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Television/Radio Age

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Television/RadioAge

October 30, 1989 *Volume XXXVII, No. 7*

STATION REPORT

DEPARTMENTS

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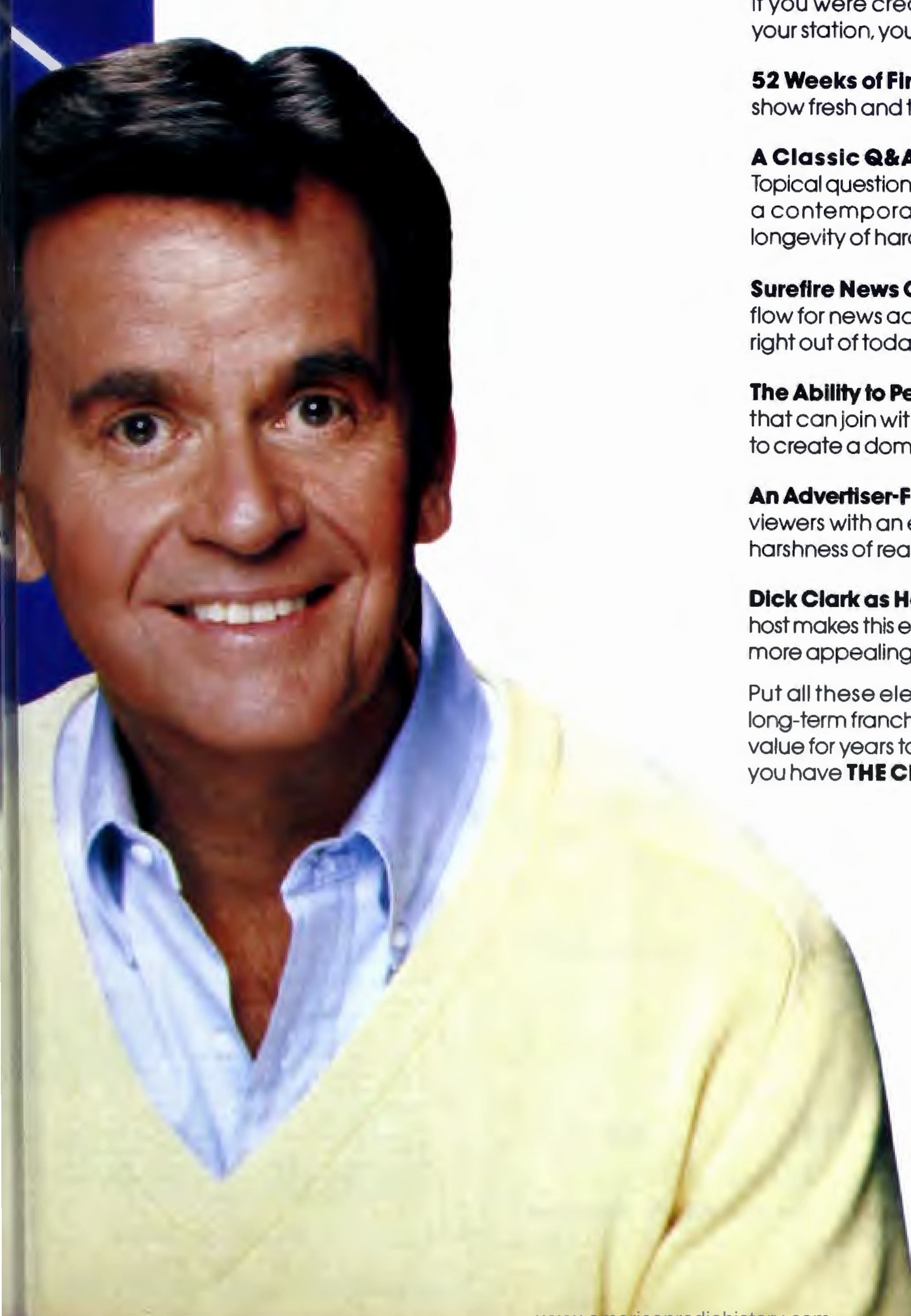

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For years, programming executives have argued about why so many high-priced sitcoms that were hits on the network miss the target by a mile in syndication.

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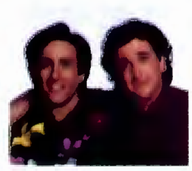

Perfect Strangers

WARNER BROS.
DOMESTIC TELEVISION
DISTRIBUTION

Publisher's Letter

What's behind book world's romance with the media giants

Behind-the-scenes books by and about the media giants appear to be a never-ending proposition. One suspects that their proliferation has little to do with a public appetite for reading about the business world. How many books can you name about the giants of the pharmaceutical industry? Or the textile industry? Let's face it. Media executives are more colorful, more impulsive—and, yes, more egotistical.

If there's a pharmaceutical executive who's written an autobiography, it's not likely he'll appear on *Donahue*, as did Gannett's former chairman Al Neuharth, whose book, *Confessions of an S.O.B.* is currently being promoted heavily by Doubleday. And it's not likely that, behind the closed doors of a pharmaceutical company, one will find interpersonal situations that would make fodder for the likes of *Dallas* or *Dynasty*. But in the new book, *Beyond Control: ABC and the Fate of the Networks*, former ABC speechwriter Huntington Williams resurrects a goodly number of former ABC executives as soap opera characters.

Egos on parade. Neuharth, in his book, makes no bones about his having a healthy ego, and yet he shows an appreciation for that of others. In a segment about the formation of GTG Entertainment with Grant Tinker and the subsequent hiring and firing of Steve Friedman as producer of the *USA Today* TV show, three strong wills come into play.

"My ego heightened my interest in Tinker," Neuharth writes. "I liked being associated with winners. Tinker was a big-time winner." But Neuharth also had to adapt to Tinker's less visible self-importance in assuring him autonomy. For Neuharth, a hands-off policy was something new, but it's what got Gannett together with the successful TV executive over finalists Disney and MCA, he writes. They had studio facilities and bases in Hollywood where Gannett didn't. Neuharth says he turned that weakness into a strength, telling Tinker, "These other people are not only right here, but they think they know something about what you're going to try to do. We're not here, and we don't know anything about it."

But when Friedman left NBC to head up the *USA Today* show, Tinker admitted that kind of show was not his bag, and Neuharth initially gave Friedman 15 months of hands-off with the admonition, "We don't want the show to hurt the reputation of our well-established newspaper." With a well-known ego of his own, Friedman retorted, "I wouldn't want the newspaper to hurt my reputation either." Before Tinker finally bought off Friedman for about $1 million, Friedman had experienced one of Neuharth's "love letters," displayed in other parts of the book. These "love letters" tend to be as profane as the section headings in the book.

Network doom and gloom. In his book for Athenum Publishers, New York, Williams writes about ABC, and to some extent the other networks, as if he were forecasting the fall of the Roman Empire. The obligitory history is there—from the vision of Leonard Goldenson to the aftermath of the Capital Cities takeover, but much of the author's really inside observations come from his four years at the network from 1981 to 1985, during which he wrote speeches for senior management and edited the company magazine. He concludes that ABC is no longer the "family" it was during his days there—and considering the personality clashes, manipulation and misbehavior Williams relates, the current management is probably satisfied that it's not.

S.J. Paul

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MARKET	STATION	DAY	TIME	T 12-17 RANK	K 6-11 RANK
MIAMI	WDZL	M–F	7:00PM	#1	#1
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SACRAMENTO	KCSH	M–F	6:30PM	#1	#1
HARTFORD	WTXX	M–F	6:00PM	#2	#1
ORLANDO*	WOFL	M–F	5:30PM	#1	#1
SCRANTON	WOLF	M–F	6:30PM	#1	#2
ALBANY*	WXXA	M–F	7:30PM	#1	#1
AVERAGE				#1	#1

NSI, JULY 1989 *ARB, JULY 1989

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Most viewers watch ads on prerecorded tapes

Advertising on prerecorded videocassettes is being given a boost by Nielsen-gathered data, based on electronic coding. The data indicates that a much larger proportion of viewers watches commercials on prerecorded videos than previous attitudinal studies indicated. This was learned by *Focus* following the "official" beginning of electronic measurement by Nielsen of prerecorded tape playback activity for home video distributors on Sept. 28.

According to Paul Lindstrom, vice president and product manager, Nielsen Home Video Index, recent data, culled from the electronic measurement, shows that close to three-fourths of the viewers who watch a prerecorded tape will watch most, if not all of, the commercial. A previous Nielsen attitudinal study for the Video Software Dealers Assn. found about two-thirds of viewers claiming they zapped commercials on prerecorded tapes.

Decoding devices used. The Nielsen data come from a substantial portion of the rating service's national people meter VCR sample. These households have been equipped with decoding devices on their VCRs which can pick up codes inserted on the prerecorded tapes. Eleven of the top home video manufacturers, who represent by far the bulk of the industry volume, have been coding, via duplication houses, many of their titles for Nielsen.

Nielsen began collecting and processing such data on an automated basis Sept. 28 following a pilot study which began last year. In all, through September, Nielsen has electronically tracked 32 individual titles, all purchased in real-life situations by members of the sample, plus eight commercials and 15 "coming attractions," coded separately.

Nielsen is now filling in the sample with enough decoding devices to make the data projectable, which it will be shortly. About 1,800 VCR households will be so equipped.

Total audience measured. For the present, Nielsen is providing total, rather than average, audience per title for home video firms and agencies, although the latter, says Lindstrom, may also want average minute figures.

The measurement service for prerecorded tapes will not attempt to measure all playback, but only that for tapes coded by home video firms. This is partly because coding can only be done with the cooperation of such firms. The initial syndicated report, covering the latter part of '89 and the first quarter of '90 will be released in April.

As for electronic measurement of playback of off-the-air tapes, Nielsen is planning to produce an evaluation report, for release during the first quarter, of data covering October. Nielsen currently only counts *recording* of off-the-air tapes as viewing.

Spot radio: Sept. drop

Spot radio commissionable to reps continued to sag as the third quarter ended, data from Radio Expenditure Reports show. September was down 1.4% to $87.1 million. This comes in the wake of three double-digit up months in the second quarter, a 9.2% rise in July and a plus 3.7% in August. However, for the nine months, spot is still ahead 9.8%.

Among the four market groups broken out by RER, only the top 10 markets were up, but only by 1.2%, in September. The 11th-to-25th markets were down 2.8%, the 26th-to-50th group was down 1.4% and the 51-plus markets dropped 4.0%. September was the first minus month for spot radio during 1989.

Web TV up in August

Primetime network TV billings in August continued to display the increases which emerged during the second quarter, while weekday daytime revenues of the webs repeated during the month the downward slope which has been appearing for some time. The BAR estimates showed that overall network TV billings in August were up 7.3% to $617.9 million.

The primetime increase was 14.9%, the weekday daytime drop was 11.8% (see table below). The eight-month estimate of network billings came to $5,930.7 million, up only 0.7%.

Network TV revenue estimates—August

Dayparts	*Estimated $ (000)*	*% change*
Prime	$374,534.2	+14.9%
Mon–Fri daytime	91,800.2	−11.8
Mon–Sun late night	42,780.5	+10.3
Sat/Sun daytime	52,789.2	+2.2
Mon–Fri early morning	19,992.5	+13.9
Mon–Fri early fringe	30,531.4	−4.7
Sat/Sun early fringe	5,467.9	−11.7
Subtotal early fringe	35,999.3	−5.9
Totals	$617,895.9	+7.3

Source: BAR. Copyright 1989 The Arbitron Co.

Apparel firm big in cable

Time Warner continues to lead the roster of cable network spenders during 1989 through August, according to BAR, though it ranked third for the month of August. TW passed Procter & Gamble, which came in first in August, as the biggest spender for the year to date during July (see *Focus*, Oct. 16). P&G remains the second biggest spender for the eight-month period.

A new name in the top 10 popped up in August—VF Corp. (Lee and Wrangler apparel). The company ranked seventh for the month with expenditures of $1.5 million and eight-month expenditures of $2.4 million.

Year to date leaders via BAR estimates: TW, $22.1 million; P&G, $21.4; Kohlberg Kravis Roberts, $16.4; Philip Morris Cos., $15.5; Anheuser-Busch Cos., $15.4; General Motors, $12.5; General Mills, $11.9; Mars, $11.0; Clorox Co., $8.4, and Sears Roebuck, $7.9

WQED forms PTI to give public TV global clout

Public Television International will make its formal debut at February's Monte Carlo market as the international program distributor for U.S. public TV stations.

This is "the first organized effort from within the U.S. public TV system to centralize international distribution," said Mary Herne, PTI's managing director. There could be later applications to home video as well, but she stressed, "We have to walk before we run."

WQED International, Pittsburgh, was commissioned about a year ago by the Corp. for Public Broadcasting to develop a business plan for such a global distribution operation. PBS affiliates gave the go-ahead last summer.

20 stations set. Interviewed at MIPCOM in Cannes, Herne—who also is director of international sales and coproductions for WQED—said 20 PBS stations already have signed with PTI. More than 200 hours of programming will be offered by PTI at Monte Carlo, half of which is WQED's. Among the other participants, Herne added, are: WNET(TV) New York; WGBH-TV Boston; WTTW(TV) Chicago; Maryland Public Television; WETA-TV Washington; KQED(TV) San Francisco; WTVS(TV) Detroit; and WPBT(TV) Miami.

Herne describes PTI as "a one-stop shopping organization for international program buyers." In this era of globalization, "The marketing clout offered by centralizing efforts is far stronger than any individual station operation on its own." Although "it's hard to say at this point" what dollar volume PTI will generate, Herne said WQED alone enjoyed "a major jump in the past year, from less than $1 million to over $2 million," and she projects its 1990 overseas sales at "$2–$3 million."

For now, WQED will finance and manage PTI, but Herne hopes the operation will be fully station financed and cooperatively operated by the final phase of its organization, within "a couple of years."

TV salary averages agree

The survey on annual salaries of TV station executives published recently by the NAB and BFM shows fairly close agreement with the most recent annual salary study published by TV/RADIO AGE (see issue of Dec. 26, 1988).

The NAB/BFM figure for general managers was $103,316, the TV/RA average, $103,040. For general managers, the averages, respectively, were $84,334 and $82,700, and for program directors, $41,326 and $46,550.

Also shown by the NAB/BFM survey were the following salary figures: news directors, $51,150; chief engineers, $44,157, and account executives, $42,757. The study also found that news anchors at affiliate stations in the top 10 markets averaged $139,447 annually, while the average in smaller markets was $23,392.

Figures from the NAB/BFM study were as of March 31; TV/RA's numbers were as of November, '88. The averages referred to "base salary" in the case of the NAB/BFM, while the TV/RA data covered salaries before "extras," which included bonuses, incentive compensation and profit-sharing. The next TV/RA study will be published in the Jan. 1, 1990 issue.

New Viacom sales plan for renewals of 'Cosby'

Addressing "a changing marketplace," Viacom Enterprises has introduced a marketing plan to client stations for the renewal of syndication licensing rights to *The Cosby Show*, as well as rights to *A Different World*. Included in the new plan is the granting of syndex rights for *The Cosby Show* renewals and for *A Different World*, according to Dennis Gillespie, senior vice president, marketing, and Joseph Zaleski, president, domestic syndication.

Viacom will go back to basics in selling the *Cosby* renewals, marketing the series on a straight cash license deal, and offering it in combination with *A Different World*. *Cosby* renewals involve up to eight network seasons and up to six for *World*, if either or both go that long on NBC. All told, a projected number of episodes will total as many as 344, with a minimum of 269, according to Gillespie.

If *Cosby* goes only six network runs, license renewals begin in the fall of 1992. For season seven, March 29, 1993; for season eight, Sept. 27, 1993, says Zaleski. *World*'s license terms begin Sept. 30, 1991.

Station payout. When it comes to station payout, a 10% downpayment is due Aug. 1, 1990, with 48 monthly installments if there are 269 episodes, if episodes exceed 269, stations may pay in 60 monthly installments.

In addition, the licensees will get what Gillespie describes as bonuses, consisting of five additional satellite feeds per broadcast week of both *Cosby* and *World*, offered free to stations and which do not count as part of stations' purchased runs. The *Cosby* bonus, called Cosby II, will consist of episodes from the first six network seasons, from 1984–85 through 1989–90, with feeds to begin no later than July 2, 1990. In the case of *World*, episodes are from the first four network seasons through 1990–91, and feeds start March 30, 1992. Both bonus feeds are provided to stations with maximum available syndex rights.

Letters

Operation ProFax

It was very encouraging to see the article about Operation ProFax in the August 21 issue of TV/RADIO AGE.

Business-to-business advertising is an untapped resource as far as radio as a whole is concerned. Marrying business-to-business advertising with pro football would be the perfect match for radio.

To our disappointment, however, Christal Radio's contribution to Operation ProFax was omitted from the article. The fact is that Christal Radio was one of the forerunners in the formation of the multi-rep ProFax committee. Christal Radio's John Fouts was at the forefront of the committee's origins at the NFL rights owners meeting in Kansas City last March.

The pitch team for the reps, under the leadership of Eastman Radio's Jim Marshall, also consisted of Christal Radio's Jeff Greenwald, Dan O'Shea and myself.

We at Christal Radio are committed to Operation ProFax and believe it is an idea whose time has come. All of the 28 NFL rights holders will benefit from Operation ProFax.

ART SALISCH
Sports coordinator
Christal Radio
New York

Arbitron's response

I am writing in response to the article in your September 4 issue, *Arbitron held out of line on critique of Birch*, regarding Birch's CountyAmerica study. I feel compelled to offer comment, since the item, as run, did not contain Arbitron's side of the story.

I do not believe that we did "blow up the significance," as your article states, of Birch's errors and subsequent reissue of CountyAmerica. Not one single client indicated to us that we were out of line." Rather, many clients appreciated our telling them about CountyAmerica's reissue, since the news was not forthcoming from their Birch rep.

In all fairness, let me state that we have been talking to our clients for over a year about Birch's CountyAmerica data. However, we have been focusing on the non-metro data in the report, rather than the metro data. In non-metro counties, Birch is employing an "abbreviated interview," collecting one day of cume information only. They then model a seven-day cume and apply metro turnover data to this modeled cume to back out an average-quarter-hour rating for non-metro counties. The focus of our efforts has been, and will continue to be, on the non-metro data in CountyAmerica, and not the metro data.

Please be assured that we will continue to provide our clients with truthful information about our products—and those of our competitor—so that they may make informed purchase decisions. Arbitron has raised, and will continue to raise, customer awareness of critical issues regarding data quality of competitive research products. We have been discussing the non-metro data in CountyAmerica for over a year now, and our clients have for the most part been appreciative. Our emphasis on the reissue due to errors in the metro data has truly been minimal. Perhaps if your reporter had talked with a representative from Arbitron while preparing this story, the "spin" would have been different.

JOSHUA CHASIN
Vice president, market development, radio advertiser/agency services
Arbitron

Minorities and TV

To Mr. Mater, perhaps, television entertainment is solely entertainment (see *Viewpoints*, Oct. 2). For those of us who can't turn our brains off at will, or who don't know any better, television can be a primary source of information. Sure, I turn on the TV to relax, laugh and escape. But in the course of relaxing, laughing and escaping, I don't object to *learning* something as well.

You and I know that television does a poor job of reflecting reality, but what about the people who are not privy to the surveys and studies? They look to television—the most widely shared and easily accessible art form—to provide a window to the world. It takes *The Cosby Show* to illustrate that a black middle class exists. It takes *L.A. Law* to prove that the mentally handicapped can contribute to the workforce. If the only interesting, successful people shown on TV were white men, public opinion, unfortunately, would hold that only white men can be successful in our society.

No, television can't right all of society's wrongs, nor should it be expected to. But I don't think fusing accurate information with entertainment can hurt. (Take *Sesame Street*, for example.) In fact, I think intelligent programming is welcomed by the general audience. And that's what the studies and surveys are for. To tell us that there is a significant number of Tlingit Indians who are not represented on television. It's up to the network executives to fit the Tlingit into the programming. First, work them into news and public affairs broadcasting. Then, if art imitates life, they'll show up in primetime. Suddenly, as I'm watching *Doogie Howser*, a Tlingit doctor appears. I'm entertained, and I learn something new about the people who inhabit this country.

You may not want to admit it, but for many Americans, television is a continuing education program. Lies, inaccuracies and omissions presented on television become imbedded in the public mind as easily as the hip catchphrases from *Saturday Night Live*. Smarter television makes smarter citizens.

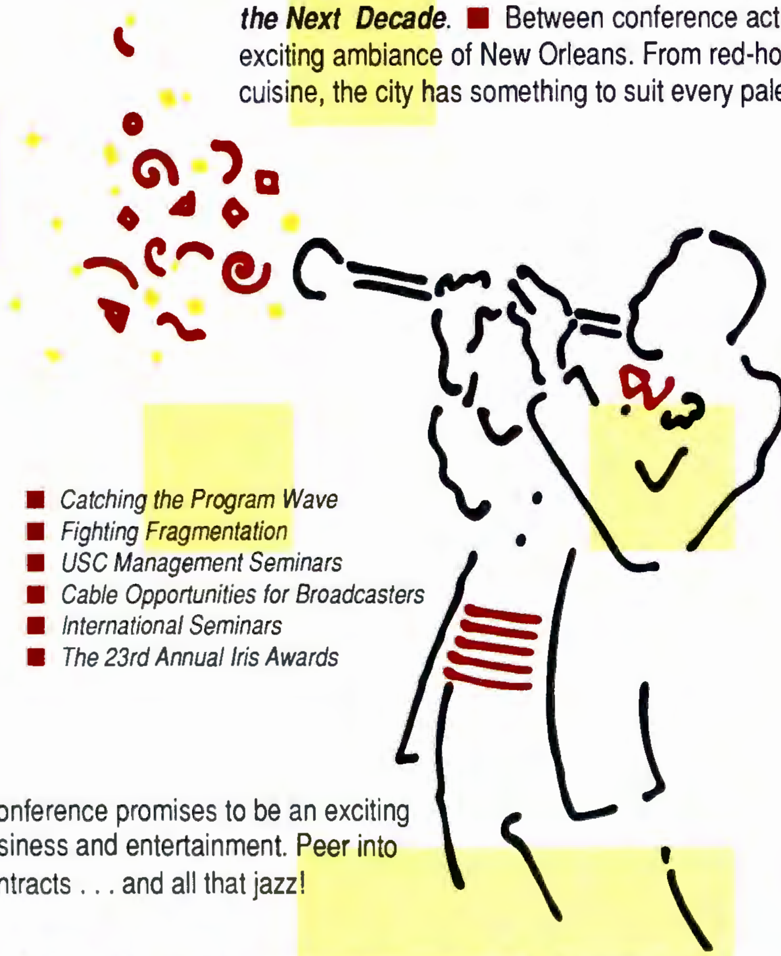
CARMEN HUDSON
Minority viewer
Chicago

Staff shift

My thanks for including KYTV in your October 2 article on the sharing of news resources. I felt it was an interesting and accurate overview of the many partnerships that exist in the industry today.

I did, however, want to point out one thing: KYTV has a staff of 30 while our partner, KTTS Radio, employs eight. It was stated in the reverse in your article.

MARCI BURDICK
News director
KYTV(TV) Springfield, Mo.



Media execs suggest ways to better educate future journalism students

At a recent Gannett Center for Media Studies panel before its Leadership Institute for journalism educators at New York's Columbia University, the topic of discussion was "How is journalism education doing in preparing or failing to prepare students to be journalists?"

The responses from the three media panelists seemed to say: It could do better.

Johnathan Rodgers, vice president, general manager, WBBM-TV Chicago, complained that "a number of the better journalism schools tend to emphasize print to the detriment of television, and the way this comes out in the student's mind is if you work in print, you're doing God's work; if you work in television, you're sort of serving yourself."

Johnathan Rodgers

Another problem, he feels, is that journalism students from some of the finer universities "tend to know very little about how a newsroom operates, how we gather news, how we deliver news." It takes so long to get these students up to speed that "we would almost rather hire someone who had five or 10 years of working experience than someone who had a masters or a Ph.D."

Rodgers also cited the importance of performance skills for on-air reporters. The lack of such skills "can stop a brilliant person from performing their duty."

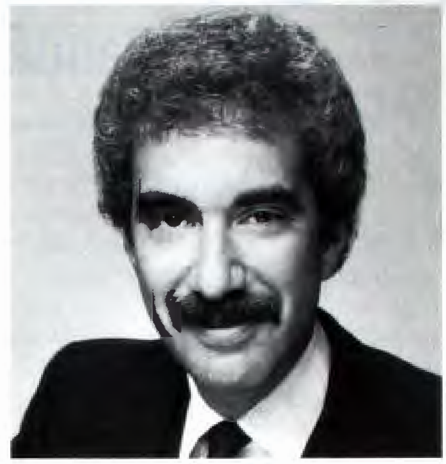
On the other hand, specialists such as health reporters "don't have to have great performance skills," he conceded, because they have a lot of information to impart and "media audiences will accept that. We will not, however, accept that from a general assignment reporter."

Dismal business reporting. One specialty that could use improvement at the academic level, in Rodgers' view, is business reporting. "I think we do a worse job at covering business than we do covering any other subject. For people in the television business who make a lot of money, they are generally speaking very critical of business in the U.S.. . . I think it's imperative that you and we teach them enough so they understand why business people do what they do and how business works. We all need to be reeducated not only about business but also about ethics, the law, policy. It should be almost a requirement that [people] take this midcareer education to make themselves a better manager."

Rodgers added, "I almost think it should be a requirement that any person who wants to be a working journalist be required to be involved in work/study before graduation."

Alan Wurtzel, senior vice president, marketing and research services at Capital Cities/ABC, suggested that schools "set up a situation whereby the faculty members would be rewarded in some way for professional training [of students] that was relevant and appropriate, just as they would be rewarded for two articles and a chapter or three convention papers a year. . . Unless you start with the faculty. . . there's really nowhere to go."

Dismissing the concept of student internships, Wurtzel stated that "from an industry standpoint," they are "rarely" set up to provide "meaningful experience."



Alan Wurtzel

Visnews about to share Moscow 'super bureau'

Visnews Ltd., the London-based TV news agency, has named Ralph Nicholson as chief of its new Moscow bureau, due to be fully operational by year's end.

Nicholson, who had been the global news agency's Washington bureau chief, will be based in a "super bureau," according to Stephen Claypole, Visnews' head of news, as Visnews will be sharing space and resources there with NBC and the BBC. Visnews is owned by Reuters Holdings plc, the BBC and, since earlier this year, NBC.

The Moscow bureau may serve as a model for future cooperation in the agency's other news gathering cities, says Claypole. This operation marks the first time the partners have embarked on a deliberate policy decision to pool resources, share satellite uplinks and the like, he adds. "With TV industry cost pressures running well ahead of inflation rates," he says, "it is a sensible way to go."

Thanks to Soviet leader Mikhail Gorbachev's policy of *glasnost*, or openness, Claypole adds, "We hope to take advantage of increasing freedom of movement to cover events all over the U.S.S.R."

Visnews provides news and news feature coverage to 450 subscribers in 84 countries.

TV critics group blasts tabloid news, simulations

TV critics are "vehemently" opposed to the industry trends toward simulation and tabloid journalism, according to a survey of the Television Critics Assn. conducted by John Adams Associates.

The Washington-based Adams public affairs consultancy found 95% of the critics highly critical of the growing use of event re-creation in TV network newscasts and news magazines. As for the increase in tabloid journalism, primarily in syndicated series, 75% of the TCA respondents came out against that approach; 20% "approved not of the format but believed that it is a marketplace decision," Adams noted.

Strong words. Quoted anonymously, some critics blasted news simulation as "dishonest" and "misleading," with one calling Connie Chung's usage on her new CBS magazine "a travesty" and another citing *Yesterday, Today and Tomorrow*'s usage on NBC "an embarrassment." Another said ABC's re-creation of an alleged spying exchange by diplomat Felix Block was "trial by media."

Among other results in Adams' TCA survey:

■ 42.5% approved of boycott campaigns in principle, while 57.5% opposed boycotts of advertisers supporting programs deemed offensive by some special-interest group as a form of censorship limiting others' freedom of choice.

■ 12.5% approved of Whittle Communications' plan to give free TV equipment to schools willing to show its ad-supported newscasts for students, whereas 85% adamantly opposed bringing commercials into the classroom. One critic cited CNN's commercial-free newscast as a better alternative.

■ 93% favored telephone companies being allowed to bring TV signals into the home, while 5% opposed such competition with the cable industry.

CBS had most—and most critical—China coverage

CBS televised about 90 minutes more coverage on the crisis in China last spring than its U.S. TV network rivals. According to a study by the Washington-based Center for Media and Public Affairs, CBS' coverage of the student uprising also was the most critical, while ABC's was the least.

All told, the Big 3 networks broadcast 557 China stories on their evening newscasts in the period from Jan. 1 through June 30. CBS ran six hours, 45 minutes on China, 20 minutes more than NBC. ABC, the only network without an on-site anchor, ran five hours, 16 minutes of China coverage.

The Center observes, "China got more TV news coverage during the month following [Russian leader Mikhail] Gorbachev's visit than during the entire decade after the 1972 thaw in China-U.S. relations."

Reflections on AIDS' chilling effects on pop culture, individual freedoms

Shattered Mirrors, a new book by a law school dean, is a probing analysis of potential limits on individual freedoms and the popular culture due to the AIDS crisis.

The book, by Monroe E. Price, dean of the Benjamin N. Cardozo School of Law at Yeshiva University, one of the largest law schools in the U.S., is published by Harvard University Press ($19.95).

Price, who calls the pop culture "a looking glass of sorts," states, "As AIDS shatters, one by one, the cultural mirrors that have defined our relationships and ourselves since the 1960s, this epidemic may force us, finally, to reconsider what we mean by identity and community in a democracy under siege."

"Unrestrained" lovemaking had been prevalent in the entertainment field since the permissive 1960s, "permeating music, television, advertising, motion pictures, theater and literature," he says. Now, Price points out, concern over the spread of AIDS is changing that, both by voluntary action and by "subtle pressures" of government and public opinion. "Already," he notes, "motion picture scripts are being censored more stringently by stations. Television pilots that would have been selected are now being rejected, and the images that have come to dominate advertising are changing as well."

Rock Hudson's death *forced the news media to give AIDS coverage a higher profile.*

The gatekeepers react. Those who are "the gatekeepers and image makers of the culture," Price explains, "have become increasingly conscious of the fact that a change must come" and that they "must act to benefit the public health effort." Although it is "too early to determine how extensive and how rapid these changes will be," Price says these people realize they cannot continue the "older, freer ways," at least in "casual attitudes toward personal relations."

In the movie field, where a longtime youth orientation had touted permissive drug and sexual behavior, Price cites *Working Girl*, *Broadcast News* and the latest two James Bond films as examples in which "the theme that casual sex is the norm...seems to be declining." In the newest Bond movie, *License to Kill*, 007 romances just one woman, he notes.

In the record business, too, there has been a change. MTV, for instance, barred George Michael's *I Want Your Sex* video until the visuals "made monogamy a clearer context for the lyrics," the author adds. Despite criticism from various quarters about the racier primetime network TV fare last season, Price does not dwell much on TV programming, which he feels "has not been an engine for the assertion of individual freedom, as celebrated by sexual autonomy."

Changing perceptions. Author Price takes the news media somewhat to task. Initially, AIDS was perceived as "the gay plague," then as "a disease that preoccupies us all," in part because it is beginning to have an impact on jobs, housing, the criminal justice system, hospitalization, insurance and more. The death of actor Rock Hudson in particular forced the TV news media to cover the disease more prominently, he says.

Even when NBC News ran the Connie Chung-anchored *Scared Sexless* documentary, on AIDS' impact on heterosexual singles, he says, the affiliates carrying that documentary "did not as a matter of policy broadcast advertisements for condoms"—and yet did show a spot for the film *An Officer and a Gentleman* featuring a couple in the throes of passion.

Now, however, AIDS is "becoming more and more a plague of the urban poor... As the fear recedes [among the general public], the pressure for public education is likely to diminish as well." So will the urgency for the news media, including television, to cover the story, he fears.

The AIDS epidemic, Price maintains, challenges some longheld ideas about individual autonomy, freedom of expression and fairness. He sees some barriers between government and media eroding as a result, as the barriers of class, race and lifestyle widen.

Pioneer award

The Broadcast Pioneers honor Christina Dorris, c., with a distinguished service plaque recognizing her 50 years of continuous service to KTSM AM-FM-TV El Paso. The presentation was part of the 60th anniversary celebration for KTSM radio. Participating are, l., John Phelan, v.p., g.s.m. with the broadcast group, with 43 years of service, and Karl O. Wyler, Sr., owner, pres. and g.m. of the three stations. Wyler signed KTSM on the air 60 years ago as an announcer and salesman.

TV Business Barometer

Spot rose 4.6% in September

National/regional spot TV business picked up a little percentagewise in September, compared with the previous year. Dollarwise, the pickup was actually substantial if the comparison is made with the month before, but that's mostly for seasonal reasons.

The September-to-September percentage increase was 4.6, which, believe it or not, was the biggest such rise in '89 to date. It was more than five points bigger than the month before, which was down 0.9%. The biggest previous percentage increase in '89 was in May, when year-to-year spot billings rose 3.8%.

The Standard Broadcast Month (SBM) was not a factor, since September of '88 and '89 were both four weeks. The '89 SBM ended on the 24th, while the '88 SBM ended on the 25th. However, as noted frequently in past *Barometer* reports, most stations respond on a calendar month basis.

Spot billings in September came to $583.0 million, compared with $557.4 million for September of '88. The latest September figure was the third biggest spot month to date, topped only by April and May, which accounted for $627.6 million and $617.4 million, respectively. August volume for spot amounted to a modest $448.0 million.

The smaller-station category, consisting of many independents, was the best performing bracket of the three broken out by *TV Business Barometer*, with an increase of 19.2% in September. The middle bracket was essentially flat, while the bigger stations were about par, up 4.4%.

Third quarter spot billings were up 2.0%, somewhere between the first and second quarters. Volume amounted to $1,557.8 million, compared with $1,527.0 million in '88.

For the nine months, spot billings totaled $4,572.7 million, up 2.2%. Last year's first nine months came to $4,472.8 million.

How does the last quarter look? To Petry, for one, it looks promising. In the Petry newsletter, *Spot TV Preview*, Teddy Reynolds, vice president and director of research, reports, as of early October, that the month is pacing well ahead of a year ago.

Auto spending big

Single biggest contributor to spot growth is auto advertising, Reynolds reports. She also says that "it appears that national spot TV is benefitting from the hot upfront season."

Reynolds, employing historical *TV Business Barometer* data, analyzed spot trends by quarter in the same issue of the newsletter. Noting that TV/RADIO AGE found, in an analysis a decade ago, that the first quarter had lost share of business to the other quarters, she looked into current trends as profiled by Barometer data. She found that the big gainer was the third quarter and the big loser the fourth quarter in comparing 1974–78 with 1984–88.

September

Network (millions $)

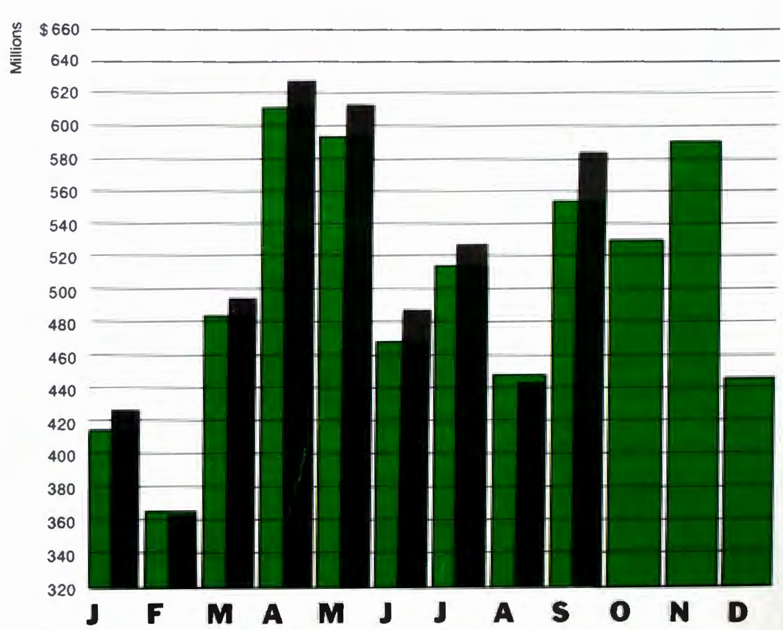
National spot +4.6%

(millions)

1988: $557.4 **1989: $583.0**

Changes by annual station revenue

Under $7 million	+19.2%
$7–15 million	+0.02%
$15 million up	+4.4%



International Report

U.S. overseas investment heats up in face of quotas; Warner/Initial deal one example

While Europeans may disagree on the desirability of U.S. investment in overseas companies, there is a definite consensus on both sides of the Atlantic that an American attempt at economic colonization of Europe is about to begin in earnest. "It's important for the U.S. to find European alliances," points out Thames Television (U.K.) International sales director, Roger Miron, adding that investment is accelerating quite quickly. Miron is not among those who think it's a good idea. "It ultimately will give us bigger problems," he says, explaining, "It's a subtle way of bypassing quotas, increasing programming hours to the detriment of other foreign companies and the smaller domestic producers."

Miron's comments came after MIPCOM announcements by Warner Bros. and Capital Cities/ABC Video Enterprises, Inc. of major new overseas investments. Warner will share equally with Svensk Filmindustri and Tidnings AB Marieberg in a Swedish cable system which the group expects to be in operation by the end of the year. It is Warner's first pay-TV investment outside the U.S.

Entering Spain. Capital Cities/ABC Video has reached an agreement in principal to acquire a minority interest in Spanish film and TV production company, Tesauro, S.A. The American company already has an interest in the Munich-based production and distribution company, Tele-Munchen, and the U.K. based satellite sports channel, Screensport.

ABC distribution company president John Healy emphasizes that ABC does not want to dominate the companies in which it is involved. "We want to provide support to strong local management," he says. For his part, optimistic Tesauro president Herve Hachuel is convinced that ABC's involvement would give his company the opportunity to produce shows truly intended for international marketplace. "There is no American market," he notes, "no European market, just a global market. We hope our association with ABC will help serve every country on the planet."

Both Healy and Warner Bros. International president Michael J. Solomon make it clear they intend to continue looking for additional investment opportunities throughout Europe. They are not alone among the Americans. Even MCA International president Colin Davis, who generally has eschewed foreign involvement in the past, says that MCA now is considering a longterm strategy which is likely to include some form of European partnerships.

Michael Jay Solomon

Solomon was in the vanguard of those Americans buying into Europe. Approximately 10 years ago Solomon met Frenchman Jean Cazès, then a recent UCLA graduate working for Antenne 2. Although Cazès says they talked about a number of prospective projects during the TV market where they met, nothing came of any of them. Cazès eventually left Antenne 2 to work in government with Jack Lang, now French minister of culture and one of the country's leading advocates of quotas. Cazès and Solomon do not agree on that issue.

Cazès recalls that Solomon and his then Telepictures partner, Michael Garin, first broached the idea of investment during a Paris dinner in 1983. Cazès, however, spent another year in government before deciding to form his own production company.

It then took another year, recounts Cazès, to get all the financing in place. The Michaels initially were reluctant to commit the money he felt he needed, says Cazès, but eventually agreed. As a result, Warner has inherited a 20% share of Cazès' Initial Group; Cazès retains a 44% holding.

Although there are a number of peculiarly French reasons why the group does not make any substantial profit, Cazès states that the company has grown close to being a real success story, with sales this year expected to top $25 million (U.S.). While Solomon and Cazès may differ slightly on the question of exactly how much the Americans get involved in the group's day-to-day business, with Cazès insisting, "I'm a very autonomous kind of guy," it is, nonetheless, perfectly clear that Cazès keeps Warner fully informed of his activities and has in the past looked to Solomon for advice.

At one point, however, he says, the American owners rejected his bid to buy back their shares. Now, he comments, he has no further desire to do that, adding he values the Warner image, and before that Telepictures and Lorimar, but believes image is a two-way street. They gain from Initial's image as well, he comments, noting he has been able to introduce his U.S. partners to people they might not have so easily met.

Dreamers warned. As might be expected, Cazès advocates American investment in European companies, but he advises the Europeans not to dream too much about getting their programs into the U.S. market as a result of the partnership. Cazès says the American participation hasn't prompted any coproductions yet, although he believes that may be changing. Of greater disappointment, however, he says, has been his inability to get his internationally successful animated series, *Smoggies*, into the U.S.

Frank Agrama on partnerships: hard to live with or without them

"Most deals are cancelled because of greed and ego," says Harmony Gold president and CEO Frank Agrama. The extent of Agrama's disappointment in being forced to find additional partners to help finance his planned four-hour miniseries about the Paris-to-Dakar auto race is difficult to ascertain.

Frank Agrama

He insists he is not unhappy about it, adding he is being supported by friends whom, he says, have neither greed nor ego.

The $8 million program, which everyone involved in seems to wish can be done for less, has been on the drawing board for some time. Now King World and Taurus Film have joined the original coproducers, Harmony Gold and Silvio Berlusconi Communications, to ensure that it is made.

Getting clearance. While Harmony Gold will retain most international distribution rights, King World will syndicate the miniseries throughout the U.S. "While we can clear 100 stations," explains Agrama, "King World can clear 240." Indeed, adds, King World Productions CEO Stephen W. Palley, as if there was a need for any testimonial to the credentials of the U.S.' most successful syndicator, "When our salesmen call, people listen." This miniseries, however, King World International president, Fred Cohen, reminded his MIPCOM audience, is the organization's first international coproduction adding he expects this one, *Paris/Dakar: A Great Adventure*, to be the first of many.

The story itself will detail the gruelling ordeal of participants in the 8,000-mile annual race between the two cities which begins on New Year's Day. The final product will include actual footage of the race.

During the past several years in a quest to broaden its catalog, Harmony Gold became involved in a series of costly international coproductions with the Berlusconi group and others. Although critical acclaim has varied for the final productions, which have included *Around the World in 80 Days*, *Confessional* and *The Man Who Stayed at the Ritz*, in general the programs have suffered from a lack of U.S. exposure.

Realistically, Agrama, admits he requires assistance in that area, hence his turning to King World. "We are just a small company," he acknowledges, faced with the prospect of curtailing its activities if he did not find a partner with more clout in the U.S.

MIPCOM gate increases 15.5%

MIDEM Organization, Paris, reports that 6,151 participants—including 1,046 program buyers—attended MIPCOM '89 in Cannes Oct. 12–16. That was 15.5% ahead of the year-ago 5,302.

Buyers, sellers and journalists came from 78 countries for the annual international marketplace, according to Xavier Roy, president/director general of MIDEM. There were 675 exhibitors, he added.

The three countries most heavily represented at the market, based on the number of people attending, were France, 322; the United Kingdom, 300; and the U.S., 266. Of those, France rose the most from last fall, up 16.7%.

Rounding out the top 10 in attendance were: West Germany, 85; Canada, 74; Italy, The Netherlands, Spain, Japan and Australia. The sharpest increases over last October were posted by Spain, up 52.7%; Canada, up 51%; The Netherlands, West Germany, Australia and Japan, respectively.

ASTRA now breaking even

The direct broadcast satellite, ASTRA is breaking even after only seven months, according to Marcus Bickness, commercial director of owner SES. Bicknell made his comments during a briefing in which he announced the December 7 inauguration of Channel e designed as an educational and training channel.

He also revealed that he anticipated future ASTRA satellite, post ASTRA 1B, scheduled for launch late next year, perhaps the third or fourth ASTRA satellite, would carry some programs in HDTV.

Dish sales have materially increased during the past several months primarily due to the large advertising campaign and easy payment plan launched by Sky. While the other channels on the bird have received the benefit of the campaign without investing in it, a spokeman for one of their number was quick to point out that a prospective dish purchaser considered the whole ASTRA lineup before making a decision.

Retailers. Although there has been some concern among the traditional British retailers about the Sky campaign, which seems to have resulted in their being somewhat left out of sales, SES marketing director, Carlos Rock claims the organization is investing money in trying to increase dish sales through the retailers. He says it is holding regular monthly meetings with them for that purpose.

Rock also confirms the insistence by executives of ASTRA's DBS competitor, British Satellite Broadcasting, that it will go it alone by reporting there has not been any contact between the two groups. A number of experts have called for Sky and BSB to share satellites, believing firmly that only one of the two can survive independently. Separate dishes are needed to receive ASTRA and the BSB satellites. BSB was to be launched this fall, but lack of its dishes has forced it to postpone its debut until next spring.

Radio Report

Interep survey gives reps sales direction

One more survey, this one for Interep Radio Store, confirms results of the recent survey for the Station Representatives Assn. that found that many company advertising executives do not find radio exciting and that client top-of-mind awareness of radio is low (TV/RADIO AGE, Oct. 16).

The new Interep survey was conducted by Information Resources Inc. to look into ad agency opinion of radio. IRI also found indifference to radio: "a perception of an unexciting medium" among clients that often keeps radio out of the media mix "because agencies tend to follow the path of least resistance" and don't fight too hard to try to convince clients of radio's value.

The survey also found that many agency people consider newspapers more flexible than radio and magazines and cable television more targetable.

At this point, Interep Radio Store executives admit that radio broadcasters and reps up to this point haven't done too well in marketing such inherent radio strengths as flexibility and targetability. As a result they've resolved, among other things, that each of their radio rep companies will penetrate agencies "at all levels, from planners and buyers to creative and financial" and work to increase radio's inclusion in the media mix and to "focus customer attention on radio as the most targetable and flexible medium." They also say their rep companies will design demographic networks tailored to their advertisers' heavy using customers and build "complete customized advertising packages suited to our customers' needs."

Dorton's back in business—radio, this time with BRN

Joe Dorton, former president of Financial Broadcasting Network, which he left in July, has surfaced at rival Business Radio Network as vice president, special projects. BRN president Lou Mellini says this is a new post at his network, in which Dorton will be in charge of managing new business development and network syndication and also be involved in affiliate and advertising sales. Additionally, BRN has acquired two more things from FBN besides Dorton: affiliates WWII Harrisburg, Pa. and WNBR (formerly WAKS) Raleigh-Durham, N.C. That brings BRN's affiliate list to 45, with 12 of these stations in the top 20 markets.


Joe Dorton

Prior to his presidency of FBN, Dorton had been president of Torbet Radio, president of Gannett's Radio Division and president and CEO of Dorton Broadcasting, Inc. He has also served as chairman of the National Assn. of Broadcasters' Major Market Committee and currently serves on the executive committee and board of directors of the Radio Advertising Bureau, a post he's held since 1979.

RAB combines field force ad sales, station duties

The Radio Advertising Bureau plans to get more mileage out of its existing manpower by combining its sales staffs responsible for solicitation of new member stations and advertisers. RAB president Warren Potash says the combination of the Bureau's national sales staff and its regional directors "will give us more fire power in terms of increasing membership and developing advertising revenue for our member stations."

Potash explains that under the RAB's present structure, three national salespeople staff offices in Los Angeles, Detroit and Chicago, but their only responsibility to date has been to attract new national advertisers to radio. Meanwhile, regional RAB offices in Dallas, Atlanta and Cincinnati have been charged only with solicitation and maintenance of member stations, with little involvement on the client side. Now things will be different.

All RAB's field people will have similar responsibilities, and Potash says the restructuring "will now give us seven people in the field, in addition to our growing marketing staff in New York. Nationally, we will now be able to call on more potential clients, since our staff will be larger and more evenly distributed geographically. I see added emphasis on regional and local advertisers who can help radio stations become more profitable and who can benefit the radio business as a whole."

Recommendation for the realignment of field force responsibilities was made to the RAB's National Sales and Marketing Committee, chaired by Herb McCord, group vice president/radio at Greater Media Inc., and was approved by the Bureau's board of directors at its recent meeting in Napa, Calif.

WCCO sports web changes name, adds programming

Midwest Radio Networks, formerly known as the WCCO Radio Sports Network, says the planned Dec. 1 launch of its *Midwest Radio Sports*, a programming package for stations throughout the upper Midwest, marks its first foray into radio networking of non-play-by-play programming, an area it plans to expand.

The network already distributes play-by-play coverage of the Minnesota Vikings, the Minnesota North Stars and University of Minnesota football to the region's radio stations. And starting with the 1991 season, Midwest will also be exclusive regional radio distributor of Minnesota Twins baseball games.

Sports network coordinator Joe Skladany says the WCCO Minneapolis-St. Paul radio sales staff handles the network's sales for the in-game, pre-game and post-game show commercials. Advertisers for the network's recent and current play-by-play coverage have included City Bank's NFL City Cards, Stringer Business Systems, Big A Auto Stores, Snapper lawn mowers, Goodyear Tires, Honda, Farmers Insurance, NAPA Auto Parts and Tortino's Pizza.

Also, Anheuser-Busch, True Value Hardware Stores, Crown Auto, America West Airlines, Marquette Bank, Moosehead Beer, Eastman Kodak, Valvoline Motor Oil and Viking Chevrolet.

But there's more. Also on the drawing board, says Dave Jarzyna, director, Midwest Radio Networks, is a regional sports-talk call-in show. He adds, "We intend to become a complete full-service regional radio network and programming service. *Midwest Radio Sports* is our starting point, with the Upper Midwest's best known sports broadcasters, like Sid Hartman, Mark Rosen, Eric Eskola, Dave Mona, Steve Cannon and John Gordon."

Midwest Radio Networks is a unit of Midwest Communications, Inc., parent company of WCCO/ WLTE(FM) and WCCO-TV.

American Network Group adds college games

Besides extending its contracts for exclusive radio broadcast rights for Vanderbilt and University of South Carolina football and basketball games, Nashville-based American Network Group, Inc. has also acquired radio broadcast rights to University of Alabama and University of Georgia football and basketball for the 1989–90 sports season. ANG board chairman John J. Casey says acquisition of the broadcast rights for the Georgia and Alabama games from New York-based Richard T. Frick, Inc. "should generate approximately $1.2 million to $1.4 million in revenues during our first year—enough to substantially offset the revenue loss our company experienced from the loss of our exclusive rights contract with the University of Kentucky."

Advertisers in last year's University of South Carolina and Kentucky games included Anheuser-Busch, Ford, Delta Airlines, Pepsi-Cola and State Farm Insurance. Tom Stevens, ANG vice president, operations, says it's likely that the first advertisers approached to renew for upcoming University of Alabama and Georgia games "would be those sponsors who have traditionally supported Alabama and Georgia teams." And Casey adds that ANG will continue to "progressively pursue acquisition of other university sports contracts."

Third quarter web sales

The two United Stations networks were up 42.5% in estimated revenues for the third quarter, a la BAR reports, while the Transtar web rose 31.0%. Other major increases were scored by the NBC networks, up 27.5%, and the seven ABC chains, up 15.2%. The Mutual network was off 7.1% for the quarter, while the two CBS networks were doen 1.8%. Revenues for the Satellite Music Network were flat.

Total revenues estimated by BAR for the above networks during the July–September period were $182.7 million, up 11.6%. This compares to the Radio Network Assn. figures for the quarter of $106.7 million, up 9.5% (see *Radio Business Barometer*). BAR figures, based on monitoring of commercials, a estimated according to rates supplied by the networks themselves.

Shares of the third quarter ad pie, according to BAR: ABC, 34.5; SMN, 3.3; CBS, 19.2; US, 10.6; Transtar, 7.0; MBS, 14.2; NBC, 11.2.

Three top 10s in August web list were zip in '88

Three of the top 10 in parent company spending on network radio in August did not spend a dime on network radio the previous August, according to BAR estimates. However, all three had been variously active during the preceding 88 months.

Motel 6, ranked third in spending during August, was up from $7.8 to $12.9 million for the year to date. Chrysler, which did not spend any money on network radio during the third quarter of '88, was up from $8.0 to $9.0 million through August.

Biggest jump of the trio was scored by Volkswagen, which zoomed from $1.7 to $25.5 million through August, ranking second to Sears for the eight months. The two auto makers replaced General Motors and Ford, which ranked in the top 10 in August '88. GM (not shown) ranked third in web radio spending for the year to date with $23.0 million. But August spending for GM was down from $6.3 million last year to $0.7 million in '89.

Top 10 web clients—August

Parent company	August expenditures	Year-to-date expenditures
Sears Roebuck	$6,128,985	$42,467,935
Procter & Gamble	2,532,540	15,226,670
Motel 6	2,258,920	12,865,440
Chrysler Corp.	2,253,700	9,049,820
K mart	2,213,325	8,147,275
Warner-Lambert	1,886,210	10,177,565
General Mills	1,733,610	3,803,925
Data Analysis	1,154,850	2,500,322
Volkswagenwerk	1,467,350	25,490,125
Nat'l Livestock & Meat Bd.	1,448,395	14,330,815

Source: BAR. Copyright 1989 Arbitron

Radio Business Barometer

September web billings up 15.5%

Network radio got back to its double digit ways in September, though the webs weren't really complaining about the two previous months of the summer quarter. Still, it was nice for the networks to find September turning into the sixth month this year to date with a double digit sales increase over the year before. January, July and August sported single digits.

However, the third quarter percentage increase was still a little below that of the two previous quarters. And the New York sales territory continued to flash minus signs in September, a repetition of declines in July and August. Some of the decline in New York-placed business is presumably due to the shift of Ogilvy & Mather web radio purchases from New York to Chicago. O&M handles Sears, which, according to BAR, spent $49.5 million on network radio for the first nine months of the year—a figure which may be inflated by BAR's data-gathering technique, though there is no doubt that Sears is the No. 1 network radio spender.

To get down to business: The Radio Network Assn. reports that the revenue of its members was up 15.5% during September. The September volume came to $36,144,120 vs. $31,298,000 during the same month a year ago. The latest percentage increase compares to 6.2% in July and 7.2% in August.

The third quarter showed an increase of 9.5% with total volume about equal to the second quarter. Billings for the July–September period amounted to $106,747,102, in comparison with the year-before figure of $97,499,658.

Second quarter billings totaled $106,936,637, while the first quarter came to $90,632,235.

New York's decline in September was smaller than that of August, but the direction was clear. The drop amounted to 9.1% with revenues of $17,085,475. Last year's September figure was $18,794,607.

This past September made third quarter monthly declines unanimous for the New York sales territory—August being down 21.5% and July down 7.3%. For the quarter, the decline amounted to 12.8%, with billings of $52,180,926 vs. $59,810,953 the year before.

Chicago's gain—some of it at the expense of New York—in September was the best of all four sales territories. The increase amounted to 66.0%, and the revenues hit $13,438,783 in comparison with $8,096,197 for September '88.

Chicago billings

The third quarter got better and better for Chicago. July registered a rise of 26.2% and August a lift of 57.2%. The quarter averaged out to a rise of 48.7%, climbing from $24,244,260 in '88 to $36,053,270 this year.

After a smashing August—up 160.9%—Detroit scored a 32.9% increase in September. Billings were $2,656,602, while the quarter was up 52.6% to $9,609,656.

The Los Angeles increase was "only" 23.0% in September, with billings of $2,963,260. For the third quarter, L.A. was up 24.6% to $8,903,250.

Total network billings for nine months now stand at $304,315,974, up 11.2%.

September

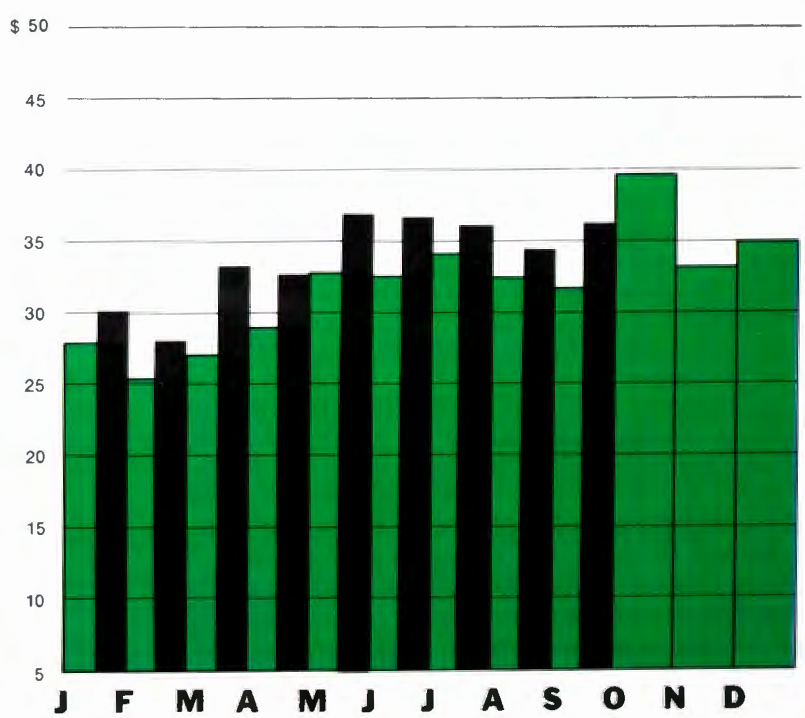
Network **+15.5%**

(millions) **1988: $31.3** **1989: $36.1**

Changes by territories

Territory	Billings (000)	% chg. '89–'88
New York	$17,085,475	−9.1%
Chicago	13,438,783	+66.0
Detroit	2,656,602	+32.9
Los Angeles	2,963,260	+23.0

Source: Radio Network Association



Television/Radio Age
October 30, 1989

ROAD TO NATPE—I

A softer, gentler show wins out; block programming blocks others

Stations rebounding in battle for share of children's viewing

For syndicators, the kids' field is seen as being dominated mainly by Disney and Warner Bros. blocks

By ROBERT SOBEL

If this season so far is a harbinger of things to come, stations carrying syndicated kids' programming, the staple of indies in the daytime, are off on a magic carpet ride that may last a number of years.

According to the initial month or so of overnight reports from rating services, almost all of the new children's entries introduced the past fall are much healthier as a whole than most of their very ill predecessors. In short, while it's still too early to get kids' demo results, kids appears to be coming back to broadcast TV after what has been virtually a disappearing act, due partly to VCRs and cable.

Just what has revitalized viewership centers mostly, according to the consensus, on the higher quality of animation, softer and gentler storylines and characters that kids can identify with, vs. the high-tech, toy-driven sameness that had dominated kids' programming for several years.

But while serenity rules over the kids' creative land, both stations and syndicators are probably going through some sleepless nights worrying about the 1990 season and possibly beyond. For stations, the major problem will be how and when to fit their kids' programming commitments into a kids' time schedule narrowed by an un-

"Disney's Adventures of the Gummi Bears"

Some see station group competing against station group on the basis of Disney or Warner alignments.

"Merry Melodies"

usually large number of expected successful returnees and by a limited amount of product from fewer suppliers.

Battle of the giants

For syndicators, the kids' field is seen as being dominated mainly by Disney (Buena Vista) and Warner Bros. blocks, with only a few other active suppliers in the children's game. Actually, blockbuster is expected to meet blockbuster next fall as both Disney and Warner Bros. square off with children's shows aimed to knock each other's block off for the prized afternoon time period.

When it comes to what kids' programs will be bought at the upcoming NATPE International convention, to be held in New Orleans, activity may lag for 1990 buying, mostly because the block shows and the program due from the Fox Broadcasting co-op, the Kid's Network, have already gotten large clearances, leaving very little shopping to do.

DuckTales and *Chip 'n' Dale's Rescue Rangers*, comprising this year's Disney block, will be supplemented next year with *Tale Spin* and *Gummi Bears*, the latter airing on NBC at present. The WB one-hour block comprises *Tiny Toon Adventures* and *Merry Melodies Starring Bugs Bunny*. The latter is a compilation of popular oldie cartoons.

The Fox Kid's Network program, still not fixed, is expected to be announced soon as the opening half-hour salvo for a kids' block of the future.

In the 1990 fray, too, are new episodes of Claster Television's *G.I. Joe* and a new, toned-down, mellower *He-Man*, being called *The New Adventures of He-Man*, syndicated by LBS Communications. Worldvision Enterprises is said to be coming out with a new Hanna-Barbera cartoon, tentatively called *Wake, Rattle and Roll*, wisely being targeted toward the morning time period, apparently so as not to compete in the afternoon with the big boys.

Other series rumored to be considered for an 1990 syndicated entry include DIC's *King Koopa's Kool Kartoons*, at present on KTTV(TV) Los Angeles, Saban Enterprises *Kissyfur*, and *The Super Mario Brothers Super Show* from Viacom may be expanded to one hour, either beginning in January or fall 1990.

The rebound in kids' programs is almost without exception. Initial reports show that the new series such as *Mario Brothers*, *Chip 'n' Dale's Rescue Rangers*, the second half of the Disney hour, *Teenage Mutant Ninja Turtles*, *Muppet Babies* and *Police Academy: The Series* are all performing above the November 1988 share levels, holding or improving the lead-in share on most stations.

Quality and softness

And almost without exception, the consensus from station and rep sources is that quality and a softer, gentler animation are the key reasons for the upswing. At Petry Television, Ron Martzolf, programming director, says the quality of animation and storylines are much superior to the kids' programs of as recent as a year ago, and that the sameness coming from toy-driven high-tech shows "that really promoted the toys has worn thin."

Paul Prange, program manager at WKBD-TV Detroit, says, "What I think we are seeing is a move back to more concern over the production quality of animation. We have seen over the past few years that you simply can't slap together some cels, put them in front of kids and have them accept them as cartoons. They are outgrowing bad animation. Good animation will win out over bad animation 99% of the time."

At KDNL-TV St. Louis, Tim West, station manager, concurs that the days of producers making "just any old cartoons" are over. "I think we have learned that our audiences—no matter how old or young they are—are pretty discerning and have good taste. A good cartoon will be watched, and a bad one—whether it's a bad story line or plot—will not be watched."

Caroline Chang, program manager at Fox Broadcasting affiliate KTVU-TV San Francisco, which airs kids' from 6–9 a.m. and from 3–5 p.m., believes that Disney has led the way to quality and softer animation. "Disney has made a big difference as indicated by the fact that the shows are doing quite well."

At WPIX(TV) New York, station that's in the Disney camp as part of the Tribune Broadcasting group, Michael Eigner, executive vice president and general manager, says that most of the new kids' series introduced are non-gimmicky. "The cream of the crop is surfacing. The more traditional things are coming to the surface, and that's what is working. New shows such as *Mario Brothers* and *Ninja Turtles* may not be traditional, but they are working because they are good shows and have better quality."

But while most of the new kids' programs are faring quite well, which in turn obviously means more advertiser revenues, the marketplace next year is expected to change from being program-driven to being block-driven, probably with station group competing against station group, particularly those aligned with Disney vs. those in the WB camp, with Fox stations allied with both in several instances.

The coming season, notes Martzolf, looks like a battle of the two giants. "*Bugs Bunny* has always been successful, and with the Disney product dominating with its hour this season, there will be a monumental battle between both studios, causing some potential headaches as far as station strategy and scheduling are concerned."

In some other cases, there may be some modified versions of the battle of the blocks. In New York, for example, it's probable that the Disney block will be carried by WPIX in the afternoon next fall. However, Eigner states that at this time the station is concentrating on its present kids' lineup and on keeping the programs working well.

WB/Fox Combo

On the WB side, only one of the programs, *Tiny Toon*, was bought by WNYW-TV, Fox station, and it's possible that the series may run in combination with whatever show that Fox's Kid's Network creates.

At WKBD, Prange, a Disney player with its *Chip 'n' Dale's Rescue Rangers* and *Duck Tales* this season, has a commitment to air next season's Disney entries as well. But WKBD also has bought only one of the two WB programs, *Toon*, which it expects to air next fall, says Prange. The other WB half-hour, *Merry Melodies*, went to an indie competitor.

Prange says *Tiny Toon* was bought at the past NATPE, prior to WB's plans to introduce an additional kids' program for next fall. Prange didn't buy *Melodies* basically because the stations a Fox affiliate and will air the Kid's Network show in 1990 as well: "Our kids' fall lineup now is all set for next fall."

Of course, in several instances, stations have bought both the Disney and WB blocks, setting up an even tighter squeeze for kids' time slots. But some stations, it's understood, will run one of the four Disney shows in the morning, probably *Gummi Bears*, although Buena Vista's pitch was for the two-hour block. "Stations have options to do that, says Petry's Martzolf, because of some past commitments.

KTVU-TV, Fox San Francisco affiliate, is airing the Disney hour in the afternoon and has acquired the remaining hour, along with the WB half-hours, for next season. However, according to Chang, it will not necessarily run the Disney afternoon block, as part of its deal with Buena Vista. "When we made the deal it was made on the condition that we would not do the entire four half-hours in the afternoon. Then we committed to *Tiny Toon*. We also have *Merry Melodies*, which we can run in the morning."

The only thing that will be in question at this point is Fox—when and if they get a show and when we will play it." Chang says that overall initial plans call for a Disney 90-minute block, to be followed by either the Fox half-hour or *Tiny Toon*, in the afternoon beginning next fall. Another possibility is that the station will expand its afternoon kids' block, but "we haven't gotten to that point as yet," says Chang, to accommodate all the new programs.

In St. Louis, only one of the Warner Bros. programs has been

First-run, half-hour—children's (animated—for September 1990)

Program	Distrib.	Episodes	Runs	Terms	Comments
Disney Afternoon-B	Buena Vista	65	8	B(3/3)	Tale Spin/4th Qtr. B (2/4)
Disney Afternoon-C	Buena Vista	65	8	B(2+/3+)	Gummi Bears/4th Qtr. B (2/4)
Disney Afternoon-D	Buena Vista	95	8	B(2+/3+)	DuckTales/4th Qtr. B (2/4)
Disney Afternoon-A	Buena Vista	65	8	B(3/3)	Chip 'n Dale/4th Qtr. B (2/4)
G.I. Joe	Claster	106	2+	B(2+/3+)	2nd, 4th Qtr. B (2/4)/24 New Epis./1 yr.
Merry Melodies	Warner Bros.	65	8	B(2+/4)	2 yr. Deals
New Adven. of He-Man	Lexington	65	8	B(2+/3+)	All new episodes
Tiny Toon Adventures	Warner Bros.	65	8	B(3/3+)	Spielberg Prod.

Source: Petry Television. B = barter. C = cash. One + indicates barter spot. First number in terms column represents national minutes of commercial time, followed by local.

sold. KDNL has *Tiny Toon*, notes West, "and *Merry Melodies* has not yet been sold in this market, although we and our competitor are in negotiations for the license." KDNL will air *Toon* in an afternoon slot, notes West, which is probably one of the reasons the station got the show over KPLR. "We told them we would play it in the afternoon, whereas I believe KPLR was looking to run *Toon* in the morning because of its Disney Afternoon block."

Stations such as KBHK-TV, San Francisco indie, are staying out of the 1990 race when it comes to blocks, looking to compete with its new present crop if the numbers stay good and renewals follow. The station unveiled five new cartoon shows in the fall: *Muppet Babies, Maxie's World, Denver the Last Dinosaur, Police Academy: The Series* and *Teenage Mutant Ninja Turtles*, replacing "a variety of things" according to Tom Spitz, program manager. "We sort of started off with a clean slate. Several of our kids' programs expired such as *He-Man and Masters of the Universe* and *She-Ra: Princess of Power*, so we had room for new programs."

Just what impact the "block mentality" will have on stations is hard to say at this juncture, says WKBD's Prange. "Until all the blocks are in place, I can't be sure of the impact." But in the case of WKBD, Prange doesn't see an overbearing problem in scheduling the purchased kids' shows for next season. "In this market, the viewing patterns in the morning are as strong as they are in the afternoon." Therefore, the station doesn't necessarily have the puzzle of putting its program pieces into the most-desired syndicators' time slot from 3–5 p.m.

"I'm not sure that that's the direction syndicators should be taking. In many cases, the show's chances for being successful are more in the correct morning time period than in the afternoon. A kid is a kid, and as long as you are reaching the same number of them, the program can flourish."

Prange continues that he's "upfront" in negotiations with syndicators: "We have to do what's in the interest of both parties. Sometimes it means running the entire block. But all-in-all a lot of things have to be taken into consideration, which the syndicators may not realize. It's not simply clearing a block of programming."

KMSP-TV Minneapolis, a very heavy user of kids' programs, runs children's shows form 6–9:30 a.m. and in the fourth quarter from 2–5 p.m., trimming back the other quarters beginning in January. And Stu Swartz, general manager, station manager, believes the station will be able to accommodate the extra hour of Disney programming for the Disney Afternoon block.

"It's only one added hour, and there will be contracts that will be expiring as well," says Swartz. Swartz didn't say whether he'll run the complete Disney Afternoon next fall but adds the station "will be starting off that way. All I can say is that we have had tremendous success with Disney programming, and because of that we expect to be successful with their new programming."

He adds that for this season the station made several changes in kids' to make room for the new shows licensed such as *Turtles*, and *Chip 'n' Dale* to complement *Duck Tales* in the afternoon.

But in addition to moving or changing the programming schedule, stations carrying either the Disney or WB block, or both, in the afternoon will be facing a double barter load should they be forced to play off any of the shows in an early time period because of prior commitments or because the show, or shows, are performing poorly. Mitchell Praver, vice president, director of programming at Katz Continental, says these stations will have to make good on the barter minutes for the existing program and the same amount of barter time for the show that replaces it.

"Many stations in this case are not in the position of being able to carry a double barter load," says Praver. "Obviously, the demand for inventory is not as great in the early daytime as in the afternoon. It's in the afternoon that a problem is created because a station has to run the barter it originally contracted for in the afternoon. Even if the show would be moved into the morning, the barter spots would have to run, as would the barter spots of the show which replaced the afternoon one." □

"The Super Mario Bros. Super Show"

The Viacom show may be expanded to one hour, either beginning in January or fall 1990.

Cable: It's upfront that counts

Longterm commitments now well over half of web dollars

By EDMOND M. ROSENTHAL

An upfront market has fallen into place for the cable networks, with many agencies buying well over half of their cable inventory for the year on an upfront basis. Some may quarrel with the use of the term, "upfront," preferring to call it "multiquarter," but there's no disagreement that the longterm commitments are there.

If the market doesn't qualify for the "upfront" classification, it's because of the lack of the "feeding frenzy" that broadcast networks set into motion at a particular time of the year—this year in June. Some agencies made their cable upfront buys this season as early as May, while others waited well into October.

Some media buying executives believe the cable webs themselves have created this marketplace, but many others indicate that it's a matter of the best programs and highest rated networks no longer being available for those who wait to buy on a scatter basis. For example, Judy Kenny, national television supervisor at BBDO, says some of the bigger networks such as ESPN and Turner Broadcasting's WTBS, CNN and TNT tell her they're already about 50% sold for the year vs. 40% last year. "Second-tier networks" like Arts & Entertainment, Lifetime, The Discovery Channel and The Nashville Network claim to be about 35% sold, she says.

Other buying executives indicate this isn't network hype, having themselves been unable to buy desired time on these networks last season on the scatter market. They've also encountered sellouts on USA Network and Financial News Network.

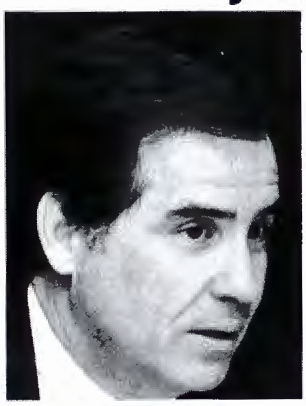
Aside from being driven into upfront buying, agencies are finding the same advantages they do with broadcast networks in pricing. They note the cable webs had already given them guarantees and options in scatter buys but that they tend to be a little better in upfront—nothing formal, but they detect a sort of "most favored nations" treatment when the webs are called on to bend a little.

"This year we saw the start of a true upfront in the cable marketplace," observes Bill Croasdale, senior vice president, director of national broadcast at Backer Spielvogel Bates, "but not with the frenzy of broadcast. To some extent, the cable networks created it, but also the market did.

"Unlike the Big 3½, the way cable developed this year was not so much getting your money down and seeing how low you can get CPMs. We were buying vignettes, and there are several networks we have yearly pickup options with, and we committed to them early.

"Rather than do broadcast network upfront first and then come back and do cable and syndication, we're making our commitments all at once. We want to go to our clients with a total package for the year. Before, cable was backed out of the network budget. Now it has its own line in the planning flow chart, although there's no hard and fast rule for what's spent on cable."

"We have just so many people, and we're going to burn people out buying five or six dayparts for broadcast—and then cable."



Bart McHugh
Senior vice president
DDB/Needham Worldwide

Expressing misgivings about recent developments is Bart McHugh, senior vice president, director of national radio and television programming at DDB/Needham Worldwide: "From what people in the cable industry tell me, upfront started in May—and everybody in the business seems to be lying down and accepting it.

"My consideration is a practical one. We have just so many people, and we're going to burn people out buying five or six dayparts for broadcast—and then cable."

McHugh contends that cable networks believe they'll get a better percentage of national dollars if they sell upfront, but "dollars

"Rather than do broadcast network upfront first and then come back and do cable and syndication, we're making our commitments all at once."

Bill Croasdale
Senior vice president
Backer Spielvogel Bates

"...probably 90% of advertisers never use their options in broadcast, and not many are using them in cable either."

Bill Sherman
Senior vice president
McCann-Erickson

aren't shifted between media to any great extent. Now people are concerned that if they wait until fourth quarter, there's not going to be enough inventory left.

"We've been buying upfront cable for six years, but we've been buying it on a calendar basis. There's no fixed new season for cable. In the past, we bought for the entire year in October and November."

This season, DDB/Needham went earlier, he says, for ESPN's NFL coverage, certain news and financial shows on CNN and FNN and some first-run and off-network sitcoms on various networks.

Others queried about the added logistical burden of the cable upfront market expressed no concern. Among them is Marc Goldstein, senior vice president, national broadcast and programming, Lintas: USA. He explains, "We have a group of individuals who specialize in cable. While they work with the network buyers on goals and objectives, they can focus exclusively on cable. Most of our clients have separate cable budgets."

Lintas is buying upfront to target specific shows, events and positions, Goldstein says, and to secure favorable rates. He says his agency is spending at least some upfront money on virtually all of the networks, although the major ones are getting the lion's share. He estimates at least two-thirds of his agency's cable spending is upfront now, compared with 40–45% last season.

Rino Scanzoni, senior vice president, associate director of national broadcast at D'Arcy Masius Benton & Bowles, says "multiquarter" buys represent the majority of cable spending at the agency. He's one who steers clear of the term, "upfront," because he sees the marketplace spread over the year: "The bulk of our buying is in spring and summer, where it's being bought on a broadcast plan, but we have clients who buy on a fiscal-year basis."

Scanzoni asserts that no one cable network has the clout to set the marketplace at a particular time of the year. What drives the market, he says, is simply the quickening disappearance of premium inventory.

Attesting to this is Gerri Donini, senior vice president, manager of network broadcast at Young & Rubicam. She had encountered sold-out quarters on CNN, USA, WTBS and, at one point, FNN: "We did get into positions with CNN and USA where we literally could not buy them." She believes the automobile industry has accounted for a large portion of the inventory disappearance.

Donini estimates 75% of her agency's cable spending is upfront: "We've bought upfront whenever we could, depending on when clients can release the budgets." She notes that only the smaller advertisers have to go quarter-by-quarter. She adds that most of the upfront this season was bought in July and that some of it is only for three quarters.

Bill Sherman, senior vice president, group supervisor, national broadcast at McCann-Erickson, says the cable networks have been encouraging upfront buying in the past year but it's also become an accepted medium to the point that inventory is starting to tighten up. His agency has bought upfront to protect against shortfall on such networks as ESPN, USA and the Turner networks.

"My information is that some agencies were actually getting into upfront in cable before broadcast," report Len Kay, senior vice president, director of media operations at Kelly, Scott & Madison. "Advertisers are committed to cable anyway, so there's no need to wait until after broadcast is bought to see what's left.

"We were buying as early as May, depending on the clients, and started really laying in about the first of July. It's not usually a four-quarter thing, In fact, we bought some fourth-quarter only but bought it early. In cable, you can still call it upfront if you buy only two or three quarters.

"In the second quarter of this year, there were some legitimate sellouts. CNN certainly was, and ESPN was very close to it." He elaborates that this typically means 85–90% sold, as the networks leave a certain number of spots open. But otherwise this has entailed full schedules on CNN and FNN, while ESPN was sold out for certain of the more popular sports.

When cable webs with highly

"We did get into positions with CNN and USA where we literally could not buy them."

Gerri Donini
Senior vice president
Young & Rubicam

"In upfront, the efficiencies you negotiate make it attractive, although the guarantees are essentially the same."

Marc Goldstein
Senior vice president
Lintas: USA

varied offerings are said to be sold out, this is generally meant on a selective basis. Bruce Heim, vice president, director of national broadcast at Bozell, points out, "If you're going to ESPN, you want the NFL or football for a specific college—rather than ending up in rodeos or college baseball. If you buy into a smaller network like A&E to ensure getting a certain program, you're an upfront buyer."

Kenny at BBDO points out that, in addition to being sold out early, some of the major sports on cable have increased their CPMs dramatically. On WTBS, she reports, buyers with NBA in their packages were seeing increases in the neighborhood of 40%. "Second-tier" networks like A&E, Lifetime, Discovery and TNN were getting CPMs about 5–10% higher this season, she adds. In upfront, Kenny says, "Some of the bigger networks said they had 20% more dollars coming in upfront this year." As for reasons for the big upfront swing this season, Kenny says one school of thought is that, with the high prices for broadcast network upfront, buyers were not able (or willing) to spend all the money they had in broadcast. The other is that advertiser budgets were up for both.

Kenny says the pricing advantage in buying upfront over scatter is not as great as it is for broadcast. She estimates the savings are 5–10% in cable and that they could be around that for broadcast, or the price differential in the latter could be all the way up to 90%. For cable networks, she says, the largest cable networks and the most sought-after programs have the highest differentials.

She finds it interesting that ESPN hasn't presented its new Major League Baseball as part of the upfront market yet: "I don't think they know what they want to do with it yet in terms of pricing and how it's sold. It will probably go upfront next year."

Goldstein at Lintas says he's generally been happy when comparing scatter prices to what his agency has paid upfront, as it's starting to do now for the fourth quarter: "In upfront, the efficiencies you negotiate make it attractive, although the guarantees are essentially the same.

"There are some added benefits to buying upfront in specific programming. Maybe there's a vignette that's compatible with your product that won't be available if you don't buy upfront. There may be promotional tie-ins that you need lead time for."

Taking a broad view of the advantages, BSB's Croasdale asserts, "When you put down your money upfront, you're building in your cutback and cancellation rights. It also means that we're treating them as a full partnership now, as we do with broadcast networks. We get guarantees in scatter, but with upfront you get "most favored nations" treatment. They tend to take care of advertisers there for the long pull. They're more cooperative if you want to move your flight dates, for example."

Y&R's Donini sees lower CPMs as the major tactical advantage in buying upfront. She says options generally allow turning back about 50% of inventory, about the same as with broadcast.

Sherman at McCann-Erickson says deals are possible giving the advertising an out on 100% of the inventory, "but probably 90% of advertisers never use their options in broadcast, and not many are using them in cable either."

He says guarantees can be improved with upfront buys. For example, he notes, his agency has longterm deals with ESPN calling for makegoods by program type—" or audience deficiency units could be built into your overall schedule. In longterm purchases, you can work in billboards and merchandising, and you can maximize your CPMs against a specific audience."

Heim at Bozell points out that, while guarantees work approximately the same for upfront as they do for scatter, if the scatter market is priced 12–15% higher, the guarantees are against the cheaper buy.

"You usually come out better with guarantees," holds Kay of Kelly, Scott & Madison. "It's hard to quantify, but obviously anyone will give you a better deal if it's a longer deal and written earlier."

"When ratings are as tenuous as they are in cable, guarantees are not as critical as they are in broadcast. You're buying a different thing in cable. You're narrowcasting. You're looking for results—not buying a strict CPM medium." □

"My information is that some agencies were actually getting into upfront in cable before broadcast."

Len Kay
Senior vice president
Kelly, Scott & Madison

CBS, ESPN, NBA among those now customizing coverage for overseas

Selling U.S. news and sports abroad a changing game

By JAMES P. FORKAN

The overseas distribution of U.S. news and sports programming has met with mixed results. Consequently several companies have begun tailoring such material to better fit the different tastes of the various international audiences.

CBS Broadcast International, for instance, offers segments from *CBS Evening News* and its three news magazines so that international customers can incorporate them into their own newscasts. In addition, CBI sells the format to *60 Minutes*.

In sports too, companies have begun trending toward customizing coverage of events to suit the tastes of the non-American viewers. ESPN International, for example, is trying to please its overseas customers by offering more raw footage of events, which is then tailored to fit local custom. ESPN also is seeking non-U.S. rights to sporting events of greatest interest to specific regions, such as soccer in South America, to avoid being heavily formatted with made-in-America coverage.

In news, Turner's Cable News Network, having cleared nearly 90 nations for virtually global reach, has just made news coverage a two-way street by beaming coverage of international news back to the U.S. via several new globally focused newscasts. These include *The World Today*, *International Hour* and *CNN World Report*.

Rainer Siek, vice president of sales and marketing at CBS Broadcast International, says that the Dan Rather-anchored *CBS Evening News* has now been sold in France, Italy, Belgium and Japan and should soon be in West Germany and Spain as well. In what Siek describes as "a nice cooperation for us" with France's Canal Plus, the Rather newscast will air in other European markets where Canal Plus has an interest. Moreover, he adds, CBI is negotiating to get Rather into Scandinavia, Latin America and the Caribbean as well.

"One of our most successful programs overseas" is *60 Minutes*, which runs in Canada and the U.K. in its original form. CBI also is selling the format to that program as well as to the Australian *60 Minutes* version that airs on the Nine Network, Siek continues. CBI also markets foreign-language segments from *Evening News*, *60 Minutes* and *48 Hours*, which broadcasters can insert into their own local news broadcasts—including those in mainland China and the Soviet bloc nations. The Rather-anchored *48 Hours* also is sold in a half-hour version, he notes.

Dan Rather is making news with overseas sales.

High European profile

Siek points out that CBS is the only one of the Big 3 U.S. networks that is directly in the news agency business, via NewsNet. CBS offers two feeds daily to Europe, where more than 30 broadcasters are subscribers. John Frazee, vice president of CBS News Services, adds that several broadcasters in Canada, Latin America, Japan and Australia also subscribe to NewsNet.

France's Canal Plus was the first overseas network to carry the Rather newscast in its entirety, notes Don Wear, Jr., the outgoing vice president, general manager at CBI. He adds that the Rather broadcast, whose foreign sales he claims already have proven profitable, is positioned in the international marketplace not as "an alternative" but as "a supplement" to add perspective to their own news shows.

ABC Distribution Co. sells *World News Tonight*, *20/20*, *Prime Time Live*, *Nightline* and other ABC News-produced programs internationally. ABC execs are among those who doubt there will be a large European audience for U.S.-produced news programming, other than as segments for those broadcasts.

ABC is a partner in World Television News, along with International Television Network of Great Britain and Australia's Nine Network. NBC, meanwhile, has bought into Visnews, London, joining Reuters and the BBC. Visnews holds the non-U.S. rights to such NBC news programs as *Today*, *NBC Nightly News* and *Meet the Press*.

As for CNN, much of its distribution abroad comes through hotels

ESPN International is expanding auto racing.

catering to American business travelers and tourists. At MIPCOM in Cannes, CNN International announced the availability of CNN Radio to European broadcasters for live or tape-delayed transmissions in keeping with its "around the world around the clock" promotion campaign theme.

Since it is difficult to get hotels to pay for the CNN service, and since audience size is not large enough to attract many advertisers, industry sources say CNN International loses money—an estimated $6 million, according to some. Still, others point out that may be offset to a degree by the prestige and promotional value CNN generates among world leaders and sponsors in the U.S. and by packaging overseas news and features for sponsorship in the U.S.

ESPN International, hoping to boost the appeal of its sports fare among the international community, is increasingly allowing overseas broadcasters to customize sports event coverage from raw footage rather than giving them the finished U.S. cablecast, says Jesse Curtis, promotion manager. Moreover, ESPN is "actively soliciting" soccer for South American audiences and other sporting events that appeal to specific regions, "rather than offer an all-prefabricated format," she adds.

ESPN, whose global reach is about 60 countries, next year will offer such major tennis events as the Davis Cup, Federation Cup, World Youth Cup, the ATP Tour and the *Family Circle* Cup. Cycling has long been a favorite among Europeans, and ESPN has high hopes for the February Tour of America race.

Responding to international viewer interest, ESPN is expanding coverage of auto and supercross racing and surfing, Curtis adds. "There is a great deal of interest in new and different—to them—events," she says, such as surfing and truck/tractor pulls. ESPN's new interest in soccer follows the spring debut of its 15-hours-daily satellite pay cable signal's delivery to South America. ESPN next is aiming for the Pacific Rim region by the 1990 first quarter, she adds.

ESPN, which has no pro baseball or football rights abroad, has a 25% interest in the U.K.'s Screensport. Here too ESPN and ABC execs see that satellited sports network service as specializing in locally high-appeal sports, with ESPN supplying so-called "wraparound sports programming." Screensport offered the European broadcasts of baseball's World Series live for the first time in October, rather than on a tape-delayed basis, with Screensport providing commentary in English, French and German. Visnews got into the act to a degree when its BrightStar Communications service satellited the coverage of the first two World Series games to TV execs attending MIPCOM in Cannes, France.

Studying sports role

"American sports will be increasingly popular in Europe," says CBS Broadcast International's Siek. He acknowledges, however, that "different sports are more popular in different parts of the world. Baseball, for example, is popular in Latin America, Canada and Japan—though Japan has its own teams." CBI will be selling Canadian TV rights to Major League Baseball for the next four years.

Siek says he is "unsure what will be the future role for CBI in [the sports] area of the business." Increasingly, he explains, "Events like baseball are picked up by specialized companies also heavily involved in licensing and merchandising"—as happened when MLB signed NBC International and Pascoe Nally International, a British sports marketing shop. In other cases, those rights may be handled by the leagues themselves, he notes, citing the NFL and National Basketball Assn. "It's not our job to get into licensing but it's difficult to compete with them on that," Siek observes. "Sports is just one part of the business for us."

CBI also sells college football abroad, and to bolster interest it has produced a half-hour special to familiarize viewers with the colleges and teams, Siek notes. He readily admits, however, that that package faces "tough competition from the NFL."

When MLB assigned NBC and Pascoe Nally non-North American telecast and promotional rights, the league's commissioner Frank T. Vincent, Jr. cited the partners' "ability to develop and market products tailored to target markets in Europe, Latin America and Japan." Among the rights included, said J. B. Holston III, vice president, general manager at NBC International, are broadcast/cable rights in Mexico and cable in Canada. PNI is a subsidiary of WCRS, a British media/advertising company that owns Della Femina, McNamee WCRS in the U.S. and 50% of Carat International, Europe's largest media buying service.

The baseball package, including postseason games, hitherto had been sold in conjunction with the U.S. package, meaning that under the previous pact NBC and ABC had divided up the overseas rights.

The NBA's NBA International Enterprises distributes its regular-season and postseason game package in association with International Broadcast Systems, Dallas. NBA, which distributes to some 70 nations, customizes its program format to conform to each international market's needs. The games are available in full-length, or in 60- and 30-minute formats, IBS officials add. □

Agency comp gets the eye

Growing complexity of media buying figures in

By GEORGE SWISSHELM

When Lintas: USA staged its "Future Day" in New York last month, a seminar devoted to predictions of what's ahead for marketing and media, Lintas media chief Lou Schultz joked that if he suddenly came into some money, one of his best investment opportunities could be opening a restaurant: "Then more of my customers might leave us 15%."

Joking aside, if agencies today find it tougher to collect enough from clients to cover the rising costs of doing business in today's more complex media world, to say nothing of taking on more collateral projects like sales promotion, Jack Myers, president of Myers Marketing & Research, says there's better news for agencies.

As part of the recent survey of company and agency advertising executives conducted by Myers' consulting firm, he included a question on agency compensation: "How strongly do you agree or disagree that agencies should have increased compensation for planning and buying media which require increased administrative time?" "Only" 54.4% said they disagreed, and 33% of the client respondents expressed at least some level of agreement that such compensation is warranted.

A promising sign

Says Myers: "The opposition shown by clients is not as strong as many observers have believed. It's striking that client opposition is marginal.

"This indicates the possibility that such compensation increases could be implemented, where warranted, without significant client backlash."

Myers explains that he added the compensation question to his annual survey of expert opinion on cable and broadcast advertising "because compensation has become a more critical issue. There's been substantial restructuring as more client-agency relationships substitute alternatives for the standard 15% commission and as media planning and buying has grown more complex.

"One company has even thrown in a sweetener—a bonus if their agencies' output improves in terms of measurable criteria like increased commercial recall and brand awareness."

Media multiplication

As just three examples of the growing complexity of the media scene, the number of program syndicators and the number of radio networks and program services have multiplied over the past 30 years, and the number of cable systems has jumped exponentially.

The Association of National Advertisers' *Agency Compensation: A Guidebook*, by Charles B. Jones of Chicago based marketing consultant Jones-Lundin Associates, observes: "The matter of advertising agency costs, how they are figured, and how they are charged to a client's account, frequently becomes an irritant in an otherwise compatible relationship. In recent years the subject has entered more and more into discussions and negotiations on agency compensation and has often become a thorny issue. Due to lack of experience with this process and the lack of common vocabulary, cost discussions often culminate in disruptive disagreements. Many relationships still rest uneasily on a foundation of unanswered questions or questionable answers in the agency cost area.

"It is critical to a compatible and efficient client-agency relationship that client advertising management has a professional grasp of agency cost accounting principles and application as well as the dynamics of agency costs. Only then is it possible to perform the task of managing agency compensation costs intelligently, or of negotiating a fair compensation arrangement. Without this client capability, compensation management must fall to agency management by default."

And Myers adds that the question of compensation has also grown more critical as more clients have turned to consultants "to help them in the agency search process."

Meanwhile, as the hows and whys of agency compensation have become more critical, they've also become more hush-hush at many agencies. At the agencies, compensation is now the "C" word they talk about "only between us and our clients."

The only business category willing to talk is those consultants like Myers' company and its peers who, among other jobs, "help clients in the agency search process."

Al Achenbaum, former agency media and research chief and now chairman of marketing consulting firm Canter-Achenbaum, says his clients are "positive about being willing to pay for what they get from their agencies. We propose

Bill Weilbacher *of Bismark Corp.: "If the client uses more spot than network, the agreement will call for enough additional payment to cover the agency's additional costs of negotiating spot in a good many different markets."*

Daniel Kaye *at Ernst-Van Praag: "Some clients will reopen the compensation question each year to make more equitable adjustments for both parties, depending on changing cost circumstances in the marketplace."*

that our clients take into account the costs to the agency for each of the key functions they perform, in media as well as creative. We recommend an agency be paid more if the media schedule includes media that are more costly to buy, like spot broadcast, multiple cable systems or newspapers, and paid less if the client uses more of a medium that's less expensive for an agency to handle, like network television. When we do, we don't talk in terms of a particular percentage of commission but in terms of a larger fee to cover larger agency costs and smaller fees to cover smaller agency costs."

But Achenbaum adds, "While I can say *our* clients hold a positive attitude to such arrangements, I don't know if a majority of all advertisers are more or less positive in this respect today than they were, say five years ago, or 10 years ago."

Bill Weilbacher, former head of media at Dancer-Fitzgerald-Sample and now president of Bismark Corp., also an advertising and marketing consultant, notes, "Paying agencies for the actual time required to do the job right is not new. This goes back to the compensation revolution that started at Ogilvy in the '50s. The long-term trend since then has been away from the straight 15% commission to a variety of negotiated alternative arrangements."

Generally, adds Weilbacher, "If the client uses more spot than network, the agreement will call for enough additional payment to cover the agency's additional costs of negotiating spot in a good many different markets. And, generally, because the standard agency services include creative, media and account service, additional collateral services like sales promotion or public relations will usually be billed on a project or fee basis."

Daniel Kaye, senior vice president at consultant Ernst-Van Praag Inc., says that among larger clients, "the trend appears to be getting away from the no-longer sacrosanct 15% and moving toward the sliding scale or toward a cost-plus fee compensation system."

Kaye explains, "The sliding scale is based on client expenditures. Up to $20 or $30 million they might stick with the 15%, then drop to 13% for everything over that between $30 and $50 million, then go to 12% for everything above $50 million."

Administering fees

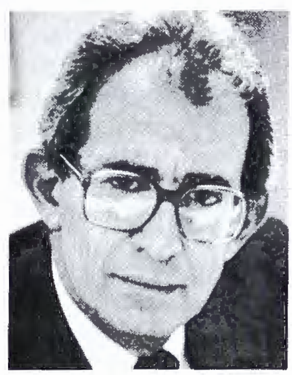
In the case of cost-plus, Kaye says "Some clients will reopen the compensation question each year to make more equitable adjustments for both parties, depending on changing cost circumstances in the marketplace. In any event, fees are harder to administer. The client has to watch the agency's staffing on his account and actual agency hours spent on his account. The results of such close watching sometimes leads to a client decision to take some of what the agency's been doing in-house and handle it themselves."

Another trend noted by Kaye is that "In recent years, discussions about compensation have become much more open between clients and their agencies. That is, when the client lays out the details of what he thinks would be an equitable sliding scale and the agency protests that this wouldn't leave them enough to do a proper job, most agencies are more willing than they used to be to open their books to the client and show the client exactly what it's costing the agency to do each part of the job. This way the client can see for himself exactly what the real costs are."

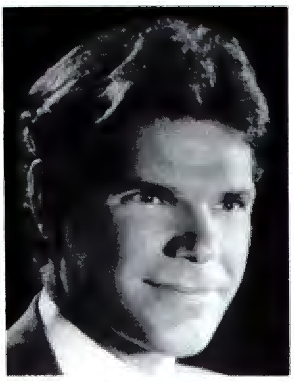
Kaye adds, "One reason advertisers—particularly larger advertisers—are moving away from the straight 15% is that it's these major advertisers who are so heavily committed to network TV, which is not so labor intensive as, say, spot from the agency media department standpoint. One or two people can negotiate for millions of dollars of billing on the networks. Market-by-market, spot requires a lot more people hours, both to negotiate and to watch all the post-buy followup."

Vitt survey

The Myers survey follows a spring survey on agency compensation conducted for Vitt Media International. This survey of 102 senior advertising executives of national consumer product, service and retail companies indicated that while the 15% commission and the flat fee compensation systems are the most commonly used systems, "They are at the same time the least preferred. This is leading to a hot pursuit by advertisers who desire a new and improved compensation system." The survey for



Al Achenbaum, *Canter-Achenbaum: "We propose that our clients take into account the costs to the agency for each of the key functions they perform, in media as well as creative."*



Jack Myers, *Myers Marketing & Research: "One company has even thrown in a sweetener—a bonus if their agencies' output improves in terms of measurable criteria . . ."*

Vitt's *Media Monitor* newsletter found little agreement among respondents as to which compensation system delivers the best or lowest prices. The flat fee was ranked as the optimum system to achieve price consideration for all agency-provided services, with the 15% commision ranked second.

Vitt found the 15% commission considered the most preferred system by 30% of the respondents, mostly because "It keeps agencies within their budgets." It was also liked for ease of management and because "It is perceived as being fair."

But 15% was least preferred by 28% of those replying because of costliness, followed by difficulty in controlling it, its lack of accountability "and its appearance of conflict of interest." Some 68% of the advertisers replying felt their agency "puts its own interests ahead of the client's pocketbook when selecting media because agencies earn more in compensation as their spending for clients increases."

Vitt executive vice president Hal Katz observes, "Advertisers clearly feel the 15% commission offers a strong creative product, but they are not certain it will guarantee the best negotiated price for their media. This indicates clients find it easier to assign a value to creative than to media. Also, as client costs continue to mount, more firms seek ways to decentralize their ad and marketing functions, with particular emphasis on media because of its complicated nature." Thus, adds Katz, "An overwhelming 84% said there are distinct advantages to be gained by using an outside media buying service."

Ask the ANA

Meanwhile, if backed into a wall, the one thing a few agency people will say off the record about the dreaded "C" word is, "The ANA [Association of National Advertisers] surveys its members about it. Ask them."

The proportions in the resulting ANA report, *Current Advertiser Practices in Compensating Their Advertising Agencies: 1989*, correspond generally with Myers' findings. Some 59% of the 167 companies replying to the ANA had made no significant changes in their agency compensation arrangements during the three years leading up to 1989. Of the 38% who did make significant changes, half did it to cut the cost of agency service. Only 19% did it to assure agency profitability. Nine per cent did it to "give the agency greater incentive to improve performance," 9% made changes to make compensation easier to administer, 5% changed due to a shift to a new agency, and 3% did it to "give the agency greater incentive to reduce cost."

Also, among that same 38% of advertisers who had made changes, 47% reported the change decreased agency compensation, 22% said it raised agency compensation, and another 22% reported no significant change in compensation to the agency.

The ANA survey, which drew replies from 159 companies reporting on 167 compensation agreements repesenting 307 client-agency relationships, found that those advertisers who have made significant changes are now most likely to be using either a fixed commission below 15% or a sliding scale commission. The ANA also found advertisers believe the changes they made in compensation arrangements have "not produced a negative or adverse effect on the agency-client relationships."

The ANA survey found 35% of reporting advertisers using the traditional 15% media commission, down from 43% in 1986 and 52% in 1983. Twenty-four per cent of the companies now use a labor-based fee, down from 30% in 1986 and 29% in 1983, the last two times the ANA surveyed its members about compensation.

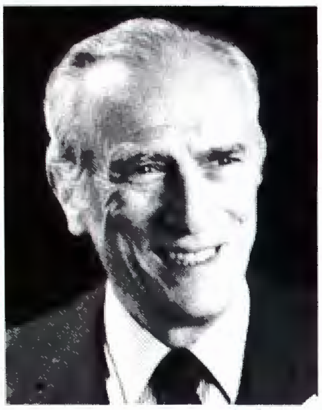
On the other hand, reduced commissions gained popularity. This system is now used by 29% of the respondent advertisers, up from 24% in 1986 and 19% in 1983. And commission arrangements based on a sliding scale grew from 12% in 1986 to 18% this year. The ANA reports use of flat commissions at a rate of less than 15% did not change significantly between 1986 and 1989.

The survey also found that the type of compensation arrangement depends largely on the amount of money a client spends for advertising. Advertisers with relatively small budgets of $9 million or less are most likely to use either the traditional 15% or a labor based fee. Advertisers in the $20 to $49 million budget range tend to use either the 15% system, a sliding scale commission, or a labor based fee. Eighty per cent of the big budget advertisers use some variation of the commission system. These majors are about equally likely to use either the traditional 15%, a fixed but reduced commission, or a sliding scale system. □

Hal Katz *of Vitt Media: "Advertisers clearly feel the 15% commission offers a strong creative product, but they are not certain it will guarantee the best negotiated price for their media."*

Viewpoints

Sanford Maizel



A senior executive with a major New York advertising agency, Maizel has acted as a consultant to or placed advertising for such advertisers as American Cyanamid, American Greeting Cards, Black & Decker, General Electric appliances and Selsun Blue.

Don't forget the vendor when prospecting in the 'co-op goldmine'

"If you own the football, you make the rules." This statement, which cannot be attributed to Vince Lombardi—or anyone else—might seem to describe the situation when a manufacturer/vendor takes a hard look at his co-op program. But one thing we've learned in nearly two decades of specializing in co-op advertising is that vendors feel they need more control over the content and timing of the advertising run under these programs. Odd, because the programs are designed by (or for) these same vendors and can be as specific as desired. You might say the manufcturer/vendor owns the football.

The vendor can spell out eligible media, limit the accrual period and the season in which the advertising may run, select only certain parts of the product line for accrual, and in short, "control" every pertinent detail of what is or is not eligible for reimbursement.

But the cooperating retailers who file the claims are, after all, *customers*, and it's not easy to enforce terms and conditions on customers, whether they are big enough to have major buying clout or small enough to pester the daylights out of the salespeople who call on them for special treatment. So for a vendor to achieve greater control, something more subtle than a "rigid enforcement" attitude has to be the answer.

Different goals

Remember, retailers and vendors have very different goals, and very different backgrounds. The retailer knows his market—or thinks he does—and in smaller stores, can even call his customers by name. The store owner is likely to be a very busy person what with interviewing the salespeople who try get some attention, deciding what and how much to actually buy, learning about the merchandise, and pricing it out to the best advantage. There is very little time left for thoughtful evaluation of available media, how to tell the story (copy), and then execute all the steps in the process. A contract must be negotiated, the order signed, the copy/material prepared for broadcast or publication, and the entire package delivered to the medium. Then the store owner must make sure that his advertising has run as and when ordered, the covering invoice has been verified, and that acceptable proof of performance is submitted so a correct claim can be filed under the manufacturer/vendor's published co-op plan.

So it's no wonder that there is a tendency to cut a few corners, even with the best of intentions. And when, as it happens in co-op, there is someone, perhaps a broadcaster, offering to help get some of the "gold mine you are sitting on," temptation often triumphs over sound business judgment. And the vendor is asked to pay for advertising a product no longer available, at a time of the year when he has no interest in seeing sale advertising, and in media that fall far short of the criteria set forth in the co-op program.

Major retailers are a different story. They have trained professionals handling the advertising, but they have very strong opinions about how to go about it. So the supplier/vendor is faced with an equally difficult, but totally different situation.

The retailer, regardless of size, has entirely different goals than the vendor. The retailer wants store traffic, so long as it buys *something* in his store; the vendor wants consumers to buy *his* product, wherever they want to buy it. So again, the vendor feels that control has slipped away unless the brand name is featured, exactly as the plan has specified.

Historically, the retailer has a host of volunteers, ready and willing to advise how to get hold of co-op money. Broadcasters who will track down the local sales rep of a vendor, and twist his arm for an approval. Consultants who qualify as experts by mentioning Robinson-Patman, or "the Fred Meyer Case" in every other sentence. But very few who have learned the basic elements of advertising, who *know* how to identify the target audience, and even more important, how to reach that target most efficiently.

Helping the vendor

But with all the articles published on co-op, all the speakers at sales seminars, all the do-it-yourself advice we hear about, very little has been said about how to help the manufacturer/vendor. After all, he foots the bill, and tries to make certain that his underlying objective—building market share—can be achieved.

It can be done, and has been increasingly as advertising agencies, adequately experienced in marketing, get involved in co-op, too. Plans *can* be made to serve the intelligent interest of both the retailer and the vendor, and to be cost-effective.

We have seen that retailing giants will join in co-op programs that serve their needs, even if their competitors are part of the promotion, and we have seen how the flexibility of broadcast makes promotions like this possible and attractive. Broadcast provides the means to accommodate the giants of the marketplace as well as the neighborhood mom-and-pop store, and do it in terms that both can afford.

Barris plans 'Quiz Kids'; looks to educate in number of new first-run programs

While Sony is embroiled in litigation whereby Warner Bros. is challenging the proposed purchase of Gubers-Peters Entertainment, a division of G-P, Barris Television, is mapping a development slate of new first-run product for first-run syndication and network.

Upcoming first is a pilot for a strip called *Quiz Kids Challenge*, according to Jeff Wald, president of Barris Television. The company bought the TV rights to the original *Quiz Kids*, popular series which has been running on and off TV for some 40 years. Barris is adding some new ingredients to the original, including a format which pits three youngsters, ages 8–13, against three adults. "The questions are Jeopardy type—upscale and intelligent, without gimmicks," Wald says, with bonus rounds. Wald sees *Challenge* not just full of facts, but as having "spontaneous humor," because of the ages of the young players.

Jeff Wald

Quiz Kids was developed with input from four major station groups, he says. One of the groups made Wald an offer to finance the pilot and wanted to carry the show for a February launch. But, according to Wald, the company rejected the proposal, although the group will get first-refusal on the show.

Pilot's cost. The *Quiz Kids* pilot will cost about $400,000, and the series is expected to cost $5 million, or $140,000 per week, for 35 originals, for a total of 52 including 17 repeats, the first year.

Another plus for the show is that it will support the educational push now being endorsed by President Bush and will serve as a role model for other children. A good show finds its audience, and *Quiz Kids* is a good show." I don't see many other shows in development for next year that I consider will work. But he believes Buena Vista's *Challengers* and Al Masini's *Previews* will do well.

Development. In development are several syndicated specials with Kenny Rogers, a late-night show and two possible weekly series. One will be animated, representing the initial venture in cartoons to be undertaken by Barris.

On the network end, Barris continues to be a supplier, and in development is a one-hour series "with a different kind of a format." Announcement of the program will be forthcoming shortly, says Wald, from Barris' partner in the venture. Barris just finished taping its second annual two-hour *Kenny Rogers Classic Weekend* special, to be run on NBC in February.

Also recently completed, in partnership with K-Mart and King World, is Barris' initial joint venture, *Christmas in America*, a TV movie with Kenny Rogers, for NBC. To be announced is a sports show for a network. TV movies are set with the Turner Network Television, and there's a followup to *Finish Line*, made for Turner. The new production is called *Rape of the Redwoods*.

Regarding Barris Television's overall focus, Wald says its thematic structure is taking the leadership of the film company. "Look for our imprint to be a upscale and serious. The shows will be on the cutting edge of where we see the country going as a whole. *Rain Man* was and *Gorillas of the Mist* had something to say. But we are not going to preach. We will be an entertainment company with a point of view.

"Our focus group study we showed that both kids and adults were relieved to find there are bright kids who can beat out adults. Peers discovered that money can be gained for brains, not only for sports or selling drugs. We expect to promote the show through the educational process, such as schools, PTA, literacy groups and computer companies."

For access. Wald says *Quiz Kids* is being designed for access or for early fringe as a news lead-in, to begin in the fall 1990. Host of the show, which will be marketed via cash-plus barter, will be Jonathan Prince, a former costar of *Throb*, half-hour sitcom.

Group W, NBCTV initial program set

Group W Productions and NBC's in-house television production unit, NBCTV, have settled on their first syndicated show, under an arrangement set back December 1988. The series, to be distributed by Group W, is called *House Party* and is described by Rich Sheingold, Group W senior vice president, marketing and sales as a one-hour early-fringe talk/information and entertainment show, set for a mid-season launch. The show, says Sheingold, has an automatic clearance on the NBC-owned stations and the Group W Broadcasting outlets and will be offered to select groups and stations for syndication, says Sheingold.

Host of the show is Steve Doocy, a three-time Emmy award winner from WRC-TV, NBC-owned station in Washington.

Stanley Moger, *l., president of SFM Entertainment, at 20th anniversary celebration of SFM, with Tom Leahy, president, CBS marketing division.*

Steady stream of global television coventures set in motion at Cannes

Coventure was the name of the game at MIPCOM as it was at MIP-TV last spring, but this time there were some new wrinkles involving aspects beyond production.

World International Network, Beverly Hills, a consortium of broadcasters from 106 nations spanning the globe, has series, movies and miniseries production commitments of more than $65 million, according to Larry Gershman, chairman/CEO of WIN. His company has formed WIN/Ayer as a joint venture with N W Ayer, New York, involving production and distribution of sponsored TV movies and miniseries. Ayer clients will have first refusal rights "to sponsor and/or participate in promotions. . . right from the concept stages and in any market or markets they choose," the partners said. Ayer's accounts include AT&T, which sponsored CBS' *Day One*, one of several network movies that WIN coproduced. WIN's broadcast members include Italy's RAI, the U.K.'s Central Independent Television and Australia's Seven Network.

Jim Phillips, who heads James Phillips Distribution Co., Los Angeles, unveiled UNITE, the Universal Network for Independent Television Entertainment, as a global programming and coproduction network consisting of broadcasters, cable operators and home video distributors as "affiliates" and five independent Hollywood producers as the initial suppliers.

Different approaches. "We're declaring war on the traditional Hollywood distribution deal," by trying to produce projects direct with U.S. and foreign producers and without studios like Warner or Fox, he said.

UNITE has $30 million-plus in series, movies and miniseries production commitments, Phillips said, all due for U.S. cablecast. These include a two-part $16 million miniseries ("a period piece set in antiquity"), two $4 million movies and a $10 million animated series.

WIN and UNITE are approaching the global marketplace from different angles, says Phillips, but WIN's formation last year has made UNITE's task easier in that it has "presold" such a departure from tradition as workable.

Meanwhile, Harmony Gold, King World, Silvio Berlusconi Communications and Taurus Film formed a partnership that they hope will lead to producing series, movies and minis beyond the initial project, *Paris/Dakar—A Great Adventure*, now in preproduction (see also *International Report*). That two-part mini about the famous 8,000-mile road race, will begin shooting in March in Europe and Africa, says Harmony Gold president Frank Agrama, with the budget "hopefully under $8 million." The project actually has been offered by Harmony Gold for nearly two years.

Clearance clout. This coventure was first discussed at MIP, said Fred Cohen, King World's president, international division. King World will syndicate in the U.S., while Taurus handles German-speaking and Scandinavian markets and Harmony Gold takes all other international righs. Stephen Palley, King World's chief operating officer, says "the likelihood is we will not make it advertiser-supported." In a remark seen as an admission of King World's greater U.S. clearance clout, Agrama said, "If you can't beat them, join them and we joined them."

Although each company—an equal partner financially in the coventure—has projects that could be done in the future and this venture could eventually become a separate entity, Cohen says so far they are working on a "project by project basis."

Separately, Harmony Gold signed with Japan's L.A. Nikkatsu and Gary Steiner Productions for the rights to several programs on Tokyo Broadcasting Systems, including two documentaries due on U.S. cable late this year and at least one series due next year.

ARP Films formed All Communications International with Channel 1 Entertainment, Los Angeles, and MCL Media, New York, as a global media buying company that also will pursue coproductions.

Seeking partners. Virtually every major and minor U.S. studio also has its sights on coproduction possibilities abroad. Warner's Michael Solomon said in announcing the

"The Rogues" *series will be remade for fall '90, coproduced by New World Television and Canal Plus. Signing the deal in Cannes were, l. to r., John Feltheimer and Edward Gradinger of New World, Canal plus' Anat Birnbaum and Pierre Lescure and New World's Jim McNamara.*

formation of SF Succe, a Swedish pay TV service, with Svensk Filmindustri, that "Warner Bros. will definitely be involved in coproductions over the next few years." These, he added, could range from "parochial" to European to worldwide coventures.

Here is a rundown of various other program coproductions now in the pipeline:

- New World Entertainment and Canal Plus plan to revive *The Rogues* series for fall 1990, with Blake Edwards as exec producer.
- Ventura Entertainment Group and Chris Bearde Entertainment will collaborate on specials, game shows and other programming for the U.S. and overseas markets.
- ITC Entertainment Group is coproducing *Touch and Die* with RAI 2, TF1 and Beta-Taurus; *The Trial of Mata Hari* with BBC Enterprises; and *Night of the Fox* with France's GMT, Canal Plus and TF1. All are miniseries.
- Japan's Toei Co. and Russia's Sovinfilm/Moscfilm Studio are corproducing *Under Aurora*, a movie for mid-1990 release.
- France's TeleImages has established a coventure with Group W Productions and Havas for TV movies and minis for international distribution.
- The BBC coproduced *The Great Wall of Iron*, a look at China's Army, with Beyond International Group.

World Events looks to foreign front

World Events Productions' Ed Ascheman has returned from MIP-COM with what he sees as the beginning of new coventure relationships with foreign entities. The COO of World Events is exploring four new projects that were hatched overseas in which foreign involvement will take the form of either cofunding, creative input or both.

Two of the television projects were suggested by foreign people, and the other two were WE ideas, he says. One of the four is an upscale, upbeat program accentuating the American Dream—in the Horatio Alger vein, and the second prospect will be a music show.

The other two shows are in the preliminary stages. But at least two of the four will be shown at the upcoming NATPE convention.

Meanwhile, WE, because of the success of *Denver, the Last Dinosaur*, is planning to produce new episodes, to be ready for the fall of 1990, to go along with its existing 52. Plans call for between 13–26 new titles, which will get an international flavor as *Denver* leaves the U.S. and travels abroad. One of the reasons for giving *Denver* an international look, notes Ascheman, is *Denver's* popularity abroad. According to Ascheman, *Denver* is running on the air in some 75 countries.

Besides *Denver*, WE's other animation show *Vytor: The Star Champion*, which had a four-episode test run in April on the Tribune Broadcasting stations, is a possible weekly entry for the fall 1990. And, according to Ascheman, another animated series is being developed.

Syndication shorts

Buena Vista will launch *The Challengers*, first-run strip game show for fall 1990. According to BV, it becomes the first game show to be in continuous production year-round. Host and producer will be Dick Clark. The series will cover topics ranging from today's events to the week's top-grossing films.

Worldvision Enterprises has acquired the domestic distribution rights to *Voice of the Heart*, a four-hour miniseries adapted from the novel. It premieres domestically in the spring. Lindsay Wagner, James Brolin and Victoria Tennant star.

Multimedia Entertainment's three-hour special, *An Appointment With Sherlock Holmes*, has cleared 125 markets representing more than 85% of the country including WNYW-TV New York, KHJ-TV Los Angeles, KRON-TV San Francisco, WCVB-TV Boston and WXYZ-TV Detroit.

Muller Media Inc. will distribute a primetime movie package from Heritage Entertainment, called Ten Most Wanted. Package includes *Stagecoach*, *Mr. North*, *Vigilante* and *I Married Wyatt Earp*.

Rich International has acquired the international distribution rights to *The Pistol*, 90-minute film based on the childhood of Pistol Pete Maravich, basketball star who died last year. Production was by LA Production Group, Louisiana.

Production on the pilot for a new show, *Super Cop*, has begun by **Premiere Limited Productions** in association with *Viacom Enterprises*. The show is set in the future, with *Super Cop* as a crime fighter whose suit is equipped with futuristic technology.

LBS International has acquired the distribution rights to seven serial dramas from Procter & Gamble. These are: *Another World*, *As the World Turns*, *Guiding Light*, *Edge of Night*, *Search for Tomorrow*, *Texas* and *The Catlins*. LBS will handle non-European distribution, including Australia, New Zealand and Asia. Also, LBS International will distribute worldwide *Runaway Club*, weekly fashion series of two half-hours.

JM Entertainment has sold its two first-run hour specials, under the umbrella, Story of a People: The Black Road to Hollywood, to a number of stations. These include WABC-TV New York, KNBC-TV Los Angeles, KTRK-TV Houston and WAGA-TV Atlanta. The hour shows are *In Front of the Camera* and *Behind the Camera*.

"Hall" from Paramount

The Arsenio Hall Show is produced by Paramount Pictures and distributed by Paramount Domestic Television. It is not a CBS in-house production, as suggested in TV/RADIO AGE, Oct. 2.

CBS January one-hour special just part of 'Charlie Brown' 40th anniversary

Good grief! Charlie Brown and the rest of the *Peanuts* gang are heading for their 40th birthday next year—with a CBS primetime January special among the yearlong celebratory events planned.

The one-hour special, *Happy Anniversary, Charlie Brown* (TV/RADIO AGE, Aug. 4), will be a salute to both the cartoon characters and their creator, Charles Schulz. It will combine animation with live-action reminiscences, according to CBS and United Media, which handles newspaper syndication and licensing for the property.

Although the special airs in January, the anniversary technically is in fall 1990, as the *Peanuts* comic strip made its debut in seven daily newspapers in October 1950. The *Charlie Brown* TV specials also mark an anniversary next year because CBS aired the first animated special, *A Charlie Brown Christmas*, 25 years ago, in December 1965.

A second first-run *Charlie Brown* special, this one a half-hour, will be *Why, Charlie Brown, Why?* which CBS executives say will be more "poignant" than most of the 30 or so previous specials, as it is about the gang learning of a child suffering from leukemia. *Charlie Brown* repeats during 1989–90 will include the holiday perennials, *It's the Great Pumpkin, Charlie Brown* and the Christmas show.

Advertiser tie-ins. Besides such anniversary events as a traveling arena show called Snoopy's World of Magic, there will be various advertiser tie-ins. Participating marketers' packaging, tags, point-of-sale displays and some advertising will, for instance, feature the "40 Years of Happiness" logo and theme line throughout 1990, United Media officials say. Hallmark Cards, which first became a *Peanuts* licensee in 1960 with greeting cards, is among those planning in-store promotions in the coming year.

CBS may have the *Charlie Brown* specials locked up and a Super Bowl half-time salute to the cartoon stars on its Jan. 28 telecast, but NBC's parent General Electric plans a new light bulb promotion linkup and contests, United Media says. In addition, Metropolitan Life's TV commercials and print ads will continue to feature Charlie, Snoopy, Lucy and the rest.

Retrospective. In still other tie-ins, the Smithsonian Institution's Museum of American History plans an 11-month *Peanuts* retrospective as of October '90, while the Louvre in Paris will be the first stop in a global tour for a "Snoopy in Fashion" exhibit. The United Way, moreover, will feature the characters in public service TV announcements that will urge youngsters to volunteer in their communities.

To date there have been more than 30 *Charlie Brown* TV specials shown on CBS, which also carried the shortlived Saturday morning series. Last season, CBS also ran the first animated network miniseries, the eight-part, history-themed *This Is America, Charlie Brown*. These specials have been seen in more than 60 countries, CBS and United Media estimate.

Schulz, who works six weeks in advance on the daily comic strips and 10 weeks ahead on the Sunday comics, also writes the scripts and storyboards for the CBS specials, which are produced by United Media/Mendelson Productions. Lee Mendelson is executive producer, Bill Melendez director and animator.

NATPE lists some 'name' speakers

The Rev. Jesse Jackson, Candice Bergen, *Entertainment Tonight's* Leonard Maltin, Dionne Warwick and ABC News' Jeff Greenfield are among the "name" moderators or panelists due to take part in discussions at the upcoming NATPE International confab, set for Jan. 15–19 in New Orleans.

Jackson will moderate a panel on minority programming on Jan. 15 at 4:30 p.m. Warwick and Don Cornelius will be among the panelists at the session, "Minority Programming: A Billion Dollar Marketplace." Bergen (TV's *Murphy Brown*) will lead "Primetime '90s: Movers and Shapers" on Jan. 17, at a general session breakfast.

Maltin will moderate "Catching the Programming Wave" on Jan. 18 at 8 a.m. Dick Ebersol from NBC Sports, and Robert Wussler, Comsat Video, will be among the "TV Sports in the '90's: Who'll Have the Ball?" participants, on Jan. 19 at 12:30 p.m. Greenfield moderates "Regulation and Issues in the Decade Ahead" on Jan. 17 at 10 a.m.

Zooming in on People

Henry Urick has been named vice president, marketing, **ITC Domestic Television.** He comes to ITC from Casablanca IV, where he was director of sales, southeast. Before that, Urick was program manager at KOVR-TV Sacramento. Also, **Lynden Parry** has joined ITC Distribution as senior vice president of international sales. Most recently, Barry was vice president of international sales at the Samuel Goldwyn Co. From 1986–88, she was a vice president at MGM/UA Telecommunications, based in London.

Henry Urick

Michelle Kearney has been named to the new position of vice president, international program sales at **Orbis Communications.** Since joining Orbis in August as a consultant, Kearney was with Lorimar Telepictures for 10 years as vice president of Latin American sales.

Ellen Endo-Dizon has joined **Republic Pictures Productions** as senior vice president. Most recently, she was vice president, comedy

Ellen Endo-Dizon

programs at MGM/UA Television Productions. Before that, Endo-Dizon was vice president, comedy development at Columbia/Embassy Television.

Kathleen Hricik has been promoted to executive director, international television, at **Orion Pictures International.** She will continue to be based in New York and will report to John Laing, senior vice president of international television.

Stephen Barbour has become manager, southeast region for MCA TV sales. Since 1986, Barbour was a vice president, southeast region at Samuel Goldwyn

Stephen Barbour

Television. From 1980–86, Barbour was senior account executive at WTVF-TV, CBS affiliate in Nashville.

Roni Mueller has been named vice president, business affairs, **Lorimar Television.** She joined Lorimar in 1987 as associate director, business affairs and was promoted to director, business affairs in 1988.

Stanton Rutledge has been appointed executive vice president in charge of marketing and production at **American Film Technologies.** Rutledge has been an AFT producer since 1987. Previous to that, he spent 11 years in the banking business.

G. Gregory Miller has joined **Tribune Entertainment** as a vice president/programming. He had been at Great American Broadcasting, where he was vice president of television operations.

Lynne Grasz has been named executive director of **Broadcast Promotion & Marketing Executives.** She comes to BPME from the Television Information Office, where she was executive director.

KYW-TV shows kids closed-captioned news

KYW-TV Philadelphia, the only TV outlet in the market to offer closed-captioning of local news, on Oct. 6 gave its local viewers a rare chance to see what closed-captioning looks like on their screens.

This "open captioning—KYW's second such demonstration so far this year—enabled viewers of its 6 p.m.(ET) *Eyewitness News* to see the captions whether or not they own a decoder. This captioning is done in "real time," with a court stenographer typing the newscast's spoken copy while the news show is in progress.

The captioning demonstration was done "to give the early news audience, specifically school children, an opportunity to further their knowledge of the closed-captioning process," according to KYW—which notes that captioning of local news remains a rarity in the U.S.

Blair/NBC briefs lure 5 sponsors

NBC Television Network's *On-Line* package of interactive vignettes, which made their daytime bow on Oct. 2, have been sold to five sponsors, each backing specifically-themed information categories on specific days of the week.

Warner-Lambert, the first client signed (TV/RADIO AGE, June 26), will present the featurettes on health care, airing twice a day each Wednesday, according to Diane Seaman, newly promoted to vice president and general manager, eastern sales at NBC. She had been NBC's vice president, daytime, special program sales and marketing.

The other four advertisers are: Lever Bros., backing briefs on diet and exercise, airing Mondays; Kal-Kan, on pet care, Tuesdays; Bristol-Myers, with parenting information on Thursdays; and Chevrolet, whose automotive care segments will air on Fridays.

The *On-Line* series of interactive vignettes—whereby viewers can gain additional information via a 900 telephone number—is produced by Blair Entertainment. The interactive phone technology is supplied by FDR Interactive Technologies, an affiliate of American Express.

FNN TV debut on CBS' 'Crest'

Financial News Network will get its highest Nielsen ratings yet this fall, thanks to cameo appearances on CBS' serial *Falcon Crest*.

That's because the CBS prime-time soap has added Gregory Harrison as a billionaire corporate raider named Michael Sharpe. Sharpe, who's headed for a confrontation with former business rival Richard Channing, portrayed by David Selby, will get his up-to-date information from the FNN TV and computer monitors in his business office.

FNN is available to 32 million cable households.

Cable Programming

At Home With Martha Stewart—This Christmas, special produced by King World Productions through its advertiser network programming division, in association with K Mart, premieres on *Lifetime* at 9 p.m. on Nov. 25, with repeats on Nov. 27 at 8 p.m. and Dec. 7 at 2 p.m. Included in the special are the author's favorite Christmas memories, recipes, decorating ideas and homemade gifts designed to enhance viewers' Yule seasons.

Martha Stewart, *host of Lifetime's "At Home with Martha Stewart—This Christmas."*

Stewart joined K Mart a few years ago as its home entertaining and lifestyle spokesperson.

Super Dave, comedy/variety series on **Showtime,** begins its third season on Nov. 10. Upcoming guest stars in the 25 all-new episodes include Regis Philbin, Roy Firestone, Ron Lucas and Thelma Houston.

Turner Network Television and **RAI-Radiotelevisione Italiana** are producing a four-hour miniseries, *A Season of Giants*, which dramatizes the life of Michelangelo. The special will premiere on TNT in April 1990. Also at TNT, National Basketball Assn. action debuts on the network with the Hall of Fame game on Oct. 31 and runs through the 1990 NBA playoffs and the 1990 NBA draft in June. Fifty regular season games are involved, plus a minimum of 26 post-season clashes.

The China Lake Murders will be broadcast as a USA World Premiere Movie in early 1990. The movie thriller, starring Tom Skerritt and Michael Parks, recently completed shooting in Los Angeles and on location in Joshua Tree, Calif.

Madison Square Garden Network is cablecasting 152 New York Rangers and New York Knickerbockers games this season. Sixty-seven Knicks games and 63 Rangers games are set live on MSG. Another twenty-two games will be split evenly between the teams on MSG II.

TELEVISION/RADIO AGE

Station Report

October 30, 1989

"We treat it like gold."

Russ Pope
Vice President & Director of Engineering
&
Dino Corbin
General Station Manager
KHSL-TV
Chico-Redding, CA

Russ and Dino are among the thousands of engineers, programmers, general managers and financial people who get and regularly use the **Television & Cable Factbook.**

"Of all the elements that are so integral and important to our operations, the **TV Factbook** is one of our most useful tools.

"It allows a quick and detailed reference to all aspects of our business from equipment needs to station and market information."

They are two of the most important people in our business because they can say, *"Yes, we'll buy!"*

KHSL-TV is one of hundreds of stations that use this important resource. In fact, more than 4.31 different decision-makers and influencers refer to each **Television & Cable Factbook** 10.18 times each month. In other words, 23,705 top-level executives will see your advertising message more than 241,000 times monthly! Over 63% are in upper-level management, and 30% have mid-level management positions.

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If you want to reach the men and women who can say *"Yes"* to you, plan now to have a space like this in next year's book while good positions are still available. Contact Gene Edwards, Advertising Director, and get our media kit which will have all the details on our rates, availabilities and research.

(If you're wondering why the VP/Engineering is mentioned before the General Manager, it's because Dino always puts his people first!)

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Television stations give sponsors chance to tie in to kids' club events

A growing number of television stations around the country are organizing kids' clubs that combine fun, prizes and educational and safety-related information to keep their younger viewers coming back.

KXTV(TV) Sacramento-Stockton-Modesto launched its 10 Pals club in August and now reports over 900 members. Membership entitles kids between four and 12 to prizes including free or discounted tickets to special events and free food at participating fast food restaurants. That means free entry to such attractions as Marine World, Africa USA and Ringling Bros. Barnum & Bailey Circus when "the greatest show on earth" came to town. And 10 Pals night at the circus included a preshow party with the clowns, free popcorn and soda, plus other giveaways.

Fire safety. McDonald's tied in with 10 Pals' National Fire Safety week in early October by giving away at least 100 food coupons along with the campaign's fire safety pamphlets during a special

Ken Zuckerman

(*Continued on page 54*)

WAMO boat ride rolls on the river to launch 'Top 30 USA' radio show

What better way to launch a new radio show than to do it on a boat? In Pittsburgh that's how Sheridan Broadcasting's urban rocker WAMO AM-FM launched *Top 30 USA* locally.

To properly kick off the urban countdown show hosted by Donnie Simpson via Sheridan's STRZ Entertainment Network, WAMO account execs invited their 10 biggest spending local clients aboard the Gateway Clipper Fleet's Party Liner to premiere the show during a gala three-river cruise—the only catch being that they had to report to the gangplank at 8:30 a.m. because The Party Liner sailed promptly at 9.

In addition, says Anthony J. Rizza, Sheridan Broadcasting's vice president, radio properties and acting general manager of WAMO, 125 lucky listeners—lucky enough to be the 16th caller following each of Simpson's precruise on-air invitations to try for the cruise—also set sail on party day, July 15.

Once aboard, the winning sailors for a day enjoyed brunch along with the clients and had a chance to meet and chat with WAMO's air personalities.

Rizza describes *Top 30 USA* as "three continuous hours of the nation's 30 hottest singles, as selected by *R&B Report* magazine. Each week the show combines music, interviews and anecdotes about the artists behind our hits." He says it's programmed for "music-intensive major market urban stations, but it's also flexible enough to cross over to stations looking for a programming thrust that can deliver a mainstream audience. And locally, our Pittsburgh listeners can call in to request a number dedicated to a best friend—here in Pittsburgh, or, because it's on the Sheridan Network, in markets all over the country—a friend in Chicago or New York or wherever."

Anthony Rizza

The good ship Gateway *Party Liner at Pittsburgh pier proudly flies the Hot WAMO banner as it gets set to welcome WAMO's client and listener guests aboard for gala river cruise launching Top 30 USA with Donnie Simpson.*

For KAAM and KZPS(FM), locale of new sports show is also a sponsor

American Airlines and the Hard Rock Cafe are among advertisers in the new *Jerry Jones Show* on KAAM/KZPS(FM) Dallas-Fort Worth broadcast live Monday Nights, 7–8 p.m. from the Hard Rock Cafe. Hosts are Jones himself, who is new owner of the Dallas Cowboys, and Gerry Oher, sports reporter for both KAAM and for Dallas-Fort Worth ABC affiliate WFAA-TV.

Buz Powers, local sales manager for KAAM/KZPS(FM) says Jones "seems to generate controversy as part of the increased interest in his ownership of the Cowboys. He's in there himself, exerting hands-on management of a team he bought, not as just one more business venture to run from a distance like the Cowboys' previous owner, but as a team he has his whole heart and soul in—something akin to George Steinbrenner's relationship to his New York Yankees."

Buz Powers

Personalities, not statistics. Powers says Jones' program "is one sports show that revolves a lot more around the Cowboys as personalities and less as sportswriters' statistics. Jones and Oher talk about the trades, the contract situations, the injuries, and they present an overview of the Cowboys' chances and their opponents' chances this season, and the reasons behind why one team's pros-

(*Continued on page 55*)

Sponsors tie in to television stations' kids' club events

(*from page 53*)

KXTV broadcast of *Plan To Get Out Alive* sponsored by McDonald's on Oct. 14.

In Salt Lake City, KXIV-TV kicked off its membership drive for its new V Crew kids' club on Sept. 1 and reported 20,000 youngsters signed up by Oct. 5. General sales manager Russ Heaton says that besides a membership kit, KXIV's V Crew members are eligible for discounts from participating sponsors, frequent on-air giveaways and contests, and a quarterly club newsletter.

And in Boston, Gannett's WLVI-TV plans to launch its kids' club in January. The first step was to recruit Kenneth Zuckerman, formerly national sales manager and director of marketing for Sinclair Broadcasting, as WLVI's new children's marketing manager. At Sinclair, Zuckerman was involved with sales development and promotion for WBFF-TV Baltimore, WPTT-TV Pittsburgh and WTTE-TV Columbus. He calls the kids' club he developed at WTTE "one of the most successful in the U.S."

Recruiting members. Now that he's starting from square one again at WLVI, Zuckerman says step two is to recruit club members: "In December we'll start our membership drive on our own air, telling the kids they can call the free 800 number we'll be setting up for them. Or they can go to the list of selected retail outlets that will stock our club application forms."

Zuckerman refers to these retailers as WLVI's "marketing partners." He says some of them will be among the kids' club's charter advertisers, "and a lot of the goodwill from our club events and program segments will rub off on them. A lot of what we do will be very informative, especially in the historical sense, because Boston itself was the center of so much of, first, our colonial, then later our revolutionary history. For instance a lot of what we do will be tied in to holidays. We'll explain and illustrate the meaning of the Pilgrims' first Thanksgiving, the meaning of Independence Day on the Fourth of July. We'll be working closely with the educators in Boston's school system when we plan our kids' club events and program segments."

He says a typical advertiser tie-in might be to sign up a dairy: "We'd send a camera crew to do a segment showing how the milk the kids drink gets from the grass to the cow to the carton in the store. We could include information on the nutritional importance of milk and explain why Vitamin D is important and what words like 'homogenized' and 'pasteurized' mean.

"The dairy can crosspromote by printing kids' club health tips on the sides of its milk cartons. Other informational segments will be on reading, on nature and the need to protect our environment and wildlife. We'll talk about physical fitness and tie in with the YMCA branches to arrange events like basketball shooting contests."

But Zuckerman adds, "It's not all educational. There will also be a lot of fun: There will be plenty of discounts for the kids, on merchandise and on admissions from our participating advertisers. We'll mail the members our quarterly newsletter listing the club's upcoming activities and the special informational programming we'll be running between our cartoons."

How did Zuckerman get hooked on kids' clubs? His answer is, "Kids' clubs offering information and inspiration, along with a lot of fun and things to do, make a lot of sense, particularly for independent stations with plenty of good animated inventory. It makes particularly good sense at a time like this, when much of the mainstay advertising from traditional kid categories like toys, sweetened cereals and candy is drying up."

(from page 54)
pects are up this year and another team's are down."

For example, adds Powers, "Before Herschel Walker was traded to the Vikings there was all the talk about how he felt he wasn't being used enough to run. He thought the Cowboys were relying too much on their passing game. And there was talk about Walker not renewing his contract. The sports writers had engaged in plenty of speculation about all this in the papers, but it was on our show that Herschel was brought face-to-face with Jones to hash it out in public."

Powers says the show "has turned Monday, the Hard Rock Cafe's slowest night, into one of its busiest nights of the week. We invited about 50 press people to our premiere, and not one negative story turned up the next day. It was all positive."

He adds that American Airlines' advertising on the show is also sports fan-related: "American spotlights the fact that they're the Cowboys' official carrier. Each week their commercials feature their flights to the location of the Cowboy's next road game. They want to convert more fans into passengers."

New owners plan big for WYAH-TV

Now that Centennial Communications has acquired WYAH-TV Norfolk-Portsmouth-Newport News from the Christian Broadcasting Network, for over $10 million, and changed its call letters to WGNT-TV, Howard Jernigan, president and CEO, reports ambitious plans for the station. He says it will now offer a wider variety of syndicated programming and will be upgrading its production facilities. He says WGNT "will soon have a three-camera remote truck with switcher and recording equipment, giving us on-location adaptability for three-camera taping of commercials, programs or events. We're also planning a major renovation of WGNT's facilities.

Besides Jernigan, the station's new owners include Raymond B. Bottom, Jr., Robert L. Freeman and Ernest T. Harris.

One Seller's Opinion

Reps must change with times, make radio easy to use

Guild

Every marketing expert from Theodore Leavitt to Peter Drucker agrees that in today's business world the only way to succeed is to be market and/or customer driven. This entails going directly to your customers to determine their needs, then packaging your products and services to satisfy those needs. Thus, tomorrow's national radio representation firm must be customer (advertiser) driven. That's especially true because the various media from which advertisers can choose are rapidly expanding.

Also, there is greater potential for advertisers today to electronically select their media outlets, without the help of a middleman or rep. Added to this is the steady decline in the rate of growth of national spot radio dollars over the last five years.

The first of the two reasons for this decline is that advertisers and agencies have transferred more buying to different regions of the country. Second, there has been a dramatic shift of advertiser dollars from advertising to promotion. An Interep Radio Store survey confirms that advertisers are spending almost 70% of their marketing dollars on promotion.

These marketplace changes were compounded by the transformation of the agency arena into a mega-agency arena through mergers and acquisitions, which added still more pressure for bottom-line results. One by one, agencies will be forced to have their vendors take on many of the less profitable services they used to provide clients in order to meet the profit demands placed on them. Our survey also indicates that agencies perceive radio as difficult to administer. Therefore, tomorrow's "service-oriented" radio rep must assist agencies with any aspect of a radio buy, from commercial production to promotion and from presell to post analysis.

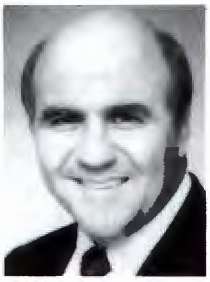
Our survey findings clearly point to a need for the radio industry to be flexible, adaptable and willing to change with the times. Tomorrow's radio rep must be able to work with advertisers and agencies on multimedia buys, such as combining radio with direct mail. The rep must find out what the advertising customer or prospective customer wants to accomplish. Is he looking for short-term or long-term results? Is the object to increase product shelf space or raise brand awareness? In short, tomorrow's rep must be positioned to customize advertising packages best suited to the customer. This process is already underway with unwired spot networks, which are single packaged buys of demographically targeted stations.

There is little doubt that computers can handle the number crunching. Looking at audience numbers against cost is the most basic of ways to compare radio stations in a market. But the computer cannot package a radio buy in a creative or innovative way. It is those sales entities—agencies, reps and media services—that are not totally consumed by the computer mentality that will succeed.

To summarize, national radio representation companies must implement new ways to complement existing customer (advertising) services in an every-evolving media environment. As we advance toward the 21st century the entire radio industry can only benefit when we make the medium easier for advertisers to use.—**Marc Guild,** *president, The Interep Radio Store Networks*

Appointments

Stations



Rick Blangiardi has been named vice president, general manager of King Broadcasting's KING-TV Seattle. He transfers from King's Honolulu station, KHNL-TV, where he had been vice president and general manager since 1984, and now succeeds **Sturges Dorrance** who has resigned.

Andrew C. Lohman has joined Community Pacific Broadcasting Corp. as general manager of KKSD/KASH(FM) Anchorage, Alaska. He had been general sales manager of Olympic Broadcasting's KYAK/KGOT(FM), also Anchorage.

Barry Baker, president and CEO of Better Communications, Inc. also became general manager of KDNL-TV St. Louis with completion of its acquisition by BCI from Cox Enterprises. Baker was formerly senior vice president and director of Koplar's Broadcasting Division, based at KPLR-TV St. Louis.

John F. Carpenter has been appointed general manager of WDSU-TV New Orleans, recently acquired from Cosmos Broadcasting by Pulitzer Broadcasting Co. Carpenter is replaced as general manager of Pulitzer's KETV(TV) Omaha by **David L. Summers** who had been general sales manager of the company's WXII-TV Winston-Salem, N.C.

Daniel J. Neumann has been appointed vice president, administration and strategic planning-broadcasting, for Saint Louis-based Koplar Communications. Neumann joined Koplar's KPLR-TV as business manager in 1988 and has most recently been the station's vice president, strategic planning.

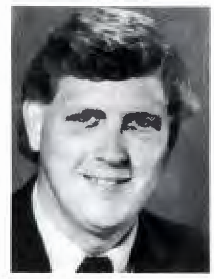
Jeri Calviello has been promoted to general sales manager at WQCD(FM) New York. She joined the station last year from WICC Bridgeport, Conn. and now steps up from local sales manager.

Peter Eide has been named station manager of KMOH-TV Kingman, Ariz. He had been creative director and account executive with KNAZ-TV Flagstaff, also owned by Grand Canyon Television Co.

Ernest T. Harris has been named senior vice president of sales for WGNT-TV, the new call letters of WYAH-TV Norfolk-Portsmouth-Newport News. Harris was formerly a vice president with WVEC-TV Hampton.

Larry Blum has been promoted to president and general manager of WUPW(TV) Toledo, Ohio. He had been vice president, general manager of the Fox affiliate.

Lonny C. Low has been appointed marketing director/West for INTV, the Association of Independent Television Stations. He was formerly with Independent Television Sales in Los Angeles and now replaces **Lana King** who has transferred to New York as INTV's vice president/marketing.



Steven E. Decker is now general manager of Summit Broadcasting Inc. in Breckenridge, Colo. That puts him in charge of both KSMT(FM) and cable channels 3 and 13. Decker had been financial manager for KOA/KOAQ(FM) Denver.

David Godbout has been named vice president, general manager of Clear Channel Television's WAWS-TV Jacksonville, Fla. He had been vice president, general manager of WDKY-TV Lexington.

R. W. (Skip) Schmidt has been named senior vice president, affiliations for the Unistar Radio Networks, working out of network headquarters in Colorado Springs. He moves in from Unistar affiliate WJQY(FM) Miami-Fort Lauderdale where he had been vice president, general manager.

Barry Margolis has been promoted to local sales manager at WWOR-TV Secaucus-New York. He moves up from local sales executive to share local sales management responsibilities with **Tim Connors,** vice president, local sales manager.

Spotlight On...

Harvey Rabinowitz

Vice president
Media director
W. B. Doner and Company
Detroit

Harvey Rabinowitz observes, "There is no 'Golden Plan' that will perform equally and consistently across all markets, not even on the networks. This is why there are so many 'network compensation' buys to make up for and fill in the networks' weak markets with spot."

But he adds, "In spot, the same daypart split won't work equally across all markets. And even this varies in the same market, depending on season and type of industry and workforce in a market. Viewing by a predominantly white collar work force will be different than that of a majority blue collor force. Whether most workers are fulltime or parttime, and even the average age of a market's workforce should be taken into account."

Rabinowitz points out that, when it comes to dayparts, "Chicago's late fringe ratings are much higher than those in the south or in Los Angeles. On the other hand, early fringe in Los Angeles is every bit as good and sometimes better than Chicago's late fringe performance."

Turning to sports, Rabinowitz notes, "Market-by-market performance here not only varies throughout the year, depending on the sport, with the baseball season winding up in early fall, just as football is really getting started: It varies every year, depending on which markets field the winning teams. This year is Chicago's year. Up until the playoffs the Cubs were doing great. And the Bears and Black Hawks have done well. In college sports there's a strong following in Chicago for Notre Dame and Big 10 Football."

But this, he adds, "is now. There's always next year, when this year's champs can wind up losers. This year the Dallas Cowboys are dragging. But not too long ago when they were doing well, they got national attention year after year. They even called themselves 'America's Team,' and professional football got terrific ratings in the Dallas-Fort Worth market.

"Professional sports aren't doing too well in Miami either this year. The Dolphins are not doing well. Miami has no major league baseball team and no professional hockey team. And in basketball, the Heat is a new expansion team that's played together for only a brief time."

Ed Piette has been named to the new post of station manager at Multimedia's KSDK-TV St. Louis. He joined the NBC affiliate in 1984 and now moves up from director of broadcast operations.

Therese Crowley has been promoted to vice president of news and sports for the Unistar Radio Networks. She joined the networks in 1980 and has served as news anchor, managing editor and acting news director before her latest promotion.

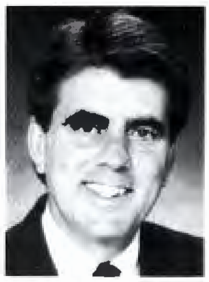
Robert A. Epstein is now vice president, general manager of WBRE-TV, the NBC affiliate for Wilkes-Barre-Scranton, Pa. He is succeeded as vice president, general manager of Television Station Partners' WEYI-TV Flint-Saginaw-Bay City by **Eric S. Land,** formerly general sales manager at KTSP-TV Phoenix.

Shadow Steele, air personality on Westwood One's KQLZ(FM) Los Angeles, takes on added duties as operations manager from **Randy Kabrich.** Kabrich has returned to Tampa to resume his full-time job as program director for WRBQ.

John Reardon has been promoted to director of sales at Tribune Broadcasting's WGN-TV Chicago. He moves up from local sales manager to replace **Peter Walker,** now vice president, station manager of KTLA-TV Los Angeles.

Carey Davis is now general sales manager of Group W's WINS New York. He came to WINS from the company's KYW Philadelphia this May and now moves up from sales manager.

Representatives



David Forier has been named western manager for Group W Sports Marketing, recently formed to represent a group of regional cable sports networks. Forier had been manager of business development for Prime Ticket Network in Los Angeles and before that had been western regional manager for Lifetime Cable Network.

Donald Brownstein has been appointed vice president, regional area manager for Petry Television and Petry National Television on the West Coast and **Lori Gravino** is promoted to replace Brownstein as manager of the San Francisco sales office. Gravino joined Petry four years ago.

Roni Sunshine and **Ralph Heyward** have been named to head sales offices for Republic Radio. Heyward moves in from KIXI/KMGI(FM) Seattle where he had been vice president, general manager, to become manager of Republic's Seattle office and Sunshine is promoted to manager of the Boston sales office. She joined Republic as an account executive in 1986 and before that had been selling for WROR Boston.

Agencies

Aaron Cohen has been named director of national broadcast and programming at N W Ayer in New York. He had been vice president and general manager of broadcasting for Grey Advertising and also serves as chairman of the 4As Committee on Broadcast Networks and Programming.

Michael Hedge has joined BBDO Chicago as senior vice president and director of media services, effective Nov. 6. He is a 12-year BBDO veteran and now transfers from New York where he had been senior vice president and associate media director.

Media Services

Susan Auerbach has joined Vitt Media International as group vice president/director, television network broadcast operations, to direct all network, syndication and national cable buying for Vitt clients. The former BBDO executive has most recently been vice president, daytime sales, NBC Television Network.

Wall Street Report

Networks, cable figure in 'new phase' of industry consolidation

A new phase of industry consolidation in which major cable system operators and TV networks' parent companies become aggressive acquirers is being anticipated by Alan Kassan, analyst at Shearson Lehman Hutton. But while General Electric and Capital Cities/ABC are seen buying studios in a new regulatory climate, CBS is labeled as a prime acquisition target.

According to Kassan's scenario, there will be a major drive among system operators to create independent TV stations on their channels locally, and this could not only drive up the prices of syndicated programming but also motivate major MSOs to acquire studios in order to have fixed-cost programming.

As for the networks, Kassan points out that in late 1990 the consent decrees limiting the amount of programming they can produce will be lifted. He speculates this may induce the studios to reach some type of compromise in the financial interest and syndication rules. After this, he adds, the barriers preventing mergers between studios and TV networks may be removed.

These scenarios lead to the prediction of a consolidation wave in which only five to eight major media/entertainment companies remain. In cable, Tele-Communications Inc. is placed as the leading acquirer—its most likely target being Turner Broadcasting, followed by MCA and Viacom. Paramount is labeled a target for both General Electric and CapCities, as is MCA. Lesser possibilities, according to Kassan, are a GE move toward Viacom and CapCities toward Orion Pictures.

But another potential buyer for Viacom, he notes, is MCA, and he can picture the two of them combined becoming a leading acquirer instead of a target—possibly snapping up the Tribune TV stations, Carolco or Orion Pictures. Then there's Disney, seen as a buyer of CBS, MCA or Tribune. In addition to being a target itself, he adds, Paramount could end up buying Tribune, McGraw-Hill, MCA or CBS.

Once this kind of consolidation occurs, Kassan notes, the next step would be strategic alliances between the surviving U.S. companies and the major foreign media/entertainment concerns.

No sale for CBS?

While the Shearson Lehman scenario puts CBS on the block, this is not in the crystal ball at Oppenheimer & Co., where analyst Dennis McAlpine doesn't anticipate a change in the financial interest rule, thus probably ruling out sale of the company. This, a probable continued decline in ratings and the fact that 40% of earnings come from interest income lead to poor stock performance, he says.

Stock performance aside, Oppenheimer has revised its 1989 earnings estimate for CBS. With earnings per share at $11.02 in '88, the firm has increased its '89 estimate from $10.50 to $11–$11.25. It's projecting $12 for 1990. McAlpine observes network profits are running higher than expected and that makegoods are less than feared.

"Third-quarter profits are running about $10 million higher than expected," McAlpine comments, "but still below the year-ago level. Earnings for owned-and-operated stations are expected to decline, while radio segment earnings are still up strongly. Total operating income is expected to be about $40 million vs. $49 million last year."

Time Warner upgraded

Mabon, Nugent & Co. has upgraded Time Warner stock to a "buy" recommendation. Analyst Raymond L. Katz says this is based on "its 46% discount to our estimated $255 per share asset value and our belief that investors' interest in the stock will eventually narrow the discount to 30% within the coming 12-month period." He says this would result in a price target of about 180, which is up some 30% from current levels. The stock's 52-week range has been from 96 to 183.

Katz adds that continual growth of asset values to $300 by 1991 and $350 by 1992 "should provide the potential for better than 22% annualized appreciation over the next three years. Furthermore, we think that [Time Warner] will provide for more surprises on the upside than on the downside."

Katz adds that Time Warner "represents an investment in a worldwide media and entertainment company with dominant market share positions in distribution and production businesses where barriers to entry are high. Time Warner is well positioned to capitalize on the growing worldwide demand for entertainment and informational product.

"In our judgment, the 46% discount to asset value reflects, in part, the market's dissatisfaction with the way the Time-Warner-Paramount fight was ultimately resolved. Consequenlty, investor avoidance of [Time Warner] will provide little price support in the face of selling pressure."

Turner issues rated

With some $1.15 billion face value of debt affected, Moody's Investors Service has assigned a B2 rating to both of Turner Broadcasting System's proposed subordinated issues, which include senior subordinated debentures due 2001 and subordinated zero coupon liquid yield option notes due 2004.

Moody's says that the rating recognizes that Turner will continue to depend heavily on debt and debt-like instruments to fund its fast-growing operations, resulting in a moderately heavily leveraged capital structure. The rating agency notes that it assigned the same rating to both issues in the belief that covenants on the senior subordinated debt will only slightly improve protection afforded investors in those bonds. The rating on Turner's senior debt, which Moody's expects will be redeemed with the proceeds of these two issues and the bank credit agreement, remains at Ba3.

FEEDBACK

What's your reaction to the deal CBS made with Turner Broadcasting for the 1992 and 1994 Winter Olympics?

"We'll be running the premier Olympic events the affiliates will get in primetime, and these are very saleable. Sure, I'd love to have total exclusivity in our Dayton market. But we have to face the fact that we're galloping toward the 21st Century, and this is the kind of accommodation broadcasters will be increasingly faced with in the years to come. We've already seen cable competition for top sports events that were formerly exclusively on over-the-air stations creep into the top 50 markets. Now it's reached the networks."

Neil Pugh
Vice president, general manager
WHIO-TV Dayton, Ohio

"I'm not happy with it, but I guess a cable deal was inevitable. It's consistent with what CBS said it would do if it got the deal. One concern, though, is that cable operators will have 2½ minutes an hour to sell. They'll be selling $15 spots while TV stations are selling $1,500 spots [for example]. I'm concerned with what the psychological effect will be on TV revenues. This may not be any problem at all, but it's something to think about. Several affiliates I've talked to said they may not like the arrangement but that they'd rather CBS have the Olympics with a cable deal than for one of the other networks to have them."

E. Berry Smith
Senior vice president, broadcasting
Schurz Communications
South Bend, Ind.

"When a network is committed to the Super Bowl, the NCAA Final Four, the World Series and divisional playoffs, the U.S. Open, the Masters and the Olympics, it's difficult to argue against their need to defray some costs. So basically I'm respectful of the aggressive reach they have in sports, and while I wish we could remain in total control, that is not reality."

Phil Jones
President, broadcasting group
Meredith Corp., Des Moines and past CBS affiliates board chairman

"I'm never happy to see what I'm carrying going to cable. That means some viewers will go to cable. I'm hoping they won't, but I'm concerned about my daytime viewers. The positive thing is that we're 50% cabled [in this market], so 50% won't be able to get [Turner's TNT coverage]. [The deal] didn't make me overjoyed . . . but I don't think it'll hurt my ad sales much."

William Dilday, Jr.
Executive vice president, general manager
WJTV(TV)
Jackson, Miss.

"I think it's consistent with the plans they shared with us from the very beginning. They need it to offset the pricetag for the events. Of all the options CBS had, I think it's a decent alternative."

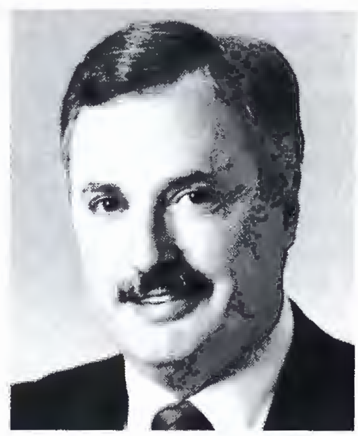
Cathy Creany
Vice president, general manager
WTVH(TV) Syracuse, N.Y.

"I had an affiliate board conference call the day after [the deal], and there was no disagreement. The deal is very consistent with what [Neal] Pilson and [Laurence] Tisch told us, that they would be interested in cable only if significant enough [Turner is paying $50 million for the rights] and for secondary events that would not impact on station time. I think they met all those criteria, and for us to try to stop it would've thwarted their ability to compete. It's a good business deal. We all have some anxiety about the impact on spot and, yes, I'm concerned about its impact on our daytime [programming] and in some markets early fringe. But CBS tells me they did research for their O&O division indicating there would not be appreciable daytime impact. We really won't know till it's on the air."

Ben Tucker
Executive vice president
Retlaw Broadcasting, Monterey, Calif.
and chairman of the CBS affiliates board

"In this day and age and with the amount of money CBS is paying for sporting events, I can surely understand how they might need to do some recapturing. I don't really have that much of a problem with it. I'm delighted with the way CBS is acquiring sports events."

Sy Yanoff
President, general manager
WNEV-TV Boston



"I think it's the reality of our business environment today. I fully anticipated CBS would effect a cable deal of some sort. There are elements in the package that we would not want to carry, so it's an economical way to approach the situation."

Al Seethaler
Vice president, general manager
KMGH-TV Denver

In the Picture

David Perry

New commercial production chief at Saatchi & Saatchi, New York discusses the rise of more versatile directors and the possibility of the agency setting up a separate production unit "as a way to return the production company's profit to the client."

Says better ideas can substitute for costly effects and visual gimmicks

David Perry, who's now with Saatchi & Saatchi Advertising in New York as executive vice president, director of broadcast production, says the emphasis in commercial making today is "more on the idea and less on special effects, computer animation or other visual gimmicks. Effects can get pretty expensive to bring off and that backs up one more time our truism in this business that 'The cost of a commercial varies inversely with the size of the idea."

Perry explains, "If a real idea isn't there to pique viewer interest, the reaction at the agency is too often to try to make up for the lack of an idea by throwing money at it to buy an expensive visual attention grabber. I think more of us these days are trying to get away from that by making sure we start with a good idea."

Perry observes, "The one strong central idea can be expressed in a commercial with one set of characters on one set because it's a commercial with a single story line. At the same time we're seeing less of the vignette. Vignettes are very much in decline."

He continues, "You'll remember that when Burger King was at both J. Walter Thompson and at Ayer, their commercials were usually montages—assemblies of a bunch of unrelated, or at least loosely related scenes accompanied by a hot music track. But now that we and D'Arcy [Masius, Benton & Bowles] are working for Burger King, we're both making spots with a single memorable idea."

First pool

Actually, Saatchi's first pool of commercials to help Burger King in its continuing struggle to take bigger bites out of McDonald's lead in the fast food sweepstakes is not without its own unusual visual effects, though they weren't necessarily too expensive to bring in. One features two comedians who will do anything to satisfy their hunger for Burger King's new Doubles, including defying the natural laws of the electromagnetic spectrum by reaching out of their own TV screen and "playing through" the scene on an adjacent TV set—interrupting the flow of that channel's program—in order to reach into a third set displaying a double burger. Perry also points out that "A great idea is ownable. Alka Seltzer owned 'I can't believe I ate the whole thing.' We still remember it, and I think that goes back to the '70s. How many of the commercials you saw last night, even the ones with the expensive visual gimmicks, will you remember next week? How many can you remember today, right now, less than 24 hours since you saw the lot?"

Perry adds, "As we go back to memorable ideas, not only are they more effective in implanting themselves in the viewers' minds, in production this means they're likely to be less expensive—particularly if we're filming only one cast of characters on one set."

Another change in the business Perry points to is that "The era of the specialized director is over." He recalls, "There was a time a few years ago when each of the top directors was pigeonholed. One was known as a dialog director, another as a table top director, another you called if you wanted a beautiful background."

Directors more versatile

But it's no longer that simple, says Perry: "Directors no longer fit into those neat pigeonholes. For their own survival they've had to branch out beyond what was once their one specialty and develop a broader range of expertise and become known as good in a number of different areas. They can no longer afford to limit themselves."

He notes, for instance, that for years "Bob Giraldi was known as a terrific director for comic dialog. He's still great at it. But now he's also made music videos. And he's got a feature film under his belt."

Still another trend Perry cites is "sound design. We're hearing fewer singing jingles and more use of enhanced, machine-created sound effects incorporated into the music. For instance, instead of the effect poking through the music, the thunk of the car door being closed becomes part of the music. So the music is more frequently being integrated with the visual instead of being used as a separate element to cut the boredom by doing things like singing our copy points."

Perry comes to Saatchi from J. Walter Thompson in Chicago, where he had been senior vice president, director of broadcast production, to succeed Carolyn Roughsedge. He says Saatchi and Roughsedge are looking into the feasibility of setting up and running a separate production operation for the agency. Says Perry, "We haven't made a decision yet. We're still looking at it. But the basic idea is to take the steep profit out of commercial production jobs that the outside production companies generally make and return that profit to the client."

Perry started his career in the record business until J. Walter Thompson asked him to come aboard as a music producer in the television department. He recalls, "Once I was there I started to pick up much of the rest of film production pretty quickly. But very few of us in commercial production came straight into it from school. I was a music producer first."

Agreement on kidvid legislation undermined by maneuvering

Machiavellian plots often are misattributed to the internecine events of the nation's capital, but the maneuvering on Capitol Hill with respect to the issue of children's television would do the prince of plotting proud.

An effort by broadcasters to undercut legislation that moved beyond their wishes bombed when the cable industry eluded a trap. Now senators may themselves be in a position where they are going to have to evade one of their colleagues' effort to swamp the bill with amendments that could kill it.

Broadcasters and public-interest advocates for children's programming agreed earlier this year to support legislation passed last year and vetoed by President Reagan. It would reinstate a cap on the amount of a children's program that could be devoted to commercials. Broadcasters agreed to support the effort in order to stave off more onerous versions.

Cable, too. The mild version passed the House, but the more onerous version, which would require the FCC to reach some decision on program-length commercials and require all stations to provide programs specifically for preschool and school-age children, emerged from the Senate Communications Subcommittee. Sen. John Danforth (D-Mo.), apparently acting at the behest of the National Assn. of Broadcasters, introduced an amendment to make the restrictions adopted on the limits of commercial time in children's programing apply equally to cable.

The panel put off acting on Danforth's last-minute amendment with a promise to give that aspect of the issue a hearing and return in 30 days to complete the bill-writing session. The hearing was held and included one of the children's TV advocates who had worked on the original compromise with broadcasters and representatives of The Discovery Channel and Nickelodeon/Nick-at-Night, two cable channels with a lot of programing aimed at children.

Even though the survival of their channels was dependent on carriage by cable systems, John Hendricks of Discovery and Geraldine Laybourne of Nickelodeon gave their lukewarm support to Danforth's proposed expansion of the bill to cable. They were not risking anything, however, because Sen. Albert Gore (D-Tenn.) who chaired the hearing, read a letter from James Mooney, president and CEO of the National Cable Television Assn.

Unnecessary. In the letter, Mooney said his organization "has no objection in principle" to the Danforth proposal, even though he said it was unnecessary. "NCTA does not object to cable's inclusion in the committee bill" so long as it is worded properly, Mooney wrote.

John Kamp, former FCC communications director and congressional liaison, accused the cable industry of being "short-sighted" in capitulating. He acknowledged the organization for which he now lobbies, the American Assn. of Advertising Agencies, and other advertising groups are "out there alone" in opposing the measure.

But the fun was not over. Gore, who supported Danforth's effort, has introduced his own package of legislation aimed at bringing federal regulation back to the cable industry. He suggested at the original bill-writing session that he would have some amendments to add on the cable issue along with Danforth's.

At the hearing on the cable aspect, though, Gore said, "I have no desire to complicate passage of either the amendment or the bill as amended by pursuing those points in this context, but they may come back up." Later, however, he told TV/RADIO AGE he meant he did not want to "complicate today's hearing" and pointedly left open the possibility he would still make the attempt.

The next Machiavellian twist may come, according to a subcommittee aide, in the form of the panel dodging the next bill-writing session and thus Gore's effort, which could cost a now-popular bill many supporters.

Instead, the full Senate committee could send the measure directly to the floor, where the panel would use its influence to support the Danforth amendment but nothing more.

State immunity to copyright law is threatened

The House of Representatives has approved one of two copyright bills that could have an impact on the broadcasting industries. The second has been scheduled for action but was not ready on the day the House considered a package of noncontroversial bills.

If the Senate goes along, as expected, the House action will make it absolutely clear that it is the intention of Congress that states be subject to the same copyright constraints as apply to the public and private industry.

Immunity. In the absence of very clear language in the Copyright Act, the 50 states and their entities, such as universities, were considered immune from copyright rules that require users of certain works, including TV programs and movies, to get permission to reproduce them and to pay royalties for their use.

Earlier this year, the U.S. Supreme Court ruled that the powers given Congress under the Constitution to protect intellectual property allow it to override the 11th Amendment, which protects the states from suits in federal courts where copyright infringements are tried. But the court left in doubt whether the Copyright Act was precise enough in expressing congressional intent that states have to comply with it.

Legislation that would reduce the number of commissioners on the Copyright Royalty Tribunal from five to three, and giving the remaining members an increase in pay had been scheduled to be considered at the same time as the

11th Amendment legislation.

The measure was not ready to be considered at the same time, however, and was put off to a later day. Meantime, the Senate Judiciary Committee was considering identical pieces of legislation.

SF earthquake shakes FCC

No sooner had the FCC gone through an almost complete overhaul of commissioners than nature conspired to put them in danger. The three newest members of the panel were scheduled to be in San Francisco for speeches to the U.S. Telephone Assn. around the time of the earthquake. Chairman Al Sikes delivered his speech and left the city Monday night before the quake, but Andrew Barrett was in town when the tremors came. He was stuck overnight, but made it out the next day. Sherrie Marshall was in southern California and scheduled to fly up the day after the quake but canceled.

EC limits on programming challenged by U.S.

The House of Representatives Ways and Means Committee has rejected efforts by European Community leaders to downplay the importance of limits on use of U.S.-produced programming on European TV. The panel adopted a resolution denouncing the EC directive.

The House Telecommunications

the marketplace

Subcommittee held a hearing last summer on reports the EC was considering limiting to no more than half the amount of U.S.-produced programs that could be shown on European TV once the continent's 12 nation-members form an economic community in 1992.

Approval. Although some witnesses doubted the EC could come to agreement on a directive, the EC later did approve such a directive in the guise of encouraging European television productions.

Rep. Sam Gibbons (D-Fla.), an influential member of the Ways and Means Committee, then introduced a resolution, H. Res-257, denouncing the directive. A few days later, several members of Congress, led by House Democratic leader Richard Gephardt (D-Mo.), went to Brussels to talk with the EC's executive commission. Frans Andriessen, the commission's vice president for external relations, tried to reassure the delegation that the directive would liberalize the European TV market and was not meant to exclude U.S. productions.

Apparently, the delegation was not reassured. A week after its members returned, the Ways and Means panel voted to go ahead with the resolution. At the same time the delegation was meeting in Brussels, in Geneva the EC blocked bringing the U.S. complaints up for consideration by the General Agreement on Tariffs and Trade. The U.S. held out hope, however, that the GATT could take it up at its next session in early November.

the marketplace

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Association of Independent Television Stations seeks Director of Marketing, to head the Western Region office. Minimum of 5 years experience in television sales, marketing and/or advertising. Ideal candidate will be a highly energetic and motivated individual, with the ability to generate and implement progressive marketing strategies. Please send resume and salary history to: INTV, 5455 Wilshire Blvd., #1209, Los Angeles, CA 90036, FAX (213) 939-4766.

Help Wanted

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Washington Report

All government branches plus fourth estate embroiled in syndex

Rarely do all of the elements of government—including the fourth estate as a litigating participant—become involved in the same issue. All are involved now in an issue that is heading toward a resolution on several different tracks.

On Jan. 1, syndicated exclusivity becomes a government policy of the executive branch again after a hiatus of nearly 10 years. The cable industry opposes restoration of syndex; broadcasters support it. There is a bill in Congress to delay its reimposition for a year, and finally the federal court system is considering a challenge to the renewed policy.

The issue got an airing in the judicial arena when the U.S. Court of Appeals for the District of Columbia heard nearly two hours of arguments from opposing sides. The three-judge panel gave little indication of how it would rule but had some harsh responses to the lawyers representing both sides.

FCC copyright authority?

Although one of the contentions of syndex opponents was that the rules about to go into effect would violate their First Amendment rights, their attorneys appeared to recognize that the argument was weak and spent little effort in pressing it. Much of the argument turned on the esoteric and complex subject of copyright and the authority of the FCC to be involved in that process. Both sides had to accept some barbs from the judges.

Broadcasters who have wanted to keep programs for which they have signed syndicated exclusivity contracts off cable systems in their area have been required since last June 19 to notify those systems of their desire to keep exclusivity. With that notification in hand, the cable system is under a Jan. 1 deadline to take steps to either black out distant signals carrying those programs or replace that portion of the signal with other programing.

Syndicated exclusivity had been an FCC policy before 1980, when the government felt a need to release some of the restrictions that were seen to be hampering a then-fledgling industry. By 1988, the same industry had grown so huge and strong, the FCC decided it no longer needed protection. So it restored syndicated exclusivity, effective this past August.

The cable industry was able to convince the agency that the restoration was too sudden and that it would suffer hardships. So the FCC put off the effective date to Jan. 1 but would go no farther.

The Community Antenna Television Assn., meantime, challenged the FCC's new rule before the Appeals Court. Joining with CATA were United Video, carrier of passive superstations WGN-TV Chicago and WPIX(TV) New York, both owned by Tribune Broadcasting, and of KTVT(TV) Dallas. Tribune, which originally thought syndex would not hurt it because it was strong enough to negotiate its own nationally exclusive contracts, also was a party to the suit.

John F. Cole, Jr., senior partner of Cole, Raywid & Braverman, represented United Video in arguing that the FCC had no authority to take on what essentially was a copyright issue that only Congress, under specific delegation by the Constitution, could address. Chief Judge Patricia Wald asked whether his argument would be different if the court were to find that Congress had delegated the authority to the FCC when it wrote the compulsory license provision for cable into the 1976 revision of the Copyright Act. "My case would be a whole lot more difficult," Cole acknowledged.

The compulsory license arrangement allowed cable systems to pick up whatever signals they wished without having to enter into contracts with owners of the programs. Instead, they had to pay a royalty into a pool to be distributed to all copyright holders.

Case for exclusivity

The other two judges chimed in with what appeared to be support for the case against the cable industry. Judge Laurence Silberman noted that the Copyright Act referred to rules relating to exclusivity, and Judge Harry Edwards said it would not have made any sense for Congress to require a compulsory license and then bar the commission from making rules to comply with it. At another point, Robert Beizer of the firm of Schnader, Harrison, Segal & Lewis, representing Tribune, contended that Congress did not intend to give the FCC authority under the Copyright Act, as Silberman suggested. Silberman responded, "It seemed to me as close to legislative ratification of a rulemaking as you can get."

But the judges were even harder on Daniel Armstrong, who argued the case for the FCC. They suggested the agency's current argument was inconsistent with court presentations it had made in other cases and with its strong stance against the compulsory license. Edwards noted that when the 1984 Cable Act was challenged in court, the FCC argued that copyright rules were beyond its jurisdiction. So why should the court listen to the FCC now, he asked.

Pressing Armstrong on the FCC's public stance against the compulsory license while at the same time claiming some authority under the Copyright Act, Edwards asked whether he thought that meant the FCC could bar transmissions because it didn't like what Congress did. Armstrong replied that "all we argue is, if a broadcaster can acquire an exclusive right, the government can properly enforce that right." Edwards then said his case could fall if the court finds that the FCC restored syndex because it wanted to disregard the compulsory license.

As the judges considered the arguments in the case, the FCC had before it a request from cable and related industries to postpone the effective date of syndex until after the Appeals Court decision. Also awaiting that decision was legislation introduced by Rep. Bill Richardson (D-N.M.) to postpone the date to Jan. 1, 1991.—**Howard Fields**

MAJOR BROADCAST MEETINGS, SEMINARS AND CONVENTIONS

1989

November 2	Asta/Independent Programme Producers Association, Hyde Park Hotel, London
November 4–10	The London Screenings, Thames Television International, London
November 5–8	Community Broadcasters Association Convention, Riviera Hotel, Las Vegas
November 13	London International Advertising Awards, Royal Lancaster Hotel
November 13–15	Television Bureau of Advertising Annual Meeting, Century Plaza, Los Angeles November 13 Issue

1990

January 3–6, 1990	Association of Independent Television Stations, Century Plaza, Los Angeles January 1 Issue
January 16–19	NATPE International, New Orleans Convention Center January 15 Issue
January 18–21	Radio Advertising Bureau, Annual Managing Sales Conference, Loews Anatole, Dallas January 15 Issue
February 11–16	International Television Festival of Monte Carlo, Loews, Monte Carlo February Television/Radio Age International
February 28–March 3	Country Radio Seminar, Opryland Hotel, Nashville
March 31–April 3	National Association of Broadcasters, Atlanta March 26 Issue
April 1–3	Cable Television Advertising Bureau Convention, Marriott Marquis, New York
April 20–25	MIP-TV, Cannes France April Television/Radio Age International
May 9–15	Golden Rose of Montreux Festival, Montreux
May 19–22	CBS-TV Annual Affiliates Meeting, Century Plaza, Los Angeles May 15 Issue
May 21–23	National Cable Television Association Convention, Atlanta Convention Center
June 3–6	NBC-TV Annual Affiliates Meeting, Washington, D.C.
June 12–14	ABC-TV Annual Affiliates Meeting, Century Plaza, Los Angeles June 4 Issue