

Festival expansion

Home Box Office put Festival, its experimental new pay service, on RCA Ameri-com's Satcom K-1 last week, making it available to the handful of cable systems that have been lined up to test market it this month.

The service, which will run 19 hours a day (7 a.m. to 2 a.m. NYT), seven days a week, is aimed at noncable subscribers and basic-only subscribers who have never taken a pay service or who have taken one, but dropped it. According to HBO, much of the excessive sex and violence in the existing general-appeal pay services that many people, especially older ones, find objectionable has been expunged from Festival.

According to HBO spokesman Alan Levy, six systems of American Television and Communications have agreed to test market Festival starting this month. He declined to identify them, saying marketers feared putting the spotlight on the systems would skew the results of the marketing tests. ATC, like HBO, is a subsidiary of Time Inc.

Festival is being beamed over transponder 15 of Satcom K-1, a medium-power Ku-band satellite launched into orbit in January. HBO secured the transponder and two

others under a deal with RCA, under which HBO and RCA will build Satcom K-3, a satellite similar to Satcom K-1, and launch it late this decade. Although the deal hasn't been finalized, Levy said the fact that HBO has already begun to use one of the transponders "underscores just how close we are" to signing final papers. RCA and HBO hope to lease or sell transponders on Satcom K-3 to cable programmers. While waiting for it to be launched, they will encourage programmers to lease transponders along with HBO on Satcom K-1.

Viacom sews up 60 Cannon films

Showtime/The Movie Channel Inc. and The Cannon Group Inc., a Los Angeles-based film studio, announced last week an agreement, said to be worth more than \$100 million, that gives the two pay services the exclusive television (all television, not just pay cable) rights to more than 60 Cannon films through 1989 and possibly beyond. And before the films are shown on the two Viacom-owned pay services, they will have an exclusive pay-per-view run on Showtime's PPV service, Viewer's Choice. After the films finish their pay-cable cycle, they will be syndicated worldwide (as part of the same deal) by the commonly owned Viacom Entertainment Group.

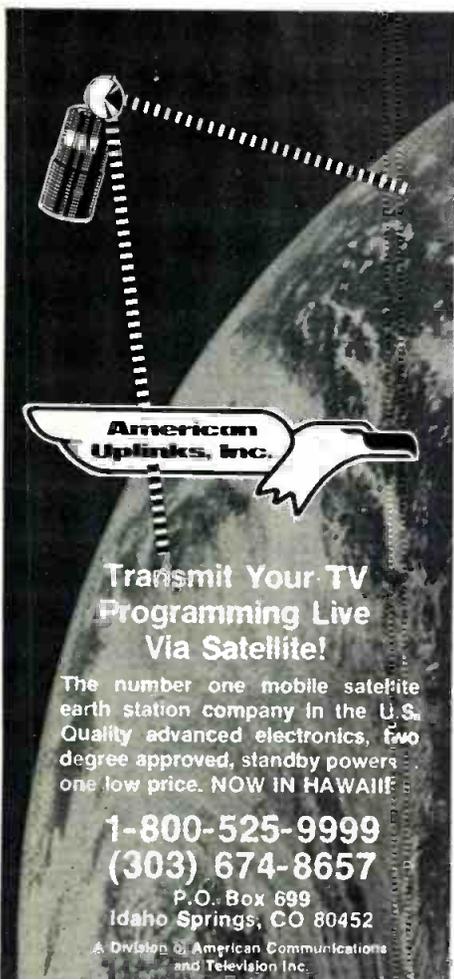
About half of the films covered under the agreement have already been completed or are currently in production and include such

titles as "Runaway Train," "The Delta Force," "Fool for Love," "Death Wish 3" and "Death Wish 4." Cannon says it has such stars as Dustin Hoffman, Al Pacino, Dian Keaton, Michael Caine, Amy Irving and Anthony Quinn under contract for future feature films.

Viewer's Choice will start the pay-per-view cycle of Cannon films in late spring or early summer, spokesmen for the companies said, and Showtime and TMC will begin exhibition of the films in late summer or early fall. A Showtime spokesman said the deal will let the two pay services exhibit a combined average of three exclusive titles each month during 1987.

A source at HBO said the company was surprised by the announcement, given earlier statements by both companies that the high price of exclusive deals was not cost efficient. The source said that of the top 50 box office hits in 1985, HBO had the exclusive rights to 28 while Showtime/TMC had the exclusive rights to 10. "It looks like they are playing catch-up," the source said. A Showtime spokesman replied that exclusive deals done on "a selective basis" are beneficial because they help a channel differentiate itself from other services.

In any case, at a press conference in Los Angeles last week announcing the deal, Fred Schreier, the head of film acquisitions for Showtime/TMC, said he would "abso-lutely" be looking for additional exclusive licensing agreements with studios in the future.



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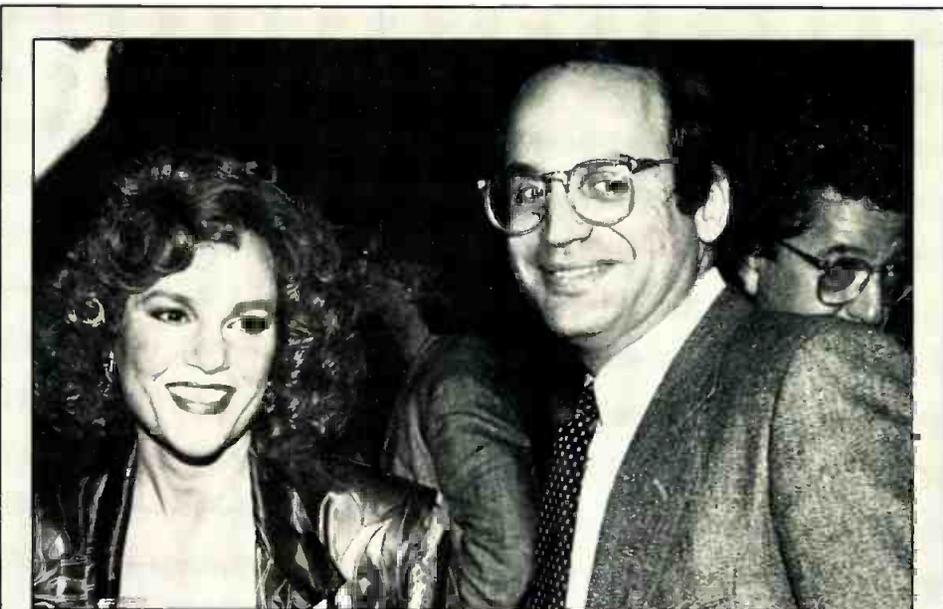
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Cable can be fun. Home Box Office's Comic Relief, a "comedy concert" aimed at raising money for the nation's poor and homeless, was telecast by the pay television network in March and deemed a success. Hosted by Billy Crystal, Whoopi Goldberg and Robin Williams, the four-hour show from the Universal Amphitheater in Los Angeles featured 40 comics and, by latest count, raised \$2.5 million. At the reception, cable and comic talent mixed. Above: Madeline Kahn and Michael Fuchs, chairman and chief executive officer, HBO. HBO plans to boil the telecast down into a one-and-a-half-hour feature and show it April 9, April 15 and April 25.