

*Enterprises Inc.:* Leonard said he believed in 'Get thar fustest with the mostest' [coined by Confederate Gen. Nathan Bedford Forrest]. The Cox family is proud of the number of times the company was able to do that under Leonard's leadership."

*Edward O. Friets, president, National Association of Broadcasters:* "Leonard Reinsch will be sorely missed. Not only was he an innovator among broadcasters, but in the political arena as well."

*Larry Taishoff, publisher of BROADCASTING:* "The Fifth Estate has lost a great visionary. He was one of those broadcasters who were not shortsighted about cable. He embraced it and made both media better."

Reinsch was the recipient of many awards from a variety of organizations, including the National Association of Broadcasters (Distinguished Service Award in 1978), the American Women in Radio and Television (1975), the International Radio and TV Society (Gold



Reinsch (second from right) with Truman and broadcasters at the White House.

Medal, 1973), Cable Pioneers and Sigma Delta Chi. He was a member of the Carnegie Commission on the Future of Public Broadcasting and was the author of "Radio Station Management" (1948) and "Getting Elected" (1987). He was

appointed chairman of the Advisory Committee on U.S. Information by Presidents Kennedy and Nixon.

Survivors include his daughter, Penelope Bohn of Atlanta, and a son, James L. Reinsch Jr. of West Palm Beach. —JS

## HBO, CINEMAX TO SPLIT SERVICES INTO THREE CHANNELS EACH

*Move is effort to limit churn by giving subscribers more choice*

Looking to stem the tide of subscribers cancelling their pay movie service, HBO announced plans last week to turn HBO and Cinemax each into three-channel services. The move is an effort by HBO to deal with the problem of subscribers who complain that what they want to watch is never on when they want to watch it.

"This is a response to what we see coming right around the corner," said Michael Fuchs, president and chief executive officer, HBO. "This is built for an explosion of channels. Compression is not a fantasy. Fiber optics is not a fantasy."

HBO executives hope the channel expansion plan will increase retention efforts by 10%. HBO now loses about 850,000 of its 17.4 million subscribers every year and has to find new ones just to keep growth flat.

Starting in August, TeleCable, a top-25 MSO, will begin testing the three-channel services in systems ranging in size from 34,000 to 73,000 subscribers in Overland Park, Kan.; Plano, Tex., and Racine, Wis. Cox Cable will also test the plan in its Saginaw, Mich. system. Continental is talking about testing as well, and Fuchs said Cablevision Systems' chief, Charles Dolan, has talked to him about testing the concept.

But for now, most operators do not have the channel capacity to accommodate three-channel pay networks. John Billock, HBO executive vice president, predicted the three-channel service will be more widespread in mid-to-late 1992 when more channels become available. Fuchs said some operators have told him HBO's plan will be added incentive to expanded channel capacity. But Continental's Rob Stengel, senior vice president, programing, predicted widespread carriage would possibly not be available for the services for more than three years.

Cable operators will not be charged additional costs for carrying HBO as three channels (HBO currently charges operators \$4-\$5), and HBO executives made clear they do not want rates to be raised. "This is value added, not revenue added," said Fuchs. Operators, for now at least, seem to agree with him. "The whole point is not to raise rates or incur additional costs," said Continental's Stengel.

Fuchs said both HBO and Cinemax have enough product to program the three channels and that all product would be run on each network's three channels. For example, one channel would show a film skewed to a female audience, one to a male audience and

one to teens and/or kids. Fuchs said he has called the major movie studios about the plan and "the reaction has been pretty positive." As to how many times HBO can air certain titles under current contracts, he said, "We're sort of in the ballpark with this."

In response to a question as to whether HBO's main competitor, Showtime Networks, could come up with a similar channel expansion plan, Fuchs replied, "I don't think that they have the product volume to do this. We are uniquely qualified to do this."

Showtime says it applauds HBO's efforts to help the pay category: "We support the bringing of added-value services for pay television to the marketplace," said McAdory Lipscomb, senior vice president, corporate affairs, Showtime Networks. "It's nice not to be the lone voice pushing the agenda for adding value to the premium category."

Lipscomb said Showtime itself has talked about doing a venture along the lines of what HBO is planning but has not reached a conclusion. HBO's test "will give us some indication" of what direction Showtime will proceed in following a plan similar to HBO's and/or possibly launching a low-priced pay network similar to Tele-Communications Inc.'s Encore. —SDM, RB