DirecTv challenges Primestar deal

Says language in settlement is anticompetitive

By Rich Brown

DirecTv last week took action against an antitrust settlement involving Primestar Partners, calling the consent decree a "highly anticompetitive" document that undermines the letter and spirit of the Cable Act of 1992.

Direct-broadcast satellite company DirecTv has filed with U.S. District Court in New York asking that the court withhold final execution on the antitrust settlement, which was approved earlier this month.

The settlement between 40 state attorneys general and seven major cable companies insured access to cable programing by various competing delivery systems and gave a green light to the development of Primestar, the medium-power satellite broadcasting service owned by General Electric Co. and the seven cable companies named in the settlement.

"For the most part, the consent decree mirrors the Cable Act, which we think is good," said a DirecTv spokesman. But he said one section of the decree appears to allow Primestar Partners to enter into an exclusive contract with one high-power DBS operator at the 101 degree orbital position. The section also appears to create not only a ceiling but also a floor for pricing, he added.

"We believe that is highly anticompetitive and really undermines the letter and spirit of the Cable Act," said the DirecTv spokesman. "How did this language get in there and why did we get in there?" DirecTv did not participate in the drafting of the settlement and did not see the terms of the settlement until last week, he said.

DirecTv's concerns were echoed in a letter to the court from Representative Billy Tauzin (D-La.), the author of the program access amendment to the cable act.

"I am concerned with the effect these consent decrees may have on the development of full competition to the cable industry, particularly the impact these decrees will have on the direct-broadcast satellite industry, potentially the most viable competitor to cable," wrote Tauzin.

DirecTv and Tauzin have asked that final execution of the consent decree be withheld to provide a period of time for all interested parties to file comments on the matter. ■

Jones, Salzman form QDE

Time Warner to bankroll network, cable, syndication, magazine and other projects

By Steve Coe

Quincy Jones and David Salzman have merged their companies to form Quincy Jones • David Salzman Entertainment (QDE). The co-venture with Time Warner Entertainment will encompass programing for present and future technologies, motion pictures, network, cable and syndicated television. Other areas of involvement include magazine publishing, live entertainment, direct-response marketing and cross-media projects for home entertainment and educational uses.

Salzman said the idea for the coventure came about while the two producers were working on the now-defunct *Jesse Jackson Show*. "Although the show came and went, our relationship remained. After a number of meetings we found we shared the same views of a multimedia world." Salzman said he and Jones went to New York and met with the late Time Warner chairman Steve Ross and current chairman Gerald Levin and discussed their ideas. "They loved our ideas and said we should pursue them. They suggested we should come together and maybe we could do more together beyond our core businesses. After two years we came up with a business plan," he said.

One of the more immediate projects for the new company is a deal with Fox Broadcasting for *Big Time TV*, a children's show being produced by