Time Warner: King of TV program suppliers

With one stroke of the pen, assuming its acquisition of Warner Communications Inc. goes through, Time Inc. will overnight become the largest supplier of programs to the television industry. Most of that product comes from Warner's recent acquisition of Lorimar Telepictures, which had been the number-one provider of network programming and among the top suppliers of first-run and off-network syndicated programs.

Currently, Warner's two network production units, Lorimar Television and Warner Bros. Television, account for about 17% of the total 66 hours of weekly network prime time programing. Lorimar programs include ALF; The Hogan Family, Midnight Caller, Paradise, Knots Landing, Perfect Strangers, Full House, Dallas and Falcon Crest. Current Warner Bros. Television programs include Murphy Brown, Growing Pains, Head of the Class, China Beach, Night Court, Just the Ten of Us and A Man Called Hawk.

Network hits such as ALF, Growing Pains and Night Court have already generated hundreds of millions of dollars in off-network syndication rights. Other shows such as Perfect Strangers and Head of the Class are also gaining momentum in syndication.

FCC approvals related to the merger and local government approvals related to the change in ownership of their cable systems.

The merger also requires shareholder approval at both companies. Time and Warner were expected to file the necessary proxy materials at the Securities and Exchange Commission this week.

Wasserman Perella & Co. and Shearson Lehman Hutton are acting as financial advisers to Time in connection with the merger. Lazard, Freres & Co. and Alpine Capital Group are financial advisers to Warner.

Lorimar's fall lineup

As the entertainment industry last week pondered long and hard the implications of the Time-Warner merger, Warner's Lorimar Television signaled its intent to continue to set the pace in network program production, announcing eight pilot commitments for shows that will be considered for pickup in the 1989-90 season. The company also announced two series commitments for next fall. Three of the pilots have been commissioned by CBS, a Lorimar spokesman confirmed, while ABC has ordered two, NBC, one, and Fox Broadcasting Co., two.

The two new series commitments are from CBS, including a one-hour vehicle starring Richard Chamberlain and a half-hour series with comedian George Carlin. Chamberlain will star as a doctor in Hawaii, while Carlin will play the owner of a "rent a wreck" dealership. The CBS pilots include two fantasy-based projects, The People Next Door and Wildest Dreams, as well as a detective drama set in New Orleans, 11 Rue Royale.

At ABC, the pilots include a one-hour drama, The Brotherhood, about two brothers, one a mobster, one a district attorney; and a Perfect Strangers spinoff, Family Matters.

NBC has ordered a comedy pilot, Wally and the Diamonds, about a singing group and its uptight manager.

FBC has ordered an animated series, Hollywood Dog, and a reality series based on Malcolm Forbes's bestselling book, They Went That-a-Way. Have led to waves of layoffs. Time and Warner officials insisted last week the separate operating units at the companies would remain as they are. Indeed, a spokesman at Warner suggested that not only would there not be consolidation, there would be expansion.

In the programing realm, there is really just one area of overlap—home video. Warner Home Video is the industry's largest supplier, but Time Inc.'s HBO Video is expected to remain a separate entity. "I don't think there are going to be any changes in the operations themselves," said Warner Senior Vice President Geoff Holmes. "I don't think there is going to be any consolidation."

In fact, Holmes added, "if we are successful in our intent, we'll be creating jobs, not eliminating them." He declined to elaborate on possible expansion plans.

But reports have emerged in the past two weeks, which Time and Warner officials refuse to confirm or deny, that Quantum Media President Robert Pittman is in the process of dissolving his ties with MCA to rejoin Warner to develop new cable programs and/or networks ("In Brief," March 6).

Both Time and Warner have minority ownership interests in other major programers. Both companies bought into Turner Broadcasting System several years ago, when the latter had trouble digesting parts of MGM/UA. Combined, Time-Warner will hold 7.5% of TBS and have two members on the TBS board. In addition, Warner holds a "small percentage" of Viacom International stock, which it retained when it sold its interest in the MTV Networks to Viacom.

Warner's Holmes said last week that the company had sold off some of its Viacom stock in the past 12 months but that the merger would have no bearing on future plans to change those holdings. "It's an investment," said Holmes. "You react to the marketplace."

Last week, TBS Chairman Ted Turner said he did not see the merger having any impact on the makeup of the TBS board. Turner gave the deal his blessing, adding that he could do little else with both companies represented on his board.

Viacom declined to comment on the merger.