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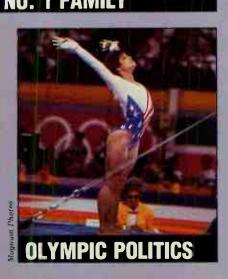
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JANUARY 1, 1990





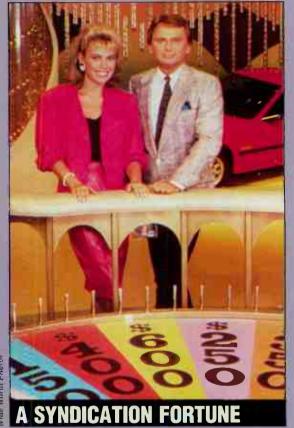


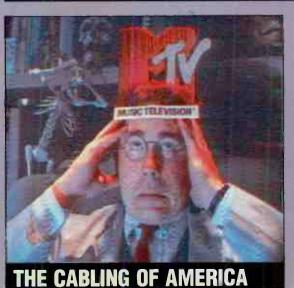
The 1980s

A Decade in Review











Looking back

A special report on the events that changed the electronic media over the past 10 years, beginning on Page 25.

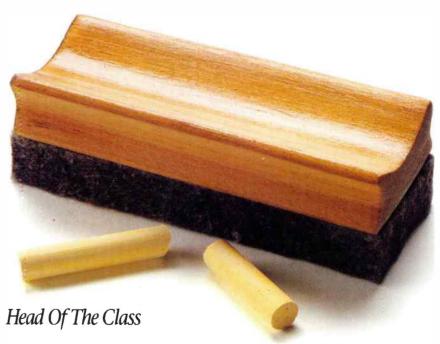
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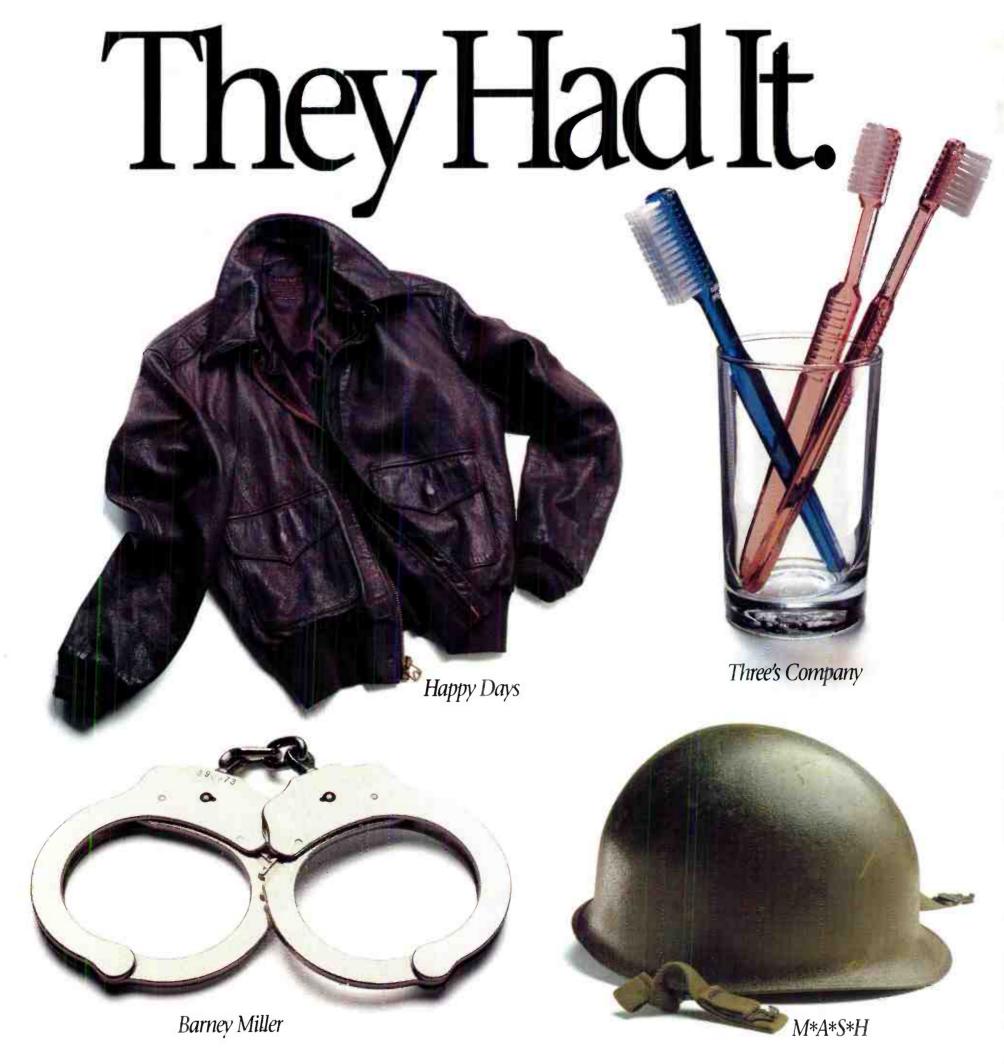
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JANUARY 1, 1990

AT PRESS TIME

Bowl blackout fails

MEMPHIS, TENN.—Raycom Sports and Entertainment on Friday was considering legal action against two Memphis-area cable TV systems that didn't black out Raycom's telecast of the Liberty Bowl football game here Thursday. The game wasn't a sellout and Raycom was instructed to impose a 75-mile blackout. But the telecast was seen on Memphis Cablevision and Heritage Cablevision on superstation WGN-TV. Representatives for both systems say they were prepared to black out the game, but never received official word from WGN or Raycom to do so.

CNN fights Vietnam ban

Washington—Turner Broadcasting System on Wednesday filed suit in U.S. District Court here against five high-ranking U.S. officials in an effort to transmit CNN to Vietnam. The federal government in July forced TBS to void an agreement with (Continued on Page 120)

'80s bring free-for-all TV competition

By DIANE MERMIGAS Senior reporter

Ten years ago, three commercial broadcast networks ruled as great monopolies over rigidly drawn dayparts.

They enjoyed the lion's share of the nation's available television viewers, television advertising dollars and non-theatrical product from Holly-

The 1980s

wood.

Back in 1980, cable TV was mostly an administrative albatross about the necks of many major municipalities.

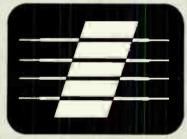
Hollywood studios almost exclusively produced

films for theatrical release.

Most broadcast and entertainment corporations were fat and happy, and they were preoccupied by where and when the next big hit would come along.

For the most part, media entities from ABC to Westinghouse were run by broadcast pioneers and creative types who fancied themselves as (Continued on Page 25)





Independent Television



Jim Hedlund (left) will officially take over Preston Padden's duties at this week's INTV convention.

Passing the baton

New INTV chief reassesses cable

By THOMAS TYRER

Staff reporter

Los Angeles—Jim Hedlund, the new president of the Association of Independent Television Stations, this week opens an annual convention that will feature less haggling for programs and more talk about cable relations.

This year's INTV convention, the group's 17th, opens Wednesday, Jan. 3, at the Century Plaza Hotel here and runs through Saturday morning.

Mr. Hedlund will officially assume INTV's presidential mantle during the convention's opening ceremonies, when he

is presented to conventioneers by outgoing President Preston Padden, who is joining Fox Broadcasting Co. as senior vice president of affiliates.

Mr. Hedlund, who previously served as INTV's vice president of government relations, is regarded as somewhat more conciliatory toward the cable industry than Mr. Padden, who fueled much of Washington's cable re-regulatory fervor.

ington's cable re-regulatory fervor.

"With the new leadership, we'll all be interested to see what his program is going to be," James Terrell, president of Gaylord Broadcasting Group, says of Mr. Hedlund.

But while Mr. Hedlund, who earlier (Continued on Page 120)

Syndex rolls in with the new decade

By KATHY CLAYTON

Staff reporter

As the new year arrived, a cable television system in suburban Milwaukee dropped the ABC, CBS and NBC stations that it had beamed in from Chicago.

The action by Viacom Cable of West Allis, Wis., was just one of many moves being made as the Federal Communications Commission's new syndicated exclusivity rules took effect Jan.

As television enters the 1990s, many cable subscribers will see more blacked-out shows and fewer broadcast stations from faraway cities. That's because the syndex rules require cable operators to eliminate syndicated shows on distant signals if

local stations have bought exclusive rights to the same programs.

In addition to syndex, the Wisconsin system, like all cable systems, is subject to new, stronger network non-duplication rules, requiring operators to black out network programing carried on any distant network affiliate that is already aired by local affiliates.

But the arrival of the rules doesn't appear to have spurred a massive New Year's Day shutdown of broadcast television stations on systems across the country.

Most cable operators are taking a wait-and-see attitude about dropping distant signals and many are watching closely to see how sub-

(Continued on Page 120)

INSIDE:

3

Secret agent duck

Buena Vista's new half-hour animated "Double-O Duck" is the latest entrant in the race for children's viewership.

8

Miss a deadline, make her day

Martha Brown, the new assignment editor at Philadelphia's WCAU-TV, is a former maximum-security prison guard.

16

Analysts bullish on cable

Brokers and analysts offer their predictions on how cable systems will be selling in the coming year.

NEWS SUMMARY

Jim Hedlund, who will officially step in as president of the Association of Independent Television Stations at the group's convention this week, is expected to usher in a new, more cable-friendly era at INTV. (Page 1)

The FCC's new syndicated exclusivity rules took effect Jan. 1, and cable television subscribers are already seeing more blacked-out shows and fewer broadcast stations from faraway cities. (Page 1)

Broadcast Music Inc. last week asked a court to slap a preliminary injunction on HBO to prevent the cable service from airing movies this month that contain BMI-licensed songs. (Page 2)

The debut of "House Party," the first project to emerge from a joint venture of Group W Television Stations and NBC Television Stations, is already creating midseason havoc as stations plan to either pre-empt network programing or cast off existing syndicated strips to make room for the hour-long show. (Page 2)

LBS Communications on Jan. 22 will lose its key 7:30 p.m. prime-access slot for "Family Feud" on New York's WNBC-TV. The station will replace "Feud" with King World Productions' "Inside Edi-

NBC News last week terminated an offer to veteran producer David Nuell that would have returned him to NBC as senior executive producer of "Today." Mr. Nuell, most recently executive producer of "Entertainment Tonight," was scheduled to start work at NBC this month. (Page 3)

Buena Vista Television last week gave the green light to 'Double-O Duck," a half-hour animated series it will work into its "The Disney Afternoon" package in fall 1991. (Page 3)

Barbara Corday, who was displaced as executive vice president of prime time at CBS Entertainment when Jeff Sagansky came in as the network's No. 1 programer, says talks regarding her future at CBS will resume next week. (Page 3)

Twentieth Century Fox Domestic Syndication has cleared 50 percent of the country for "Personalities," a new first-run strip designed to launch next fall as a companion show to "A Current Affair."

WWL-TV in New Orleans will be sold for nearly \$103 million by Loyola University to a partnership led by the station's managers and employees. (Page 4)

NAB and INTV today kick off "Free Television Month," the second part of their "free TV" campaign. This leg of the effort includes four commercials, one of which is in Spanish. (Page 4)

A CBS News producer Dec. 23 was released unharmed by his Panamanian abductors after three days in captivity. Jon Meyersohn had been kidnapped at gunpoint Dec. 20 after U.S. forces invaded Panama City. (Page 8)

Before Martha Brown came on board as the new assignment editor at CBS-owned WCAU-TV in Philadelphia, she was one of the first female correctional officers at Patuxent Institution in Jessup, Md. (Page 8)

Cable brokers and analysts say the new year should bring the same amount of cable system sales as 1989, but it's unlikely it will match the prices paid. (Page 16)

One of two teen-agers allegedly induced to gamble by staffers of Paramount Domestic Television's "Hard Copy" testified that he was offered free food and lodging in exchange for his participation but never received them. (Page 20)

News anchor Mike Hambrick left WPXI-TV in Pittsburgh after reaching what he called "an amicable understanding" with the television station on the remaining two years of his contract. (Page

CBS Inc. President and Chief Executive Officer Laurence Tisch, as part of an investment group, has purchased 6.6 percent of the Bank of Boston Corp. (Page 20)

The FCC said Thursday it fined WOWW-FM, a Pensacola, Fla., country music radio station, \$18,000 for violating equal employment opportunity rules. (Page 119)

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BMI suit against HBO puts movie lineup at risk

By ADAM BUCKMAN

Staff reporter

New York-Broadcast Music Inc. last week filed suit against HBO in a move that could throw the pay network's January movie schedule

Throughout the past year, BMI, which is one of two major music licensing organizations, has been filing lawsuits against cable TV networks in an effort to get the cable companies to accept fees that, according to BMI, better reflect their status as "highly profitable, main-stream" businesses.

In its latest move on the cable industry, BMI Thursday filed a lawsuit against HBO in U.S. District Court here that asks the court to slap a preliminary injunction on HBO that would prevent the pay cable movie service from airing

movies in January that contain BMI-licensed songs.

The move follows lawsuits that BMI filed earlier this year against The Family Channel, Lifetime Television and the Arts & Entertainment Cable Network.

Those cases are still pending.

BMI said another lawsuit—this one against Rainbow Programing Services' Bravo and American Movie Classics networks-was settled out of court.

In its latest lawsuit, BMI names 19 BMI-licensed songs featured in movies on HBO's January schedule and asks that HBO be barred from airing the movies until a new music licensing agreement can be worked

HBO's current pact with BMI was scheduled to expire at midnight on New Year's Eve.

The cable network and licensing

organization had been negotiating a new agreement when BMI filed its

Apparently, BMI felt the nego-

tiations were leading nowhere.
"Our negotiations with HBO have failed to produce an agreement for a music license for the HBO channel," said BMI Vice President and General Counsel Edward Chapin.

HBO spokesman Jim Noonan said HBO had not yet been served with papers describing the suit and had no comment.

In fact, Mr. Noonan said discussions between BMI and HBO on a

new agreement were continuing.

He acknowledged that, if an injunction is served, it would upset HBO's programing plans for Jan-

"I guess we'd have to cross that bridge when we come to it," Mr. Noonan said.#

'House Party' sets off pre-emptions

NEW YORK-The imminent debut of "House Party" is already creating midseason havoc as stations plan to either pre-empt network programing or cast off existing syndicated strips to make room for

"House Party," which premieres Jan. 22, is the first project to emerge from a joint venture created last year between Group W Television Stations and NBC Television Stations.

Those 12 stations will produce the hour-long, first-run strip, which will be hosted by Steve Doocy, a political humorist from NBC-owned WRC-TV in Washington.

Group W Productions is selling the hour-long program on a cashplus-barter basis to other markets.

Station managers said the deal was for a 26-week period.

So far, Group W has cleared "House Party" in 29 markets covering more than 45 percent of the country.

In addition to the 12 NBC and Group W stations, 17 other stations have signed on for the Jan. 22 launch.

While some stations, including Group W's KPIX-TV in San Francisco, are still deciding where to place the new hour-long strip, many (Continued on Page 119)

WNBC drops 'Family Feud' from access

By GARY ALAN ROSEN

Staff reporter

NEW YORK-LBS Communications is losing its key 7:30 p.m. prime-access slot for "Family Feud" on WNBC-TV here.

On Jan. 22, the NBC-owned station will once again replace "Feud" with King World Productions' "Inside Edition

Feud" will continue to air on WNBC, but most likely after 2:30

"Losing access in New York is bad news for LBS," said Dick Kurlander, vice president and director

(Continued on Page 120)

Hearst Corp.'s Hooten dies at 54

By ADAM BUCKMAN

Staff reporter

New York-Mickey Hooten, head of Hearst Corp.'s group of six TV stations, died of a sudden heart attack Dec. 24 at his home in the New York suburb of Armonk,

Mr. Hooten, who was 54, had been a Hearst TV executive since 1974.

"Mickey Hooten was an exceptional man in every way," said Frank Bennack Jr., president and chief executive officer of Hearst Corp., in a statement.

"All who knew him admired him greatly for the grace that marked his style in all matters. He will be missed not only by his friends and associates at Hearst,

but by the broadcasting industry which he served so well for over 25 years.

Mr. Hooten first joined Hearst in 1974 as program manager at WTAE-TV in Pittsburgh. In 1976, he was named vice

president and general manager of Hearst's WISN-TV in Milwaukee and eventually became general manager of TV for Hearst Corp's broadcasting division in 1984.

At the time of his death, he was vice president and general manager of the TV station group.

Before joining Hearst, he held

various positions at several TV stations, including KTBS-TV in Shreveport, La., WTOL-TV in Toledo, Ohio, WIS-TV in Columbia, S.C., and WGHP-TV in High Point, N.C.#



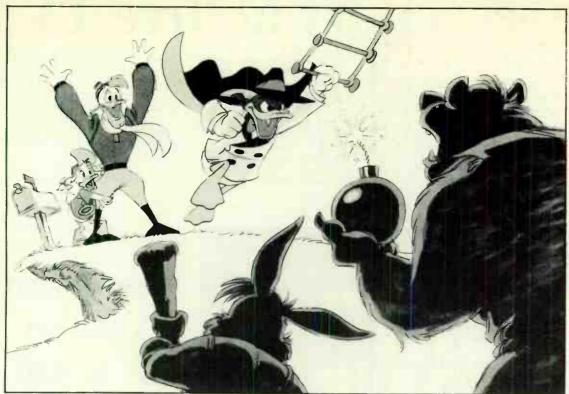
MICKEY HOOTEN 1935-1989

CORRECTIONS

A story on Page 68 of the Dec. 18 issue about "Let's Talk Sports," a new syndicated talk show, incorrectly identified the producers. The weekly program is jointly produced by EOH Productions of Beachwood, Ohio, and Malrite Communications' subsidiary Channel 19 Inc. in Cleve-

A story on Page 6 of the Dec. 18 issue reported an incorrect ranking

for Group W Productions' "Teenage Mutant Ninja Turtles." In seasonto-date figures, the show is ranked third among children's shows in household ratings and among children age 2 through 11.#



"Double-O Duck" will premiere as part of Buena Vista Television's "The Disney Afternoon" in fall 1991.

Buena Vista gets ducks in a row with kids' fare

By THOMAS TYRER

Staff reporter

BURBANK, CALIF.—Firing the latest salvo in a battle for child viewers, Buena Vista Television last week gave the green light to "Double-O Duck," a half-hour animated series it will work into its "The Disney Afternoon" package in fall of 1991.

The series, which features the adventures of a secret agent duck and his accomplice, Launchpad McQuack of "DuckTales" fame, marks the fifth animated half-hour that Buena Vista will make available for stripping into a two-hour "Disney Afternoon" block.

Buena Vista already has syndication's two highestrated children's programs: "Chip 'n' Dale's Rescue Rangers" and "DuckTales."

This fall, the company will premiere two other half-hours, "Tale Spin" and off-network episodes of "Disney's Adventures of the Gummi Bears," to complete its "Disney Afternoon."

The "Double-O Duck" production order "demonstrates our commitment to having blocks of new programing available, so we'll always be making new programs ready to be cycled in or added to our Disney presentation," says Gary Krisel, executive vice president of Walt Disney Television Animation, the

show's producer.

"'Double-O Duck' builds on the success of 'Duck-Tales,' "Mr. Krisel says, "yet this is a way that, without giving them the same series, gives stations more new things to build upon."

Buena Vista has enjoyed considerable success with the first two installments of "The Disney Afternoon."

"DuckTales," now in its third season, has held the first-place ratings position among children's syndicated fare in its first two years.

Buena Vista's "Chip 'n' Dale's Rescue Rangers," which premiered this season, climbed past "Duck-Tales" during its first week on the air, where it remains. In season-to-date figures through Dec. 17, "Chip 'n' Dale" led all children's syndicated programing with a 5.0 Nielsen Television Index rating (percentage of TV homes), while "DuckTales" finished second with a 4.4.

Reasoning that the programs' strong performance is largely due to the quality of their animation, Mr. Krisel says he believes, as is the case with "Double-O Duck," that studios producing animated fare must allow their artists considerable production time if they're to win over discriminating child viewers.

"The way the battle (for time periods featuring animated fare) will narrow is those people who are (Continued on Page 118)

'Personalities' adds stations

By MARIANNE PASKOWSKI

New York bureau chier

NEW YORK—Twentieth Century Fox Domestic Syndication has quietly but aggressively cleared 50 percent of the country for "Personalities," a new first-run strip designed to launch next fall as a companion to "A Current Affair."

Late last week, with more than 30 markets already on board, Fox officials still refused to comment about the new reality-based show, which will be produced here at Fox Television Stations-owned WNYW-TV, as is "Current Affair."

A Fox source who asked not to be identified told ELECTRONIC MEDIA that the company was keeping mum about the project to keep other producers and distributors from copying the idea.

"Personalities" will cover stories about national and international celebrities from a wide range of fields, including business, fashion, sports, politics, society, media and entertainment.

"Personalities" will also tie in reporting from Sky News, the London-based satellite news service owned by Rupert Murdoch, who is also the owner of Fox Inc.

As of press time last week, no host had been named for the series and no pilot had been shot.

"The show was basically sold off of flip-chart presentations," said Mitchell Prayer, vice president of programing for Katz Television.

Fox officials are expected to unveil more details about the new show at this week's Association of Independent Television Stations convention as well as make presentations to New York-based station rep firms this week.

Last week sources said that Fox sales representatives were pitching "Personalities" to stations when they came in to seek renewals for "Current Affair."

In addition to the seven Fox owned-and-operated stations in major markets, a number of other stations will be airing "Personalities" next fall in either prime-access or early-fringe slots, according to the Fox source.

By press time last week, in addition to its own stations, Fox had clearances for "Personalities" at KYW-TV, Philadelphia; KPIX-TV, San Francisco; WFXT-TV, Boston; WJBK-TV, Detroif; WKYC-TV, Cleveland; and WAGA-TV, Atlanta.

Other clearances include KSTP-TV, Minneapolis; WTVJ-TV, Miami; KTVI-TV, St. Louis; KPNX-TV, Phoenix; KNSD-TV, San Diego; KATU-TV, Portland, Ore.; and WKRC-TV, Cincinnati.

With the exception of Phoenix, all of those markets air "Current

Fox is offering the new five-day strip on a cash-plus-barter basis.#

Corday ready to discuss her future at CBS

By WILLIAM MAHONEY

Los Angeles bureau chief

Los Angeles—Barbara Corday, who was displaced recently as CBS's No. 2 programer, says talks regarding her future at the network will resume next week.

Ms. Corday joined CBS in August 1988 as executive vice president of prime time at CBS Entertainment, where she oversaw the network's prime-time development under Kim LeMasters, who resigned as president of CBS Entertainment Nov. 29.

But when Jeff Sagansky, former president of Tri-Star Pictures, took over as president of CBS Entertainment in mid-December, Ms. Corday's future at the network became the properties.

Mr. Sagansky has made clear his desire to oversee development himself and not have a No. 2 programer.

"I am still employed by CBS, but I do not have a specific position at this moment," Ms. Corday recently told ELECTRONIC MEDIA.

She said she knew that she would lose her position if Mr. Sagansky was appointed and that she accepts it as part of the reality of a new division president taking over.

"One of the things about coming into a new job like his is that you must have the full ability to do it how you believe it should be done," she said.

"I think he is doing the right thing by walking in and taking over."

She said that the only position she's considering within CBS is one in its in-house production unit, CBS Entertainment Productions.

"I would have to characterize it as



BARBARA CORDAY

Doesn't have specific position now

saying that they are ongoing conversations, not specifically about me, but about what in-house production is going to be," she explained.

She said she met with CBS executives in New York the week of Dec. 18 "to talk out the possibility of turning what is now the in-house department, which is fairly small, into a more meaningful operation."

"Because of the holidays and all that, we were only able to have one meeting," she said.

"We're not even planning to meet again until somewhere around the ninth or 10th of January," Ms. Corday added. "There will be no resolve at the very earliest until then because there won't be any more con-

(Continued on Page 118)

NBC News halts deal with Nuell

By GARY ALAN ROSEN Staff reporter

NEW YORK—NBC News last week terminated an offer to veteran producer David Nuell that would have returned him to NBC as senior executive producer of the "Today"

Mr. Nuell, most recently executive producer of Paramount Domestic Television's "Entertainment Tonight." was scheduled to start work at NBC this month, but NBC News President Michael Gartner sent him a letter terminating negotiations.

Mr. Gartner issued the following statement: "We have been in negotiation with David Nuell for more than three months, attempting to strike a satisfactory arrangement for him to join NBC News.

"We are disappointed that in the end we were unable to reach an agreement in a timely manner. We continue to have the utmost respect for him as a producer and wish him well in the future."

Both Mr. Nuell and Mr. Gartner were unavailable for comment last week.

Sources said Mr. Nuell's proposed deal with NBC was for three years and was valued at \$2.7 million.

The exact reasons for the breakoff remained unclear last week, despite unconfirmed reports that Mr.
Nuell's attorney, Cynthia Riley,
might have asked for more than
NBC was prepared to give, including a guaranteed contract for the
full three-year term even if Mr.
Nuell didn't remain with NBC.

A spokeswoman for Mr. Nuell and Ms. Riley would not comment on the situation.

NBC executives, who asked not to be identified, said the deal might not have come to fruition because Mr. Gartner couldn't justify paying a producer almost \$1 million per year when he has been calling for cutbacks at the network.

A source close to the negotiations said that, as of a few weeks ago, Mr. Nuell wasn't returning phone calls made by NBC because he was dissatisfied with the lack of progress during the negotiations

"Three months is a long time. We (NBC) made a good faith effort and

(Continued on Page 119)

NAB, INTV make second try at 'free TV'

By LAURA MALT

Staff reporter

WASHINGTON—Broadcasters today kick off "Free Television Month," the second part of their "free TV" campaign.

But unlike last July, when the National Association of Broadcasters produced one 30-second spot and relied on local TV stations to produce others, NAB and the Associa-

tion of Independent Television Stations have produced four commercials, one of which is in

"We feel very positive about it (the new campaign)," said Chuck Sherman, NAB's senior vice president of television.

The new campaign includes a sample letter to a legislator, the script for a community speech and the text for an editorial, all designed to promote free, over-the-air broad-

The three English-language TV spots show children asking questions as their grandparents or parents reminisce about "free TV."

"I wish I'd been around for free TV," one child says wistfully in a spot called "Spelling Bee."

While the broadcasting industry has boosted the concept of "free TV," the NAB's initial campaign

didn't stimulate the response the group might have hoped for.

For instance, rather than producing their own "free TV" spots last summer, 78 percent of the participating stations just broadcast the NAB commercial, which featured former CBS newscaster Walter Cronkite.

According to Mr. Sherman, 93 percent of network affiliates and 55 percent of independent stations

transmitted that spot on July 17.

Through the end of August, 60 percent of stations continued airing the spot. Less than a fifth produced their own "free TV" commercials.

Neither of the trade associations received any feedback from the public on the campaign, spokesmen from the groups said.

Several stations said they also got little response from the campaign.

According to Dick Williams, general manager of independent WDCA-TV in Washington, some callers asked why Mr. Cronkite—from CBS—was appearing on the (Continued on Page 118)

New Orleans TV station sold to staff

New Orleans (AP)—WWL-TV in New Orleans will be sold for nearly \$103 million by Loyola University to a partnership led by the station's managers and employees.

"We are quite pleased to have this agreement with a management group that has operated the station at a level of quality and with a spirit of community service that always have made Loyola proud," the Rev. James Carter, Loyola's president, said late last month.

The Rampart Broadcasting Co. Limited Partnership, which is buying the station, is headed by General Manager J. Michael Early. It includes WWL managers and station personnel who have run the station for Loyola for a number of years, the university said.

Loyola will continue to administer WWL's day-to-day operations until the sale becomes final in late March or early April, according to a statement from the university.

It said Sandler Media Group, a New York-based investment banking firm specializing in the media, was Rampart's financial adviser and will lead a group that will invest with management. Loyola will keep a small equity interest in the new partnership, the Rev. Carter said.

WWL-TV brought in 80 percent of Loyola's endowment income. It is being sold because the school's board of trustees wanted a more diversified endowment, he said.

"Loyola entered the broadcasting field primarily for the purpose of supporting the university's work as an educational institution," he said. "Income from broadcasting has been used exclusively to improve the quality of education at reasonable cost to our students.

"Now, though we deeply regret it, we feel that the responsible management of Loyola's assets requires the sale of WWL-TV."

Carter said the \$102.85 million sale price will be invested in various stock and bond portfolios. Investment of \$13 million from selling WWL-AM and WLMG-FM radio in August has brought a 15 percent total rate of return, he said.

"Similar investment of the funds received from this sale will provide increased financial security," said the Rev. Carter.

Loyola has been in broadcasting since 1922, when WWL-AM broadcast the first radio program on the Gulf Coast.

"WWL-TV is one of the finest television stations in the nation," said the Rev. Carter. "The recent Edward R. Murrow Award is only the latest of many honors its quality has merited."#

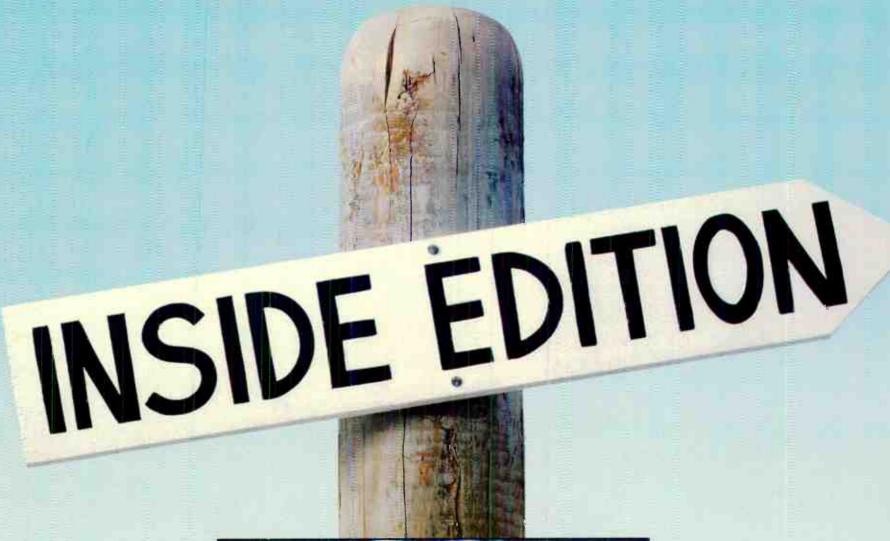


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Hartford/WFSB	7:00PM	up 71%
Milwaukee/WITI	6:30PM	up 100%
Cincinnati/WLWT	7:00PM	up 40%
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Syndicators to pre-empt Wright

A press dinner to be held by several major distributors at the upcoming National Association of Television Program Executives Convention in New Orleans is really "a pre-emptive strike" against NBC President and Chief Executive Officer Robert Wright, sources say. The syndicators involved, including King World Productions, Viacom Enterprises, Group W Productions and Tribune Entertainment Co., have invited reporters to a dinner on Monday, Jan. 15, "to discuss the financial interest and syndication ruling, among other topics." All these companies, of course, are in favor of maintaining the rules. The very next morning, Mr. Wright, one of the leading proponents for abolishing the regulations, is scheduled to deliver the convention's keynote ad-

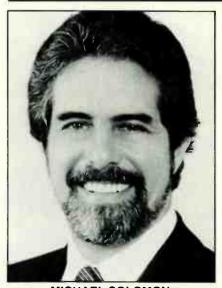
Michael Solomon, president of Warner Bros. International Television, says plans are shaping up for the annual May screenings, when foreign TV executives come to Los Angeles to preview next fall's new network series. Mr. Solomon, who is working with other distributors to revamp the event, says the screenings will start later this year and will be shortened by at least one week. "The last three to four days of May and the first 10 days of June would be the ideal," he says. He also adds that a party may be held at a major studio for all of the foreign TV officials "to get more of a

cohesive feeling" for the screenings, which are organized se-parately by the various distributors and are not overseen by

Officials at the two major studios in Orlando, Fla., say that rumors persist that Paramount Communications has bought land in the area and is waiting to see how Disney-MGM Studios and Universal Studios Florida fare with their efforts. Paramount, meanwhile, maintains that the speculation is false and has always been false. "We don't have a parcel of land in Orlando," says Paramount spokeswoman Debra Rosen.

Beginning next week, WJW-TV, the CBS affiliate in Cleve-

THE INSIDER



MICHAEL SOLOMON 1990 May screenings will be shorter



CAROL STROND Starting research firm aimed at blacks

land, becomes a "PM Magazine" station, working with Group W Television Stations to produce its own local news/magazine show for access. The station had been airing the now-defunct "USA Today on TV" in that time slot.

* * *

Carol Strond, a veteran television research executive, will announce the formation of her own research firm, Carol Strond & Associates, which will focus on the black broadcasting community. Based in Van Nuys, Calif., the company will serve television producers, programers and production executives in the areas of program scheduling, production, acquisition and development. Ms. Strond, who has worked for Paramount Pictures, Group W Productions and two ABC affiliates, will be making the rounds at the NATPE convenming: A Billion Dollar Marketplace" will be held

With much of NATPE International's attention being paid to its new computer service, NATPE-Net, the group has decided not to compile its traditional list of available programs for this year's convention. Phil Corvo, president of NATPE, says he didn't have the manpower because of the resources dedicated to getting NATPE-Net up and running. However, program information on new syndicated fare that was available through early December will be listed in NATPE's 1990 Programmer's Guide, which will be available at the convention.

Meanwhile, Viacom Enterprises, a company known for its small, quiet client dinners, will hold its first big NATPE bash Jan. 16 when it sponsors a Monte Carlo night at the New Orleans Museum of Art for more than 500 people. By invitation only, Viacom will hold an all-star celebrity auction, with a red Mazda Miata as the grand prize. On hand auctioning off some of their rized possessions will be Buddy Ebsen, Ray Sharkey, Jim Nabors and Nick Cassavetes, leading man for Viacom's "Super Cop."

Federal Communications Commission Chairman Al Sikes' plan to install a private restroom in his office—at an estimated taxpayer cost of \$16,000—is causing some tongues to wag during these days of supposedly austere federal budgets. None of the FCC commissioners has a private lavatory at this time.

And finally, The World Wrestling Federation takes the prize this year for sending out the most creative holiday gift. WWF sent tin containers loaded with sticky GummiStar candy figures to members of the press. Included in the batch were gummi creations of Jake "The Snake" Roberts, Hulk Hogan, "Ravishing" Rick Rude, Bobby "The Brain" Heenan and Brutus "The Barber" Beefcake.#

-Written by Marianne Paskowski from bureau reports

Former prison guard scales TV news ladder at WCAU

By GAIL SHISTER

Special to ELECTRONIC MEDIA

PHILADELPHIA-Don't mess with Martha Brown, No-

Before breaking into TV, the feisty new assignment manager at CBS-owned WCAU-TV here was one of the first female correctional officers at Patuxent Institution, an all-male maximum-security prison in Jessup,

From 1975 to 1978, the Baltimore-born Ms. Brown supervised prison inmates "who had usually killed everybody in the family-mom, dad, a couple of kids and the dog," she says. "Guys doing double life, plus 30. Nice

Ms. Brown became a prison guard after four years of teaching eighth grade in the Baltimore public school

She liked the work—"I ran a very tough classroom," she says—but not the salary. During her last year of teaching, Ms. Brown says she made \$12,000.

So why prison work?

"A lot of my students went to jail, so I figured, 'Hell. I'll go follow them,' " says the fast-talking Ms. Brown,

Besides, the prison job paid the bills as Ms. Brown pursued her first love, journalism.

While working the graveyard shift in the prison tower, she studied for her courses at nearby Towson State University, "with my shotgun across my lap." (For the record, she swears she never shot anybody."

"I always wanted to be involved in the news business,"

The youngest of seven children of a teacher and a janitor, Ms. Brown says she "grew up in an atmosphere surrounded by news. Our dinner time centered around Walter Cronkite. There were always newspapers around

She did some work as a reporter for the college radio station at her alma mater, Morgan State University, in 1978, but switched her focus to television "because it

pays more."
When a friend told her about an opening for an assignment editor at Baltimore's WJZ-TV in 1979, Ms. Brown applied and got the job.

WABC-TV in New York, WJLA-TV in Washington and WMAR-TV in Baltimore before WCAU news director Paul Gluck, a friend from her first hitch at WJZ, brought her here in November

Here's how Mr. Gluck recalls their first meeting at WJZ in 1979: "We were all living 'Animal House.' One day, the door opens and in walks a prison guard. I thought, 'She's either going to be a great friend or she's going to kill us all.' She turned out to be a great friend."

Contrary to myth, working in a prison "was not horrie," says Ms. Brown. "The men were so glad to have 10 females there, they treated us like little princesses. They were so glad to have us around to talk to, they nagged us

to death about everything."

Her prison experience "helped me to grow up a lot," she says. "It opened my eyes and taught me to be aware, to weigh decisions and to have confidence in my own in-

It also has helped her "tremendously" in her current line of work, she says.

"I developed a third ear for the police scanner. My observation skills are sharp. I know which reporters and photographers are just back in the house. I know what's

But working with TV reporters is tougher than working with convicts, says Ms. Brown, "because reporters are spoiled, quite frankly.

"The reporters who can dig up a story and wear out the shoe leather tracking it down, you can count on one

Mr. Gluck, for one, says he admires Ms. Brown's newsroom skills.

"Nobody messes with her," he says. "She's flamboyant, but she's got her head screwed on straight. She also has a great sense of humor. She knows that when all is said and done, you've got to smile."#

Panamanians free U.S. newsman

By ADAM BUCKMAN

Staff reporter

NEW YORK-CBS News producer Jon Meyersohn Dec. 23 was released unharmed by his Panamanian abductors after

three days in captivity.

The 33-year-old news producer had been kidnapped at gunpoint Dec. 20 after U.S. forces invaded Panama City on a mission to capture Panamanian dictator Gen. Manuel Noriega.

Mr. Meyersohn was abducted at the Marriott Hotel in Panama City along with ABC News producer Robert Campos and another man identified as a Pan-ama-based GTE executive.

Their abductors were believed to be soldiers of the Panama Defense Force who were reportedly following Gen. Noriega's orders to kidnap U.S. citizens who might later be used as hostages in U.S. negotiations.

on Dec. 20 but the whereabouts of Mr. Meyersohn and the GTE executive were unknown until Dec. 23.

That's the day their captors agreed to reveal to U.S. Embassy officials where they were being held. After they were picked up, the two were flown back to the **United States**

After his release, Mr. Meyer-



JON MEYERSOHN Was treated like "family"

sohn said he was never mistreated during the ordeal.

In fact, he said, he and the

GTE official were concealed in two private homes during their three days in captivity and "were treated like members of the fam-

Mr. Meyersohn made his remarks at a hastily called news conference here at CBS News

headquarters on Dec. 24.

Last week, a CBS spokeswoman said Mr. Meyersohn wasn't granting interviews because he was enjoying the holidays with his family.#

Hanny-Ballen

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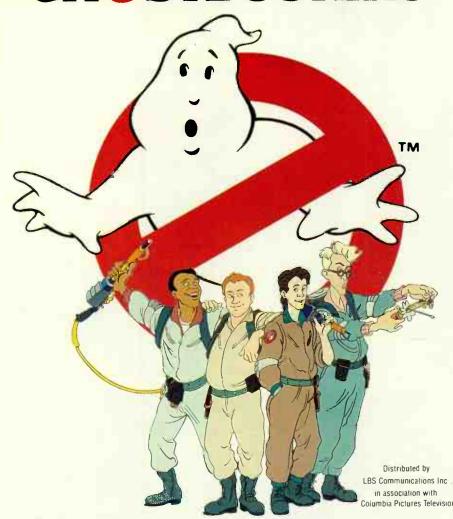


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NY/WNYW 4:30PM

- #1 in TP
- 14 rtg K6-11 beats **Chip & Dale** head to head. Tops **Duck Tales** and **Ninja Turtles**

LA/KTTV 8AM

• #1 in TP beating Maxie's World

CHI/WFLD 3PM

- #1 in TP
- 10 rtg K6-11 beats Duck Tales and Ninja Turtles

DC/WTTG 7:30AM

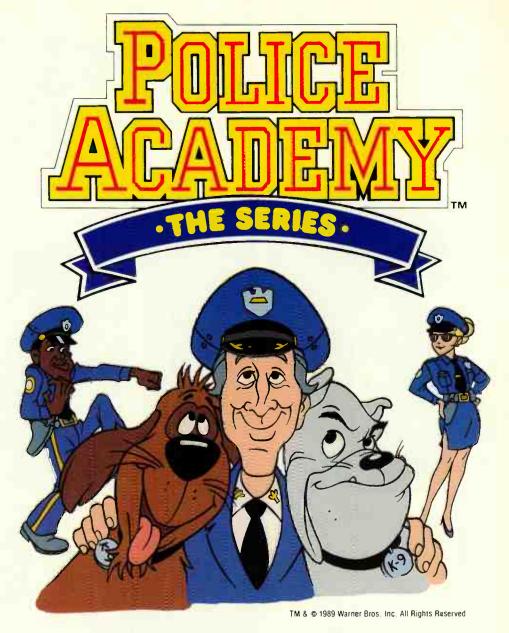
- #1 AM show in market
- 16 rtg K6-11 triples PM performance of **Duck Tales** and **Chip & Dale** <u>combined</u>! Doubles **Ninja Turtles** head to head.

MINN/KMSP 7:30AM

- **#1** AM show in market
- 18 rtg K6-11 tops Duck Tales and Super Mario

SEA/KSTW 4:30PM

- #1 on station
- 14 rtg K6-11 tops Duck Tales and Ninja Turtles



Captures big kids ratings & handcuffs the competition!

- Strongest avg TP shr gains; +35% K2-11/+73% K6-11
- Greater K6-11 concentration than Chip & Dale, Duck Tales, Ninja Turtles, Alvin, Muppet Babies, Maxie's World

NY/WPIX 3PM

- Growing! Oct '89 HH shr up 25% in Nov '89
- K6-11 rtg more than doubles Oct '88 TP

LA/KCOP 3:30PM

• 9 rtg K6-11 beats Duck Tales

DC/WDCA 3PM

- #1 PM show on station
- Beats Duck Tales in K2-11, K6-11 rtgs

STL/KDNL 4:30PM

• 15 rtg K6-11 doubles Super Mario, ties Ninja Turtles

BALT/WNUV 4PM

- #1 on station
- Beats Super Mario and Muppet Babies

MIL/WVTV 4:30PM

• 11 rtg K6-11 beats Duck Tales and Ninja Turtles, ties Chip & Dale

THE YOUNG & RESTLESS



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SOURCE: NSI OCT '89. OCT '88: NY OVERNIGHTS

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The large and small of it

In any number of small and medium-sized towns across the United States, 1980 marked the end of the three-network monopoly on TV programing.

It was the year the first video-rental stores opened for business (with a heavy inventory of Beta-format tapes), and the year HBO first arrived on the 12channel CATV system.

What a difference a decade makes.

The broadcasting world that existed for so long in a state of comfortable, profitable calm was shattered forever by the stunning events of the 1980s. From drastic deregulation to network takeovers to the exploding growth of cable and home video, the world has conspired to first destroy and then remake the old world altogether.

Many of these crucial events are recounted in stories and photos in this special issue of ELEC-TRONIC MEDIA—a publication that is itself a product of television's transformation in the 1980s.

One of the purposes of compiling this kind of history is to see if some larger truths don't emerge when all the facts are set down in one place. And in this case, the most curious truth is that the past 10 years seemed to be fueled by two powerful, yet apparently contradictory, forces.

On the other hand, there is the obvious trend toward vertical integration, with domestic companies wanting to become multinationals and multinationals yearning to encompass the planet.

ABC and NBC are buying equity positions in media companies around the world; Time Inc. and Warner Communications merged specifically to meet the threat of global competitors; and Japan's Sony Corp. has now bought CBS Records, Columbia Pictures Entertainment and the Rockefeller Center.

Increasingly, we live in a world of corporate giants, where the favorite catch word is "synergy," but the real credo can be stated simply: "Bigger and bigger is better and better."

Maybe it is. But it's worth noting that another, more subtle, trend has been running just as strongly through the 1980s and also shows no sign of abating: The rise of the viewer as individual programer.

Never before in history have viewers had more options, and more control over those options. They can zap among 40-odd channels on their cable services, everything from movie channels to music networks to shopping services to—yes, even ABC or CBS.

If they don't like any of that, they can rent movies, or how-to tapes, or computer games, or exercise tapes, or, to be blunt about it, just about anything ever put on film.

For the 30 years that the three networks held sway, consumers really had only one choice-massmarket programing that had to appeal to at least 30 percent of the country to stay on the air.

Now, paradoxically, even as the companies that produce and distribute programing keep getting bigger and bigger, the size of the audience necessary to make a profit keeps getting smaller and smaller.

The big companies, with their massive overhead costs, have to keep looking for their blockbuster hits that reach millions of people, but the small entrepreneurs know that under the right circumstances they can make money if they reach just thousands-magazine-sized audiences, really.

To us, that's the optimistic story of the '80s: Producers and distributors went for size, but viewers got control. And frankly, that strikes us as a pretty good way to enter the 1990s.#

LETTERS TO THE EDITOR

FCC action wasn't result of feuding

I congratulate ELECTRONIC MEDIA for covering the FCC's recent admonition of public radio station WVXU-FM for violating underwriting guidelines (Dec. 18, Page 62). The possible ramifications of the FCC's action make this a very important story for the entire public broadcasting industry.

There are, however, several unfortunate inaccuracies in this story. The headline, "Public radio stations feud in Cincinnati," and the story's lead both incorrectly imply that the FCC's action was the result of competition between WGUC-FM and

This simply is not true. The FCC's action does not lend an advantage to any of the public stations in the Cincinnati market. As a result, we must all scrutinize our underwriting credits and interpret the FCC underwriting guidelines carefully.

Of even more concern, perhaps, is the third paragraph of the story which falsely

states that the FCC's admonishment was a direct result of a complaint made by WGUC.

In reality, the complaint was made by Dr. Theodore Striker, chairman of WGUC's advisory board, who wrote to the FCC as a private individual without the prior knowledge of encouragement of station management.

I'm sure that it is tempting to characterize this matter as "local radio wars," but the real story is taking place in Washington, where decisions are being made that could affect the future of public broadcast-

ing.

I hope you'll give that story equal time in future issues of ELECTRONIC MEDIA.

William Abramovitz promotion director WGUC-FM Cincinnati

Tell us what you're thinking

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

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

Letters may be shortened and grammatical errors corrected.

As a matter of policy, writers'

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

QUICK TAKES

What programing trends do you foresee in 1990?



Javne Adair program director KDKA-TV (CBS)

"First-run television will compete well in the marketplace, especially among broadcasters concerned about competition from VCRs and cable programing.



Lee Petrik program director (ABC)

"I really believe the magazine format, a la 'A Current Affair. hasn't reached its peak vet. In the long term, though, with the influx of so many cable channels, stations will need to show their identity with strong local programing to compete in the marketplace.



Jack Lease vice president of programing WXIA-TV (NBC)

"Sitcoms will be the mainstay and quite a few reality-based programs. A lot more localism will be returning to television. I think that's a must.

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TELEPHONE NUMBERS Editorial Chicago: 312-649-5293 Los Angeles: 213-651-3710 New York: 212-210-0233

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MARY KAY CRAIN

WILLIAM A. MORROW ROBERT C. ADAMS PENELOPE A. GEISMAR porate communications manager

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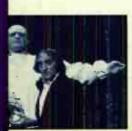
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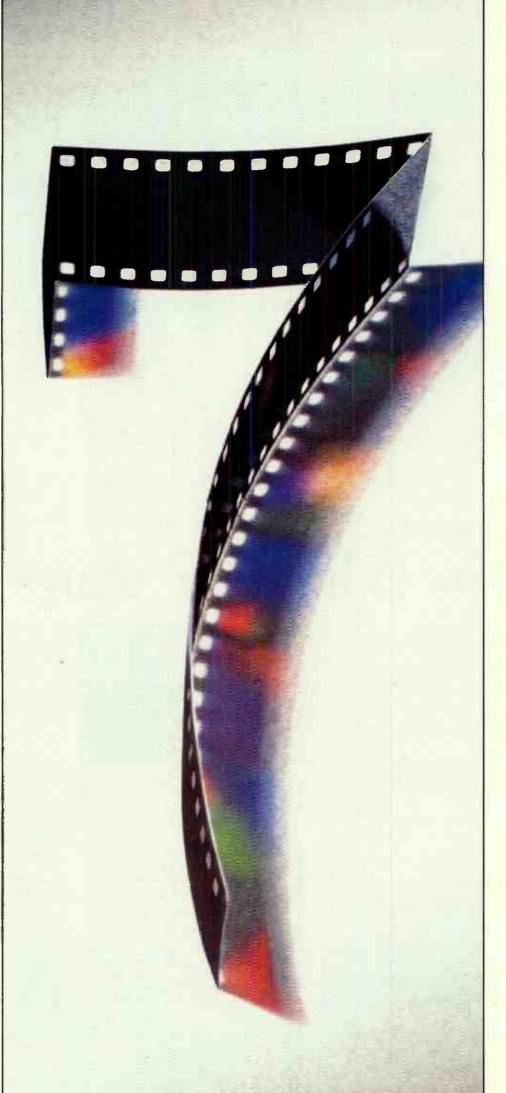
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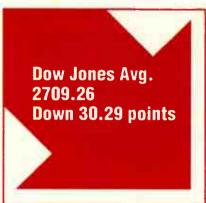
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ELECTRONIC MEDIA stock index for Dec. 15 through Dec. 26





Winners

Multimedia	Dec. 25 \$92.00	Change from Dec. 15 +\$4.50
Warner	\$63.62	+\$2.12
Century Comm.	\$13.25	+\$1.75
General Instrument	\$39.00	+\$1.75
TCI	\$17.00	+\$0.62
Carolco	\$11.62	+\$0.25
Zenith	\$12.75	+\$0.25

Losers

	Change from	
	Dec. 26	Dec. 15
FNN	\$6.88	-\$0.12
Itel	\$21.12	-\$0.12
Home Shopping	\$7.38	-\$0.25
United Artists	\$18.38	-\$0.25
Media General	\$31.50	-\$0.25
A.H. Belo	\$37.25	-\$0.25
Gannett	\$41.12	-\$0.38
Comcast	\$15.62	-\$0.50
McGraw-Hill	\$55.62	-\$0.50
Jones Intercable	\$15.12	-\$0.62
Knight-Ridder	\$53.88	-\$0.62
Playboy Enterprises	\$15.62	-\$0.88
General Electric	\$63.38	-\$1.00
Washington Post	\$271.88	-\$1.12
King World	\$38.00	-\$1.25
Times Mirror	\$34.50	-\$1.50
ATC	\$41.75	-\$1.50
Cablevision	\$35.00	-\$1.62
Tribune Co.	\$44.62	-\$1.88
Scientific-Atlanta	\$22.25	-\$2.38
Viacom	\$55.75	-\$3.75
MCA	\$63.12	-\$3.75
Coca-Cola	\$75.50	-\$4.38
TBS	\$48.00	-\$5.12
CBS	\$179.62	-\$14.38
Cap Cities/ABC	\$530.50	-\$16.50
Disney	\$113.75	-\$17.00
-		

Unchanged

	Dec. 26
Wavetek	\$4.00
Paramount Comm.	\$50.62
Scripps Howard	\$67.00
Time Inc.	\$131.25

Note: Closing figures are price per share Source: Nordby International

Bullish on cable sales

1990 volume should keep pace with 1989

By KATHY CLAYTON

Staff reporter

The new year will likely bring the same amount of cable system sales as 1989, but it's unlikely it will match the prices paid, say brokers and analysts.

Last year's average system price of \$2,400 a subscriber will probably be close to the peak average for awhile, they say, because of fears of re-regulation and a tightening of available

Nonetheless, brokers and analysts remain bullish on the volume of transactions for 1990, saying it should easily match 1989's volume

At year's end, some \$1.5 billion of property was on the market, according to one analyst.

As Steve Rattner, general partner with New York-based Lazard Freres & Co., puts it, "The large transactions of the last two years were an aberration. They come in fits and starts. The market is not overheated right now, but is still quite healthy.

At Daniels & Associates, newly named President Brian Deevy says his company is predicting that select systems may be sold for as much as \$3,000 a subscriber in the coming years, but notes only the very best systems will sell for such a lofty price.

And Mr. Rattner says there are now two

tiers of system prices: the "Tiffany systems" that could bring record prices, and the rest which will sell for less because buyers are

becoming more selective in their purchases.
"They're being more conservative. People aren't willing to pay top prices for systems that aren't worth that. They know they can't raise (subscriber) rates indiscriminately," Mr. Rattner says

Indeed, Mr. Deevy says the industry is starting to police itself, recognizing that in order to

grow, factors beyond pricing must be taken into consideration, including penetration, ancillary revenue streams increases and more dollars from advertising.

'The systems that can provide all these things will have higher price values," Mr.

And while the cash flow multiple used to determine the market price of a system will likely stay at the 1989 level of 12 to 13, if a

'There's a lot of interest from the utilities and other media companies. Anyone in the movie business has got to be looking at cable as a possible arm.'

> -Brian Deevy president Daniels & Associates

system increases its revenues by means other than rate hikes, those cash flow multiples could increase.

Deregulation may also play a role in the

prices being paid for systems, analysts say.
"I think the market will slow down for a
quarter or two, then go back up," says Rick Patterson, senior vice president of New Yorkbased broker Waller Capital Corp.

He says that while most in the industry don't see re-regulation "as the end of the world," the threat of such action will nonetheless affect the market.

If re-regulation is going to occur, he says he hopes Congress does it sooner rather than later because the longer the decision is delayed, the more unstable the situation be-

Lazard's Mr. Rattner said he doesn't see any fire sales due to re-regulation of the industry -a point the other analysts echoed-but he does anticipate what he termed "fire pur-

'Re-regulation could affect what buyers are willing to spend on systems," he says, noting that cable stocks dropped between 20 and 30 percent during the last quarter of 1989, due

primarily to rumblings from Capitol Hill. Moreover, Daniels & Associates' Mr. Deevy says there is some concern about the subor-dinated debt market today.

The middle level of debt financing often used by system buyers is admittedly tighter due to the talk of re-regulation, he says. And if the bond markets remain soft and subordinated debt is difficult to obtain, he notes, system prices could be affected.
"There is no shortage of buyers, but if they

can't get the financing they need, it could pose a problem," Mr. Deevy says.

He also points out that many system sales that could have closed in 1989 will now be completed in 1990 due to a more favorable capital gains tax structure. This will make 1990 a stronger year statistically.

And Mr. Deevy also says 1990 could bring some new blood to cable system ownership.

"There's a lot of interest from the utilities and other media companies. Anyone in the movie business has got to be looking at cable as a possible arm," he says, #

How to interpret ratings books

package arrives from Nielsen Media Research or Arbitron Co. It's quickly torn open and the general manager and sales and program managers retreat to their offices to furiously flip through the latest "book."

In less than an hour they are either laughing or it's gotten very quiet around the station. The verdict is in, and it will help set the operational tone of the station until the next ratings book.

After the tension of waiting, it's tempting to make a quick evaluation of a statistical package that took weeks to produce.

Perhaps a news director can tell you what a good or bad book it is in 10 minutes, but here are a few hints on how sales and programing managers can do their own "book reports"

• Is the Nielsen book different from Arbitron's?

Stations with both ratings services often note differences in a particular time period.

If you average five or six dayparts in each book for any particular demographic group, you'll find that they are usually very close.

The crucial point is that the relationship between the individual competitors remains

 Compare the ratings to those from the same period of the previous year.
This should account for seasonal

First, verify that the homes-using-television levels for the time period have stayed the same. Early and late newscasts often are reliable barometers of viewership since those audiences' patterns are slow to change.

Compare the audience shares and composition with the last three or more

Look at demographic share trends for the effect of changes in access programing or news. Demographic share trends are useful



Guest commentary

Jim Miotke

since they are independent of the uncontrollable factor of HUT levels.

• Look at the HUT levels and performance from week to week within the

As an example, tracing a weekend afternoon movie through the four weeks of the book may show a week where the viewers disappear for a whole weekend afternoon, thereby dropping the program

• If one of your prime-time periods dropped in ratings, where did it go?

If a program is down every week, the

demographics went either to a competitor or a loss of HUTs. The former you can react to, but if it's a HUT loss, be glad if you were able to maintain your share levels.

• What stunts did the "bad guys" use

against you?

Are the sudden shifts in audience share due to one-time programing stunts or have the playing field rules changed?

Has their promotional budget increased dramatically? Have they got a new news anchor? If it is truly "stunting" with specials, take that into account.

• What is your strongest demographic category? Who is weakest in it?

Your strongest demographic area may provide clues to where you can maximize your revenues and push for bigger shares of

each ad buy.
You may have lower household ratings while ranking No. 1 in key demographics, so your audience composition is better for advertisers. Accept the fact that you may get small shares of an acne lotion buy with "The Lawrence Welk Show," but you may clean up with the denture cream client.

• What is your weakest demographic?

Who is strongest in it?

If you are concerned about a particular demographic/time-period combo, you should look for a reasonable program or combination of programs that you can price effectively against a "Jeopardy" to deliver the demographic.

The buyer will appreciate having an alternative choice. No one station can be all things to all buyers.

• Is it a "fluke" book?

Errors do happen with ratings. But two consecutive fluke books are not products of a freak of nature. Your viewers are trying to tell you something.

• What outside factors contributed to

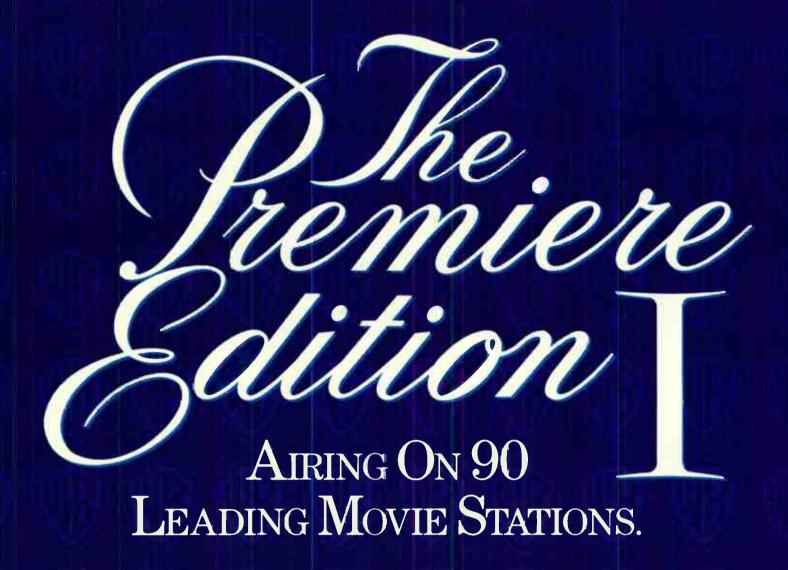
those ratings?

It's prudent to track outside factors while you are actually in a sweeps period. A weekend of storms can dramatically increase HUTs, for example. A local "Cabbage Festival" or sporting event can pull viewers away from the set.

You can see that the ratings book is really a detective story that is worthy of careful study. The main thing to remember is that it is a relative and temporary measure of market performance.

Any book subscriber can see what happened. As a professional, you must know why it happened and learn to apply its lessons.#

Jim Miotke is sales development and research manager at independent WOFL-TV in Lake Mary, Fla.



A PART OF THE WINNING MOVIE TRADITION.



WARNER BROS.
DOMESTIC TELEVISION DISTRIBUTION



WLS-TV's J.J. Kresnicka (left) and Cycle Sat's Loren Swenson study the Chicago station's new Cycle Sat equipment.

Cycle Sat rushes to take over commercial-delivery market

Special to ELECTRONIC MEDIA

In the race for speedy delivery of TV commercials, a relative

newcomer is making new footprints.

Taking on commercial duplicators and express-mail companies, Forest City, Iowa-based Cycle Sat, a 5-year-old subsidiary of Winnebago Enterprises, offers a service that sends spot television commercials via satellite from their creative points of origin to television stations around the country within 24 to

"We're essentially helping the clients cut at least a week, if not two, off the time it takes to take a commercial, have it duplicated, type out the mailing labels, mail them, have them wrapped at the studio, sorted out, placed on the cart and run. Loren Swenson, president and chief operating officer of

Cycle Sat.

This is how the system works: A commercial is taken to one of the more than 20 Cycle Sat uplink facilities in the United States, then beamed to the Forest City earth station.

The earth station then beams the commercial, along with a data stream designating which stations should receive it, to the GE SatCom K2 satellite.

The messages are then beamed to the predetermined stations between 3 a.m. and 6 a.m. (ET). Repeat feeds are available during the next day's business hours. Within two days, the spot can be aired on any of the 460 television stations that are currently online with Cycle Sat.

Cycle Sat's service has proven to be a boon to major adver-

that need to turn around commercials instantly

Time magazine, for example, uses the service to deliver com-

mercials featuring the cover of the current week's issue. In his Nov. 27 "From the Publisher" column, Time's Robert Miller writes about the "high wire act" of quick-turnaround

"Television ads featuring the current issue begin appearing Sunday morning, as the magazine goes to press," Mr. Miller writes. "So they must be produced as editorial pages are being completed.

The solution, he writes, is "a manic production schedule coupling satellite links, chartered trucks, post-midnight meet-

"George Lois (creative director for New York-based advertising firm Lois/GGK, which handles the spots for Time) had actually sold the whole package to everyone before he even called me up on the phone," Cycle Sat's Mr. Swenson says.

Time's commercials are transmitted as soon as they are completed, which is not necessarily during Cycle Sat's normal 3to-6 a.m. fransmission time.

"They called all the stations and got them to agree," Mr. Swenson added. "We just provide guaranteed delivery

Cycle Sat leases television stations all the equipment they need to receive the transmissions for \$1 a year.

Equipment includes a cyclecypher, printers, videotape recorders and a downlink.

According to Mr. Swenson, the cyclecypher is the most im-(Continued on Page 117)

Winter CES to examine HDTV tests

By DANA BLANKENHORN

Special to ELECTRONIC MEDIA

The 1990 Winter Consumer Electronics Show will take a close look at high-definition television when it opens

this weekend in Las Vegas.

The show, running Jan. 6 to 9 at the Las Vegas Convention Center and four area hotels, will feature 1,400 exhibitors in 800,000 square feet of exhibit space. More than 100,000 attendees are expected

Most notably, the hubbub over HDTV is expected to give way to talks about testing actual products in 1990.

That's the prediction of Joel Chaseman, who will address video issues on Sunday. The 40-year industry veteran steps down as chief executive officer of Post-Newsweek Stations this month, but he'll remain a vice president of the parent Washington Post Co.

"My guess is many manufacturers will merge or share their technologies, getting together on one to three rival

Systems," he told ELECTRONIC MEDIA.

On the show floor, Toshiba America and Panasonic Broadcast Systems Co. will be among the exhibitors demonstrating HDTV products.

"One of the likely scenarios is that the old sets will continue to receive NTSC pictures," Mr. Chaseman says. "But broadcasters will also be transmitting, simultaneously, a better signal only accessible to new high-definition sets.

Beyond the question of standards, Mr. Chaseman says he sees an "unexploited alliance" developing among retailers, manufacturers and broadcasters on government telecommunications policy.
"Over the last 40 years, broadcasters and retailers

haven't talked, except as customer and vendor. That doesn't make sense," he says. "We share a common interest, that the consumer get the best possible pictures over the air.'

An alliance could help all sides address such issues as spectrum pollution—the granting of licenses to too many services which results in broadcast quality that isn't as good as it could be.

The Advanced Television Test Center could also use

more input from movie and television producers.
"Studios are missing a major bet," he said. "I'd love to have them as partners or associate members of the test center, either individually or through the Motion Picture Association (of America)."

HDTV won't be the only new technology on display at the Winter CES. The show will also feature demonstrations of a 100-inch flat-screen projection system, wholehouse home automation and other new products in 95

different industry niches.

Exhibits at the new Mirage Hotel on the Las Vegas strip will be devoted exclusively to home theater, sur-

round sound and custom-installed audio and video.

More than 85 first-time exhibitors will be brought together at the Riviera Hotel, while the Sahara Hotel will host exhibits of specialty audio and video products.

as well as adult video software.

Most workshops will be held at the Las Vegas Hilton, starting at 8:45 a.m. Saturday, with an overview from Montgomery Ward Chairman Bernard Brennan and Wells-Gardner Electric Corp. President Frank Myers.#

Basys offering automation software for radio

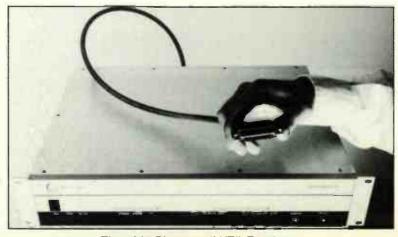
Basys International Ltd. has introduced the PC Newsdesk radio newsroom automation software system. PC Newsdesk includes wire-handling features, such as support of multiple wire services, filing and retrieval of wire stories by category and keyword, plus advisory alerts and priority access. It also offers word processing abilities and can handle assignments, audio material tracking, schedule manage-ment, archive management and message services. PC Newsdesk is available in a multi- or single-user configuration. It's expandable up to seven devices, including multiple wires, terminals and printers, and runs on a dedicated IBM AT or compatible computer. Basys Interna-

PRODUCT UPDATE

tional Ltd., 45 Mortimer St., London W1V 1PF, United Kingdom. Phone: 011-41-631-1656.

Nova Systems is adding a digital dropout compensator to its NOVA 710S wide-band time-base corrector. The compensator, or DOC, fills in missing video from videotape with missing material, or dropouts. The DOC circuit relies on an RF reference feed from the videocassette recorder. The signal alerts the TBC when a dropout occurs so the TBC can insert video from its memory. Nova Systems, 50 Albany Turnpike, Canton, Cann. 06019. Phone: 203693-0238

Cipher Digital is offering the 4815 Phantom II VTR Emulator, a protocol converter, synchronizer and time-code reader that allows any video editing system using Ampex, Sony or CMX protocol to control parallel-interface audio or video transports. The Phantom II upgrades non-compatible tape machines to working editing transports. For example, it can add new digital tape and DAT machines to existing system. Cipher Digital, 5734 Industry Lane, Frederick, Md. 21701. Phone: 800-331-9066.#



The 4815 Phantom II VTR Emulator

VOLUME 28

BOUGHT BY OVER 90 LEADING MOVIE STATIONS.

A Part Of The Winning Movie Tradition.



WARNER BROS.
DOMESTIC TELEVISION DISTRIBUTION

WHO'S NEWS

Broadcast TV

Eleanor Applewhaite to senior vice president, general counsel and secretary to the board of trustees, WNET-TV, New York, from general counsel, CBS Broadcast Group, New York. Also, Robert Kunath to senior vice president and director of marketing and communications, from partner, Stonewall Data Network, New York.

Marcia Spielholz to vice president and senior production counsel, MGM/UA Comunications Co., Los Angeles, from senior production counsel.

Doug Armstrong to vice president and general manager, KHNL-TV, Honolulu, from business manager and human resources director.

Carla Singer to executive producer and vice president of television, Robert Greenwald Productions, Los Angeles, from independent producer.

Jean O'Neill to vice president of production and development, Arnold Shapiro Productions, Los Angeles, from director of development.

John Lawson to director of national affairs, National Association of Public Television Stations, Washington, from director, public information, South Carolina ETV, Columbia, S.C.

Jill Jones to director of advertising, publicity and promotions, Orion Television Entertainment, Los Angeles, from manager of creative services, The Disney Channel, Burbank, Calif.

John Kojima to director of finance, KSCI Inc., Los Angeles, from director of finance and administration, NBC, Burbank, Calif.

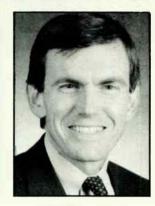
Danielle Claman to manager of television series development, Aaron Spelling Productions, Los Angeles, from story editor, television series development. Also, Jeffrey Miller to manager of television long-form development, from story



JOHN LAWSON NAPTS



HUEL PERKINS WJBK-TV



GARY WHITE IBS



CAROLE EDWARDS Vitt Media

editor, TV long-form development. coverage for Europe, the M

Christy Welker, formerly principal of Gillian Productions, has signed a development deal with ITC Productions to produce miniseries and series programing.

Leland Hodges Jr. to chairman, North Texas Public Broadcasting, Dallas, from president, The Hodges Cos., Fort Worth, Texas.

Bill Dailey to programing manager, KDOC-TV, Los Angeles, from programing assistant. Also, Tricia Krause to promotions manager from promotions assistant.

Cable

Roanne Robinson to assistant director, industry affairs, NCTA, Washington, from executive assistant to the president.

Thomas Herron to coordinating director, CNBC, New York, from production manager, Olympics, NBC Sports, New York.

Dom Garaffa to director of sales and marketing, Cablevision of Connecticut and Cablevision of Southern Connecticut, Norwalk, Conn., from regional sales manager.

Journalism

Ned Warwick to director of news

coverage for Europe, the Middle East and Africa, ABC News, London, from news director, WPVI-TV, Philadelphia. Also, **David Glodt** to executive producer, "This Week With David Brinkley" and weekend news broadcasts, Washington, from director of news coverage for Europe, the Middle East and Africa, ABC News, London.

Peter Vesey to director, CNN International, Atlanta, from bureau chief, CNN, London. Also, David Feingold to bureau chief, London, from national assignment editor, CNN, Atlanta; Mark Dulmage to senior assignment editor, Atlanta, from executive producer and anchor, "This Week in Japan," CNN, Tokyo; Brian Nelson to executive producer and anchor, "This Week in Japan," from anchor, "Newsnight Update" and "News Overnight," CNN, Atlanta; **Donna Liu** to producer, "This Week in Japan," from free-lance producer, CNN, Atlanta; Greg Lefevre to bureau chief CNN, San Francisco, from general assignment correspondent; Ken Chamberlain to bureau chief, CNN, New York, from bureau chief, San Francisco; David Farmer to bureau chief, CNN, West Coast, Los Angeles, from bureau chief, New York; Steve Shusman to evening national assignment editor, CNN, Atlanta, from bureau chief, Los An-

Richard Rieman to vice president, news/sports, Unistar Radio

Networks, New York, from bureau chief, Washington.

Huel Perkins to news anchor, WJBK-TV, Detroit, from news anchor and reporter, KSDK-TV, St. Louis.

Gayle Newman to news director, KKYY-FM, San Diego, from news director, KCAQ-FM, Oxnard, Calif.

Steve Highsmith to news director, WCAU-AM, Philadelphia, from news director and managing editor.

Vance Scott to assignment manager, KCAL-TV, Los Angeles from assignment editor, KABC-TV, Los Angeles. Also, Jack Noyes to assignment editor from assignment editor, WTVJ-TV, Miami; Byron Miranda to assignment editor from assignment editor and field producer, KRON-TV, San Francisco; and Maryhelen Campa to overnight assignment editor from assignment editor and producer, KGGM-TV, Albuquerque, N.M.

Steve Largent to sportscaster, TBS SuperStation, Atlanta, from wide receiver, Seattle Seahawks, Seattle.

Radio

Gene Millard, general manager, KFEQ-AM, St. Joseph, Mo., has been appointed to the National Association of Broadcasters' Radio Board. Mr. Millard succeeds **Bob Templeton**, who resigned.

Martha Carillo to promotion development coordinator, WKQX-FM, Chicago, from promotion assistant for the station.

Ken Brooks to air personality, KEBC-FM, Oklahoma City, from program director and morning personality, KGHL-AM, Billings, Mont.

Todd Fisher to program director, WEGX-FM, Philadelphia, from program director, WKTI-FM, Milwau-

Syndication

Jerald Bergh to executive vice president, Saban Entertainment, Burbank, Calif., from senior vice president, Saban Productions.

Gary White to chief financial officer, International Broadcast Systems, Dallas, from senior manager, Touche Ross and Co., Dallas.

Lyndal Marks to London bureau chief, "A Current Affair," London, from associate producer, CBS News' "60 Minutes," London.

Other

Carole Edwards to vice president, Vitt Media, Los Angeles, from founder, Competitive Media Research, San Francisco.

Jolen Schmauss to vice president, sales and marketing, The Spotwise Agency, Boston, from senior broadcast marketing analyst.

Nancy Sher to temporary administrator, Independent Television Service, New York, from comptroller, Handmade Films, New York.

Edmund Asnin, president and owner of Sunbeam Television, WSVN-TV, Miami, received the Governors Award from the National Academy of Television Arts and Sciences at the Florida Emmy Awards.#

'Hard Copy' trial starts

ATLANTIC CITY, N.J. (AP)—One of two teen-agers allegedly induced to gamble by staffers of a television show testified that he was offered free food and lodging in exchange for his participation but never received it.

City prosecutor Steve Smoger said the charges of inducing a teen-ager to gamble represented the first such case since casino gaming was approved for Atlantic City in 1977.

In an effort to convict the two staffers from "Hard Copy," a Paramount Domestic Television magazine-style show, Mr. Smoger said he offered a plea bargain with the youths.

Andrew Pearlstein and Jeff Gerson, both 19 and of Cherry Hill, N.J., each pleaded guilty Dec. 21 to charges of falsifying an application on a driver's license. Municipal Court Judge Bruce Weekes fined them each \$250.

Mr. Smoger said the charges of underage gambling faced by Messrs. Pearlstein and Gerson could be reduced after the resolution of the case against Ellen Gussenberg and Daphne Pinkerson, the two "Hard Copy" staffers.

Ms. Gussenberg and Ms. Pinkerson face disorderly persons charges. The offense is punishable by up to a year in jail and a \$2,000 fine.

The staffers work as "field directors," developing stories by finding people to interview. Ms. Gussenberg is also a producer, said Jane Yollin, a show spokeswoman. Mr. Pearlstein told Ms. Gussenberg's attorney, Carl

Mr. Pearlstein told Ms. Gussenberg's attorney, Carl Poplar, that he and Mr. Gerson had not received a free room or food from the "Hard Copy" staffers. But he said he believed Ms. Gussenberg offered the food and room over the telephone.

Mr. Pearlstein, who was on the stand for more than an hour, said his testimony was not influenced by the case's potential impact on a civil lawsuit contemplated by his attorney against Ms. Gussenberg and Ms. Pinkerson.
John Maroccia, the attorney for Messrs. Pearlstein and Gerson, said he would decide whether to file the lawsuit within 30 days.

The two were arrested Aug. 18 for allegedly gambling at Trop World Casino and Entertainment Resort.

Under questioning by Mr. Smoger, Mr. Pearlstein said Ms. Pinkerson called him in July after a friend of his sister suggested he might be a good person to contact.

The friend, Jennifer Denmark, 21, of Cherry Hill, testified earlier that Ms. Gussenberg identified herself as being from MTV when she approached her earlier in the month at Bally's Grand Hotel & Casino.

Ms. Denmark, crying on the stand, said she believed Ms. Gussenberg wanted to do a feature on youths at the Jersey shore in the summer.

Under cross-examination, Ms. Denmark said, "Part of the conversation dealt with underage gambling."

Mr. Pearlstein said he drove Aug. 18 from Cherry Hill to Atlantic City with Mr. Gerson because the idea of a TV interview appealed to him and because phone calls from Ms. Pinkerson led him to feel sorry for her.

"I didn't completely blow her off in the beginning," he said. "She was very nice to me and I felt bad for her. She seemed very persistent and had trouble finding people" for the show, he said.

After their arrest by casino security, Mr. Pearlstein said he told state police that they were part of the television program. He said he then called Ms. Gussenberg.

"I said to her that we got arrested and we need you to . . . come and take us out," Mr. Pearlstein said. "She never came."

The trial is expected to resume Jan. 8 or 9 with more testimony by Messrs. Pearlstein and Gerson.#

Tisch buys 6.6% of Bank of Boston

Boston (AP)—An investment group including CBS Inc. President and Chief Executive Officer Laurence Tisch has purchased 6.6 percent of the Bank of Boston Corp., filings with the Securities and Exchange Commission show.

Mr. Tisch and his partners bought the stock for investment purposes and have no intention of seeking control of the bank, according to the filings.

The \$94.5 million investment was made by Mr. Tisch, members

of his family and FLF Associates, a New York-based firm representing Mr. Tisch's sons.

The group said it holds 4.7 million common shares in the bank, and plans to review its investment from time to time. The group said it might increase or decrease its holdings, depending on market and other conditions.

Mr. Tisch is chairman of Loews Corp., which owns CNA Financial Insurance, Lorrilard Tobacco and 25 percent of CBS.#

WPXI-TV anchor leaves

PITTSBURGH (AP)—Television news anchor Mike Hambrick left WPXI-TV here after reaching what he called "an amicable understanding" with the station on the remaining two years of his contract.

Mr. Hambrick said recently he was moving to his ranch in Long Oak, Texas, about 50 miles east of Dallas. He does not have a job but said his agent probably will be contacting television stations for him.

Mr. Hambrick was co-anchor of

WPXI's 6 p.m. and 11 p.m. newscasts until June, when he was reassigned to the 6 a.m. and noon programs. Recently, he had been working an overnight shift.#

The 1980s

A Decade in Review



"The Arsenio Hall Show" woke up late-night viewers and syndicators alike in 1989

Syndication boom

Distributors build business empire in '80s

By MARIANNE PASKOWSKI

New York bureau chief

The heady euphoria of the first-run syndication business in the early 1980s declined by decade's end into a sobering

In fact, Bob Jacquemin, president of domestic syndication for Buena Vista Television, says many distributors have spent the last two years of this

SYNDICATION

decade. "recovering from their earlier mistakes.

But the early '80s were intoxicating times indeed for syndicators and broadcasters

Syndicators were cranking out first-run shows in a frenzy to fill the thousands of newly-created hours of airtime from the hundreds of new independent TV stations that had signed on across the nation.

In 1980, there were just a handful of first-run shows airing, such as "The Mike Douglas Show" and "The Dinah Shore Show."

But by 1989, there were more than 120 daily and weekly strips on the air, not to mention the 300 syndicated specials that had flooded the marketplace.

Prices for all television programing—first-run, off-net-work and movie packages—had escalated by mid-decade to (Continued on Page 85)



In 1980, "PM Magazine" broke ground as a national tabloid strip in access, and syndicators were on a roll

Cable leaps and bounds into 1990s

DENVER—The 1980s were the turning point for cable television as urban areas were wired, the industry was deregulated and basic penetration surpassed 50 percent of all U.S. TV households

From the franchising wars of the early '80s, when operators fought furiously to secure as many franchises as possible, to the Cable Communications Policy Act of 1984, which deregulated the industry, and finally to the possibility of re-regulation, cable experienced enormous

growth and change.

The cable business grew from

17.7 million subscribers, or 22 percent of all U.S. television households, in 1980 to over 52.5 million, or 57 percent, at the end of the decade, according to Nielsen Media Research.

CABLE

'Clearly, without a doubt," says Ed Allen, general partner with San Francisco-based multiple system operator InterMedia Partners, "the single most significant event of the 1980s was the passage of the cable act. It's the Magna Carta of the industry."

Indeed, the act opened doors previously locked to cable operators, such as allowing the industry to involve itself more heav-

ily in programing, realign its rates and offer new services.

Just prior to the act's passage, the overly optimistic, "blue sky" promises made by cable operators in their efforts to win franchises began to falter, and it looked like the huge short-term gains made by cable wouldn't last.

"The cable act gave us the ability to make long-term decisions," says Glenn Jones, chairman of Jones Intercable here.

It also allowed a significant amount of money to be used to reconfigure and restructure cable systems, says Tom Rackerby, president of the national division of American Television & Communications Corp., "giving us the opportunity to fulfill the promises we made in the early '80s."

It took three years for the industry to get the cable act passed by legislators. It involved countless hours of negotiations between the National League of Cities, the National Cable Television Association and congressional leaders.

But Congress finally passed the measure on Oct. 15, 1984, and the cable industry was never the same again.

(Continued on Page 88)

Broadcast competition builds

(Continued from Page 1)

businessmen, but were not necessarily beholden to their ccountants.

Just a decade ago, their world was slower, simpler, leadier.

Today that world is a brand-new, high-tech, high-fiance, high-stakes business culture that has thrown the verage broadcaster into the same whirlwind with forign entrepreneurs, investment bankers and venture

apitalists.
"It used to be that if you were in the television busiess, all you had to do was to understand the difference etween VHF and UHF; NSI and ARB," says a veteran

Today the broadcasting landscape is cluttered with ronyms representing the complexities of a new elec-onic media age—among them VCR, MTV, HBO, HDTV, NN, KKR and, of course, the ever-popular LBO.

The events of the past decade have marked a water-ied change for the industry, breaking traditions and

Broadcasters have been forced to embrace the cable perators they once feared as a means of forging new revenue streams

BUSINESS

Cable operators are now seeking to cross into more

program production to better control their costs.

Program producers are acquiring TV, cable and other outlets to assure full return on their investments

And the commercial broadcast networks are looking to get in anywhere that federal regulation allows.

In the end, as one Wall Street analyst recently observed, it may well come down to one huge supply and demand tug-of-war, and "no one will care about what your signal is or how it is transmitted."

This was the decade when broadcast and entertainment companies began to be viewed on Wall Street as pure business commodities to be bought and sold, rather

than as some kind of special creative endeavors.

Suddenly, the destiny of many media companies had nothing to do with traditional, long-range planning, but with the whimsical trading activity of its stock.

"There is no question things will never be the same as ey were," says NBC President and Chief Executive Officer Robert Wright, one of the premiere engineers of (Continued on Page 40)

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Fox Broadcasting Co	
Off-network syndication	

The 1980s

A Decade in Review

Big 3 see erosion of ratings power

By WILLIAM MAHONEY

Los Angeles bureau chief

Los Angeles-On Nov. 21, 1980, 76 percent of people watching television that night tuned in "Dallas" on CBS to find out "Who Shot

Today, the Big 3 are lucky if, collectively, they can attract that percentage of TV viewers in any one time period in prime time.

On the average, only about 68 percent of all

of the people that watch prime-time television in a given week turn to ABC, CBS and NBC.

That's down from about 85 percent when

NETWORKS

the 1980s began.

Although the networks are still clearly the dominant force in over-the-air televisionboth in terms of the audience and advertising dollars they attract-one of the most significant developments of the past decade was the degree to which that power eroded.

The tremendous growth in the penetration

of cable television, the boom of the independent television station business, the proliferation of home satellite TV dishes and the entrance of Fox Broadcasting Co. all played parts in the networks' decline.

The wide availability of such devices as the videocassette recorder and the TV remote control also dramatically changed the way people watch TV

On Feb. 28, 1981, in a speech in Los Angeles, television veteran Lee Rich, then president of Lorimar Productions, made this prophetic statement: "There may not be a future for the television industry, or it may change so radically that no one will recognize it.'

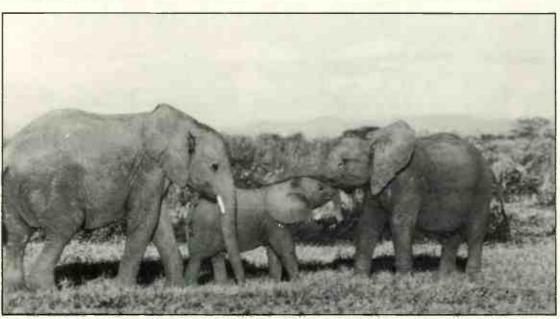
At the end of the TV season at that time, "Dallas" finished with an average 34.5 Niel-

sen Media Research rating (percentage of TV households).

But from that time on in the decade, the winds of change blew through the television business and, in fact, to the network business it was more like being in the path of a tor-

Harvey Shephard was president of CBS Entertainment when Mr. Rich made his prediction and when a huge number of viewers flocked to the screen to find out what fate held for J.R. Ewing.

"When I first came in, network shares were (Continued on Page 94)



"The Ivory Wars" premiered on The Discovery Channel in September 1989

Cable conquers '80s with slew of services

By ADAM BUCKMAN

Staff reporter

The phenomenal growth of the cable TV networks in the 1980s is perhaps comparable only to the growth of broadcast network TV in the 1950s.

Simply put, at the beginning of their respective decades, network TV and cable TV were barely no-

CABLE PROGRAMING

At the end of those decades, however, they were firmly established as hugely profitable, highly influential forms of mass media

Take cable TV: In 1980, 15 million households-or

19.8 percent of U.S. TV homes—subscribed to cable.
On average, those households received 12 channels of programing, including their local network TV affiliates and independent and public TV stations, according to the National Cable Television Association.

Today, 57.1 percent of U.S. homes-or 53 million households-are cable subscribers. By 1988, the typical cable home received 32 channels of programing,

The growth of cable TV programing in the '80s is reflected in the amount of money cable system oper-

ators paid for programing during the decade.

In 1980, operators paid a total of \$276 million. In
1988, they paid \$2.6 billion to carry the programing services, NCTA says.

In fact, there are 53 more basic and pay cable services today than there were in 1980, according to

The 1980s saw the creation of a multitude of cable services, among them CNN, MTV, Arts & Entertainment Cable Network, USA Network, The Disney

Channel, Black Entertainment Television, The Discovery Channel, Financial News Network, Turner Network Television, CNBC, The Comedy Channel, The Weather Channel, Showtime, The Learning Channel,

Home Shopping Network and The Travel Channel,
And although cable networks such as HBO, TBS
SuperStation, ESPN, Nickelodeon and C-SPAN
launched in the late 1970s, they grew and prospered
in the 1980s along with the rest of the cable industry.

Resides all of these suppresses there were a handful

Besides all of those successes, there were a handful of cable networks that were launched and then fell by

In 1984, Ted Turner launched Cable Music Channel as a music service competitor to MTV, and MTV offered Mr. Turner \$1 million to shut it down after only about a month. Mr. Turner accepted the offer.
Satellite News Channel, a 24-hour cable news com-

petitor to CNN, was launched as a joint venture of Group W Cable and ABC-TV. It too fell by the wayside after a short time.

The launch and growth of cable programing services in the '80s were enhanced by the financial participation of the nation's biggest multiple system operators, whose investments in the cable networks fueled an increase in original programing produced especially for cable TV.

Cable's increasing reliance on original programing is reflected in the growth of the ACE Awards, the cable industry's equivalent of Emmys or Oscars.
In 1979, the National Academy of Cable Program-

ming presented three ACE Awards at an NCTA convention banquet.

On Jan. 12 and 14, 82 ACE Awards will be bestowed over two nights, with one of those nights scheduled to be simulcast live on 12 cable networks.

The ability of cable networks to buy and produce programing in ever-increasing amounts was also fu-(Continued on Page 88)

CNN's growth spurs changes in Big 3 news

By DIANE MERMIGAS

Senior reporter

Perhaps the single most influential development in television news in the 1980s came from outside the three commercial broadcast networks and dramatically challenged their news dominance.

The biggest challenger was 24-hour CNN, a free, advertising-supported cable service that, little over a decade ago, was simply the germ of an idea from Ted Turner, a visionary maverick who delights in seeing the broadcast networks

Indeed, CNN has become such a widely accepted and successful win-dow to the world that at least one of the commercial broadcast net-works, NBC, has attempted in vain to acquire an equity position in it.

Operating on much less money than the annual funds and resources budgeted for the news divisions of ABC, NBC and CBS, CNN has taught the broadcast world several valuable lessons: TV news can be profitable; there is a market for around-the-clock news coverage; costly news resources can be better amortized; and news is an affordable, controllable program form that can be endlessly recycled for

NEWS

maximum return on investment.

In many ways, CNN has come to represent TV news as a business and not the sacrosanct loss leader it was in television's infancy, when the ability to cover breaking news live was the medium's most prestigious

Much of the innovation in television news during the '80s came in response, directly or indirectly, to the phenomenon of CNN.

The flourishing of ABC's "Night-line," born out of late-night news specials tracking the Iranian hostage crisis, was further evidence that a select but loyal segment of TV viewers crave a lifeline to world affairs at any hour.

CBS's dawning "Nightwatch" is a more modest but lingering appeal to the same news appetites.

As entertainment programing became more costly and risky, news and informational broadcasts became more prevalent.

The networks expanded their news programing into the early morning hours and breathed new life into their long-standing Sunday morning public affairs lineups.

(Continued on Page 38)



CBS's "Nightwatch," with guest Sally Ride and host Charlie Rose. came in the wake of CNN's success.

To Build The Perfect Kids Block, Start With Some Fun.



Deregulation stirs trading, rate increases

By DOUG HALONEN

Washington bureau chief

Washington—The 1980s was a turbulent decade for the electronic media, fueled in part by the sweeping deregulatory initiatives of the Reagan administration.

The past decade was marked by

- the following events:

 All three major TV networks, and many other media organizations, changed hands;
- The cable TV industry experienced a sharp rise in wealth and power, with many arguing that it had burgeoned into an out-of-control monopoly;
- And "shock jocks," talk personalities who unabashedly laced their programs with vulgarities, also emerged from radio's closet

REGULATION

Fowler after the FCC, Page 101.

Some of those events may have occurred no matter who happened to be in the White House.

Yet many observers here say the developments were aided by the Reagan administration's hands-off regulatory policies, which were put into effect at the Federal Communications Commission by a former radio disc jockey named Mark

"His idea was that anything goes, that the marketplace rules," Henry Geller, director of the watch-dog Washington Center for Public Policy Research.

In the name of the marketplace, Mr. Fowler, who served as the Reagan administration's FCC chairman from 1981 until April 1987, changed many of the agency's ground rules.
Publicly traded broadcast proper-

-such as the major TV networks-were once immune to corporate takeover worries, protected by a variety of FCC regulations

Yet in what turned out to be one of his most significant moves, Fowler uprooted those regulatory barriers, turning all publicly owned broadcast companies into potential targets for takeovers.

He also raised the ceiling on the number of TV stations a broadcaster could own from seven to 12, a move that jacked up TV station values and made such mega-media mergers as Capital Cities Communications' 1986 acquisition of ABC practical.

In addition, sources said Mr. Fowler always made clear that he would bend FCC rules remaining on the books—through grants of waivers and such—to ease the way for

ers and such—to ease the way for takeovers and mergers.

"Fowler never met a waiver he didn't like," says Andrew Schwartzman, executive director of the watchdog Media Access Project.

The former shairmen also lawered.

The former chairman also lowered many other barriers that had once insulated the industry from takeovers, including policies aimed at ensuring that broadcasters are of

high moral quality and character.
On another plane, Mr. Fowler went after regulations governing programing content, including the fairness doctrine, which directed broadcasters to cover both sides of controversial issues, and rules regulating children's TV.

The audience should decide what is broadcast, not the government," said Mr. Fowler. "The public's interest should define the public in-

Yet it was Dennis Patrick, the sensitive young Californian who succeeded Mr. Fowler, who actually

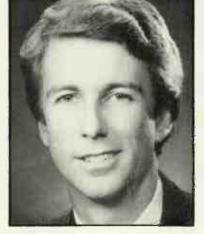
axed the doctrine.

Many critics blame Mr. Fowler for much of the re-regulatory backlash. However, one of the biggest dere-

gulatory packages of the decade for the media—the Cable Communications Policy Act of 1984—was the spawn of Congress, not the FCC.

The cable act essentially freed

cable companies from municipal



The 1980s

A Decade in Review

oversight, allowing them to raise subscriber rates, which has now caused new concern in Congress.

Under the act, which also shields cable operators from potential competitors, the industry has prospered.

In the 1990s, many sources here say they believe the regulatory brakes will be applied. Now, for instance, many lawmakers here appear bent on re-regulat-

ing the cable television industry.
One of the more ambitious bills on the subject was introduced recently by Sen. John Danforth, R-Mo. It

would re-regulate subscriber rates,

restore more power to franchising authorities, establish new must-carry rules and limit the size of

multiple system operators.

Also on Capitol Hill, key lawmakers are pushing efforts to re-regulate children's TV and to resurrect the fairness doctrine.

Meanwhile, Al Sikes, the Bush administration's new FCC chairman,

says he's no re-regulator.

Yet during the early days of his administration. Mr. Sikes has led the FCC in an effort to crack down on 12 radio broadcasters for allegedly broadcasting indecencies





He has also made clear that he will try to yank the licenses of broadcasters convicted of drug traf-

ficking. In a recent interview, he told ELECTRONIC MEDIA that he'd consider taking away the licenses of broadcasters convicted of other

sorts of felonies.

"Generally, my preference is for markets to be the regulating instrument," adds Mr. Sikes, however.

"My bias is clearly toward letting broadcasters and the audience determine what's on television and

Radio endures consequences of deregulation

By EILEEN NORRIS

Special to ELECTRONIC MEDIA

For the radio industry, the last decade has been fraught with change, most notably Federal Communications Commission deregulations that kicked into high gear in the mid-

Depending on who's asked, the new FCC mandates have either helped the industry mature, or helped damage it

Deregulation meant radio owners no longer had to wait at least three years before selling a station. The stations were no longer required to have extensive news and public affairs programs as a caveat to getting a license. Thus, news programs were slashed and stations were bought and sold at a frantic pace.

Transactions doubled in value from \$1.4 billion in station deals in 1985 to a record \$3 billion in 1986. The time was ripe for a whole new breed of radio entrepreneurs, and they built and swapped radio groups with a fury

RADIO

Network radio made changes. Most notably. NBC got out of the radio business after some 60 years and Westwood One bought up NBC Radio Networks and Mutual Broadcast-

Another sign of the times in the decade: networks switched to satellite-distributed format programing. Some say deregulation also might have contributed to the rise of the socalled shock radio formats; the further decline of the AM band; and the increasing fragmentation of an audience more likely to turn on the tube or a VCR than tune in to the radio.

One underlying premise can't be forgotten, say industry observers. The usage of radio by the public has changed since 1980, when half of radio's audience listened at home.

Today, that's more like a third, says Rick Sklar, president of Sklar Communications in New York. The radio consultant estimates that about two-thirds of today's listeners tune in outside the home.

'It has to do with people traveling more and spending

more time in their cars, but also with other media available in the home," adds Mr. Sklar.

"TV in the '80s has become the radio because folks use TV like they used to use the radio," says Jim Cameron, a radio news consultant who heads Cameron Communications in New York.

"They turn it on and walk around. Even Cable News Network is now oriented to its audio listeners as much as its video watchers.

Another trend that came out of the '80s is the evolution of narrowly targeted formats, such as adult contemporary and

"With more stations out there competing, we saw a narrowing of the product," says Jeff Smulyan, chief executive officer of Emmis Broadcasting in Indianapolis, which has 11 radio stations in its group.

(Continued on Page 40)

Give It A Beat.



Alvin & The Chipmunks © Bagdasarian Productions.

The 1980s

A Decade in Review

Sports events include low points, too

While the TV sports world brought viewers endless highlights—and repeated them over and over in slow motion, freeze-frame, reverse angle and super-slow motion—it also brought plenty of lowlights.

NFL players struck twice, leaving empty stadiums and dismal replacement games, while baseball diamonds were dark for periods in 1981 and again in 1985.
U.S. athletes walked out of the 1980 Moscow Summer

Olympics, and the Soviets spurned the Los Angeles

Summer Games four years later. NBC Chairman Jane Cahill Pfeiffer didn't have the

NBC Chairman Jane Cahill Pfeiffer didn't have the foresight in 1980 to protect that network's Moscow Summer Olympic plans, and following the U.S.-led boycott, she resigned in a swirl of other network woes.

ABC protected its 1984 Los Angeles investment with an \$8 million insurance policy from Firemen's Fund, with the policy paying up to \$75 million if Olympics ratings fell below a 21 A.C. Nielsen Co. average

(percentage of TV homes), which they never did.

Meanwhile, the wealth of sports on TV was too much for some to handle. A Texan, David Cobb, was divorced by his wife in 1982 after Mr Cobb admitted to a judge that he watched eight hours of ESPN per night as often as seven nights per week. "I shouldn't have watched the Australian badminton tournament," Mr. Cobb said.

Like just about anyone who's on TV these days, sportscasters became fodder for the gossip pages.

Rankled over the fact that Phyllis George was horning into his "NFL Today" airtime, Jimmy "The Greek" Snyder and series host Brent Musburger came to blows

in a midtown Manhattan bar.

In other fight action, a Catskills tough named Mike Tyson emerged in HBO's "World Series of Boxing" in 1986, and viewers had to be quick to see him on TV. In June 1988, he flattened Michael Spinks in the richest fight in sports history, earning \$22 million for a minute-and-a-half's work.

In fact, in 1988 alone, Mr. Tyson fought 12 times on HBO, averaging 18 minutes per bout, one-minute round intermissions included.

Another boxer, Sugar Ray Leonard, knocked out Tommy Hearns in 1981, opening doors to pay-per-view prosperity in a fight that grossed more than \$35 million, thanks to a 2 million home PPV universe where 40

percent of the homes bought the event.

Last summer, the two boxers met again, and this time a 9 million-home PPV universe upped the gross take to better than \$50 million despite regional buy rates

hovering at about 7 percent.

Jabbing of another sort made its way to the forefront during the past decade, as sports broadcasting provided

a forum for some glaring racial gaffes.
Then-CBS college basketball analyst Tom Brookshire said during a University of Louisville game broadcast that, while the largely black team "had a collective IQ of about 40," the players' brainpower had no effect on the fact that "they could sure play basketball."

And host Ted Koppel sat startled in 1987 as Los Angeles Dodgers executive Al Campanis suggested on ABC's "Nightline" that blacks may not have some of the "necessities" for handling the mental drain of a baseball management position.

CBS's Mr. Snyder, after his early-decade bout with Mr. Musburger in the Manhattan bar, lost his network sportscasting job in 1988 after telling a reporter from Washington station WRC-TV that blacks weren't lacking anything—that, in fact, slave owners who'd bred black slaves were the people to thank for the race's apparent abundance of athletic skill.

A year later, the United States Football League hoped to break up the NFL's marriage to the broadcast networks, when it leveled a \$1.32 billion antitrust suit

claiming the NFL monopolized television revenues.

Though winning the battle, the league lost the war, as

a judge awarded the USFL only \$1, prompting the onetime ABC and ESPN staple to abandon play.

And, in keeping with the USFL's blank-screen policy, in 1987 CBS News anchor Dan Rather took issue when a U.S. Open tennis match cut into his newscast. He walked off the "CBS Nightly News" set and left CBS viewers with a black picture for six minutes at the end of the

-Thomas Tyrer

Networks find winner in live sporting events Strong ratings translate into fee hikes

By THOMAS TYRER

Staff reporter

At the decade's onset, CBS didn't own any rights to the Olympics, NBC had a stranglehold on baseball coverage, and that season's NBA finals were broadcast on tape-delay on CBS.

But entering the 1990s, as live sporting events have proved their worth, CBS has built an arsenal of sports programing

second to no other network in the history of sports television.

It's positioning itself as the "Network of Champions," with
CBS Sports President Neal Pilson looking to broker prime-time

sports into network superiority.

In 1990, CBS counts the Super Bowl, basketball's NCAA Final Four and NBA Finals, baseball's National and American League and World Series championships and other events within its programing portfolio.

The road to those championship events was paved in gold, as

Mr. Pilson and CBS Chairman Laurence Tisch can well attest.
During the past 13 months, CBS has shelled out \$2.64 billion in sports buys, with costly pro football bargaining just around the corner.
"There's no question there's a perception that sports rights

SPORTS

fees have gone up, and they have," Mr. Pilson says. "But I don't think it's been wild or uncontrolled."

The change in rights fees "certainly hasn't had a damaging

impact as far as CBS is concerned," he says, "because w very comfortable with the rights fees we have paid for all of our

CBS shocked the broadcast community in December 1988 when it agreed to pay Major League Baseball \$275 million per year as part of a \$1.1 billion dollar pact granting CBS the right to televise all of baseball's post-season play over a four-year

The \$275 million price tag represents a 50 percent markup over the \$183 million per year ABC and NBC had together paid for the game's playoffs since 1983. The deal also severed NBC's 50-year relationship with baseball.

Not to be outdone, NBC countered with a \$600 million win in November, taking CBS's longtime rights to the NBA over the

At the beginning of the decade, CBS took rights to the 1980-1982 basketball seasons for \$42 million, or \$21 million per year, making NBC's recent deal a 614 percent-per-year increase over

Turner Broadcasting System, one of the major cable companies now battling the larger broadcast networks for valuable sports properties, has telecast NBA games since 1984, paying \$10 million for its first year of basketball coverage.

In November, TBS Sports President Terry McGuirk signed a four-year deal that will cost \$69 million per year, a 590 percent

jump from the cable company's 1984 price.

NBA Commissioner David Stern attributes much of the dramatic rise in his league's sports rights to a television marketplace "that recognizes a sort of shifting of values in which a live, exciting program is going to attract a guaranteed audience size and generate a lot of special attention."

"Despite all the other viewing options now available, there's still something that draws the viewer to that live event," Mr. Stern says, "because, unlike entertainment programing, you can't tape it and then watch it later because it always loses

Bryan Burns, senior vice president of Major League Baseball and one of the principle negotiators behind CBS's \$1.1 billion baseball buy and ESPN's recent \$400 million outlay for four years of baseball cable rights, says the people who stand to

gain the most from TV's insatiable sports appetite are the fans. "Our ESPN cable package will be a baseball fan's dream," Mr. Burns says in detailing the cable network's plan to televise 175 regular season games per year on a four-night-per-week

"If you can count one person viewing one game in one house as a viewing household, then we think we will have an increase in viewing homes next year of something over 80 percent," Mr.

"That's because (of), basically, the number of games and the frequency of games on ESPN, and that to me translates into better-served baseball fans."

While cable sports packages may be helping the major sports



With the help of such players as the New York Knicks' Patrick Ewing, NBA games have grown in popularity on TV.

organizations get more exposure and revenues for their events, the exodus of certain sports coverage to cable during the decade has attracted the attention of Congress.

Following exclusive cable deals for certain college football conferences and spurred by independent TV broadcasters, some members of Congress are scrutinizing the so-called "siphon-

ing" of sports by cable.

As the next decade opens, cable services are expected to increase their sports coverage, with more National Football League coverage being one example.

Following this year's football season, new NFL Commissioner Paul Tagliabue will sit down with representatives from each of the three major broadcast networks, Fox Broadcasting Co., ESPN and other cable networks to portion out what should be lucrative slices of the pro football agenda.

(Continued on Page 92)

AddSome Adventure.



Alvin & The Chipmunks © Bagdasarian Productions. Steven Spielberg Presents Tiny Toon Adventures ™ & © 1989 Warner Bros. Inc.



And Make Everyone Merrie.

Program your afternoons with Warner Bros. and you'll have all of

the blocks needed to build the perfect kids line-up.

First, there's "Fun House," with numbers that prove live-action kids shows can work. It's the perfect after-school transition vehicle. Working just as well next to cartoons or leading into sitcoms, building its share of kids sweep after sweep, season after season.

Then, add "Alvin and the Chipmunks." For years, they rocked their way to the top on Saturday morning. Now, in their second strip season

they're the lead player in afternoon line-ups across the country.

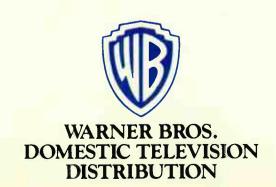
For Fall '90, "Steven Spielberg Presents Tiny Toon Adventures."™
Combine Steven Spielberg's creative force with the quality animation style and spirit of Warner Bros. Animation, and you have 65 big-budget, high-hearted, half-hour tales featuring all new irresistible characters.

And, also for fall, "Merrie Melodies starring Bugs Bunny™ and Friends." A brand new collection of 65 half-hours of classic Warner Bros. animation. We've pre-packaged each episode in a contemporary format with new opens, wrap-arounds and promotions. Most important of all, we've added 65 cartoons that are new to syndication.

If you're looking to get lots of kids to hang out at your place, call your Warner Bros. rep. We'll help you become best friends with every kid on

your block.

We're Best Friends With Every Kid On The Block.



The 1980s

A Decade in Review

	Jan. 2, 1980	Dec. 13, 1989	Change
A.H. Belo	n/a	\$37.75	-
ATC	n/a	\$43.62	-
CBS	\$50.88	\$196.88	+\$146.00
Cablevision	n/a	\$38.00	•
Cap Cities/AB0	\$47.50	\$546.25	+\$498.75
Carolco	n/a	\$11.25	-
Century Comn	n. n/a	\$11.38	-
Coca-Cola	\$11.25	\$80.25	+\$69.00
Comcast	\$2.37	\$16.00	+\$13.63
Disney	\$10.88	\$130.75	+\$119.88
FNN	n/a	\$7.00	-
Gannett	\$10.47	\$41.88	+\$31.40
General Electri	c \$12.19	\$64.25	+\$52.06

Jan. 2, 1980

EM Stock Index 939.81

> **Dow Jones** 838.74

Media stocks in the 1980s

Dec. 13, 1989 **EM Stock Index** 5313.49 +4373.68 points

	Jan. 2, 1980	Dec. 13, 1989	Change	
General Instrument	\$16.00	\$38.62	+\$22.63	
Home Shopping	n/a	\$7.25	-	
Itel	\$5.00	\$21.75	+\$16.75	
Jones Intercable	\$3.28	\$15.75	+\$12.47	
King World	n/a	\$39.12	-	***
Knight-Ridder	\$12.75	\$54.75	+\$42.00	
MCA	\$17.50	\$67.75	+\$50.25	
McGraw-Hill	\$13.56	\$57.75	+\$44.19	
Media General	\$6.38	\$32.12	+\$25.75	
Multimedia	n/a	\$84.00		
Paramount Comm.	\$7.15	\$51.88	+\$44.73	
Playboy Enterprises	\$14.00	\$16.50	+\$2.50	
Scientific-Atlanta	\$9.00	\$25.00	+\$16.00	

Dec. 13, 1989 **Dow Jones** 2761.09 +1922.35 points Jan. 2, 1980 Dec. 13, 1989 Change Scripps Howard \$72.00 \$14.12 +\$57.88 \$1.17 \$16.00 +\$14.83 +\$113.97 \$131.25 \$17.28 \$17.88 \$35.50 n/a \$47.00 \$53.75 n/a

Time Inc. **Times Mirror** +\$17.62 Tribune Co. **United Artists** n/a \$18.75 Viacom n/a \$59.88 +\$53.69 Warner \$8.81 \$62.50 Washington Post \$20.25 \$269.00 +\$248.75 Wavetek \$7.89 \$4.25 +-\$3.64 \$12.50 +\$2.88

EM Stock Index vaults 465 percent

By NEIL NORDBY

Special to ELECTRONIC MEDIA

It was the best of times, it was the worst of times. But more often, it was the best of

While this introduction conjures up images of Dickens' "A Tale of Two Cities," it also sums up investors' feelings towards the stock market in the 1980s.

Who can ever forget the market's meteoric rise to record heights in the summer of 1987, followed by the infamous Black Monday, when the Dow Industrials spiraled down 508 points, followed by Gray Friday when the Dow plunged 150 points, and the fears of an impending recession that came with each ca-

But for investors in media stocks, it truly was the best of times last decade, thanks to a rash of rapid-fire, balance-sheet-shattering takeovers, including all three network parent companies, Warner Communications and Columbia Pictures Entertainment

For example, one need only look at the ELECTRONIC MEDIA Stock Index, which erupted by a mind-boggling 4373.68 points, or 465.38 percent, en route to a close of 5313.49 at dec-

Sprouting wings like never before, our indi-

STOCKS

cator of 25 electronic media concerns outpaced its widely-monitored brethren, the Dow Jones Industrial Average and the Standard & Poor's 500-stock index, which gained 229.19 percent and 226.80 percent, respectively.

In fact, of the 25 issues that were publicly hald on Jon 2, 1080, gainers abellocked leaves

held on Jan. 2, 1980, gainers shellacked losers by a 24-to-1 margin, as Wavetek was the lone issue to decrease in value during the Roaring Eighties on Wall Street.

Let's take a nostalgic trip back in time and peruse the movers and shakers in the media industry last decade.

Largest percentage-gainer:

This honor went to Tele-Communications Inc., which flexed its muscle to the tune of a 1,265.19 percent gain, thanks to one three-for-two and two two-for-one stock splits through the period.

The advent of cable has been instrumental in transforming the electronic media industry, and the entertainment of the American family. And those who invested in cable companies in the '80s were handsomely rewarded: Tele-Communications Inc. soared from \$1.17 a share to \$16, and led other stocks higher

Among other big winners in the '80s: Comcast, up 575.11 percent, and Jones Intercable, up 380.33 percent.

TCI

In addition to cable stocks, entertainment stocks, and especially movie studios, were also the darlings of Wall Street last decade. Among the stellar performers in the sector were The Walt Disney Co., up 1,102.3 percent and the third-best performer in the media industry on a percentage basis; Warner Communications, up 609.18 percent; and MCA, up 287.19 per-

Largest dollar-gainer:

This distinction went to Capital Cities/ABC. But what do you expect when a company

doesn't split its stock for 10 years?
Regardless, Cap Cities/ABC, which was two separate entities when the decade began, was indeed a stellar performer, rising from \$498.75 a share to \$546.25.

In fact, Cap Cities/ABC was the fourth-largest percentage-gainer of the lot, up 1,050

percent.
Other broadcasters couldn't keep pace. CBS, for example, gained a relatively nominal 286.98 percent, while General Electric Co. (and its NBC division) posted stronger results with a 427.16 percent advance.

Largest dollarand percentage-loser:

This dubious distinction went to Wavetek, which fell \$3.64 a share, or 46.12 percent, despite the largest bull market ever to hit Wall Street. In fact, Wavetek was the lone issue in our decade-in-review financial barometer to close lower at decade's end.

Future trends:

How will media stocks perform in the '90s? That question is best left for barroom banter. But there are a few prevailing theories for the first year or two:

 In the short term, as we speak, many Wall Street analysts recommend avoiding electronic media stocks following the decade-long ascent of many of these issues.

Whether this school of thought will graduate into reality remains to be seen. But the idea does seem sound in the next few quar-

• Takeovers will continue as the industry matures. A bigger-is-better mentality could prevail in the '90s, with big being the operative word here-an entertainment world where a few mega-monoliths bring together Synergy is the key, as newly merged com-(Continued on Page 85)

Three executives who changed the TV landscape

By DIANE MERMIGAS

Senior reporter

A decade ago, the names Robert Wright, Laurence Tisch and Sumner Redstone didn't ring familiar to many broadcasters, cable operators, or program producers.

But today, those fields are changed forever by a new wave of chief executives who came out of nowhere in the 1980s to reshape their companies and industries for

Brandishing a strict bottom-line orientation and historic detachment, these executives have instituted sweeping and stunning operational and philosophical

And they are not alone. Turner

Broadcasting System Chairman and President Ted Turner; Walt Disney Co. Chairman Michael Eisner; Fox Inc. Chairman and Chief Executive Officer Barry Diller; and Capital Cities/ABC Chairman and Chief Executive Officer Thomas Murphy also represent the new breed of corporate leader which has rocked the entertainment industry loose from its traditional foundations to forge a challenging new existence.
And yet Messrs. Wright, Tisch

and Redstone insisted in recent interviews with ELECTRONIC MEDIA that they are not so much architects as they are managers of

As Mr. Wright, president and chief executive officer of NBC, says, their type of management

"would have come with or without our help—the same way it did to most other major industries in the 1980s," because of factors such as increased global competition and deregulation.

The three executives concede that they have discovered the slopes of the changing electronic media and entertainment landscape to be more treacherous

than they expected.

Mr. Wright continues to wrestle with ways to offset and capitalize upon the inevitable decline of the record prime-time ratings and revenues he inherited three years ago when he was named head of

Mr. Tisch, since becoming CBS Inc.'s president and chief executive officer three years ago, has

remained ardently committed to improving CBS's core broadcast business under the most difficult of circumstances, including a shrinking network audience share and intensified non-network competition.

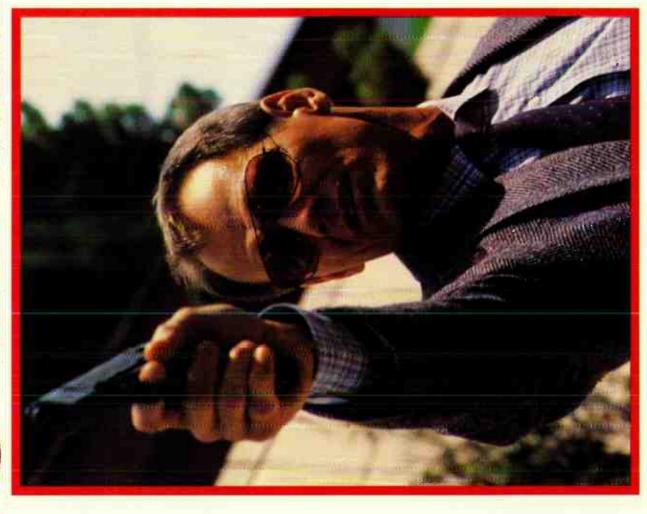
Mr. Redstone, whose National Amusements commands a dominant group of movie theaters, has favorably restructured Viacom Inc.'s more than \$1 billion in debt and now faces the costly task of expanding and preserving the dominance of his already sprawling businesses.
Industry observers say the

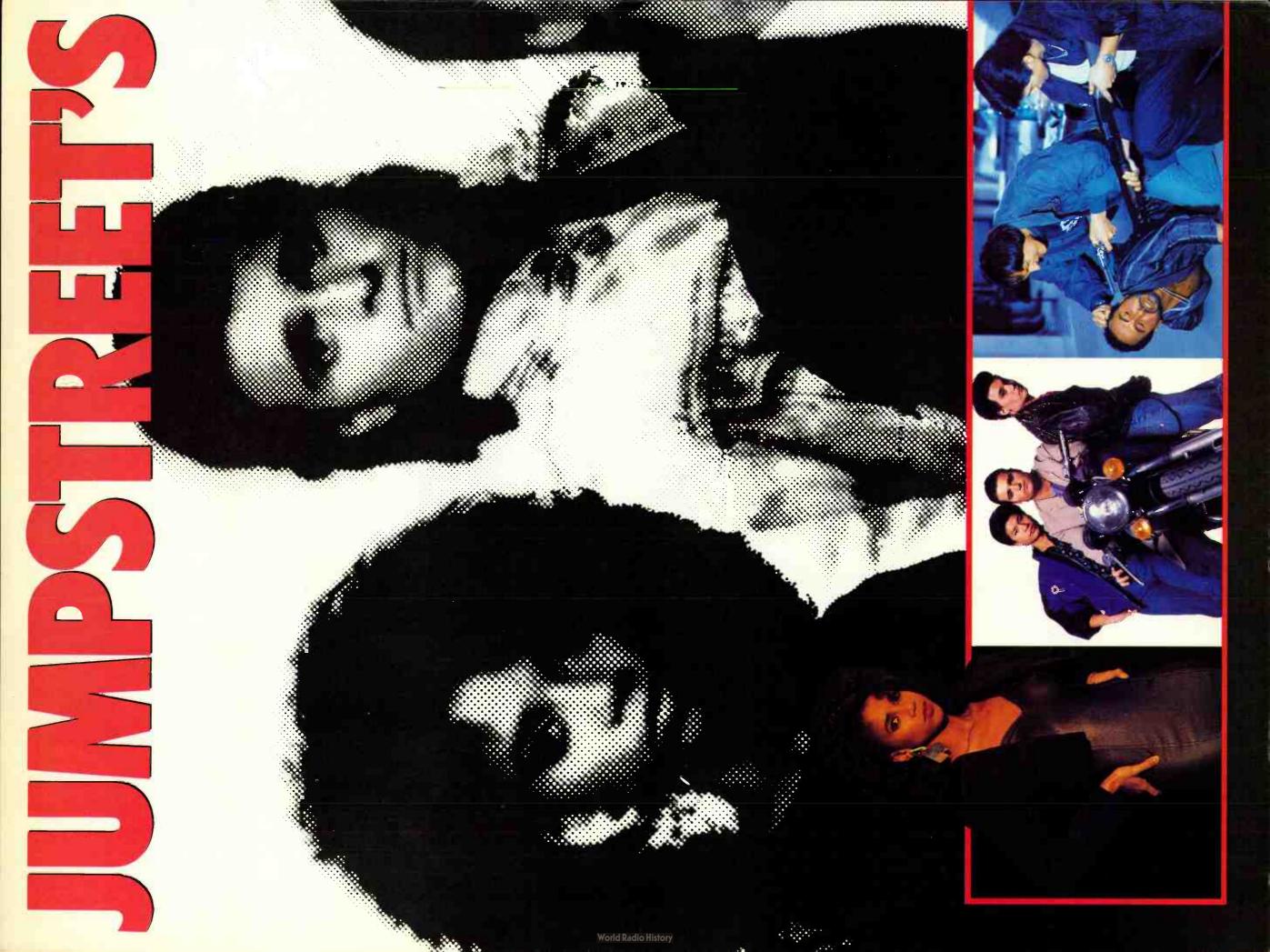
chances are good that Mr Redstone will successfully strengthen Viacom's diverse mix of broadcast and entertainment (Continued on Page 98)

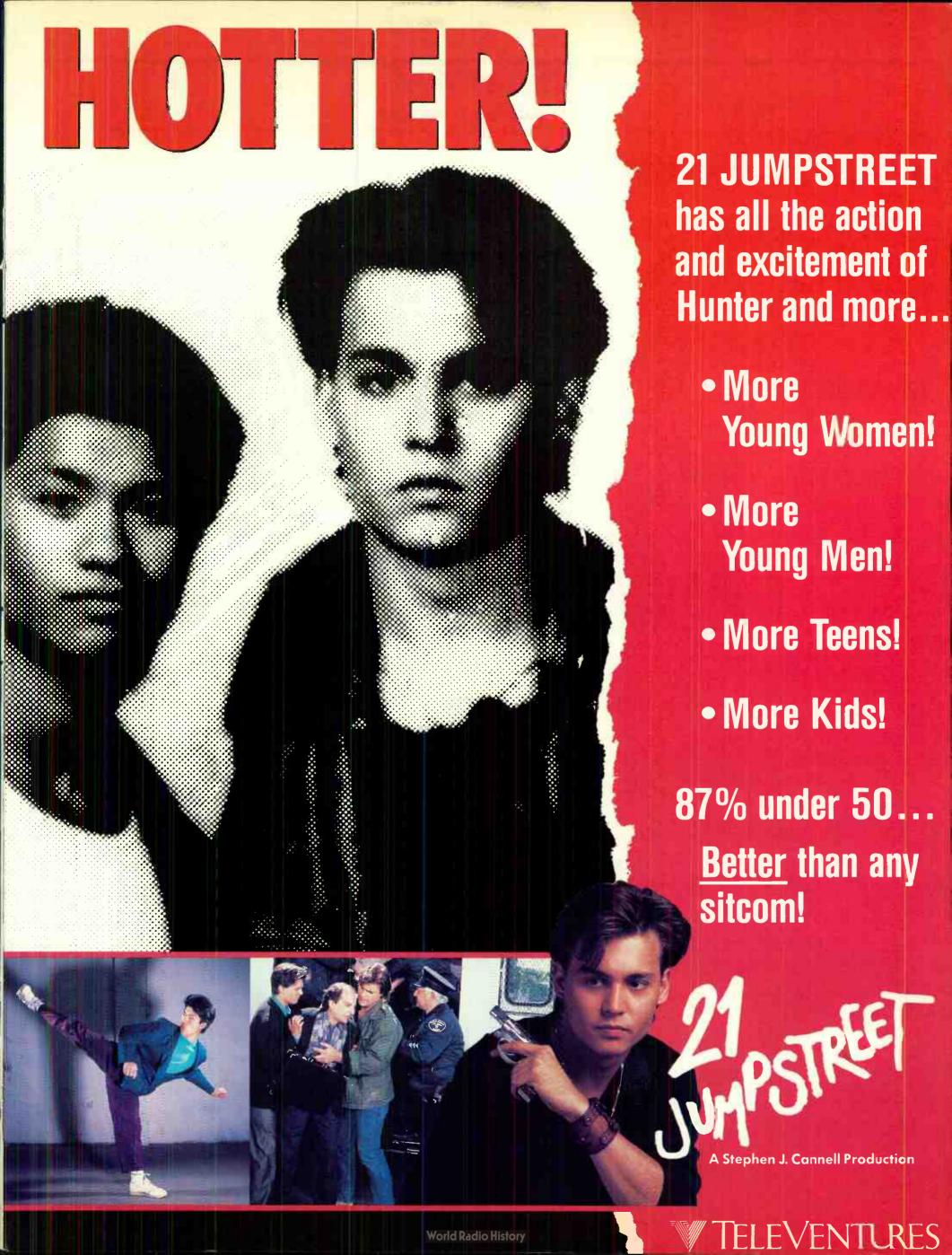


SUMNER REDSTONE Rebuilt Viacom's financial base

World Radio History







A Decade in Review

Public broadcasters scrap for funds

By LAURA MALT

Staff reporter

Public broadcasting spent most of the '80s in a battle for funding, yet it still managed to produce some of the most critically acclaimed TV and radio programs on the air.

"The decade started with hope and high expectations," recalls Peter Downey, senior vice president of PBS's program support group.

But those hopes were dashed

Former President Reagan, in his

PUBLIC BROADCASTING

drive to trim federal spending, repeatedly cut back the industry's federal funds.

"There was a serious attempt to de-fund public television," says Larry Daressa, an independent pub-lic TV producer for the last 15

years.
Federal funds plummeted from about \$172 million to \$137 million between fiscal years 1982 and 1983.

Mr. Reagan would have completely eliminated funding for public broadcasting had it not been for supporters in Congress who beat back his annual budgetary propos-

But for the first time, public broadcasting stations—which had relied largely on single sources of income—faced the prospect of com-

ing up far short in revenue.

In response, they began several techniques to gain more funding, including more corporate underwriting.

To smooth the path, the Federal Communications Commission in 1984 relaxed its rules on sponsor-ship identification to allow stations to display corporate logos and product lines.

Before, public TV stations could only identify sponsors by their name, displayed in one of six type-



The decade produced some of public TV's finest fare, including "The MacNeil/Lehrer NewsHour."

"Many believed that helped to broaden the scope of underwriting," says Mike Hobbs, senior vice president, policy and planning, PBS.

Corporate underwriting jumped to \$56.7 million in fiscal 1984 from \$38 million in 1983. By 1989, it climbed to \$69.8 million.

Yet the relaxed underwriting rules also came under attack from

some quarters.
"They (corporate identification

spots) are in no way different from advertisements," says Mr. Daressa. "I don't think anyone would deny

Public broadcasting stations also made more appeals to viewers for money, both on and off the air. That brought in funds, though the funding drives became so pervasive that critics labeled them as "beg-a-

thons."
"That helped cushion the effect

(of the budget cuts) considerably,"

Mr. Hobbs says.

The '80s also marked a time of political wrangling within public broadcasting as some Reagan appointees attempted to influence the industry in ways that had highly controversial repercussions.

For instance, Sonia Landau, then chairman of the board at the Corporation for Public Broadcastingdistributor-opposed a cultural exchange with the Soviet Union.

Her opposition led to a loud public argument with CPB's former president, Ed Pfister, climaxing in his abrupt resignation.

In another instance, another Reagan appointee to the CPB board, Richard Brookhiser, proposed analyzing public broadcasting's program content for political bias.

"The public broadcasting commu-nity went crazy," says one industry official who asked not to be identi-

The content analysis never took

Many public broadcasting officials who have come aboard after those appointees have strived to make the industry more harmoni-

The '80s also marked a time of reorganization within the industry.

CPB's authority was eroded, starting in 1983 when National Public Radio—due to what was de-scribed as "unfocused management" and a lack of funding—found itself \$7 million in debt.
Under a plan that went into effect

in 1986, NPR decided it would not receive federal funds directly any more. Instead, the public radio stations receive federal funds, which they then use to pay dues to NPR and American Public Radio for pro-

graming.

Now, "member stations make de-Now, "member stations make decisions about where their programing funds will be spent," says Cate Cowan, NPR spokeswoman.

The number of NPR member sta-

tions jumped to 387 in 1989 from 237 in 1980.

In addition, Congress required the formation of a new service in 1989 to distribute the \$6 million in federal funds for public TV independent producers, rather than keeping the responsibility with CPB.
Furthermore, 1989 brought about

compromise national program funding plan for public TV under (Continued on Page 85)

News broadens to longer, more creative forms

(Continued from Page 26)
Public television cultivated what ABC, CBS and NBC never could—an hour-long nightly newscast, "The MacNeil/Lehrer NewsHour.'

Network affiliates discovered locally produced news and information programing as a way of monopolizing and distinguishing their valuable early fringe and prime-access hours. In some markets across the country, local news still exceeds two and even three hours just in early fringe.

Public affairs programing cropped up everywhere. On cable, C-SPAN gave viewers the House of Representatives, then the Senate and this year even Britain's House of Commons.

Last, but certainly not least, is the generation of "infotainment" developed and milked by program syndicators, ranging from "A Current Affair" to the now defunct "USA Today on TV."

In addition, there has been a myriad of long-form news

shows produced by local stations.

By the middle of the decade, CBS, already buoyed by the popular "60 Minutes," expanded with other prime-time weekly news showcases: "West 57th," "Saturday Night With Connie Chung," and "48 Hours."

Each is searching for the same success that has characterized "60 Minutes" and ABC News' longtime weekly prime-time news series, "20/20."

But NBC, after a decade of trial runs, still is lacking a suc-

cessful prime-time weekly news entry.

At the same time, the traditional hour-long prime-time docu-

mentary all but faded from the commercial network scene, as did the networks' gavel-to-gavel coverage of presidential nominating conventions.

Representative of that dying era of hard news documentaries was "The Uncounted Enemy: A Vietnam Deception," a "CBS

NEWS

News Close-Up" that swept the network into a widely publicized \$120 million libel suit filed by Gen. William C. Westmoreland, who contended that the program, anchored by "60 Minutes" veteran Mike Wallace, accused him of falsifying figures on enemy troop strength to gain support for the U.S.

Although it was abruptly settled out of court, the courtroom scrutiny cast a pall of doubt on CBS News' journalistic credibility, leaving the network vulnerable to attacks by political conservatives

As if fiction were a stronger draw than fact, all three networks' news divisions at the close of the 1980s dabbled in re-creations of news events that somehow lent new excitement and intrigue to real life.

After that form was quickly rejected as inappropriate, the networks reverted to more traditional news forms and prac-

But there's been more to TV news in the 1980s than what is apparent on the screen.

During their corporate parent's upheaval under new costconscious ownership, network news divisions themselves were in turmoil.

CBS News especially epitomized the anguish and chaos that turned news divisions into a hotbed of controversy and ill will. Massive personnel layoffs and cost reductions made the need

for strong, consistent leadership all the more imperative. But the only place such leadership has been readily apparent among the three commercial broadcast networks has been ABC, where Roone Arledge has served as news division president for more than a decade. Ironically, Mr. Arledge was under fire when he first assumed that title, fresh from breathing innovation into the network's live sports coverage.

The selection of presidents to head the news division at CBS and NBC during the past year reflect as much corporate concern about administrative skills as news judgment in that pivotal post.

CBS News President David Burke has been a quietly commanding, steadying force for the network's otherwise cantankerous news division.

NBC News President Michael Gartner, a respected print journalist, has been a lightning rod for any controversy that has erupted at the news division, representing the pure cost considerations of corporate parent General Electric Co.

While attempting to share outside news resources and make more efficient use of NBC News' own resources, Mr. Gartner also is working to breath new life into NBC's veteran ranks.

With just a single ratings point separating the three network evening newscasts for the last half of the decade, competition

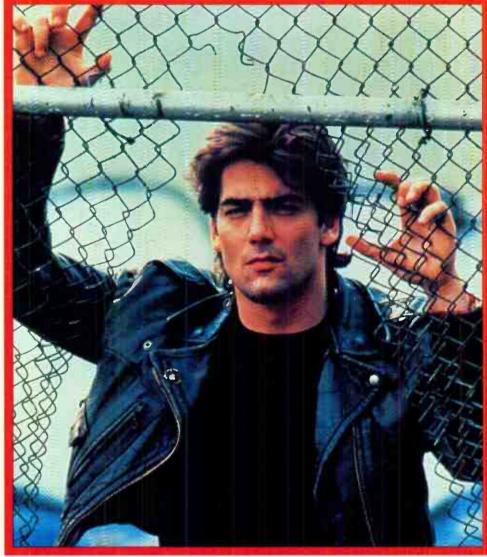
At the same time, the option of supplemental satellite news services to TV stations has exploded, prompting the commercial broadcast networks to bolster their own affiliate news ser-

Industry experts predict the next major trend will be for print news ventures to join forces with the electronic media to better utilize resources.

There already has been a hint of that in announcements made earlier this year by Fox Broadcasting Co., which intends to highlight its fledgling ad hoc network with a national news

However, the ultimate irony may be that the commercial broadcast networks are in competition with themselves as they expand into new ventures such as NBC's CNBC.#

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A Decade in Review

Broadcasters bear heavy competition

(Continued from Page 25)

this new broadcast and entertainment age

"The big question that lies ahead for all of us is how to make these new dynamics and pace work for our respective companies," he said.

But most of the players in broadcasting and production circles still are straining to digest the quick turn of events that brought us where we are today.

In 1984, Metromedia chief John Kluge, frustrated by having to answer to Wall Street, took his company private in a leveraged buyout valued at \$1.13 billion. It was the first major transaction of its kind in the broadcasting sector.

Two years later, Mr. Kluge agreed to sell his seven major-market independent television stations to Rupert Murdoch for \$2 billion, and the stations provided the makings for what has since become a fledgling fourth network.

Other jolts came in 1984—the byproducts of what at first appeared to be a routine series of events.

Sen. Jesse Helms and his conservative right arm, Fairness in Media, began blasting away at network television, and CBS in particular, for what it said was a "liberal bias" in news reporting and editorial procedures.

FIM threatened to buy enough CBS stock to force changes in the leadership and direction of the company. The threat that never materialized did, however, open the floodgates for arbitrageurs who were taking their first look at the broadcasting industry.

Before long, it was open season on public media companies that had been sitting idly by, not at all prepared to fend off their new market-savvy suitors.

The sudden market activity and interest in broadcasting, cable and production-related companies prompted some initial recapitalizations and other leveraged buyouts.

But it also prompted a string of high-powered corporate takeovers that made an impact felt to this day.

Capital Cities' \$3.5 billion acquisition of ABC Inc. in January 1986 was proof that even the largest player was vulnerable to an efficient, profitable and highly skilled smaller player.

Indeed, as was proved almost daily during the mid- to late 1980s, the right mix of creative financing and corporate vulnerability could make just about anything possible.

Of course, this kind of race for treasure was more than a self-made millionaire such as Ted Turner could resist.

Mr. Turner's ardent and expensive failed attempt to take over CBS Inc. only paved the way for other more well-heeled suitors. Among them was another self-made billionaire, Laurence Tisch, whose Loews empire included hotel, tobacco, movie theater and wristwatch holdings.

Like a daytime soap opera, the machinations of behind-the-scenes power playing and heavy stock market trading were tracked by the press and public until, at last, Mr. Tisch's Loews had accumulated the 24.9 percent stake in CBS it holds today.

With the stated blessings of founding chairman William Paley, Mr. Tisch assumed control as president and chief executive officer in the fall of 1986, bouncing CBS's former management, instituting new efficiencies and making a quick study of the business.

In what seemed like a postscript to that year's megadeals, General Electric Co. handily swooped down and plucked RCA Corp. and its choice subsidiary, NBC, for a price tag of \$6.2 billion.

About the same time, Sumner Redstone, an astute businessman who had made his fortune in movie theaters, launched what was eventually a successful \$3.4 billion bid for Viacom Inc.

illion bid for Viacom Inc.
Things have never been the same since.

Competitive and economic pressures converged to sweep media companies and their new owners and managers into a new phase of business.

Gone was the freewheeling, perk-based, parochial code of conduct that had brought network television through its infancy.

Independents, affiliates and cable operators quickly discovered they could command respectable portions of viewers and advertising dollars without being plugged into a network or other national program source.

The three commercial broadcast networks learned they were no longer the only game in town.

For a while, TV stations and prize cable systems were selling for upwards of 20-times cash flow—a multiple that yielded record-high prices. But even that well dried



SEN. JESSE HELMS
Blasted network news for a "liberal bias"

up as program prices soared and ad revenues stagnated.

Operations and personnel budgets were reduced so

that expansion into new growth areas could be paid for.
Phrases such as "joint venture," "operating efficiency," "streamlining," "bottom line" and "junk bonds" entered the broadcast vocabulary.

"It's not that we didn't think of these things before. It's just that the new owners of the networks seem to think of nothing else," said one longtime, high-level network executive who asked not to be identified.

Messrs. Murphy and Burke, longtime station operators; Mr. Tisch, more a businessman than broadcaster when he began; and Mr. Wright, a GE-bred executive with his sights set on global as well as domestic domination, have imposed their business disciplines and agendas with mixed results.

The Cap Cities/ABC duo has reconfirmed ABC's commitment to news; pulled back on its investment in rights to major sporting events; and learned to tolerate the black hole of costly prime-time program development.

With nearly \$2 billion in cash burning a hole in its pocket, Cap Cities/ABC is likely to be on the acquisition trail early in the 1990s—taking equity positions in more foreign production companies; continuing to invest in cable; and trading its TV and radio properties.

But some executives at Cap Cities/ABC say the company is poised to engage in yet another major deal.

Cap Cities/ABC's exploratory talks with Time Inc. early in 1989, before Time's \$18 billion merger with Warner Communications was announced, indicated a willingness on the parts of Messrs. Murphy and Burke to merge their company into an even more formidable media presence.

The only likely candidates for a major Cap Cities/ABC combination mentioned these days are Paramount Communications, Gannett Co. and the new Time Warner.

"It's not inconceivable that many of the major players in broadcasting and entertainment today will be merged into still larger entities by the end of the 1990s, especially if you believe that global consolidation is destined to become the status quo," said Christopher Dixon, an analyst for Kidder, Peabody.

"It still all comes down to shareholder value, operational efficiencies and competitive strength," he said.

Once it is completely merged, Time Warner will be the ultimate proof of whether consolidation works as well in practice as it appears in theory.

Indeed, the idea of a global marketplace is an enticing antidote to an ailing domestic TV marketplace.

How quickly and how successfully U.S. companies forge a new competitive foothold abroad will determine, in large part, to what extent the United States will be able to participate in the global media marketplace.

Conversely, Sony's recently completed \$5 billion acquisition of Columbia Pictures Entertainment is proof of how quickly foreign companies can take a foothold in one of the United States' most lucrative businesses.

Qintex Australia Ltd.'s failed \$1.5 billion bid for MGM/UA Communications Co. is still a fresh reminder of how fragile these mega-deals can be.#

Radio endures consequences of deregulation

(Continued from Page 28)

Some critics say deregulation helped to bring in a whole new breed of entrepreneurs who saw the radio industry strictly as a bottom-line business.

The '80s weren't kind to radio news departments, says Mr. Cameron.

"We saw owners slash expenses to make deals and radio news was seen as expendable by some. We saw the wholesale slaughter of entire news departments, which were all but eliminated on FM stations," he says

New York-based radio broker Gary Stevens, a leader in his field, says the explosion in values had a stunning impact on station trading, which grew from \$300 million in 1980 to almost \$3 billion by late 1989.

"That's a tenfold increase. Radio was an undervalued business before that," says Mr. Stevens. "But the banks decided it was a business they ought to get into and investors decided it showed promise as well. Today, 10 percent of stations nationwide trade every year."

The negative of all that buying and selling is that stations that are highly leveraged and deeply in debt need to pay back loans and are less likely to take the risks they might need to, says Walter Sabo Jr., president of a New York radio management consulting firm.

"But on the up side, the radio stations that were run in a lackadaisical manner are now disciplined and managed like a business," he says.

"The financial aspects of (the buying and selling) were negative," says Steve Dahl, afternoon disc jockey on Chicago's WLUP-AM, "especially in terms of state-of-the-art, because some stations are so leveraged to make money.

"But on the positive side, for me at least, it keeps the market in turmoil. It's hard (for competitors) to get a foothold."

Asked to describe the past decade, Mr. Dahl says it's been "derivative. Four or five people have come up with all the programing ideas and everyone else has taken them," he says.

WLUP is one of the few stations that has a healthy FM-type following tuning in on the AM band. But for most, the decline of AM listenership that began in the '70s only accelerated in the 1980s.

"The dominance of the FM band has been consistent throughout the decade," says Mr. Smulvan.

"The problem with AM is that we saw a generation that had no experience with AM. Add to that the fidelity perception of AM signals not growing and it's easy to understand why the band drifted further," he adds.

"AM operators and owners didn't change and adapt programs fast enough," sums up Mr. Sabo, who says AM listenership has only about 30 percent of the market now, compared to 1980, when it had 55 percent.

"But there are some AM stations in better shape than they were 10 years ago because they invested and marketed their product," says Mr. Sabo.

"People blame the AM demise on the bandwidth and the poor fidelity, but that's only true if you play music. The key has been the aggressive and smart development of talk programs, which have increased to about 200 in the country from about 30 stations with talk shows at the beginning of 1980."

"AM is dying and I'm not sanguine about the future of radio news," says Mr. Cameron. "The '80s went from bad to worse when it came to news and information programing."

Even though FCC regulations say all radio licensees are there to serve the public interest, Mr. Cameron says he believes some owners and operators in the last 10 years were there only to line their pocketbooks.

And with the advent of deregulation and rise in shock radio shows, the FCC continued its war against what it perceives as smut on the airwaves.

But those in the radio industry say things haven't changed much in the past 10 years.

"Radio reflects the public tastes," says Mr. Smulyan. "Morning zoo-style shows have always had major personalities; it's been a staple for a long time. Is it a bit more risque? Maybe."

Zoo-style or team shows have been a phenomenon for some time, adds Mr. Sklar.

Disc jockey Mr. Dahl dislikes being categorized with that "shock-jock" label. "Basically, we (he and partner Garry Meier) come in for 4½ hours and try to be ourselves. What we say might be offensive to some people but we don't do anything to shock."

"The fact is people will listen if you have something to say," Mr. Sabo says. "What Steve Dahl and others do is not shock, it's just funny. If it's new, some people find that shocking, but it's really no different than the impact rock 'n' roll made in the 1950s."

He and others say one negative from the past decade has been the lack of importance placed on developing new creative talent for radio.

"The fact is if you're a creative, bright and really clever entertainer, do you go to Las Vegas, make \$50,000 a week and do the same show for 40 minutes or get paid \$500,000 a year to get up at 4 a.m. five days a week and ad lib brilliant material for four hours?"#

It was arguably the most drastic decade of change in the history of the electronic media.

Cable grew from a community antenna service into a programing powerhouse, VCRs invaded the home, barter syndication became a billion-dollar business, TV and radio stations were bought and sold like common commodities and even the once-mighty broadcast networks fell to outside investors.

It was a decade of cutbacks and layoffs, of digital effects and satellite technology, of big-budget sports deals and tight-budget news departments. There were strikes and mega-mergers and global co-productions, but in the end, everyone was still searching for that ever-elusive big hit—like the decade's No. 1 shows, pictured below.





Network Programing





The first-place season finishers of the 1980s were (clockwise from left) CBS's "Dallas" and "60 Minutes," NBC's "The Cosby Show" and ABC's "Dynasty." ABC's "Roseanne" (above) currently has a firm hold on the No. 1 spot for the 1989-90 season.

The 1980s Network Programing









"thirty-something" (above) appealed to young and middle-aged adults; "Murder, She Wrote" (i.) was popular with older audiences; and 'The Wonder Years" pleased young viewers.



The many faces of '80s comedy appear in the hits (clockwise from above) "Cheers," "The Golden

With Children,'

"Murphy Brown" and "MASH."

"Married

"Moonlighting,





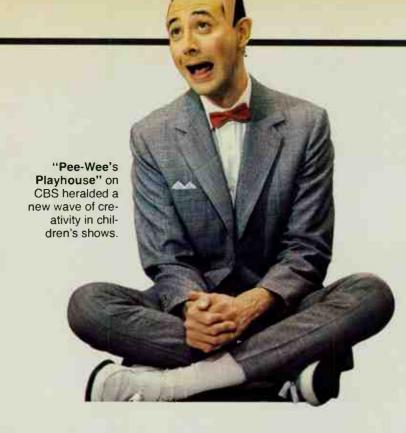
Soap opera "General Hospital's" ratings soared in a 1981 episode that featured the wedding of characters Luke and Laura





Hill Street Blues" (left) and "Miami Vice" (above) made lasting impressions on the police show genre in the '80s.





Network Programing



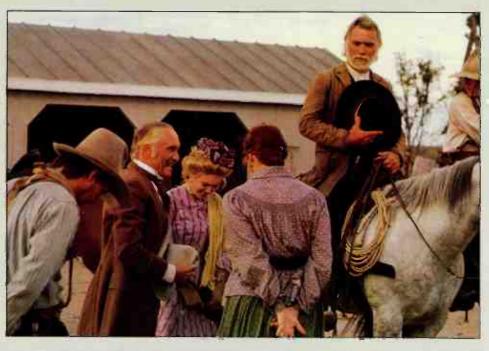
PBS had a smash hit with "Brideshead Revisited," the lush adaptation of Evelyn Waugh's novel starring (I. to r.) Anthony Andrews, Diana Quick and Jeremy Irons.







Memorable additions to the networks' made-for-TV movie and miniseries slates were (clockwise from below) CBS's "Lonesome Dove," NBC's "Shogun" and ABC's "The Day After" and "The Winds of War."





In late-night, the spoils went to Ted Koppel (above) on ABC News' "Nightline" and NBC's powerful duo of "The Tonight Show Starring Johnny Carson" and "Late Night With David Letterman" (right).



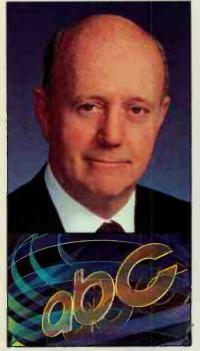


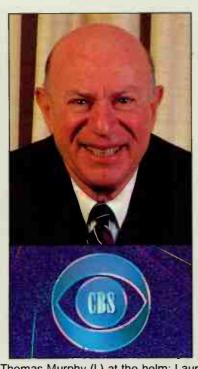


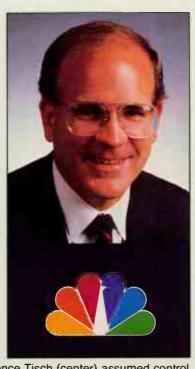
Moguls



Brash and daring Ted Turner tried to buy CBS, then went heavily into debt buying the MGM film library Nonetheless, his Turner Broadcasting System flourished.









Capital Cities bought ABC and put Thomas Murphy (I.) at the helm; Laurence Tisch (center) assumed control of CBS Inc.; and Robert Wright became chief at NBC after General Electric Co. took over.



Rupert Murdoch above) and Barry Diller (inset) have ade a production force out of Fox Inc., while TCI came the largest cable operator der John Malone (far right), and Michael Eisner rejuvenated The Walt Disney Co.







Stephen J. Cannell (above) and Steven Bochco were the heavies of the decade as producers of prime-time hour-long shows.



ESPN started in 1979 but took off in the '80s, eaturing prime sports programing such as the America's Cup (above). Sports also fared well on superstations such as Chicago's WGN, which covered the Cubs at newly-lighted Nrigley Field (right).

The 1980s Cable





CNBC launched as the latest news/information cable service. Meanwhile, Turner Broadcasting
System's CNN flourished throughout he decade.



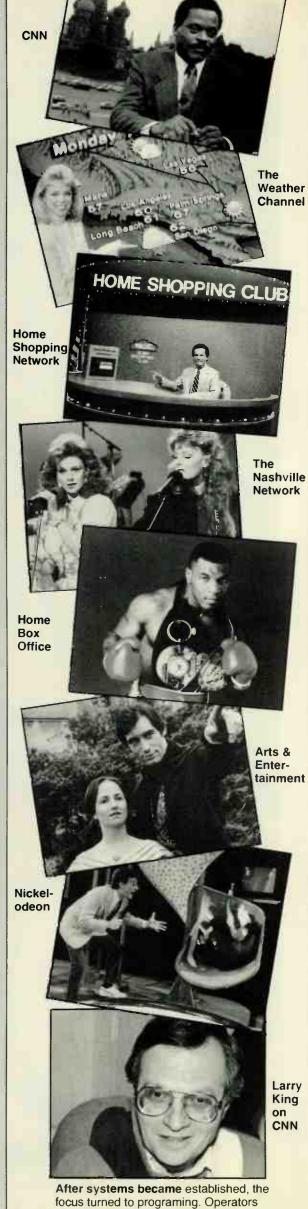


Lifetime added the off-network show "The Days and Nights of Molly Dodd" to its slate. Kay Koplovitz (right) took the helm at USA Network.





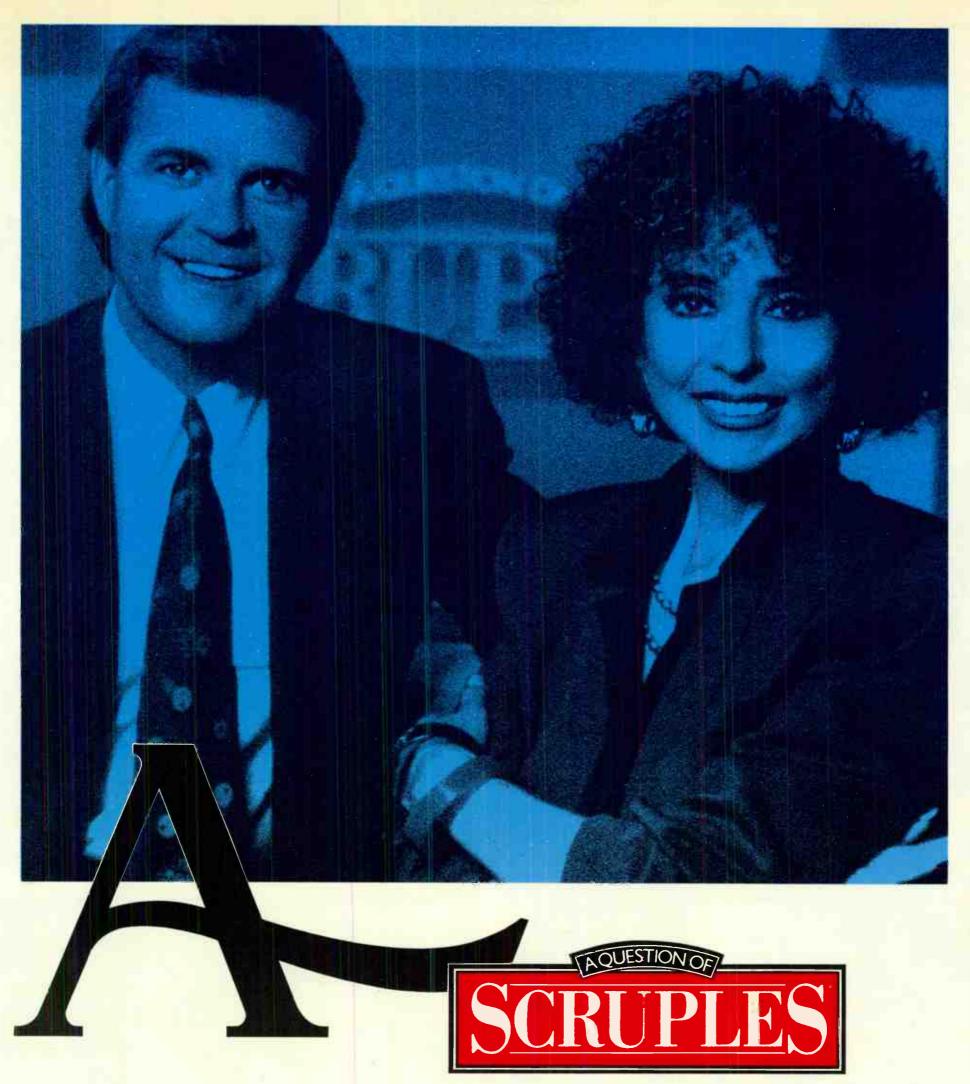




found success through narrowcasting

along with traditional entertainment.

MTV's style changed TV forever. Showtime's "Brothers" (far right) found a new life in syndication.



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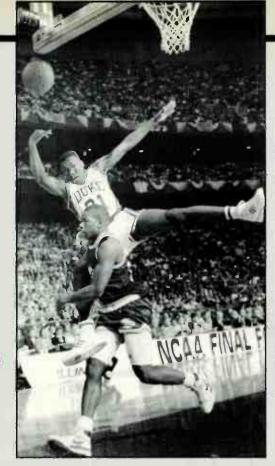


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New advertiser supported half-hour strip.





College sports thrived in the '80s, setting a course for higher prices for both NCAA and pro rights in the '90s. In 1989, the NBA tripled its price for network coverage, and NBC jumped to pay it.



The 1980s
Sports

ESPN, with anchors Tom Jackson, Chris Berman and Pete Axthelm (I. to r.), has covered events from the America's Cup to NFL and NCAA games and has grown into a major sports programing force. This spring, it will add Major League Baseball to the list.



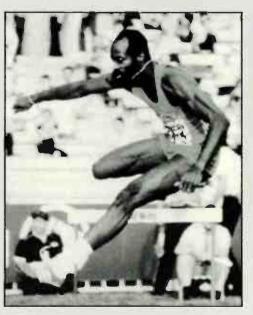




The Chicago Bears and the New England Patriots (above) dive for the ball during the 1986 Super Bowl, and New York Met Ray Knight (left) rounds the bases after hitting a home run during that year's World Series.



John McEnroe (above) gets candid at a tennis tournament, and Australian golfer Greg Norman lines up a putt at a practice for the 1988 U.S. Open.



Hurdler Edwin Moses competes at Turner Broadcasting System's Moscow Goodwill Games in 1986. The 1990 Games are scheduled to be held in Seattle.



Hulk Hogan (above) and other wrestling stars have experienced phenomenal growth in popularity, fueled by televised showdowns such as "Wrestlemania."

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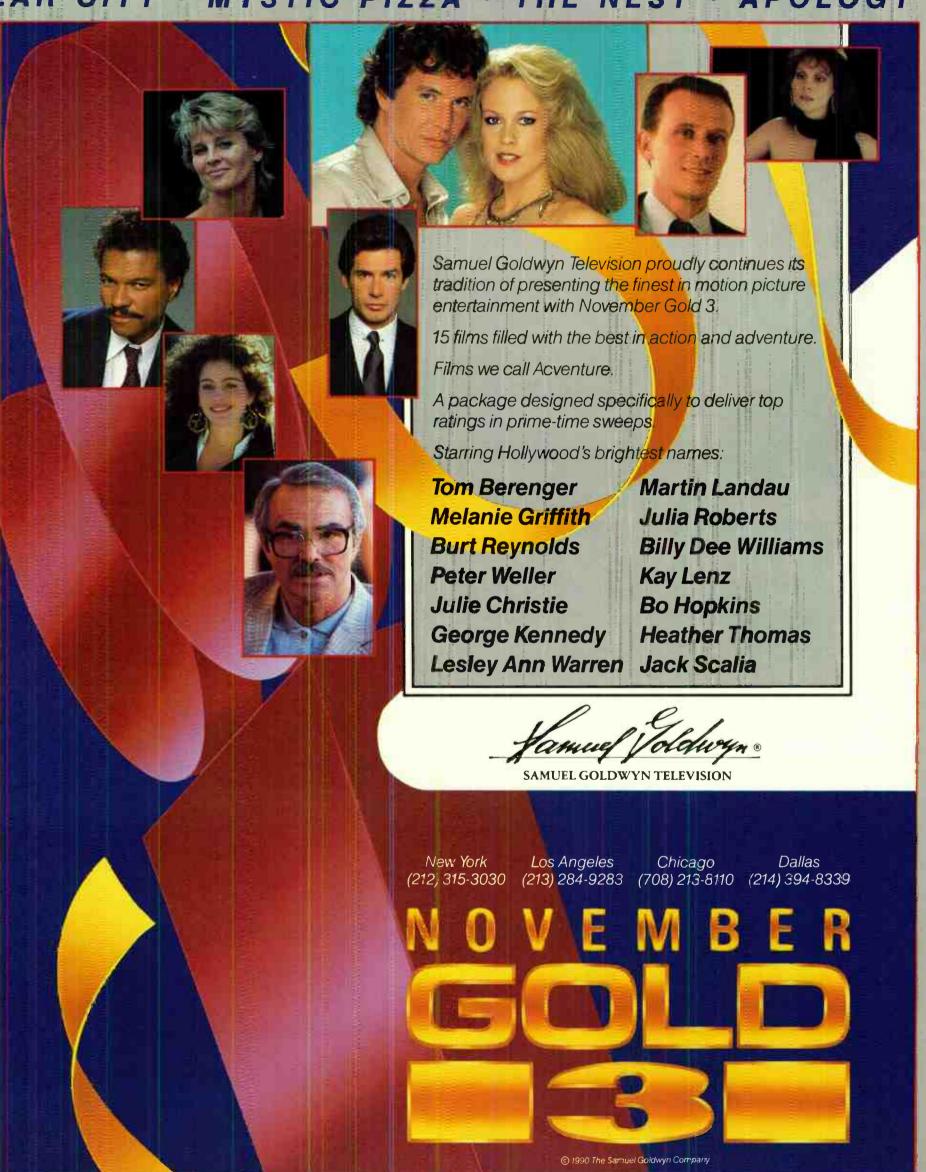
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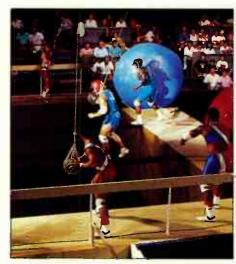
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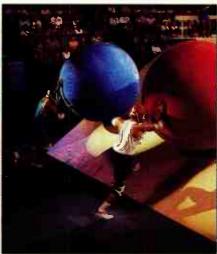


World Radio History

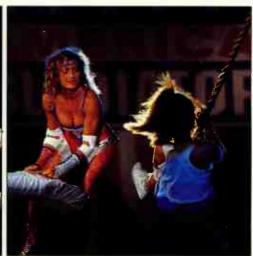
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 Chicago
 Dallas

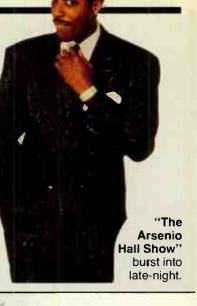
 (212) 315-3030
 (213) 284-9283
 (708) 213-8110
 (214) 394-8339

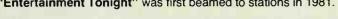
ASSI

© 1990 THE SAMUEL GOLDWYN COMPANY



The 1980s Syndication







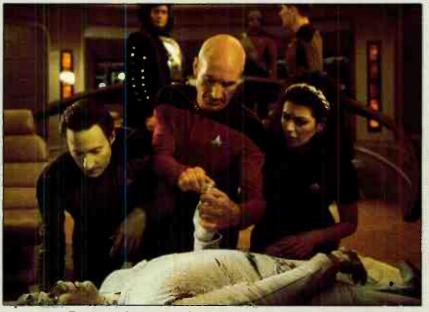
King World Productions made syndication history with its mega-hit "Wheel of Fortune" (below) and followed with the successful revival of "Jeopardy" (above).



Geraldo Rivera parlayed success from his special about Al Capone's vault (above) into his own talk show—an arena ruled by "The Oprah Winfrey Show" (right).







"Star Trek: The Next Generation" brought the big-budget drama to first-run.



"He-Man and the Masters of the Universe" (above) and "DuckTales" were animated hits.



"A Current Affair" (above) led a wave of tabloid TV fare while Morton Downey Jr. was the king of trash TV.





World Radio History

If you're looking to improve your station's fortunes in just one afternoon...



...way to begin is with a ratings phenomenon like DuckTales.

The secret to DuckTales' appeal? The unrivaled commitment to quality entertainment that has made Disney a family favorite for over 60 years. But DuckTales couldn't remain #1 forever. After 104 consecutive weeks as America's top-ranked animated program, one show finally edged out this perennial favorite. And who could create a show strong enough to top DuckTales?





Magic strikes again with Chip'n Dale's Rescue Rangers!

All-time Disney favorites Chip and Dale soared into action in all-new adventures this Fall and soared to the top of the ratings chart. So now it's no secret that Disney animation is the key to programming success. But what can top an entire hour of Disney fun and adventure every day?





The network hit Gummi Bears and the all-new high-action Tale Spin complete our two-hour line-up of TV's finest animation.

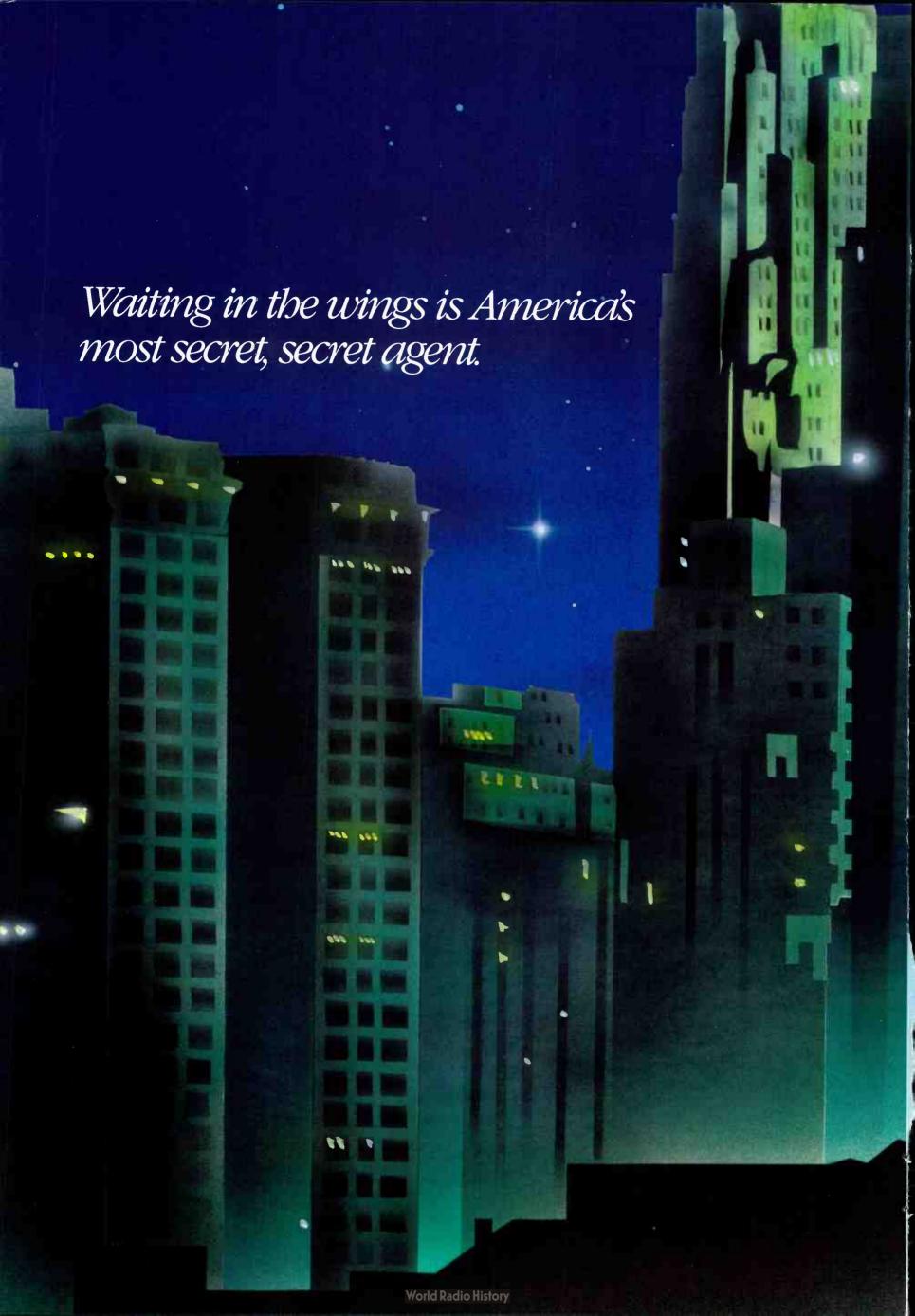
DuckTales

Chip'n Dale's Rescue Rangers

Gummi Bears

Tale Spin

There's more...





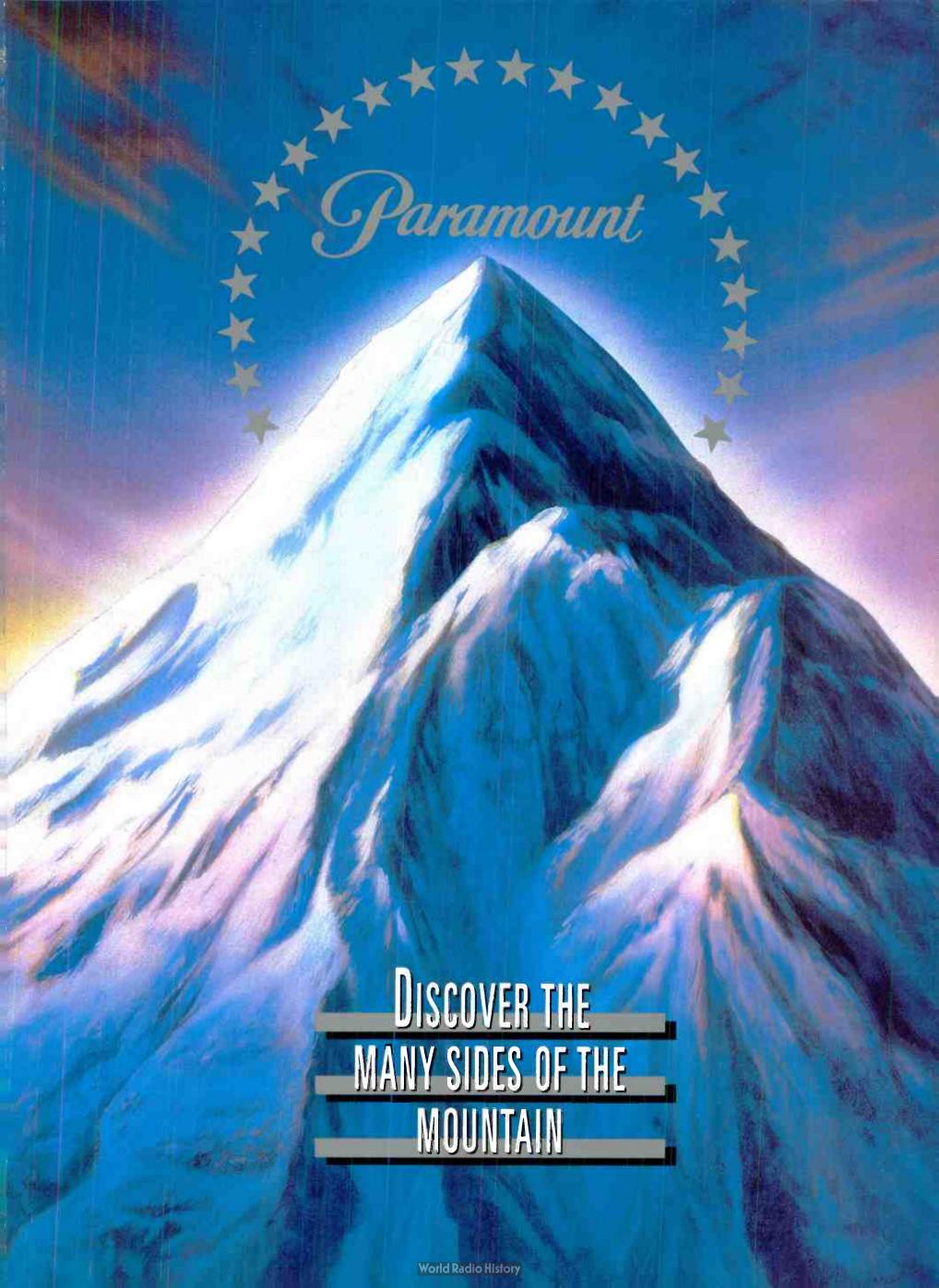
DUBLE-CO DUCK













There's more to the Paramount mountain than meets the eye.

We've got top-rated first-run hours like STAR TREK: THE NEXT GENERATION, FRIDAY THE 13TH: THE SERIES and WAR OF THE WORLDS as well as perennial favorite ENTERTAIN-MENT TONIGHT. And, with newcomers such as HARD COPY,

THE ARSENIO HALL SHOW and THE JOAN RIVERS SHOW, our mountain is filled with natural wonders, unexpected delights and fantastic surprises.

But that's not all. The mountain is loaded with laughs, too—with comedies like CHEERS, FAMILY TIES, WEBSTER, the Ace Award-winning BROTHERS and, of course, our



legendary COMEDY CLASSICS. What's more, the humor avalanche will continue with the hilarious DEAR JOHN.

Journey further and you'll find even more. Daily explorations into real life on GERALDO. A series of captivating one-hour MARY HART SPECIALS. A heart-warming TV movie, THE KID WHO LOVED CHRISTMAS, an original twohour Eddie Murphy Production, as well as our incomparable movie package, PORTFOLIO XIII, featuring Top Gun, Crocodile Dundee and The Untouchables. So let the adventure continue. Discover the many sides of the Paramount mountain.



Entertainment Tonight The Arsenio Hall Show Hard Copy Geraldo The Joan Rivers Show Star Trek: The Next Generation Friday The 13th: The Series War Of The Worlds Brothers Cheers Family Ties Webster **Comedy Classics Prime Time Specials** Dear John Portfolio XIII





WeGow Wherever WeGo.

On Friday or Tuesday. At 8:00PM without the advantage of a network lead-in, or at 8:30PM in the middle of a sitcom block. "Full House" consistently delivers more households. More men. More women. And more kids. Week after week.

In households, "Full House" has captured the #1 share, standing above all other Friday prime time shows.

And over the past two years, "Full House" has also

grown in every key demographic category.

Outdelivering its two network competitors combined in Women 18–49. Finishing the night as the #1 performer with Men 18–49. And capturing almost half of all viewers 2 to 17 available on Friday night.

Would you like to get more out of any time period? Ask your Warner Bros. sales rep about "Full House" and

get more growing for you, in Fall '91-'92.

FULL HOUSE

100 Half-Hours For Fall '91-'92.

Funny Shows. Serious Business.



WARNER BROS.
DOMESTIC TELEVISION
DISTRIBUTION

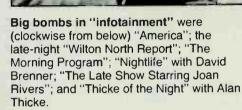
Jim and **Tammy** Faye Bakker demonstrated the power of TV evangelism with their multi-milliondollar PTL Ministry until October 1989, when Mr. Bakker went to prison for diverting some \$3 million in ministry funds for his personal use.

The 1980s

The Big Bombs















ABC war stories that went up in smoke included "Amerika" (above), a ctional account of a Soviet takeover of the United States, and the epic War and Remembrance" miniseries (right), on which the network lost nillions of dollars and crucial sweeps results.







Established stars didn't always mean ratings success, as was evident with CBS's Mary Tyler Moore vehicle, "Mary" (above) and ABC's hour-long Dolly Parton variety series, "Dolly."





Communism tasted chaos as protest in Beijing (above) met with a violent crackdown by the Chinese government in 1989. Later that year, Eastern bloc governments collapsed following the opening of the Berlin Wall (right).



The Voyager transmitted live photos of Saturn (left) and Neptune to TV viewers in the late '80s.

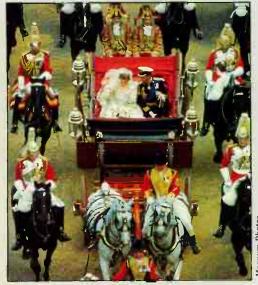
News Events



TV journalists were on the move for spot news events of the decade, including the eruption of Mount St. Helens in Washington (above) and the shooting of President Reagan (right).



ide Work



Viewers celebrated with the live broadcasts of the royal wedding in 1981 (above) and the rescue of Jessica McClure in 1987.





for picking winners.

Host Natalie Cole, today's top-name celebrities and tomorrow's new stars—All on one hot new music show, Big Break.

Big Break introduces the brightest newcomers to today's music scene, combining the best elements of the old-fashioned amateur hour and the production quality of a 1990's music/variety show.

With special performances by Natalie Cole and The Big Break Dancers, you've got a winner every week when you pick Big Break.



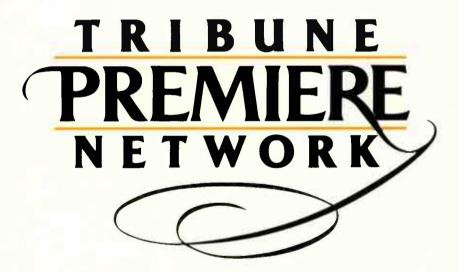


Come see us at Suite #560.

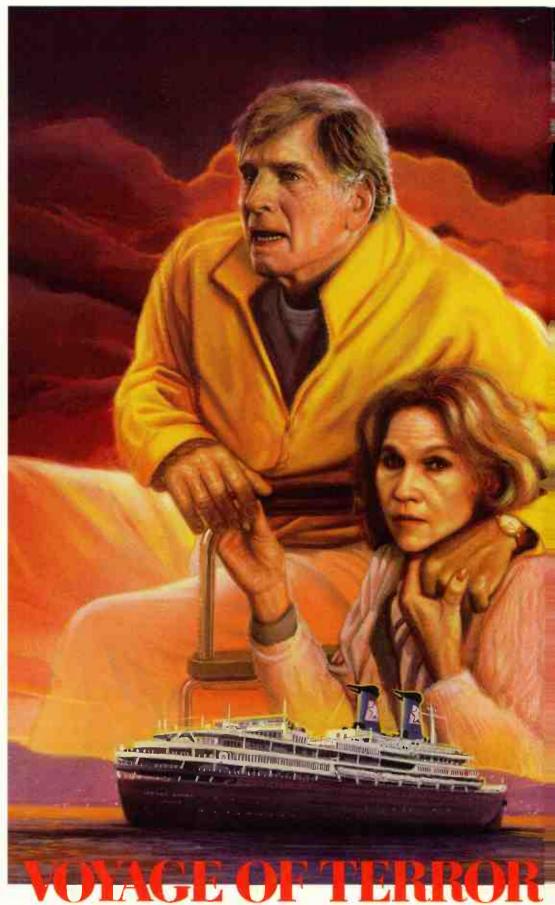
World Radio History

World-class stars. World-premiere

Tribune Premiere Network presents an ongoing collection of *all-new* mini-series. We'll bring you two major premieres each year, filling the screen with intense drama, high intrigue and stark emotion. Add spectacular production values and top stars, and these powerful world premieres make a world of sense for your station.



TRIBUNE ENTERTAINMENT Company



Th<mark>e Achille Lauro Affair</mark>

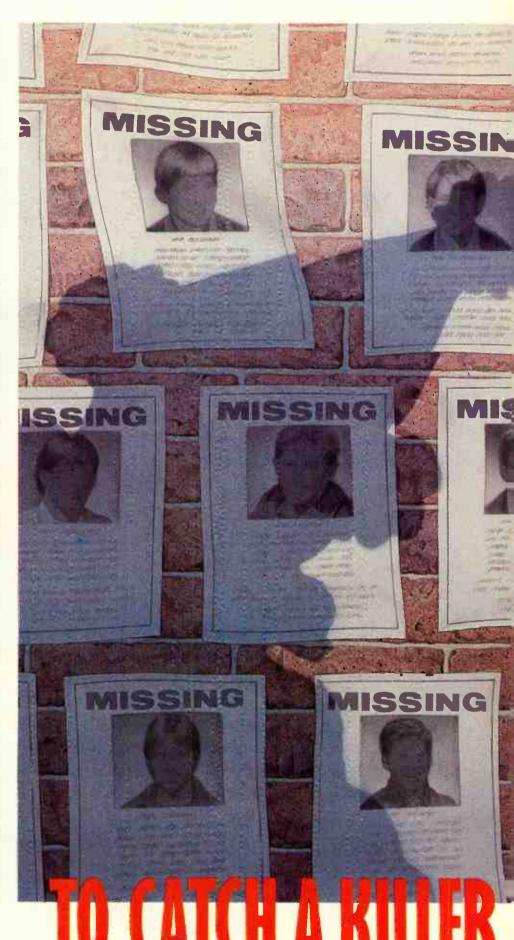
Based on the event that jolted the civilized world—the hijacking of the cruise ship *Achille Lauro!* Screen legends Burt Lancaster and Eva Marie Saint star as the heroic victims Leon and Marilyn Klinghoffer. Produced in association with Raidue, TF1, TaurusFilm, and Filmalpha s.r.l. 2 parts, 4 hours. Available May 1990.

World-wide locations. mini-series.



NIGHTFOX

Explosive World War II action, as Allied spies George Peppard and Deborah Raffin go undercover behind Nazi lines—with the outcome of D-Day at stake! Michael York and David Birney co-star. Produced in association with ITC Entertainment. 2 parts, 4 hours. Available November 1990.



The true story of the relentless young Chicago cop whose harrowing, ten-day investigation cornered clown-turned-killer John Wayne Gacy. Based on the astonishing case that the FBI now uses as the prototype for tracking serial killers. Casting under way. Produced in association with the Nelvana Company. 2 parts, 4 hours. Available May 1991.

The 1980s News Events



Presidential politics included George Bush and Michael Dukakis in an '88 debate (above) at the University of California in Los Angeles and the Rev. Jesse Jackson on the campaign trail in Cicero, III.





The Exxon tanker Valdez (above) was responsible for the highly publicized '89 oil spill that reached Alaskan shores. In 1981, U.S. citizens (right) were released after being held captive for more than a year in Iran.





Philippine President Ferdinand Marcos (I.) was ousted from his post in '86, and he and his wife, Imelda, fled to Hawaii



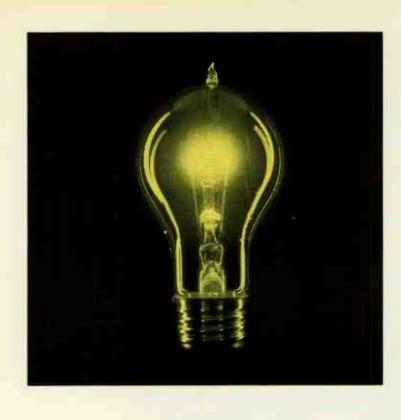
On Oct. 20, 1987, stunned Wall Street investors watched as the stock market dropped almost 25 percent of its value, a loss that reached 33 percent in three days.



COMING FALL 1990



World Radio History



Good idea. 1880



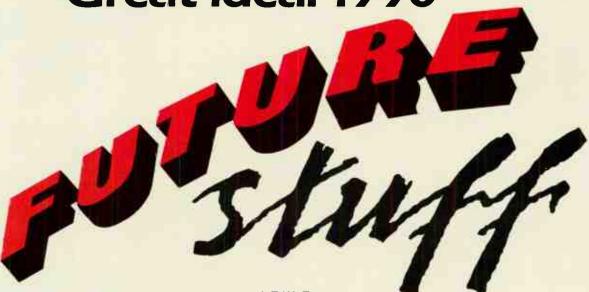
Good idea. 1947



Good idea. 1978



Great idea. 1990



Join Jill Rappaport and Bill Boggs as they take you on a shopping spree into the future.

A weekly advertiser-friendly half-hour that explores what the future has in store for us—and what'll be in the stores of the future.

It's informative. It's entertaining. It's fun. It's Future Stuff.

LAUREL.
PRODUCTION
in association with



Coming Fall 1990.



World Radio History

Advertiser-supported programming

he romantic epic that covers



two continents and four lives.

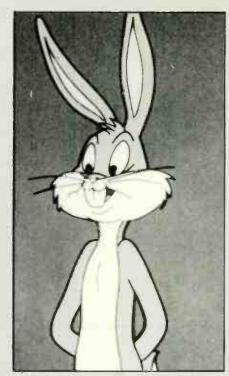


The 1980s Deaths

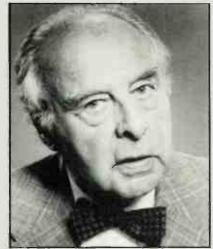
Departed legends: Jackie Gleason, Lucille Ball, Desi Arnaz and the voice of Bugs Bunny, Mel Blanc.



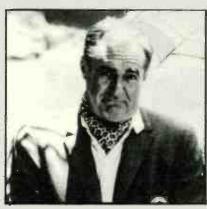








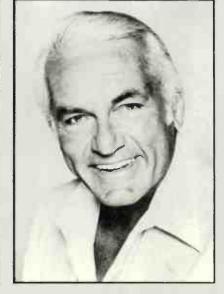


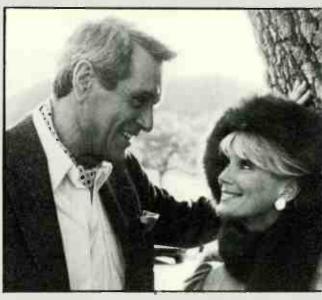


Gone but not forgotten: comic genius John Belushi (far left), "The Paper Chase's" John Houseman, ABC anchor Frank Reynolds and the voice of Mr. Magoo, Jim Backus.









TV's lost faces include (above, left to right) Gilda Radner, of "Saturday Night Live" fame; Donna Reed, who last played Miss Ellie on "Dallas"; "The Mary Tyler Moore Show's" Ted Knight; and screen heartthrob Rock Hudson. "The Andy Griffith Show's" Francis Bavier and ratings guru Arthur Nielsen Sr. (far right) also passed





A Decade in Review

Syndicators foresee slow business

(Continued from Page 25) unheard-of levels as independents and affiliates alike often found themselves engaged in bidding wars

to snatch up the cream of the crop.

The overall economy was robust, and broadcasters were banking on the double-digit revenue streams of years past to pay for all their new,

high-priced shows.

But by decade's end, suppliers of first-run shows agreed that the marketplace was undergoing a fundamental change that could only diminish their business in the next

If they have to pinpoint a time when the tide turned, syndicators usually point to 1986, when several poorly leveraged independent operators filed for bankruptcy and overextended operators tightened their belts, thus softening the marketplace for syndicated programs.

Two syndicators, in fact, went belly up in 1988: Syndicast Services

and Access Syndication.
Syndicators also agree that early on in the decade they underesti-mated the impact cable would have on the first-run business.

'What I didn't predict properly in the beginning of the decade was the growth of cable," said Henry Siegel, chairman and president of LBS Communications. Mr. Siegel is one of the early players in the first-run business and is now looking to expand his business into other ancil-

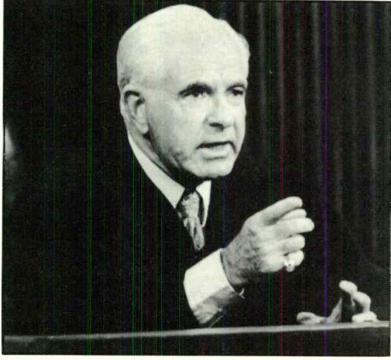
As cable grew, "national advertisers have pretty much turned their back on first-run B product, which is the bulk of the market," says Bob Turner, president of Orbis Commu-

That company was one of many in 1989 that found higher bidders for its movie packages among the cable network crowd, rather than its traditional independent TV station customers.

Earlier, in the fall of 1986, another event occurred which would forever change the face of syndica-

Fox Broadcasting Co. launched as a fourth programing service that year, snatching up hours of precious time from syndicators.

By the end of 1989, syndicators were already hedging their bets that



"The People's Court" premiered in 1981 and ushered in what was to become a popular new genre: the courtroom show.

a fifth network, one to be established by MCA TV and Paramount Communications, would emerge in the early '90s, siphoning off even more time periods.

On top of that, syndicators saw another dark cloud building on the horizon: the likelihood that the new crowd in Washington would allow the three broadcast networks to re-

enter the syndication business.

All of these events would have seemed highly unlikely to syndicators in 1980, when it appeared that the world was their oyster.

That was the year "PM Magazine," a locally produced show on KPIX-TV. got the ball rolling as the first magazine strip for access time periods in national syndication.

It was also the year Al Masini, through his Television Program Enterprises division, launched Opera-tion Prime Time, creating an ad hoc network of TV stations to carry his original, first-run movies.

But the first-run business really began to take off in 1981, when

Paramount Domestic Television launched the first satellite-delivered magazine show, "Entertainment To-night," a glitzy, star-studded pro-

gram created by Mr. Masini.
That year, "People's Court," syndicated by a company then called Telepictures, also premiered with a

The courtroom genre managed to survive through the decade, with Judge Wapner, by now a national pop-cult figure, still presiding over

his "People's Court" in 1989.

By 1983, the year King World Productions came on the scene with its launch of "Wheel of Fortune" in syndication, revenues from barter advertising had risen to \$300 million, compared to the \$50 million in business posted in 1980.

That year also set a benchmark for first-run children's programing, when Group W Productions rolled out "He-Man and the Masters of the Universe.

That show was an instant ratings hit with children and redefined the

children's programing business, sending other syndicators scram-bling to get a piece of the action-adventure animation business.
In 1984, King World was back on

the scene again with its second big hit in syndication, "Jeopardy."

A year later, Paramount, along with its partners Cox Enterprises and Taft Broadcasting Co. television stations, launched "America," their much-ballyhooed first-run magazine show.

"America" launched in September with high expectations but was yanked in December that same year after failing to find its audience.

King World, with the top two shows in syndication already under its belt, struck pay dirt again in 1986 when it launched "The Oprah Winfrey Show," a local talk show produced by WLS-TV in Chicago, into national syndication.

"Oprah" quickly became the third-highest-rated show in syndi-cation, making King World the

kingpin of the first-run business.
The NBC owned-and-operated stations made some headlines of their own in 1987 when they checkerboarded their valuable access time periods with five different first-run sitcoms.

That effort lasted all of three months. After seeing the lackluster ratings, stations went back to what had worked in the past: first-run game shows and magazine strips

That year Buena Vista Television also made waves when it launched what was to become a highly successful animated strip, "Duck-Tales," a project that led to a new interest of the industry in softer, kinder animation.

Tribune Entertainment Co. got a pleasant surprise and its own share of headlines in 1987 when Geraldo Rivera opened up Al Capone's empty vault in a live, special event that set a record as the highest-

rated syndicated special.

Not surprisingly, that event quickly sent other syndicators scrambling for the next big hit, and LBS found one a year later when it launched "Search For the Ti-tanic...Live," which became the second-highest-rated such special.

Paramount took center stage again in 1987 when it launched its ambitious "Star Trek: The Next Generation," with production costs upward of \$1.5 million per episode.

Then, somewhat surprisingly in 1988, Grant Tinker emerged as a player on the first-run scene when his GTG Entertainment, a new venture funded by Gannett Co., launched "USA Today: The Television Show" with a \$40 million bud-

That costly effort was gobbled up by 155 network affiliates who bought the show without seeing a pilot. It was aborted a year later, an event which soon led to a parting of the ways between Mr. Tinker and Gannett.

That failure taught the industry two lessons, says Dick Kurlander, vice president and director of programing at Petry Television. "Never buy a show without a pilot and never buy a show with this coun-try's name in it," he says, referring to the aforementioned "America."

But 1988 was a year that also had its share of success stories, such as the launch of the first tabloid-style magazine show, "A Current Affair," from Fox Television Stations.

Hosted by Maury Povich, that show led TV's version of the tabloid wars. "Inside Edition" from King World and later "Hard Copy" from Paramount emerged as competitors.

1988 also saw the return of "Family Feud" from LBS, a show that had been No. 1 in syndication in 1983 until "Wheel of Fortune," knocked it from its perch.

If 1988 will be remembered for anything, it will certainly be the rash of "trash TV" headlines with 'The Morton Downey Jr. Show' at

center stage.

Mr. Downey was canceled in the summer of 1989 because of lack of advertiser support, but "the mouth" re-emerged on the CNBC cable net-

work later that year.

Judging from the glowing cover stories in both the consumer and trade press for 1989, the year was also one to be remembered for Ar-sensio Hall, who premiered in Para-mount Domestic Television's "The Arsenio Hall Show.'

That show woke up the late-night audience and sent other syndicators looking to capitalize on the success of the suddenly hot daypart.#

Public broadcasting outlasts federal cutbacks, infighting

(Continued from Page 38) which about half of all federal programing dollars are distributed by PBS, not CPB.

The plan also consolidates up to \$100 million in public TV

program funds under one PBS executive's authority. The position previously had responsibility for only \$15 million. Revolutionary changes within the electronic media also

touched public broadcasting. The rise of the cable industry, for instance, brought increased demand for cultural programing.

This new competition pushed up the asking price for previously low-cost programing from the BBC and other sources. But in spite of the difficulties of the '80s, the decade pro-

duced some of public broadcasting's best programing.

Included were such critically acclaimed PBS programs as "Brideshead Revisited," "American Playhouse," "The Jewel in the Crown," "Eyes on the Prize," "Frontline," "The MacNeil/Lehrer NewsHour," "Shoah," "The Brain" and "Anne of Green Cables"

PBS also marked the 20th anniversary of the popular children's program "Sesame Street," as well as the continuation of

"Masterpiece Theatre" and "Mystery."

NPR saw the premieres of "Weekend Edition" on Saturdays, and later, on Sundays, of "Performance Today" and "Afropop." "Morning Edition" and "All Things Considered" remain

Public radio also broadcast such series as "Father Cares: The Last of Jonestown," adaptations of the theatricals "Star Wars" and "The Empire Strikes Back," plus coverage of the Iran-Contra and Supreme Court nomination hearings.

But perhaps the most remarkable success story in public radio was that of Garrison Keillor, whose "A Prairie Home Companion" went from a cult favorite to a national institution.

After reminding America of the power of radio, Mr. Keillor's homespun tales took root in best-selling books and adaptations Public TV, meanwhile, is positioning itself to compete in the

coming decade. 'We've achieved a great deal of unanimous harmony in the system," PBS's Mr. Downey said. "If we don't survive, we don't deserve to."#

EM stock index vaults 465 percent

(Continued from Page 34) the forces of movie producers, cable concerns and pub-

Synergy is the key, as newly merged companies are strengthened against industry and economic downturns. In this world, an idea or concept is born and nurtured to

maturity within one company.

For example, a new movie is previewed and promoted in the print media, unveiled on the big screen, sold to cable and network television, then distributed on videocassette, with one company in control of the process from start to finish.

• Takeovers will also continue because of the need to diversify. Hence, look for takeovers of media concerns with large libraries, theater operations, real estate holdings or theme parks.

As 1990 approaches with a head of steam, the bull market on Wall Street is now seven years old. Will the market live to celebrate its eighth birthday? Stay tuned for our first quarter review in April.#

Domestic Television
INTRODUCES

Ellen Barkin
Ellen Barkin
Michael Caine
Michael Caine
Michael Caine
Movert DeNiro
Robert DeNiro
Robert Pawcett
Farrah Fawcett
Sally Field
Sally Field
Morgan Freeman
Morgan Freeman
Ben Kingsley
Ben Kingsley
Geraldine Page
Geraldine Page
John Ritter
John Ritter
John Voight
John Voight

WITHOUT A CLUE

World Radio History



A Decade in Review

Cable TV leaps and bounds into 1990s

(Continued from Page 25)
Other legal battles the industry dealt with during the past decade include copyright payments and must-carry rules.

Cable operators preserved the compulsory license rules, which allow them to retransmit over-theair signals, but copyright fees went up 75 percent for the retransmission of distant signals such as those of superstations WTBS, WGN and WWOR, all of which blossomed in the '80s.

With the increase in copyright fees, some operators predicted widespread dropping of distant signals as a result of the increases, but superstations remain a strong force

in cable lineups today.

But if cable operators felt they lost the copyright battle, they certainly thought they won the must-carry fight against broadcasters.

Must-carry rules, which had required cable operators to carry local stations, were struck down twice by the courts as part of a string of First Amendment victories for cable in the '80s.

And the war continues as broadcasters push for must-carry rules that require cable operators to pay for broadcast station carriage on their systems.

But operators say they aren't giving in to broadcasters' demands and will instead likely offer A/B switches, allowing customers to switch to over-the-air signals from cable channels.

"We can't charge our customers for something they get off-air," says Bob Thomson, vice president of government affairs for Tele-Communications Inc., the nation's largest multiple system operator. "It'll never happen. Operators will never pay for broadcast signals."

Along with the industry's extensive activity on Capitol Hill throughout the decade, cable operators were also busy trying to conduct the business at hand: offering cable service to consumers.

In the early 1980s, operators negotiated franchises in as many areas of the country as possible.

Warner Amex Cable Communica-tions had the distinction of securing more franchises than any other company in 1981, passing more than 1.6 million homes, according to Gus Hauser, former Warmer Amex Cable chairman.

Mr. Hauser left Warner in 1983 to form his own cable company, a move several other top cable execu tives would make as the decade wore on

Cities such as Denver, Pittsburgh, Dallas, Kansas City, Mo., and Portland, Ore., invited cable companies to issue franchise proposals. In turn, operators offered myriad services and promises.

But those promises sometimes came back to haunt cable operators. Once the franchises were agreed upon, some operators found out they couldn't fulfill their obligations.

'It took two to tango, though," ATC's Mr. Rackerby says. "Some cities were as guilty as we were in wanting things we just couldn't provide

Nonetheless, in an often painful process, concessions were made and



Cable TV came into its own during the 1980s, as operators wired the nation and a range of new programing services blossomed

the systems were built.

Operators in cities such as Denver, Dallas, Pittsburgh, Milwaukee, Boston and Portland were allowed to make various cutbacks in franchise requirements, ranging from rate adjustments to the deletion of institutional networks and other

One of the biggest disappointments for operators, says Hal Krisbergh, president of equipment man-ufacturer Jerrold Division of General Instrument Corp., was the failure of two-way interactive capabilities such as home banking and

home shopping.
"People thought that would explode," he says, "But it was a technology in search of a market."

On the other side of the coin, Mr. Jones, who is often considered a visionary of the cable industry, said the '80s provided the impetus for the integration of communications and computer equipment, making the cable industry a more powerful medium.

"We can do a lot of things with that integration if we're alert," he says, noting self-education and communications will continue to become more important as the century rolls to a close.

Technology has always been a staple of the cable industry and the 1980s were no less equipment-intensive than previous decades.

Indeed, massive strides were made throughout the decade which would make the industry not only easier for the operator, but also easier for the consumer, albeit not before consumers would have to endure a few headaches.

Addressability enabled operators to service customers without necesarily having to come directly to their homes, thereby making system upgrades and downgrades less expensive and easier to conduct.

In addition, addressability also enabled the operator to offer more services, such as pay-per-view, which has been trying to prove its viablility since its inception in the early '80s.

The jury is still out on PPV: Some operators are bullish on the service,

while others remain unconvinced of its economic potential.

Fiber optics, once the province of the telephone companies, became more widely used within the cable industry in the late '80s, giving operators much more bandwidth.

Now upgrades to expand services and channel capacity are easier to accomplish.

"We used about 50 percent of all the fiber manufactured last year," says Mr. Jones, adding, "That's an example of entrepreneurs reaching out and embracing a new technol-

ogy."

But not all the new things cable embraced were helpful to the con-

The industry began scrambling its signals at cable headends to protect against signal theft, but that left many customers out in the cold when it came to using cable-ready TV sets and cable-compatible videocassette recorders.

In a similar vein, in 1986, HBO was the first service to scramble its signal at the satellite transponder in a move that was followed by most other cable services.

The strategy was hailed by operators as a way to protect the signals against piracy and make them more valuable, but was, in actuality, a logistical nightmare that was expen-

sive and politically damaging.

People with backyard dishes came out fighting and the cable industry had to defend itself before Congress once again.

The Justice Department conducted an exhaustive investigation and came to the conclusion that scrambling was legal, but also noted the industry needed to make sure it remained competitive with other video services if it wanted to keep its unregulated status.

Meanwhile, hardware manufacturers were having a heyday in the early 1980s with the construction boom and the need for new equip-

In the latter 1980s, they still performed well, but the pressure shifted toward equipment that was more consumer-friendly and crea-(Continued on Page 92)

Cable conquers 1980s with slew of TV services

(Continued from Page 26) eled by cable's acceptance by advertising decision-makers on Madison Avenue.

Cable advertising revenue— both at the local system level and at the national network level—reached nearly \$2 billion this year, according to NCTA, up

from \$58 million in 1980.

Dave Kenin, who joined USA
Network in 1982 and is now senior vice president of programing there, says advertiser acceptance was one of the most significant trends in cable programing in the '80s.

'The cable industry was an embryonic business in the '80s," Mr. Kenin says. "It came to some degree of adolescence and that affected all aspects of the business—advertisers, consumers, the works. Advertisers started buying and making it a busi-

But besides the growth of individual services, it's the impact of all these new networks on U.S. television, coupled with the dramatic growth of cable penetra-tion, that will be remembered most about cable in the '80s.
With a myriad of new pro-

graming choices, U.S. viewers turned away from the traditional broadcast networks in increasing numbers.

The so-called narrowcast cable networks bred a new approach to TV programing with their emphasis on reaching specific target audiences.

The entire TV industry—broadcasting as well as cable became more conscious of demographics in an attempt to learn more about who was watching.

The people meter, a new device that would attempt to measure viewing in the newly segmented TV universe, was adopted by the broadcast networks largely as a result of the competition posed by cable and other programing sources.

As the broadcast networks weakened, the cable networks got stronger.

By the end of the decade, cable networks were wealthy enough to compete with broadcast stations in the program syndication marketplace.

As a result, cable began to make off with syndicated programing that had previously gone automatically to broadcast

Cable services such as USA Network, ESPN, TBS and SportsChannel America also be-came strong enough to compete with broadcast networks for the rights to telecast major sports

During the '80s, the broadcast networks found themselves sharing the rights for NBA, NFL and NCAA games with cable for the first time.

In fact, at least one cable network, TBS SuperStation, was so

emboldened by its growing wealth and influence that it staged its own televised international athletic competition, available only to cable viewers: the two-week Goodwill Games that began in Moscow in July

Although the event lost money for Turner, the prestige TBS accrued from the event was deemed valuable enough for the network to plan another, bigger Goodwill Games, scheduled for this spring

In another sports coup, HBO signed a long-term contract with the highest-paid athlete in the world, heavyweight boxing champion Mike Tyson, ensuring that the champion's bouts would appear on cable throughout the '80s and into the '90s.

Cable executives who spent the last 10 years taking part in a booming industry say they're pleased with cable's astonishing

growth, but not surprised.
Gerry Hogan, who is today
president of TBS Entertainment
Networks, was involved in the growth of TBS SuperStation and the launches of CNN and TNT.

Mr. Hogan traces the phenomenal growth of cable services to improvements in satellite technology in the late 1970s that made delivery of cable signals more efficient and prepared cable networks for rapid growth

in the '80s.
"We had tremendous dreams in the early '80s, and I would say that it's meeting our expecta-tions," Mr. Hogan says.

"The problem we had was that in the middle '80s, cable was not meeting everyone's expectations. It hadn't delivered on all of its promises. But I think now no one can say it hasn't delivered on its

To Mr. Hogan, the event that best symbolized cable's coming of age in the '80s was the Goodwill Games.

But there were plenty of other

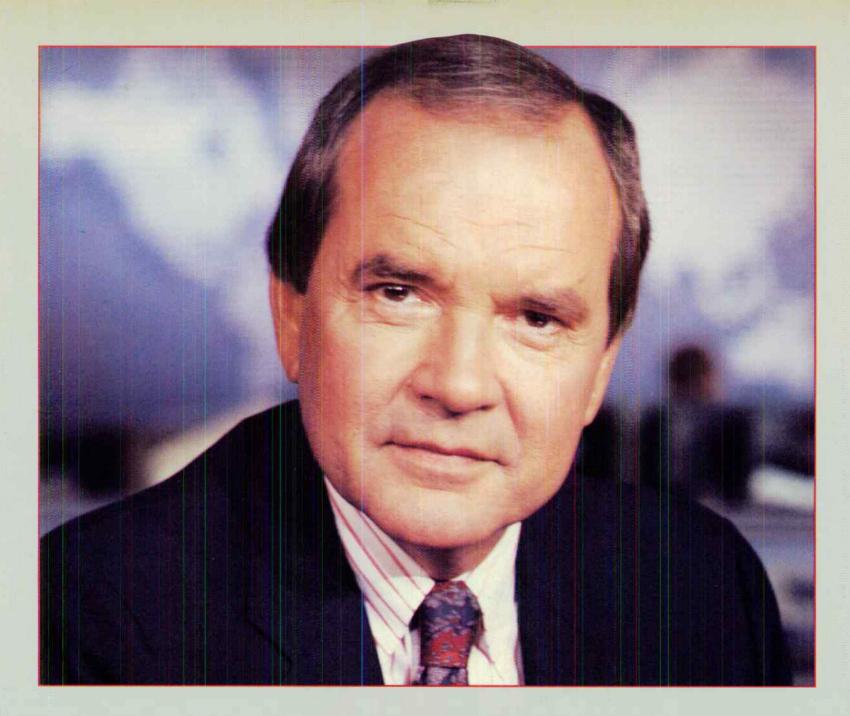
milestones for cable networks.
In 1982, CNN gained a victory symbolizing its acceptance as an alternative to broadcast network news when it won a lawsuit giving it equal status as a member of the White House press pool along with ABC, CBS and NBC. In 1985, major cable program-

ing services such as HBO and Showtime began to scramble their signals, which spurred a movement among the rest of the industry to follow suit.

Scrambling meant that homes with satellite receivers would be unable to receive basic or pay cable networks while MSOs could begin a new line of business—namely, selling packages of programing to home dish

owners.
Also in 1985, Ted Turner tried and failed to take over CBS.

In 1986, its first year of busi-(Continued on Page 108)



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A Decade in Review

Networks bank on live sports fare

(Continued from Page 30)
At the beginning of the decade, CBS paid \$165 million per year for rights to the NFL's National Football Conference; NBC paid \$155 million per year for the rights to the American Football Conference; and ABC paid \$175 million for a slate of prime-time games, largely shown on Monday nights.

The last NFL deal, inked in 1986, actually cost the networks less, with

cable's ESPN coming in for the first time to shore up the NFL's total.

That contract, stretching over three seasons and allotting the same coverage to each network while cutting ESPN in on eight Sunday night games, cost CBS approximately \$150 million per year; NBC, \$120 million per year; ABC, \$150 million per year; ABC, \$150 million per year; and ESPN, \$56 million.

Collegiate sports were far from amateurish when the NCAA and, later, College Football Association negotiators went to the table with

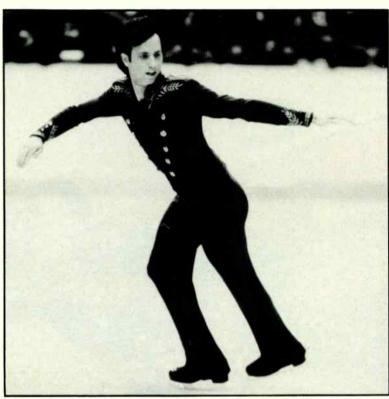
the three network sports bosses.
In 1982, CBS and ABC split four years of college football games for \$263.5 million, but a Supreme Court decision two years later struck down the NCAA's football negotiating rights and voided the contract.

From then on, the CFA negotiated for member teams and conferences. while other conferences like the Big Ten and Pacific 10 struck out on their own in pursuit of more money.

College football rights, like their professional counterparts, have defied the odds and remained some-what stable. That could change quickly, with CFA broadcast rights now up for negotiation in the same year as the NFL package.

After the 1984 Supreme Court action, ABC paid \$15 million yearly for CFA rights that CBS acquired in

1986 for the same price.
ESPN stepped into the college football arena in 1984 as well, outbidding Turner Broadcasting System for a year's worth of cable



Olympic coverage was more expansive than ever, featuring athletes such as U.S. gold medalist Brian Boitano in the 1988 Winter Games.

rights at \$9.2 million.

Earlier last summer, ESPN de-fended those cable rights through the 1994 season, paying \$29 million per year, or a 222 percent more than in its initial contract.
On the basketball side, CBS just

signed the second of its billion-dollar deals in 1989, penning exclusive rights to the NCAA tournament for the next seven years for \$1 billion. That \$143 million-per-year price tag marks a 160 percent jump over the annual \$55 million outlay CBS had begun paying three seasons ago.
"When you look at the basketball front, there's no question the rights have gone up substantially, but those have been well-earned," says CBS's Neal Pilson.
"Both the NBA and the NCAA

tournament have been very hot properties over the last five years, and those rights-fees increases were pretty much anticipated by every-one involved," he says.

Not to be lost in the Herculean rights fees, the networks decided Olympics rights demanded olympian outlays

The decade began with ABC cap-turing the broadcast rights to the

1980 Winter Olympics in Lake Placid, N.Y., for \$15.5 million, while NBC took the Summer Games in Moscow for \$87 million.

President Carter later initiated a U.S. boycott of the Moscow Games in response to the Soviet invasion of Afghanistan, costing NBC more than \$10 million in lost ad revenues.

In 1984, rights to the 1984 Winter and Summer Games jumped 490 percent and 159 percent, respectively, with ABC shelling out \$91.5 million for the competition in Sarajevo, Yugoslavia, and \$225 million for the Los Angeles Summer Games. From there, rights fees spiraled to the \$309 million ABC paid for

1988's Winter Olympic coverage in Calgary, Canada, and the \$300 million NBC paid for the Summer Games in Seoul, South Korea.

Those prices didn't come without

haggling and, in the case of ABC, griping about the handling of the rights for the Calgary Games.

Heading into the 1990s, if there are champions to be had, CBS is out

That network has already nailed down broadcast rights to the 1992 Winter Games in Albertville, France, for \$243 million, as well as the rights for the 1994 Winter Games in Lilliehammer, Norway,

for \$300 million.

CBS sold cable rights to those two Winter Olympics to TBS for \$25 million apiece. TBS plans to use more than 50 hours of coverage on Turner Network Television.

NBC, which has rapidly become the grudge competitor against CBS Sports, beat CBS for the 1992 Summer Olympics in Barcelona, Spain, paying \$401 million, or 361 percent more than the \$87 million it paid for the 1980 Moscow Olympics.

That network recouped some of those fees as well, selling off \$75 million worth of coverage to Sports-Channel America, the regional cable network in which NBC has a 50

percent equity interest.

While it's often easy to identify those sports attractions that will turn a profit, HBO's senior vice president of programing and sports, Seth Abraham, says circumstance and luck-can often determine the

worth of any sporting enterprise.

Former middleweight boxing champion Marvelous Marvin Hagler has a special place in HBO's heart, Mr. Abraham says. It was Mr. Hagler's menacing style and the fear he evoked in other boxers who hesitated to fight him on TV that brought him to HBO's door.

"Hagler came along, in effect, looking for a television home, and HBO, which had then decided to get into boxing, found Hagler," Mr. Abraham says.

"That really put us on the road in a very big fashion, and along the way we realized the significance of boxing as a perfect sport for HBO."

The cable network signed Mr. Hagler to a three-fight contract at the end of '79 and has gone on to claim undisputed status as TV's boxing leader, telecasting the decade's marquee pugilists, including Mr. Hagler, Sugar Ray Leonard,

Larry Holmes and Mike Tyson.

Regional cable sports services also blossomed in the '80s and are continuing to find their niche.

John Severino, president and chief executive officer of Los An-geles-based Prime Ticket Network, the nation's largest regional sports network with 3.8 million subscribers, had some luck fall at his door.

In the summer of 1988, former Edmonton Oiler Wayne Gretzky came as part of a \$15 million hockey deal to the Prime Ticket-televised Los Angeles Kings.
"There wasn't a lot of viewer in-

terest in watching the Los Angeles Kings games on television," Mr. Se-verino says, "and now, with Wayne Gretzky here, we've got to televise them all."#

Cable opportunities flourish in risky decade

(Continued from Page 88) tive. For instance, remote control units were developed to control not only the cable converter, but also the VCR, the stereo and the television itself.

In the meantime, cable operators were so busy trying to figure out what the customer wanted that some overlooked the fact that what consumers really wanted was good service.

Customer service wasn't an issue with most operators until 1988, when subscribers, unhappy with their services, told their congressmen about it. Cable's potential competitors were also lobbying Congress about consumer complaints.

Telephone companies began talking about entering the TV business in 1982, two years before the cable act clearly prevented their entry. By the latter '80s, several regional phone companies were pushing for a change in the law and promised Congress, the public and their shareholders that they could provide not only better service, but more service.

The phone companies are still barred from owning cable systems in the United States, but many have gotten involved with

foreign systems in Europe and the Middle East.

And despite the current laws, most operators say they think telephone companies will be allowed in the cable business before the end of the century, if not sooner.

Indeed, one telephone company has already received a

waiver to offer video services and another is asking the courts for a waiver to own a cable system in Chicago.

GTE Corp. and Apollo Cable are working together to build a state-of-the-art system in Cerritos, Calif., offering services such as video-on-demand, a technology to allow customers to

purchase programing and watch it at their leisure.

Meanwhile, Pacific Telesis, the regional phone company based in San Francisco, has asked for a waiver to own the majority stake in the Chicago cable system recently purchased by Prime Cable of Austin, Texas. A decision on the waiver isn't expected until late 1990.

Once most of the cable systems had been built in the '80s, a frenzy of buying and selling began. Mergers and acquisitions

United Artists Cablesystems and GE Cablevision merged in 1984; Times Mirror Cable Television and Storer Cable swapped 12 systems in 1984; Washington Post bought Capital Cities Cable in 1985; Warner Communications bought out American Express' half of Warner Amex Cable Communications in 1985; and Kohlberg Kravis Roberts & Co. bought Storer Communications in 1985, in turn selling it to TCI and Comcast Cable Communications three years later.
Group W Cable, a division of Westinghouse Electric Corp.,

was sold and broken up by TCI, American Television & Communications Corp., Comcast, Century Communications and Daniels & Associates in 1986.

In addition, Heritage acquired half of GillCable, the nation's largest independent operator, in 1986; Jack Kent Cooke bought McCaw Cable in 1987, then sold the systems in 1989 to a consortium of seven operators; Continental Cablevision bought American Cablesystems in 1988; and United Cable Television Corp. and United Artists Communications merged in mid-1989.

All the while, TCI just kept getting bigger and bigger.

Some operators sought greener pastures. McCaw Communications and Palmer Communications left cable to pursue opportunities in cellular radio. Harte-Hanks Communications also got out of the business, and Rogers Cablesystems sold all

of its U.S. systems to concentrate on its Canadian properties.

New entrants included companies such as Houston Industries, a Houston-based utilities company.

Through all this, system prices continued to climb. In the mid-1980s, systems were selling for between \$1,300 and \$1,600 per subscriber. That number would climb to to as high as \$2,800 in 1988, then begin settling back down to between \$2,100 and \$2,500 by the end of the decade.

Wall Street started paying attention to the cable indus-

try, realizing it was a booming business with great potential.

Cable stocks were getting more attention and began to rise When the stock market crashed in 1987, cable stocks crashed with it, but were later among the first to rebound.

"History has shown cable is recession-proof," says Jim Carlson, vice president of communications for Jones Intercable.

In fact, the industry saw steady growth until late in 1989, when it showed a slight drop in light of rumors of re-regulation of the industry by Congress.

Meanwhile, the buying and selling, merging and consolidating continued throughout the decade.

Large companies bought smaller firms and merged with other large outfits, until by 1989, the top 10 MSOs owned systems serving 22 percent of all U.S. cable subscribers.

Not only were cable operators buying and selling systems

Not only were cable operators buying and selling systems, they also began investing in programing services, giving life to

some services that might not otherwise have survived.

TCI was the leader in programing investment throughout the 1980s, investing in Black Entertainment Television, American Movie Classics, The Discovery Channel, QVC Network, Cable Value Network, The Fashion Channel, Think Entertainment and Turner Broadcasting System.

Other operators followed suit with various services.

In what is perhaps considered one of the most dramatic moves of the decade, a group of several cable operators in 1987 gave Ted Turner an infusion of \$550 million to help him out of an economic slump caused by his purchase of the MGM Studios library.

The trend toward vertical integration continued throughout the end of the decade and further moves throughout the '90s

are anticipated by several operators.

As for cable's future, technological innovations coupled with new programing choices will keep coming. As Mr. Jones puts it, "The cable connection is the gateway to the information age. It is a reality now, whereas in the 1970s it was just a dream."#



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A Decade in Review

Big 3 see erosion of ratings power

(Continued from Page 26) in the upper 80s and then when I left they were in the low 70s," says Mr. Shephard, who is now president of Warner Bros. Television, one of the top five prime-time suppliers.

"And, of course, this was primarily due to the strength of the independents, the increased penetration of cable, and the great penetration of VCRs," he says. "So, clearly, the networks faced much more competition and that competition has grown.
"Now the changes are even more striking

because the network shares are around the mid-60s," he says.

At the close of the decade, "Roseanne" was the No. 1-rated series on the networks' schedules, but its average rating—a 25.2—was 27 percent lower than the 34.5 that "Dallas" brought home.

Ted Harbert, who currently is executive vice president of prime time at ABC Entertainment, has been scheduling programing at the network for the entire decade.

What he says strikes him the most about the changes that hit the networks in the '80s was how the criterion for determining what programing is and isn't successful has changed so dramatically.

"There were plenty of shows that we canceled in the high 20 shares back in 1980," he

Today, many of the series just outside of the top 20 programs are likely to be attracting smaller percentages of the viewers, which means that, by 1980 standards, 75 percent of the programing on the air today would be subject to cancellation.

'It is amazing to see how much we got away with (in 1980), how many shows we canceled with 25 shares, 27 shares, 28 shares," Mr. Harbert reflects. "I think 'Finder of Lost Loves' (a mid-'80s series) got canceled with a

26 share or even higher."

Today, the cutoff point, depending on the time period, is generally closer to a 15 share.

"The audience really doesn't give you a break any more," he says. "If you put on a show that's not very good, you're probably looking at a 10 share.

Audience share dwindles

While the networks faced more competition from other TV services, the competitive situa-tion between the Big 3 themselves also changed dramatically during the '80s.

Remarkably, each of the three networks oc-

cupied first, second and third place at some point during the 10-year span.

Fifteen days into the decade, a fresh-faced NBC executive named Brandon Tartikoff took over as president of NBC Entertainment, facing the tough task of pulling the network out of third place.

The NBC chiefs who preceded him hadn't lasted much more than about 18 months and, at age 31, Mr. Tartikoff was the youngest divi-

sion president in NBC history.

But just six years later, he achieved something that NBC hadn't been able to do: On April 20, 1986, the Peacock Network finished in first place for the first time ever at the end of a season.

Buoyed by hits such as "The A-Team" and later "The Cosby Show," "The Golden Girls" and "Family Ties," NBC built momentum that enabled it to edge out CBS by about a 5 percent ratings margin.

NBC also racked up points with TV critics with series such as "Hill Street Blues" and "St. Elsewhere," which the network stood by

even though they weren't ratings hits.

Through the rest of the '80s, NBC never gave up that No. 1 spot, and at the end of the decade it still appeared in no danger of doing

In fact, the onetime underdog network wound up setting the record for winning the most consecutive weeks by taking home 68 weekly wins, straight through Oct. 8, 1989.

Asked if he could have ever predicted what was going to take place in the network business during the decade, Mr. Tartikoff says, "Ten years ago I would have said, 'I'll be lucky to make it through 1982.'"



"Finder of Lost Loves," a mid-'80s series on ABC, got canceled with a mid-20s share.

While NBC's first-place finish in the spring of 1986 marked a turning point in the history of that network, it also marked a turning point for CBS.

A day after NBC first became No. 1 that April, Mr. Shephard left his post at CBS, which had dropped into second place for the first time since he had taken the job.

"For the six years I was head of programing, five years we were No. 1 and my last year we lost by less than a rating point to NBC," he re-

Why did CBS give up the crown to NBC?
"When you're No. 1 for a long time, there's a problem. People have a tendency to believe that you can keep on repeating your suc-cesses," he says. "You don't have to work as

'The truth of the matter is that probably the last three years in the job, the amount of money (CBS) spent on program development was reduced, while NBC and ABC were far more aggressive.

"Now, admittedly, NBC came up with enormous success with 'Cosby' and 'The Golden Girls' and so forth, and we didn't have that much success. But still, in all, I think their (NBC's) acceleration was helped by the fact that from '83 to '86-my last three yearswere doing about 20 pilots compared to about 33, 34 pilots for NBC," Mr. Shephard says.

Bud Grant took the helm after Mr. She-

phard left, but, just as CBS's move from first to second had precipitated Mr. Shephard's departure, Mr. Grant was ousted immediately after ABC's World Series telecasts bumped CBS into the No. 3 position in October 1987.

Mr. Grant's right hand man, Kim LeMasters, then was boosted to president of CBS Entertainment.

CBS falls from glory

While CBS researchers insisted that the network's decline to third place was an aberration caused by the baseball ratings, Mr. Le-Masters made some scheduling moves that turned disastrous, further miring the network in third place.

There was no disputing the situation by the following spring, when CBS had officially ended its first season in its history in third

At the same time, ABC was seeing the first sign of light for some time, since it had dropped from first place in the late '70s to third in the early '80s.

Since then, ABC has remained in second place and CBS has slipped farther into third. Just one day after another dark moment in

CBS's history, when the network suffered its lowest sweeps results ever in November 1989, Mr. LeMasters joined the casualty list by resigning from the network.

CBS then turned to former Tri-Star Pictures president Jeff Sagansky to try to right its

prime-time ship.
Over at ABC, when the decade opened, Tony
Thomopoulos was head of the network's entertainment division, which was riding high as the No. 1 network with such hits as "Mork & Mindy," "Laverne & Shirley" and "Fantasy Island."

But by the time Lew Erlicht took over the positon in 1983, ABC had sunk into third

Brandon Stoddard then stepped in as ABC Entertainment president in late 1985.

While he was able to get ABC back into second place during his reign, some of the most memorable developments during Mr. Stoddard's tenure are events he would probably rather forget.

"Moonlighting" developed into a fullfledged, in-house-produced hit under his direction, but also became a production night-mare with cost overruns and few original epi-

The seven-part miniseries "Amerika" in February 1987 didn't strike the ratings gold ABC had hoped, earning just an 18.8/29 overall, and neither did the \$100 million-plus "War and Remembrance," a miniseries aired in November 1988 and May 1989.

That mammoth effort earned less than half the ratings points garned by its predecessor, "The Winds of War," which brought home a whopping 38.6/53 in February 1983.

While head of ABC Entertainment, Mr.

Stoddard went through an unusual phase in which he avoided addressing the third-place network's problems until pressure finally caused the stonewalling to end in June 1987. In March 1989, Mr. Stoddard stepped aside

to serve as president of ABC Productions, a new in-house unit at the network, and ABC made a surprise move in bringing in Bob Iger, whose main experience was in sports programing and business affairs.

The network also decided to break apart the traditional duties of the chief network programer so that Mr. Iger would be in charge only of prime time and Michael Brockman, a former CBS programer, would be president of late-night, daytime and children's pro-

graming.
"I think that it's a reflection of the great challenges and difficulties that this job provides one person," Mr. Iger says.
"I think in order for us to focus more on

areas that needed help, to give more attention to these areas, we felt as a company that we needed more than one executive to handle

all of those spots," he adds.

At the close of the decade, under the direction of Mr. Iger and with support from Ted Harbert and Stu Bloomberg—both of whom are executive vice presidents of prime time—ad agency officials were commenting that appeared to be picking up steam and that NBC was now facing a stronger No. 2 net-

While all of these overall changes were taking place at the networks themselves, there were various changes around them that af-fected their business besides the increased competition from other TV sources.

Viewer measurement gets revamped

At the onset of the 1987-88 season, Nielsen changed to the people-meter measurement system, a move that, according to Mr. Shephard, has made the job of programers even

"My feeling is that the current measurement understates—I'm not saying it understates network viewing—it understates television viewing, simply because there is no control," he says. "There is total dependence on people pressing buttons while they're watching tele-

Although network programers have come to accept the measurement as "the game in town," as Mr. Harbert says, others at the close of the decade were pointing to a recent study that showed that viewing may be misrepre-

The following year, in 1988, the networks suffered a setback as a 22-week writers strike got the '88-'89 season off to a rocky start.

As the decade came to a close, the cost of producing network programing had more than

The cost of producing a drama went from about \$400,000 to \$1.1 million, and the cost of producing a half-hour series went from about \$200,000 to \$500,000.

At the same time, it became even harder for producers to land successful series on the networks and therefore take the responsibility of carrying deficits that were less likely to be recouped in syndication.

Putting on his current hat as studio head, Mr. Shephard says that "it's tougher, really tough, to get a show to work because there are so many alternatives to viewing.

"If the audience isn't immediately responsive to a show, then the chances are there are too many alternatives, the show won't even get sampled," he says.

But on the flip side, the growth of the com-

petition has also provided producers—who used to only have the networks as major sources to sell programing to—with alternative outlets for their shows.

The opportunities in terms of having an outlet for your product have become more plentiful," Mr. Shephard says, citing FBC and new basic cable services such as Turner Network Television.

Networks build production strength

The networks themselves began diversifying

in terms of production during the '80s.

As the limits on in-house production were relaxed in the latter half of the decade, NBC led the charge to get back into the business of making shows in-house.

That development has led NBC at a time

That development has led NBC, at a time when ABC is splitting up the duties of the top programer, to make Mr. Tartikoff the head of a studio operation, NBC Productions, in addition to having ultimate authority over prime-time, daytime, late-night and children's

programing.
"I think that that's one of the great things about television and in particular working for a company like NBC, where you're determined a company like NBC, where you're determined to remain one of the major players as television moves into the '90s and in order to do that you've got to change and grow with the times," Mr. Tartikoff says.

"You just can't say, 'I'm putting on the blinders. I'm just going to continue to worry

about the four or five dayparts or departments that I had to supervise when I took the job

(Continued on Page 101)

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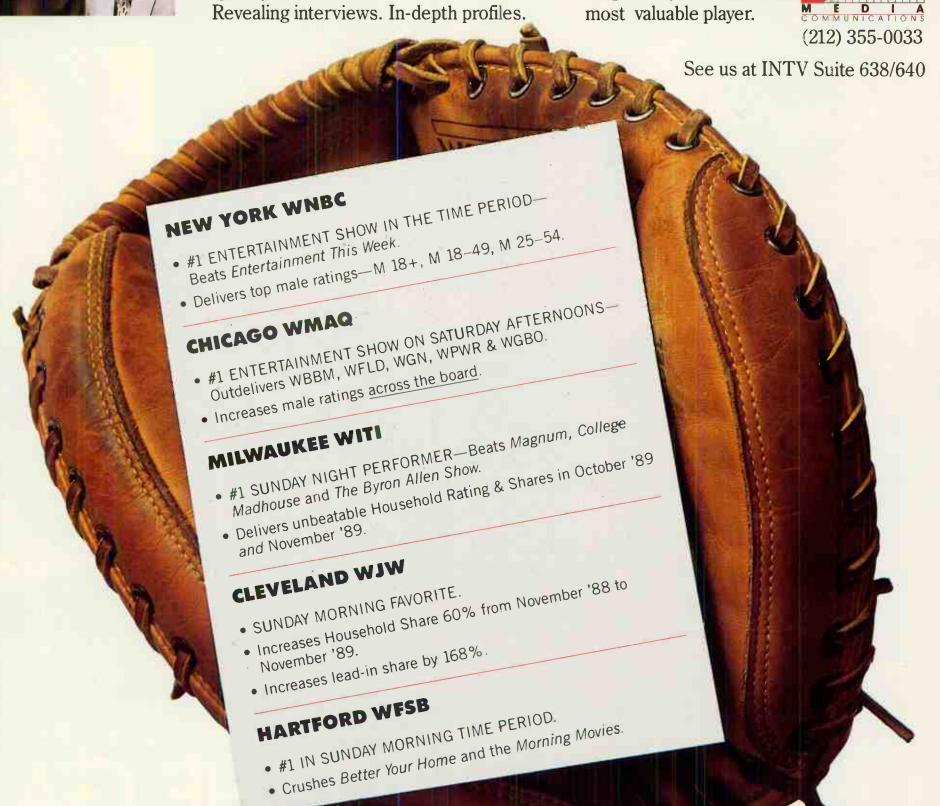
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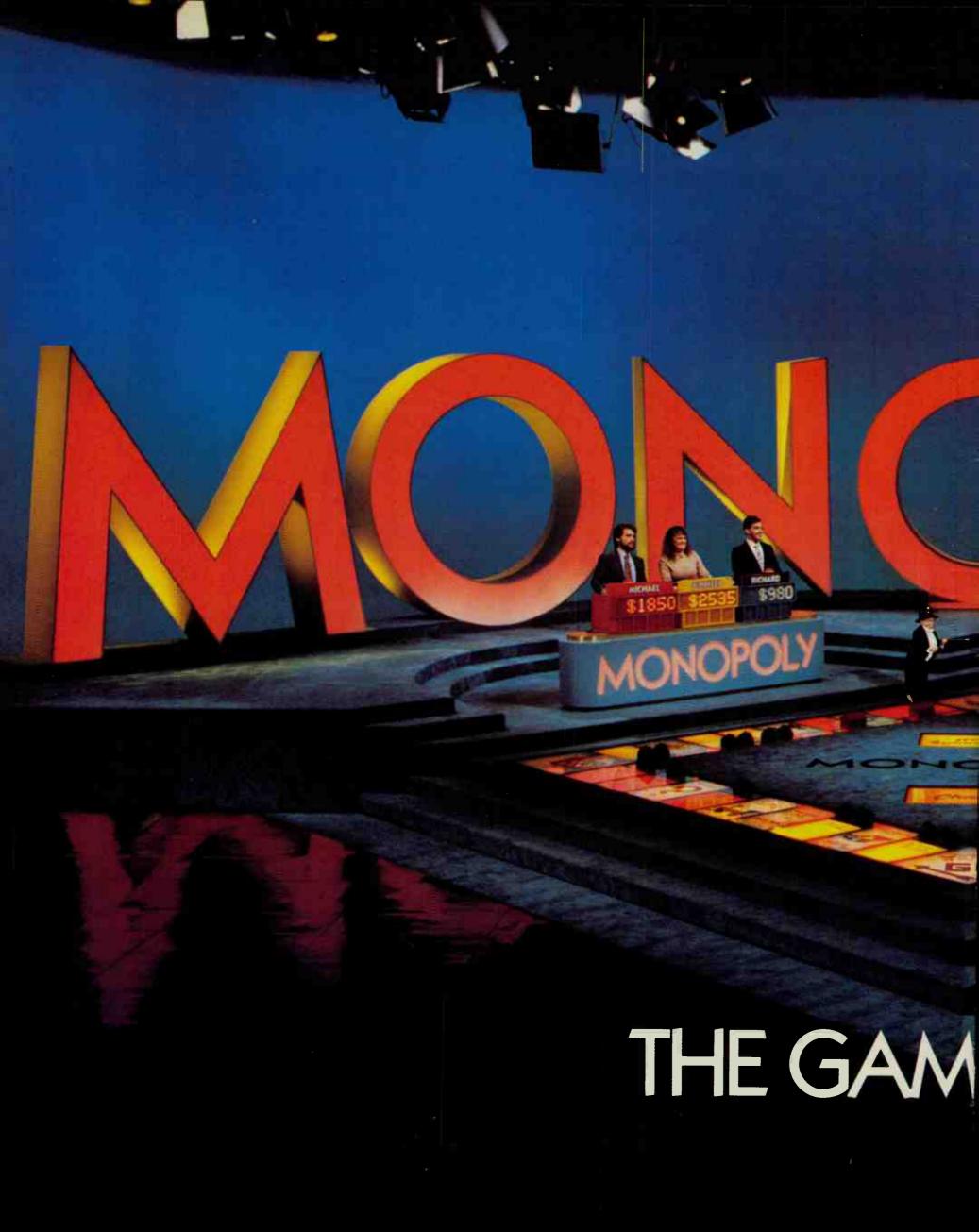
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