

Arledge-Welch talks roil news waters

Opinions are divided over propriety of ABC news chief giving advice to GE chairman on how to fix problems at NBC News in wake of 'Dateline' fiasco

By Steve McClellan

ABC's Rooney Arledge giving advice to GE's Jack Welch on how the NBC News division might right its course? That was the word last week, confirmed by executives with knowledge of the talks, and some executives, including those among the affiliate ranks, saw a blatant conflict of interest.

While it's generally acknowledged that media relationships are becoming increasingly incestuous, some network and affiliate news executives took exception to the notion of Arledge offering free advice to an arch-competitor.

Some of the rancor expressed last week stemmed from the fact that Arledge still has two years to run on his contract as president of ABC News and is negotiating for an extension. "If I were Dan Burke and paying Rooney a couple of million a year to run my news division, I don't think I'd want him giving advice to the competition about what to do," said one network news executive.

Other network officials agreed. "It's a clear-cut conflict of interest," said one such official. Several ABC affiliates offered similar sentiments. "Maybe Rooney thinks every affiliate in the country is clobbering NBC News and he can afford some largess toward his friends at GE," said an ABC affiliate general manager in a market where *World News Tonight* is far from the lead in the network evening news race.

But others took the situation less seriously. "Is it technically a conflict of interest? I suppose you can make that argument. And anybody who doesn't think that kind of conflict doesn't go on all the time in this business doesn't get it."

Another executive close to Welch said the GE chairman has known Arledge socially for many years. "Rooney offering advice to Jack? That's honor among thieves," he said.

The meeting with Arledge was said to have taken place two weeks ago. NBC News has been buffeted by the *Dateline*-GM scandal and the ensuing departure of division president Mi-



Arledge meeting with GE's Jack Welch evokes conflict of interest complaints

chael Gartner. An independent investigation, commissioned by NBC following the *Dateline* affair, is due to be released this week.

In addition to seeking his advice, sources said Welch asked of Arledge's interest in coming to NBC for a post at

news or perhaps some higher corporate role. But Arledge was just one of several new names to pop up as a potential candidate for the NBC News job. Others included CNN President Tom Johnson, ABC's Ted Koppel and Jerry Nachman, former publisher of *The New York Post*. But one NBC insider said that "there's been a lot of thinking out loud on this subject" and that just about every prominent executive in TV news has been considered.

Ironically, the Arledge-Welch meeting was reported the same week that another conflict of interest involving the two networks came to light—the fact that Don Ohlmeyer, president, NBC West Coast, was still set to direct ABC's coverage of the Indianapolis 500 car race on May 30. The Indy coverage is produced by Ohlmeyer Communications Co., and Ohlmeyer's role was set well before his appointment at NBC was made last month. That problem was solved last week when ESPN acquired OCC's sports programming division (see page 24). ■

Times Mirror set to sell four TV's

Times Mirror Co. may be getting out of the broadcasting business as early as this week.

The Los Angeles-based multimedia company is set to announce a deal to sell its four network affiliates to Argyle Communications, a partnership formed by former Harte-Hanks CEO Robert Marbut and former LIN Broadcasting executive Blake Byrne, according to industry sources.

The stations: KDFW-TV Dallas; KTBC-TV Austin, Tex.; KTVI(TV) St. Louis, and WVTM-TV Birmingham, Ala.

A purchase price, according to industry analysts familiar with the stations, could reach as high as \$400 million.

The Dallas station, with an estimated cash flow of \$27 million, would probably bring in at least half, if not more, of the purchase price. The St. Louis station may be worth upwards of \$100 million.

According to Times Mirror's 1991 annual report, broadcast television revenues for 1991 for the four stations fell 10% to \$94.2 million and operating profit dropped 34% to \$22.1 million because of lower revenue. The operating profit margin was also much lower than the 31.9% in 1990.

Both Marbut and Byrne have track records in the Dallas market. Marbut took control of San Antonio-based Harte-Hanks' TV stations in the 1970's, and built them into a solid group, according to brokers. Byrne is a former president of LIN's KXAS-TV Fort Worth.

Times Mirror, which also owns newspapers and cable systems, declined to comment on the report and Byrne and Marbut did not return calls late last week.

—JF