

BROADCASTING CABLE

JULY 9, 2001

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CABLE PLAYS IT SAFER

With an uncertain economy and unknown upfront sales, cable program chiefs are preparing new shows with a wary eye toward the future

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ANGST AND AUCTIONS

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FOX'S VERY WEIRD REALITY

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SLOW and LADY

Someday, ITV will get in the race —but not this year. » PAGE 32



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Lifetime Movie Network

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Viewer demand for Lifetime Movie Network says it all... Lifetime Movie Network continues to be a solid winner from the brand that knows women best.

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Telen

*NMP PNF 11/11/01 to 11/11/01
**NMP PNF 11/11/01 to 11/11/01
***NMP PNF 11/11/01 to 11/11/01

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SYNDICATION

You are the strongest host

After considering Ellen DeGeneres and *Survivor* winner Richard Hatch to front the upcoming syndicated version of *Weakest Link*, NBC appears to have its sights set on name recognition. It ain't necessarily so, according to one source. A showbiz newcomer "has emerged as a strong candidate" to fill the Anne Robinson role.

Weakest Link distributor NBC Enterprises is still in the process of auditioning wannabes, and insiders expect a host officially in place by September so production can get rolling Oct. 1. The *Weakest Link* strip launches in January 2002.—S.A.

BC EYE

CABLE

Double play?

FX could play an important supporting role in the TV life of two new Fox series. FX executives have been in talks with Fox brass to be the second home for a pair of unorthodox new shows, *24* and *Nathan's Choice*. Starring Kiefer Sutherland, *24* is the tale of a CIA team that uncovers a plot to kill a presidential nominee. The series is set over the course of one day, with each episode covering one hour. An extra weekly play on FX could help ensure that viewers keep up to speed on the show. As for *Nathan's Choice*, expected to be a midseason pickup, the interactive comedy allows the audience to choose between two possible outcomes. With *Nathan's Choice*, which is from Warner Bros., FX would be the home for the outcome not seen on Fox.—J.S.



FX may become the second home for Fox's new fall drama, *24*, starring Kiefer Sutherland (second from r).



C-SPAN

WASHINGTON

Laura: Read, don't watch

First Lady Laura Bush says parents "just need to turn off the TV and read themselves, and read to their children." Before reading that statement as a knock on TV, however, it's best to remember that Bush is a former librarian and to know that she was being interviewed for the *American Writers* series on Book TV, C-Span's weekend programming block.

In the interview—airing tonight at 8 on C-SPAN—Bush tells Book TV Senior Executive Producer Connie Brod that she has seen, but never read, an e-book and says she likes the feel of the real thing, which she also would prefer for reading in the bathtub. For safety reasons, we've got to go along with her there.—J.E.

CABLE CAP DRAFT DONE

The FCC's Cable Services Bureau has completed a first draft of proposed changes to cable ownership limits. The agency was ordered to revamp its cable ownership rules after federal judges said the current 30% cap on one company's share of pay-TV subscribers had no justification.

The draft, circulated to other agency bureaus for input, doesn't recommend a specific target but suggests that the commission will ask for public comment on what the correct limit should be or whether

there should be a limit at all. The proposal will be released at the FCC's Aug. 9 public meeting.—B.M.

CHANGING HEADLINE NEWS

Look for CNN to take the wraps off its remade *Headline News* at the TV critics tour in Pasadena this Wednesday. When the format is relaunched later this summer, look for more breaking news, better graphics and an edge.

The 24-hour-news channel's makeover is part of Turner Broadcasting CEO Jamie

Kellner's strategy to spice up its news coverage, court a younger demo and combat inroads from upstart Fox News. Sources say to look for more live reports, less repetition in each half-hour, and more correspondents, including an expanded news desk regularly featuring two or more anchors.

Recent anchor hires have mirrored the push for a more youthful feel, including former *NYPD Blue* actress-turned-broadcast-journalist Andrea Thompson, last week's addition of *Newsweek* reporter Alisha Davis and Fox News' Kris Osburn.—A.R.

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GOOD

WEAKEST LINK

The hit game show that has all America talking
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**Post-Newsweek
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**Scripps Howard
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Half-hour strip available 2002



NBC ENTERPRISES

DOMESTIC SYNDICATION

Auction worries multiply

Court rulings have the FCC pondering what to do next

By Bill McConnell

Four years ago, Congress ordered the FCC to auction broadcast licenses and other spectrum rights, ending a cumbersome decades-old practice that required seemingly endless rounds of hearings before regulators made their best guess about which applicants would best serve the public.

But auctions have created headaches of their own, including a court decision last week that could delay bidding for four TV stations and more than 600 radio stations over the next year.

Last week's ruling throws out an FCC policy requiring public broadcasters to bid against for-profit stations when seeking channels outside the narrow band of spectrum reserved for non-commercials. National Public Radio and other public broadcasters had challenged the rules, arguing that Congress exempted non-commercial outlets from bidding for any licenses.

"This is clearly going to be problematic," said Susan Eid, mass-media adviser to FCC Chairman Michael Powell.

Although FM frequencies between 88 and 92 MHz are reserved for non-commercial users, public broadcasters may also locate on other unreserved portions of the spectrum.

The decision by the federal appeals judges in Washington comes on the heels of another ruling attacking FCC auction procedures by the same court. That ruling invalidated an FCC decision to re-auction more than 200 wireless licenses seized from bankrupt NextWave Telecom. The order

Biggest on the block

355 FM licenses are scheduled for government auction on Dec. 5. The FCC set minimum bids of \$200,000 for the 10 largest markets in the offering.

City of license	Market	Frequency (MHz)
Wasilla, Alaska	Anchorage	100.9
Hemet, Calif.	Los Angeles	102.5
Westley, Calif.	San Jose	95.5
Satellite Beach, Fla.	Melbourne	98.5
Kaunakakai, Hawaii	Maui	102.3
Nanakuli, Hawaii	Oahu	106.9
Wahiawa, Hawaii	Oahu	103.5
Pacific Junction, Iowa	Omaha, Neb.	107.7
Amherst, N.Y.	Buffalo	92.1
Dallas, Ore	Portland	98.3

Source: FCC, MapQuest

will cost the government roughly \$11 billion, the difference between bids in the second auction and the \$4 billion that NextWave originally promised to pay.

Roughly 350 broadcast permits are set to go on the block on Dec. 5, while bidding for another 250 licenses has yet to be scheduled. Bidding for TV outlets in Columbia, S.C.; Pittsfield, Mass.; Magee, Miss.; and Scottsbluff, Neb., has not been scheduled either.

Commissioners struggled over the handling of non-commercial applicants on the unreserved part of the band when

drafting auction rules in 1998. Suggested alternatives included banning non-commercial applicants from new commercial allotments altogether or implementing a hybrid system that would pit applicants against each other using a point system similar to the one used to dole out non-commercial licenses. That system awards

points to applicants based on the portion of local ownership, size of the geographic area and population that would be served and whether the ownership group would be new to the market.

Under the hybrid plan, the public broadcaster that tallies the most points would be declared the winner. If a commercial applicant scored the most, non-commercial applicants would be disqualified and an auction held to determine the winner.

Several Washington attorneys, following

NPR's suit, said regulators' worries over the case prompted the commission to delay the 350-license auction, which had been scheduled for May. FCC staffers have refused to say why they delayed that auction, however. Other attorneys blamed the delay on the FCC's plan to add five of seven stations seized from convicted child molester Michael Rice to the auction. Last week, Rice's battle to keep his stations ended when the Supreme Court refused to review his appeal.

Although the judges found that the 1997 budget law mandating spectrum auctions was plagued by "inartful drafting," they also criticized the FCC for ignoring the clearest reading of congressional intent by requiring public stations to bid for channels located on the commercial band. "The act unambiguously forbids the commission from requiring non-commercial broadcasters to participate in auctions for any channel," wrote Justice David Tatel.

The ruling validates dissents by Com-

This is clearly going to be problematic!

—Susan Eid, FCC



Commissioner Tristani said of the recent ruling that it "reflects congressional intent."

missioner Gloria Tristani and former Commissioner Harold Furchtgott-Roth when the initial auction rules were issued. "I believe the decision reflects congressional intent that

non-commercial applicants not be subject to auctions under any circumstances," Tristani said last week.

Even if the FCC figures out how to resolve competing applications from public and commercial operators, the bidding process may face other stumbling blocks. Radio-industry attorney Lauren Colby insists the agency will be in for a raft of lawsuits when winning bidders discover that the allotments up for bids in December can't adequately serve the markets advertised.

But civil-rights attorney David Honig, who hopes to help minority applicants bid for some channels, said a little engineering research will sort the jewels from the waste. "The FCC offers no guarantee that these sites can be built out," he said. "Don't go into this with eyes closed." ■

IN BRIEF

CABLE UPFRONT STARTS ON A DOWN NOTE

The bulk of the cable upfront is expected to move this week and next. Some deals have already been struck. Sources confirm that Turner Broadcast Sales (representing WTBS and TNT) has deals with four big media buyers at prices that are down single and double digits from last year. A Turner spokesman would say only that none of the deals to date were at rates down 15% (or worse) from last year.

Meanwhile, UPN has reportedly completed about half its upfront business, totaling \$85 million to \$90 million. So far, sources say, pricing is roughly flat with last year. Advertisers are paying less for *Buffy* than they paid The WB last year but more for the Tuesday time period where UPN has scheduled the show.

CHARTER REDUCES ITS BLACKOUT OF ESPNNEWS

Charter scaled back the number of homes from which it pulled ESPNNews last week, to just 285,000 homes. Two weeks ago, the No. 4 MSO, with 7 million subscribers, said it would take the network off systems serving 850,000 homes.

The two companies are in a dispute over how much of ESPNNews' product the network will be able to stream over the Internet.

NUE-TV SCRAMBLING

Startup black cable network New Urban Entertainment, unable to secure new financing, is laying off almost all its staff.

NUE execs met with potential backers Monday, but Radio One CEO Alfred Liggins is balking at putting up \$25 million of a planned \$60 million. Existing backers don't want to pony up the \$1 million to \$2 million needed to keep the operation going a few more months.

Girls beat *Waterboy*

Lifetime tops second-quarter prime time cable Niensens

By John M. Higgins

The girls benched the waterboys as Lifetime outran USA Network to grab first place in the prime time cable Niensens for the second quarter. The female-oriented network scored a 1.9 household rating for the three months ended July 1, beating out USA's 1.8.

USA was hoping to do better, making a Hail Mary play for a tie last week by throwing the Adam Sandler theatrical *The Waterboy* on the Sunday schedule just three days in advance, bumping the tired *Indecent Proposal*. *The Waterboy* had gotten a 5.0 in its first airing the prior week, and USA was trying to keep its rating up to at least 1.75, which Nielsen would round up to a 1.8. If Lifetime had slipped just a bit last week to round down to a 1.8, then USA would have tied for first.

Alas, the Lifetime lasses held on at a 1.86 and will get reported in first place by anyone reporting such things. "It was pretty dramatic at the end," said Lifetime CEO Carole



In a Hail Mary ratings play, USA Network threw Adam Sandler's *The Waterboy* onto the schedule.

Black, who has now shepherded the network into first place for two consecutive quarters. "I'm just thrilled because of the whole team working so hard."

USA could have used something to brag about. The network's ratings are down 12% while adults 18-49 plunged 19% and adults 25-54 fell 11%. That's largely the price of los-

IN BRIEF

AT LAST, MARTIN JOINS THE FCC

After a White House paperwork delay, Republican Kevin Martin took his place at the FCC on Tuesday. Martin is the third Bush-nominated commissioner, joining Democrat Michael Copps and Republican Kathleen Abernathy. His term runs until June 30, 2006.

Martin, 34, comes to the FCC from the White House, where he was a special assistant to the president for economic policy. He also worked on the Bush campaign and was a key adviser to former FCC Commissioner Harold Furchtgott-Roth.

Prior to his FCC stint, he was an associate at the law firm of Wiley, Rein & Fielding and a clerk to U.S. District Court Judge William Hoever.

ESPN SCORES NCAA RIGHTS

ESPN has clinched broadcast rights to air the women's NCAA college basketball tournament from 2003 to 2013. The deal gives ESPN and ESPN2 rights to air all 63 games.

COALITION LOBBIES BUSH ON VIOLENCE BILL

The Creative Coalition last week asked President George W. Bush not to support a bill that would allow the Federal Trade Commission to fine entertainment companies that market violent products to kids.

The legislation "would essentially regulate the marketing of entertainment in such a way that the government would, in effect, have enormous and inappropriate clout on the kind of entertainment that is produced," wrote President William Baldwin and Executive Director Robin Bronk.

ing WWF wrestling to TNN last fall, but not entirely. TNT and Cartoon Network tied for third with a 1.7, but TNT's rating dropped 11%, and the once-growing Cartoon was flat. TBS came in fourth at a 1.6, down 16%.

The biggest gainer in prime time was TNN, which soared 67% to a 1.0, in large part on the strength of the aforesaid WWF shift. The wrestling shows are the cornerstone of the network's attempt at a total overhaul at the hands of relatively new owner Viacom, which is about 10 months into a programming renovation.

Betsy Frank, executive vice president of research for Viacom's MTV Networks, said that TNN is benefiting from stronger acquisitions of movies and series than TNN had under previous owner CBS and that the network seems to be doing a better job of retaining its wrestling audience for other shows than USA ever did. The WWF is a huge boost, with just two hours of its standard 5.0 ratings materially juicing TNN's prime time rating for the whole week.

Frank said that TNN would still have had a "double-digit" percentage gain even without the strong effects of the WWF.

Other gainers include The Travel Channel, Bravo and Odyssey, each up 33%, to a 0.4. Food Network rose 25%, to a 0.5, and

Cable's 2Q record

Top winners and losers for second quarter ended July 2, compared with the year before

Winners	2001	2000	Change
TNN	1.0	0.6	67%
FOXN	0.7	0.5	40%
TRAV	0.4	0.3	33%
BRAV	0.4	0.3	33%
ODSY	0.4	0.3	33%
Losers			
TBS	1.6	1.9	-16%
NICK	1.5	1.8	-17%
USA	1.8	2.2	-18%
ESPN	0.9	1.1	-18%
ESPN2	0.4	0.5	-20%

Source: Nielsen Media Research

BET rose 20%, to a 0.6. The big prime time losers were ESPN2 (-20%), ESPN (-18%), USA, Nickelodeon (-17%), TBS (-16%) and AMC (-13%).

Only 11 of the 43 Nielsen-rated basic networks posted a gain for the quarter. Another 10 were down, the remainder flat or not rated last year.

Nickelodeon remained the top-rated network on a total-day basis at a 1.4. Lifetime was second with a 1.2. ■

All-Stars in hi-def

By Michael Grotticelli

You can watch Tuesday night's All-Star Game in high definition. Just go to Japan.

Fox won't show the game in high def to American viewers, but Major League Baseball International is taking widescreen worldwide with a high-definition broadcast of the 2001 MLB All-Star Game.

The baseball classic, which will be played Tuesday in Seattle, is being produced in HDTV via a partnership between MLB and Nippon Hoso Kyokai, the public broadcasting company of Japan. On-site mobile broadcast facilities will be provided by All-Mobile

Video, of New York, and its Resolution HD production truck.

The HDTV telecast will be sent directly to Japan while a standard-definition signal will be distributed in 12 languages to more than 205 countries worldwide. NHK currently broadcasts all 2001 Seattle Mariners home games to Japan in the 1080i HD format with the AMV truck.

MLBI's broadcast of the All-Star Game will use its own production team and facilities, independent of the Fox domestic-only broadcast. This includes 11 Sony HDCAM cameras and upconverted Chyron Infit CQ graphics and commercials. ■

Upfront on CBS' upfront

Despite discounts, Moonves insists that, overall, the network's CPM is up for the fall

Over the last two weeks of June, the much delayed prime time upfront marketplace finally happened, and estimates on how each network fared in terms of market share and pricing have been sorted out (B&C, July 2). Among the Big Four networks, buyers and sellers generally agreed that the numbers being claimed by ABC, Fox and NBC were reasonable ballpark estimates. But CBS, which had vowed to hold the line against reducing its pricing, took some flak on both the buy and sell sides about the accuracy of its upfront sales claims; top CBS executives wouldn't respond.

Then last week, Leslie Moonves, CBS president and CEO, agreed to go on the record to discuss the network's upfront performance with B&C Deputy Editor Steve McClellan. An edited transcript follows.

As of this writing (July 5), how much prime time advertising have you sold in the upfront market?

We're a little below \$1.4 billion, but not all of the deals are in yet, and we're confident that we will be north of \$1.4 billion. There's still money being written.

CBS is the one major network claiming to have gotten price gains on a cost-per-thousand-viewers [CPM] basis in this year's upfront, but buyers report having done deals at 3% to 5% below last year's prices. What's the story?

Everything we have told the public is absolutely true. We are up in CPMs. Now, is a great deal of that due to *Survivor* and *CSI*? Yes.

So you also did deals that are in line with the price declines buyers are talking about.

Did we do some deals that were down? Yes. However, we will have sold approximately



CEO Les Moonves is "confident that we will be north of \$1.4 billion" when all the deals are done.

65% of our inventory, and we'll be north of \$1.4 billion. Which means, with any luck in scatter at all, we're going to be in terrific shape. So there is nothing erroneous in anything we've reported at all.

How many and how big were the deals on which you accepted price cuts?

There were some, and they were not insubstantial deals. There were some—with our best customers, our best buyers. There were some deals that were minus, but overall we were plus.

For months, Viacom President Mel Karmazin was saying CBS wouldn't cut its rates for anyone, that it was going to be an up market pure and simple. Is it fair to say that that was an overstatement?

Did we have to take some deals minus? We did. Did we want to? No. Did we think we'd have to? Initially, no. But after NBC did, yes,

we had to take some of our better clients at a little bit down.

But overall you're plus 1% to 2%?

Yes.

That includes the P&G deal that was actually done before the general market broke?

Yes, the part that applies to prime time. That's all upfront money.

So you're happy with the way things turned out?

We are. I wish the economy were better. I wish we were plus 8%. Part of the reason we're feeling good is, on Thursday, we've gone from *Diagnosis Murder* and *City of Angels* to the No. 1 show on television, *Survivor*, and the No. 1 new show, *CSI*. *Diagnosis Murder* got the lowest 18-49 number in history. *Survivor* gets the highest amount that CBS has ever gotten for a regular series.

What about scatter? At this point, a lot of people don't see much of a market.

We're betting that, come the first and second quarter, there's going to be more money available, that the economy is going to turn around. In the fourth quarter, scatter is based on a lot of the movie money going into the holidays. We're going to get a huge chunk of that this year, for the first time. So we're betting on ourselves, and we're betting on the economy.

So you're predicting a strong scatter market?

You and I can have another conversation in February or March, and we'll see where the world is then. But we're confident. We're confident in our schedule, and we're confident in the marketplace. This isn't just Mel being rhetorical. We really believe it. And everything we've said is absolutely true. ■

IN BRIEF

CHARACTER COUNTS

The Supreme Court last week upheld the FCC's policy of including character as a factor in determining an individual's suitability to hold a broadcast license. The justices refused to hear the appeal of Michael Rice, who was found guilty of child molestation and misled the FCC about his continued involvement in the management of the radio stations he owned. The decision freed the FCC to auction off Rice's licenses for seven stations serving Terre Haute, Ind.; Columbia, Mo.; Huntsville, Mo.; Eldon, Mo.; and Cuba, Mo.

BEACH BATTLE

The battle for a new TV station in Virginia Beach, Va., continues, even though the FCC's Mass Media Bureau last month awarded the license for channel 21 to Winstar Broadcasting, a subsidiary of bankrupt Winstar Communications. Since bidding for the station closed in October 1999, runner-up bidder Robert Copeland has been fighting to block Winstar's \$8.75 million top offer on grounds that Winstar misled the commission about its ownership structure. Copeland's attorney last week asked FCC commissioners to review the Mass Media Bureau's decision.

ACKERLY EXECS TAKE PAY CUT

VPs/GMs at radio- and TV-station owner The Ackerly Group got a 5% reduction in pay effective July 1 and continuing through the end of the year. But even they made out better than corporate executives and senior managers, who will take a 10% hit over the period. The company cited the economy and "aggressive" efforts to meet revenue projections.

BayTV blackout

Regional news net folds as AT&T puts Food Network on its menu

By John M. Higgins and Steve McClellan

In the first failure of a major regional news network, AT&T Broadband is pulling the plug on San Francisco news network BayTV.

The seven-year-old partnership with KRON-TV will go dark July 31 following AT&T's decision to remove the network from its systems in the Bay Area. Since the MSO controls about 90% of the cable systems in the San Francisco DMA, KRON-TV's owner couldn't keep the channel alive even if it wanted to.

AT&T executives said they were tired of low ratings, losses and uneven quality. The network never found a groove in its mix of news and other local programs (such as a local cooking show) and had ratings to prove it. BayTV executives brag that their 9 p.m. newscast occasionally hits a 1.0 rating. While that's competitive with KNTV-TV, which will replace KRON-TV as San Francisco's NBC affiliate in 2002, the cable channel's average ratings are far lower.

AT&T plans to substitute the Food Network, which an AT&T executive called "the single most requested channel by our subscribers." However, other industry executives note that the Food Network pays operators launch fees for carriage.

About 45 BayTV employees will lose their jobs with the shutdown. The channel was born from a 1993 retransmission agreement between former KRON-TV owner Chronicle Publishing and former system owner Tele-Communications Inc.

Dino Dinovitz, KRON-TV general manager, said that he had been in discussions with AT&T on and off since last November about keeping BayTV alive. "We had a variety of conversations for it to continue," he said. But



KRON-TV's Dino Dinovitz: "They no longer wanted to be in a partnership developing local content."

in the end, "I just think that they no longer wanted to be in a partnership developing local content and products. They felt the Food Network would suit their purposes better. We didn't share that opinion."

Other TV executives believe that BayTV's problems are not pandemic in the regional-cable-news business. "The situation in San Francisco is an anomaly," said Phil Balboni, president of New England Cable News, which is also half-owned by AT&T. "What's going on in the country generally is, you have companies that are very committed to local news channels for their own financial and strategic reasons." He noted that AOL Time Warner is starting regional news channels in addition to the five the MSO already has on the air.

Even as it discontinues the cable news channel, KRON-TV will fill part of that void when it doubles its daily news output next year when it becomes an independent. The station will increase its weekday news output from 4.5 hours to 9 hours a day, Dinovitz said. It also will adapt some of the formats used by BayTV, such as the creation of a new morning show that will compete locally with *Today* and *Good Morning America*. ■

The Food Network is 'the single most requested channel by our subscribers.'

—An AT&T executive

EXCLUSIVE:

**Hollywood's
fastest rising star
revealed...**



ACCESS H



OLLYWOOD!

More year-to-year ratings growth than
any other magazine show!

	HH	W18-49	W25-54	M18-49	M25-54
ACCESS HOLLYWOOD	+9%	+7%	+13%	+22%	+20%
Entertainment Tonight	—	—	+5%	+10%	+12%
Inside Edition	+3%	—	—	+11%	—
Extra	-11%	-6%	-10%	—	-7%
Real TV	-26%	-25%	-23%	-17%	—

Source: NSS GAA Ratings; Aug 30, 1999 - Sept. 3, 2000 vs. Sept. 4, 2000 - May 27, 2001.



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IN BRIEF

MONEY MATTERS

The FCC last week signed off on higher annual regulatory fees for radio stations, some TV stations and winners of broadcast construction permits for fiscal 2001.

Charges to VHF TV stations in top-10 markets will rise 13%, to \$45,100. Stations in markets 51 through 100 will see their fees increase 8%, to \$13,750. Radio-station fees will climb between 25% and 4%. VHF TV outlets in markets 11 through 15 would get a 1.4% cut, and UHF stations in markets below the top 25 would get either a cut or see their fees remain stable.

The checks have to be in the mail by mid September.

GOOD NEWS, BAD NEWS

Minorities' share of broadcast-news jobs is the largest ever, but they are losing ground in newsroom management, the Radio-Television News Directors Association reports.

Minorities hold 24.6% of all jobs in TV news, up from 21% last year, and account for 21.8% of jobs at English-language stations. In radio, minorities hold 10.7% of all news jobs, up from 10% last year.

In news directors' ranks, jobs held by minorities dropped to 8% for TV, from 14% a year ago. In radio, their share dropped from 6% to 4.4%. The Ball State University survey found a similar trend for women.

CORRECTION

The table accompanying the July 2 article "The seller doesn't hold" incorrectly stated UPN's ad-sales tally. The correct figure was \$60 million at press time.

NASD says: Do tell

Securities dealers seek to mandate analysts' disclosure on stocks

By Steve McClellan

When Wall Street analysts tout stocks on TV, the accompanying disclosures, now largely voluntary, may soon be enforceable rules if the National Association of Securities Dealers has its way.

Last week, the NASD issued a proposal—which it will urge the SEC to adopt—that would require analysts to disclose any financial interest in stocks recommended on TV and in other public forums.

NASD says analysts ought to disclose whether their firm owns 5% or more of any recommended stock. It asked for comments from the securities industry as to whether disclosure should apply to ownership below the 5% threshold.

"An analyst's report can have a great impact on buying and selling decisions, so investors must be made aware if potential conflicts exist," explained NASD President Robert R. Glauber.

A CNNfn spokeswoman said the network already asks analysts to voluntarily disclose any potential conflicts the analyst or his or her firm

might have concerning stocks the analyst would discuss on the air. She noted that analysts undergo "extensive" interviews and are asked to disclose in writing potential conflicts, which are usually read on the air.

A CNBC spokesman said the proposal "is in line with what we've been doing for a number of years. They're looking to take it a step further and make it a more formalized policy."

Rich Dubroff, executive producer, *Wall Street Week With Louis Rukeyser*, said that, "as long as they're not telling us to disclose anything, it's all right," asserting that a rule requiring the media to disclose potential conflicts would violate the First Amendment.

Sources say that part of NASD's concern stems from some cases in which analysts have appeared during market hours and said something that triggered a huge, almost immediate gain for a particular security.

Several Wall Street firms, including Merrill Lynch and Goldman Sachs, declined to comment, pending a fuller review of the proposal, or didn't return calls seeking comment. ■

'As long as they're not telling us to disclose anything, it's all right.'

—Rich Dubroff, *Wall Street Week With Louis Rukeyser*

SAG, AFTRA get raises

By Joe Schlosser

Similar to the Writers' Guild's new three-year pact, the new deal between the actors' unions and the studios and networks will boost actors pay for programs shown in syndication, for work done on Fox and for guest-star appearances.

Overall, the 135,000 affected members of the Screen Actors Guild and American Federation of Television and Radio Artists will receive a 3% raise in minimum payments for TV work for the first two years of the contract and 3.5% for the final year. The complex

new-media issues were put off until the next contract comes up in 2004.

The pact between SAG-AFTRA and the Alliance of Motion Picture and Television Producers was up July 1, and the two sides negotiated until late on July 3 to reach an agreement. It still has to be voted on.

SAG President William Daniels says, "I've been saying since last October that there was a deal to be made, and I'm delighted that both sides have conducted these talks in the positive spirit of problem-solving and reaching an accord that's equitable for both sides." ■



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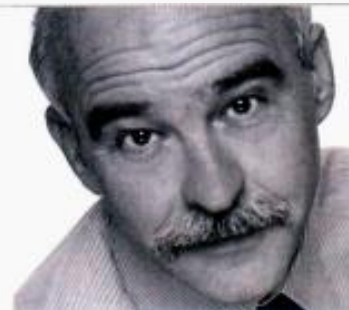
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More than I can watch

The number of TV channels is growing faster than our interest

When I moved to New York from Chicago a year and a half ago, I went from 1,200 square feet, storage space and a basement to 700 square feet and that was that. I started to live the less-is-more life. I have learned that it is possible to live with eight rather than 16 T-shirts and that coffee mugs are not that sentimental.

This year I moved from 700 square feet to about 550 and have learned to get by with just four T-shirts and about 40 fewer CDs than I had in the last place, where I had about 100 fewer than I did back when I had those well-known extravagant Midwestern values. I love New York.

But what I do have is channels. Lots and lots of channels. Far more than I can deal with. And as I've just discovered, I'm not alone.

The fact is, as Nielsen reports in *Television Audience 2000*, the average television household receives 74 channels. Just five years earlier, the average household could get 41. That's the plus side.

On the other hand, there's evidence to suggest that far more than enough is enough.

Of those households that receive 71 or more channels, Nielsen says, those viewers only look at 16.7 of them. In homes where cable provides "only" 61-70 channels, the average number of channels tuned in is 15.4. If your system offers just 51-60 channels, the average you look at is 15.1. Bigger means nothing, just about.

To put this in shoebox-sized Manhattan apartment terms, my cable system keeps adding lots of T-shirts I will never wear, and, as the trends suggest and this magazine reports, more are coming. What will I do with all of them?

I don't mind that I get Animal Planet, and I've watched it. But don't ask me a lot about it. Ditto with Fox Family. I don't think I get Golf, but, if I did, I wouldn't watch it. I look at Nick at Nite now and then, and every time I do I have a nostalgic moment about the old days when I used to watch Nick at Nite a lot. I don't now.

Nielsen reports that in homes that can receive 121 or more channels, just 17.7 are watched. A real corker in this stat is that the average number of channels a 121+ system provides is actually 203. So there's a whole lot of that big pipe that is being wasted.

Hey, of course we're not all watching the same channels.

The glory of cable is that, when we all gather at the water cooler every morning, we have nothing to talk about anymore.

When *Saturday Night Live* parodied Charles Grodin's CNBC talk show a couple years ago, I wondered if Lorne Michaels knew why it didn't work: Grodin had something like a 0.1 rating. Satire and parody don't work if the audience has never seen the original.

When we all gather at the water cooler every morning, we have nothing to talk about anymore.

That's why I suspect a lot of people in the bottom-feeder portion of the programming business are excited about electronic program guides. They might get discovered. If a network you've never heard of can snare you, that EPG will have done its job. But guess what? That won't happen. Niche networks are supposed to be unpopular.

And clearly, after a certain point, there aren't many more television channels that can be absorbed. That's all right. A tiny magazine store in Manhattan—about the size of my apartment, incidentally—may have thousands of magazines. The fact that few cus-

tomers buy Harper's is not a reason to quit carrying it. Those few buyers are enough for Harper's and presumably for the clerk.

But it should tell Harper's not to spin off a new title. It would to me anyway.

But if you're a cable network that, like almost all cable networks, is owned by Fox, AOL Time Warner, Viacom or Disney, what's the point of those digitally-tiered channels, even if they allow a

programmer to repurpose old material?

If cable networks are already slicing ever-thinner audiences, why feed your very own cannibal?

If you're an advertiser, it must sound exciting to make your pitch to such a finely targeted audience.

But if that's the goal, it might be more efficient to do what a co-worker suggested when I worked at the largely unread *Cincinnati Post*. To save paper costs, he proposed we visit our readers at home and just *tell* them the news. ■

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NUESTRO MUNDO**



Programming

A hybrid genre is born

In fusing fact and fiction, Fox makes Murder in Small Town X the first of a new breed



Contestants (l-r) Alan Frye, Katie Kloecker and Brian Porvin prepare for an investigation in *Murder in Small Town X*, debuting July 24.

By Joe Schlosser

Fox is set to launch a murder-mystery series this summer that may raise eyebrows by combining the elements of fiction with those of such reality series as *Survivor* and *Temptation Island*.

Murder in Small Town X is taking the reality genre into uncharted waters this summer, pitting 10 contestants (known as investigators during the show) in a game in which they have to hunt down a fictitious serial killer in a remote New England town. The winner receives \$250,000 and, after eight episodes, will have solved the mystery surrounding the death of the wealthy Flint family of Sunrise, Maine.

The hybrid reality series is the brainchild of three former producers of MTV's *Real World*, all of whom have also directed and produced traditional fictional television series. They weren't above "fictionalizing" with the press and townspeople about what they were up to in Eastport, Maine, the real town where the series was shot.

Murder in Small Town X includes a full mystery script, the help of a real police detective, and a detailed Web site. One contestant will be eliminated during each episode, and the 15 possible murder suspects (all actors) will be narrowed down until the crime is solved.

"With our background being a mixture of reality and scripted series, we thought, let's try to combine these two and do a true hybrid and have real people drop into a movie or a TV show à la *The Truman Show*," says executive producer/creator George Verschoor, whose Final Stretch Productions is co-producing the series with Fox TV Studios. "We thought, let's put these people into a fictional world where they can't see the edges and they don't know what's real and what isn't and see what happens."

Mike Darnell, Fox' executive vice president of alternative programming and the resident reality expert in Hollywood, likes the "eerie" feeling to the show. "To have

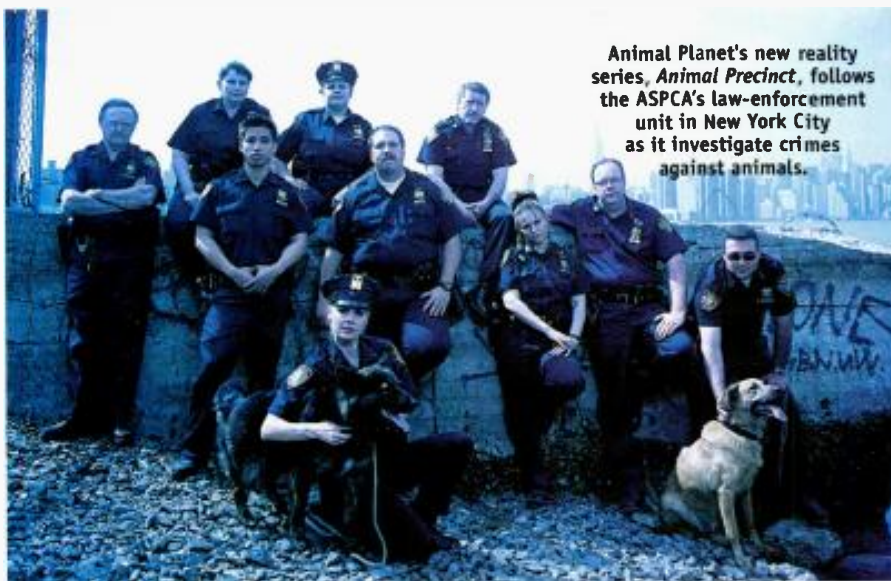
contestants walk into a drama is just kind of creepy," Darnell says. "It's a real town, with real people in it, and they don't know who's an actor and who's not. The contestants got much more fearful than we actually expected them to get."

The 836 residents of Eastport often show up in *Murder in Small Town X* playing bit parts but apparently weren't aware of the nature of the show. Producers told them they were filming a *Movie of the Week*.

The name of the series has also been something of a mystery for the past six months. Fox executives first announced it as *Small Town X*, then changed it to *End Game* at about the time production began in Eastport. After production ended, Fox announced that the series will be called *Murder in Small Town X*. Says Verschoor, "We just wanted to keep the production undercover as we were shooting, and it apparently worked."

The first episode of the series, which debuts July 24 and will air on Tuesdays for the remainder of the summer, will set the stage for the mystery. Viewers and contestants will get to see a rough, two-minute video of the murders taking place in Sunrise. During each episode, Gary Fredo, the real-life police investigator, will help the contestants sift through different clues and send them out on various fact-finding missions.

On each episode, contestants will be forced to play the "killer's game," which is answering questions related to their investigative tacks. If the group answers correctly, one of the 15 possible suspects is eliminated. At the end of each episode, the contestants select two of their own to go alone to two locations to stake out the killer. One contestant comes back with a clue, the other becomes the next "victim." ■



Animal Planet's new reality series, *Animal Precinct*, follows the ASPCA's law-enforcement unit in New York City as it investigate crimes against animals.

Reality and drama share center stage

While denying the economy's effect on programming, cable network execs show decreased risk tolerance

By Allison Romano

When cable nets unveil fall shows to television critics in Pasadena this week, they promise to deliver on this year's hot reality and drama programming trends. But the presentations come right as the cable upfront is about to break, probably even as the executives are hawk-ing their wares.

Despite gloomy economic forecasting, network executives say weaker ad sales will have a minimal effect on fall programming. Yet they admit they have tightened their promotional and marketing budgets, and a soft upfront could hinder programming plans for next year. Some say it's also making cable networks less adventurous.

"Now's not the time to cut things but to do smart things," said TNT General Manager Steve Koonin. "You want to make sure you have sure bets, and it lessens the amount of risk you can take." Earlier this summer, TNT

shelved plans for a second season of financial drama *Bull* and halted production on another original, *Breaking News*.

This fall, there will be some reality shows reminiscent of CBS' *Survivor*, including USA's *Combat Missions*, which comes from *Survivor* producer Mark Burnett. Other channels are stretching the reality idea and adapting it to their own niche. For example, Animal Planet's new series, *Animal Precinct*, shadows New York City's animal-law-enforcement unit, while Food Network's upcoming *Cooking School Stories* follows six would-be chefs through their final semester at a top culinary school.

Niche networks claim their reality shows are higher-brow, billing their reality as storytelling rather than stunting.

"In the network world, reality isn't exactly real; it's highly edited and highly formatted," said John Ford, president of Discovery Networks content group. "We tell great sto-

ries that are real and not manufactured."

Reality shows also have given new life to documentary specials and series. Viewers are more interested in events and stories, perfect fodder for specialized cable networks.

Dramatic series and specials also lead fall programming. Some are originals, such as HBO's long-awaited World War II series *Band of Brothers* and A&E's *Victoria and Albert* miniseries on Britain's historic royal couple. Others are key off-net acquisitions, including *NYPD Blue* on Court TV and TNT and *The Practice* on FX.

All these original productions and high-profile acquisitions demand extensive promotions and marketing. A weak upfront could pinch plans to hype fall programming.

"If it's really soft and we're not getting a high sellout, it won't make a lot of sense to pour a lot of money into a show where we haven't sold a lot of advertising," said Discovery's Ford.

A softer upfront forces network executives to be more conservative. High-risk projects and outlandish promotional campaigns fall off the table.

While network brass encourages conserving resources, everybody understands the danger in cutting back too much. Short-term savings can undermine a channel's future value to advertisers. It's important to keep producing high-quality originals and buying popular off-nets and movies so that, when the economy bounces back, networks still have attractive offerings. The result will be a delicate balancing act over the next year.

For now, though, networks want to focus on what's going well: their fall slates. Here's a look at fall programming highlights for some cable nets:

LIFETIME

The women's network will have original movies every month and two new shows, *Lifetime Now*, a magazine series, and a women's health series.

USA

Survivor producer Mark Burnett's new reality series *Combat Missions* pits members of America's elite military forces in a 15-week

Programming

competition. *Charmed* star Shannen Doherty stars in the original movie *Another Day* in October.

TNT

The network is relying on original and acquired movies to fill its fall schedule. It has the cable premieres of *The Matrix*, *Stepmom* and *Analyze This*. Two original movies, *Call Me Claus*, starring Whoopi Goldberg, and *Pretender: Island of the Haunted*, debut in December.

CARTOON NETWORK

The "Adult Swim" late-night prime time block targets, obviously, older viewers beginning with four new series in October. The *Justice League of America*, a series based on the comic-book series starring the Superfriends, begins in November.

TBS

New episodes of *Ripley's Believe It or Not!* and two original movies, *Robin Cook's Acceptable Risk* and *Invincible*, are the network's top fall offerings.

A&E

Two new series put A&E's spin on reality shows. *Minute by Minute* retells historical events through the eyes of witnesses, and *Ultimate Reality* gives people with dreams of bigger things a means to pursue their goal.

FX

A nightly dose of *Buffy the Vampire Slayer*, *Ally McBeal* and *The Practice* and an original movie, *The Sins of the Fathers*, which premieres in December, headline FX's fall slate.

TNN

Its makeover continues with the off-net acquisitions of *Star Trek: The Next Generation* and *Baywatch*. A new original series, *Famed for 15*, looks at people who have had their proverbial 15 minutes in the spotlight.

OXYGEN

Actress Carrie Fisher stars in a new series, her first major television effort, and Oprah Winfrey hosts a new series, *Everyday Angels*.

HBO

Ten-part miniseries *Band of Brothers* documents a famous World War II army unit, and *The Mind of a Married Man*, a *Sex and the City*-style comedy about marriage from a man's perspective.

MTV

A new reality show, *Flipped*, takes two people from different backgrounds and immerses them in each other's lives.

DISCOVERY NETWORKS

Discovery Channel's special *Weather Extreme* explores what would happen if weath-

er disasters hit American cities. On Animal Planet, reality-based *Animal Precinct* features NYC's ASPCA law-enforcement unit. TLC's new series *Buyology* examines the social history of humans as consumers.

HISTORY CHANNEL

History vs. Hollywood compares the stories told in movies with actual historical events. *American Classics* explores American icons, and new episodes of *The History of Britain* explore the country's history from 1600 to 1800.

NICKELODEON

A new preschool show, *Oswald*, uses the voice of Fred Savage as an animated blue octopus. There are also new episodes of *Rugrats* and *SpongeBob SquarePants*.

FOOD NETWORK

Unwrapped takes food lovers to offbeat places associated with food, including factories and museums. In *Cooking School Stories*, six culinary students at St. Johnson & Wales University work to become top chefs.

WE: WOMEN'S ENTERTAINMENT

Naomi Judd will host a new afternoon programming block that includes two new series, *House Calls* and *Spiritual Journeys*. A travel show, *Journey Women off the Map*, offers women in their solo explorations. ■

CableWatch

JUNE 18-24 Cable programming ratings according to Nielsen Media Research

CABLE'S TOP 10

Ranked by rating. Cable rating is coverage area rating within each basic cable network's universe; U.S. rating is of 102.2 million TV households. Sources: Nielsen Media Research, Turner Entertainment.

Rank	Program	Network	Day	Time	Duration	Cable Rating	U.S. Rating	HHs (000)	Cable Share
1	m/"Rush Hour"	TBS	Sun	08:00P	130	5.9	4.9	4944	10.5
2	WWF Entertainment	TNN	Mon	10:00P	66	5.1	4.1	4142	8.5
3	m/"Rush Hour"	TBS	Sun	10:10P	120	4.5	3.8	3766	8.7
4	WWF Entertainment	TNN	Mon	09:00P	60	4.2	3.4	3375	6.7
5	m/"Lethal Weapon"	TBS	Sun	05:45P	135	3.3	2.7	2739	7.1
6	m/"Our Mother's Murder"	LIF	Sun	05:00P	120	2.9	2.3	2310	6.4
7	m/"Lies of the Heart"	LIF	Sun	03:00P	120	2.8	2.2	2217	6.8
8	m/"Above the Law"	TBS	Sun	03:45P	120	2.7	2.2	2208	6.5
8	m/"Woman on the Run, Part II"	LIF	Sun	01:00P	120	2.7	2.2	2186	7.4
8	m/"Bitter Blood, Part II"	LIF	Sun	09:00P	120	2.7	2.1	2149	4.5

SyndicationWatch

JUNE 18-24 *Syndicated programming ratings according to Nielsen Media Research*

TOP 20 SHOWS

Rank	Program	HH AA	HH GAA
1	Wheel of Fortune	8.2	8.2
2	Jeopardy	7.2	7.2
3	Oprah	5.6	5.7
4	Judge Judy	5.3	5.3
5	Entertainment Tonight	5.3	5.4
6	Friends	5.1	5.0
7	Seinfeld (wknd)	4.5	5.3
7	Frasier	4.5	5.1
9	Wheel of Fortune (wknd)	4.4	4.4
10	Seinfeld	4.0	4.0
11	Live With Regis and Kelly	3.8	3.8
12	Jerry Springer	3.7	4.0
13	Entertainment Tonight (wknd)	3.6	3.7
14	Judge Joe Brown	3.3	3.3
14	Maury	3.3	3.4
16	Friends (wknd)	3.2	3.6
16	Xena	3.2	3.4
18	ER	3.1	3.6
19	The X-Files	3.0	3.2
19	Hollywood Squares	3.0	3.0

TOP GAME SHOWS

Rank	Program	HH AA	HH GAA
1	Wheel of Fortune	8.2	8.2
2	Jeopardy	7.2	7.2
3	Wheel of Fortune (wknd)	4.4	4.4
4	Hollywood Squares	3.0	3.1
5	Family Feud	2.4	2.8

According to Nielsen Media Research Syndication Service Ranking Report June 18-24, 2001

HH/AA = Average Audience Rating (households)

HH/GAA = Gross Aggregate Average

One Nielsen Rating = 1,022,000 households, which represents 1% of the 102.2 million TV Households in the United States

NA = Not Available

Clearance sale

Twentieth Television is happy to watch the 2002 clearance race among game strips Buena Vista's *Who Wants to Be a Millionaire?*, NBC's *Weakest Link* and Columbia TriStar's *Pyramid*. "Let's let the game shows hammer it out," says Twentieth sales chief Paul Franklin, noting that offering court strip *Texas Justice* temporarily without a license fee "has given us a slight advantage."

So far, 73% of the country has accepted Twentieth's proposal that stations run *Texas Justice* without a fee, retaining the entire commercial inventory, from September until the show's official January debut. Stations on board for the national kickoff include WPLG-TV Miami, WNPA-TV Pittsburgh, KUSI-TV San Diego and the previously announced Fox O&Os, many of which have been airing *Texas Justice* on a test basis since spring. But, after the New Year, stations will revert to typical license-fee/barter-advertising deals.

Millionaire and *Weakest Link*, snapping up access and early-fringe time slots, are in a different league from the daytime-geared *Texas Justice*. But the court show is thought to be battling it out with Donny Osmond-hosted *Pyramid*, which has been targeting morning slots and recently picked up a 10 a.m. home on WBTV-TV Charlotte, N.C.

In San Diego, KUSI-TV aims to air *Pyramid* in prime time, and KNSD-TV will play it in daytime and early fringe. Three Twentieth strips—*Texas Justice*, *Power of Attorney* and *Divorce Court*—will reportedly land multiple runs on multiple stations once News Corp., parent of Twentieth and the Fox O&Os, finalizes its acquisition of the Chris-Craft station group. The plan is to have two distribution partners in each of the top markets.

Already, Twentieth has placed *Divorce Court* and *Power of Attorney* on San Francisco's Granite-owned KNTV-TV and KTWB-TV. Franklin doesn't rule out a similar arrangement with, for instance, Los Angeles' Fox-owned KTTV-TV and Chris-Craft's KCOP-TV. Although no specific plans are in place, he sees the move toward multiple runs of syndicated shows "really coming on in the last couple of years. You can come your ratings and add to your advertising revenue." —Susanne Ault



Texas Justice, offered without a license fee until its January debut, has cleared in 73% of the country.

#1 WITH WOMEN IN DALLAS

M-F 3:30 P.M.

KDFW/FOX

TEXAS JUSTICE

W18-34 W18-49 W25-54

#12 #19 #21

Available Now

The New Court Leader

Station	Program	W18-34	W18-49	W25-54
KXAS/NBC	ROSIE O'DONNELL	12	11	13
WFAA/ABC	JEOPARDY	5	10	14
KXTX/IND	MATLOCK	2	4	4
KTVT/CBS	CURTIS COURT	2	2	2
KSTR/IND	PEOPLE'S COURT	1	2	3

.....JUST SOLD: MIAMI-WPLG.....SAN DIEGO-KUSI.....NOW CLEARED IN 73% OF THE U.S.....

Source: NIELSEN, May 21 Survey, Texas Justice Prep. Rep. 20 Study and for the W18-34, 18-49, and 25-54 age groups. Ratings based on 2001-2002 TV season. Adult programs only shown. ©2001 Twentieth Television.

Programming

BroadcastWatch

COMPILED BY KENNETH RAY

JUNE 25-JULY 1 Broadcast network prime time ratings according to Nielsen Media Research

Week	abc	CBS	NBC	FOX	PAX TV	U/PIN	WB
39	5.9/10	7.1/12	6.7/12	3.4/6	1.0/2	1.7/3	1.8/3
MONDAY	8:00 18. 20/20 Downtown 6.4/12	27. King of Queens 5.9/11 40. Yes, Dear 5.2/9	11. Fear Factor 7.1/13	75. Boston Public 3.5/7	131. Miracle Pets 0.6/1	102. The Parkers 1.6/3 97. The Hughleys 1.7/3	92. 7th Heaven 2.3/4
	9:00 32. ABC Monday Night Movie—Two Came Back 5.6/10	8. Ev Loves Raymd 7.9/13 13. Becker 7.0/12	7. Weakest Link 8.2/14	83. Ally McBeal 3.2/5	123. Touched by an Angel 0.9/2	97. The Parkers 1.7/3 96. Girlfriends 1.8/3	112. Angel 1.3/2
	10:00 6. 48 Hours 8.3/14	50. Third Watch 4.7/8			102. Diagnosis Murder 1.6/3		
TUESDAY	6.7/12	5.9/11	5.5/10	3.4/6	1.0/2	1.1/2	2.2/4
8:00	1. Who Wants to Be a Millionaire? 9.6/18	47. JAG 4.9/9	32. Spy TV 5.6/11 68. Go Fish 3.9/7	66. That '70s Show 4.0/8 75. Titus 3.5/6	135. Mysterious Ways 0.5/1	112. 7 Days 1.3/2	93. Flix From Frog—Home Fries 2.2/4
8:30	20. Dharma & Greg 6.2/11	11. 60 Minutes II 7.1/12	24. Frasier 6.0/11	86. Dark Angel 3.0/5	118. Doc 1.0/2	123. 7 Days 0.9/2	
9:00	44. Geena Davis 5.0/9	30. Judging Amy 5.8/10	50. Kristin 4.7/8				
9:30	44. NYPD Blue 5.0/9	16. Dateline NBC 6.5/12			107. Diagnosis Murder 1.5/3		
10:00	4.3/8	5.4/10	5.5/10	3.6/7	1.2/2	1.6/3	1.6/3
10:30	55. Drew Carey 4.6/9	59. King of Queens 4.3/9	65. Ed 4.1/8	81. King of the Hill 3.3/7 83. Grnded for Life 3.2/6	117. Candid Camera 1.1/2 110. Candid Camera 1.4/3	107. Star Trek: Voyager 1.5/3	102. Dawson's Creek 1.6/3
8:30	55. Don't Know Jack 4.6/9	71. Ladies' Man 3.7/7					
9:00	43. Drew Carey 5.1/9	24. CBS Wednesday Movie—Eye for an Eye 6.0/11	40. The West Wing 5.2/9	68. Million Dollar Mysteries 3.9/7	118. Touched by an Angel 1.0/2	97. Star Trek: Voyager 1.7/3	102. Buffy the Vampire Slayer 1.6/3
9:30	47. Spin City 4.9/8						
10:00	78. The Beast 3.4/6	10. Law & Order 7.2/13			116. Diagnosis Murder 1.2/2		
10:30	7.6/14	7.0/13	6.2/11	3.0 5	1.0/2	3.7/7	2.0/4
8:00		20. CSI 6.2/12	14. Friends 6.9/14 15. Spy TV 6.8/13	86. Fox Thursday Night Movie—Operation Condor 3.0/5	129. It's a Miracle 0.7/1 126. Touched by an Angel 0.8/1	71. WWF Smackdown! 3.7/7	95. Gilmore Girls 1.9/4 93. Charmed 2.2/4
8:30	1. Who Wants to Be a Millionaire? 9.6/16	4. CSI 8.6/15	30. Will & Grace 5.8/10 39. Just Shoot Me 5.3/9				
9:00	4. Primetime Thursday 8.6/15	20. 48 Hours 6.2/11	23. ER 6.1/11		107. Diagnosis Murder 1.5/3		
9:30	4.9/10	5.0/10	5.0/10	4.0/8	1.0/2	1.3/3	1.0/2
10:00	89. Makng the Band 2.5/6	38. Diagnosis Murder 5.4/12	74. Providence 3.6/8	66. Fox Movie Special—Home Alone 2: Lost in New York 4.0/8	112. Weakest Link 1.3/3 126. Encounters With the Unexplained 0.8/2	112. UPN Movie Friday—Diggstown 1.3/3	118. Teens Get Real 1.0/2 118. Popstars 1.0/2
8:00	91. Makng the Band 2.4/5	35. Diagnosis Murder 5.5/11					
8:30	24. Who Wants to Be a Millionaire? 6.0/12	61. Nash Bridges 4.2/8	16. Law & Order: Special Victims Unit 6.5/13		123. Diagnosis Murder 0.9/2		
9:00	19. John Stossel Special 6.3/12						
9:30	3.6/8	5.1/10	3.0/7	4.4/10	0.5/1	KEY: RANKING/SHOW TITLE/PROGRAM RATING/SHARE • TOP TEN SHOWS OF THE WEEK ARE NUMBERED IN RED • TV UNIVERSE ESTIMATED AT 102.2 MILLION HOUSEHOLDS; ONE RATINGS POINT IS EQUAL TO 1,022,000 TV HOMES • YELLOW TINT IS WINNER OF TIME SLOT • (NR)—NOT RANKEO; RATING/SHARE ESTIMATED FOR PERIOD SHOWN • *PREMIERE • PROGRAMS LESS THAN 15 MINUTES IN LENGTH NOT SHOWN • S-T-D • SEASON TO DATE • SOURCES: NIELSEN MEDIA RESEARCH, CBS RESEARCH	
10:00	70. Best Commercials Never Seen 3.8/9	78. Walker, Texas Ranger 3.4/8	89. Behind the Movies 2.5/6	71. Cops 3.7/9 61. Cops 4.2/9	131. Miracle Pets 0.6/1		
10:30	78. ABC Saturday Night Movie—Soul Food 3.4/7	50. The District 4.7/10 35. The District 5.5/11	81. NBC Saturday Night Movies—Animal House 3.3/7	50. Cops 4.7/10 40. Cops 5.2/11	135. Solomon, Part 1 0.5/1		
SATURDAY	5.8/11	6.2/11	4.7/9	3.6/7	0.7/1	1.4/3	
7:00	61. ABC Big Picture Show—Gold Diggers: The Secret of Bear Mountain 4.2/8	9. 60 Minutes 7.4/15		85. Futurama 3.1/7 75. King of the Hill 3.5/7	131. Candid Camera 0.6/1 126. Candid Camera 0.8/2		118. Buffy the Vampire Slayer 1.0/2
7:30				50. The Simpsons 4.7/9 61. Malcolm/Middle 4.2/8	129. Doc 0.7/1		110. Steve Harvey 1.4/3 102. For Your Love 1.6/3
8:00		27. Touched by an Angel 5.9/11	57. NBC Sunday Night Movie—The Saint 4.5/8	88. The X-Files 2.9/5	131. PAX Big Event—Solomon, Part 2 0.6/1		97. Nikki 1.7/3 97. For Your Love 1.7/3
8:30	3. Who Wants to Be a Millionaire? 9.0/15	32. CBS Sunday Movie—Bella Mafia, Part 1 5.6/10					
9:00	27. The Practice 5.9/10		35. Weakest Link 5.5/10				
9:30							
10:00	5.6/10	5.9/11	5.2/10	3.6/7	0.9/2	1.9/3	1.7/3
10:30	7.9/13	8.2/14	7.7/13	5.8/9	1.0/2	2.4/4	2.4/4

Focus Waco-Temple-Bryan

THE MARKET

DMA rank	94
Population	814,000
TV homes	287,000
Income per capita	\$13,848
TV revenue rank	118
TV revenue	\$31 million

COMMERCIAL TV STATIONS

Rank*	Ch.	Affil.	Owner
1	KWTX-TV	10 CBS	Gray Comm.
2	KCEN-TV	6 NBC	Ch. 6 Inc.
3	KXXV	25 ABC	Drewry Comm.
4	KWKT	44 Fox	Comm. Corp.
5	KBTX-TV	3 CBS	Gray Comm.
6	KAKW	62 UPN	White Knight
7	KYLE	28 Fox	Comm. Corp.
8	KRHD-LP	34 ABC	Drewry Corp.

*May 2001, total households, 6 a.m.-2 a.m., Sun.-Sat.

CABLE/DBS

Cable subscribers (HH)	183,680
Penetration	64%
ADS subscribers** (HH)	54,530
ADS penetration	19%
DBS carriage of local TV?	No

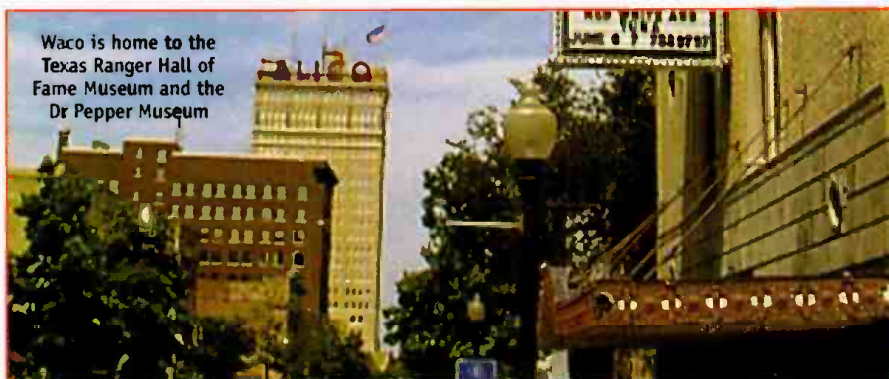
**Alternative Delivery Systems, includes DBS and other non-cable services, according to Nielsen Media Research

WHAT'S NO. 1

Syndicated show	Rating/Share***
<i>Wheel of Fortune</i> (KCEN-TV)	10/22
Network show	
<i>Survivor 2</i> (KWTX-TV)	18/31
6 p.m. newscast	
KWTX-TV	10/22
10 p.m. newscast	
KWTX-TV	12/25

***May 2001, total households

Sources: Nielsen Media Research, BIA Research



Waco is home to the Texas Ranger Hall of Fame Museum and the Dr Pepper Museum

Deep in the heart of Texas

Like most things Texan, the Waco-Temple-Bryan, Texas, market is big. Spread across the middle of the Lone Star state, the DMA comprises 14 counties. It has some big-name employers, including Raytheon, Caterpillar and M&M Mars; big-time colleges like Texas A&M and Baylor University; and one of the world's biggest military installations, Fort Hood. In fact, this hyphenated market is so big, it's really two hyphenates in one: There's Waco-Temple-Killeen in the north and Bryan-College Station to the southeast.

Ray Deaver, GM of KWTX-TV Waco, explains: "Waco is in the center of the state, about 100 miles south of Dallas, about 100 miles north of Austin. We have a satellite [KBTX-TV] in Bryan-College Station. The two stations carry the same CBS programming, and, when I do syndication, I do it for both." But the two have separate newscasts, he adds, "because we're about 90 miles apart." KXXV, the ABC affiliate in Waco, and its satellite in Bryan, KRHD-LP, also air separate newscasts.

"Thriving" is how Randy Odil, GM of KCEN-TV, describes the area. "Bell County, which is home to Temple and Killeen, is growing very fast; and McLennan County, which is Waco, likewise is growing. I think unemployment is about 4%."

While ad sales, particularly national, have been tough in the first two quarters, "our local is holding up very well," Odil says. "We have elections next year, and we've had some activity already. Next year promises to be fairly active."

Deaver agrees: "Political advertising is going to be huge in Texas next year. We have a March primary. Several candidates for lieutenant governor announced in the past few weeks. That's going to be a big race. I think it's going to be a big political year across the country in '02, especially with what's happened in the Senate this year. There's going to be a bunch of folks jumping in, and I think we'll all see a lot of activity." —Mark K. Miller (mrkmliller@aol.com; 301-773-0058)

May's Crowning Success!

THE KING OF QUEENS Grows From May-to-May More Than Any Other Comedy Series On Television!

Program	May '01 vs May '00
The King of Queens	+55%
Everybody Loves Raymond	+25%
Will & Grace	+24%
Malcolm in the Middle	+ 4%
Friends	-11%
Drew Carey	-34%
Frasier	-54%

Source: NTL, Galaxy Explorer, May '01 vs May '00. % AA ratings change among A18-34. Returning network programs only, excludes specials and news/magazines. Selected programs listed above.
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COLUMBIA TRISTAR
TELEVISION
DISTRIBUTION
The Leader in Young Adult Programming
cttd.com

Changing Hands

TVs

WGMP(TV) Gulf Shores/Mobile, Ala.

Price: \$451,906

Buyer: Pegasus Communications Corp., Bala Cynwyd, Pa. (Marshall W. Pagon, president/controlling shareholder); owns six other TVs; has LMAs with four more TVs. Notes: Pegasus has option to acquire all of seller's TVs; Pagon's mother is married to chairman of seller

Seller: KB Prime Media LLC,

Gladwyne, Pa. (Guyon W. Turner,

president); owns four TVs

Facilities: Ch. 55, 375 kW, ant. 1,010 ft.

Affiliation: To be WB (currently dark)

Combos

KRBR(FM), KXTP(AM) and WDSM(AM) Superior, Wis., and KDAL-AM-FM and KTCO(FM) Duluth, Minn./Superior

Price: \$7.5 million cash (merger; includes three-year noncompete agreement)

Buyer: Midwest Communications Inc., Wausau, Wis. (Duey E. "Duke" Wright, president/owner); owns nine other FMs and six other AMs in Michigan and Wisconsin. Wright owns four more FMs and two more AMs, all Wisconsin

Seller: Northern Communications Acquisition Corp., Washington (Roger C. Ohlrich, president); no other broadcast interests. Note: Northern acquired stations, along with six TVs, from Shockley Communications Corp. for estimated \$150 million to \$200 million (Changing Hands, Jan. 22). Five TVs are being sold to Quincy Newspapers Inc. for an as-yet-undisclosed price

Facilities: KRBR: 102.5 MHz, 100 kW, ant. 600 ft.; KXTP: 970 kHz, 1 kW day, 27 w night; WDSM: 710 kHz, 10 kW day, 5 kW night; KDAL(AM): 610 kHz, 5 kW; KDAL-FM: 95.7 MHz, 100 kW, ant. 804 ft.; KTCO: 98.9 MHz, 100 kW, ant. 600 ft.

Formats: KRBR: CHR; KXTP: Radio Disney; WDSM: sports, sports/talk; KDAL(AM): diversified, news/talk; KDAL-FM: AC, gold; KTCO: country hits

Broker: Kalil & Co. Inc.

FMs

WXAJ(FM) Hillsboro/Springfield, Ill.

Price: \$2.8 million

Buyer: Clear Channel Communications Inc., San Antonio (L. Lowry Mays,

Station Trades	
By dollar volume and number of sales; does not include mergers or acquisitions involving substantial non-station assets	
THIS WEEK	
TV/Radio	□ \$0 □ 0
TVs	□ \$451,906 □ 1
Combos	□ \$7,500,000 □ 1
FMs	□ \$8,297,000 □ 7
AMs	□ \$13,385,000 □ 7
Total	□ \$29,634,406 □ 16
SO FAR IN 2001	
TV/Radio	□ \$200,000,000 □ 1
TVs	□ \$420,240,114 □ 19
Combos	□ \$2,757,749,820 □ 51
FMs	□ \$278,759,900 □ 105
AMs	□ \$102,907,311 □ 73
Total	□ \$3,759,657,145 □ 249

chairman; Randy Michaels, CEO, Clear Channel Radio); owns/is buying 17 TVs and about 1,162 other radios, including three FMs and one AM in Springfield

Seller: Union Broadcasting, Springfield (Benjamin L. Stratemeyer, president); no other broadcast interests

Facilities: 99.7 MHz, 50 kW, ant. 492 ft.

Format: Dark

Broker: Patrick Communications

WISM-FM Altoona/Eau Claire, Wis.

Price: \$2.4 million cash (includes \$10,000, two-year noncompete agreement)

Buyer: Clear Channel (see preceding item); owns four other FMs and two AMs in Eau Claire

Seller: Alpenglow Communications Inc., Eau Claire (David E. Barrett, president/managing shareholder); no other broadcast interests

Facilities: 98.1 MHz, 25 kW, ant. 279 ft.

Format: Rock

WVVV(FM) Williamstown/Parkersburg, W.Va./Marietta, Ohio

Price: \$1.625 million

Buyer: Bennco Inc., Norfolk, Va. (William E. Benns III, president/25% owner); no other broadcast interests. Note: Consent of Clear Channel Communications Inc. is required to close deal

Seller: Williamstown Broadcasting LLC,

Marietta, Ohio (Ronald K. Bishop, managing member); no other broadcast interests

Facilities: 96.9 MHz, 3.5 kW, ant. 129 ft.

Format: AC

WGUY(FM) Dexter/Newport/Bangor, Maine

Price: \$1 million

Buyer: Concord Media Group Inc., Odessa, Fla. (Mark W. Jorgenson, president/owner); owns eight other FMs and eight AMs, none Maine; has TBAs with Ohio FM and Pennsylvania AM.

Jorgenson also owns/has interest in five more AMs and two more FMs.

Jorgenson is selling WTBN(AM) Pinellas Park/Tampa/St. Petersburg, Fla. (see first AM item, below). Note: In 2000, WGUY sold for \$1.475 million and later was part of a group bought by seller (Changing Hands, March 27 and July 24, 2000, respectively)

Seller: Clear Channel (see preceding items); owns the following Bangor-area FMs: WLKE Bar Harbor, WNSX(FM) Winter Harbor/Bar Harbor, WBFB Belfast/Brewer, WKSQ Ellsworth/Brewer, WVOM Howland, WGUY Dexter/Newport and WBYA Searsport, and WRKD(AM)-WMCM(FM) Rockland/Portland/parts of Bangor

Facilities: 102.1 MHz, 26.5 kW, ant. 672 ft.

Format: Hits of the '50s, '60s and early '70s

Construction permit for WHUG-FM Cooperstown, Pa.

Price: \$342,000 (includes \$100, five-year noncompete agreement)

Buyer: Forever Broadcasting LLC, Hollidaysburg, Pa. (Donald J. Alt and Kerby E. Confer, each 40% members); owns 17 other FMs and nine AMs

Seller: Fox Allegheny Inc., North East, Pa. (John A. Bulmer, president). Bulmer owns WDOE(AM) Dunkirk and WBKX(FM) Fredonia, N.Y.; is a principal in WQFX-FM Russell, Pa.

Facilities: 107.7 MHz

Broker: Richard A. Foreman Associates (seller)

WGZO(FM) Parris Island/Hilton Head, S.C.

Price: \$100,000 cash

Buyer: Zip Communications Inc., Bluefield, W.Va. (Michael R. Shott, presi-

Changing Hands

dent/owner); no other broadcast interests
Seller: Simmons Broadcasting Co., Cornelius, N.C. (W. Lee Simmons, president); no other broadcast interests
Facilities: 103.1 MHz, 3 kW, ant. 284 ft.
Format: CHR/Top 40

Construction permit for KSXZ(FM) Lost Cabin/Thermopolis, Wyo.

Price: \$30,000

Buyer: Jimmy Ray Carroll, Kemmerer, Wyo.; owns KAOX(FM) Kemmerer; has interest in KEVA(AM) Evanston, Wyo. and KTHE(AM)-KDNO(FM) Thermopolis

Seller: Idaho Broadcasting Consortium Inc., Santa Rosa, Calif. (Frederic W. Constant, president); no other broadcast interests. Note: Seller retains call sign
Facilities: 99.1 MHz

AMs

WTBN (formerly WHNZ) Pinellas Park/Tampa/St. Petersburg, Fla.

Price: \$6.75 million

Buyer: Salem Communications Corp., Camarillo, Calif. (Stuart W. Epperson, chairman/30.3% owner; Edward G. Atsinger III, president; Edward G. Atsinger III Trust, 44% owner); owns/is buying 80 other radios, including WSUN(AM) Plant City/St. Petersburg, Fla. Epperson owns 51% of Truth Broadcasting Corp., which owns six N.C. AMs

Seller: Synchronous Media Group Inc., Odessa, Fla. (Mark W. Jorgenson, president/owner); no other broadcast interests
Facilities: 570 kHz, 5 kW

Format: News/talk

KZSF San Jose/San Francisco, Calif.

Price: \$5 million

Buyer: Carlos A. Duharte, San Francisco; no other broadcast interests

Seller: Z-Spanish II Trust, Stamford, Conn. (Mark Inglis, trustee); owns KSQR(AM) Sacramento, Calif.

Facilities: 1370 kHz, 5 kW

Format: Pop standards

WMIB and WODX Marco

Island/Naples/Fort Myers, Fla.

Price: \$975,000

Buyer: All Financial Network Inc., White Plains, N.Y. (David M. Fleisher, president/owner); no other broadcast interests

Seller: Cos-Star Broadcasting Corp., Methuen, Mass. (Patrick J. Costa, president/owner). Costa owns three AMs. Note: Cos-Star was to sell stations to another buyer for \$900,000 (Changing Hands, Aug. 28, 2000)

Facilities: WMIB: 1660 kHz, 10 kW day, 1 kW night; WODX: 1480 kHz, 1 kW

Formats: WMIB: News/talk; WODX: Stardust Memory music

Broker: Chaisson & Co. Inc. (seller)

WHGR Houghton Lake/Mount

Pleaseant, Mich.

Price: \$250,000 cash

Buyer: Clear Channel (see preceding items)

Seller: Coltrace Communications Inc., Mount Pleasant (John M. Salov, president); owns WUPS(FM) Houghton Lake/Mount Pleasant (via Concord Media Group inc., which is assigning its deal to buy WHGR from Coltrace to Clear Channel)

Facilities: 1290 kHz, 4.9 kW day

Format: Nostalgia, easy listening, MOR

WRAB Arab/Huntsville, Ala.

Price: \$163,000

Buyer: Reed Broadcasting LLC, Arab (Edwin H. Reed, 100% member); no other broadcast interests

Seller: Arab Broadcasting Inc., Arab (Robert F. Scofield, president); no other broadcast interests. Note: Scofield bought 75% of WRAB for \$105,000 (Changing Hands, March 13, 2000)

Facilities: 1380 kHz, 1 kW day

Format: Country

WTAL Tallahassee, Fla.

Price: \$135,000

Buyer: Unique Broadcasting LLC, Fairview, Tenn. (John H. Wiggins, manager/owner); owns KKJW(FM) Stanton, Texas. Wiggins is buying CP for WJHW(FM) Bainbridge, Ga.

Seller: Rebus Inc., Tallahassee (Thomas P. Llewellyn, vice president); no other broadcast interests

Facilities: 1450 kHz, 1 kW

Format: Dark (was talk)

Construction permit for new AM in Pierre, S.D.

Price: \$112,500 cash

Buyer: James River Broadcasting Co., Valley City, N.D. (Robert E. Ingstad, president/owner); owns two AMs and three FMs in S.D., including KGFX(AM) Pierre. Ingstad owns KGFX-FM Pierre and owns/controls eight other AMs and 11 other FMs in four states, including South Dakota

Seller: Lee O. Axdahl, Sioux Falls, S.D.

Facilities: 1450 kHz

—Compiled by Elizabeth A. Rathbun

QUINCY NEWSPAPERS

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Washington

FCC hip-hop deep in #@!*^{*}

Indecency appeals set stage for a high-profile fight over content control

By Bill McConnell

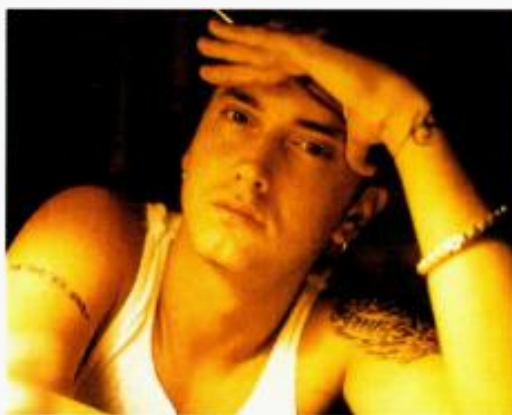
Indecency enforcement for years has been the FCC's dirty little secret. Each year, the commission levies a handful of fines for shock-jock gross-outs, but the commission has avoided a high-profile battle pitting its obligation to police the airwaves against its duty to protect First Amendment rights by dismissing hundreds more complaints on a technicality. All complaints must be accompanied by a transcript or tape—a virtually impossible mandate for moms and dads driving kids to school or heading to and from work.

But the FCC strayed from the safety of its beaten path in recent months and finds itself in a minefield. A step in one direction, and the commissioners will catch it from angry parents and moral crusaders; a step in the other, and they will be rocked by free-speech activists and federal judges.

After years of avoiding the spotlight, the FCC's approach to content regulation is in for a lot of attention.

The agency's fining Citadel Communications \$7,000 on June 1 for airing a cleaned-up-for-radio version of Eminem's "The Real Slim Shady" on KKMGM(FM) Colorado Springs, Colo., garnered a banner headline on the cover of this month's *Rolling Stone* and generated stories nationwide. Now everybody's watching, and it's unlikely the FCC commissioners can exit this mess without bloodying themselves.

Last week, Citadel's attorney accused the FCC of wildly overstepping its bounds in taking punitive action against a station that aired the Eminem number. A public station in Portland, Ore., is preparing its appeal of the FCC's action against a feminist rap.



With the attention given its fining of Citadel for airing a cleaned-up Eminem song, the FCC will have to tread a fine line between policing and the First Amendment.

The two Democrats on the panel are pushing their colleagues to make a bigger commitment to regulating content. Commissioners Gloria Tristani and Michael Copps last week denounced the FCC's policy of automatically dismissing complaints that are not accompanied by a tape or transcript. In his first official public-policy statement since being sworn in in May, Copps suggested that the FCC study whether stations could be required to retain records of broadcasts that could be used to corroborate complaints.

In the meantime, the FCC is gearing up for appeals that the entire industry will be watching.

Kathleen Kirby, attorney for Citadel's Washington law firm, charged that the FCC violated its obligation to "tread lightly" when it comes to censorship. Eminem's rap is not indecent, she said, but a "caustic" commentary on social inequity and hypocrisy.

At issue is whether the rap song can be considered "indecent" under the FCC's definition. Indecent broadcasts are forbidden between 6 a.m. and 10 p.m., when children are most likely to be listening. Under the agency's rules, indecent broadcasts depict sexual or excretory activities or

organs in way patently offensive by community standards. KKMGM's version deleted specific expletives, but the meaning of references to female anatomy, masturbation and bestiality remained clear. Kirby said Eminem's lyrics are not shocking when examined in context.

Kirby also accused the FCC of ignoring the community-standards test, noting that, across the country, the edited version of the song was aired 125,071 times as of June 25 and that the Grammy Award-winning Eminem has become part of

mainstream culture.

More broadly, the case and the Portland, Ore., appeal will put the agency's new indecency guidelines to their first major test. The policy, issued in April, was intended to give clear-cut examples of acceptable and unacceptable broadcasts. For example, on-air depictions of morning-show shock jocks or callers engaged in bestiality or oral sex were deemed illegal, while an *Oprah* episode with hints for improving couples' sex lives was not. Unfortunately, the case-by-case examples were a little too clear-cut and provide no guidance for cases in which the lines between social commentary and irredeemable offensiveness are blurred, say First Amendment attorneys.

That point will be reinforced by attorneys for KBOO-FM Portland, Ore., which was fined in May for playing "Your Revolution," a rap penned by poet Sarah Jones denouncing sexual degradation of women. Although the song contains many vulgar references, it also parodies popular music that encourages casual and reckless sexual behavior. The attorneys note that Jones has been asked to perform the song at high schools and that the broadcast aired during a two-hour program examining social and political issues. ■

Two Reasons to Celebrate. One Date to Save.

NOVEMBER 12

BROADCASTING & CABLE'S 11TH ANNUAL
Hall of Fame
..... and
70TH Anniversary Gala

Among Honored Guests

Michael Eisner

Chairman and CEO of the Walt Disney Company

Tom Freston

Chairman and CEO of MTV Networks

Lorne Michaels

Executive Producer of Saturday Night Live

And a Celebrity Slate of Additional Honorees Yet to be Announced

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BROADCASTING CABLE

Interactive Media

Movies via Net still to come

Major studios are seriously stalling on online efforts

By Susanne Ault

Movies are getting released right and left this summer, allowing easy access. Someday, it'll be even easier, when you can pluck a flick off the Internet.

Just don't ask when you'll be able to do that. For the most part, the major studios are seriously stalling on their online movie initiatives. Sony, in fact, has delayed the launch of its Movie Fly project (with Warner Bros. a rumored partner) about four times.

But it supposedly will be ready to roll by this fall; a Sony spokesman in Tokyo said last week that the movie studio will begin offering as many as 100 movie titles via the Internet this fall, at the cost of a cassette at video stores. That could affect television's nascent video-on-demand business.

So far, though, not many studios have discovered the Internet. Executives at Disney and its thought-to-be-teammate News Corp. haven't done much more than publicly brainstorm about Movies.com, which like Movie Fly, would let people download films from participating studios' libraries for a fee. Sources say Microsoft and RealNetworks are working to create technical expertise for that service.



Guinivere is among the films being sold online by Miramax, an independent studio a step ahead of the majors.

Right now, SightSound Technologies, which is committed to creating a secure downloading environment, is helping Miramax, a Disney unit, sell a selection of its films online (for about \$4 per title). These include art-house films *Guinivere* and *Eye of the Beholder*, starring Ashley Judd.

Comedy Central, also via SightSound, has posted several *South Park* episodes for downloading. On a high-speed Internet connection (a phone line won't cut it), a movie can get through to your PC in about 30 minutes; a TV episode will be quicker.

Miramax is a step ahead of the major studios simply because of "the difference between turning a boat and turning a supertanker," says SightSound chief Scott Sander, referring to how an independent studio can often cut the red tape more quickly than the majors.

So what else is tripping up the studios?

Insiders say people will listen to music from their computers but would much rather lie back on their living room couch for a film or TV show. However, a source close to Sony says future models of Sony's PlayStation 2 will be enabled for movie downloading. That's the potential, sources say, that Microsoft's X-Box game console will have.

"Downloading movies to the PC is a fringe business," says Larry Gerbrandt, chief content officer at research firm Kagan World Media. But studios see how consumers flocked to Napster for music and know they'd be foolish to ignore the opportunities.

It's estimated that studios "can walk away with 70% of the gross sale price of a film. That's a very provocative business for them. And that type of deal is not possible using the traditional channels," says Sander. "Eventually, it will be attractive for studios to have a direct consumer channel they control."

Studios can possibly save money cutting out the middlemen, such as home-video stores or cable operators' pay-per-view services, but "you don't want to cannibalize those businesses either," says Gerbrandt.

Film companies have been raking in profits from their DVD divisions that are

Steve Schiffman, Executive Vice President, Marketing, The Weather Channel

**"SPOT ON WILL ALLOW THE WEATHER
ITS ADVERTISERS TO BETTER CONNE
MORE RELEVANT TO CONSUMERS."**

doing great business at video-rental stores. According to Adams Media Research, consumers spent \$3.5 billion on DVDs in 2000, up 12% from 1999, so "they need the Blockbusters," says Gerbrandt.

Plus, digital rights are still a big issue, admits SightSound's Sander,

noting, "That's what we work on every day." But what's worse, he says, "is to refuse to sell the movies, which will guarantee that 100% of the Internet 'transactions' will be piracy."

That thinking fits well with a study by digital-rights consulting firm, Viant, which reported that 300,000 to 500,000 films are secretly traded across Internet channels every day, often before some of the films'

To refuse to sell the movies will guarantee that 100% of the Internet "transactions" will be piracy.'

—Scott Sander, SightSound

theatrical release. Studios can stem that, Viant said, by actively putting something together that would let people download their product legitimately.

Still, at this point, few people are paying to download Miramax's films; the company does not release figures. But Sander is optimistic that the ball will get rolling once the giants like Sony, Warner Bros. and Disney get into the game, creating buzz for online film distribution.

"You'll see our sales numbers go through the roof," Sander predicts, once these studios realize "that people can buy *Tomb Raider* rather than steal it. Right now, you are seeing hundreds of thousands of stolen copies of it in the first couple of weeks." ■

Bucks for *Big Brother*

By Ken Kerschbaumer

Last year, fans of *Big Brother* had the chance to check in on the TV show's 24-hour Web cams for free. This year, it's gonna cost them.

CBS is charging \$19.95 for Web-cam access for the show's three-month run, with access to such other components as detailed summaries of events, a 24/7 chat room, opinion polls, a 3-D tour of the house, and video clips. Or fans can subscribe to RealNetworks' GoldPass for \$9.95 a month, which will also include other related con-

tent, such as games and software downloads.

David Katz, CBS vice president, strategic planning and interactive ventures, says the online community played a vital role in the popularity of the first installment, but CBS will learn whether charging money to be part of that vital role will keep viewers tuned out.

Four live camera feeds will be available to subscribers. A free trial subscription was available through July 8, but, as of July 9, it's pay for play. ■

WebWatch CABLE AND NETWORK SITES

May 2001
Ranked by average minutes spent per usage month
Source: Jupiter Media Metrix

Site	Avg. min. spent	Chg.
1 BET.COM	101.5	124.1%
2 ESPN*	71.2	1.4%
3 CNBC.COM	61.4	19.9%
4 CARTOONNETWORK.COM	39.0	13.7%
5 CNN.COM	26.6	-7.0%
6 FOXNEWS.COM	22.2	-5.5%
7 MSNBC.COM	20.5	-7.7%
8 SCIFI.COM	19.8	46.7%
9 ABC*	16.2	-21.0%
10 NBCI*	16.0	0.6%
11 FOODTV.COM	15.4	-12.0%
12 WEATHER.COM	12.1	-1.6%
13 HGTV.COM	11.4	-39.0%
14 PBS.ORG	10.9	9.0%
15 CBS.COM SITES*	9.6	-26.7%
Total World Wide Web	721.3	
Cable/Network Universe	40.4	-5.4%

TV-NEWS SITES

Site	Avg. min. spent	Chg.
1 CNBC.COM	61.4	19.9%
2 CNN.COM	26.6	-7.0%
3 CNNFN.COM*	24.6	-11.2%
4 FOXNEWS.COM	22.2	-5.5%
5 MSNBC.COM	20.5	-7.7%
6 ABC NEWS*	15.7	16.3%
7 BLOOMBERG.COM	11.0	44.7%
8 WebFN.com	—	—
All WWW	721.3	

Avg. min. spent: The average total number of minutes spent on the Web site/channel/application during the month per visiting person.

* Represents an aggregation of commonly owned/branded domain names.

Chg.: Change from April 2001 to May 2001. —Statistically insignificant traffic.

Note: Sites categorized by BROADCASTING & CABLE.

NA: Comparison with previous month not available.

NC: No change from April 2001 to May 2001.

Sample size: More than 60,000 nationwide

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SLOW and STEADY

Cable ops seemed poised to offer interactive TV in 2001, but optimism has given way to diminished expectations

By Michael Grotticelli and Ken Kerschbaumer

Any techie with the faintest connection to Silicon Valley—say, shopping at the Target store in Mountain View, Calif.—will readily quote you Moore's Law. It's named for Intel co-founder Gordon Moore and holds that the processing

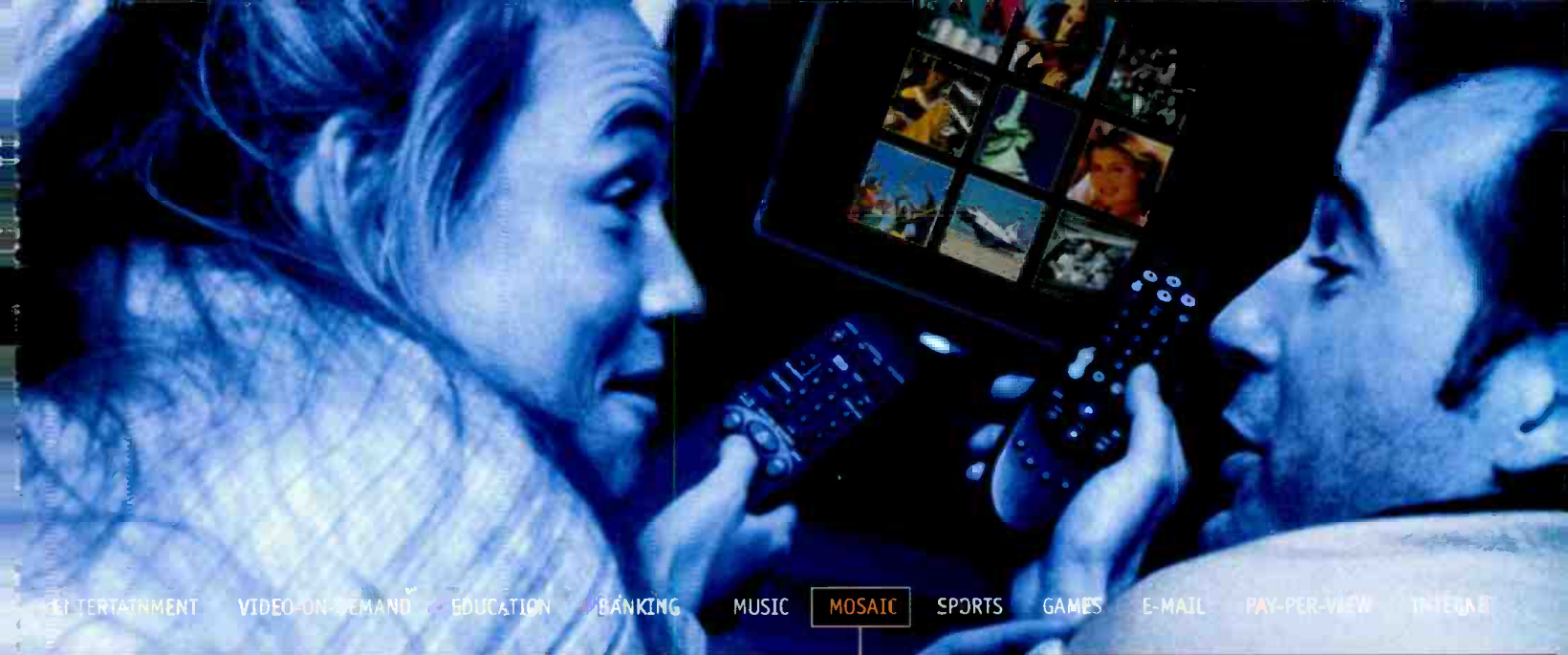
power of computer chips will double every 18 months but the cost will not. It is that steady advance in powerful, relatively cheap technology that made the dual revolutions of the PC and the Internet possible.

There's also a law at work in the cable

industry. It holds that, for any given product, cable operators will deliver only half of whatever they promise and it will take them twice as long to deliver it.

That certainly is the case with interactive television. A year ago, cable operators still spoke expansively about the possibilities created by deployment of high-end digital set-top converters. "T-commerce" tripped freely from the lips of cable operators excited about subscribers' using interactive set-tops to buy merchandise, giving operators a slice of each transaction. They envisioned subscribers' chatting online through their TV sets with other fans as they watch wrestling, although it wasn't clear how that meant more revenues.

Halfway through the year, cable's interactive optimism has given way to diminished expectations. Other than Insight Communications, operators are just test-



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ing and toying with most advanced services. No one else, for example, has committed to software that would handle such services as Web browsing, e-mail or chat. The largest operator, AT&T Broadband, for example, has shelved deployment of smarter digital set-tops powered by Microsoft in favor of milking more from the less sophisticated equipment it has been deploying since 1997.

Electronic programming guides—a fairly basic form of interactivity—are the only broadly delivered products, partly because they are a great hook to subscribers and partly because they're cheap and easy. The product that operators are most serious about is video-on-demand (VOD), which is expensive and complicated but, given the track record of pay-per-view and rentals by Blockbuster, at least has a plausible business case.

Five of the top eight MSOs have made aggressive VOD deployment a priority for 2002: Charter, Comcast, Cox, AOL Time Warner and Insight. AT&T Broadband and Adelphia are seen on Wall Street as laggards. Don't expect much more any time soon, says Morgan Stanley interactive media analyst Gary Lieberman.

Operators have learned one lesson from the billions of dollars incinerated in the financial fantasy of the Internet: that is, to spend money on products only when revenues are in clear sight. "They're not doing it if it's not clear what the economic return is," Lieberman says, adding, "They don't want to bite off more than they can handle, so it's one product launch at a time."

"It's going to be attractive someday," says one MSO executive. "A lot of this is crawl-walk-run. What we need to do is manage capital spending, so it has to be reasonably priced. We also have to manage the customer experience. Part of the problem with some approaches is that they're everything: e-mail, chat and Web browsing. And there was no attempt to bring the customer into this one application at a time."

That's bad news for technology companies, content developers and advertisers waiting for interactive to crystallize, because cable is the key. DBS and perhaps even broadcast stations can deploy

some crude interactive services. The future of companies like ACTV, Liberate, Intertainer, OpenTV and the other ITV players rests squarely on the shoulders of the cable operators. But, for consumers conditioned by the speed and flexibility of the Internet, only cable systems offer the bandwidth, two-way return path and localized scale to make flexible interactive TV happen.



ACTV's Kevin M. Liga says ITV can slow churn rates.

One of the big proponents of interactive television continues to be Insight Communications, which has 189,900 digital subscribers. Although it had planned to be finished by now, Insight

Communications has spent the past year deploying Diva-based video-on-demand and its Local Source information service on the Motorola DCT-2000 set-top box running Liberate software.

President and CEO Michael Willner says Insight is committed to providing interactive services and will make these services available throughout his company by the end of this year.

It's crucial, he adds, that cable operators exploit their two-way infrastructure advantage over DBS.

The company has launched Local Source across all of its headends, including Rockford, Ill.; Columbus, Ohio; and Evansville, Ind. A new electronic mall of 40 national and local stores, called CommerceTV, will be launched in Lexington, Ky., this month. Insight is also working on a deal to deploy Wink interactive software.

The interactive systems that Insight has been operating for more than a year have a 26% penetration rate, Willner says, and churn is one-third the rate of conventional digital systems. "When we convert our systems to include interactive services, the churn rate goes way down."

Insight will continue deploying DCT-2000 boxes because the DCT-5000 boxes are not widely available, according to Willner. "When this next-generation box

ITV: How we define it

The only thing that seems to be more challenging than deploying interactive television is defining interactive television. It is very much a to-each-his-own exercise, but here's

BROADCASTING & CABLE'S take:

For us, the defining factor is that it starts and ends at the television set. The two-screen experience of using a computer to access interactive content promoted on the TV has been dubbed by ABC as enhanced television, and we agree. But it's not interactive.

As for the specific services that we define as ITV, we see electronic program guides (EPGs), video-on-demand, the means to access text related to the on-screen programming, the means to interact with advertisements, chat functions, e-mail and personal-video-recorder functionality like pause, fast-forward and storage.

Video-on-demand is just one ITV feature.



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comes out finally, whether it's a 5000 or [Scientific-Atlanta] 8000 or a 2500, we will deploy premium services that we will sell for a premium price."

However, Insight has sunk \$25 million into Source Media, which provides the Local Source technology but had slid into deep financial trouble.

BACKING OFF?

On the flip side is AT&T. As the nation's largest cable MSO, its seeming reticence about interactive television raised eyebrows, particularly when the company decided to back away from using the Microsoft TV platform and the Motorola DCT-5000 set-top box. According to spokeswoman Tracy Baumgarten, AT&T has not yet determined exactly where and how it hopes to make a profit (not merely increase revenues) from interactive-TV services.

"The added choice and convenience of digital VOD should see buys increase from the current analog model, driving additional revenue," she says. "Some interactive functions may be offered at additional fees, such as e-mail or Internet access. Finally, adding functionality like local walled-garden content or a PVR give a certain 'stickiness' to our service, ultimately helping to reduce churn."

Baumgarten says AT&T recognizes that some customers will want more advanced interactive features. "We're talking with hardware providers about a mid-level box that would be able to do everything the DCT-2000 could do, plus have an integrated [personal video recorder]," she says. "And we are continuing to work on interactive services for the advanced set-top box. We no longer have a 'one-size-fits-all' strategy but are working on multiple options to meet the range of customer interest."

Baumgarten disputes Wall Street's assessment that AT&T is backing away from ITV. "We've put VOD in customers' homes with Diva. We've put PVRs in customers' homes with ReplayTV," she says. "In Iowa and now Tacoma, Wash., we are

Getting advertisers interested

If there's one thing advertisers long for, it's a way to reach viewers more effectively. And digital cable, coupled with interactive-TV technologies, may just make that longing a thing of the past.

An example of the capabilities that interactivity may open up is ACTV's SpotOn. Expected to be deployed by AT&T by year's end, it allows digital-cable operators to send out different versions of commercials that are more specifically targeted for the household or even viewer. The different commercials (say, four car commercials, each geared to a different demographic) are stored on a server at a central delivery point. The MPEG-compressed commercial is then sent to be stored on the set-top box or another intermediary point such as a node, if the breakdown is geographical.

"They could be streamed regionally or nationally into a footprint, as well, so DBS, DSL, anyone could use it," says Kevin Liga, ACTV executive vice president and CTO. "Hard cable boundaries, franchise boundaries, node boundaries, things of that nature are no longer there. What you do now is target against software boundaries."

By using software to define viewers

according to whatever desired criteria, Liga says, cable operators will have the ability to drive more revenues out of the same number of avails.

"If I'm trying to hit you with a PPV ad for an event you already purchased or for HBO and you're already a subscriber, it's a waste," he explains. "But if you could pull back an avail and use it for make-goods or something else, you can generate additional revenue with the same amount of inventory."

A product like SpotOn does, in a way, change the nature of interactivity in that it is a passive experience for the viewer. But Liga says that could be important because it requires no consumer education, a potential stumbling block to more advanced services.

ACTV recently inked a deal with OpenTV that will bring ACTV's SpotOn product to digital set-tops that use the OpenTV middleware. With OpenTV still waiting for U.S. deployment, the initial integration effort is on the Pace set-top box. But the companies do plan to integrate their combined technologies on additional set-top boxes over the next several months. —K.K.

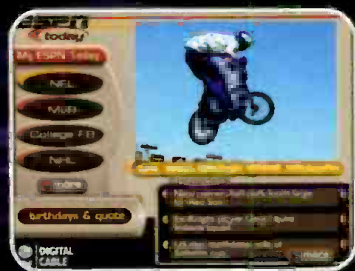
The image shows four television screens arranged in a 2x2 grid, each displaying a different car commercial. Below each screen is a black box with white text indicating the target demographic for that commercial.

- Top-left screen: Shows a red convertible. Label: **HOUSEHOLD: YOUNG COUPLE** with **NO KIDS** below it.
- Top-right screen: Shows a red sedan. Label: **HOUSEHOLD: MIDDLE AGED COUPLE** with **WITH KIDS** below it.
- Bottom-left screen: Shows a white sedan. Label: **HOUSEHOLD: MATURE COUPLE** with **NO KIDS AT HOME** below it.
- Bottom-right screen: Shows a dark SUV. Label: **HOUSEHOLD: YOUNG COUPLE** with **WITH KIDS** below it.

ACTV's SpotOn allows advertisers to send different commercials to different demos.

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working with WorldGate to understand customer interest in channel hyperlinking, walled-garden content, Web access and e-mail. These trials have helped us expand our interactive television plans to include all these options on a range of hardware platforms.”

SOME OPTIMISM

Charter Communications, nearly two years after starting an interactive-services initiative, remains optimistic that consumers want ITV and are willing to pay extra to get it. But Dave Housman, Charter’s vice president of Corporate Development & Technology, says that he has concerns that other MSOs have not kept to their stated deployment plans, leaving Charter at the forefront of ITV deployment.

“There are some MSOs out there that are in a survival mode and are not aggressively pursuing the interactive path they were a year ago,” he says. “That leaves us out there alone.”

Charter deployed 1.35 million digital set-top boxes and is working to bring

interactive services to them. “We haven’t lost focus on future products and building a network infrastructure that will deliver streaming, VOD and everything that we’ve bragged about to Wall Street and the public for so many years.”

Depending upon availability, Charter will begin deploying the DCT-5000 by the first half of next year, while continuing to support the Motorola DCT-2000 and S-A Explorer 3000 STBs already in place.

Wink and WorldGate software is currently deployed in a number of Charter systems with favorable results, and experiments have also begun with Microsoft TV and Liberate software. Broadband Partners Inc.’s Digeo service is handling development of the interface applications and other digital services for the DCT-5000 and Explorer 8000 boxes, which will be offered to subscribers sometime next year.



ITV services still hold the potential of bringing Internet-style interaction to the television medium.

Comcast, continuing last year’s policy, remains unwilling to discuss specifics as to trials and deployments, but Mark Hess, vice president of digital TV, says that he sees VOD as an important building block for interactive television. He also sees it extending beyond movies. “The key is to teach ourselves how to do our core product in a narrowcasted way,” he says. “And once we’re good at that, it isn’t just movies on demand but working with [other content].”

With approximately 1.56 million digital set-top boxes in the field, Hess says the key is to make sure any interactive services can be built on top of the Motorola DCT-2000 set-tops and S.A. Explorer boxes Comcast is using. The key now is figuring how to integrate the services within the boxes.

“There are some applications that are going to come out so that the customer can go from one application to another without the customer even knowing it,” he says. “Once you teach customers that, when they hit a button, a movie starts, that’s pretty magical.”

One of those applications will be Liberate Technologies’ platform, which the company will deploy on Comcast’s basic digital set-top boxes. Hess says that the Liberate platform will allow Comcast to create a plug-and-play environment for new services.

Cox Communications continues to test VOD in the San Diego market (as it did last year), but it will offer an initial

Over-the-air ITV

Interactive television seems to be the domain of cable and DBS providers. But Steve Lindsley, chairman, CEO and founding partner of WOW Digital TV, believes he has something to show to skeptics who say that terrestrial broadcasters will never be able to put together a viable two-way interactive system.

WOW, which will offer a free, over-the-air interactive service, is betting that broadcasters can compete with cable and satellite for ITV revenue.

The back-channel for two-way communications will utilize a telephone line, which Lindsley says is more than adequate for interactivity. “People overestimate the notion that there has to be a robust connection for back-channel operation,” he notes. “You’re only responding to something you’re seeing on the television, so there’s no need for a high-speed connection.”

Funded by broadcasters and e-business companies, WOW is set to debut this summer. Lindsley, a former president of KSL-TV broadcast group in Salt Lake City, has been working for two years on developing the infrastructure and business relationships to deploy a digital and ITV service for broadcasters.

“Without a doubt, broadcasters can compete in this space,” he asserts. “There are working examples of the over-the-air technology working in Europe, and people are spending money to subscribe to these services. We can learn from that. There’s no reason a broadcaster can’t do that here.”

—M.G.



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deployment of VOD services in Hampton Roads, Va. The deployment will take place in the third quarter for approximately 2,000 customers on the MSO's fifth-largest system. The company plans to use Concurrent's MediaHawk broadband VOD system along with Motorola

set-top boxes. Cox will also begin trials with WorldGate in the third quarter, as well as with Liberate Technologies.

'YOU'VE GOT VOD'

With digital-cable subscribers in Tampa Bay/St. Petersburg, Fla.; Honolulu;

Austin, Texas; and Columbia, S.C., currently accessing VOD, Time Warner has hundreds of thousands of subscribers involved in the testing phase. The most recent addition to that list is Columbia, where the company is testing a VOD subscription to HBO.

A view from both sides

Guy Pepper, CEO of Kobalt Interactive, has lived on both sides of the ITV tracks. A multi-Emmy Award winner with more than 20 years of experience in network and cable television, he is best-known for developing the creative design, national branding and business plans for the launch of CNN and Dateline NBC. And in 1996, he was involved with the launch of MSNBC, the first news organization to incorporate three media technologies: broadcast, cable and the Internet. We invited Pepper to advise broadcasters and cable operators who have not worked with new media on what they should expect. The following is his response.



Guy Pepper, CEO of Kobalt Interactive, spent 20 years in cable and network television.

Interactive television means a lot of different things to different people, in broadcasting, as well as in other segments of the television industry. At its most general, interactive TV is often defined as any viewer activity with the television beyond passive watching. More-specific examples of interactivity include on-screen TV guides, games, t-commerce, e-mail and messaging.

For broadcasters and advertisers, one of the most exciting promises of interactive TV is enhanced TV, the ability to deliver interactive features synchronized with programs and advertising on one screen. The notion of single-screen delivery is consistent with the goal of creating a compelling entertainment environment, without distractions that diminish and fracture the allure of the medium. Enhanced TV becomes a natural leap forward into developing a new, two-way relationship with audiences.

In order to efficiently meet the enhanced-TV opportunity, broadcasters will need to massively integrate interactive capabilities into their current program-production process, including live control rooms and post-production. Enhanced-TV production will need to become routine and automated to the greatest extent possible. This is the same process that ultimately made on-air graphics successful in news and sports TV.

Historically, broadcast-TV content has been delivered to audiences on a one-way basis, with little or no way to gauge actual viewer behavior. With multiple content-platform-delivery options, content creators are being challenged and have an opportunity to create a new viewer experience. Viewers will soon be able to provide direct feedback relative to the programming they are watching. That feedback might range from participating in a poll, giving an opinion, playing a game in real time, requesting information about a product or, in some cases, making a purchase as a corollary to the viewing experience. In some cases, the interactivity could simply be a periodic census of which households are watching a given program or ad.

Broadcasters will also need to create

engaging content, in order for enhanced TV to evoke new interactive behaviors on the part of broadcast viewers, whether to buy a product, feel good about a brand or empathize with characters in a drama. Content drives viewer behavior, not technology. Consider how the remote control would be a far less compelling tool if the only buttons you had to push were "power" and "volume."

There are two challenges to succeeding in inspiring these new audience behaviors. One is learning to produce content that is dimensional, instead of linear. The other is understanding what audiences really want. Content providers will need to develop tools and methods of measuring audience behavior that are directly relevant to interactivity and more effective, overall, in understanding the broadcaster's viewership.

Broadcasters, however, will inevitably weigh expected return on investment from enhanced TV, just as with any other programming innovation. They will need to evaluate how quickly new enhanced-TV capabilities can be monetized by offering advertisers new value-driven opportunities for connecting and engaging with program viewers. New opportunities will emerge and could include development of sponsored on-screen elements, threaded messaging and impulse calls to action. These will not only help refine interactive-content development but will also create incremental improvements in research methods and techniques generally.

Broadcasters with an eye on expected return on investment will also judge how valuable enhanced TV will be in extracting intangible value from the market: maintaining audiences by further engaging them with the program, targeted program development and scheduling, qualitative improvements in research and more effective promotional activities. ■

"We're very bullish on the prospects for that kind of on-demand programming and would like to roll it out as soon as possible," says Mike Luftman, Time Warner Cable spokesman. "We've been doing movies-on-demand trials in Hawaii, Austin and Tampa for more than a year."

Luftman expects to add another city for an HBO trial by year's end.

Time Warner Cable is working with two VOD vendors during its trials: Seachange and Concurrent. In Los Angeles, nCube has been selected, but the trial has yet to begin.

"We believe there is a strong future for additional ITV services," says Luftman. "We're working with AOL on a version of AOLTV that would be delivered through our boxes, and we're looking at other things, but they're still in the talking stage."

Luftman says the key is making sure the services deployed meet actual customer demand and are reliable. "Clearly, we know they want movies on demand, and that's why that business is being launched first. But we need to make sure that everything is as bulletproof as possible. We're layering on a lot of new businesses, so we need to be careful that the systems and support staff are all ready to deliver it in a glitch-free way."

One MSO that stands as an example of the challenges of even simple digital deployment is Cablevision. The MSO's basic-subscription base has actually gone down from last year because of the sale of systems in Boston and Cleveland. Deployment of the new Sony DHG-M55CV

cable set-top box has been scaled back from last year, and now 100,000 units will be distributed this fall, with no extra charge to consumers to move from analog to digital service.

A variety of digital interactive services, such as VOD, an electronic program guide, e-commerce and IP telephony, will be offered and expanded as the digital service rolls out. Personal video recording is also being discussed but won't be avail-





able until the end of next year, according to company spokesman Keith Coccozza.

Cablevision recently began a pilot program in and around New York City to test the boxes and their compatibility with the headend facility in Hicksville, N.Y., and the early results have been positive, Coccozza says. It will use Sony's own Application Middleware (SAM) in the set-top box, in tandem with OpenTV software.



DirectTV will be getting interactive with the help of ShopNBC's service.

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Interactive programming is being developed with Cablevision's own Rainbow Media Holding company (which includes Bravo, Independent Movie Channel and American Movie Classics), which will begin to appear in the spring of 2002.

DBS INTO THE GAME

DBS also will get into the picture. ShopNBC (formerly ValueVision) is about to launch a national satellite-driven ITV service, in cooperation with DirecTV and technology provider Wink. The service, which the company says will be available to 3 million subscribers initially, will try to take advantage of an age-old merchandising strategy: impulse buying.

ShopNBC, which is 40%-owned by GE/NBC, will offer products on its own home-shopping satellite channel (DirecTV ch. 370) and push merchandise tied into regular entertainment and sports programs.

"Viewers will do retail transactions on their TV sets before they'll interact with enhanced material embedded inside entertainment shows," explains Kevin Hanson, chief technology officer for ShopNBC. "Satellite companies are getting into this, but cable is not really ready yet."

Hanson is bullish on offering very basic ITV services by ShopNBC and other providers and says it's the smart way to roll out interactive services: "I think ITV is going to provide a very unforgiving marketplace. Viewer expectations for how their TV set functions are very high, unlike with computers. It's probably a lot more valuable to reach a 100,000 homes with a simple, reliable system than a 1,000 households with a very high-end ITV service that may not always work."

Charlie Tritschler, vice president of marketing for Liberate, expects a "mass understanding" of ITV to develop among the public within the next two years.

Is that wishful thinking? Check back in 2003. ■

ITV across the pond

It just takes time.

While ITV seems to be going slowly here in the U.S., interactive services have shown promise in Europe, particularly in the UK. Canal+ ITV software is installed in about 8 million digital cable/satellite set-top receivers on the continent, according to The Yankee Group, and OpenTV has approximately 15 million users.

In fact, consumers have been exposed to varying types of interactivity since the mid-

to drive innovation levels," he says. "For example, cable technologies in early-adopter markets, like the UK and Spain, were on state-of-the-art networks and, as such, required no upgrades."

Liberate, as it is in the U.S., is battling with OpenTV and Microsoft in the middleware market, attempting to gain leverage on the set-top boxes in consumer homes. Collingwood says that Liberate has deployments with NTL and Telewest in the UK and is about to deploy with UPC in Austria and Ekabel (now called IESY) in Germany. A contract with ONO (Spain and part of Callahan) has also been signed.

OpenTV is undeniably the leading interactive middleware provider with the help of BSKyB and its 4 million-plus subscribers and seven-figure European cable subscribers.

OpenTV spokesman David Benton says that ITV services in Europe have been a major differentiator from satellite services and have also demonstrated the additional revenue streams that the U.S. cable ops still hope they will see.

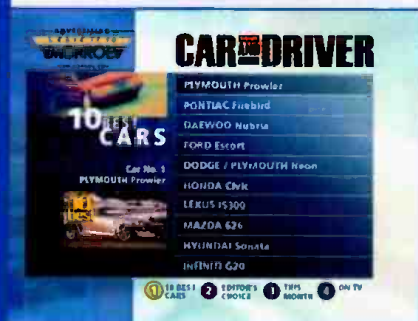
"What you see in Europe is a lot of online betting, t-commerce," he explains.

Going forward, Collingwood expects OpenTV to maintain its current position within Rupert Murdoch's satellite properties, but he says it could be vulnerable.

"Sky has always been very concerned about the size of OPTV-support organization," he says. "But, as they say, who knows? It is an undeniable risk for any of the News Corp's satellite organizations to switch from one platform to a new one."

However, Open TV Vice President of Strategic and Product Marketing Anup Murarka observes that, with 15 cable systems and 23 satellite systems using OpenTV's middleware, the company is fine.

Much of BSKyB's success can be attributed to its giving the digital boxes away to subscribers, expecting revenue streams to come from conditional access and content. This



Open TV has found success in the UK.

'70s. It started in England with the TeleText service that provided local weather, news and other data, along with a variety of commerce options, within the analog-TV signal.

That two-decade-plus gestation period is important. According to Ian Mecklenburg, head of Digital Media and Broadband Commerce Bureau at BBC Technology, the 25-year experience with TeleText is "an important part of why people feel comfortable with TV as a medium for getting information."

Stuart Collingwood, vice president for Liberate Technologies, Europe, Middle East and Africa, agrees that both Teletext and the Intel service helped drive the market but other forces were at work, as well.

"A common set of broadcasting standards [DVB] supports a high level of market sophistication, and pioneers like BSKyB, TPS in satellite, and CWC [now NTL] and Telewest in cable saw the need for an interactive service mix and service differentiation

strategy has paid off: News Corp.'s Sky service is now the dominant player, and its top competitor in the UK, OnDigital (with 1 million subscribers), is struggling for life, according to recent reports.

Some cite the advent of the Internet as another reason for ITV's slow acceptance in the U.S. In Europe, consumers pay for every call to the Internet they make, whereas, in America, the phone companies have allowed unlimited calling for a flat monthly fee. That expense led many in Europe to shy away from using the Web and toward television-subscription services that offer interactivity, such as electronic program guides, video-on-demand and Internet access.

A theory goes that, once Americans got online, the Web satisfied their interactive requirements but in a limited way. Users on this side of the ocean understand interactivity as a way to get more information about a particular subject.

"The Internet led consumers in America down a whole different path of interactivity that wasn't at all focused on marrying it to TV," says Jor Leess, executive vice president of programming and production at GoldPocket Interactive.

Adds Benton, "There's a whole range of services like e-mail and e-commerce that we take for granted here in the U.S. because we think everyone is computer-literate. And these systems in Europe were designed for someone who could use a remote control to access these services. We think that makes those offerings viable on a worldwide basis and here in the U.S. as well."

Mecklenberg thinks that American media distributors can learn from the UK's understated approach to the use of digital spectrum and new service introductions.

"That's what consumers want. Instead of apologizing for an interactive experience that's not as good as a PC, why not make it non-computer-like and seamless to the consumer? This is all about bringing TV into the 21st century." —M.G. and K.K.

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People

F A T E S & F O R T U N E S

Broadcast TV

Steven South, regional director, Internet Broadcasting Systems, Minneapolis, joins KTNV(TV) Las Vegas, as general sales manager.

Cable TV

Appointments at Charter Communications: **Marwan Fawaz**, executive in residence, Pilot House Ventures, Boston, joins as VP, operations, Northwest region, Vancouver, Wash.; **Jim Holanda**, VP, fiscal operations, Western division, Denver, named VP, operations, St. Louis metro area; **Gary Mizga**, president, British Columbia, Rogers Cable, Vancouver, British Columbia, joins as VP, operations, Michigan region, Grand Rapids, Mich.; **Dave Gilles**, VP, fiscal operations, Michigan region, Grand Rapids, Mich., named VP, fiscal operations, central region, St. Louis.

Dave Baker, sales director, Digital Cyclone, Minneapolis, joins The Interconnect of the Twin Cities, Minneapolis, as general sales manager.

Teresa E. Antonucci, program manager, American Association for Higher Education, Washington, joins Comcast, Washington, as manager, community relations Washington metro/Virginia region.

Programming

Steven Tao, senior VP, New Line Television, Los Angeles, joins VH1, Los Angeles/New York, as senior VP, programming and production.

William J. Immerman, senior member, the law offices of William J. Immerman, Los Angeles, adds to his duties executive VP, Crusader Entertainment, Los Angeles.

Eric Hollreiser, VP, Tierney Communications, Philadelphia, joins ABC Cable Networks Group, Los Angeles, as senior VP, media relations.

Leslee Perlstein, senior VP, human resources, Twentieth Century Fox Film Corp., Los Angeles, joins E! Networks, Los Angeles, as senior VP, human resources.

Heidi Wiedenbauer, spe-

cial projects producer, Cox Broadcasting, Washington, promoted to Washington bureau chief.

Jim Botko, VP, movies and miniseries, Warner Bros. Television, Los Angeles, named VP, event programming, In Demand, Los Angeles.

Nancy H. Schultz, partner, PricewaterhouseCoopers LLP, Los Angeles, joins The Jim Henson Co., Los Angeles, as CFO.

Sarah S. Jeon, manager, business development, BizBuyer.com, Los Angeles, named manager, sales strategy, affiliate sales, Fox Cable Networks Group, Los Angeles.

Appointments at *Talk or Walk*, Tribune Entertainment Co., Los Angeles: **Tracy Mazuer**, senior supervising producer, *Change of Heart*, Telepictures, Los Angeles, joins as co-executive producer; **Barry Glazer**, director, *Live! With Regis & Kathie Lee*, Buena Vista Television, New York, joins as director; **Kathy Giaconia** and **Jacquie**

Jordan, supervising producers, *Friends and Lovers*, USA Networks, New York, join as supervising producers.

Radio

John H. Davison, director, sales, San Francisco cluster, ABC Radio, promoted to president/GM, Los Angeles cluster.

Rich Kaminski, on-air personality, WPLJ(FM) New York, joins WPTP-FM Philadelphia, as afternoon on-air personality.

Rick Parrish, VP/director, sales, Entercom Broadcasting, Wichita, Kan., joins Radio One Networks/Westwind Media, Denver, as VP, sales and marketing.

John Burkavage, sales manager, WMXJ(FM) Pompano Beach, Fla., named VP/market manager, Wilkes-Barre/Scranton cluster, Pa.

Journalism

Thor Wasbotten, station manager/news director, KTRV(TV) Nampa, Idaho, joins KGUN(TV) Tucson, Ariz., as news director.



Teresa E. Antonucci



Steven Tao



Eric Hollreiser



Leslee Perlstein

F A T E S & F O R T U N E S

Advertising/Marketing/PR

Anne-Marie M. Schaffer, VP/associate media director, Rubin Postaer & Associates, Santa Monica, Calif., named group communications director, Team One, El Segundo, Calif.

Harry Clark, account executive, Arbitron Inc., Dallas, promoted to Southwest regional manager.

Internet

Howard Shimmel, president, Symmetrical Resources Inc., New York, joins America Online Inc., Dulles, Va., as vice president of market research.

Associations/Law Firms

Rachel C. Flores, program manager, Academy of Television Arts & Sciences Foundation, Los Angeles, joins Entertainment Industries Council Inc., Burbank, Calif., as director, education and outreach services.

Technology

Kathleen Pereira, global account manager, Oracle

Corp., New York, named VP, sales and marketing, Nurun, Boston.

Appointments to iVAST's board of directors, Mountain View, Calif.: **Carl Rosendahl**, principal managing director, Softbank Venture Capital, Mountain View, Calif.; **David Likins**, partner, Venture Strategy Partners, San Francisco.

Allied Fields

Scott E. Chappell, team member, media and telecommunications corporate finance, Thomas Weisel Partners, New York, named director, BIA Digital Partners, Chantilly, Va.

Appointments at Room-Service Audio, New York: **Tim Grove**, senior engineer, Kamen Entertainment Group/MRK Records, New York, joins as engineer; **Rich Cutler**, engineer, Soundtrack NY, New York, joins as engineer.

—Compiled by P. Llanor Alleyne
palleyn@cabners.com
212-337-7141



John H. Davison



Anne-Marie M. Schaffer

Obituaries



Goldsmith

Norman Goldsmith, radio-industry veteran, died in St. Helena, Calif., following open-heart surgery. He was 65. William Clark, former head of Disney subsidiary Shamrock Broadcasting, called him an "icon of the radio industry."

Goldsmith had been national sales manager of ABC-owned KGO(AM) San Francisco, national sales manager of the ABC radio station group in New York and CEO of Curt Gowdy Broadcasting. He subsequently started his own business, Radio Marketing Concepts, to further his sales-training technique. Ronald Ruth, executive vice president of the Radio Advertising Bureau of Dallas, who helped Goldsmith get his first job in radio at KYA (now KOIT[AM]) San Francisco, stressed that Goldsmith was a mentor to many in the business. Goldsmith, a raconteur whose delivery of a story equaled many on the medium he loved, left \$15,000 for a memorial celebration, to be held July 13 at the Silverado Country Club in Napa, Calif. —Beatrice Williams-Rude

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T H E F I F T H E S T A T E R

A touch of glamour

Craig likes 'working where technology and creativity come together'

Margaret Craig may come from the less glamorous part of the television industry, but the chief operating officer of Toronto-based Leitch Inc. enjoys her frequent encounters with the glamour side. Getting involved with customers, she says, is her favorite part of working in the business.

Craig found an affinity for the tech side early on. The daughter of an electronics engineer, she describes setting up her dolls in front of her father's waveform monitors and watching the electronic signals move.

After graduating from Iowa State University in 1983, she began watching those signals professionally. As a design engineer in Tektronix's Television Waveform Displays division, she designed vectorscopes and waveform monitors until 1985, attending her first NAB convention in 1984.

"I thought the television business was very glamorous and got caught up in it right away," she says. "Even as a very junior design

engineer, I got to spend a lot of time with customers. I found TV stations very interesting."

She also spent time doing project management, engineering and marketing until being promoted to manager of a small software-engineering group. "I was very fortunate to be in a big company where you could move around and do different functions," she says, noting that Tektronix was a bigger company then than it is today and, in fact, made the list of *Fortune* magazine's top 1,000 companies.

When Tektronix acquired UK-based Lightworks nonlinear editing system in 1995, Craig went to work for then-Video Division President Lucy Fjeldstad, managing all functions of the 120-employee busi-

ness. Working from Wilsonville, Ore., she was also responsible for the sales and support organization in Hollywood.

Under Tektronix, however, the business never really took off, due to "creative differences," Craig says. After two years, it was spun off and is currently run by a Montreal-based private group. Craig calls this part of her career "a learning experience," which gave her an understanding of what makes acquisitions work.

Joining Snell & Wilcox in 1997, she ran that UK-based business from Sunnyvale, Calif., as COO. "I think that a big part of running a successful company is not staying at headquarters but getting out where the customers are," she opines.



Margaret Craig
Chief Operating Officer,
Leitch Inc.

B. Jan. 16, 1960; B.S., electrical engineering, Iowa State University, 1983; design engineer, 1983-84, project leader, 1985-88, Television Waveform Displays; marketing engineer, Television Division Marketing, 1989, engineering manager, Television Measurements, 1990-91, general manager, RF/Cable & Television Displays, 1991-94, general manager, Transmission Test Product Line, 1994-95, Tektronix Inc., Wilsonville, Ore.; general manager, Lightworks Editing Systems Ltd., Sunnyvale, Calif., 1995-96; COO, Snell & Wilcox Inc., Sunnyvale, Calif., 1997-2000; current position since February 2000; holds U.S. Patent No. 4,680,621 relating to "Method & Apparatus for Variable Phasing of Periodic Signals"; m. Donald

Craig came to her current job at Leitch last year. Her position is as "hands-on" as any point in her career, and that's

the way she likes it. Leitch, with fewer than 1,000 employees, is a "relatively small company" and one, she says, that's going through a lot of change.

She notes her and CEO John MacDonald's "complementary skills" and cites the former telephone executive's lack of a broadcast-industry background as the main reason she joined the company. "Those of us who have worked in this industry for 20 years have to be careful of becoming too insular. We're all from the same gene pool," she quips. "I found a company with the strength of Leitch that brings in a veteran and technical visionary who's not from our space to be very powerful."

Craig is particularly proud of the management team that she and MacDonald have assembled and points out that revenue for the year ended April 30 was \$220 million, compared with \$163 million during the year-ago period. "I wouldn't say that the broad strategy of the company has changed significantly," she says, "but I think that we've redirected the engineering resources, and the product flow is really starting to demonstrate that now."

After 18 years, she still feels the excitement of working in the television industry. "It was never quite as glamorous as I originally thought," she says. "However, I still think working in a place where technology and creativity come together is much more interesting than a pure-technology industry."

—Michael Grotticelli



2001 SATELLITE UPDATE

Broadcasters and television networks of all shapes and sizes continue to look to the skies for help from above as they strive to cut costs, improve programming and add viewers.

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Special Report: Centralcasting

Broadcast station groups and networks are continuing to eyeball centralized operations as a way to cut costs and improve operations. On July 16, *Broadcasting & Cable* takes a look at the growing centralcasting market and how it's affecting the industry. We'll address the many questions being asked, including:

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NEWS
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Executive Producer: A strong news person who can "run the room." EP will be in-charge of daily news gathering operations and will interact closely with reporters, producers and the assignment desk. Leadership and interactive skills a must. Familiarity with the Bay Area a plus.

Weekend Exec Producer: You will run the place on the weekends and will step in as EP in other day parts. In addition, you will take on special projects and sweeps planning.

Reporters: Looking for the best story tellers in the country to work with the best news photographers in the nation. You need to write creatively, know how to build sources and break stories. If you've lived or worked in the Bay Area, it's a plus.

Photographers: We've won the most awards in the state this past year. Our staff is the best. If you shoot NPPA-quality, can edit quickly and can safely tech a live shot, send us your best stuff.

Producers: Looking for a bold, creative artist who can make a show come alive. You must know the difference between stacking and producing a newscast. You must be a great writer, a lover of news and an in-charge person in the control room.

Associate Producers/Writers: This position is for the person who isn't quite ready to make the jump to line producer but who might have producing experience in a smaller market. Must write well and be good at multi-tasking. You will write, work with reporters and assist the producer in the booth.

Promotion Manager: If you excel in developing award winning campaigns, this job is for you. The PM will be responsible for developing, executing and maintaining station and news promos. PM will work closely with VP of Creative Services to create, implement and manage the station's advertisement and marketing efforts. PM will also oversee the day to day promo operation and staff of writer/producers.

Promotion Special Projects Producer: We're looking for a versatile promo veteran with a creative background and broad skill set in local news and entertainment to oversee special projects. Must be a strong writer and producer with an innovative visual sense and solid editing skills.

Qualified applicants should send resume and reel to: Director of Human Resources, KNTV/KBWB, 645 Park Avenue, San Jose, Ca. 95110. Granite Broadcasting is an EOE.

NEWS CAREERS

TALENT/HOST

Medium market Fox affiliate is looking for an energetic morning talent. Candidates must be part news anchor and part host with great ideas and a team spirit. Midwest location with access to both coasts. Send resume to: Box 710, Broadcasting & Cable, 275 Washington Street, 4th fl., Newton, MA 02458, attn: N. Andrews.

NEWS DIRECTOR/EXECUTIVE PRODUCER

News Director/Executive Producer wanted for a small or medium market. Qualified candidates must have at least 2 years newsroom management experience. Strong communication and organizational skills are a must. Equal Employment Opportunity employer. Send resume to: Box 79, Broadcasting & Cable, 275 Washington Street, 4th fl., Newton, MA 02458, attn: N. Andrews.

METEOROLOGIST

KESQ-TV, the Southern California desert's news and weather powerhouse, is looking for a top-notch meteorologist. AMS or NWA seal preferred, but a meteorology degree is a must. Serious candidates must have excellent broadcasting, forecasting and live reporting skills. Your ability to tell a concise and clear weather story will set you apart. If you're interested in joining our leading First Alert Weather Team, rush tape and resume to Erin Gilhuly, News Director, KESQ-TV, 42-650 Melanie Place, Palm Desert, CA 92211.

HOST OF NIGHTLY MAGAZINE SHOW

San Francisco CBS affiliate is looking for a host for its nightly magazine program, Evening Magazine. Applicant must have significant on-air experience and strong interviewing and producing skills. Great opportunity to make a splash on a high profile, major market show. No calls or faxes please. Send tapes and resumes to:

John Corey
KPIX Television, Evening Magazine
855 Battery St., San Francisco, CA 94111

NEWS CAREERS

TV VIDEOGRAPHER/EDITOR

Montgomery County Public Schools seeks a videographer/editor responsible for shooting and editing news and feature packages using non linear editors. Must have at least five years experience in a broadcast quality setting with a TV station, production house or ad agency. Ability to meet quick deadlines. Must have working knowledge of current media technologies. Writing ability and some producing a plus. B.A. degree. Salary range \$38,147- \$53,060 with full benefits. Send resume, cover letter and short sample tape on VHS to:

Ms. Dale Horos, MCPS Human Resources
7361 Calhoun Place, Rockville, MD. 20850

ANCHOR

Are you an anchor, reporter, newsroom leader and more? If so, then this medium market Fox affiliate in the Midwest may be a perfect fit for you. Candidates will work with a smart and knowledgeable female co-anchor. Send resume to: Box 711, Broadcasting & Cable, 275 Washington Street, 4th fl., Newton, MA 02458, attn: N. Andrews.

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This is the perfect job for an all-purpose creative all-star. You'll work with the Sr VP of Marketing in overseeing the creative direction of promotion materials. You'll also be writing and producing special projects, image campaigns and radio spots. Requires 3+ years of experience as a Senior Writer/Producer or Creative Director. A background in directing shoots and working with budgets is preferred. Please send demo reel (VHS ONLY). Job Code: DCS-BC

WRITER/PRODUCERS

We're looking for people who can think conceptually, find the right spin for a story and nail it with clever, compelling copy. You should also have a great visual sense, a feel for graphics, and know how to find that perfect piece of music to make the whole package come together. Requires 3+ years of experience writing and producing on-air promotion, and a demo reel to prove it (VHS ONLY). Basic Avid skills preferred. Job Code: WP-BC

AVID EDITORS

Anyone can lay in a bunch of shots and call it a day. We need Editors who have style and a great visual sense. You'll be expected to make the humor funnier and the drama more powerful, all with the click of a mouse. Requires 3+ years of experience cutting promos on the Avid. Show us your stuff on a demo reel (VHS ONLY). Job Code: AE-BC

ASSOCIATE PRODUCERS

Sure, you'll have to pull and log tapes, arrange feeds, etc. But you'll also have the opportunity to grow creatively by helping out with the screening, writing and producing promos. Qualified candidates should be highly organized, with post-production experience and the ability/desire to write and produce on-air promotion and radio spots. Basic Avid skills a plus. Please send demo reel (VHS ONLY). Job Code: AP-BC

BROADCAST DESIGNERS

We need a great Designer who loves doing logos, promo packages, creative animations and has a good sense of typography. Requires 2+ years of broadcast design experience and proficiency in Mac and Quantel (Hal or Henry preferred). Job Code: BD-BC

GRAPHICS COORDINATOR

We need an individual with production coordinating experience in a busy design department. Candidate should be organized and able to schedule projects on a variety of graphics equipment. You'll need to coordinate between producers and artists and oversee the trafficking of all projects. Requires a thorough knowledge of broadcast production and excellent people skills. Job Code: GC-BC

We offer a competitive salary and full benefits package. If you are interested in these positions, please send your resume and demo reel (VHS ONLY), indicating appropriate job code, to: Telepictures Productions, c/o TMP Worldwide, Job Code: (insert appropriate code), 16001 Ventura Blvd., #200, Encino, CA 91436-4445. EOE. No phone calls, please.



KGOTELEVISION

EMPLOYMENT OPPORTUNITY

BROADCAST GRAPHIC DESIGNER

DESCRIPTION OF DUTIES: KGO-TV/ABC 7 in San Francisco is looking for creative and talented designers for staff and freelance positions. Candidates should have strong design, creative and artistic skills. Responsibilities include daily news graphics, support for promotion, print and web design.

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Television

TECHNICAL CAREERS

ENGINEER

Action Sports & Entertainment Mobile, part of a new high-definition cable TV sports channel, is seeking an Engineer in Charge to supervise all technical and operational aspects of their remote vehicle. Requires 5 years experience in supervision of mobile broadcast facilities, plus 5-10 years experience in technical operation of mobile broadcast facilities. Supervisory and customer service skills required. Expanding digital experience and familiarity with high definition TV equipment a plus. Must be willing to travel. Competitive salary with an excellent benefit plan.

We are also seeking two Engineers to maintain all technical and engineering related aspects of our high definition trailer. Requires minimum 5 years experience in technical operation of mobile broadcast facilities. Must be familiar with high definition TV equipment, and possess excellent customer service skills. Must be willing to travel. Competitive salary with an excellent benefit plan.

Applicants should send or e-mail cover letter and resume to: Human Resources Department, One Center Court, Suite 200, Portland, OR 97227, or, e-mail jobs@rosequarter.com

TELEVISION ENGINEER

The Department of Veterans Affairs (VA) Employee Education System (EES) is seeking an experienced professional to join our engineering team at the new St. Louis, Mo. EES Satellite Uplink Center. The candidate will install, maintain, diagnose, repair & operate a wide variety of digital and analog broadcast equipment, including Scientific Atlanta PowerVu satellite transmission system, One Touch interactive computer network, digital switchers, routers, video servers, cameras, PC controlled sub-systems, automation systems, non-linear edit systems, tape machines and other support broadcast equipment. This is an excellent opportunity to join the team at a newly renovated VA Uplink Center. For further information on applying for this job look on our website at <http://www.usajobs.opm.gov> and search by Job Title: Electronics Technician, Series 0856, Grade GS-12 or you may contact Sharon Clay at (512) 326-6621.

DIRECTOR OF ENGINEERING

KVBC-TV, Las Vegas is just completing an all-digital, fully automated facility and is seeking an experienced technical manager to oversee all broadcast operations and maintenance. Applicants should possess substantial experience in broadcast engineering including maintenance, production, operations, design, and installation. Knowledge of physical plant construction and systems as well as applicable laws and regulations necessary. Interested applicants should possess excellent verbal and written communications skills and should have prior experience in budgeting and capital planning. We offer a competitive wage and a benefits package.

Apply in person at, mail resume to, or e-mail resume:

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INVESTIGATIVE/SPECIAL PROJECTS PRODUCER

DESCRIPTION OF DUTIES: Will generate original, enterprise stories with emphasis on in-depth and investigative topics.

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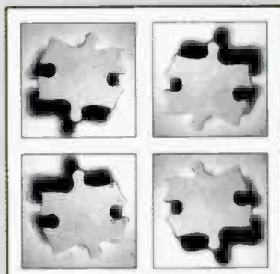
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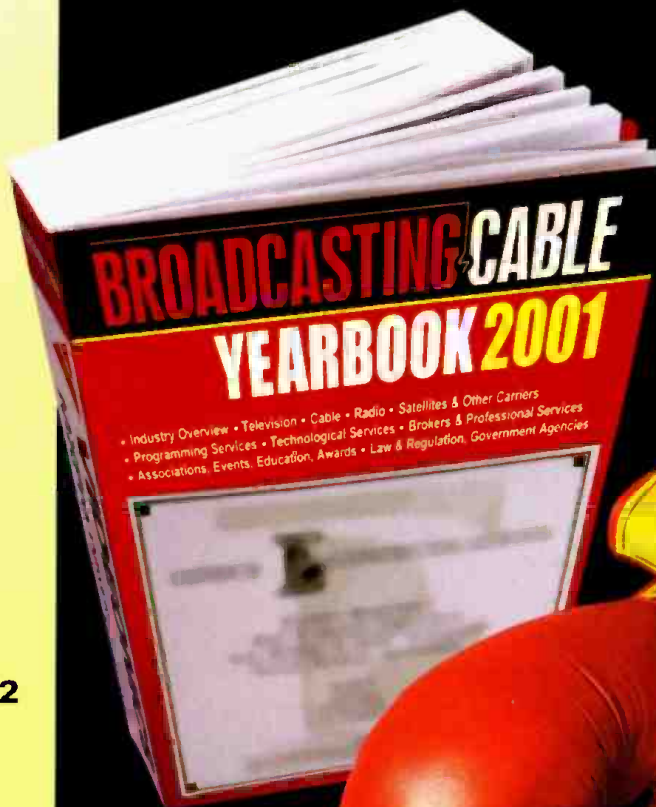
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UNWRAPPING THE ISSUE

Editor: I would like to respond to your editorial criticism of The WB Television Network for not accepting condom commercials, prompted by the Kaiser Foundation study "Condom Ads on Television: Unwrapping the Controversy" released June 19 ("Truth and Consequences," June 25).

Permit me to make several points. The WB Television Network works closely and actively with our program producers to incorporate safe-sex and condom messages into our programming. We have welcomed input from health professionals to explore issues of sexuality, particularly among teens, in a responsible and relatable way.

As to airing condom commercials:

First, The WB Television Network has a partnership with its broadcast affiliates around the country. Many of these affiliates choose not to air condom advertising, and we respect their decision as to what is appropriate for their market.

Second, the Kaiser Foundation study's national survey does indeed conclude as you state that almost three-quarters of viewers approve of airing condom commercials. The exact figure is 71%. However, if you subtract from the figure the 34% who say condom ads should be restricted to post 10 p.m. and combine it with those opposed to any airing of condom commercials (25%), you have a majority of 59% opposed to condom ads during the hours The WB is on the air in prime time, since our prime time schedule ends at 10 p.m.

Third, since our prime time schedule does terminate at 10 p.m., in your editorial we are unfairly negatively compared with the late-night-

only (post 11 p.m.) condom-advertising policies of NBC and CBS (with only Fox airing commercials in prime time and ABC not airing network condom advertising at all).

We take our responsibility as leader in teen/young-adult programming very seriously. Indeed, I flew to New York to speak at the press briefing accompanying the release of the Kaiser study (and was the only network executive present). I support the efforts of the Kaiser Foundation in this area and applaud that BROADCASTING & CABLE has chosen to so vocally also support the need for greater safe-sex/condom-awareness efforts by broadcasters.

—Rick Mater, senior vice president, Broadcast Standards, The WB Television Network

THE SINS OF GAY TV

Editor: I disagree with you. No gay TV channel is needed. ("What? No gay channel," P.J. Bednarski column, June 25)

Homosexuality is a sin. Read the Bible. I am so glad I don't subscribe to BROADCASTING anymore if you think that a gay TV channel is good. I read BROADCASTING cover-to-cover in the 1960s and '70s.

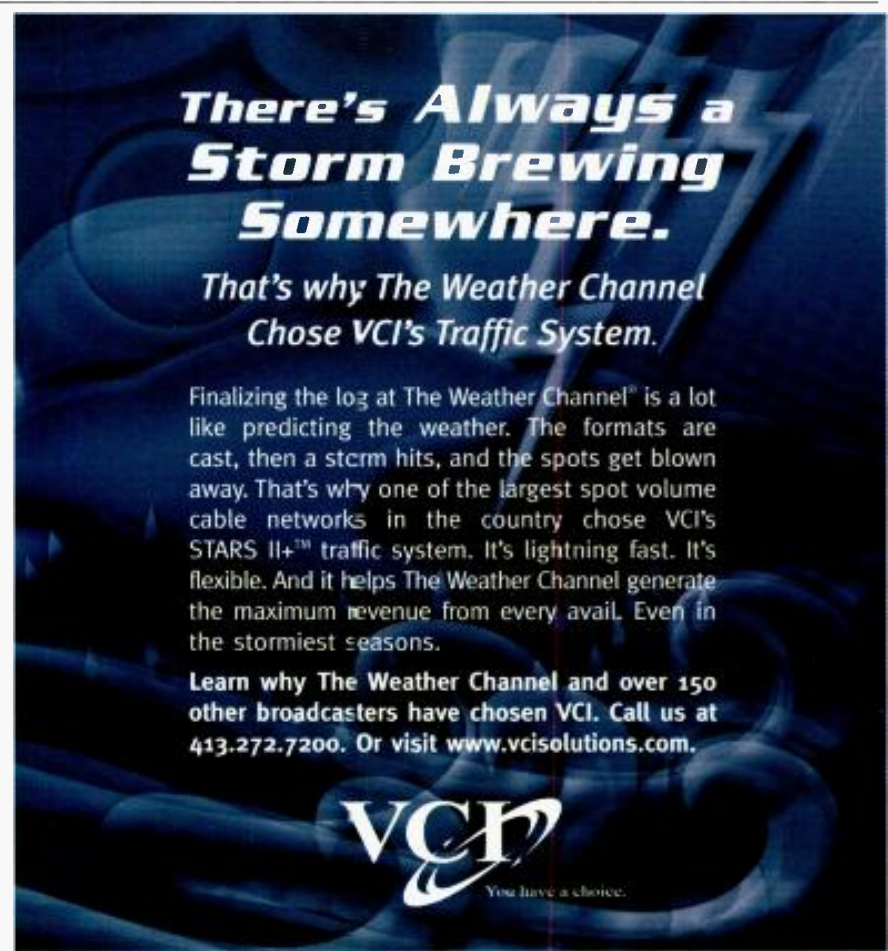
God loves the homosexual, the abortionist, the killer, and others who sin. But He hates the sin. The gay lifestyle is a sin. You should not be promoting a sinful lifestyle in your column. God condemns sexual activity outside of marriage of a man and woman. Read about what happened to Sodom and Gomorrah in the book of Genesis.

Television has turned into a vaster wasteland than Newton Minow ever imagined. Online I have looked at the fall schedules of most of the major networks, plus the CBC in Canada. It seems there is little to be excited about this coming September. I used to be excited about the fall season when I worked at KING-TV, KLEW-TV, and Idaho Public Television.

—Al Gius, Pocatello, Idaho

We like letters

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Editorials

COMMITTED TO THE FIRST AMENDMENT

Pocket protectors, unite!

The NAB board may have decided not to ask for a delay in the DTV rollout schedule, but that's because they didn't have to. It's a given.

From what we can determine, the principal obstacles, though not the only ones, to broadcasters' conversion to digital by the FCC's deadline are a lack of sets, towers, programs, cable carriage, interoperability standards, clear transmissions receivable by an indoor antenna, and enough time to resolve all of the above. You get the picture—or don't, if it's 8-VSB and you've got a big building in the neighborhood.

The deadlines—2002, 2006—are history, even if the FCC is keeping them around for appearances' sake. While it's reorganizing, the FCC may want to create a new Digital TV Waiver Bureau just to handle the paperwork. Why not just change the deadlines and be done with it? It would save a lot of trees.

Meanwhile, the broadcast industry has to become more aggressive in addressing the technical problems. And the way to do that is to listen to LIN's Gary Chapman. A couple of weeks ago, as chairman of the Association for Maximum Service Television, Chapman called on the industry to fund a TV Lab on the order of the successful Cable Labs. Its first order of business: Figure out how to improve DTV transmission and reception. Great idea. Only thing is, MSTV has no money and most broadcasters these days aren't inclined to spend anything that won't produce a return on investment before the monthly budget reports are due.

The fact is that whether a TV Lab gets off the ground is really up to the NAB. It has \$85 million sitting in the bank, the accumulated profits of its annual convention. The NAB, we believe, should back the lab, insisting only that its mission be expanded to include all of broadcasting—radio, as well as TV. With Chapman and others making the case, we believe it will.

Now, if broadcasters could only get Cable Labs' Dick Green to jump ship.

Fear factor

Attorneys for Citadel Broadcasting's KKM(FM) Pueblo, Colo., and noncommercial KBOO-FM Portland, Ore., are coming out swinging in their fight against a disturbing trend in government censorship, which means any such trend. Both are filing strongly worded appeals of FCC decisions to fine their stations for indecency violations. Citadel told the FCC last week it was wrong in its reading of the law and wrong in its application and is threatening entire genres of musical expression. KBOO-FM was preparing to tell the commission that it was basing its decision "solely on *its* views of offensiveness and *its* view of merit [emphasis theirs]" and not according to the context of the broadcast or the contemporary community standards it is required to take into account. "To punish a station for the broadcast of officially disfavored subject matter is the essence of governmental censorship," it concluded. We couldn't agree more.

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