



Quincy Jones, Dennis FitzSimons, executive vice president, Tribune Broadcasting, and Don Cornelius announcing the formation of a new station group called Qwest, a co-venture of minority broadcasters and Tribune Broadcasting, at a press conference in New York at the Museum of Radio and Television. Jones will be chairman of the new company.

Tribune, minority group on TV station Qwest

New company's first buys are WATL-TV Atlanta and WNOL-TV New Orleans

By Steve McClellan

Tribune Broadcasting has joined with a group of minority broadcasters, including Quincy Jones, Willie Davis, Don Cornelius and Gerardo Rivera, to form Qwest Broadcasting.

The minority-controlled station group will acquire Fox-owned WATL-TV Atlanta (\$150 million) and Jones's WNOL-TV New Orleans (\$17 million) as its first two broadcast properties.

Tribune is paying \$15 million for a 45% non-attributable stake in the company, which will be chaired by Jones. Davis, president and principal owner of All Pro Broadcasting, a radio group owner with five stations, will serve as vice chairman of Qwest.

Together, Jones, Davis, Rivera and veteran television producer Cornelius (*Soul Train*) are putting up a 20% equity stake in the company. Other minority investors are being invited to participate, the principals said last week.

Tribune also is kicking in \$61 million in subordinated debentures, which may be converted to equity in

five years. Conversion, which could occur only with a modification of the duopoly rules, would give Tribune a 78% stake in the two stations.

The Qwest principals said they'll lobby to get the rules modified. "Absolutely," Rivera said. "Joint operations like KMPC(AM) and KABC(AM) [Los Angeles] are the future of broadcasting," he said, a reference to the ability of radio station owners to own two stations in a market since the lifting of the FCC's radio duopoly restrictions. Rivera described the duopoly rules that apply to television as "obsolete."

Meanwhile, in Atlanta and New Orleans the Qwest stations will sign an arm's-length agreement with the Tribune-owned stations in the respective markets, WGNX-TV and WGNO(TV), to provide certain back-office support services, including traffic management, accounting and research.

Tribune and Qwest insisted last week that agreement would not trigger a requirement to apply for a local marketing agreement (LMA), or run afoul

of the duopoly rules because Tribune will have no management control of the Qwest stations and no control over the stations' programming, personnel, finances or advertising sales. "These back-room efficiencies will give us more capital with which to buy programming," Jones said.

Qwest will have a 10-member board of directors that includes Jones, Davis, Cornelius, Rivera and David Salzman, president of Quincy Jones-David Salzman Entertainment. (Salzman's wife, Sonia Gonsalves Salzman, is a general partner of Qwest.) Tribune will control selection of three of the board members, one of whom will be Dennis FitzSimons, executive vice president, Tribune Broadcasting.

Jones said the company may spend perhaps \$500 million during the next three to five years to add TV and radio stations, in large and medium-size markets to the Qwest portfolio.

Without committing to do so, Jones said he was "hopeful" that the Qwest stations would launch news operations. He also said the company would experiment aggressively with local programming both to serve the community and, with luck, to syndicate nationally. Madelyn Bonnot, WNOL-TV's vice president/general manager, has joined Qwest as vice president and head of television station operations for the company. ■

CBS signs WGNX Atlanta

CBS and Tribune have reached a long-term affiliation agreement in Atlanta, where Tribune owns WGNX-TV. The network previously announced that it was buying WVEU-TV (ch. 69) there. CBS said it would honor its deal to buy that station, but would "promptly seek" to flip the station to an "acceptable purchaser."

Separately, last week CBS said Group W stations WBZ-TV Boston and WJZ-TV Baltimore would become CBS affiliates (as previously announced) on Jan. 2, 1995. —SM