said.

According to Doug Wenger, senior vice president of marketing, Storer Cable, the MSO has 4,300 subscribers ahead of its subscriber projection through April. As a result of the promising start, he said, Storer has revised upward its anticipated subscriber gain for the year—from around 70,000 to 80,000. "I don't think that is particularly bullish," he said. "I think we can do better than that."

Storer didn't wait for the basic increases, which ranged from 10% to 20%, to go into effect to soften the blow. "We spent a lot of time in the fourth quarter [of 1986] promoting the value of basic cable," he said. "Apparently the customers, by and large, didn't argue with us on that point."

Wenger called pay growth "excellent" during the first quarter, even though rate increases generally retard pay sales. Through April, Storer was 48,000 pay units over budget. Instead of a net loss of 29,200 during the period, he said, Storer experienced a net gain of 19,400.

Myhren sees ATC's healthy basic growth as the payoff for ATC's improved customer service. Through an outside research firm, ATC has been measuring customer satisfaction every six months for the last three years. For the past two years, he said, "it's been a steady uphill climb."

Myhren also said the improvement in programming was a factor. "I don't think there is any question. When you look at special-interest programming, it just gets better all the time."

And through "better communications with the customers about what's on cable," he said, "cable operators are succeeding in getting viewers to break old viewing habits by walking "around the dial" and tuning into cable on a regular basis."

According to Kay Koplovitz, president of the USA Network, the collective programming of the cable networks "is definitely a factor in increased penetration rates. The basic services are offering substantially better programming than they were five years ago or two years ago and subscribers are finding the value in those programs."

According to the basic cable programmers, one of the biggest factors in their growth over the past several months has been the collapsing of tiers. "We're seeing a lot of the satellite-delivered services that were on a tier being moved to the basic package," said John Reardon, MTV Networks' executive vice president and general manager of affiliate sales and marketing. About 1.2 million of the new subscribers MTV has picked since last September are the direct result of tier meltdowns. "We were already in the system, but we have been for a long time, but we were only in front of whatever fraction of those people that bought that tier," he said. "Now we're in front of every home," he said.

Lloyd Werner, senior vice president of sales and marketing for Group W Satellite Communications, which markets the Nashville Network, agreed that collapsing tiers has had a big effect on subscriber numbers. TNN picked up about 15,000 subscribers in Fairfield county, Conn., he said, when the network was dropped to basic last January. Anticipating that operators would be addi-