

## MTV fights back

Admittedly responding to Turner Broadcasting System's announcement that it may launch a new 24-hour music service with a larger target demographic (18-49), MTV Networks Inc. unveiled plans last week to launch a second music video channel itself in January. TBS said initially that if it proceeds with its project the launch date would be Dec. 5, but last week TBS spokesman Arthur Sando said that the launch might be moved up to the fall if the decision is made to go with the service. That decision is expected this week.

Like MTV, MTV 2 is labeled by its creators as a contemporary rock service, but one that is targeted to an older demographic—25 to 49—as opposed to the original MTV's 12-to-34 target group. TBS's proposed service would attempt to skew broader than both of those, aiming at 18-49. Robert Pittman, executive vice president and chief operating of MTV Networks Inc., declined to give specific examples of artists and videos that would appear on MTV 2, but said it would incorporate elements similar to radio's adult contemporary and rhythm and blues formats, among others.

Neither Pittman nor David Horowitz, president and chief executive officer of MTV Networks Inc., would make any projections about advertiser support for the new service. Pittman said, however, that some \$7 million would be invested in the new service through 1985. He said the existing MTV Networks "infrastructure" would enable the company to take advantage of certain economies of scale in launching the new service. The new service will be free to cable operators that take MTV 1, while systems taking it on a stand-alone basis will be charged a monthly fee which Horowitz declined to disclose. Currently, operators pay between 10 cents and 15 cents per subscriber per month, depending on volume, for MTV. TBS said it would offer its service free of charge.

Pittman said that while the TBS announcement forced MTV to play its hand early, it had every intention of launching MTV 2 at some point regardless of what TBS did. "We've had plans in place for this service since the beginning," he said, adding that other music channel proposals are on the drawing board as well. "Obviously Turner has affected our timing," he said.

Meanwhile, operator responses to the TBS proposal continue to flow into Atlanta. Sando declined to give out any numbers last week but described the response as "positive." Operators were to have responded to the TBS proposal by last Friday (Aug. 24) by listing the number of subscribers they would be willing to commit to the service. TBS wanted an initial base of 10 million subscribers to proceed with the launch, but Sando said last week that, "we may go with fewer than that" if the project appears feasible with a lower starting base. As envisioned, he said the service would be com-



**WE TAKE YOU TO THE STARS**

**New look.** Home Box Office's creative services department went to work on a new logo that "more dramatically reflects the energy, vitality and contemporary appeal of the new Cinemax," and came up with "cinemax" in italicized sans serif type superimposed on what HBO calls a "speeding bullet." The new logo, which will be linked to Cinemax's new theme, "We take you to the stars," will be introduced next month in consumer and trade ads.

posed of videos and talkovers, with no VJ's. The format has not been finalized, but it would not be exclusively rock, said Sando, and would encompass different genres—perhaps country and others. If it goes ahead with the project, TBS is prepared to commit \$10 million to start the service, which would come from Turner's existing \$60 million line of credit.

## BET's off

Bob Johnson, president of the Black Entertainment Television, charged that some cable operators are "programming slum lords" who take money from black subscribers, but refuse to acknowledge their desire for black-oriented programming by carrying BET. "The treatment of black subscribers across the country is sadly comparable to the all too familiar pattern of the absentee slum lord who provides inadequate dwellings to black tenants who have no other alternatives while at the same time extracting the maximum rent possible," said Johnson at a gathering of the National Association of Black Journalists in Atlanta. "Cable operators who have a monopoly in providing cable services to black communities and who refuse to carry the nation's only black television network are no less guilty than these very same slum lords."

More than 1,000 cable systems serving communities in which the black population is 8% or greater do not carry BET or any other black-oriented service, said Johnson. "This insensitivity to black subscribers is a national disgrace that must be exposed for what it is—a callous and paternalistic indifference to the viewing interests of black consumers."

## HBO's scrambling to scramble

Folks with backyard dishes capable of receiving television programming on the satellite will have two fewer channels to watch next spring—HBO and Cinemax. Home Box Office, which offers both services, will scramble all the services' satellite feeds by the end of next January, said Ed Horowitz, senior vice president, operations, HBO, "assuming Murphy doesn't wreak too much

havoc."

The qualification referring to Murphy Law should be heeded. HBO's scrambling plans, including the schedule for implementing them, have been changed periodically for various technological and business reasons since they were first announced in January 1983.

HBO's addressable scrambling system will be M/A-COM Linkabit's Videocipher I, a less costly and less sophisticated version of M/A-COM Videocipher I, which HBO has chosen two years ago.

According to Horowitz, Videocipher features the same "hard" digital scrambling of the audio and data signals as Videocipher I. But the new system employs relatively simple video scrambling—sync elimination and video inversion—in lieu of Videocipher I's hard digital scrambling of the video, he said.

HBO plans to purchase 10,000 Videocipher II descramblers which it will distribute to HBO and Cinemax affiliates by the end of the year. Although the descrambler cost between \$400 and \$450 each in such quantities, he said, HBO will end up paying M/A-COM around \$10 million to cover some of the systems' development costs as well as the actual hardware.

The deal is a boon to M/A-COM. According to Frank Drendel, vice chairman and executive vice president, M/A-COM hopes other programmers follow HBO's lead, adopt the Videocipher II system and make it a de facto industry standard. M/A-COM has been talking to other major programmers, he said, but as of last week had "no firm deals. Looking down the road a bit farther, he said M/A-COM would like to incorporate the Videocipher II technology into cable converters. M/A-COM realizes that for the scrambling system to become an industry-wide standard, it will have to license the technology to other manufacturers.

According to Horowitz, HBO will send letters to its affiliates in October to verify the number of descramblers each needs and where they are to be sent. The units will then be shipped in November and December, he said. And, if all goes well, the services' Western feeds on Satcom III-R and Eastern feeds of Galaxy I will be scramble in January. (HBO puts its Eastern and Western feeds on different satellites so they can backup service to each other, he said. "We don't want to put all our eggs into one basket.")

Horowitz seemed confident that Videocipher II would perform well next January. HBO has been testing Videocipher I descramblers, which are similar to Videocipher II except for the video descrambling section, for the past four months. And, because Videocipher II's video scrambling is "not new technology," he said, no problems with it are anticipated. M/A-COM and HBO plan to test Videocipher II units in the field in September, he said, and as the unit come off the assembly line this fall, an HBO technician will be on hand to sign off on