Fox KOs PPV with Tyson fight

Network gets November Tyson–Mathis prime time bout

By Jim McConville

Showtime Event Television may have landed the knockout punch in its pay-per-view heavyweight boxing showdown with Time Warner's TVKO, last week signing a deal with Fox to televise its Mike Tyson–Buster Mathis Jr. heavyweight fight on free TV.

Fox is paying $10 million for the fight, which is set for Nov. 4 at the MGM Grand in Las Vegas. And at $200,000 per 30-second spot, advertisers say Fox could generate more than $11 million in sales. At the same time, SET canceled its original PPV agreement with Request Television to carry the fight.

The agreement, announced at a press conference at Fox Network headquarters in New York last Thursday, calls for a one-fight deal between Fox, Tyson promoter Don King and SET. Fox declined to provide financial details.

Ironically, in signing the Fox deal, Tyson, heralded as the savior of professional boxing on PPV upon his release from prison last March, may actually be helping to weaken the system from which he's earned millions.

Cable operators generally criticized the Fox deal, saying it undermines the PPV business. "It was an undesirable move by King; it will hurt the pay-per-view business," says Mike Egan, vice president, programing, Cablevision Industries. "It surprises me that he would do that; this is a business that has been very lucrative for King and Mike Tyson. They're biting the PPV master that has fed them."

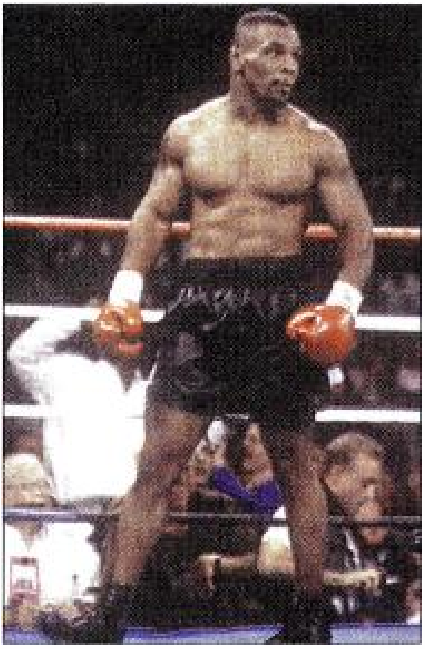
Media buyers say Fox should have no problem selling commercial time for the fight. "It's a smart move by Fox, and something that's salable; I see Anheuser Busch and Nike's name all over it," says Paul Schulman, president, Schulman Media, a sports media ad agency. "The only problem is that boxing is viewed as a blood sport; packaged-goods advertisers wouldn't be interested."

Before SET's Fox deal, TVKO had a slight edge over SET in potential PPV distribution, signing deals with Viewers Choice and Request TV to carry its Riddick Bowe–Evander Holyfield fight from Caesars Palace. SET had a contract with Request TV, but no agreement with Viewers Choice.

Jeffrey Bernstein, Request's vice president of marketing and programing, doubts that Fox will generate the same revenue that could have been earned on PPV. Tyson's PPV fight with Peter McNeely on Aug. 13 generated approximately $63 million from the estimated 1.5 million households that purchased the fight.

Cablevision's Egan predicts that Tyson may be drawn back to PPV for future fights. "It doesn't seem to be a permanent shift in course here. The economics for Tyson when he begins to fight bigger fights are such that [he will] be driven back to PPV. I can't see Fox paying that kind of dough."

"My only hope is that [SET realizes] this is not necessarily going to be a good thing for anybody," Bernstein says. "Now [Request TV has] to find a way to make this work in the future." ■



Mike Tyson's next bout on free TV will be courtesy of Showtime, Don King and Rupert Murdoch.

Tribune buys Houston U for WB

Former Gaylord indie to become WB's Houston affiliate

By Elizabeth Rathbun

Gaylord Entertainment Co., which has been involved in a running battle with The WB network over affiliation, is selling KHTV(TV) Houston to WB investor Tribune Co.

Tribune last Thursday signed a letter of intent to buy the ch. 39 independent from Gaylord for $95 million cash, subject to FCC approval. That amounts to about 10 times the station's annual cash flow, says Tribune spokesman Robert D. Carr.

KHTV will become a WB affiliate as soon as this Wednesday, Carr says. The buy means that Tribune owns stations in seven of the top 11 markets.

Until now, WB has lacked an affiliate in Houston, the nation's 11th DMA. UPN, its competitor to be the nation's fifth network, is affiliated with Viacom's KTXH(TV) there.

But that gap in WB's affiliate list wasn't for lack of trying: Last August the network sued Gaylord for alleged breach of contract. WB sought to block Gaylord from affiliating three of its stations—KHTV Houston, KTVT(TV) Dallas–Fort Worth and KSTW(TV) Seattle-Tacoma, Wash.—with any other network. Gaylord since has allied with CBS in Dallas and Seattle. But WB said Gaylord earlier had agreed that all three stations would be WB affiliates. A trial is scheduled for Dec. 4.

In mid-August, Tribune bought a 12.5% equity interest in The WB network for $12 million, with an option to acquire up to 25%. Late last month, Tribune paid nearly 30 times cash flow for WB affiliate KTTY(TV) San Diego.

Tribune will continue buying TVs in the top 30 markets, Carr says, with a special interest in WB affiliates. "We're the premier station group for WB," Carr says. "Our futures are tied."

Meanwhile, in Los Angeles, the nation's number-two DMA, KRCA-TV Riverside/L.A. last Friday said it has hired Furman Selz to look for potential purchasers. The seller hopes to follow the precedent set by WYNC-TV New York, a UHF station that recently sold for a record $207 million.

KRCA-TV, owned by Fouce Amusement Enterprises, carries Asian-languages programing on ch. 62. ■