

in an optional package at an extra price in the cable marketplace."

From the floor, there were the comments of Lawrence Howe, vice president-cable programming, of American Television & Communications Corp., Englewood, Colo., and Graham Moore, director of corporate marketing services, Tele-Communications Inc., of Denver.

Howe said he favors six to eight services in various tiers, with pay television on top, and supported by a basic service. ATC also sells advertising and doesn't worry about losing control as a result; the advertising helps cover costs.

Moore suggested that cable operators remember the fundamentals of their business—that it is "a medium of choice," one in which the consumer "can pick what he wants." And the suggestion of some that cable should offer "a basic service," he said, recalls the old argument: "You can't sell it if you have been giving it away."

Showtime's time

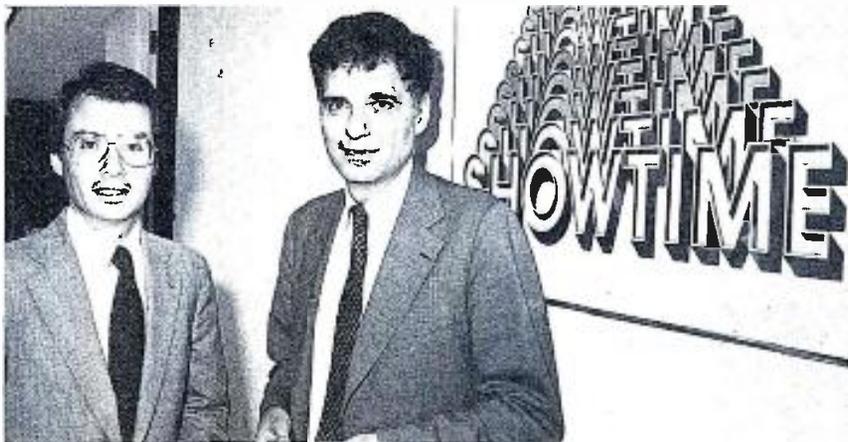
Pay programmer announces new shows with Ralph Nader, Ed McMahon, John Byner

Showtime wasted no time in leveling its guns at HBO's new Cinemax service. A Monday press conference had Showtime president Jeffrey Reiss tagging his service as "the best programmed single market pay television service, therefore the most profitable dual service." It was theme later repeated during the Great Debates (page 60).

As against a package such as HBO's Cinemax, Reiss called Showtime "a full-service pay television network," one whose "program package is composed of targeted segments designed in total to appeal to the largest pay television audience."

In announcing Showtime's new plans, the company's senior vice president of programming and operations, Jules Haimovitz, struck a note that commercial broadcasters have been saying for years: although "theatrical films will remain the backbone of our schedule" . . . the way to keep the subscribers that movies attract "is through series—both anthological and episodic . . . series will insure that consumers will tune into Showtime on a regular basis." Indeed the big draw at the conference was the presence of the star of a pilot for a possible Showtime series, *Ralph Nader: For the People*.

The proposed format would have Nader going head to head in debates with "titans of government and industry." Though no titans have yet agreed to appear, Nader named Herbert Schmeitz, vice president, public affairs, of Mobil Oil, and John Swearingen, head of Standard Oil of Indiana, as among the types of individuals he hoped would join him on the program. Other segments of the program would present "field reports"—investigative journalism pieces, show "models of superior performance," and provide "mobilization



Showtime's Reiss with Nader

process" information—showing people how to go about "getting things done" about particular issues.

Another Showtime series announced at the convention is *Bizarre*—an "offbeat comedy series" starring John Byner set for a fall premiere. Showtime has made a 24-episode commitment, which Haimovitz called "unprecedented" for pay TV. Executive producers are Allan Blye and Bob Einstein in association with the Canadian Broadcasting Corporation.

David Sheehan's Hollywood will join Showtime in September following a one-hour special from Cannes, and Army Archerd will host another series pilot, *The Best Joke I Ever Heard*, described as a "laugh packed tribute to the joke."

Showtime even taped a pilot at the convention, for a variety program titled *The Ed McMahon and Company* to star the familiar *Tonight Show* personality.

HBO adds a new service

It announces new, all-movie service, Cinemax, with features aimed at different viewers in different parts of the day

Home Box Office is offering a new pay television service that it says is designed to complement its basic foundation service and avoid what an HBO news release calls the "drawbacks" of "bundling"—the packaging of several pay services that are each designed as a foundation service. HBO's new Cinemax, as it is called, is an all-movie service that includes films chosen for their appeal to selected rather than mass audiences. HBO describes Cinemax as the pay industry's first "true tier."

(HBO offered its own definition of foundation, bundled and tiered services. A "foundation" service, it said, is a maxi pay TV service providing product with broad audience appeal. A "bundled" service is two or more competitive foundation services offered as one package. A "tiered" service is two or more noncompetitive services offered as one package, consisting of a foundation service and a maxi service. What is a "maxi" service?

One for which a cable operator would charge about \$8 a month, according to an HBO executive, and one with more programming hours per day than a "mini" pay TV service—\$3 to \$4 a month.)

The Cinemax service was announced at a press conference in Dallas on Sunday (May 18) as the National Cable Television Association's 29th convention was getting under way. The announcement, in a small, crowded room in Dallas's convention center, was overshadowed by the spectacular multimedia presentation at Loew's Anatole hotel that the joint venture of four motion picture companies and Getty Oil Co. used to introduce *Premiere*, its new pay television service (see "Top of the Week"). But HBO was able to announce that Cinemax was off to a strong start. James O. Heyworth, HBO president, said 20 cable television companies, ranging from single systems to MSO's, had committed themselves to the new service.

HBO is making Cinemax an independent service, but is promoting it as complementary to the HBO foundation service. In that connection, HBO said its research indicates viewers perceive duplication of product in "bundled" markets. Cinemax, on the other hand, is said to provide "viewing options which augment the HBO foundation service."

Cinemax will offer family and children's movies, more classics and foreign films than are seen on HBO, action-oriented R's, special interest features and selected "blockbusters." X-rated films will not be in the mix. All told, Cinemax will offer, on average, 18 new titles a month.

But, although it has the ability to provide programming entirely different from that seen on HBO, Angela Shapiro, vice president and general manager, program services, said there would be 30% duplication over a 12-month period.

Different titles are not all that set Cinemax apart from HBO. It will offer extended programming hours during daytime and late-night hours not programmed by HBO, and programs will be scheduled to match different audiences during the day—for instance, women's films between 10 a.m. and 1 p.m.; children's, between 4 p.m. and 8 p.m., and adult (PG and R), between 8 p.m. and sign-off.

The basic rate formula at which HBO is offering the service is \$3.20 per subscriber