

Showtime for ABC?

With the apparent collapse of the Showtime-Movie Channel merger two weeks ago, given the Justice Department's refusal to accept even a modified version of the plan as proposed by Viacom, MCA, Paramount, Warner Brothers and American Express, ABC may again become involved in talks to become a partner in Showtime. "I don't preclude the possibility of those talks reopening," said Herb Granath, president of ABC Video Enterprises, referring to negotiations that went on between his company and Viacom last fall.

Granath's statement came last week at a luncheon where he presented members of the New York chapter of the National Academy of Television Arts and Sciences with a status report on his company's various activities.

He acknowledged that RSVP, the pay-per-view joint venture between ABC Video Enterprises and ESPN, lost money on its first presentation seen earlier this year—a four-bout boxing package known as the Crown Affair—"but the marketing structure allowed for the local cable operators to make money on it," he said. (Operators received 45% of the revenues paid by viewers.) The fact that boxing promoter Don King was taken in as a partner for that first event, and the heavy marketing, distribution and promotional costs absorbed by RSVP, were cited as reasons for the losses.

Granath dismissed rumors that the ABC-Group W partnership in Satellite News Channel was going sour, but added, "We

could use a few more advertising dollars." He said that SNC currently reaches about seven million cable subscribers and should reach what he described as a "critical mass" of 12 million subscribers by perhaps the end of the first quarter of 1984. Once critical mass is reached, he suggested, advertisers will be less reluctant to purchase time on that service. SNC II, the proposed long-form service that would be similar to the CNN format, has been put on hold, perhaps permanently, but at least until advertiser demand for time on cable services improves significantly.

Granath said that the company was encouraged with initial testing concerning consumer acceptance of pay-per-view events that has been conducted at Cox's San Diego system. If further tests prove successful, the two companies hope to launch a pay-per-view business known as First Ticket.

Granath also confirmed that ABC Video has talked with a number of DBS entrepreneurs about possibly supplying programs to those operators, but said, "we are not close" to any deals at this time.

Another victory for the First

The U.S. District Court in Miami struck down a city ordinance that would have allowed the city manager to revoke the cable franchise of Miami Cablevision for carrying programming the manager deemed "obscene or indecent."

In enjoining the city from enforcing the ordinance, Judge William Hoeverler invoked

the First and Fourteenth Amendments. "The city's effort to regulate the distribution through cable television of 'indecent' material violates the First Amendment guarantee of free speech," he ruled. "Moreover, the methods adopted by the city to enforce the regulation and exclusion of 'indecent' and 'obscene' materials... violate the notion of fairness implicit in one's right to due process of law."

The ordinance, enacted last January, states: "No person shall by means of a cable television system knowingly distribute by wire or cable any obscene or indecent material." The ordinance further stipulates that the city manager should review complaints about "obscene or indecent" programming on the cable system. If, after an "informal hearing," the manager found the programming to violate the ordinance, he or she could impose a number of sanctions on the cable system, including suspension or revocation of its franchise.

The ordinance was challenged by Ruben Cruz, a Miami Cablevision subscriber, and Home Box Office, which is carried by the system. Under the definitions contained in the ordinance, some of the HBO programming could have been construed as "obscene or indecent."

The National Cable Television Association was quick to praise the decision. "This is the third in a series of federal court decisions that uphold the cable operator's First Amendment rights," said NCTA President Thomas Wheeler. "This is good news for cable viewers because it strikes a blow at unnecessary and unconstitutional program content control." As in a similar case with a similar decision in Roy City, Utah, he said, "the court has distinguished cable from broadcast television and aligned it with the print media."

Ready to roll

Although the plan for combining Cable Health Network and Daytime into a single advertiser-supported cable service has yet to receive the final approval of the companies involved, the merger appears to be a fait accompli. "We are moving ahead under the assumption that the merger will be approved," said an official with one of the companies.

Further evidence of the fact: Seven new vice presidents have been appointed at Hearst/ABC/Viacom Entertainment Services (HAVES), the new entity that will operate the CHN-Daytime service. The appointments follow by about six weeks the appointment of CHN's Bruce Johnson and Hearst/ABC's Mary Alice Dwyer-Dobbin as president and vice president of programming, respectively, of HAVES.

Last week's appointments:

- Don Andersson, vice president, affiliate relations. He served in the same position for CHN.

- David Bender, vice president, research and marketing. He was director of research at CHN.



That van looks familiar. Showtime has launched two video production vans, one of which bears an uncanny resemblance to Groucho Marx, on a nationwide search for the funniest person in America. After the tour, the funniest person will be chosen from 51 state finalists and will appear on Showtime as the comic of the month. Last week the vans visited Boston, Philadelphia and Washington, where open auditions attracted between 30 and 50 comics.