CBS purchases WCIX(TV) Miami

BS's Ober says another station purchase may come before end f year; wsvn Miami to become independent station

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A companion catch, designed to compensate for WCIX's signal short fall, was the soon-to-be independent station WTVJ(TV), which CBS now plans to purchase instead of the ABC affiliate WTVX(TV), and buy instead the current ABC affiliate WPEC(TV), a VHF.

Eric Ober, president, CBS Television Stations, told Broadcasting that CBS would go "expanding (WCIX's) news and production facilities." He added that the company is still looking for additional station acquisitions and might have an additional announcement before the end of the year.

With the already completed purchase of WTVJ(TV) by NBC and parent company, General Electric, at least five stations will take affiliation changes on Jan. 1, 1989, when all the affiliation contracts conicidentally end. WTVJ will change from CBS to ABC; WCIX will change from being an independent (Fox affiliate) to CBS; WSVN will change from NBC to independent, and WPEC will change from ABC to CBS. Which ABC will choose as the replacement affiliate to West Palm Beach-Fort Pierce may be determined as early as Aug. 19, when WTVX goes to New York to make a presentation to George Newy and other Capital Cities executives. Also at that meeting will be two other JHF stations serving the market.

Looked at as an isolated financial transaction, and ignoring signal questions, CBS may have gotten a "steal" with its purchase, one estimate suggesting the $59-million purchase price will be five-times WCIX's 1989 cash flow. Raymond Katz, securities analyst for Mabon Nugent & Co. said the tution's viewership share should increase significantly from its current 7% (sign-on) plus-off and estimated that revenue in 1989 could hit $40 million. Even assuming operating margins fall at the low end of the CBS-owned group average, cash flow could hit $12 million.

That cash flow may be further aided if CBS does not have to abide by union staffing and work rules. Ober said he would not comment on the company's labor plans, but said that so far no talks have been held with the International Brotherhood of Electrical Workers. Florida is a right-to-work state and most stations in the market are not unionized, according to one station's chief engineer. A recent unionization vote at WTVJ failed.

In the near-term, however, CBS will probably undertake a number of one-time expenses. Katz said, including perhaps $2 million in special on-air and other promotion and $4 million in additional spending to boost the station's news operations to CBS standards. In the plus column, the network will no longer have to make an estimated $1.5 million in affiliation payments, plus additional revenue from better clearance (currently WTVJ is said by one marketplace observer to preempt close to 15% of CBS's programming).

CBS's gain was clearly Edmund Asin's loss. With the stroke of the pen that signed the sale of WCIX, the owner of WSVN saw the value of his own soon-to-be-independent station drop by perhaps well over $100 million.

Ansin, who in talking to Broadcasting seemed resigned to the situation, still seeks satisfaction against both NBC, which is taking away his affiliation, and against CBS, in a lawsuit. Currently before the state court in Miami, the defendants are trying to have jurisdiction moved to U.S. District Court.

One source of programming Ansin will presumably need beginning Jan. 2 will now be TVX itself, which as part of the station sale agreement will remain liable for most of WCIX's programming commitments (the successor to the company from which TVX bought WCIX. Great American Communications Co., may itself be contingent liability).

How well will the CBS television network be served by its new owned station and affiliate in southern Florida? Except for channel 6, currently all of Miami's TV stations send their signal from an antenna farm located on the border of Broward and Palm Beach counties. Instead, WCIX has its antenna located south of the city and has problems reaching into the northern part of Broward county.

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