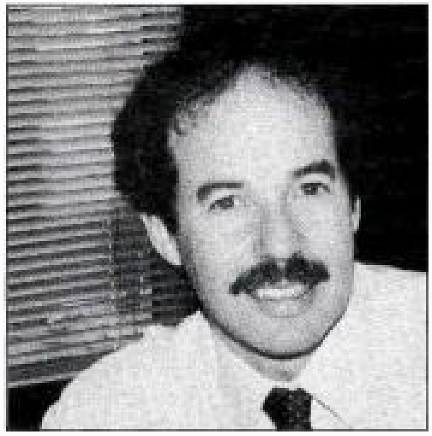

FYI President Bruce Goodman

revenue, and deep enough pockets to stay a long time." A channel like FYI is "a low priority," according to John Mathwick, group vice president, Jones Intercable. "If we had a couple hundred channels, then maybe we'd put it on."

The HSN concept's success is not contingent on direct cable operator involvement. Infonet is primarily looking to be carried on an as-need basis by broadcasters and cable networks, according to infomercial producer Greg Renker, president of Guthy-Renker, who has discussed the plan with HSN chairman and CEO Roy Speer. HSN has a much better foundation for an infomercial service than FYI, according to Renker. "It would be hard for anybody to compete with Roy Speer," he said.

According to Renker, HSN's Infonet is offering royalties ranging from 5% to 10% to broadcasters and cable networks and operators who carry the service. Infonet will have infomercials for its own products as well as others and, according to Renker, will be able to leverage off its existing inventory, mailing and cross-promotion capacity. If a product doesn't sell via an infomercial, "they can put the celebrity host live on HSN and sell it that way," commented Renker.

Both HSN's and FYI's ventures though, could be risky, since less money is being spent on infomercials than in years past. In 1990, infomercial producers spent about $20 million a month producing and airing their programs. That's down to $12 million to $14 million a month in 1991, said Renker, citing a poor economy, "consumer skepticism and over-saturation of infomercials." But if cable networks "can't find someone to pay $30,000 for a half-hour spot at 3 a.m., they can just take down the Infonet signal and bring in some revenue at least," said Renker. Services like Infonet and FYI won't take infomercial product away "because infomercials require saturation," said Renker. —SDM

OPERATORS GET AVAILS ON WWOR

Eastern Microwave giving 10 minutes per hour during substituted programing as carriage enticement

Eastern Microwave, in an effort to make WWOR-TV New York more valuable to cable operators, is offering them 10 minutes per hour in advertising availabilities during the roughly seven hours per day of programing that the satellite common carrier substitutes because of syndicated exclusivity.

"What we're trying to do is to increase the value of WWOR-TV," said Gil Korta, vice president, Eastern Microwave. The effort is not only aimed at existing affiliates. Korta believes that if there are enough success stories of operators covering their copyright costs with local advertising, more systems will add the superstation.

The local advertising would replace the public interest spots running in those time periods, principally prime time and late night. Eastern Microwave doesn't sell any national advertising in those slots.

The company estimates there are about 300 systems serving 10,000 or more subscribers that receive WWOR-TV beyond the New York area (14 million subscribers total), which would be eligible for insertion. The company is testing the concept on Jones Intercable's Kenosha, Wis., system; TeleCable's Margate, Fla., system, and Newhouse's Syracuse, N.Y., system. (Newhouse owns Eastern Microwave.) Other systems in California and Florida will also be testing the concept.

To entice operators to sign up, Eastern Microwave is offering a free trip to Jamaica for an Oct. 16-19 sales seminar for those systems that commit to the ad sales effort by Oct. 1. The number of systems and MSO's going to Jamaica is expected to be upwards of 35.

Since syndicated exclusivity was instituted in January 1990, Eastern Micro-

BRYSON BRINGS CABLE PERSPECTIVE TO TELCO

There may be no past cable executive better clued in to the thoughts of at least one regional Bell operating company than Gary Bryson, formerly of American Television & Communications, who is now spearheading US West's cable ventures internationally and domestically. And while U.S. District Judge Harold Greene's ruling on information services, when it likely survives appeal, will allow the RBOC's to own cable systems beyond their service area, it doesn't appear there will be any mad rush to follow Pactel's example in Chicago.

"It's more complicated than just owning and operating [cable systems]," said Bryson. "I think most telephone companies are looking at better investment propositions in terms of logical derivatives of their core business than they'd be looking at making those acquisitions," he said.

US West has been active abroad, partnering with U.S. cable companies in franchises in Europe and Scandinavia. In those cases, "we're bringing telephony skills to cable systems," he said.

Domestic overbuilding doesn't appear in the cards. "We're not thrilled about being the second video provider" in a market as an overbuilder, said Bryson, because "we've never been able to make those numbers work."

Greene's ruling is positive in that anything that eases the burdens of doing business and that creates opportunities for cable and telcos to cooperate is good for both businesses, he said. "I think there are lots of ways costs can be saved by sharing facilities with companies within our service area," he said, pointing to the TCI-AT&T-US West video-on-demand trial in suburban Denver. "The removal of restrictions makes it easier to enter into those relationships," he said. "That's the part of it we would pick on." Since TCI is the largest cable operator in US West's home territory, partnering with it makes the most sense, although Bryson said US West would talk with anyone about possible joint ventures.

"Telcos have a lot of growth opportunities to pursue that are maybe more natural in information services," said Bryson. Cable purchases would require a lot of capital, and "nobody is sitting around with a bunch of money in a pile saying 'What should we do with it?' " he said. —MS