCMH to add a retail marketing director and a marketing development specialist to target new business and massage the Stowell data.

New York native Cash's mid-'70s

tenure as an ABC research analyst makes him more comfortable than most with what he terms "simple mathematics." The ability to generate a profile of clients' customers by the shows they watch allowed the station to redefine its inventory. "In the old days of television sales we would tell [salespeople] to penetrate to the decision maker," says Cash. "Good salespeople could penetrate, though [the accounts] weren't normally happy to see us. For the first time we . . . have something of quality to show them, something they want to hear. We'll get the appointment, we'll control the meetings, and the meetings are longer."

Cash used Stowell psychographic data last year when meeting in Washington with campaign consultants. The visit secured the first political money spent anywhere in the state for the 1988 elections, a \$39,000 Olympic commitment from senatorial candidate George Voinovich. Station researchers also prepared a detailed comparison of newspaper CPMs by section against WCMH by daypart, and a local version of "The Cable Fable," complete with a

SEE THE ORIGINAL TOP GUN.



Long before there was a Tom Cruise, there was John Wayne. And tonight at 9:00, this all-American maverick co-stars with Katherine Hepburn in *Rosier Cagnum*. Thursday night at 9:00, you'll get an a-bet shot at the Duke along with Kirk Douglas in *War Wagon*. And then Friday night at 9:00 see John Wayne in *Branigan*, only on TV 46.

WJZY46

SEE SEAN PENN GET ARRESTED.

AGAIN.



And this time Madonna has nothing to do with it. In tonight's presentation of *The Falcon And The Snowman*, Sean and friend Timothy Hutton are caught in the act of spying—for the other guys. It's a real-life thriller tonight, at 9:00 on TV 46.

WJZY46

WJZY's promotion blitz is winning viewers and advertising in Charlotte.

formula to recompute cable CPMs.

The owners of the *Columbus Dispatch* newspaper, the Wolfe family, also own the WBNS AM and FM radio stations and WCMH competitor WBNS, a CBS affiliate. Wolfe charities contribute five to six figures every month to a different local cause, which forges relationships with local business people. In turn, local merchants have four Wolfe-owned media buys to choose from.

WCMH responds with community service that includes sponsoring and televising the city's largest single event, a July 4 party called Red, White and Boom, which attracts 500,000 spectators. WCMH sells floats in the Columbus Day parade it sponsors, kicking the money back to the parade.

WCMH has been increasing its reliance on event sponsorships. Last year, the Olympics were sold exclusively on a sponsorship basis and were sold out. Clients anted up between \$35,000 and \$150,000. WCMH also sells the Columbus Marathon on a sponsorship basis. Using a study of car-buying habits and football-team preferences, the station realized \$300,000 on sponsorships of a Browns-Bengals pregame show. It airs at noon Sunday, formerly a public-affairs slot.

KOMO

While WCMH's applications exemplify state-of-the-art market research, the Pacific Northwest could be considered the birthplace of the current marketing trend. Seattle ABC affiliate KOMO inaugurated a marketing department in 1978; employee Craig Marshall later formed the Pittsburgh research house Marshall Marketing.

Today, parent company Fisher Broadcasting has a total of nine marketing staffers in Seattle and at Portland's ABC outlet, KATU. KOMO conducts two consumer audits per year, asking 1,000 adults—500 of each sex—about their consumption habits. General sales manager Scott Hayner is currently targeting health-care advertisers and has hired consultants to analyze that category's needs in news and programming.

After little growth between 1985 and 1987, the Olympics and elections spurred 1988 ad growth. The market was up 15 to 20 percent in local revenue for the second quarter, 20 to 21 percent for the third. In the May Nielsens, KOMO won sign-on to sign-off, and in

news at 5, 6:30 and 11 P.M.

Three years ago, during the sales trough, KOMO added salespeople and split its local sales staff into two non-competing teams of five, each with a sales manager. The station also reduced its commissions on base business and increased rewards for new business. New business was 15 percent of total sales for 1988 and is holding steady in 1989.

Now, says Hayner, "I would have to say we have a very strong, aggressive staff." Consultants hired by KOMO surveyed agencies and clients in the market and found that KOMO's was considered the strongest local sales force, though Hayner demurs on the point.

WDBJ

WDBJ's sales operation did not earn its reputation simply by coasting on ratings leadership. And the station's dominance of the Roanoke market is not the unfair advantage one might think when it comes to local retailers. "When I'm interviewing for a sales position," says WDBJ general sales manager George Bassett, "I ask the person, 'Do you think it would be easier to sell IBM or Leading Edge?'" The CBS affiliate, owned by Schurz Communications, is the IBM of Roanoke. It hasn't lost a ratings book in 30 years, which could tempt a salesperson to relax. "You have to sell quality, not price," continues Bassett. "[WDBJ] works, and we charge for it, too. I have seen rates for news that are one-third and one-fourth

what we are."

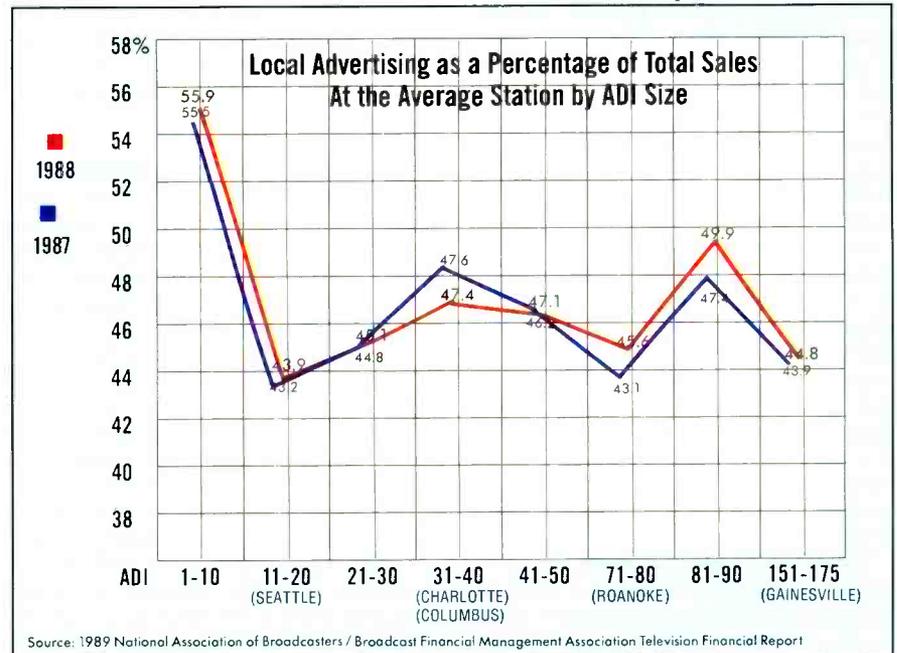
WDBJ has a research/new-business development director, an assistant and a staffer whose time is devoted solely to co-op research. Its local staff has grown from four to six people in four years. Business new to television will account for 5 to 10 percent of revenues in 1989, up from 5 percent in 1988. According to Bassett, none of the competition has a research person, though one station has tried using Stowell data.

WDBJ started working with Marshall Marketing six years ago, Bassett says. His station tries to stay "five or six years ahead" of marketing trends, he says. It needs to—WDBJ may not be able to count on 35 more years of ratings wins. The decline of CBS's prime time threatens the station's dominance.

WDBJ uses Marshall to target categories and pinpoint the customers of potential clients. Roanoke has not kept pace with the expansion of other Southeastern cities. Per capita expenditures are high, however, because Roanoke is a retail center, drawing shoppers from 35 counties in three states. The market's continuity can mean a lengthy courtship of new business, like WDBJ's three-year pursuit of a local furniture retailer which finally said yes and now wants more inventory than is available.

WJZY

It's all new business to WJZY, which signed on in July 1987 as Charlotte, N.C.'s second independent. Channel 46



has used heavy promotion to gain the recognition of viewers and advertisers.

WJZY shoves its promotions under the noses of potential clients, and salespeople take its own print ad proofs on sales calls to reassure skeptics that the station will meet its ratings projections, via heavy promotion. General sales manager Thomas Schenck backed off from saying that WJZY spends more on promotion than any other station in the market, but estimated promotion expenditures are in the high seven figures.

The station was honored at the 1988 INTV convention for best newsprint promotion in a medium-sized market and last year took three seconds for print, radio and special promotions. WJZY has also won a variety of local, district and national advertising awards.

The promotions must be working. WJZY beats older indie WCCB in fringe, late fringe and weekends (except for evenings) and is moving in on kids and access. Arbitron's July 1989 book gave WJZY a 4/8 in prime, versus WCCB's 3/6. Parent company Capitol Broadcasting is a prudent but willing spender. To *Night Court*, *Who's the Boss?*, *The Arsenio Hall Show*, *Hunter*, *Rollergames* and movies, WJZY next fall adds *ALF*, *Amen* and *227*.

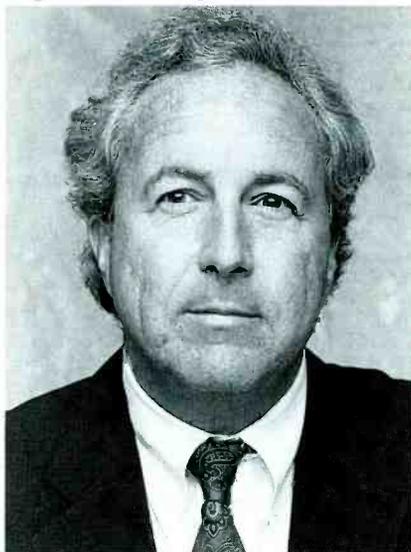
WJZY's enhanced schedule debuts in an \$80 million advertising market that Schenck expects to shrink. The reason: a price war between the ABC and CBS affiliates (the NBC affiliate is a UHF station) that's driving access CPMS down by as much as 25 percent. In contrast, WJZY expects 1989 to be at least 25 percent ahead of last year in national and local. Schenck says WJZY targets the same aggressive 160 percent revenue-share-to-ratings-share ratio that many independent stations try to achieve. The new-business goal is 10 percent growth.

To WJZY general manager Mark Conrad, the rapid start-up must be *deja vu*. Conrad went to WCCB in 1978 to take the then-ABC affiliate independent. Under Conrad, the station made more money as an indie than it had as an affiliate. Conrad moved to Harte Hanks, then became president and CEO of WFMY (CBS) in Greensboro. His next stop was Greensboro indie WGGT, where he met Schenck.

To squeeze profits from a slack market, WJZY has developed a select mailing list from a 500,000-piece bulk mailing. It's also finalizing an agreement

with a supermarket chain for end-aisle space, which will then be provided to a client for a percentage of the client's ad budget—an idea suggested by WJZY's national rep, Seltel.

Schenck aggressively pursued cable carriage in the ADI before sign-on; WJZY now reaches 98 percent of Charlotte's cable homes and is on more cable systems than any other station. Schenck's first task, in fact, was to make sure that cable homes in the 55 percent-penetrated market could see WJZY, a duty now shared with the assistant chief engineer and the promotions director.



WCMH's Jeff Cash tells his own Cable Fable in Columbus, Ohio.

"We told systems, 'We can add to your marketability,'" recalls Schenck. "'Put us on and we'll cross-promote you.' We considered cable our friend."

Gainesville/Ocala Interconnect

Broadcasters in Gainesville, Fla. might not consider cable a friend, especially at the end of the fiscal year. Cox Cable's 46,000-subscriber system there takes one out of every five dollars spent on television. Paul Kagan Associates estimates the Gainesville/Ocala Interconnect's earnings at \$2.3 million out of total-market TV revenues that other sources put at less than \$10 million. (The smaller Ocala system lies inside the Orlando ADI.)

Admittedly, Cox benefits from limited competition. The 166th ADI has only 84,000 TV households and three stations—an ABC affiliate, an independent and a public television station. Taken as an aggregate, cable does a 16

share in total television homes.

"We think [20-25 percent of market revenues] is the fair minimum share," says Paul Gordon, the interconnect's general sales manager. "It should be greater." Gordon came to the Gainesville system from radio in 1982. Back then, Cox could sell avails only on CNN and ESPN and grossed \$65,000. It can now sell avails on 13 channels in Gainesville, ten on the interconnect.

Cox has ten reps on the street, nine more than in 1982. Its bread and butter is local ads: One salesperson attends to regional advertising. Gordon estimates that 75 percent of the interconnect's revenues are local, 15 percent regional and 10 national. "I think even five years out, local will still comprise the majority of our sales," he says.

Percentage growth for all interconnect revenues in 1989 should pace in the mid-20s, though the third quarter was slack. About 20 percent of each year's business is new. "For people who have already tried cable, it's just a rate question," explains Gordon, who has 20,000 commercials a month to sell. "In slack times, the competition gets a little rougher, and rate becomes more of a play. It's all a matter of negotiation." Lately he's targeted medical and educational spending and has watched the fast-food category surge.

Because of its size, Gordon says, Gainesville is not a numbers-oriented market. "This was an unmeasured radio marketplace until 1980," he says. But Gordon does use research, including Arbitron CableTrack and Nielsen TAR reports. "I've got as many numbers as anybody," he says. The system also gets information about viewing habits from Cox headquarters in Atlanta, which surveys subscribers system by system.

The MSO has been a leader in sales and local programming. Cox has established a 24-hour news service in New Orleans in conjunction with station WWL. Gainesville's local-origination channel currently runs a community calendar and program listings during the day and live public-affairs programming in the evening. Gordon says the system is weighing options for increased programming on the channel. "We've only taken exploratory looks at it, but we've definitely been looking at expanding the service," he says. When that happens, Gainesville's over-the-air stations, like their broadcast brethren elsewhere, will have to think of still more ways to grow the local advertising pie. ●

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Should Unwireds Stay The Course?

Television's unwired networks will move in vastly different directions in the '90s. Stations will prosper—or suffer—accordingly.

BY CHUCK REECE

Mike Kammerer's team lost the softball game at his Independent Television Network's first company picnic recently, but losing didn't bother him—even though he is, arguably, one of the most competitive, driven people in TV sales. That day he looked placid and pleased with himself, like some suburban dad who had just led his crew in a rousing round of outdoor recreation. He studied the 50 or so sweating, smiling, burger-eating employees and marveled at having built a company large enough to merit a country-club cookout. "This is still hard for me to believe," he said.

But Kammerer likes it, this picnic being yet another confirmation that his company rules the unwired-network roost. There is reasonable disagreement between Kammerer and competitor George Nuccio of TVRC Corp. over who first brought the concept to television sales. The growth of Kammerer's ITN, however, is unquestionably what fueled the expanding importance of unwireds in today's network marketplaces. These national time-buying mechanisms account for \$75 million to \$80 million in ad time annually, according to estimates by several TV-station groups, and ITN accounts for more than three-fourths of those billings.

The market looks destined to grow far larger, as the audience shares of NBC, CBS and ABC continue shrinking. The networks' shriveling combined share is the one true rationale for unwireds: They are a low-cost option for network time buyers with budgets squeezed by increasing demand and decreasing supply.

"The whole point," says TVRC president Nuccio, "was looking for a way to buy time at a much lower cost per thousand but on a national basis."

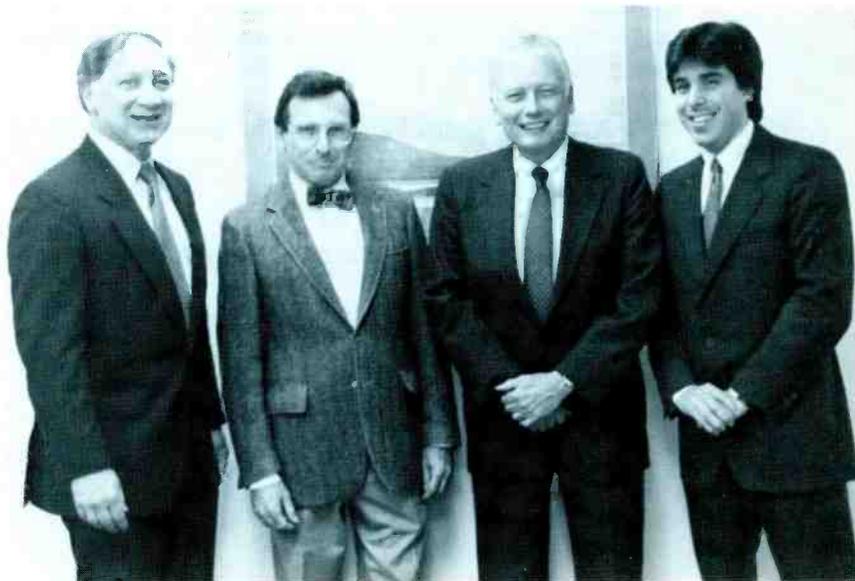
That initial reason for being may not be enough to spur business on through the next decade. Opinions vary. Some unwired-network executives say business as usual will suffice. But others say unwireds have to come up with new packages—perhaps mixing their offerings with such other media as newspapers and direct mail—to make the business larger than the small fraction of total ad spending it represents today. Bank only on this: The stations supplying ad time to the unwireds will prosper—or suffer—with them.

A "pure" unwired network, according to the standard definition, consists of inventory purchased from enough stations to cover 70 to 80 percent of the country without being mixed in with cable inventory or barter time on syndicated shows. Rep firms—although they are confined to one station per market—occasionally will put together deals that

meet that definition, but apart from them, there are only three companies that deal in "pure" unwired networks: ITN, TVRC and a younger upstart, ALIN-TV. ALIN's principals, after playing in their second upfront marketplace this summer, see little reason to change their strategy of dealing in pure unwired packages. They appear to have good reason: This year, ALIN's business more than doubled, and the company signed five national advertisers to exclusive contracts for all their unwired-network buys.

"We're pretty excited about the next couple of years," says Alan Cohen, ALIN's senior vice president. "At least in the short term, we see it as only positive." ALIN chairman Alan Steinberg says he expects "continual increases" for at least the next five years. He doesn't see a need to jump into mixed media packaging or cable and syndication tie-ins; his proof, he says, is the rising interest in ALIN's basic unwired networks. "More advertisers are calling us," Steinberg says. "They want to know how we operate. It's encouraging. We don't have to knock on so many doors now. They're coming to us."

That rush of interest on the part of national network advertisers, all of which have been pinched by skyrocketing ad rates on the Big Three networks, drew several packagers of hybrid unwireds to market this summer. They tied in cable time, barter time, superstations' inventory and network affiliates' news programs, but



ALIN-TV principals Robert Kimmel, Alan Steinberg, Jack Giebel and Alan Cohen.

some of the hybrids didn't prove to be the blockbusters their originators had hoped. Group W's hybrid Premiere Announcement Network made the most noise last spring when it said it would contract with network-affiliate stations in the top 50 markets for time in their evening newscasts and sell the combined inventory as an unwired network. Time buyers say, however, that Premiere came to the upfront marketplace with under 40 ADIs covered and walked away with fewer sales than Group W had hoped. "We've been put off to last [by media buyers] for this year, but we'll be presenting over the next six months, so we may be rebuilt into [later] media plans," says Ed Goldman, president of Group W Television Sales.

TVRC's Nuccio says Premiere's upfront experience proves that if an unwired network fails to offer coverage that approaches a real network's—at least 70 or 80 percent—then network buyers will ignore it. "At the end of June, [Group W] had 14 markets in the top 50 not cleared," Nuccio says (Goldman says he wound up with 47 markets by signing eight between the ranks of 50 and 60). "It was not a true national buy to the extent it should be to qualify for network budgets. You have to bring it in at a price and with coverage that makes it work."

Knowing what works, Nuccio says, is the backbone of TVRC's effort to create "customized" unwired networks that fill specific needs for advertisers. Nuccio has filled TVRC with people from agency media departments, where they learned what advertisers need in a media buy, to build these customized networks. "I know this stuff because I was in media planning for 18 years," Nuccio says. "For example, I knew that if a media planner knew the networks had late news shows, he'd be recommending late news for certain advertisers. And the buyers would be buying it. So we decided to go to the late news." TVRC's late-news network, which differs from Group W's Premiere by having no early-news inventory (TVRC has a separate early-news package) and wider coverage, has been selling well ever since. "We're concept sellers," he says. "We say, 'This is a package that's good for certain advertisers—airlines, anyone that's after adults 25 to 54. If you're just buying early news, you're missing a lot of men. If you want to be in a news atmosphere, you could be missing up to 80 percent of the men in

a market who don't get home in time watch the early news. And particularly in the larger markets.' I use that as an example of how we think these things out. And we think them out because our background is advertising. We're marketers first, before we're sellers."

The unwired leader, ITN, has a marketer at its helm, too, and Kammerer has more ambitious plans for expanding his business than any of his adversaries. Early this year, Kammerer hired Cathy Egan away from Katz Television to be vice president and general manager of



ITN's new commercial character, Clipper.

ITN's new consumer sales promotion division. That division has come up with a marketing program Egan and Kammerer believe can dramatically increase revenue. The program and the character who will personify it are called "Clipper." The goal, Egan says, is to "harness the power of television to make a promotion unique and distinctive." In layman's terms, that means mounting a TV campaign to make consumers pay more attention to certain cents-off coupons in the Sunday newspapers. "Clipper's whole reason for being is to go through the Sunday paper and pick out the good coupons and ash can the bad ones," says Kammerer. "That's what we're going to have him do, rustle through the Sunday inserts, pointing out to consumers the real good values that they can find."

A new Clipper commercial will be created weekly. In each spot, Clipper will tout the coupons of five different products that will appear in the following Sunday's newspapers. The commercials will run on ITN's various unwired networks. The cost to national advertisers will be low, because the five products in each spot will share costs. By prodding consumers to pick certain coupons from the hundreds that swell every Sunday newspaper, Clipper can

add serious bang to an advertiser's promotion bucks, ITN believes. "We've been to most of the top national advertisers with this program," Egan says, "and we haven't had one say, 'No, thank you' or, 'This doesn't make sense.'" The Clipper commercials will begin appearing in the first quarter of 1990.

Kammerer's most ambitious goal, however, is to make ITN the *only* place advertisers can go to buy an unwired network of independent television stations. ITN has always banked on indies alone, never packaging affiliates' time, but Kammerer says that indies cheat themselves by not putting their inventory into a single unwired network. Such a network, he says, would command rates that rival the Big Three networks. So ITN has begun trying to build that network, signing more than a dozen top-20 independents, including Chicago monster WGN, to exclusive contracts. "If they set up a network that has stations that are important and unique to them, it gives them something other than price to talk about," says Peter Walker, WGN's general sales manager. "If a premium price results, it's because the network has developed something the other networks don't have."

The catch here is that such a network would subvert the original purpose of unwired—to deliver national network buys at prices lower than the Big Three's—and would no doubt displease some of the same buyers who have put large sums in the unwired's pockets. "When Mike comes in asking for a premium," says one agency hand, "that's when I say, 'Goodbye, Mike.'" And some stations fear concentrating so much of their inventory in one company's hands, thereby shutting out other opportunities. "I do not believe that any one unwired network should exclude us from doing business with any other company," says Jim Donnelly, general sales manager of Cincinnati independent WXIX. "Our bottom line belongs to our station, and we will choose the companies based on their contributions to that bottom line."

Kammerer believes he can sign enough exclusive deals to command premium prices of which any station would want a piece. But that network's future, he acknowledges, is not in his own hands. "The future of the business is in the hands of the stations," he says. "It's their business. Their sagacity, or lack of it, will determine the future." ●

Media Mixing In The Rep Business

In the 1990s, the lure of big profits from the sale of 'hybrid' media packages will remake the world of rep firms.

BY LARRY COLLINS

Hybrids," says National Cable Advertising president Bob Williams, "are the key to the future in media sales." Indeed, the recent emergence of value-added and "hybrid" media packages—such as traditional combinations as the fusion of print, retail promotions and spot TV sales—is causing some single-segment reps to think about jumping on the mixed-media bandwagon.

During the past year, spot-TV rep firms have added unwired-network inventory to the bills of fare they have traditionally offered to time buyers at ad agencies. Several rep firms—such as Katz Communications, Blair Television and MMT Sales—are developing value-added marketing programs in order to garner a share of retailers' and manufacturers' promotion budgets. Seltel has for two years looked to international representation to generate growth during the lingering down cycle broadcast reps have been experiencing.

As long as station owners stand to benefit from rep firms' expansion into new media niches, realignment won't ignite conflicts between stations and their reps. But when financially strapped broadcast reps decide to cross over into the rapidly growing area of spot-cable sales—as many observers believe is inevitable—station owners are likely to take a vocal stand against their reps entering this previously prohibited territory.

And if the reps decide that spot cable is in their future, they may find their stations listening to switch pitches from upstart spot-cable rep firms. Spot-cable reps, because of their relative youth, are far less likely to be criticized for symbolic violations of traditional business relationships. One spot-cable rep is already talking openly about pitching his

services to disgruntled broadcasters in major markets. Either scenario entails an imminent showdown over whether broadcast reps can cross over into cable territory.

Communications company Group W has assembled a nearly complete set of media alternatives to sell to advertisers. With the addition of a new Regional Cable Sports Marketing division to sell



Group W's Staniar sees no conflict with cable.

time on five regional cable nets (Home Team Sports, Home Sports Entertainment, The Sunshine Network, Prime Ticket Network and Prime Sports Network), Group W becomes an active vendor in at least five separate electronic-media sectors. "We see cable as a growth segment of the TV business," says Group W chairman Burt Staniar. "Sure, we're looking to grow our business," he says, in reference to sluggish over-the-air revenue increases, "but we still believe [broadcast] tele-

vision is a great business and that it will be great for some time to come."

But Staniar doesn't "buy the conflict between cable and broadcast sales." He speaks from a safer position than most reps, however, because Group W does not have to answer to powerful station-group clients who adamantly believe that dual representation of broadcast and cable is an overt conflict of interest. (Group W TV Sales handles national spot TV only for Group W's five owned stations.) Reps like Petry Television, Blair and Katz, on the other hand, have multiple broadcast clients and are likely to encounter serious resistance if they decide to enter the cable-sales arena.

"I'm not sure whether cable repping is part of the future for Katz," says Pete Goulazian, president of Katz Television Group, "but we sure as heck think about it a lot. The likelihood of breakage—stations that just wouldn't accept a dual-rep situation—makes cable sales prohibitive for most reps right now." Goulazian echoes the sentiments of many of his rep brethren.

MMT Sales, owned by the Meredith Corp. since November 1987, has decided to seek growth opportunities in non-cable areas. MMT's newly formed marketing and business development division is designed to increase spot billings by targeting an advertiser's promotion budgets. Working with retailers and manufacturers, and then bringing ad agencies into the negotiations, MMT hopes to generate incremental revenues by creating for Meredith advertisers economical, one-stop shopping, which will include the sale of various media segments in single-invoice packages.

MMT can combine inventory from the 63 stations it reps with ad pages in 144 regional editions of *Better Homes & Gardens*, 132 local editions of *Ladies' Home Journal*, and cross-promotions with 127 Meredith book titles. Clients will also be offered tie-ins with Meredith's video publications: Ads can be inserted in videocassettes or onto tape packages. MMT also offers a variety of in-store promotions as enticements for advertisers to increase their spot-TV participation on MMT-repped stations.

If MMT cannot entirely "move promotion dollars to media," says Ken Better, vice president for marketing and business development, "at least we can try to get advertisers to merge promotion and media dollars." The rep firm's overall strategy calls for the



Seltel's Johns had to back away from cable.

"bundling of all Meredith resources on a market-by-market basis, combined with the bundling of a retailer's in-store promotional displays" to give advertisers additional impact at the point of sale, where two-thirds of buying decisions are generally made.

Seltel, which has sustained annual losses of \$1 million to \$2 million for the past few years, was on the brink of taking the cable-sales plunge this September. Seltel was near agreement with American Television & Communications' 160,000-subscriber Greater Rochester Cablevision system to sell ad time on a new local-origination channel, a so-called "indie without a stick," which began cablecasting on September 21. In mid-September, however, Seltel's client stations forced the rep firm to back out.

"We weighed the total return against the downside, and that's the ill will from our current clients," says Seltel president Ray Johns. He isn't happy that Seltel must now back away from cable. "Every rep firm is looking for ways to get into cable," he says. "Our commission rates are being forced down because of competitive pricing, but demand [from stations] for more services has escalated dramatically. Now something has to give."

Currently, none of the Station Representative Association's nine members handles any form of cable sales. Cable is "obviously a conflict with our over-the-air domestic business," notes Johns. But Johns spent a lot of time this summer surveying client stations to see how they would react to a Seltel cable

crossover. Even though Seltel backed off the Rochester deal, Johns maintains the walls of resistance are crumbling. "Cable will be here to stay with rep firms in the early 1990s," he says. "Somebody will take the plunge." And broadcast-television stations will eventually have to get used to the idea. Says Johns, "Stations have to realize that rep firms are their partners."

Broadcast reps considering a cable crossover may encounter a surprising switch pitch to their clients from spot-cable reps like Boston-based National Cable Advertising. In fact, NCA has already raised the competitive ante by

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'I'm not sure whether cable repping is part of the future for Katz,' says president Pete Goulazian, 'but we sure as heck think about it a lot.'

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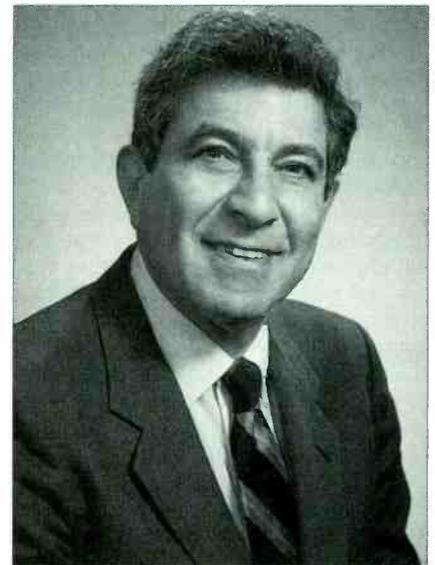
conducting discussions with station owners in several major markets, according to president Bob Williams. Additionally, NCA is exploring other media hybrids, such as combinations of radio airtime and national spot-cable time on MTV in certain markets. NCA has also held discussions with a national news magazine about the possibility of combining print with local spot avails on CNN.

NCA now sells spot-cable time for the Rochester ATC system that almost got involved with Seltel. But Williams was never worried about competition from the broadcast rep. "I've got the long end of the stick," he insists, "in terms of having inventory on the major cable networks to sell." Before Seltel backed down, Williams had expressed interest in "meeting with Seltel to join forces to see how we can increase business for Greater Rochester Cablevision. I'll do anything I can to help raise awareness and revenue." That prospect disappeared, however, when some of Seltel's

major broadcast clients proved less than enthusiastic about a share-the-wealth lovefest between their rep and a cable competitor.

Since ad agencies attain cost savings by buying single-invoice media packages and pass along the savings directly to their clients, agencies unofficially favor vertically integrated media vending. The symmetry between spot-TV and spot-cable buying has not escaped the attention of agency media departments, either, but they are still exploring how to adapt their operations to the marketplace changes materializing around them.

Media vendors across the spectrum are seeking what MMT's Better describes as "realistic ways to develop business in the '90s." Ironically, some of the strongest media reps, such as Katz and Blair, may have the most difficulty



MMT's Better is trying to lure promos to TV.

adjusting to the dynamics of change because of their deeply entrenched relationships with station group owners.

It is difficult, if not impossible, to gauge the immediate economic impact of rep-firm realignments on television stations' and cable systems' ad revenues. It is clear, however, that the era in which reps sell nothing but spot television is ending. Who, then, will deliver national bucks to local TV stations in the future? The answer lies somewhere amid the various mixed-media combinations being tested today. ●

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Larry Collins is a freelance reporter who covers the media business.

Just Call Up And Watch

As interactive TV enters homes through 900 numbers, some stations join in the game.

BY MICHAEL BURGI

On April 10, 1982, *Saturday Night Live* invited viewers to call an onscreen phone number and vote thumbs up or down on the fate of a hapless lobster suspended above boiling water. It may not have been the first example of television-telephone interaction, but Larry the Lobster's narrow escape prefigured an interactive era to come.

Recent innovations in telephone technology, namely the advent of interactive 900 phone exchanges, are paving the way for interactive television. Broadcasters can elicit much more of a response from viewers on opinion polls, public service campaigns, contests and other activities. Phil Boyer, senior vice president of development at Capital Cities/ABC Video Entertainment, sees the digitalization of phone lines and changes in tariff regulations as having opened the door for interactivity to become an integral part of TV stations' operations. "Things are picking up," he says, "and it's the way of the future."

The handful of companies making inroads into the field operate on the belief that people will be more likely to interact with the shows they watch if they don't need extra boxes or gadgetry in their homes. Call Interactive, a joint venture between American Express Information Services Company (ISC) and AT&T, leads the pack. Formerly known as FDR Interactive Technologies, the new firm represents a powerful blend of sophisticated marketing and cutting-edge telephone technology, and is focusing its attention on TV. Says Ronald Katz, vice chairman of Amex's ISC and a special adviser to Call Interactive, "Television is the ideal medium

for instant, impulse buys and reactions."

Omaha, Nebraska-based Call Interactive has already designed and built patented audience response units (ARUs) through AT&T capable of processing up to 10,000 calls in 90 seconds. Katz says that Call Interactive has a leg up on its competition in two areas: call limiting, which prevents callers from phoning repeatedly, and second channel capacity, which enables Call Interactive to add music or sound effects to the actual interactive portion of a phone call when a caller is inputting name, age, address, etc.

Other companies are also looking to establish themselves in this growing market. Telephone Entertainment Network (TEN), a smaller, New York-based company, has worked with various Gannett Broadcasting stations on opinion polls for newscasts.

About two years ago, Gannett's

KPNX-TV Phoenix invited viewers to call a 976 number at a 50 cent fee and vote on whether Arizona's then-governor Evan Mecham should be impeached. The response was so voluminous, the phone system went down, a victim of "phone surge." Surge, according to TEN v.p. Peter Brennan, is still a major obstacle facing his company, and the whole interactive arena. Call Interactive's Katz says his company has that problem licked with AT&T's ability to handle huge numbers of calls at one time.

Costs are reasonable considering the potential results yielded. Call Interactive sets up software, creates the interactive message, and handles all phone calls for about \$1,000 plus. TEN's set-up price, before advertising and promotion, comes in under \$5,000. Of course, stations have the option to set up their own 900 service with a little help from the phone company, as does WPIX in New York.

To date, mostly major-market stations are jumping on the interactive bandwagon. WPIX has executed "Pick-a-Flick" drives using 900 numbers, part of its "Two-Way TV" campaign. The promotions, according to Paul Bissonette, WPIX's vice president of creative services, offer viewers a chance to pick which one of three films they'd like to see by calling a 900 number. When winner *Weird Science* aired in July, it pulled in WPIX's highest prime time movie rating since February 1988. Bissonette was ecstatic: "We beat everything except NBC that night. I'll take that any day."

Last month, NBC began its "On Line" series of advertiser-sponsored informational vignettes. Handled by Call Interactive, the vignettes concern a variety of topics. When viewers want more information on the topic, they call the 900 number posted and receive

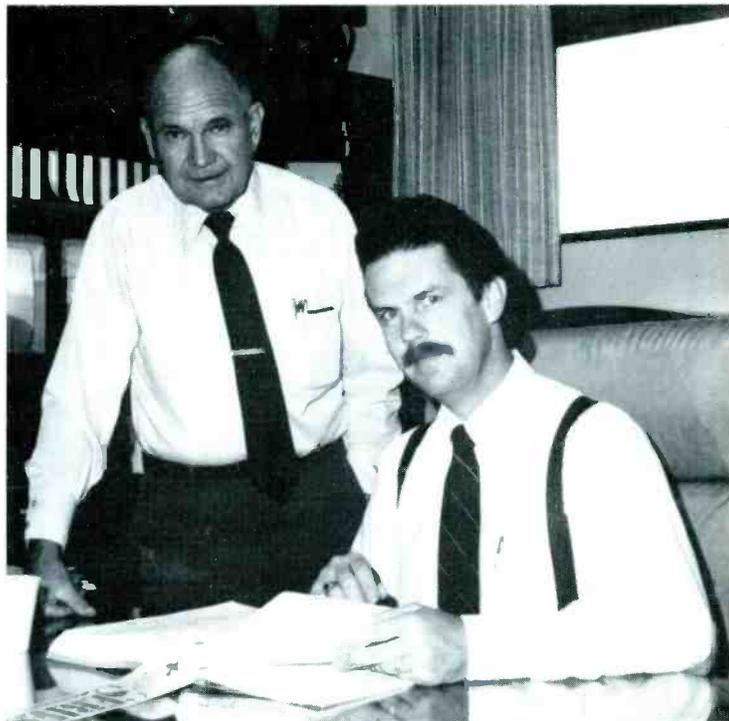
informational nuggets over the phone. Diane Seaman, NBC's vice president of sales development and marketing for daytime and special programs, says of the "On Line" vignettes, "Technology has a lot to do with marketing. This is an excellent example of how changing technologies are affecting our marketing and promotional efforts." ●



WPIX's "Pick-a-Flick" campaign lets viewers choose movies via a 900 number.

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Overseas Tryout

by Paul Noglows

Restricted in the States, U S West is getting its cable deal-making legs abroad.

The legal and financial rigmarole involved in securing a cable television franchise in the United States is enough to make even a seasoned cable veteran's head swim. Overseas the process grows even more complex, as local culture and politics turn seemingly simple obstacles into major roadblocks. For that reason, it may come as some surprise that the U.S. company that has most fully developed its international cable deal-making savvy is not a cable company at all, but regional telephone provider U S West Inc. With substantial cable holdings in the U.K. and France, and now in Hong Kong embarking on the world's largest cable build, the "Baby Bell" is honing its deal-making expertise while building an international cable-telecommunications powerhouse.

"The local partners are probably the most important key to success in closing international deals, simply because of their knowledge of both the market and the political situation in the government," explains Reynie Ortiz, president of U S West International Inc., U S West's international development arm. "We learned our lesson in a couple of other places in the world where we aligned ourselves with partners that were on the opposite side of the government in views," he says.

In seeking the rights to serve the more than 1.5 million potential cable customers in the Hong Kong market, U S West chose as partners a well-balanced mix of local and international heavyweights: Wharf Holdings, a major Hong Kong commercial and residential developer; Sun Hung Kai, a large Hong Kong-based construction and development company; Coditel, one of Europe's largest cable TV companies; and Shaw Brothers, the premier Asian film/TV production and distribution company. To help program the service, the majority of which will be in Cantonese, U S West has enlisted the help of Paramount Communications as an adviser on the project.



But there is more to success on the international front than just having strong partners. "The other aspect is developing a solid working relationship and trust with the government itself," Ortiz says. "We spent a considerable amount of time getting to know the government officials and assuring them that our business integrity is at stake as well." He adds: "If the government realizes that you have substantial partners that they respect, and if you as individuals make up an entity they can respect, you've got the battle half won. The only other prerequisite is having a sound technical, business and marketing plan—but that's a given."

For its winning effort, U S West has



U S West's Ortiz: Local partners are key.

gained an Asian foothold, one it hopes to expand in coming years. "Hong Kong is an extremely attractive market for us," says Ortiz, "since it affords the opportunity to combine telecommunications and cable technology. It fits perfectly with our strategy of being a worldwide player in that arena. And, significantly, it positions us for eventual penetration into the vast Asian and Chinese mainland market."

Ortiz makes such statements despite the student uprising in China last June, an event that tempered U S West's decision to go ahead with its Hong Kong bid (China takes control of the British colony in 1997). "While we were prepared mentally and businesswise to accept some risks there, we did pause to reevaluate the situation," Ortiz says. "But in the end we returned to our original conclusion, which was that the potential returns outweigh the risk."

U S West hopes the Hong Kong build (to which it will contribute about 25 percent of the \$600 million price tag and which it expects to be cash-flow positive within six years) will set the standard for similar projects in the future. "This can be the model," Ortiz says. "It has the potential for transmitting all forms of communications. The U.S. doesn't have anything like that today."

Ironically, U S West's emergence on the international cable scene came about directly because of the lack of opportunities here at home. "Domestically there's a lot of talk about combining voice, image and data, but there are also a lot of constraints and hurdles to doing it," Ortiz says. "I saw this as an opportunity to develop our ability to do these types of things without any of the domestic constraints. Plus, I saw it as an opportunity to develop our skills so that if the regulatory environment ever frees up in the U.S., we would be equal to the task of developing the broader definition of communications here." ●

Contributing editor Paul Noglows is editor of Media Business.

Crackdown on Piracy

According to the Motion Picture Association of America (MPAA), about one out of every ten video rental outlets in the U.S. and its possessions carries pirated videos, whether store operators know it or not. An MPAA spokesman says the difference between civil charges and criminal charges in court complicates the crackdown on this white-collar crime. Civil charges allow anti-piracy authorities to confiscate only MPAA-member videos, even though other pirated cassettes may sit on the shelves, whereas criminal charges allow task forces to seize all illegal tapes. Last year, 612,738 tapes were confiscated worldwide, most of them MPAA-member titles. Domestically, 1989 looks to break last year's record total of 65,512 pirate cassettes seized.

| YEAR | NUMBER OF RAIDS | NUMBER OF CASSETTES SEIZED |
|-----------------|-----------------|----------------------------|
| 1984 | 59 | 14,819 |
| 1985 | 102 | 45,528 |
| 1986 | 92 | 32,649 |
| 1987 | 105 | 32,464 |
| 1988 | 211 | 65,512 |
| 1989 (to Sept.) | 138 | over 55,000 |

Source: Motion Picture Association of America.

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★ RATINGS ★

TOP NETWORK SERIES

Tallying a 51 week season, Sept. 18, 1988, through Sept. 10, 1989.

| SERIES / NETWORK | RATING / SHARE |
|-----------------------------------|----------------|
| 1 <i>Roseanne</i> (8:30) / ABC | 22.9 / 34 |
| 2 <i>The Cosby Show</i> / NBC | 22.0 / 38 |
| 3 <i>Roseanne</i> (9:30) / ABC | 21.0 / 34 |
| 4 <i>Cheers</i> / NBC | 20.5 / 34 |
| 5 <i>A Different World</i> / NBC | 20.3 / 34 |
| 6 <i>Golden Girls</i> / NBC | 19.0 / 35 |
| 7 <i>Anything But Love</i> / ABC | 19.0 / 29 |
| 8 <i>60 Minutes</i> / CBS | 18.5 / 34 |
| 9 <i>Who's the Boss?</i> / ABC | 18.0 / 30 |
| 10 <i>Murder, She Wrote</i> / CBS | 17.9 / 29 |

TOP BARTER SERIES

Tallying a 51 week season, Sept. 4, 1988, through August 27, 1989.

| SERIES / SYNDICATOR | RATING |
|---|--------|
| 1 <i>Wheel of Fortune</i> / King World | 14.3 |
| 2 <i>Jeopardy!</i> / King World | 12.5 |
| 3 <i>The Cosby Show</i> / Viacom | 10.6 # |
| 4 <i>Star Trek: The Next Generation</i> / Paramount | 9.4 # |
| 4 <i>The Oprah Winfrey Show</i> / King World | 9.4 |
| 6 <i>Universal Pictures Debut Network</i> / MCA TV | 8.9 # |
| 7 <i>Wheel of Fortune</i> (weekend) | 8.8 |
| 8 <i>Columbia Night at the Movies</i> | 7.9 # |
| 9 <i>TV Net Movie</i> / Teletrib | 7.7 # |
| 10 <i>Tri-Star Showcase</i> / TeleVentures | 7.0 # |

TOP CABLE NETWORKS

Average ratings / projected households, August 1989.

| NETWORK | 7 A.M. TO 1 A.M. | PRIME TIME |
|------------------|------------------|-----------------|
| 1 TBS | 1.8 / 894,000 | 2.3 / 1,143,000 |
| 2 USA | 1.3 / 630,000 | 2.3 / 1,114,000 |
| 3 Nickelodeon | 1.1 / 520,000 | 0.9 / 426,000 |
| 4 ESPN | 0.9 / 471,000 | 1.8 / 943,000 |
| 5 MTV | .8 / 377,000 | .8 / 377,000 |
| 6 CNN | .7 / 361,000 | 1.0 / 516,000 |
| 7 Family Channel | .7 / 321,000 | .8 / 367,000 |
| 8 TNT | .9 / 278,000 | 1.4 / 432,000 |
| 9 Lifetime | .6 / 266,000* | 1.2 / 532,000* |
| 10 TNN | .4 / 202,000** | .8 / 386,000 |

#Includes multiple exposures.

*Lifetime reports on a Monday-Saturday basis.

**9 A.M. to 3 A.M. Note: cable ratings are percentages within the varying populations that can receive each network.

Networks are ranked by projected number of households rather than ratings. Source: Nielsen Media Research data.

HOME VIDEO

Top Videocassettes/Rentals

August 1989

| TITLE/PUBLISHER | % TOP 50* |
|---|-----------|
| 1 Tequila Sunrise / Warner | 5.9 |
| 2 Twins / MCA | 5.8 |
| 3 Mississippi Burning / Orion | 5.7 |
| 4 Dirty Rotten Scoundrels / Orion | 4.3 |
| 5 Dangerous Liaisons / Warner | 4.0 |
| 6 Coming to America / Paramount | 3.7 |
| 7 The 'Burbs / MCA | 3.6 |
| 8 Cocoon II: The Return / CBS / Fox | 3.3 |
| 9 Accidental Tourist / Warner | 3.2 |
| 10 The Naked Gun / Paramount | 3.0 |
| 11 Who's Harry Crumb? / RCA / Columbia | 2.9 |
| 12 The Fly II / CBS / Fox | 2.8 |
| 13 My Stepmother is an Alien / RCA/Columbia | 2.8 |
| 14 True Believer / RCA / Columbia | 2.6 |
| 15 Big / CBS / Fox | 2.5 |
| 16 Alien Nation / CBS / Fox | 2.4 |
| 17 The Accused / Paramount | 2.3 |
| 18 Cocktail / Touchstone | 2.1 |
| 19 Police Academy VI / Warner | 1.7 |
| 20 Heathers / New World | 1.7 |

Top Videocassettes/Sales

August 1989

| TITLE/PUBLISHER | % TOP 50* |
|--|-----------|
| 1 The Wizard of Oz / MGM / UA | 23.0 |
| 2 Best of Eddie Murphy / Paramount | 4.3 |
| 3 Robocop / Orion | 2.9 |
| 4 Batman: The Movie / CBS / Fox | 2.7 |
| 5 Star Trek II: Wrath of Khan / Paramount | 2.7 |
| 6 Star Trek III: Search for Spock / Paramount | 2.4 |
| 7 Star Trek I: Motion Picture / Paramount | 2.4 |
| 8 Jane Fonda's Complete Workout / Lorimar | 2.1 |
| 9 Star Trek IV: Voyage Home / Paramount | 2.1 |
| 10 Beetlejuice / Warner | 2.0 |
| 11 Airplane / Paramount | 1.7 |
| 12 Cinderella / Disney | 1.7 |
| 13 Mickey & the Gang / Disney | 1.6 |
| 14 Michael Jackson: Legend Continues / Vestron | 1.6 |
| 15 Daffy Duck's Quackbusters / Warner | 1.6 |
| 16 Sing Along Songs: Fun With Music / Disney | 1.6 |
| 17 Witness / Paramount | 1.6 |
| 18 Winnie the Pooh & Tigger Too / Disney | 1.6 |
| 19 Shane / Paramount | 1.6 |
| 20 48 Hours / Paramount | 1.6 |

Source: Videodome Enterprises, Dallas.
*Title as percentage of top-50 tapes total volume.

THE MAGID NUGGET

TV's Technological Variety

Fifteen years ago, little of the technological hardware now taken for granted by television consumers was even available. As Channels' exclusive survey of 650 people indicates, consumers have embraced VCRs and remote control devices, but are less excited about battery-powered portable TVs. And satellite dishes, owned by only 4 percent of the sample, have simply lost out to cable as a delivery system.

| | VCR | | Remote Control (TV or VCR) | | Portable TV (Battery-operated) | | | Satellite Dish | | |
|--------------------------------|-------|-------|----------------------------|-------|--------------------------------|-------|-------|----------------|-------|-------|
| | Yes | No | Yes | No | Yes | No | DK/NA | Yes | No | DK/NA |
| Total | 65.5% | 33.5% | 76.0% | 24.0% | 22.5% | 77.2% | 0.3% | 4.0% | 95.7% | 0.3% |
| Sex | | | | | | | | | | |
| Male | 67.7 | 32.2 | 75.2 | 24.8 | 24.1 | 75.5 | 0.3 | 4.7 | 95.0 | 0.3 |
| Female | 65.3 | 34.7 | 76.7 | 23.3 | 20.8 | 78.9 | 0.3 | 3.3 | 96.4 | 0.3 |
| Age | | | | | | | | | | |
| 18-24 | 80.6 | 19.4 | 79.6 | 20.4 | 28.6 | 71.4 | 0.0 | 5.1 | 93.9 | 1.0 |
| 25-34 | 78.0 | 22.0 | 83.6 | 16.4 | 19.5 | 80.5 | 0.0 | 1.9 | 97.5 | 0.6 |
| 35-49 | 74.7 | 25.3 | 75.3 | 24.7 | 27.6 | 71.2 | 1.2 | 6.5 | 93.5 | 0.0 |
| 50-64 | 64.5 | 35.5 | 76.0 | 24.0 | 16.5 | 83.5 | 0.0 | 2.5 | 97.5 | 0.0 |
| 65+ | 23.5 | 76.5 | 61.8 | 38.2 | 19.6 | 80.4 | 0.0 | 3.9 | 96.1 | 0.0 |
| Income | | | | | | | | | | |
| \$30,000 or less | 55.6 | 44.4 | 64.8 | 31.6 | 16.3 | 83.1 | 0.6 | 3.2 | 96.8 | 0.0 |
| More than \$30,000 | 82.6 | 17.4 | 86.3 | 13.7 | 30.0 | 70.0 | 0.0 | 4.4 | 94.8 | 0.7 |
| DK/NA | 52.2 | 47.8 | 70.1 | 29.9 | 20.9 | 79.1 | 0.0 | 6.0 | 94.0 | 0.0 |
| TV Viewership - Weekday | | | | | | | | | | |
| Light | 68.8 | 31.2 | 77.8 | 22.2 | 22.8 | 76.9 | 0.3 | 3.1 | 96.3 | 0.6 |
| Moderate | 70.4 | 29.6 | 79.9 | 20.1 | 19.1 | 80.4 | 0.5 | 4.0 | 96.0 | 0.0 |
| Heavy | 55.9 | 44.1 | 66.1 | 33.9 | 26.3 | 73.7 | 0.0 | 6.8 | 93.2 | 0.0 |

DK / NA: Don't know / not applicable. Source: Frank N. Magid Associates, for Channels.

Largest Recent Cable Deals

As part of a \$1.4 billion sectioned sale proposed back in April, Centel Cable sold part of its systems to the Time-Warner-owned operators for well over \$2,600 per subscriber. However, C-Tec purchased cheaper systems out of Centel's offerings, paying well under \$2,000 per sub on the Michigan systems it bought.

| BUYER | SELLER | PROPERTY | BROKER | PRICE (MIL) |
|----------------------------|-----------------|--------------------------|----------------------------------|-------------|
| ATC (Time Warner) | Centel Cable TV | 97,000 subs in Florida | Daniels & Assoc., Morgan Stanley | \$251.0 |
| Warner Cable (Time Warner) | Centel Cable TV | 76,900 subs in Ohio | Daniels & Assoc., Morgan Stanley | 211.0 |
| C-Tec Corp. | Centel Cable TV | 108,000 subs in Michigan | Daniels & Assoc., Morgan Stanley | 204.0 |

Source: Media Business.

DEALS



Fighting for Hollywood's Fair Share

Silver-tongued Jack Valenti fights the MPAA's battles against the Big Three, European TV quotas and the FCC.

The official bio of Jack Valenti, president and CEO of the Motion Picture Association of America since 1966, reads like something out of a treatment for one of his member studios: "Texas-born, Harvard-educated, Jack Valenti has led several lives: a wartime attack bomber pilot, political consultant, White House assistant, author and movie industry leader." His combat experience may be most valuable as he continues to represent Hollywood in its battle with the broadcast networks over the financial interest and syndication rules (finsyn) and to fight against film and TV program quotas in Europe. Valenti recently talked strategy with Channels' editors.

Trade Free-for-all

The principal issue that is absorbing me right now is the European Community's broadcast directive, which aims to impose a majority quota on all non-EC material that comes into the European Community television marketplace—which, of course, means an impediment and a barrier to a free marketplace insofar as American programs are concerned. The President of the United States, the Secretary of State, the Secretary of Commerce and the United States Trade Representative have all been supportive. They have made it clear to the chancellories of Europe that the imposition of this quota is an intolerable thing for the U.S.

Really, the mission of the MPAA can be simply stated: To make sure the American film, television and home video program can move freely and unhobbled around in the world in marketplaces that are competitive.

Finsyn: We Want a Deal

It's the longest floating craps game in the history of the world. Five years we've been at it—almost six. I am not complaining. I am merely suggesting that if I were counseling the networks as a political consultant, I would say, "Don't make a deal. We've got the option of going back to the FCC. You may have friendly members there. So why make a deal when you can get it all?" Number two, I would be telling the networks, "In November of next year you're going to be able to produce in-house 100 percent of all your prime-time programming, if you choose. And indeed, you can have cozy relationships with your competitors and you each can produce stuff for each other. So why make a deal?"

I believe that if the networks were really and truly interested in negotiating, at the end of a working day next week we would have struck a deal. Because we are all professionals. We don't have to get the experts in to draw up the charter. We could fashion an agreement that would be in the public interest, would keep the marketplace in balance, and I think the FCC and Congress would find it accessible to their needs. I am not persuaded that the networks truly want to make a deal.

The Big Three Stranglehold

The central theme that undergirds [finsyn] is a simple one. The theme is that three men have the unique power of saying yes or no to who goes on the air in prime time. That's it. If all of the major studios *tomorrow* combined into one company, if there were Time-Warner-MCA-Paramount-MGM-Co-

lumbia, and that company marched in to the NBC headquarters and faced a peach-cheeked little vice president, he could say, "No! I don't want your program." And they would have to slink out of there, with all their power, ineffectual against this vice president. Why? Because he has the power of saying, "You go on the air" or "You don't go on the air." That's the central element that gives the networks their power.

In the foreseeable future, in the lifetime of everybody around this table, there's not going to be a fourth network—with all due respect to Fox, which has done a great job. But if I am a national advertiser and I am willing to put \$300 million a year into advertising, and I want to reach this country with the strongest stations possible, I want to get the best cost per thousand, the most effective dispatching of my product, where do I go? I'm going to one of the three networks.

Jefferson Would Have Wanted It

Why [finsyn] was put into effect is very simple. In my judgment, as a man who believes in Madison and Jefferson, it's what governments were created for. And that is, to make sure that society is in balance. [Before finsyn], the networks owned 93 percent of all the shows, they had a financial interest, totally dominating everything. And the FCC, under Dean Burch, said, "Wait a minute. That's wrong. We're going to take that marketplace and try to get it in some kind of a balance. And to do that we'll put in this rule."

Cable Doesn't Cut It

If a producer is going to get an audi-

ence, there is nothing to compare with the [broadcast] networks. Cable is just a bunch of fragments. What I do, as most people do, is I watch CNN for three minutes—because after five minutes it starts repeating. I will go to ESPN to pick up a tennis match that's not on the networks, or a boxing match. If I want to see an old movie, I'll go to TNT. But for the most part, I am watching local stations or the networks, and I think I'm an amalgam of the American viewer.

Broadcast Big Shots

Larry Tisch couldn't be more charming: He's a very able fella, and I like him. I like Bob Wright. Bob Wright is one of the smartest guys I've ever met. Quick-study I ever saw. Tom Murphy? There's nobody who knows the television business more than Murphy, and his word is absolutely gold. These are first-class professionals. But they are also stewards of corporations that are looking to increase their quarterly earnings every year. I don't find that ignoble at all. If I worked for a network, I would be passionately pursuing that goal. But there are other people who believe that the networks ought to be profitable. We want to keep them alive because they are an absolutely indispensable element in the marketplace as a dispatcher of programming. But keep that balance in place, that's all we're saying.

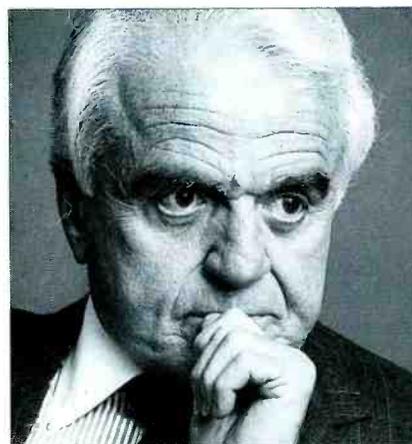
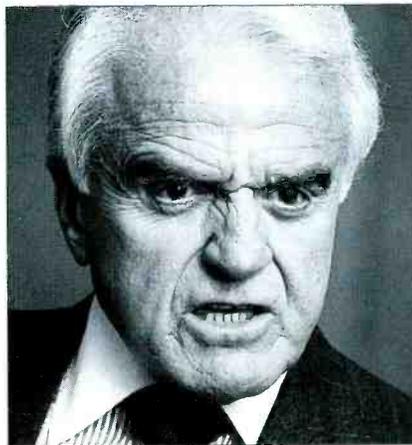
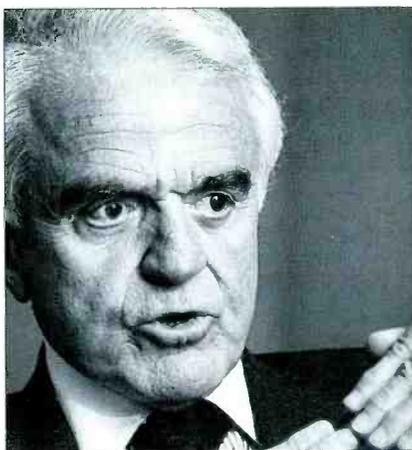
The MPAA and Cable

Right now we're trying to fashion an Association position on cable. And I, frankly, haven't been able to sort that out yet. At some point, Congress has got to face up to a public policy issue. This has nothing to do with the MPAA. It's how do you deal with concentration of power in the most pervasive of all influences in our country today—and that's television. And that's the three networks and cable.

Today you have 45 to 50 million cable subscribers. TCI [Tele-Communications Inc.] has 28.6 percent of all those subscribers that they control directly or indirectly. Time Warner has 13.3 percent. Continental has 5.4 percent. Five companies have about 55 percent. You are dealing with monopoly industries, and at some point that has to become a public policy issue. But we do not have a position on cable.

Warner is the only [MPAA member] that's in systems. But there are intrusions, tentacles, connections between programmers in cable that get awful complicated. But keep in mind... [Warner Bros. chairman] Bob Daly doesn't take Warner Cable's position at our table. He takes the position of Warner Bros., which is a producer and

'We want to keep the networks alive because they are an absolutely indispensable element in the marketplace. But keep that balance in place, that's all we're saying.'



a distributor of visual entertainment.

On Studio Consolidation

In order to be a producer, you don't have to have a franchise. You don't have to go before a civic authority. You don't have to get a federal license. If tomorrow, you and I wanted to be producers, we could, because if we possess the magical substance of a story and a writer, we'd be on the air.

Number two, while it is true that there seems to be concentration, that changes every year. Last year, Warner Bros. had half their series canceled. Between 1983 and 1988, Research Frontiers did a survey for Warner. They checked 243 series that went on the air from 1983 to 1988: 82 percent died in the first three years; 10 percent were still undetermined. Eight percent of those 243—that's 16 shows—made it four years in order to get syndicated. Now, I don't even know whose this 8 percent was, but I can assure you it had nothing to do with power. It had to do with creative magic.

Screening the New FCC

From what I can tell, all are extremely able and intelligent. Mr. Barrett comes from Chicago with a splendid record. Al Sikes is a class act. Sherrie Marshall has been around for some years, and she is very good.

Now, how are they going to deal in the future? I don't know. I found Mark Fowler to be a challenging, intelligent, companionable man who was a first-class disaster as a chairman. The Federal Communications Commission was established to monitor the marketplace and make sure it was in balance. And what he did was take the four pillars that held that platform upright and tried to collapse them. I've said that Mark's ultimate goal in deregulation was to take down traffic lights in the street because they impeded the free marketplace of cars and drivers. That philosophy is deleterious to the long-term best interests of the country.

Stand by Your Man

I've never cut and run from a man accused of something. And Michael Milken [whom Valenti endorsed by signing a letter of support that appeared in major newspapers this summer] has not been convicted. I'll stay with him until the end, and I'll stay with him now... He's my friend. I never cut and run from Lyndon Johnson when he was being pilloried and hung in effigy all over the country... I never made a dime off Michael Milken, not a red penny... I may have been the only guy on that ad who never had any business dealings with him. ●

RUNNING THE NUMBERS

A Headlock on Pay-per-view

Seven years after the Gerry Cooney-Larry Holmes fight earned \$10 million in pay-per-view revenue despite limited availability, boxers and wrestlers still grab the lion's share of PPV audiences. Musical events don't draw viewers the way boxing and wrestling do, possibly because fans would rather wait for a musical group to come to their town and see it live for roughly the same price. And home video's window for theatrical releases is too close to lure large audiences for PPV films. Bob Westerfield, CTAM's director of project development, expects some studios to back their efforts with greater marketing drives in the future, in hopes of garnering better buy rates. Paul Kagan Associates estimates that the PPV industry will ring up about \$147 million in revenue in 1989, but warns that it will have to market aggressively to maintain the growth it has achieved so far.

TOP 20 PAY-PER-VIEW EVENTS OF THE DECADE

| Rank | Event | Month/Year | PPV Homes (MIL) | Buy Rate % | Event Price | Total Revenue (\$MIL) |
|------|--------------------------------|------------|-----------------|------------|-------------|-----------------------|
| 1 | Leonard-Hearns | 6/89 | 8.0 | 8.0% | \$39.95 | \$25.57 |
| 2 | Wrestlemania V † | 4/89 | 12.2 | 7.5 | 24.95 | 22.83 |
| 3 | Spinks-Tyson | 6/88 | 5.0 | 12.0 | 34.95 | 20.97 |
| 4 | Wrestlemania IV † | 3/88 | 10.1 | 9.0 | 19.95 | 13.14 |
| 5 | Leonard-Lalonde | 11/88 | 10.0 | 5.3 | 29.95 | 15.90 |
| 6 | Wrestlemania III † | 3/87 | 6.5 | 10.2 | 19.95 | 13.23 |
| 7 | Summer Slam '88 † | 8/88 | 11.0 | 8.0 | 14.95 | 13.16 |
| 8 | Summer Slam '89 † | 8/89 | 12.5 | 6.5 | 14.95 | 12.15* |
| 9 | Survivor Series † | 11/89 | 8.0 | 7.0 | 18.00 | 10.10* |
| 10 | Cooney-Holmes | 6/82 | 1.5 | 44.5 | 15.00 | 10.01 |
| 11 | Survivor Series † | 11/87 | 7.5 | 7.0 | 18.00 | 9.45 |
| 12 | Leonard-Hearns | 9/81 | 1.2 | 48.2 | 15.00 | 8.31 |
| 13 | Royal Rumble † | 1/89 | 6.0 | 7.0 | 18.00 | 7.56 |
| 14 | Mancini-Camacho | 3/89 | 12.0 | 3.0 | 19.95 | 7.18 |
| 15 | Starrcade '89 † | 12/89 | 12.0 | 3.0 | 19.95 | 7.18* |
| 16 | Leonard-Hagler | 4/87 | 2.1 | 8.0 | 32.50 | 5.51 |
| 17 | Moscow Music Peace Festival | 8/89 | 13.4 | 2.0 | 19.95 | 5.35 |
| 18 | No Holds Barred † | 12/89 | 11.0 | 4.0 | 11.95 | 5.26* |
| 19 | Wrestlemania II † | 4/86 | 4.2 | 9.1 | 13.50 | 5.16 |
| 20 | Halloween Havoc '89 † | 10/89 | 10.0 | 3.0 | 14.95 | 4.49* |

† Wrestling Event

* Estimate

Source: Paul Kagan Associates, Inc.

TOP 20

ONE QUALITY *I admire most in a person is class. I'm not referring to the title on their business card or their financial rating. It has nothing to do with the style of their clothes or the car they drive. To me, class is something you choose for yourself. It's competing honestly, confronting problems head-on, taking accolades with grace and humility, and not knocking your competitors. If you have class, you are loyal to both yourself and to those around you. Class is born out of self-respect and a healthy respect for others. Everything in this world is not always attainable. Fortunately, class is. Wouldn't it be a better world, if one day, we all decided to have it.*



Bill Daniels



Sign of the times.

The signs are everywhere. America loves movies. Box office revenue is at an all-time high. Movies dominate video cassette rentals. And movies are the driving force behind pay TV. With the scene set, cable systems that have aggressively promoted THE MOVIE CHANNEL, have been rewarded with double digit growth in total pay units and 60% to 98% increases in TMC subscribers.* So sign on now. It's time.



THERE'S NEVER BEEN A BETTER TIME

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