

ch one. Once the services are scrambled, HBO theoretically be able to sell or lease descramblers to owners of backyard earth stations and charge them to receive HBO and remax. But whether HBO will offer what would amount to a low-power satellite broadcasting service depends on whether other major cable networks scramble—HBO would have difficulty selling its services if other dish owners can tune in similar unscrambled services—and on whether HBO can figure out a way to make such a service profitable. "It's not a slam dunk," said Horowitz.

The technology needed for a satellite-to-home service will soon be available, Horowitz said. M/A-COM is working on less expensive, consumer-quality versions of Videocipher II descramblers that could be used alongside existing home satellite receivers or incorporated in new receivers, he said. But there are business problems, ranging from marketing to bill collecting, that have to be worked out, he said. "There is a business out there," he said. "It's a question how do you efficiently access the market and make money at it?"

HBO has talked about bringing the programmers on Galaxy I together to offer a multi-annet satellite broadcasting service. Such a service would require that all the participating programmers adopt the Videocipher II system so that subscribers to the service would only need one descrambler. The signals of the relatively powerful Galaxy I satellite can be received on dishes as small as six feet in diameter. As HBO envisions it, cable operators would be given the first shot at marketing the service in their franchise areas. Said Horowitz: "Cable affiliates would be an important ingredient in the distribution chain."

Horowitz could not be pinned down on when a decision regarding the home market could be made. But, he said, "now that the pendulum [for the scrambling] is a little more precise, it is something that is going to be decided sooner rather than later."

Classics at night

American Movie Classics, the new pay service to be offered by Rainbow Program Enterprises, will begin Oct. 1 with more than 10 movies, according to Henry Gross, director of marketing. Among the studios from which AMC has bought pictures are Warner Brothers, Universal, Columbia and 20th Century Fox. Movies, from the 1920's to the 1970's, will be programmed according to a monthly theme, a concept Gross said "tested extremely well," in marketing research. Monday night will be "mystery," Tuesday is "comedy," Wednesday is "romance and musicals," Thursday is "drama," Friday is "adventure" and Saturday and Sunday are "Hollywood's Gold." Rainbow, a partnership of three MSO's—Cablevision Systems Corp., Cox Communications and Daniels & Associates—will market AMC and Bravo as a package (BROADCASTING, June 11), with optional inclusion of The Playboy Channel and/or one of three regional sports networks. So far no MSO's outside the partnership have signed to pick up Bravo/AMC, but Gross said there are verbal commitments from affiliates of other MSO's, including some from TeleCable, United and Communicon. Rainbow projects it will have 750,000

subscribers for the service a year from now; Bravo currently has 250,000.

USA scores with NHL

The USA Network has renewed its contract with the National Hockey League for exclusive basic cable rights for another year. The league, however, has retained the pay cable rights and is contemplating their sale to regional sports networks for as early as the coming season. USA will pay around \$4 million for its rights. Its last contract was a two year deal (1982-83) for which it paid the NHL about \$8 million. Games will be carried on Thursday evenings beginning Oct. 11 through the end of the year and then switch to Monday evenings in January for the remainder of the hockey season. (Through the

fall and early winter months it "counterprograms" ABC's Monday night football games with movies.) USA will carry 33 regular season games and 25 playoff games, including the Stanley Cup finals.

Green light

The Los Angeles city council has given final approval to the sale of Valley Cable Television Inc. to Standard Broadcasting Corp. Ltd., the Toronto-based firm that has held a 55% interest in the suburban Los Angeles cable franchise serving the western San Fernando Valley. Standard says it expects to increase its \$20-million investment in the system by about \$6 million and guarantee about \$5 million in bank loans. Valley Cable currently passes about 170,000 homes.

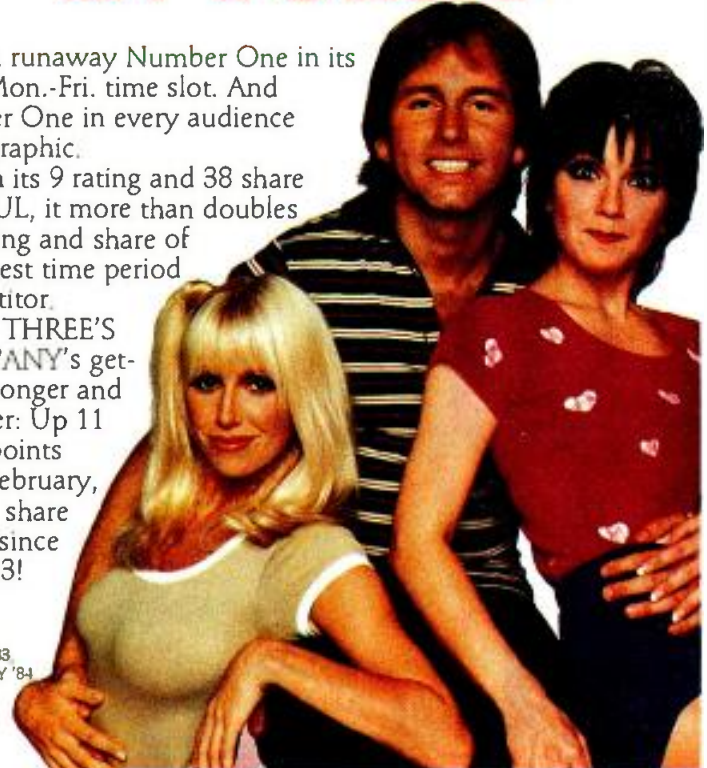
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