Can he bury cable?

RCN's bold overbuild experiment
Network is Women... Shouldn't it be yours?

Mystery
My Mothe: The Spy
Jayne Brook

Drama
The Truth about Jane
Dyan Cannon

Lifetime MOVIE NETWORK

71% Awareness among women.
#1 choice among women.
#1 choice among adults.
#1 choice among adults, 18-34.

Source: Beta Study of Cable Subscribers, 11/99
Among ad-supported emerging cable networks.
Suspense
Another Woman's Husband
Lisa Rinna

Romance
The Courage to Love
Vanessa Williams

Lifetime Movie
the #1 Choice Among
Movie Network
The Movies Women Love.
The Brand They Trust.
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Interactive at NCTA Purveyors of broadband programming and hardware will make their presence felt at cable's annual show. / 100
Merger gains and pains

As Viacom-CBS try to meld their various parts, suitors line up to buy pieces, staffers fret about jobs

By Steve McClellan, Joe Schlosser and John M. Higgins

ow that the Viacom-CBS merger has closed, the hard work begins: integrating the various pieces in the new conglomerate.

That task began last week with the folding of CBS Cable into the MTV Networks division. That move wasn’t a total surprise, given that MTVN is one of the dominant cable program groups in the industry with such popular channels as MTV, Showtime and Nickelodeon.

Viacom also will sell several CBS Cable assets, including regional sports networks in Washington-Baltimore (Home Team Sports), Minneapolis (Midwest Sports Channel) and satellite uplink service provider Group W Networks Services. Suitors chasing the sports networks include Fox Sports, which has a fat portfolio of regional networks; Comcast Corp., which operates a regional net in Philadelphia but also has a giant system cluster in Home Team Sports’ Washington-Baltimore market; ESPN; and the owners of the teams appearing on the two channels.

The cable realignment puts CBS’ Cable properties TNN and CMT under the supervision of MTVN chairman Tom Freston. The executive fallout: Lloyd Werner will leave CBS Cable; Don Mitzner will remain as part of the transition team, but only for a while.

TNN’s head, Tom Hall, will stay.

Freston said he didn’t have TNN and CMT’s future laid out in detail. “With CMT, we want to take the niche that it’s in, which is very viable, and soup it up and regain some of the distribution it lost” to rival Great American Country, which has been offering operators $5 per subscriber launch fees, he explained.

As for TNN, “I love its distribution, love the fact that it’s been able to assemble an audience. They haven’t had any money to invest in programming.”

The departing Werner concurred. “I
programming for syndication within the last 12 months.

One wild card: where UPN will be put. Viacom executives expect to retain full ownership of the Web let after changes are made in the FCC’s network ownership rules. But who will be running the network and what kind of programming it will carry remain questions.

There was speculation last week that it would make sense to shift UPN to Moonves’ purview, so that the two networks might more efficiently explore joint-sales efforts and other ventures.

Last week, Redstone said in a Los Angeles Times article that CBS Sports and CBS News programming might be added to the UPN roster in the coming year.

The fact is, UPN is not dead. Under network head Dean Valentine and programming chief Tom Nunan, UPN has revived itself with WWF Smackdown and a few new series. “UPN has gotten some traction this year. The question is can they parlay that into something advertisers, stations and viewers want … in a big way?” asked one top Hollywood executive.

Several weeks ago, Viacom reorganized its Washington operations, putting Carol Mellon, former vice president for governmental affairs at Viacom in charge. Washington veteran Marty Franks was promoted last week to executive vice president, CBS, reporting to Moonves, and senior vice president, Viacom, where he’ll take on special projects for Karmazin.

The FCC approved the merger last Wednesday (May 3) at 5:30 p.m., and the merger was completed the next day at a little before 9 a.m. A week earlier, the Justice Department indicated to Viacom that it would not stand in the way of the merger. Sources said Justice had suggested that Viacom sell off one of its top-rated syndicated programs, but the company balked and got its way in the end.

CBS will have to sell a total of seven radio stations to comply with government restrictions on same-market radio/TV cross-ownership, according to an FCC order approving the decision. Rules forbid a company to control more than seven radio stations in a market where it owns a TV station.

In markets where a company has a TV duopoly, no more than six radio outlets may be held. Consequently, Viacom-CBS must sell two radio stations in Baltimore and Dallas and one station in each of Chicago, Los Angeles and Sacramento, Calif.

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Krasnow to deliver NBC’s daytime goods

NBC hires veteran producer to energize afternoon lineup

By Joe Schlosser

NBC’s efforts to revamp its struggling daytime lineup continue. Veteran daytime producer Stuart Krasnow was brought in last week to develop the next big afternoon hit.

Krasnow, who has produced such daytime fare as The View, Ricki Lake and the soon to be canceled Martin Short talk show, has signed a development deal with NBC Studios. Krasnow joins Linda Finnell, who was hired earlier to head up a new, nonfiction daytime programming division under the watch of NBC West Coast President Scott Sassa.

The network is hot on classic game shows. NBC executives are shooting pilots on several, including Concentration, over the next several months and could get one or even two up and running by October, sources say. NBC, which relaunched Twenty One this season in prime time, also owns the broadcast rights to Tic Tac Dough, Dough Re Mi and other game formats.

NBC is also said to be looking to acquire several other game formats and preparing other daytime formats, including talk shows. All likely be launched on the NBC owned-and-operated stations and sold outside in syndication. Sassa said earlier that he wants to bring several NBC projects to the NATPE conference next year.

NBC’s daytime, which should derive a big boost out of its Today lead-in, has consistently lagged behind both CBS and ABC in ratings. CBS has actually led all networks in Nielsen daytime television households for 580 consecutive weeks; ABC is strong in a number of female demographics.

“I’m going to try to create things that the audience loves, that the stations will love and, hopefully, all of our executives will be proud of,” says Krasnow, who formerly worked for NBC News and David Letterman’s late-night NBC talk show. “And I think ABC’s [Who Wants to Be a Millionaire?] has proven to the marketplace that all formats are open, whether its talk, game, court or whatever.”

Krasnow has worked with nearly everyone at the top of NBC’s Burbank headquarters. He teamed up with NBC Entertainment President Garth Ancier to produce The Ricki Lake Show for syndication, worked with Finnell at NBC News and with new NBC Studios President Ted Harbert during a stint when Harbert was at ABC.

“This is a really comfortable environment for me to develop and get on the fast track getting product out,” Krasnow says. “With the environment for syndicated shows becoming so tough, I really do like the idea of having a safety net at the network, where at least there is a chance to keep something on and a chance to get it right without having to be judged on just the first two weeks.”

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See you in New Orleans

BRIDGADING & CABLE will attend the NCTA convention in New Orleans this week, publishing tabloids with convention news on Tuesday (May 9) and Wednesday (May 10). You’ll find most of us in the NCTA Pressroom, Room 257 of the Ernest N. Morial Convention Center. To reach us by phone: 504/670-4839; 40-41-42-43-44; by fax: 504/670-4838.

The editorial staff: Don West, Harry Jessell, P.J. Bednarzki, John Eggerton, John Higgins, Susan Qualtrough, Deborah McAdams, Bill McConnell, Ken Kerschober, Todd Gast, John Caggiano, Rick Higgs and Doris Kelly.
Disney triumphant

Last week's blackout of ABC was about programming costs, but it was also about the Time Warner-AOL deal

By Steve McClellan and John M Higgins

As Walt Disney was heading for its April 30 Sunday-night showdown with Time Warner over carriage of ABC stations, another Disney division sent a daunting missive to cable operators: ESPN notified Time Warner and other MSOs that it would expand its lead as the most expensive national basic cable network and boost its license fees to operators by 20%. ESPN will now cost operators $1 to $1.20 monthly per subscriber. A network like Discovery Channel or MTV costs 20 cents per sub.

While the price hike to Time Warner and other operators wasn't the trigger point, it does reflect the pressure that prompted Time Warner to take ABC O&O stations off systems serving 3.5 million homes on May 1.

But in the week just passed, Time Warner lost the public relations battle and, for now, the war with Disney. And by week's end, executives were sounding a lot like that old jingle for Dr Pepper: They're so misunderstood.

ABC lost virtually nothing. To the extent that Time Warner's blackout of ABC in seven major markets last Monday was intended to put a serious crimp in ABC's audience, it backfired.

The network's prime time lineup won the night, delivering ABC's best Monday-night ratings in two years, and the best Monday 8 to 9 p.m. performance in 15 years (with a special celebrity episode of Who Wants to Be a Millionaire?). Robert Iger, Disney's president, told analysts last week that the economic impact was so minimal as to be "difficult to measure." But public sentiment was not. For a day, Disney, which often can't buy good press, was the media version of Elián Gonzáles.

Tuesday afternoon, Joe Collins, chairman and chief executive of Time Warner Cable, threw in the towel and picked up the ABC signal again.

The issue, however, didn't go away. Time Warner is fighting the fat $1.3 billion Disney wants Time Warner to pay for its channels over 10 years. "What they don't want to accept is that, with competition and the government looking over shoulders, we can't pass this through to our subscribers," said Fred Dressler, Time Warner Cable's senior vice president of programming.

Disney executives see ownership of ABC, whose prime time viewership equals that of the top six cable networks, as their best leverage to get distribution of new products like SoapNet and Toon Disney.

And, while Time Warner executives contend Disney is trying to force regulatory review of their company's sale to America Online, Disney executives are expressing severe and detailed concerns.

As TV and Internet functions begin to converge, Disney worries about AOL's control over more than 20 million Internet homes—eclipsing any single MSO's hold on cable homes. That combination of conduit and Time Warner's content holds fearsome portent for programmers on the outside looking in.

Just a week or so ago, Disney notified Time Warner Cable that it was granting a fifth extension. That would allow the cable MSO to carry the signals of the ABC television stations in seven markets.

A primer on retrans and must-carry

The terms "retransmission consent" and "must carry" became part of the permanent lexicon of the television business through the Cable Act of 1992, when broadcasters assured themselves of carriage on all cable systems.

Here, for the bewildered, is how it works: TV stations can avail themselves of either must-carry or a retransmission consent when dealing with their local cable operator. If they choose retransmission consent, they must negotiate a contract for carriage with cable systems.

As a result of retransmission consent, the major broadcast networks developed cable networks, including FX and CNBC, to use as bargaining chips in negotiations. Cash for carriage of broadcast networks rarely happens, but the big companies that own broadcast networks routinely hold out for sweeter deals on carriage of their homegrown networks. In the latest instance, Disney demanded that Time Warner carry the Disney Channel on its expanded basic tier (rather than as a premium service).

If a station does not feel it has enough value to get a retransmission-consent deal, it can invoke must-carry, which means the cable system in question is obligated to carry it according to the law.

—Paige Albinia...
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through the end of the May sweep on May 24.

But by Friday, April 27, Disney had not heard back from the MSO—a clear sign that Time Warner was at least contemplating the possibility of yanking the signals off its systems on May 1, the expiration date of the fourth extension.

Sure enough, it pulled the plug. But after 40 hours of tremendous pressure from viewers and politicians, and the contention that an FCC regulation prevents a cable operator from yanking a broadcaster’s signal during sweeps, Time Warner relented and agreed to a new extension, through July 15.

The day after Time Warner restored the signals, Disney took out two-page ads in papers in New York and other affected cities, offering Time Warner subscribers $198 rebates for the purchase and installation of satellite dishes to receive program service from DirecTV.

Time Warner executives howled. Disney President Iger scoffed at those protests. “They demonstrated that we should be working as a company to ensure that we get our signals to as many viewers as possible in these markets in any way possible,” Iger told BROADCASTING & CABLE last week. “They demonstrated to us the need to maintain access in whatever form we can, because clearly they’re willing, wantonly, to deny that access.”

Time Warner chief Gerald Levin told a CNBC audience last week that Disney was abusing the retrans rules by linking carriage of cable services to the talks. Levin said the FCC ought to amend those rules to curb such links.

But the Disney-Time Warner brawl is just the first of what many believe will be a series of high-stakes fights between the handful of big-league media companies. Most of CBS’ retransmission deals come up for renewal between a year and two years from now. By that time, the company should be well integrated into its new owner, Viacom—known as a tough negotiator.

Those fights, it is feared, will cause similar disruptions in service. Congressional hearings are planned this summer to probe how to avoid a repeat.

But those concerns aside, last week’s eruption demonstrated how retransmission consent talks have evolved from a series of talks between broadcasters and cable operators to a game of one-upmanship among a small group of mega-media companies with growing interests in both businesses.

In January, a similar battle between Fox and Cox resulted in a six-day loss of Fox’s TV signal to Cox Cable subscribers. The two sides came to their senses on the eve of an NFL Washington Redskins playoff game, which would have been blacked out in the D.C. suburbs without a settlement.

Both Time Warner and Disney face deadlines with others in the coming months. The MSO faces a June 30 deadline to settle a new retrans deal with Hearst-Argyle Television, which is demanding a two-fold increase in fees for Lifetime—an increase Time Warner says is unacceptable. Lifetime also tried to link the Hearst-Argyle deal to carriage of new movie channel Lifetime is trying to launch. But Time Warner says

What they’re arguing about

The brawl between Disney and Time Warner Cable is about money, carriage and the AOL, Time Warner merger.

On the money issue, the two sides are $300 million apart, according to Time Warner Cable programming head Fred Dressler.

Dressler says Time Warner accepted a deal in December that had all terms nailed down except for several issues concerning the content of Soap Net, Disney’s new soap opera channel.

In exchange, Time Warner would pay in excess of $1 billion over 10 years and receive the right to retransmit the signals of the ABC Television Stations. But after the Time Warner merger with AOL was announced, ABC pulled the deal off the table.

Dressler says Disney came back with a demand for an additional $300 million, including an almost doubling of the price for The Disney Channel, to 71 cents per subscriber per month. Disney also demanded “open access” for its TV signals—meaning they be delivered in the same manner to subscribers in the AOL-Time Warner universe as Time Warner TV signals.

Disney is worried about broadband and Internet iterations. In a Feb. 18 letter to Time Warner, Disney’s Anne Sweeney said Disney had concerns about “page placement,” “navigation” and “return path functionality.”

Disney officials say the $300 million figure is inflated. And Dressler says Disney was willing to forgo open access for the added payment. “What they said was, ‘just pay us the money and that will go away,’” he said.

But Preston Padden, head of Disney’s Washington office, says Time Warner wants only to pass-through the primary video and audio portions of Disney’s digital TV signals, not the digital multicasting and data channels ABC may develop.

“They want to block access to parts of the signal that viewers would normally receive with an antenna because they prefer the customers get such services directly from them,” says Padden. “That limits public choice and that’s a public policy concern.” —Steve McClellan
Just Look At The Power Of Seinfeld, The #1 Show In Syndication...
Drums on the Potomac

**Time Warner takes hits in D.C. over retrans flap**

*By Paige Albinjak*

From Washington, it's hard to see how Time Warner comes out a winner after last week's very public, very noisy spat with Disney.

In the short term, Time Warner's decision to throw ABC off its cable systems in seven cities—albeit only briefly—makes it look like an old-time cable bully that doesn't give a whit about its customers. Time Warner counters that it was trying to help subscribers by resisting Disney's billion-dollar-plus demand for compensation, which it says it would have to pass on to consumers in the form of higher fees.

That argument notwithstanding, Time Warner's tactics have forced its merger with AOL into the glare of the government spotlight.

"I think the issues of monopoly control and discrimination are now on the table for everyone to see. It's impossible to sweep them under the rug," said Preston Padden, executive vice president of The Walt Disney Co.

"This reflects a mindset of incredible arrogance that is only associated with monopoly power," says Larry Sidman, who is representing Disney and is a senior partner at the Washington law firm of Verner, Liipfert, Bernhard, McPherson and Hand.

"The dynamics have changed on Capitol Hill as a result of this feud," says Ken Johnson, spokesman for House Telecommunications Subcommittee Chairman Billy Tauzin (R-La.)."It's brought unwanted publicity to the merger and has focused everyone's attention on the problems we face as we make the conversion to digital. Americans love their TV, and when the screen suddenly goes dark and people start pointing fingers, frankly they don't care who is to blame—Time Warner, ABC or Congress—they just want it fixed." Johnson also says that as the November elections draw nearer, Congress will be less tolerant of high-profile battles that could alienate voters.

Even now, the fight stirred sleepy, election-year Washington into action. Early last week, Tauzin said he would move a planned hearing on the merger to just after Memorial Day instead of waiting until later this summer. And Disney now plans to testify, while before the company didn't want to air its concerns publicly. "There will be no more tip-toeing around on eggshells pretending there's not a problem," Padden says.

Senate Commerce Committee Chairman John McCain (R-Ariz.) also plans a hearing to examine retransmission consent in general, and how the practice of negotiating for cable carriage may be hurting consumers.

The FCC will hold a hearing on the merger in late May or early June. The commission was quick to rule in Disney's favor last week. "No company should use consumers as pawns in a private contract dispute," FCC Chairman William Kennard said.

Consumer groups say the fight proves their point: A merged AOL Time Warner will control too much of the country's two-way broadband networks and needs some government rules to follow.

"If Time Warner has the power right now to block the top-rated TV network in the country, one can only imagine what the new AOL-Time Warner will be able to do in the broadband Internet arena," says Jeff Chester, executive director of the Center for Media Education.

And sources say the Federal Trade Commission, which is reviewing the merger for antitrust problems, has picked up its ears and started asking questions.

That said, merger watchers always expected the scope of the proposed AOL-Time Warner to prompt some conditions from regulators.

What Padden wants and has been quietly pushing for in Washington is "non-discriminatory access to the platform," he says. "We need government rules as opposed to that toothless, worthless PR document that AOL and Time Warner put out to skate through [last February's Senate] Judiciary committee hearing."

Last winter, AOL Chairman Steve Case and Time Warner CEO Jerry Levin told Senate committees that they would open their broadband networks to competitive Internet service providers, and that they had signed a non-binding legal document to prove it. Many senators and consumer advocates were skeptical of that promise then and are even more so now.
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AOL’s key exec lineup

The merged company will put Pittman in power seat

By Deborah McAdams

The conglomerate soon to be known as AOL Time Warner officially named its key executives Thursday, with Bob Pittman assuming much of the power.

As expected, Time Warner Chairman Gerald Levin will be chief executive officer, while AOL head Steve Case will be chairman. Bob Pittman, president of AOL, and Richard Parsons, president of Time Warner, will be co-chief operating officers.

Barry Schuler, president of America Online interactive services will be chairman and CEO of America Online Inc. He’ll report to Pittman, as will Time Warner Cable Chairman Joe Collins, HBO Chairman and CEO Jeff Bewkes, Turner Broadcasting Systems Chairman Terry McGurk and WB Television Network Chairman and CEO Jamie Kellner.

Also reporting to Pittman will be David Colburn, president of AOL business affairs, who will become president of business development for subscription services, advertising and commerce for the combined company.

Michael Kelly, chief financial officer for America Online, will become CFO for Time Warner. AOL’s Kenneth Novack will be vice chairman of AOL Time Warner, and William Raduchel will be chief technology officer. Both will report to Case. Time Warner Vice Chairman Ted Turner will retain that post after completion of the merger but not much power in the infrastructure.

AOL Time Warner’s executive committee will be chaired by Case and Levin and include Parsons, Pittman, Novak, Kelly, Raduchel and Turner, among others.

BACKSTAGE AT THE GRAND THEATRE

Clear Channel settles in Florida

Clear Channel Communications Inc. will pay $80,000 into a Florida consumer-fraud trust fund after an investigation into its national radio contests.

The office of the state’s attorney general, in December 1999, charged the San Antonio-based group owner with deceptive trade practices for failing to inform Florida listeners that some of its radio contests were also running in other states. Multistate contests lower a listener’s chances of winning, the AG said. Under a “voluntary compliance agreement” reached last Monday, Clear Channel agreed to run notices—at least on its 73 Florida radio stations— that a contest is multistate. The disclosures will run daily during peak listening hours.

Clear Channel did not return calls seeking comment on whether it will label multistate contests as such in other markets. As part of the Florida settlement, Clear Channel also agreed to disclose the city and state where a contest winner lives and not to alter interviews with winners.

According to Florida Assistant Attorney General Stephen Iglasias, a local DJ’s voice was being dubbed over the voice of an out-of-state DJ, making it sound like the out-of-state winner was local.

The multistate contests have garnered media attention in other markets, including Cincinnati, and Iglasi said he had received a call from a local attorney general for more information from the attorney general of Arkansas.

WASHINGTON

Chairman staying put

Rumors were flying around Washington last week that FCC Chairman William Kennard has notified the administration he would resign in August. Kennard quickly quashed talk of his departure and said he plans to stay at his job until his term expires in 2001. “The digital revolution makes this time very exciting for all of us,” said an FCC spokesman. “The chairman has an important agenda, and he is committed to it. He is not going anywhere.”

SCRANTON, PA.

Pulling the plug on Imus

Don Imus bid goodbye to Scranton, Pa., last Friday, and Scranton responded by showing him the door. Citadel Communications Corp.’s WARM(AM) pulled the plug on Imus’ syndicated show at 8:30 a.m. that day—for good—as the shock jock ranted about a local hotel, according to Scranton Times & Tribune reporter Rich Mates.

Imus complained that the hotel, where he had been staying in advance of a live remote in the ballroom, refused to put through a telephone call from his wife. He packed his bags and returned to New York at 3:30 a.m., Mates said. That left the station in the lurch, along with about 500 fans who had showed up to see the remote. Imus’ syndicator, CBS Corp.’s Westwood One, declined comment. However, Imus detractors filled up MSNBC’s Web site (Imus’ show is simulcast on the cable channel). “I am from the Scranton area, and thank God I didn’t get up early to see this loser, who chose not to do his job,” one missive said. “Thanks for nothing!” Another wrote, “He doesn’t have a cell phone or a pager? Sheesh…”

NEW YORK

Will the real Van Toffler...

Like most MTVers, and certainly the senior ones, General Manager Van Toffler loves only the ratings from the bubblegum pop filling the network’s schedule. Personally, it’s far from his taste. Asked what that taste is, Toffler claims he leans toward the eclectic mopey rockers Paul Westerberg and Paul Weller, plus upstart Scottish rockers Travis. Quite erudite. One close friend heard that list and howled.
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FCC delays 60-69 scramble

Auction rescheduled for Sept. 6; participants jockey for position

By Bill McConnell

Regulators last week gave themselves an extra three months to figure out how to persuade TV stations to relinquish ahead of schedule a valuable swath of spectrum that the government plans to auction to telecommunications companies.

But by postponing until Sept. 6 the bidding for spectrum now used for TV channels 60-69, the FCC will be delayed over the summer by broadcasters and wireless companies angling for new auction rules that give them better deals.

Some TV owners hope the government’s eagerness to get them off the band quickly can be parlayed into revived chances for powerful cable-carriage rules guaranteeing that a station’s multiple digital signals will be offered by local cable franchises.

On the other hand, telecommunications conglomerates expected to bid on the frequencies will push for rules that, while not overtly forcing stations to forgo their rights to remain until the industry’s digital conversion is complete, will increase chances that broadcasters will exit the channels by 2002.

The FCC says winning bidders should buy out broadcasters if they want the spectrum before 2006, but wireless companies say they need more leverage to prevent holdouts from “extorting” exorbitant offers. One idea being floated: Single stations should be forbidden to remain on the band after other stations in their market have accepted offers.

Broadcasters are opposed to a “lone holdout” rule or any other provision that would make buyout deals anything other than voluntary. If the FCC considers TV station owners’ demands for additional digital carriage rules, the cable industry will be angered.

“It’s a nightmare,” says Barry Friedman, Washington attorney for Entravision, a Spanish-language station group operating on chs. 62 and 67 in Venice, Fla., and Monterey, Calif.

“What is the price for giving these channels up? I don’t know how to figure it out. You’re essentially asking us to put our stations on ice for a couple of years.”

FCC officials say prospects for buy-out deals are bright and dismiss such negative statements as the veiled attempts to better bargaining positions.

Accepting buyouts would require stations to cease analog operations on the 60-69 channels and rely solely on digital broadcasts long before audiences are equipped to receive digital transmission and without clear rules for digital carriage.

“The operative term in any deal to vacate chs. 60-69 early is ‘voluntary agreement,’” says Mark Hyman, vice president of corporate relations for Sinclair Broadcasting, which has five stations that will have their frequencies auctioned.

Stepping up the pressure on the FCC last week was Lowell “Bud” Paxson, who says the government’s effort to get broadcasters off chs. 60-69 quickly will fail unless the FCC gives stations the right to demand cable carriage for all their new digital signals.

“There is an inevitable linkage between the commission’s decision on DTV must-carry and your agency’s success in maximizing the public benefits from the ... auction” of chs. 60-69, he wrote in a letter to FCC Chairman William Kennard.

The chairman of Paxson Communications, which owns 19 of the 138 TV stations licensed to operate on the channels, says he would be willing to vacate the frequencies early only if granted digital cable-carriage rights.

He wants FCC rules requiring cable companies to carry a station’s primary digital signal when it vacates an analog channel. Also, stations that multicast up to six video digital signals can demand carriage for them all, when their local cable franchises begin offering digital service with expanded channel capacity.

Paxson first suggested the digital-only carriage rule March 31 but is stepping up efforts to link the idea with the upcoming auction.

The cable industry, however, opposes any plans that would give a broadcaster multiple carriage rights.

Wireless providers, on the other hand are trying to play off government hopes to make as much money as possible from the auction. They argue that new users won’t be willing to pay the full value for the spectrum unless they know they can put the spectrum to use quickly for mobile Internet and have a clear idea of what it will cost to buy out broadcasters.

“We are having a difficult time determining what amounts should be paid for the licenses at auction and what amounts should be held in reserve to clear the incumbent broadcasters,” US West corporate counsel Julia Kane told the FCC in a request to delay the June 7 auction.

Efforts to strike pre-auction deals between broadcasters and the wireless bidders are in their infancy. None of the station groups with a large number of stations on chs. 59-69 have received any specific buyout bids, but several have received queries. (Ch. 59 is included in the channel package because of possible interference problems.)

Paxson, USA Broadcasting and Sinclair have been approached by Spectrum Exchange Group, a Maryland company teamed with New York investment bank Allen & Co. to broker deals with wireless companies. “We’re targeting stations in top-20 markets,” says Spectrum Exchange Group Chairman Peter Crampton.
New labeling bill excludes TV
Sens. John McCain (R-Ariz.) and Joe Lieberman (D-Conn.) last week introduced legislation that would require content providers to create a uniform labeling system for all media, but not for TV shows. "This strictly applies to products that you walk into the store and buy," said a Senate Commerce Committee spokeswoman.
McCain and Lieberman have been trying to label content for several years, and last year introduced bills to create a uniform labeling system for all media and to form a National Commission on Youth Violence, both of which got bogged down in larger juvenile justice legislation that never made it out of House-Senate conference.
"There is a consensus in the scientific community that exposure to violent images through the media is harmful to kids," McCain said. "This is common sense to the rest of us."
"[This alone] won't stop media standards from falling, or substitute for industry self-restraint," Lieberman said. "But it will help make ratings a more useful tool for parents who want to shield their kids."

Jack Valenti, president of the Motion Picture Association of America, opposed the bill. "Movies are not cigarettes, and to equate First Amendment-protected intellectual property with cigarettes is a bit bizarre," Valenti said.

The industry would have six months to come up with a system that retailers would have to enforce. The FTC would be able to accept, reject or modify the system and would have the authority to charge content producers $10,000 for every item that is incorrectly labeled.

Nondisclosure costs AT&T little
The FCC last week ordered AT&T to pay $9,000 for failing to be upfront about how many cable subscribers recent mergers would add.
Consumers Union and other public advocacy groups complained in October that AT&T and Tele-Communications Inc., the predecessor to AT&T's cable subsidiary, failed to disclose how three mergers would alter the companies' national audience reach. The FCC, to ensure cable systems do not exceed the 30% cable ownership cap on share of U.S. multichannel subscribers, requires any system already at a 20% share to certify any resulting changes in audience reach when filing merger applications.

The deficient applications included transactions with Galaxy Cablevision and FHF Cable in 1999 and Comcast in January. AT&T argued that certifications are due only prior to closing a transaction, not necessarily when a company files an application. But FCC officials said a review of AT&T and TCI certification letters reveals the companies were "obviously aware" of the certification requirements and "willfully and repeatedly" violated the rule.

High speed, low power
In another Congressional attempt to bring high-speed wireless data services to rural communities, Sen. Conrad Burns (R-Mont.) has introduced legislation that would allow low-power TV stations to provide digital services to subscribers.
FCC rules currently forbid LPTV stations from offering anything other than free over-the-air TV service. The bill would protect new data services by forbidding the FCC to authorize any new interfering services. Conversely, it would forbid LPTV stations from interfering with existing TV signals. The bill does not, however, address what would happen with regard to interference should an LPTV station convert to digital.
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Overbuilder’s attack depends on fixing customer service missteps

By John M. Higgins

ast Monday was a lousy day in Manhattan for Michael Eisner, Jerry Levin and Regis Philbin. But it was a good one for Mike Adams. ABC may have gone dark in the homes of 1.1 million New York cable subscribers, but the lights went on at the call center of RCN, the upstart overbuilder that is trying to compete against Time Warner Cable in the Big Apple and against other cable operators elsewhere.

Adams, COO of RCN, saw calls from Time Warner's annoyed subscribers triple in volume on his sales lines.

RCN executives smiled. "It has had an impact," said Adams. "People know us out there."

But RCN ducked an opportunity to leverage the situation even further. ABC cut a special deal with DBS service DirecTV, saying that it would pay the $200 cost of a dish for any Time Warner New York subscriber who switched over. Disney executives sought to get RCN officials in on a sim-
for customer service and gets put on hold for 20 minutes at a time.

Other subscribers reported no significant problems, and even those with complaints generally said their problems were with RCN's customer service, not with the company's products.

Mistakes, they've made a few

Still, RCN executives are not shy about acknowledging snafus. But they say they've made big changes in their operations to smooth installation and customer service. One of those is to slow the pace of connecting new customers, so at least the ones they do turn on get the job done right.

"We're finding there's an overwhelming desire for the product," said RCN Chairman David McCourt. "The struggle is hiring enough people, deploying enough technicians, getting the relationship with Bell Atlantic down [to switch phone customers]."

But McCourt is thrilled with the company's four-year transformation from a small, conventional cable operator—CTEC—into an aggressive overbuilder of his former MSO colleagues.

"We know what we're doing," McCourt said. "I think people saw we've done it before with corporate communications network. We know how to design and build a network. Has it been easy? No, it's a ball breaker."

There's a good reason only a handful of U.S. cities have more than one cable operator or residential phone company. Pulling a piece of copper down every street of a city requires immense amounts of capital. Even if a rival can afford to build it, it will have to settle for a minority piece of the market for years and years, leaving a much smaller customer base over which to spread the capital costs of building the network.

But McCourt insists that the communications revolution has changed the overbuilding equation. Previous overbuilders relied on just one business: cable. Today, RCN's network can cover the costs of building its network with four revenue streams: cable, high-speed Internet, local phone and long distance.

Cable operators believe they can generate enough revenue out of advanced cable systems to justify paying $4,000 to $5,500 per subscriber for systems in the kinds of markets RCN is looking to serve.

RCN says building the network costs $900 per home passed. It is targeting penetration of 30% of those homes with at least one service. That would put the network at $3,000 per customer. Actually connecting a customer costs $300 per service.

One way of looking at it is that a cable, Internet and phone customer costs $3,900 per subscriber. McCourt prefers looking at the cost per service, which would be $1,300 for a three-service customer.

Why overbuild?

Others are far more skeptical. Jonathan Goldsmith, a Los Angeles-based Price-waterhouseCoopers consultant who has studied overbuilders, said that RCN's chief asset is the amount of cash McCourt was able to raise when the

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**RCN'S PROGRESS**

As RCN has tried to moderate its installation pace to promote quality, cable penetration has slipped.

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<td>304,505</td>
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<td>427,843</td>
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<td>270,406</td>
<td>301,546</td>
<td>361,015</td>
<td>440,112</td>
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<td>31.9%</td>
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Source: Company reports. Data counts only advanced "on-net" homes.
SELL THIS LITTLE NUMBER.

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order number
05029
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market loved telecommunications and Internet stories. “It’s a second wave of capital,” Goldsmith said. “The telcos thought they could see this piece of wood four to five years ago. They’ve dulled their saws, and now somebody else has come in and decided, ‘Here we go again.’”

One former cable executive, armed with hundreds of millions of dollars from selling his company, said he has considered investing in overbuilders but balked. “It’s not out of any sense of loyalty. It’s that dividing the market is an unattractive proposition,” the executive said. Two overbuild situations he studied “go cash-flow positive within 10 years, but you don’t get any return. You assume a very big buyout price.”

Princeton, N.J.-based RCN is three years into an ambitious plan to take on established cable and telephone companies, wiring the largest U.S. markets with a network that will offer video, voice and data service together, hoping to move faster and smarter than the incumbents.

The company is in the midst of wiring markets including New York; Boston; Washington, D.C.; Philadelphia; Chicago; San Francisco; and Los Angeles.

Of the areas of Manhattan, Brooklyn and Queens RCN is targeting, the company’s network is about 10% complete. Boston and its suburbs are about 50% built. Chicago and Washington are 15% complete. The company is just starting in Philadelphia, Los Angeles, San Francisco and northern New Jersey, where it’s just 1% to 5% built.

The company has a combination of financial resources that has startled its rivals with a star lineup of telecommunications backers and a huge war chest, $3.4 billion in cash and credit lines, ready to attack MSOs and telcos.

The team behind RCN is the same that built MFS Communications, an early competitive local exchange carrier (CLEC) that successfully attacked Baby Bells in the business telephone sector. Walter Scott, the chairman emeritus of Peter Kiewitt Sons, who pushed the construction company into communications, sold MFS for $14 billion in 1996 to what is now MCI WorldCom. Scott’s Level 3 Communications owns 32% of RCN.

The other huge supporter is Microsoft Corp. co-founder Paul Allen, whose brilliance operators heralded when he started a $20 billion, two-year cable system spending spree through Charter Communications Inc.

They quieted when he sank $1.65 billion in RCN last year, holding the equivalent of 27% of RCN’s equity.

Growing pains

Today, RCN ranks as the 13th-largest cable operator. Half of its 292,000 subs are from leftover C-TEC cable systems, including one in hometown Princeton, and an outmoded New York City wireless cable system. About 140,000 are connected to RCN’s new multiple-service network, called “On-Net.” About 19% of homes passed by the advanced network have taken cable. About 9%—many of them also cable customers—are taking telephone service, while 3% are taking high-speed Internet service.

The company has territory containing 2.5 million homes in its sights. RCN has commenced construction in 62 towns and suburbs, up from 20 at this time last year. Homes passed by the network have doubled, as has the number of homes marketed.

But that growth creates growing pains. Rob and Paula Moore were so upset over the installation process at their Framingham, Mass., home in March that they posted a sign for all passersby to see: “RCN Failed Our Install. Day 2 Without Service.”

Rob Moore, an engineer with Internet messaging company Critical Path, said that his wife was home with their daughter the day of the installation, coincidentally waiting for a call about the results of medical tests.

Unfortunately, after four hours, the RCN installer couldn’t get the Moores’ phone working. “At noon, we didn’t have any service,” Moore said. Repeated calls to customer service were routed to a distant Dallas, Pa., call facility, then to Princeton.

Moore canceled the RCN install, but telco Bell Atlantic had already disconnected the line, and RCN couldn’t get the dial tone back up. “We were all night without phone service. By 10 a.m., my wife was ballistic. She put up the sign.”

An RCN manager came to the house, pulled strings with Bell Atlantic contacts and had service restored the second day. “If they said the phone was free, we wouldn’t switch. It’s a reliability issue.”

RCN executives acknowledged that there have been problems. The most severe ones come from the difficulty in coordinating hand-offs with the local telephone company, whose customer
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RCN is stealing.

But COO Adams said some of the wounds were self-inflicted by the speed at which RCN has been trying to deploy service. "Hindsight's 20-20," Adams said. "We spent so much time on the regulatory network construction process, we didn't really focus on customer service."

Train faster, sell slower

One of McCourt's solutions was moving Adams in January from supervising construction of RCN's networks to overseeing all operations. His first decision was to slow the sales process down. In past months, RCN would presell residents the service through telemarketing and door-to-door sales, just as it started extending its network out to a new neighborhood. But if construction was delayed even a few days that meant missed installation appointments and cascading backlogs.

That's stopped. "What we were doing was marketing ahead of the availability," Adams said. "Now we're building ahead of it, then selling. I don't want to have bad customer experience."

The complexity of RCN's product is another snag. The company has been emphasizing cable service to get into potential subscribers' doors, then offering phone and Internet as an add-on. But it has found better penetration by bundling all services in a single package called Resi-Link. Before the average subscriber was buying 2.2 services. That has grown to 3.3 services, with long-distance as the fourth.

But installing cable, phone and Internet generally requires three separate crews, each trained in a different product. That multiplies the difficulty, cost and customer inconvenience of scheduling installations.

So McCourt is accelerating training. Right now, installers are trained at a Queens facility used by New York City partner Consolidated Edison. Soon, RCN will open its own "Cable Camp" in New Jersey. Here's the problem, and the goal: Only 20% of RCN's crews and subcontractors are able to install all three products. McCourt wants to boost that to 80% by year-end. To underscore the importance of training, every employee, not just installers, will be required to attend "Cable Camp."

Tough competitors

Cable operators say they're not worried about RCN's incursion.

"There's a lot of different types of competition," said Barry Rosenblum, president of Time Warner Cable's New York operation, who has faced RCN for four years. "The most important thing is, our business is still growing. The cable side shows 2% basic growth, and between digital things like Road Runner, we're gaining."

Comcast Cable President Steve Burke is starting to face RCN in his core system in Philadelphia. "We take every potential competitor seriously; we take RCN seriously," he said. "They're certainly well-funded." He contends that, by completing system upgrades and deploying new products, Comcast will be fine.

"We can't find a reasonable economic model where overbuilding works," Burke observed. "Even if you have three revenue sources, you could have three bad businesses."

Still, he's not above counterattacks. Just as RCN is entering Philadelphia, Comcast is suddenly exploring an overbuild of its own in Princeton, coincidentally one of the handful of RCN's conventional cable systems.

Operators counterattack on all sorts of fronts.

In the streets, Comcast Marketing Vice President Kim Ketchell said that when RCN starts to build a new Philly neighborhood, Comcast sales people sweep in and try to sign up existing customers to new 12- to 18-month contracts. In some cities, crews follow RCN's door-to-door sales people and remove any door-hangers left behind.

Washington, D.C., writer and researcher Philip Mataera said that a few days after he dropped AT&T's District Cablevision for RCN, someone severed the cable drop at the side of his house.

Time Warner offers bulk discounts to New York apartment buildings in which as few as 60% of residents sign up. It used to be 90% to 100%.

But the big question about RCN is whether the company is truly a long-run player. The company's stock has plunged 50%, along with that of many other telecom start-ups. The company is planning to spend $3.6 billion through 2001 constructing networks and has the cash in hand. Many Wall Street and cable executives believe, though, that, like the many RCN imitators sprouting up, McCourt is building only enough critical mass to entice buyers. He'll let them wrestle with the problem of operating it profitably.

"We're not in this for the short term," McCourt insisted. "Some of the RCN lookalikes are just trying to build a shell of a company to sell. That's not us."

He built his competition

There's a reason RCN Chairman David McCourt knows his competition better than most corporate executives: He built some of their systems.

McCourt started out in the cable business not as an operator but as a contractor. His family-owned company was hired by, among others, Cablevision Systems Corp. to lay cable under the streets for its Boston system. That experience spurred him to lay cable that would actually own, creating Corporate Communications Network, a telephone company focusing solely on high-volume business customers. CCN became one of the first competitive local exchange carriers.

That caught the eye of another construction company that was doing the same thing, Peter Kiewitt Sons, an old-line company with roots stretching back 100 years. PKS had created a similar venture, Metropolitan Fiber Systems, later called MFS Communications. MFS bought CCN, and McCourt along with it.

McCourt then moved abroad, shepherding PKS jobs, which meant designing and erecting cable systems in Europe with clients including current U.S. cable competitor Comcast. In 1993, PKS bought C-TEC, which included cable systems and small-town telephone operations. In 1997, McCourt split C-TEC into three pieces: a group of Michigan cable systems, Commonwealth Telephone Enterprises, and RCN.

How does it feel to be competing against old clients, particularly Cablevision, which he tangled with in court in a dispute over construction payments?

"I don't have any emotion about it," McCourt said. "My emotion is about executing the strategy." —J.M.H.
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Everybody wants to be first when it comes to cornering the broadband market

By Price Colman

The “Digital Dawn” we’ve been hearing about for a decade or more—a bit stream into every home—so far has proved to be more yawn than dawn.

But don’t let that lull you into a false sense of cynicism. For the first time since the talk started, the digital fat pipe known as broadband may actually be carrying bits of information to a household near you. Probably 3 million to 4 million Americans, maybe even more, will be broadband subscribers by year-end. And despite the modest number—there are about 100 million U.S. households—public awareness of broadband has skyrocketed this year, and with it so has demand.

“It’s not that different from the situation with DBS service,” says John Alchin, treasurer for Comcast Corp. “When DBS started to blanket the market with all the advertising they did in the late ’90s, we were beneficiaries. The same thing is happening with data. This is going to be a huge year for data for us.”

The race to offer broadband is igniting the kind of wide-scale telecommunications competition that free-market advocates and some telecom regulators have long touted.

The high-speed data market is crucial because it’s the fulcrum between the bandwidth-constrained analog past and the broadband future. Data is only a small piece of a digital future whereas, MIT guru Nicholas Negroponte points out, “bits are bits,” and the pipe that’s carrying them couldn’t care less whether those bits are voice, video or data. Still, the momentum building behind high-speed data will probably provide the push needed to birth more sophisticated applications, such as video conferencing, real-time game playing, even distance learning and medicine.

In contrast to traditional voice, video and dial-up Internet access, broadband is the new model, and the playing field remains wide open. For every big cable- or telephone-company player pursuing a broadband-data strategy—and they all are—there are scores of smaller, nimblfer players snatching market share while the sun shines. According to a recent Paul Kagan study, “The State of Broadband: 2000,” authored by Leslie Ellis, at least 10 broadband service providers—most using the DSL platform—offer service in every top-10 Nielsen market area.

Never mind that, for now, broadband translates primarily into high-speed Internet access. There are relatively few Internet-ready applications capable of fully exploiting the speed and capacity of broadband.

But that application wave is building. “This is all going to happen, no doubt about it,” says Russell Siegelman of venture-capital firm Kleiner, Perkins, Caufield & Byers. “The only question is: how fast? I don’t think the demand side is holding up adoption, it’s the supply side.”

Top players, expansion teams

Heading into this year, cable was the undisputed big dog in the residential broadband neighborhood, leading the rest of the pack by about a 3-to-1 margin. At the end of 1999, cable had roughly 1.25 million high-speed Internet-service
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subscribers. On the telephone side, incumbents tallied slightly better than 400,000 residential customers. The newer players—competitive local exchange carriers focusing on data, or DLECs—add only a few thousand more.

The consensus among analysts and market researchers is that cable and DSL residential subscriber numbers will converge sometime in the 2003-05 window, when DSL will take the lead. For now, however, it’s cable’s advantage to lose.

“There’s substantial benefit in getting there first,” says Robert Bennett, president and chief executive officer of Liberty Media Corp. “If cable companies can get out there and have a service offering that works, there’s no compelling reason why they shouldn’t get the lion’s share of the business. Cable should be the dominant provider.”

The current two-player game pits cable’s hybrid fiber-coaxial cable platform against phone companies’ digital subscriber line, or DSL, platform. But satellite and terrestrial wireless can’t be dismissed.

A space-based pipe for two-way, high-speed data faces certain technological challenges, but if the industry can overcome them, satellite players such as EchoStar, Gilat, Hughes, iSKY, PanAmSat and Loral could redefine the data game much as they did with video.

Liberty; Kleiner, Perkins; TV Guide; TRW; TeleSat; and EchoStar all have taken stakes in iSKY (formerly called Ka-Star), a fledgling satellite company that intends to use Ka-band spectrum and spot-beam technology to deliver two-way, high-speed data to residential markets beginning in late 2001.

In addition to the $50 million it paid for a 12% stake in iSKY, EchoStar paid an additional $50 million for a 17.6% stake in Gilat-2-Home. Using a single dish capable of receiving EchoStar’s Dish Network video signal as well as two-way, high-speed data, Gilat-2-Home will be launched commercially in this year’s fourth quarter. Gilat-2-Home is a joint venture whose partners include Israel-based Gilat Satellite Networks, EchoStar and Microsoft.

At the moment, there’s no competition in two-way, high-speed data from satellite. DirecPC, from Hughes Network Systems, and EchoStar offer satellite-delivered services but require a telephone link to send signals upstream. The next generation of satellite services won’t require the phone hookup.

“It’s correct to call it nascent, just getting going, but Gilat is deployed [internationally] and operating today,” says Scott Landers, director of Interactive Television for EchoStar. “A partnership with [Gilat and iSKY] will help us devise an industry standard or approach.

“Even if cable and DSL are deployed to the extent they’re predicting,” he adds, “there still will be areas that are underserved. We find opportunities for satellite even in [more urban] counties.”

The potential market for satellite-delivered broadband encompasses 20 million to 30 million homes unable to receive cable or DSL for the foreseeable future.

“We think we’ll be first to market with two-way over satellite by as much as 18 months,” says Dianne VanBeber, vice president, investor relations, for Gilat Satellite Networks. “First-mover advantage carries a lot of weight. We really think the long-term sweet spot for our service offering is rural America and suburban areas that won’t have access to cable or DSL.”

Even terrestrial wireless—whose fortunes sagged as satellite’s climbed—has been declared a real contender by MCIWorldCom, Sprint and AT&T. Together, MCIWorldCom and Sprint spent roughly $3 billion last year to acquire multichannel, multipoint distribution system (MMDS) spectrum. And AT&T in early spring launched its resurrected Project Angel, which uses excess personal communication service (PCS) spectrum to bypass telephone companies’ local copper-wire loop and deliver Internet Protocol-based (IP) broadband data and voice service.

“I think that [high-speed] wireless data, terrestrial and satellite alike, is going to be a major force in residential and business markets,” says Siegelman. “There is no shortage of people focused on wireless, whether satellite, broadcast or terrestrial wireless.”

Tom Wolzien, the Sanford C. Bernstein analyst who co-authored the McKinsey-Bernstein report “Broad-
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band** in January on the status and outlook for broadband, recognizes satellite and terrestrial wireless as competition but contends their immediate impact is minimal.

"I think the Ka-band return path is probably a few years out; for the normal pocketbook, it's probably five to seven years away," says Wolzien. "On the MMDS side, Sprint and MCI WorldCom have yet to determine who their wireless equipment manufacturers will be. So it will take another 18 months to come up with the hardware. MMDS has potential but is not a player in the initial land grab."

**Sleeping giants awaken**

The Baby Bells, meanwhile, have moved from a dead stop in offering residential broadband service three years ago to full speed ahead this year.

For SBC Communications, the sense of urgency "escalates every day," says Executive Director, DSL Strategy and Retail, Eric Boyer. "Every day, our customers demand more and broader variety of services. Every day, competition steps into the market to address and meet customer needs. Every day, we step in with them."

The Baby Bell's DSL growth projections for the coming year are ambitious: double or triple the admittedly more modest counts at year-end 1999.

SBC may be the leader in residential DSL subscribers, but US West contends it's demonstrating how it's done. "When it gets to execution in the [DSL] business, we're ahead," declares Matt Rotter, executive director of MegaBits Services for the Denver-based Baby Bell. "All the competition confirms that our thinking three to four years ago was right on track. We're deploying this stuff as fast as we can already. We're kicking the DLECs' butts."

True for now, maybe. But the competitive landscape continues to change.

Line-sharing rules enacted by the FCC late last year require the Baby Bells to lease access to their network to DSL competitors at the same rates they charge to internal subsidiaries. In mid April, US West agreed to give data local exchange carrier (DLEC) Rhythms NetConnections free access to its lines, if Rhythms would drop its objection to the proposed US West-Qwest Communications $45 billion merger. Free access is limited to a year, but US West is likely to announce similar agreements with other DLECs to permit the merger to proceed.

DLECs such as Rhythms, Covad, NorthPoint and Jato clearly are poised to become a major irritant for the Bells. The newcomers have already demonstrated they can carve chunks out of lucrative business markets.

This year, look for them to raid the traditional Baby Bell stronghold of residential markets. In addition, they're cutting deals on the cable side. At virtually the same time Rhythms gained free access to US West lines, it also signed a deal with cable-owned Excite@Home to offer that high-speed service over DSL lines in areas where Excite@Home doesn't have a presence through one of its cable partners.

**The digital land grab**

Track who is spending what to prepare for broadband, and a snapshot of the current state of competition begins to emerge. Cable, telephone, satellite and wireless all are attacking the challenge with money—spending on infrastructure, technology and marketing.

Overall cable spending on broadband last year hit $11 billion, according to a recent Forrester Research survey. Compare that with the $6 billion SBC Communications alone plans to spend over the next three to five years on its Project Pronto: prepping digital subscriber lines for its mammoth footprint. Then again, SBC, and the phone sector in general—excepting AT&T—are playing serious catch-up.

The McKinsey-Bernstein report estimates that cable has completed roughly 50% of the upgrades required to offer broadband, while roughly 44% of Baby Bell homes-passed could receive DSL. That doesn't mean DSL is available, simply that those homes meet the basic criteria of being close enough to a phone company central office—roughly 15,000 feet—to receive viable DSL service. Only about 25% of the 96.4 million-household Baby Bell universe,
Philadelphia, PA. 1776.
Benjamin Franklin's only son, William, was
arrested for conspiring with the British.
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or about 25 million homes, had access to DSL at the end of 1999.

"The Baby Bells have definitely been reactive, not proactive," says Bruce Dickinson, of cable investment banker Daniels & Associates. "Then there are really a slew of DSL companies that are working very, very hard to get a satisfied customer base. The big phone companies could have pre-empted these competitors, in a sense. But because they weren't out there doing this, some other companies are making great inroads."

Little wonder that the McKinsey-Bernstein report says, "A land grab is on for the best residential customers."

Not all telcos are playing the same game as the Baby Bells and DLECs.

Long-distance providers MCI WorldCom and Sprint—which may complete their merger by year-end—together spent about $3 billion last year on companies with MMDS spectrum. Although MMDS was a huge disappointment and financial black hole in the video venue, it's considered a solid niche player in broadband.

Both Sprint and MCI WorldCom have DSL initiatives, but, with the exception of Sprint's Integrated On-demand Network (ION), they're less aggressive than the Baby Bell and DLEC thrusts. Sprint's currently offering ION in Kansas City, Mo.; Denver; and Seattle. Dallas-Fort Worth and Austin, Texas, are the next rollout sites, and Sprint intends to enter 25 additional markets by year-end. Those just happen to be the markets where AT&T is doing trials and will commercially launch the first wireless Project Angel service.

Sprint and MCI WorldCom consider MMDS a way for them to reach customers unlikely to ever receive wireline DSL.

"The reach and breadth of MMDS is flexible," says Sprint spokesman Steve Lunceford. "It is one of our primary strategies. It is a much more efficient way to deliver service to consumers."

With its acquisition of MMDS operator People's Choice TV last year, Sprint gained "several thousand" wireline data customers in Phoenix and several hundred in Portland, Ore., and Seattle. MCI WorldCom is still testing the wireless data properties it acquired. Trial sites include Jackson, Miss.; Baton Rouge, La.; and Memphis, Tenn. Additional early-summer trials are expected in Boston and Dallas.

"Our goal is to have commercial systems," says Bill Feidt, program director for MCI WorldCom Wireless Solutions. "But two things are hanging over us: the FCC [two-way license] filings and getting the licenses granted, and the Sprint merger. Completion of both events will drive how quickly we can get to market."

Nucentrix, the only autonomous wireless company of any size, faces the same wait. "We absolutely intend to offer [two-way, high-speed wireless data service] to consumers," says Nucentrix Chairman Carroll McHenry. "We'll have major deployment in 2001 and 2002."

That leaves one old-line player that has largely been left behind in the digital transformation: broadcast television.

The wild cards

When former cable magnate John C. Malone completed the sale of Tele-Communications Inc. to AT&T and took the helm at Liberty Media, he characterized Liberty as "platform-agnostic." The same attitude holds true at Kleiner, Perkins, which backed the birth and launch of @Home (now Excite@Home) and now holds stakes in DSL and satellite firms, as well as a company called Geocast.

Geocast, along with iBlast, plans to use a part of television broadcasters' digital spectrum to deliver broadcast data services.

"Rather than using the Internet as a point-to-point technology, where delivery of rich media is very expensive, we use point-to-multipoint to reduce cost; that's first and foremost," says Jim Ramo, former DirecTV executive, now president of Geocast. Geocast's main broadcast partner is Allbritton Communications, which owns or operates ABC-affiliated television stations in seven markets: Washington, Birmingham, Ala.; Little Rock, Ark.; Tulsa, Okla.; Harrisburg, Pa.; Charleston, S.C.; and Lynchburg, Va. Geocast's technology partners include Thomson and Philips, both of which are expected to build signal-converter/storage devices.

Use of that digital spectrum—granted to broadcasters by the federal government—for data, as well as HDTV, equips broadcasters to compete in a world where they were rapidly losing ground, says Ken Solomon, president of iBlast.

The company is aggregating broadcast spectrum from broadcast partners including Tribune Co., Gannett, Cox, Post-Newsweek Stations and E.W. Scripps Co. In return for contributing digital TV spectrum and an unspecified cash investment in iBlast, the broadcasters receive an equity stake in the company.

"The goal is to build the next media giant on behalf of broadcasters," Solomon says, "so they can compete effectively with cable."

Geocast and iBlast are using different business models, although both intend to broadcast digital content—video, music, software, and games, for example—to consumer PCs. Both services require a digital box that connects to the PC and converts broadcast signals. Geocast intends to sell its box while iBlast will port its service through a variety of boxes, including the Sony PlayStation II and Microsoft's XBox.

Geocast and iBlast are shooting for commercial launches in early 2001.
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More than just
wires

Cable’s
new slew of
services means
investing in
people

By Deborah D. McAdams

Upgrading cable systems just begins
with planting more wires in the
ground. Training the people who
deliver and maintain new digital services
is easily a bigger investment.

Comcast is spending $654,000 on
training 1,000 system managers alone.
These folks hail from 75 systems in 23
states, and Comcast flies them into
Philadelphia, puts them up for two days,
and brings in the senior executives
to outline the company’s values and strategy.
With roughly 2,000 new digital television customers and 500 high-speed
data customers per day, “we need people pulling in the same direction,” says
Rich Petrino, dean of Comcast University, the division at headquarters where
the training is held. Because of acquisitions and swaps, “many of the people
who will be coming through here aren’t even with the company yet. Thirty per-
cent of the company will be new in the course of this program.”

About 50 managers and vice presidents are brought in for each session of
the Spirit of Comcast program. They’re briefed on the Comcast method of
operation, and the company’s mantra is instilled: customer service, customer
service, customer service.

“It used to be that customers had few options if they wanted more than five
channels,” Steve Burke, president of Comcast’s cable division, tells a class-
room full of system executives. Now overbuilders and satellite operators are
staking claims.

Expect 50% of systems to be overbuilt within five years, he warns. “That’s the
first given. The second given is that we’ll have more new products: digital TV, high-
speed data, telephony, video-on-demand, interactive TV. The sky’s the limit.”

New products will be cable’s bread and butter down the road, he tells them;
they’re the reason the industry is spending billions to upgrade systems.
Digital television is rolling along nicely: Comcast expects to have 1 million
digital subscribers by year-end, or double what it has now.

The high-speed data, or Internet service rollout, is a little stickier: @Home cus-
tomers constitute about 4% of Comcast’s customers but generate about 60% of
complaints. “But these are $100-plus subscribers,” Burke points out. And once they
go DSL, they never go back: “If they have DSL, they don’t need a cable modem.”

Comcast expects to hire 1,000 new employees by the end of the year just to
support @Home. The 15,000-employee company currently has 928 job openings.

This story is repeated at cable systems across the board. New services
are catching on like wildfire, and companies are scrambling to hire people
install and maintain them. AT&T is signing up new digital customers at a
rate of 3,000 per day, Internet customers at 1,000 a day and new cable phone customers at 500 per day.

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*Source: Focus Group Participant, SoapNet Post Launch Focus Groups, March 2000
customers per day. MediaOne’s first-quarter daily sign-up rate was about 570 digital, 640 for Internet and more than 300 for cable telephony.

Each of those installations takes 1 to 1½ hours, which means that AT&T needs 560 to 840 people working eight hours a day seven days a week, not counting travel and bathroom breaks, just for new installations.

Says Insight Communications chief operating officer Kim Kelly, “There’s so much going on, it becomes a general resource issue.” Insight is the eighth-largest cable operator in the country but, at 1.4 million total subscribers, is still small compared with, say, AT&T at 16.4 million. Unlike most MSOs its size, Insight is aggressively launching video-on-demand and interactive digital service right out of the gate and intends to roll out cable telephony with AT&T at the end of the year. Interactive is the priority now. Approximately 40,000 of Insight’s 109,000 digital subscribers have interactive service. The year-end target is 140,000. That’s 370 installations every day for the rest of the year, which translates into 370 to 555 worker-hours a day, or 46 to 70 people.

“We’re operating in markets with very low unemployment,” Kelly notes. “Our No. 1 issue this year is employment and training.”

Insight is using contractors for analog installations and retraining its own technicians for the interactive installs. “We have two interactive programs in the field already,” Kelly says. “As for digital and high-speed access, it’s a matter of finding the time. People working don’t necessarily have the time to be taken out of the field to be trained.”

MediaOne, forging ahead in the shadow of AT&T’s bid to swallow it, expects to hire 3,200 people by the end of the year, excluding attrition. Of those, 90% are “front-line jobs” supporting new services, according to Executive Director for Staffing Debbie Davis. Of MediaOne’s 12,500 employees, 80% work on the front lines. “We don’t like to call them entry-level jobs because they’re the first face to the customer,” she explains. “We prefer to call them our front-line positions.”

MediaOne is very conscious of first impressions. Technicians and customer service representatives go through an eight-week training course. The customer service reps—those taking orders, queries and complaints over the phone—then go through a “two-week nesting period when they’re mentored,” Davis says.

MediaOne recruits from vocational schools, the military and other call centers and, most successfully, through an employee referral program. Wages for front-line jobs vary depending on the market, but average is about $10 per hour, as with most cable companies.

In addition to full benefits, MediaOne gives new employees stock options plus an immediately vested 401(k) plan, to which the company matches up to 6% of the employee’s salary. Employees get a bonus of 5% of their salaries if they meet certain performance levels.

“Once we find people,” Davis says, “it’s not difficult to keep them.”

First faces are crucial not only to fend off competition but also to retain some semblance of trust from customers. As Comcast’s Burke points out at the Spirit of Comcast session, “One-third of all cable systems in the country have been traded or sold in the last 18 months. Twenty million subscribers have a new cable company.”

At the end of his lecture, the managers grill him about Comcast’s plan to market new services, buy more systems and roll out telephony, as well as about what’s happening with open access. Burke evades none of it. Everyone leaves the session knowing that there is a strategy here and that it does make sense. Services will be rolled out one at a time, not dumped on everybody at once.

So what does Comcast get for its $654,000 investment?

“Anecdotally, people in the field are appreciative,” Petrino says, “but Ralph Roberts [the company’s co-founder] says, ‘Find a way to measure the impact.’ We’ve already seen a 6% reduction in the cost of installations. That’s not specifically attributable to the Spirit of Comcast program, but it is an overall improvement, and we like to point it out.”

Comcast is spending $654,000 on training 1,000 system managers to deliver and maintain digital services to the 2,000 new digital TV customers it signs up each day.
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Bucks, capacity and the Sundance Kid

Independent-movie network gives distribution talks the celebrity treatment

By Deborah D. McAdams

When the big carriage deals bog down, Sundance brings out the velvet ropes. That is, its celebrity power.

According to Tom Christie, executive vice president of sales and affiliate marketing for Sundance Channel, it’s not unusual for Robert Redford, founder of the channel, to show up at sticky distribution negotiations to help move things along.

It’s not a bad ploy. Cable operators seldom get to see the Hollywood, glam side of the business apart from booth entertainment at a convention. “People start lining up in the halls,” Christie says of Redford’s appeal.

Sundance Channel was four years old in February, a joint venture of Redford, Viacom’s Showtime Networks and Universal Studios. Even with the persuasive power of The Horse Whisperer, however, getting carriage hasn’t come easily. The premium service has about 8 million subscribers, many of them DBS. Scoff if you will about satellite, but it saved Sundance Channel’s bacon in the lean years.

“Three or four years ago, we were relegated to digital. It was very depressing” because there were no digital subscribers, said Larry Aidem, president and CEO of Sundance. Now, at least, with digital cable growing at a healthy clip of tens of thousands of subscribers per month, Sundance has a chance to grow.

The channel offers a “few dollars a sub” in launch support fees, with a tiered rate card of 35 cents to 50 cents, depending on the distribution package, according to an MSO source. Aidem and Christie sell the channel any way they can: in the nine-channel Showtime-plex package, a $10 addition on most systems; à la carte for $5 or $6; or, in the case of Time Warner Cable of New York, as a sort of pay-per-view subscription hybrid.

Time Warner offers “Sundance Sundays” in New York. For $4.95, people can get Sundance for every Sunday in a month. A year of Sundays costs $29.95; one Sunday is $1.95. That was the only way to get on the system, Aidem said. It wasn’t great, but it got “thousands” of people to subscribe, enough to persuade Time Warner to put the channel on the developing digital service. Sundance Sundays will disappear as digital becomes available, according to Aidem.

As for pursuing analog, he believes there is no future on it. “Delusional we’re not,” Aidem asserted.

Sundance fare is the stuff of film festivals and art houses like the Film Forum in New York or the Magic Theater, a 50-seater in Nevada City, Calif. With the exception of aficionados, films like The Spanish Prisoner, Live Flesh and Breaking the Waves generally elicit a response about sounding vaguely familiar. These are no Titanic, blockbusters that run in heavy rotation on cable and broadcast networks.

Also, Sundance as a brand is relevant only to people who have some knowledge of the festival, which has taken on the aura of a big Hollywood schmooze-fest in a ski resort, according to one filmmaker familiar with the fête. Neither is Sundance Channel like Animal Planet, where it’s pretty clear you’re going to get alligator wrestling and python wranglers. Hence, Sundance has to prove itself before it even gets a hearing from MSOs.

It’s also up against the Independent Film Channel—a Rainbow Media and, by extension, Cablevision network started a couple years before Sundance. Not surprisingly, Sundance is not carried on Cablevision systems.

While both channels claim to be mutually exclusive, and indeed their content does not overlap, cable operators lump them into the same category. Observed an AT&T spokeswoman, “IFC is on the three-pack, and Sundance is on transponder 8. What does that tell you?” What it says is IFC is the indie service of choice for AT&T’s most widely distributed digital tier, while Sundance is relegated to the digital boones.

Such obstacles don’t deter Aidem, who keeps an insanely grinning voice-activated, miniature plastic replica of himself on his desk. Toss out an idea, and Aidem may resort to his obsequious plastic alter ego: “Say, that’s a great idea!” “I agree with that absolutely.”

Aidem was put in charge of Sundance in 1998, the year it became profitable. He has the support of Showtime’s 200-strong affiliate sales force pushing the channel in the package. He has Viacom behind him but not meddling in his daily affairs. And he has a wide-open market for content among the thousands of indie films that never make it to theaters, and those films may run him anywhere from $15,000 to $100,000 to license for up to 24 months.

In comparison, HBO pays $750,000 for a “busted theatrical,” or a film that didn’t get a theatrical release but has a big name.

“They are unique in that they have a premiere deal,” said Joseph Infantolino, producer of Charming Billy, an indie film in need of a distributor. In a premiere license deal, Sundance gives the movie a prime time slot and marketing support, such as mass-transit or trade-magazine ads. IFC has no such option, he added.
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Second-time charm?

MTV's music-centric spin-off has locked in only 12M subs and has failed to catch on with cable operators

By Donna Petrozello

Nearly four years ago, when MTV spun off its eclectic music video channel MTV2, the music landscape looked a lot different. Then, savvy Web browsers and music enthusiasts had at their fingertips only a fraction of the hundreds of music-friendly Web sites that exist today.

Now, the burst of Web sites offering consumers the chance to sample, click and buy scads of titles from pop hits to out-of-print classics has rejiggered nearly every aspect of the business of making and selling music, right down to spinning the music video.

MTV's shows Web Riot and Total Request Live are giving control to viewers, who are treating music video channels like jukeboxes by turning them on, logging onto their corresponding Web sites and chiming in their preference for what will pop up on TV next.

All that has created a ripple effect that threatens to swallow the fledgling MTV2.

"Essentially, MTV2 is meant to be the pure music complement to MTV," says MTV2's General Manager David Cohn. "That's the simplest way of describing our mission."

But sticking to the keep-it-simple sales pitch hasn't paid off as grandly as MTV would have liked for its music stepchild.

MTV2 has locked in just 12 million subscribers since its launch in August 1996, the bulk of them from satellite TV providers including DirecTV and EchoStar. Only a fraction of its viewers come from basic cable homes.

MTV General Manager Van Toffler would rather see MTV2's subscription base hovering around 20 million. He contends that the channel is delivering the core viewers it intended to reach, just not enough of them.

"I think we aimed it at a target of music lovers and music purists, and it's achieved that," says Toffler. "I equate it with the same underground, bohemian sense the Internet had years ago."

Toffler scoffs at the idea of folding the channel completely, especially when there's room on the digital dial. "We're not going to scrap MTV2 and start over," he says. "We're confident we can make it a compelling product and get sufficient distribution to make it a viable channel."

Cohn insists that MTV2 has fallen prey to the fate common to other young cable networks still struggling to gain carriage on cluttered basic cable lineups.

"Sometimes, we've won deals to be added to systems, and sometimes we haven't," says Cohn. "Just going in and saying we are the music video lovers' channel was enough. But, with all the changes in the industry, just being a pure music video channel is probably not quite enough."

Over the next several months, MTV plans to overhaul MTV2, to turn it into what Cohn describes as "a laboratory for the MTV brand."

On tap are plans to ramp up the channel's connection to the Web sites mtv.com and mtv2.com with interactive features for viewers. Most notable is the launch this month of the show Control Freak, which allows viewers to vote online for one of three songs that they'd like to appear next on MTV2.

MTV2 also is talking with a number of record companies about striking up a

These colorful, eye-catching promotions are meant to draw in music purists and music lovers to MTV2. The channel is in the midst of an overhaul to become 'a laboratory of the MTV brand,' says General Manager David Cohn.
"Our goal is to deliver broadband solutions that work for you."

Tom Lookabaugh  
President, DiviCom

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Tony Ley  
CEO, Harmonic

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promotional partnership, similar to the sponsorship arrangement that MTV has with Web-based CD seller, CDNow.com, says Toffler.

Then there’s the tie-in with operators on the programming source side.

MTV will start hyping more heavily MTV2’s potential as a content source for operators hungry for programming to plug into streaming video form that is accessible over high-speed cable modems.

“I think we can be the interactive music channel for operators to sell through the new technologies of digital and broadband systems as they come into the home,” says Cohn. “We think there’s a strong connection between a person who is adventurous in their music tastes and someone who is likely to be the first on the boat to sign on for new cable services in digital and broadband.”

Says Toffler, “I think the MTV audience in droves is discovering and ordering music over the Internet. And the MTV2 viewer is predisposed to buy the CD of an artist they like because the channel is aimed at music lovers and purists who go out and buy CDs.”

Still, there’s a flock of operators, not to mention viewers, who’ve never heard of MTV2 and don’t know why they need a sister channel to something they already have that is working. Toffler says the network has “thought a lot about” renaming MTV2 over the years but each time scrapped the idea “because there’s so much equity in the MTV brand name.”

To get attention, MTV2 pumped out its first music video countdown marathon on New Year’s Day this year, “MTV2: A-Z,” in which the channel played 19,000 videos from its freeform playlist that spans hip-hop to heavy metal, country to jazz. Last month, MTV2 announced plans to sponsor the band Nine Inch Nails’ spring tour—a first for the channel. To hype the event, MTV2 let NIN leader Trent Reznor take charge of the video playlist for a while.

“You have to be more creative from a business perspective, as well as a programming one,” says Toffler, “to get the service out there.”
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FX gets a makeover

With ‘Son of the Beach’ and ‘Ally McBeal,’ the cable network hopes to capture a balanced 18-49 demo

By Joe Schlosser

When Fox executives decided to launch FX in 1994, the plan for the new cable network was to go after women and go after them during daytime hours.

The network began with a handful of original talk and variety shows, the majority of which originated from New York. The shows were almost all live, and everything was ostensibly skewed to a female demographic. The idea, Fox executives now say, was fresh, and it offered real value to cable operators.

But the original FX plan was flawed because prime time programming was almost an afterthought—something that didn’t bode well in terms of advertising dollars. Madison Avenue was not paying high premiums for daytime programming and still is not even today—at least not for failed daytime programming on basic cable. The key was prime time, and FX didn’t offer much. So Fox executives opted to invest in the network’s evening hours and acquired the syndication rights to two series: NYPD Blue and The X-Files.

The multimillion-dollar investments in the two series from co-owned production studio Twentieth Century Fox Televison gave FX an instant prime time lineup and a much-needed national ratings boost in 1997. FX stripped the two series five days a week in prime time and started to build the network around the two properties.

It also launched three original series in the summer of 1998: Bobcat’s Big Ass Show, Penn and Teller’s Sin City Spectacular and a comedy series with Hollywood-based troupe the Groundlings. All three series were thrown on the air that summer, and all three were cancelled one year later.

Newly appointed FX President Peter Liguori killed the three series soon after joining the network and, just a few months ago, launched his first real slate of original programming. The network is still leaning on reruns of NYPD Blue and The X-Files in prime time but has gained the national media spotlight with Howard Stern’s comedy series Son of the Beach and with a number of big acquisitions and investments.

The network is suddenly getting the attention of parent company News Corp., and its programming budget is set to almost double in 2001 to $175 million. The median age has come down from 44 years old to 37 over the past two years, and the network now ranks No. 9 in adults 18-49 in total-day ratings and eighth overall with men 18-34 among all basic cable channels, according to Nielsen Media Research. And the cable channel that once had only a few outlets for distribution is set to end this year with 53 million cable homes—up from 35 million in 1998.

“FX is really in a transition period right now,” says new Fox Cable Channels President Jeff Shell. “FX used to be this fledgling network that was in need of distribution and carriage. Now it’s sort of in the big leagues of cable networks, and the question now is less about distribution and more about the programming.”

FX is set to replace its two prime time off-network syndicated series in 2001 with three fresh syndicated dramas from Twentieth Century Fox: Buffy, The Vampire Slayer; Ally McBeal; and The Practice. They will join the network next August, when, FX executives say, they will be stripped Monday through Friday in prime time.

The network is also adding NASCAR racing in February, sharing part of a cable network deal with co-owned Fox Broadcasting Co., Turner Sports and NBC. FX is expected to air a weekly NASCAR Busch series race and carry a few NASCAR Winston Cup events during the first half of the 2001 season. The FX, Fox, Turner and NBC eight-year package for NASCAR was a $2.4 billion deal. Fox and FX’s portion is said to be roughly $1.2 billion. FX already has a weekly Major League Baseball game on Saturday nights and last year launched the Toughman Championships, which have given FX stronger weekend ratings.

FX has also stepped up its efforts on the film side, in both acquisitions and original productions. In March, network executives announced two new film-package acquisitions from Buena Vista and Warner Bros., packages that include the basic cable window rights to The Insider, Any Given Sunday, The
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Green Mile, Summer of Sam and Deuce Bigalow. They’ve also acquired the rights to films like The Blair Witch Project, There’s Something About Mary and Boogie Nights, among others.

In terms of original-film production, FX is developing a half-dozen features that will be used as quarterly specials in the years to come. The first FX original, Deliberate Intent, began filming earlier this year in Toronto and stars Timothy Hutton, James McDaniel and Ron Rifkin. Last month, Andrew McCarthy was cast as the lead for the network’s planned supernatural film Shadows. FX is spending between $4 million and $6 million on each film, Liguori says.

In 2001, FX will add 10 million customers. The network signed a deal with Time Warner Cable that will finally bring FX to New York City, as well to other cities that have gone without the network. Time Warner New York’s 1 million-plus cable homes will start receiving FX in 2001.

“There is a lot of momentum here. There is no doubt about that,” says Liguori, who previously ran the marketing division at Fox/Liberty Networks, a division that also included oversight of FX’s marketing. “We have had some successes, and we are certain pushing the programming forward here, but there is still a lot to do.”

FX is now producing 7½ hours of original programming each week, most of that from the nightly series The X-Show. Liguori launched the late-night, one-hour series last year and has renewed it through April 2001. The show is described as “a show for men and the women who put up with them.”

Howard Stern’s first foray into scripted television launched this spring on FX with much fanfare, surprisingly strong reviews and the network’s best ratings ever for an original series. Son of the Beach averaged a 2.3 household rating for its March debut and has consistently averaged over a 1.0 rating since then. The other two new spring series, The New Movie Show With Chris Gore and weekly beauty pageant Your Favorite Girl Next Door, haven’t attracted the strongest ratings and may not make it back for another season.

“Is all of our programming perfect?” asks Liguori. “No, it’s not. Are all of our ratings No. 1 in the key demo and attracting millions of viewers? No, they are not. But we are moving the network in the right direction, and, when you couple it with all of our acquisitions like Ally McBeal and movies like The Green Mile, we’re really going some place.”

It would seem that with shows that feature scantily clad women in bathing suits, a late-night talk show addressing male issues and sports like NASCAR and Toughman, FX’s target audience would surely be young men. Not true, according to Liguori and others at Fox. The push is for a 50-50 balance of men and women and the much-desired adults 18-49 demographic.

“It’s absolutely, 100% adults 18-49,” says Liguori of the network’s desired audience. “What we have done is try to balance the schedule. When you look at our prime time demos, it’s a 50-50 audience. Off-network series like NYPD Blue and The X-Files, along with shows like Ally McBeal and The Practice, skew heavily towards women. So what we have done with baseball, NASCAR and Toughman is try and make a conscious effort to bring men to the network, too.”

The network’s ratings of adults 18-49 have gone up over the past year. Liguori says the number of impressions in the demographic have gone up 45% in prime time and FX is currently averaging 271,000 adults 18-49 compared with last season’s 187,000. And Liguori says he’s going to have fun keeping up those ratings during the 2000-01 season as the network waits for the infusion of Buffy, Ally and The Practice in August 2001.

“This year is going to be a challenge, make no bones about it,” he says. “What we are going to do is make sure we are as aggressive as possible with original programming, with movies and some acquisitions.”

A key part of FX’s strategy for next year is the presentation of the network’s suddenly growing film library. Prime time on Sunday nights will continue to be “Major Movie Sundays,” with films like Starship Troopers, The X-Files Movie and other major films making their basic cable debuts. A new area for the network next season will be “Generation FX Films,” which may wind up on Monday nights, encompassing titles like Rounders, Boogie Nights, Election, Jackie Brown and Bulworth—all films the network acquired within the past six months.

Last month, FX added the Chris Carter (The X-Files) series Harsh Realm to its lineup and picked up the off-network rights to the Jay Mohr comedy Action. Both series were canceled early this season at Fox and have found renewed life at FX.

FX has also ordered seven more episodes of Son of the Beach, which will air this summer. Network executives are hopeful that the Stern-produced series will maintain its momentum so that it can come back during the 2000-01 season.

In development, FX has a handful of projects, including the Studios USA series Jack Cash, a reality series that goes behind the scenes of everyday jobs called Work Force, and a possible football drama. The football feature, The Pit, is currently being developed at FX as a two-hour film and may be turned into a series “if all goes right,” says Liguori.

Daytime at FX currently consists of an afternoon movie and reruns of shows like Beverly Hills 90210, Picket Fences and M*A*S*H. NYPD Blue may be joining the daytime ranks next year as well. Network executives say the emphasis right now is on prime time and moving up in the ratings. Liguori says he is not looking to overtake USA or TNT/TBS in the next year or so, but he wants to build FX’s brand awareness and strengthen original production on both the film and series side.

“TNT and TBS have built tremendous film libraries. USA did the same thing and added WWF. We don’t want to be the fourth man in on that strategy,” Liguori says. “We are taking a little bit of a different tack, in that we are going after acquired series, we are going after programming that will fit our brand and raise our brands to new heights. What we have to do is be on the same mental menu that viewers of those networks had 15 years ago. We want people to say, ‘It’s 9 p.m., I want to check out what’s on FX.’”
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NECN comes into its own

Growing and profitable, regional news channel extends its horizon

By Steve Sullivan

In the years immediately following the launch of New England Cable News, the joke around Boston was that the station’s real name should have been New England Fable News.

Now, eight years after its launch, nobody’s laughing at the operation. The channel, secure enough in its identity and reputation to officially shorten its name to NECN, has a trophy case full of prestigious reporting awards and its own place in the competitive New England media mix.

The trend in local news channels started in 1986, when Cablevision Systems launched News12 Long Island. Today, more than 30 such channels are in operation in the U.S. Most cover a single market, or even subsections of that market (the New York City metropolitan area alone has six channels).

A handful of regional news channels, however, have elected to broaden their scope. Statewide channels are operating with mixed results in Texas, Florida and Ohio. At the extreme are NECN, owned jointly by Hearst Corp. and MediaOne Group, and Belo Corp.’s Seattle-based NorthWest Cable News, which attempt to cover huge multistate regions.

Of the regional channels, NECN is not only the oldest but also the most successful, in terms of households, awards and revenues.

The channel was sired by Philip S. Balboni, who today serves as NECN’s president. “I was news director at WCVB [Hearst’s Boston ABC affiliate] in 1987, and I was thinking about how we would be able to grow our news and local-programming franchise. Given the demands of the network and syndicated programming, it was clear to me that the only way to do it was to create another channel.”

Balboni took his proposal to the station’s general manager, who was interested enough to commission a market research report. He met with executives of Boston-based Continental Cablevision, then the nation’s third-largest system operator, and presented his ideas. “When they saw that having a quality service would be good for their subscribers, they said they would be interested in a joint venture.”

In fall 1988, Balboni was named special assistant to the president and CEO of Hearst Corp. and moved to New York. He was assigned to new projects, technology and strategic issues, and one of the first things he did was finalize the business plan for a New England cable news channel, which launched in March 1992.

In 1997, Continental was acquired by the U.S. West Media Group for $11.6 billion and renamed MediaOne Group. The new entity continued Continental’s role in the joint partnership.

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riage, it is likely to die on the vine.

Consider, for example, Texas Cable News (TxCN), owned by Belo Corp. The channel has the deep resources of Belo’s numerous broadcasting and print properties throughout the Lone Star State, but the absence of carriage around the state has plagued TxCN. Sixteen months after its January 1999 launch, it is still in fewer than a million homes and seen only in the Dallas-Fort Worth area.

“The most important thing I did was to reach out to Continental Cablevision,” says Balboni. “We had nicely overlapping strategic goals: Hearst with WCVB and Continental with its significant cable systems.”

Even with Continental as a partner, he adds, it was difficult to get distribution. In 1993, he returned to Boston as general manager and president of the channel, with the key mission of expanding distribution.

Today, NECN is on systems in 517 New England communities. As of April, it reached 2,489,815 homes, or 64% of cable homes in the six-state region. In the Boston market, the channel can be seen in 92% of cable homes.

Federal regulators are expected to approve AT&T’s buyout of MediaOne sometime this month. Although that will result in the channel’s being co-owned by the nation’s biggest cable operator, it will not mean significant household gains for NECN: AT&T has little presence in New England.

The lowest carriage is in Rhode Island, where only six communities receive NECN on their cable systems. Balboni says NECN is continuing to negotiate carriage with Cox Communications, which serves 98% of the state’s cable market. In the meantime, however, American Broadband is building its network there and has offered NECN carriage on its system, which should be operational by the end of this year.

Even with few eyes watching in Rhode Island, NECN covers the state thoroughly, according to Balboni. “We certainly don’t ignore Rhode Island, or Vermont or Maine or any state in the region. We go where the stories are.”

But what is it about New England that makes anyone in Boston care about a story from Rhode Island, Vermont or Maine?

At the University of Southern Maine in Portland, studies in the region’s culture share equal billing with studies about the nation as a whole. Kent Ryden, an assistant professor in USM’s Department of American and New England Studies, explains, “In parts of New England, there’s a real sense of having a distinctive identity and a degree of pride in that identity. Many people seem to have a lot invested in the notion that we’re not like the mass culture in the rest of the country, that we’re more distinctive.”

NECN News Director and General Manager Charlie Kravetz is a native New Englander. “New England is clearly the only definable region in the country that has a name and history,” he says.

Kravetz acknowledges that it’s hard not to weight coverage toward Boston. It is the channel’s critical market in terms of size and financial importance. “It represents a disproportionate [number] of our viewers. But we also have bureaus and full-time reporters in New Hampshire and Connecticut because those are the two other states where we have the greatest coverage. Then we clearly seek out stories of interest throughout the rest of New England.”

The NECN staff produces more than 10 hours of original programming each day. That content is replayed or supplemented by special coverage during the day to fill out the clock. Besides frequent newscasts, there are also sports, public affairs, business and consumer programs.

A staple of NECN’s early years was a time-shifted replay of partner WCVB-TV’s 6 p.m. newscast. Although the time-shift was stopped two years ago, the station frequently relies on partnerships throughout the region to help fill the channel’s voracious daily appetite for content. Besides WCVB-TV, NECN has relationships with Hearst-Argyle’s WPTZ-TV Burlington, Vt./Plattsburgh, N.Y. (NBC); Sinclair’s WRGB-TV Springfield, Mass. (ABC) and WGME-TV Portland, Maine (CBS); LIN’s WTNH-TV Hartford/New Haven, Conn. (ABC); and Clear Channel’s WPRO-TV Providence, R.I. (CBS).

The most extensive relationship NECN has is with the region’s leading newspaper, The Boston Globe. The channel has two robotic cameras and a full-time producer in the Globe’s newsroom and does live interviews from the newspaper sets each weekday morning and evening. The partners recently launched an in-depth segment during NECN’s midday newscast. Although the Globe has never chosen to break news on NECN, the two news outlets have collaborated on projects and expect to do more in the future.

NECN is more than holding its own in the ratings. According to recent reports from Nielsen Media Research and The Media Audit, 1.3 million people watch NECN in an average week, with the channel reaching more adults over the age of 18 than any other electronic news source.

However, Balboni qualifies the results
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as reflecting a cumulative audience vs. a single newscast on any one of the broadcast stations. "It's a good way to measure something like NECN, because people watch us all day long, not just at one time. We've been able to track this over the last four years. In The Media Audits from spring 1996 to winter 2000, we've grown in weekly cumulative audience from 520,000 persons to 1,341,000 this year. We reach more adults 18-24 than any other electronic news outlet. We reach more adults 25-54. We reach more with college degrees and more with household incomes of over $100,000."

While delighted with the qualitative makeup of his audience, Balboni absolutely beams when discussing the qualitative nature of NECN's on-air presentations.

The channel has earned more than 100 awards for its reporting, including numerous local Emmys and Associated Press awards. NECN was also the first regional cable network to receive a George Foster Peabody Award and, last December, won an Alfred I. DuPont/Columbia School of Journalism award for in-depth reporting.

Rather than require reporters to adhere to strict 60- or 90-second limits on their stories, NECN's management routinely lets stories go for however long they take to tell. Reporters "talk to news management about what they need," says Balboni, "and, if we're convinced they need whatever it is that they say, that's it."

The emphasis on reporting freedom and quality led NECN to one of its most important staffing coups.

In 1994, respected Boston anchor R.D. Sahl left WHDH-TV after the station was bought by Sunbeam Television Corp. While pursuing a master's degree at Tufts University, he did a part-time stint at NECN hosting a nightly public-affairs program.

Sahl left Boston for Los Angeles in 1995, where he anchored The World Report on KCAL-TV. Then Walt Disney Co. purchased ABC in 1996. "It was clear wasn't going to be a love affair for me at KCAL," he says. "As I looked around and saw what was available, I thought, 'At this time in my life, Boston is where I want to be living, and [NECN seems] to be doing what I want to do being.'"

"They allowed the freedom to take a little more time with stories," he explains, "and the freedom to think a bit about what you put on television, not be quite as reactive as the television business tends to be. It was a chance to work on longer-form stories of substance and not be hostage to the ratings game the way you are at a traditional over-the-air station."

Says Marsha Della-Giustina, Ph.D., who created the broadcast journalism program at Boston's Emerson College, "There was a lot of speculation about who would land R.D. when he came back to Boston. When he landed at NECN, it signaled to the broadcast community here that NECN was a player, because he's one of the toughest competitors and best anchor/journalists this market has ever seen."

With more than 20 years of experience, Sahl is an exception at NECN. Like most local and regional cable news channels, NECN is staffed primarily by younger journalists, both in front of the cameras and behind the scenes (Chicagoland TV, the news channel owned by the Chicago Tribune and called CLTV, was dubbed Children Learning Television when it debuted). The on-air staff averages eight to 10 years of journalism experience. Many reporters and anchors make the jump to Boston from considerably smaller venues. "There are a lot of extremely talented people in medium-sized markets," says News Director Kravetz, "and they're willing to come here because we stand for something different, where they can do a kind of journalism that they pretty much can't do anywhere else."

That situation is dictated by economics. "We could not survive if our cost structure was exactly the same as the broadcast stations," Balboni notes. "Reporters and anchors make less, in some cases considerably less. I think it's fair to say that producers and photographers fall into that same category. We've worked hard to raise salaries and hold onto people we think are mission-critical."

Although it may not be able to compete dollar for dollar with their broadcast counterparts, NECN is making money. And that's not a claim every regional cable news channel can make.

It recorded its first operating profit in 1998. "The swing from 1997, when we had a loss, was almost a 200% improvement," says Balboni. "Last year, our operating profit grew by 34%. We're projecting for this year a better than 100% increase in operating profit. It's still early in the year, but we hit all our financial goals for the first quarter, and the year looks promising. Ad sales for the first quarter were good, and they're pacing very good for the second quarter as well.

"Our gross advertising total last year was up 30% over the previous year," he adds, "and national advertising was up 55%.

With its reputation and influence on the rise, will NECN outgrow cable and seek additional avenues of distribution? NECN has already experimented with syndicating its programming. For six years in the mid and late 1990s, it produced a syndicated newscast that ran on the Boston Fox and UPN stations. It was financially beneficial, Balboni says, but highly distracting to produce a broadcast product that had to fit the mold that NECN was trying to break with its cable newscasts. The effort was dropped in 1998, and Balboni doesn't see it starting up again.

Individual segments can be viewed on demand on NECN.com, the network's Web site, as well as on Boston.com, the Globe's site. But NECN does not stream its newscasts online and has no plans to do so.

Even though alternative methods of delivery could go a long way to further expand NECN's reach into New England, Balboni pledges that NECN will remain exclusive to cable. "We know how important that is to our cable affiliates. And while we have trepidation about competition in this sector, for the foreseeable future, we believe that our best interests, and those of our affiliates, are to remain exclusive."
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WE'RE READY! ARE YOU?
Tug-of-war over point-and-click turf

Broadcasters and cable battle over potentially lucrative electronic program guide services

By Bill McConnell

It might not rival “Navigator vs. Explorer” as a headline grabber, but the TV industry is being torn by its own browser war.

Broadcasters, cable systems and equipment makers are battling each other in the marketplace, the courts and the FCC for control over the nascent market for on-screen electronic program guides—the point-and-click services that will transport TV viewers from show to show in the 500-channel digital era.

The biggest players in the market are bickering over patent fees and carriage rights for a market that some predict will one day generate more than $3 billion a year in revenue for the program-guide designers and their partners.

The players in the market are roughly aligned along the age-old broadcaster-vs.-cable rivalry, as Gemstar International tries to establish itself with TV stations that transmit its programming information, as well as with TV and VCR manufacturers that incorporate the company’s Gemstar Plus+ technology into their products. Gemstar’s technology is also the primary guide for satellite providers.

The cable industry is trying to establish its own program-guide service with technology installed in Scientific-Atlanta and General Instrument set-top boxes.

The rivalry has long been a bitter one, as Gemstar, which holds a basket load of patents for program-guide technology, has aggressively pursued court remedies to defend its rights. Thanks to legal victories, it has received $18 million from General Instrument as compensation for license infringements.

Several analysts predict that more back payments are on the way. A similar attack is being waged against Scientific-Atlanta. In total, Gemstar has 12 patent suits pending, half against S-A.

The latest battle pits Gemstar against Time Warner Inc., which has ordered cable systems in California, Maine and North Carolina to strip Gemstar’s program-guide data from local broadcasters’ signals. No surprise, Time Warner systems in those states are offering their own program-guide service, which is available to subscribers for a fee. Time Warner and other cable companies are expected to widen the prohibition as their electronic program guides (EPGs) proliferate.

Gemstar has petitioned the FCC to stop Time Warner from blocking the broadcasters’ competing guide, which is supported by advertising and offered free to viewers.

The desperate efforts are more than a spat over who gets to be the leading TV grid. Many see this as a fight for control over what will one day be an e-commerce vehicle rivaling personal computers.

“Anyone who believes in first-screen control is interested in EPGs,” says Scott Cleland, of Legg Mason’s Precursor Group.

In fact, some predict TV advertisers will one day prefer program-guide ads over spots during the shows themselves, especially when EPGs start offering full-motion video. “This will be the most valuable real estate on the television set,” says Alan Gould, analyst with Gerard Klauer Mattison. “As channels proliferate, each will be viewed less and less and guides more and more.”

Most EPG ads today plug TV shows, but non-broadcasters are getting in on the action too, including America Online, Blockbuster Video, Domino’s, RCA, 1-800-Flowers and Ford.

There are other fronts in the EPG war. General Instrument and the cable industry have taken the FCC to court over rules banning cable systems from selling set-top boxes that incorporate both channel-surfing and security functions, starting in 2005. The rules were implemented to boost competition in the market for set-top boxes, because the commission assumed that consumers would never bother to buy from retailers if they could get all they needed from their cable company. A federal appeals court is expected to decide the provision’s fate in early summer.

Lawmakers have also fretted about Gemstar’s pending acquisition of TV Guide Inc., which makes an EPG for the cable industry. The Justice Depart-
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Watches 9.5 hours of sports a week.

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NCTA CABLE 2000 SPECIAL

ment is currently reviewing the deal. Leaders of the Senate Antitrust Subcommittee have asked Justice and the FCC to "carefully scrutinize" the purchase pact out of concern that a monopoly on EPGs is in the works.

Buried in broadcasters' VBI

Gemstar's fight with Time Warner, however, is likely to have the biggest impact on determining which companies gain an early foothold in the market. Gemstar Plus+ reaches viewers via signals buried in the vertical blanking interval (VBI) portion of broadcasters' analog transmissions, the same part used to provide data for closed captioning and V-chip functions. The company aims to strike carriage deals with at least two TV stations in every market.

Thanks to Gemstar technology in more than 2 million TV sets and VCRs, viewers receive nightly guide updates regardless of whether their sets are on. The signals can be received over the air, unless a set is programmed for cable.

Program-guide information takes up a miniscule two lines of the roughly 1,488 vacant lines available on most cable systems.

Digital TV signals have no VBI portion, but Gemstar says EPG data will account for less than 1% of a broadcaster's 6 MHz bit stream. Eventually, Gemstar hopes to transmit EPG via wireless paging transmissions as well, reducing its need for cable carriage in the future.

By then, though, millions of VBI-reliant sets will be on the market, making cable carriage a necessity for a big chunk of viewers, the company says.

The cable industry has fiercely resisted Gemstar's arguments, which are supported by broadcasters, that carriage of EPG signals is required by laws forcing cable systems to carry all "program-related" portions of local station transmissions.

"There is no legal support for Gemstar's outlandish position," Time Warner officials told the FCC. The cable company points out that it has offered to carry Gemstar's product for a fee and accused the company of playing chicken with the cable industry by putting its technology on the market without striking deals with cable companies. "If consumers discover that these sets do not work as expected, that is the result of Gemstar's irresponsible conduct and cannot be laid at Time Warner's doorstep."

But broadcasters insist that they have every right to strike deals with Gemstar, and cable systems have no choice but to carry the EPG data. "Time Warner is using its gatekeeper power to unlawfully degrade the broadcast signals," says Art Harding, attorney for several broadcast groups transmitting Gemstar information.

"We made a deal with the people who have legal control over distribution of the broadcast signal. It's not cable," adds Steve Weiswasser, Gemstar general counsel.

Consumer electronics manufacturers say the cable industry's intransigence will thwart the government in its attempts to create a retail market for channel-surfing equipment.

"Unless checked by the commission at this early stage, cable's anticompetitive blocking ... will enable cable to monopolize EPG services now and far into the future," says David Arland, government relations manager with Thomson Consumer Electronics. "Manufacturers will not have an incentive to produce equipment incorporating built-in EPGs."

But FCC officials say appeals to broad public-policy interests may not carry much weight. Instead, they probably will decide simply whether cable carriage laws extend to the EPG signals. "We will look at it solely on the basis of statute and what's required of must-carry, not whether it's good or bad," one agency source explains.

But is it program-related?

Gemstar and the broadcasters may have a difficult case to make, because they are relying on a broad interpretation of what qualifies as "program-related" information. But "what could be more program-related than information for viewers about program descriptions and characters and how to find, tune and search for programs?" the NAB asks, rhetorically, in its comments to the FCC.

But National Cable Television Association General Counsel Daniel Brenner argues that the law requires mandated carriage for secondary information only if the data is related to the single program being aired. Plus, Brenner notes, Gemstar's signals don't need to accompany any single program and are often stored for later viewing. "This is an attempted regulatory gimmick to try to influence the bargaining position of one of the parties to a commercial negotiation."
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The cable industry has little to fear from Washington, going into this year's annual convention.

No Cable Act or Telecommunications Act or even Satellite Home Viewer Act—ripe with potential pitfalls for multichannel providers—is sitting on lawmakers' desks. In an election year, with a Republican Congress and a Democratic administration, chances are that policymakers will stay out of cable's business for the time being.

Even so, NCTA President Robert Sachs still sees a lot of work to do in educating lawmakers about the new direction of the cable industry and all the money, work and time it's taking to get there.

"We are spending a lot of time engaged with policymakers, even though there may not be an immediate issue," he says. "Our primary mission is policy advocacy."

The cable industry is spending billions to bring two-way broadband to most of the country. Cable passes some 97% of U.S. homes, which means that the cable industry could single-handedly ensure that no home misses the opportunity to have access to high-speed Internet services.

"We are upgrading virtually every mile of cable in this country," Sachs says. "It is labor-intensive, capital-intensive, and it takes some time. On a purely voluntary basis, as an industry, we are playing an important role in ensuring that high-speed Internet services are available to all homes, schools and libraries."

Still, the issue to which the cable industry is paying the most attention remains digital must-carry. Although, for now, it appears that cable won't face any new digital TV carriage requirement, Sachs is paying close attention. With all the multichannel competitors in the marketplace today—direct broadcast satellite and integrated providers such as RCN and StarPower—"is there a policy rationale for any form of must-carry?" he asks. "There is less rationale for government intervention when the field is occupied by a number of providers."

"It's remarkable that [NAB President] Eddie Fritts was so frank [at the NAB Convention] last month, when he said that the broadcast industry is seeking digital must-carry for datacasting and new services," Sachs continues.

"No one in Congress in 1992 [when must-carry became law as part of the 1992 Cable Act] was talking about broadcasters' datacasting ambitions. You don't usually say the government should..."
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Several members of Congress have indicated that they are now thinking the same thing—and such thinking is crossing party lines, from California Republican Chris Cox to Massachusetts Democrat Edward Markey. In a recent subcommittee vote on a separate issue, Cox included an amendment that would have required DBS operators to carry only broadcasters that provided 21 hours or more of locally produced programming a week. That amendment passed the subcommittee with a bipartisan vote, giving broadcasters a good scare.

The amendment was later heavily watered down by Rep. Billy Tauzin (R-La.), chairman of the House Telecommunications Subcommittee, but the fact that the issue came up at all reveals that Congress may not be willing to keep a must-carry regime in place during broadcasters’ transition to digital.

Meanwhile, the FCC is inclined to let the market solve the problem, as Fritts complained during the NAB convention: “The FCC is thwarting the transition to digital more than it is assisting it.”

FCC Chairman William Kennard and staffers said at NAB that the commission is likely to open a proceeding on digital must-carry before this summer, but best guesses suggest that it will be nothing more than a look at how much capacity operators really have and whether it would be best used to carry broadcasters’ second channels.

Meanwhile, the cable industry is talking to the consumer electronics manufacturers about such issues as how to label new digital televisions.

NCTA also has not completely let go of the open/forced-access issue, even though what started as small firestorms across the country has mostly sputtered out.

All the major cable companies—AT&T, Time Warner, Comcast, Cox and Cablevision—have committed publicly to eventually allowing competing Internet service providers on their broadband networks. Sachs says 13 states have considered the issue and decided either to table it or to block it legislatively.

But, Sachs says, GTE and SBC still are pushing the issue in some areas, with GTE running broadcast ads. “As long as our competitors are still stirring this issue, we will continue to provide all the support necessary to member companies and regional cable associations.”

NCTA is taking a raft of new senior staffers to its annual convention this year. Executive Vice President Peggy Binzel, Vice President for Communications David Beckwith and Vice President for Public Affairs Jim Ewalt represent several shifts in the organization.

First, Binzel, who previously ran News Corp.’s Washington office, shares leadership duties with NCTA President Robert Sachs. “Robert’s the boss, but it’s a collaborative effort between the two of us,” she explains.

Binzel has strong ties to Capitol Hill Republicans and was formerly a staff counsel for House Telecommunications Subcommittee Chairman Jack Fields (R-Texas), who retired in 1996.

Sachs took over the organization’s top spot last September, after Decker Anstrom left to run The Weather Channel in Atlanta.

He initially filled NCTA’s No. 2 position with David Krone, whose strongest ties were not to the Hill but to Leo J. Hindery Jr., then president of AT&T Broadband and Internet Services. When Hindery left AT&T last summer, resurfacing as president of San Francisco-based telecommunications firm Global Crossing, Krone left to rejoin him after only five months at the association.

Sachs lost no time recruiting Binzel, in whom he has so much faith that he had recommended her for the top job before taking it himself last summer.

“There are so many things that go on within the NCTA that you need to have different people responsible for different projects and different things,” Sachs says. “It’s a matter of who has the time and who has the subject-matter expertise.”

Therefore, Binzel will likely stick with the issues she knows well, particularly copyright and programming, while Sachs himself focuses on business and operations issues.

He has plenty of experience running a cable company, having come to the NCTA after two decades as Amos Hostetter’s right-hand man at Continental Cablevision in Boston.

Meanwhile, Sachs has reorganized NCTA’s public affairs department, bringing in a new staff to run it. Beckwith, formerly press secretary for George W. Bush’s presidential campaign, is handling media relations. Ewalt, who spent 12 years at the Cable Telecommunications Association (CATA) before it merged with NCTA last year, oversees all of the community-outreach efforts.

Those two departments had previously been one under Torie Clarke and then Josie Martin, both of whom have moved on to other jobs.

According to Sachs, NCTA will be focusing more on policy and less on association-driven outreach programs. To that end, Ewalt is reviewing all NCTA’s public-relations programs, such as the On-Time Guarantee and an initiative to wire all schools and libraries for high-speed Internet access.

“The big challenge,” he says, “is to figure out what the issues will be and then stay ahead of them.”

With the consolidation of the cable industry into several large companies, Sachs says, most of NCTA’s member companies already have their own sophisticated outreach programs. So NCTA will spend more of its time working to develop programs its member companies can use and adapt to their own needs.

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Fast fun and games

To boost their profile, cable modem services expand entertainment content with videos, films and music

By Richard Tedesco

High-speed cable Internet services used to sell themselves on just that point: high-speed access.

But the novelty of speed isn’t quite what it used to be. So-called early adopters have had plenty of opportunity to catch the wave of fast Net access, and development of digital subscriber line (DSL) services by telcos, though slow, has steadily become a threat, despite cable’s head start in the broadband space. So the cable service operators have sought to differentiate themselves with content designed to take advantage of those fast pipes.

An example of the move to make cable’s broadband service more appealing occurred last month with a deal between MTVi and Excite@Home. MTVi will be providing proprietary content for Excite’s music channel and supporting secure digital music downloads on the service. That will translate into interactive content to complement MTV’s on-air productions, according to MTVi President and CEO Nicholas Butterworth, who cites the possibility of showing trailers of nominees for the annual MTV Music Awards.

"Personally, I think what consumers want is better-quality audio and video," Butterworth notes. "They want to see full-motion video that loads quickly and looks smooth."

That just doesn’t happen over narrowband, but broadband connections provide PC users with such capability, helping create more adherents for @Home cable modems. "It’s really going to drive subscriptions for Excite@Home’s partners," Butterworth notes. Those partners include AT&T, Cox Communications and Comcast Cable.

The MTVi deal also includes a cross-marketing component, and MTVi will sell ads for the Excite music channel.

Peter Negulescu, vice president and general manager of Excite content applications, suggests that other, similar deals are in the pipeline.

Excite@Home put new emphasis on its video content last month with the introduction of its ClickVideo section as part of Excite@Home’s 2000 launch. ClickVideo is an aggregation point for video and animation content, most of it original and some of it exclusive to Excite@Home. "It really is an early example of what we’re intending to do in the rich-media area," says Negulescu. "You certainly need to put rich-media content into new buckets."

Short independent features from AtomFilms, Ifilm.com and WireBreak appear in ClickVideo, along with animation from HonkWorm, Wildbrain and the episodic WhirlGirl series, the most popular single feature of Showtime’s Web site. There are music videos from MTV.com and Sputnik7.com, as well as live concerts from House of Blues. Video news clips from CNN Interactive, FoxNews.com and Bloomberg are also accessible.

"We know there are people getting broadband because they want rich-media content, so we think it's important to provide them a directory for it," says Negulescu. "The idea is to get as much rich content as we can and put it where they can experience it."

The deals with Excite@Home’s con-
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tent partners typically involve revenue-sharing based on traffic. But some are straight licensing deals, according to Negulescu, who expects to double the number of ClickVideo content providers over the next quarter.

It's good exposure for content providers, who can optimize the quality of their content over broadband video streams. "We're looking at how to push into new distribution channels," says Matt Hulett, chief marketing officer for AtomFilms, which makes two of the independent feature titles available for streaming on ClickCinema, within ClickVideo, each month.

One popular new wrinkle on the service: self-created content in the form of homemade videos posted on ClickVideo, which will soon provide end-to-end encoding and posting for wannabe video directors.

Road Runner, the cable modem service of Time Warner Cable and MediaOne, also has been cramming video and animation content into its fast pipes. Its cable-heavy roster of content partners includes CNN, CBS SportsLine, Discovery Channel Online, E! Online, MSNBC.com and Nickelodeon. But it also delivers edier material from MaMaMedia and Pseudo Networks.

"Video is hot," says Vice President of Corporate Development Meredith Flynn-Ripley, "and we're going to see a lot more of it with interactive applications embedded."

Road Runner plans a new spin for its video content. A multicasting trial is slated for several markets later this year, according to Flynn-Ripley, who declines to indicate which markets or what will be multicast. "The content will vary, and we're still trying to formulate it."

Some of the content from Road Runner's partners is proprietary, and the business relationships are based on revenue-sharing and e-commerce-sharing, according to Flynn-Ripley. "They're very standard affiliate programming relationships that allow them to get in and find out what a broadband environment can do and allow us to get applications out to our customers."

Among the newest content partnerships for Road Runner is one with Cambridge, Mass.-based Into Networks, which provides CD-ROM games and entertainment for transactional and subscription fees. Approximately 135,000 MediaOne subscribers in New England have access to Into's PlayNow service, which offers individual two-day title rentals for $2.99 and access to one of its channels for $5.99 monthly, to three channels for $9.99.

PC users access the content from Into servers located at cable headends. Into splits the transaction fees with its cable carriers. "We are probably the sweet spot for broadband services right now," says Vice President of Marketing Bill Holding.

Into is also in a market trial with Comcast Cable subscribers in New Jersey and has a deal with Northpoint Communications to provide programming to DSL services in the San Francisco Bay area.

The other gaming player emerging quickly in the broadband space is Ann Arbor, Mich.-based Media Station, whose SelectPlay CD-ROM service is carried by Sprint nationally and on Broadwing's Zoomtown DSL service reaching 25,000 subscribers in the Cincinnati area.

Comcast has been testing SelectPlay on its Detroit system, where it's expected to segue into a commercial launch, according to Allan McLennan, Media Station senior vice president of strategic alliances. He says Media Station is also on the verge of striking a deal to distribute SelectPlay with a major MSO across all of its systems.

Media Station makes a rotating menu of 70 software titles available for a $9.95 subscription fee, with new individual titles accessible for a two-day rental of $3.95. It splits fees with cable operators and content providers.
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Not necessarily enough news

Elián’s sad saga proves no match for Columbine, Kosovo

By Deborah D. McAdams

As much as little Elián’s González panic-stricken face dominated the news last month, it wasn’t enough to boost cable news networks. CNN lost as much as 54% in prime time, and even the usually immune Fox dropped.

Once again, executives say, cable news is feeling the backlash of last April’s hot news environment. Back then, bombs were devastating Kosovo, and then two teens took automatic weapons to school in Littleton, Colo., and slaughtered several of their classmates before killing themselves.

“In April of 1999, MSNBC was up 229% in ratings from the previous month,” said an MSNBC spokeswoman. “CNN was up 162%, and Fox was up 125%. That’s why news networks are down so dramatically now.”

Kosovo and Columbine held larger audiences for a longer time than did the tale of Elián, the child caught between government immigration officials and a surreal quasi-kidnapping by his extended family.

All of the news nets slid in overall ratings, for prime time and total day, except for CNBC. Bill Gates may have been the Antichrist on Wall Street, but he saved business news. CNBC had two of its biggest days ever in April even as the rest of the world quietly chugged along. On April 3, the day of the Microsoft decision, CNBC averaged a 0.7/486,000 households over the course of its business day from 5 a.m. to 7:30 p.m.

Two weeks later, when the fall of the house of Microsoft reverberated through the stock markets, CNBC spiked to a .8/564,000 households. That’s nearly twice the network’s typical average. As a result, CNBC was up 27% in its business day, but was flat in the traditionally defined 6 a.m. to 6 a.m. total day.

All the news networks suffered a double-whammy in prime time: Slow news and a red-hot Who Wants to Be a Millionaire? Even USA, which had nine of the 10 highest-rated programs for the month, was off 8% this April compared to last.

For MSNBC, last April was the network’s highest-rated month ever.

“We had 30 days in a row of record-setting ratings,” said Eric Sorenson, vice president and general manager of the network. Sorenson saw the numbers coming, but he launched an ambitious new daytime show on April 3, HomePage, a live, three-hour Oxygen-like, grrrll-powered version of Headline News, is stripped weekdays 1 p.m. to 4 p.m. The time slot is 33% down from last year but holding steady compared to the first quarter of 2000.

The numbers come in just as the news networks are engaged in upfront ad sales. As usual, network executives poo-pooed the notion that advertisers would be repelled by the ratings.

“There isn’t any aspect of our business that measures against a previous period. It’s a press conceit to tell where we are, but in cable news, it’s particularly silly” because news cycles affect all news networks, Sorenson said.

Media buyers actually do confirm that demographics outweigh overall ratings, and those who buy news buy it for the demo.

“Our business is 25 to 54 adults,” Sorenson noted. That demo continues to inch up for MSNBC, from 84,000 in January to 92,000 in April. “That’s our CPM.”

Relentless pursuit of a given demo is really the most likely path to growth for any of the news networks, given it’s one of the most saturated categories in cable. Otherwise, they’ll remain slaves of breaking news.
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Can a sports guy do entertainment?

As head of new Fox Cable, Shell looks forward to developing programming across a variety of platforms

By Elizabeth A. Rathbun

Baseball has been very, very good to Jeff Shell. A fan of the Los Angeles Dodgers since childhood, he revels in the fact that he oversees the team and the stadium the team plays in.

Sports has proved a staple of Shell's career. When he came to News Corp. in 1994, one of his first tasks was to develop a network of regional cable sports channels that now number 21 and boast more than 72 million viewers.

As president of Fox Sports Networks, Shell crafted Fox's one-third, $50 million investment in the Golf Channel in 1996 (that became 30.9% on Feb. 25 when partner Comcast Corp. raised its 40.1% stake to 54.7%).

He expanded into non-sports-related cable deals as well. Last December, he spearheaded carriage deals for the forthcoming National Geographic Channel with AT&T Broadband and Internet Services, the nation's largest cable company, and DirecTV, the biggest DBS service.

On April 20, Fox created Fox Cable Networks and named Shell, 34, president. He will maintain his oversight of News Corp.'s sports channels and adds to his portfolio FX, Fox Movie Channel, Fox Family Channel and the Health Network (now relaunching as WebMD TV), as well as National Geographic. Fox News, however, continues to report to the Fox Entertainment Group.

Now, Shell says, Walt Disney Co., where he once worked, is the only major player left with unconsolidated cable holdings.

Shell's sports connection began at Disney in 1991, when he became a senior analyst in the company's corporate strategy group. He undertook several special projects, including the launches of the Mighty Ducks hockey team in Anaheim, Calif., and Disney's Florida-based cruise line.

He landed at News Corp. three years later as vice president of business development for Fox Television. In November 1996, he moved over to Fox/Liberty Networks (which later became FSN), climbing the ladder from senior vice president for finance and development to CFO to president in about 2½ years.

"Speed has never been a problem at Fox," Shell says. He is referring to the company's ability to quickly grasp new opportunities, but he may as well have been referring to his promotion pace, too. In fact, he says, "I've taken to this culture here at Fox literally from the time I walked in the door."

He describes that culture as "incredibly aggressive, incredibly non-bureaucratic." Smart people are hired and given "a chance to succeed, which sounds simple but doesn't happen in a lot of places."

It's not exactly a forgiving environment, however, he admits. Mess up in a big way, and "you're probably gone."

Shell has no plans to mess up his agenda, which initially includes "continuing the momentum of the existing channels": FX, FSN, the Fox Movie Channel and the Fox Family Channel. Under Shell, FSN's losses have narrowed, but Fox Family is suffering a major ratings slide, FX's operations have been mixed, and Fox Movies never had strong distribution.

He also will oversee the relaunch of

**FOX'S CABLE HOLDINGS**

<table>
<thead>
<tr>
<th>Channel</th>
<th>No. of subs</th>
<th>Partner, if any (Fox's %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fox Sports Networks*</td>
<td>72.0 M</td>
<td>Haim Saban (49.5%)</td>
</tr>
<tr>
<td>Fox Family Channel</td>
<td>70.0 M</td>
<td></td>
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<tr>
<td>Fox News</td>
<td>47.4 M</td>
<td></td>
</tr>
<tr>
<td>FX</td>
<td>42.7 M</td>
<td></td>
</tr>
<tr>
<td>Golf Channel</td>
<td>30.0 M</td>
<td>Comcast, Times Mirror (30.9%, but equal operating influence)</td>
</tr>
<tr>
<td>Health Net./to be WebMD TV</td>
<td>17.5 M</td>
<td>Healthon/WebMD (to be 50%)</td>
</tr>
<tr>
<td>Speedvision</td>
<td>14.0 M</td>
<td>AT&amp;T Broadband and Internet Services, Comcast, Cox Communications Inc. (33%)</td>
</tr>
<tr>
<td>Outdoor Life</td>
<td>13.0 M</td>
<td>AT&amp;T, Comcast, Cox (33%)</td>
</tr>
<tr>
<td>Fox Movie Channel</td>
<td>8.5 M</td>
<td></td>
</tr>
<tr>
<td>National Geographic Channel</td>
<td>7.5 M at Nov. launch</td>
<td>National Geographic TV (66.7%)</td>
</tr>
<tr>
<td>Fox Sports World</td>
<td>4.0 M</td>
<td></td>
</tr>
<tr>
<td>Fox Sports World Español</td>
<td>3.4 M</td>
<td></td>
</tr>
</tbody>
</table>

*Comprises FSN Arizona; FSN Bay Area (70% with Cablevision's Rainbow Media Holdings Inc.); FSN Chicago (40% with Rainbow); FSN Cincinnati (40% with Rainbow); FSN Florida (40% with Rainbow); FSN Detroit; FSN Midwest; FSN New England (40% with Rainbow); FSN New York (40% with Rainbow); FSN Northwest; FSN Ohio (40% with Rainbow); FSN Pittsburgh; FSN Rocky Mountain; FSN South; FSN Sports (majority owner; partners: Scully & Howard); FSN Southwest; FSN Utah (100%); FSN West and FSN/Seas West 2; Home Team Sports (35% with CBS); MSG Network (40% with Rainbow); Sunshine Network (majority owner; partners AT&T, Comcast, Cox)

Sources: Fox, media reports
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the Health Network as WebMD TV, which will utilize both cable and the Internet to serve medical patients.

Shell also plans to develop a "new emphasis and new focus on our digital cable strategy. We have some tremendous products, and I don't think we've gone about that in the most progressive fashion."

Further down the road, Shell wants to "develop a strategy at Fox for the next phase of programming development" across a variety of platforms.

In other words, figure out how Fox can use digital and the Internet most profitably. "Everybody's starting to think about [that] now," he says, but the strategy should take three to five years to develop.

Shell has always been business-oriented. Although he has "always been comfortable with numbers," majoring in math as an undergraduate at the University of California-Berkeley was a mistake, he laughs. Between college and graduate school, he worked as an analyst in the investment banking department of Salomon Bros, an experience that convinced him that "I didn't really want to be a banker."

Graduate school helped steer him toward corporate work. It's only in an organization that you can see "the results of your decisions," he says.

His second love, he says, is politics, and that's how he met his wife, Laura. She works as a planning deputy for a Los Angeles County Council member, and they hooked up at a fund-raiser, says Shell, confessing to being "the one Democrat here at News Corp. in a sea of Republicans."

But he's far from the only Dodger fan. Shell tries to attend as many games as he can. However, "the game is sometimes seriously spoiled" as he chews on the latest multimillion-dollar deal for a player. "Being in the sports business makes it difficult to be a fan."

---

**Cable’s Top 25**

**People’s Choice**

"Walker, Texas Ranger" lassoed seventh place with a 2.8 rating/4.4 share on USA Wednesday night. The urban cowboy, played by Chuck Norris, rustled up two spots in the top 10.

Following are the top 25 basic cable programs for the week of REPAIR DATE 00, ranked by rating. Cable rating is coverage area rating within each basic cable network's universe; U.S. rating is of 100.8 million TV households. Sources: Nielsen Media Research, Turner Entertainment.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Program</th>
<th>Network</th>
<th>Day</th>
<th>Time</th>
<th>Duration</th>
<th>Cable</th>
<th>U.S.</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>WWF Entertainment</td>
<td>USA</td>
<td>Mon</td>
<td>10:00P</td>
<td>66</td>
<td>7.9</td>
<td>6.1</td>
<td>6120</td>
</tr>
<tr>
<td>2</td>
<td>WWF Entertainment</td>
<td>USA</td>
<td>Mon</td>
<td>9:00P</td>
<td>60</td>
<td>6.4</td>
<td>4.9</td>
<td>4892</td>
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<tr>
<td>3</td>
<td>WCW Monday Nitro Live!</td>
<td>TNT</td>
<td>Mon</td>
<td>8:00P</td>
<td>60</td>
<td>3.7</td>
<td>2.9</td>
<td>2847</td>
</tr>
<tr>
<td>4</td>
<td>Mr. 'The Expendables'</td>
<td>USA</td>
<td>Tue</td>
<td>9:00P</td>
<td>120</td>
<td>3.6</td>
<td>2.8</td>
<td>2771</td>
</tr>
<tr>
<td>5</td>
<td>Rugrats</td>
<td>Nick</td>
<td>Sat</td>
<td>9:30A</td>
<td>30</td>
<td>3.4</td>
<td>2.6</td>
<td>2607</td>
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<tr>
<td>6</td>
<td>Rugrats</td>
<td>Nick</td>
<td>Fri</td>
<td>9:30A</td>
<td>30</td>
<td>3.1</td>
<td>2.4</td>
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<td>Rugrats</td>
<td>Nick</td>
<td>Sun</td>
<td>9:00A</td>
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**'South Park' stays put**

Comedy Central's vow of creative freedom keeps irreverent show in its stable

By Suzanne Ault

Creativity, not money, kept *South Park* creators Matt Stone and Trey Parker at Comedy Central. Baring its teeth to network television, Comedy Central has corraled the pair into a three-year, multimillion dollar development and production deal.

The agreement (B&C, May 1) keeps doomed character Kenny alive for at least 30 more episodes over three seasons and provides ammunition for a new live-action series in 2001.

Stone and Parker will get a stake in *South Park* syndication, which they speculate won't come for a couple of years.

Last Monday's official announcement obliterated rumors about Stone and Parker's jumping ship to NBC.

Explaining their flirtation, Parker said, "NBC knew about the new show's idea, and they loved it. But we're spoiled brats, and if somebody tells us that we can't do something, we want to do it 20. And the only place we can do that is Comedy Central."

Comedy Central President and CEO Larry Divney remained mum on the financial details. "I don't think we overpaid them, but we have paid more than we have before. [Stone and Parker] have known all along that I've wanted them; it probably wasn't the strongest negotiation position to be in."

*South Park*'s numbers have fallen off sharply since its debut days (it typically pulls 2's and 3's, down from 8's), but, even so, last week's 2.9 rating grabbed six times more viewers than the Comedy Central network average.

As for the new series, Stone and Parker promise only that it won't star themselves and will be a 180-degree turn from *South Park*. This time, they want to nab prime acting and writing talent.

"Part of the joke about *South Park* is that it's kind of crappy," said Parker. For the new show, "We told Comedy Central that they'd have to step up because this is probably going to be their most expensive show."
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Cable, utility firms are poles apart

Dispute over attachment fees also pits court against FCC

By Bill McConnell

The National Cable Television Association is preparing a counteroffensive against electric companies that see a bonanza from a new court decision allowing them to increase fees they charge cable companies to string lines on their utility poles.

Attorneys for the NCTA last week were putting the finishing touches on a request to rehear a case brought by a host of power companies against the FCC in the federal appeals court in Atlanta.

The upshot of the April 11 decision, cable attorneys say, is that pole-attachment costs may no longer be capped by federal ceilings when cable companies provide Internet service. Last week, the FCC was mulling whether to ask for a new hearing as well. Petitions for rehearing are due May 26.

"We did find the decision troubling," said FCC Cable Services Bureau Chief Deborah Lathen.

Equally disturbing to the FCC are broader implications that could strip the FCC of authority to mandate any access requirements for wireless carriers. Under the court's ruling, the FCC's ongoing effort to set rules for wireless providers' access to apartments and other multiple dwellings could be thrown out. "There is a big, big cloud looming over it," Lathen said.

Since the ruling, Pensacola, Fla.-based Gulf Power has notified Comcast Cablevision of Panama City that annual per-pole rates will rise from $5 to $38. The rate increase is the first of many expected across the Southeast as a result of the April 11 ruling.

"The FCC for the last 20 years has held attachment fees artificially low compared to what other companies pay," said a Gulf Power spokesman. "Forty dollars is in line with what others pay."

The ruling has also prompted Virginia Electric Power Co. to ask the FCC to dismiss a complaint brought by Cavalier Telephone Co. on grounds that regulators no longer have jurisdiction over the rates charged to the competitive local exchange carrier.

"The magnitude of this decision is starting to play out," said NCTA Counsel Neal Goldberg. Cable companies fear that the ruling will force them to pay dramatically higher prices as MSOs roll out new services.

Utility companies seem to be interpreting the rule more broadly, raising cable industry fears even further. Gulf Power officials say the decision eliminates FCC regulation of all pole rates, regardless of whether Internet service is provided.

"The gulf between their interpretation and ours is very wide," said NCTA's Goldberg.

And the cable attorneys say the narrower interpretation is bad enough. Under the Atlanta court's ruling, Internet services provided by cable systems are not "telecommunications services" or "cable services" but rather are "information services." As a result, the court said, the FCC has authority to regulate pole-attachment rates only when the lines are used "solely" for cable services.

But cable industry officials call that reasoning "thin" because the 1996 Telecommunications Act stated that the FCC has authority to set rates for "any" cable attachment. The industry's counterargument was echoed by the dissenter on the Atlanta circuit's three-judge panel. "Because of the unambiguous definition of 'any,'" the law "requires the FCC to ensure just and reasonable rates for all pole attachments, including those used to provide Internet service," wrote Judge Edward E. Carnes.

The decision, which countermands the 1978 Telecommunications Act, is binding only in the 11th circuit but can be used as guidance in other federal courts. The court's ruling applies only to federally set rates and has no impact on companies with pole fees set by state governments.

Congress in 1978 first gave the FCC power to step in and set pole-attachment rates when private negotiations failed and states chose not to regulate the charges. Congress was responding to complaints that utilities could take advantage of their control over the supply of poles to charge monopoly prices.
Last Friday in November.

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Despite vows, the cable war goes on

Even though the biggest operators pledge to permit rival ISPs open access, battles rage in legislatures and courts

By Paige Albinak

ights over whether local, state and federal governments should compel cable companies to open their high-speed networks to competitive Internet service providers (ISPs) still are going on nationwide, even though the country’s largest cable operators say they plan to eventually permit access.

With or without legislation, both sides of the debate are claiming victory. Supporters of “open access”—particularly GTE, SBC and the OpenNet Coalition—say they have been successful in making the issue a national topic within one year, getting it in front of 20 state legislatures, and forcing big cable companies to agree to open their forthcoming broadband networks.

Opponents—such as NCTA, Net-Compete Now and MSOs—say the push for “forced access” has been an utter defeat because only a few pieces of legislation have passed and most license transfers have cleared regulatory scrutiny without any new access provisions.

“Open access” is what the [Ohio] legislature has a lot of stomach to do something that 14 other states already have said no to,” Cimerman said.

Action was delayed last week on the Michigan bill while the legislature works on a deregulatory bill that would rewrite Michigan’s overall communications act.

Since last year, California, Florida, Kansas, Idaho, Iowa, Maryland, Minnesota, New Hampshire, New Mexico, Oregon, Pennsylvania, Rhode Island, Texas and Utah have considered open-access legislation and all have ultimately rejected it, either by actively voting against it or by tabling legislation.

Legislation is live but not moving in Delaware, Illinois and Vermont. Massachusetts is considering a ballot initiative, but open-access proponents need another 10,000 signatures before they can get the measure on the November ballot.

What may close the issue once and for all is a decision from the U.S. Court of Appeals for the Ninth Circuit in San Francisco, which is due any day.

After AT&T Corp. announced its purchase of Tele-Communications Inc., the city of Portland, Ore., decided AT&T would have to agree to open the networks of its Portland cable provider in order to win approval from the city to transfer its cable license from TCI to AT&T. The city of Portland considered high-speed service offered over AT&T’s cable lines a cable service, giving it authority to regulate AT&T.

AT&T argued that the law considers its networks telecommunications services, which puts the company out of the purview of the Portland cable authority. The U.S. District Court disagreed, and AT&T appealed to the Ninth Circuit.

The open-access initiative has been somewhat successful in several cities.

Late last month, Los Angeles’ Board of Information Technology Commissioners approved transfer of Time Warner’s cable system to America Online Inc. but insisted that AOL live up to promises it made to federal regulators in March with regard to open access.

San Francisco’s board of supervisors last month introduced legislation that would give area cable operators 18 months to provide open access.

And new legislation in St. Louis would require the next cable franchise up for renewal to provide open access. St. Louis is negotiating with AT&T, which owns the franchise there but is trying to transfer its system to Charter Communications. The city, meanwhile, is having informal talks with Charter.
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CBS’ Franks tapped for Viacom Sr. VP

Martin Franks was named executive vice president of CBS Television and will become senior vice president of Viacom Corp. once its merger with CBS closes, said CBS President and CEO Mel Karmazin last week. Franks will assist CBS Television President and CEO Les Moonves with the operations of CBS, while taking on special projects at Viacom and CBS.

“Marty Franks is both glue and grease at CBS,” Moonves said. “As glue, he helps hold together our many working parts. As grease, he helps keep those parts working together smoothly.” Franks joined CBS in 1988 as vice president of the Washington office.

Ong to head Nat Geo net

Laureen Ong has been tapped to head National Geographic Channel as the network prepares for domestic launch. Ong replaces her post as general manager of Fox-owned WTTG-TV Washington, D.C. She will immediately assume oversight of the development and launch, as well as all day-to-day operations of the channel, and will be based at National Geographic Society’s Washington headquarters.

She will report to a board made up of representatives from National Geographic and Fox partners in the channel.

Already available to 52 million international subscribers in 63 countries, Nat Geo is set to launch in the U.S. this winter. According to Nat Geo, DirecTV will carry it at launch, as will AT&T, most likely on digital.

Ong was vice president and GM of Fox-owned KSAZ-TV Phoenix, where she supervised transition of the station from a CBS affiliate formerly managed by New World Communications. Before joining Fox Television Stations Inc., she was a senior executive with Rainbow Programming from 1994 to 1996, serving as general manager at SportsChannel regional sports networks.

Direct TV expands

DirecTV is adding local TV service in 12 new markets next month: Salt Lake City, Indianapolis, Milwaukee, Charlotte, N.C., and eight other markets to be announced. By late September, DirecTV plans to offer local channels in 35 U.S. markets, covering 58% of the country.

Z Music goes to heaven

Gaylord Entertainment has abandoned its long-struggling religious music network, Z Music Channel. After a decade on the air, the service, sort of a Christian MTV, has just 8 million subscribers. Gaylord initially bought the once independent channel as a companion to its Country Music Television music video network. But it went nowhere and was the one part of Gaylord’s cable operations that Westinghouse, now CBS Corp., had no interest in when it bought Gaylord’s interests in The Nashville Network and CMT three years ago. The network will go dark June 30.

Seagram reduces stake in USA

Seagram Co. reduced its 45% stake in USA Networks by about 2% by letting an option to buy additional shares expire. The purchase was necessary to maintain the stake after USA issued 24 million shares last month to acquire Precision Response Corp. Liberty Media, owned by AT&T and run by John Malone, elected to buy the shares necessary to maintain its 21% stake.

Other major shareholders include Paul Allen, who has a 9% stake through Vulcan Ventures. Barry Diller, chairman of USAi, holds about 10% of the company but maintains control of all voting stock via an agreement with Seagram Chairman Edgar Bronfman. That agreement includes an option for Seagram to repurchase up to 50.1% of USA Networks on the open market.

Seagram’s decision coincided with its earnings report for fiscal third quarter 2000, ended March 31. EBIDTA was $285 million on revenues of $3.4 billion, with an operating loss of $1 million, compared with $163 million in 3Q ’99. The company reported a net loss of $265 million, or 61 cents a basic share, for the quarter.

NAMIC answers NAACP criticism

The National Association of Minorities in Cable issued a 10-point to-do list in response to last month’s criticism by the NAACP of the cable industry’s minority-hiring practices.

In a statement, NAMIC said improvements can be made by choosing new employees by virtue of their skill set, not their experience in the cable industry. It also recommended a bonus structure contingent on reaching goals of a diverse staff.

Other suggestions include a leadership program, mentor programs and assists to minority companies “seeking to become programming suppliers, vendors or contractors.”

Fed slaps AT&T on the wrist

AT&T Corp. is under government orders to cough up $9,000 for failing to tell the FCC upfront how many cable subscribers were added in past mergers. Consumers Union and other groups complained in October that AT&T and Tele-Communications Inc., the predecessor to its cable subsidiary, failed to disclose how three mergers would alter their national audience reach.

The FCC, to ensure that cable systems do not exceed the 30% cap on share of U.S. multichannel subscribers, requires any system at a 20% share to certify changes in reach in filing merger applications.

The deficient applications included transactions with Galaxy Cablevision and FHF Cable in 1999 and Comcast in January. AT&T argued that certifications were due only prior to closing the transactions. But FCC officials said a review of certification letters reveals that the companies were “obviously aware” of the certification requirements.
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Dolby is proud to be a part of DISH Network's vision of the future.
By Susanne Ault

Departures of some shows bring hope for those eager to occupy their time slots

Syndies set to fill gaps

TV studio executives leaving their offices when it’s still daylight, shutting off their cell phones: Nope, it’s not Friday, but the eve of this year’s first-run syndicated series launches.

The quick exits of Buena Vista’s The Ainsley Harriott Show, Pearson’s Judgment Day and Unapix’s Legacy—plus the probable demises of King World’s Dr. Joy Browne, Roseanne, The Martin Short Show and Paramount’s Leeza—have left holes in station lineups. And that’s just in time for next season’s debut of 15 new hopefuls.

Granted, most on-deck syndicated series locked up the bulk of their station clearances shortly after January’s NATPE convention, but many studio reps believe their respective babies have a real shot come September and October.

Petry Television’s Dick Kurlander elaborates: “I think this fall will be easier [for the new crop of first-run shows] because you’ve already done a little bit of housecleaning, so it presents some opportunity where there hasn’t been.”

The outlook is also sunny because “there is a little bit more diversity, interesting spins on court shows,” and you have a very prominent name with Dr. Laura [Schlessinger], so I think this is a positive environment for everybody.”

Take, for instance, Twentieth Television’s Power of Attorney, featuring high-profile attorneys F. Lee Bailey, Christopher Darden and Gloria Allred.

The studio’s executive vice president and general sales manager, Paul Franklin, boasts that the show had the best court clearances at NATPE at 70% and now covers 92% of the U.S.). But he admits, “The show’s been really well received because of the success of Divorce Court [the same executive producers will back Power], but it is good that we don’t have to worry about a couple of court competitors.”

Like most executives hoping to be the next new variation, rather than the latest copy, Franklin insists, “This is a twist on what’s already out there. Our focus is on the attorneys more so than the judge. And we are premiering in August, so we’ll be able to get out ahead of the pack.”

However, the team behind Dick Wolf-created Arrest and Trial, which is cleared in 92% of the country on more than 150 stations, isn’t concerned about rivals.

“The truth is, if a show goes on the air and it’s good, then people will watch it. In syndication, how often have you seen a show that’s really good get cancelled? It just doesn’t happen, because if it’s really good, it’ll find an audience and get upgraded,” says Studios USA Domestic Television President Steve Rosenberg.

Arrest and Trial, a daily strip produced by Dick Wolf and Maury Povich’s MoPo Entertainment, follows the complete runs of criminal trials, making use of archived police footage. The show will debut Oct. 2.

Rounding out the crowded court calendar are Warner Bros.’ Moral Court, King World’s Curtis Court and Columbia TriStar’s Judge Hatchett.

Moral Court, now clearing 82% of the country, will be double-run in several markets in the afternoons and in late night.

Warner Bros. is banking on the show reaching the 3 ratings mark. It is hosted by radio personality Larry Elders and created by Stu Billett (the man behind the launch of People’s Court).

Even so, “it’s always hard to predict what’s going to work,” says Warner Bros. Executive Vice President of domestic TV distribution, Dan Greenblatt. “Stations have more hope on some shows than others, but we are all just in the hope business.”

King World says Curtis Court is likewise a firm go, but provides no other information. And Judge Hatchett, a late NATPE entry, has secured 87% coverage.

For all the glass-is-half-full talk, there are some nagging

‘Sheena, Queen of the Jungle’ stars ‘Baywatch’ babe, Gena Lee Nolin.
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questions about a couple of the best bets. With October just around the con-
er, Arrest and Trial, is still without a host.

"That position is critical, and it bothers me a bit that, in early May, we don't have a person named," says Petry's Kurlander. The one negative [to Arrest and Trial] is that there aren't central characters that will reappear, so you need a really, really strong host to pull everything together.

Another gray area is Paramount's policy about Dr. Laura in the wake of several gay-rights groups' protests. Still, the studio says the show is on the verge of pre-production and will start airing in September.

Dr. Laura is through the roof in terms of clearances (securing 95% of the U.S. in 175 markets).

And both of the studio's domestic TV co-presidents Frank Kelly and Joel Berman have promised the show will roll out as planned.

"There are groups that are against Dr. Laura, and they have the perfect right to yell as loud as they want, but we're also fine with putting the show on the air," says Kelly.

Seconding that, Berman says, "There have been a couple of cities like Los Angeles and San Francisco where there's been pressure [from advocacy groups to stop the show], but the affiliates have been supportive."

One more obstacle for Dr. Laura is that the show must succeed where this year's similar shows have struggled.

"You have the failure of Dr. Joy Browne and have the general erosion of the talk audience," says Kurlander. "I have some concern because I don't know what makes it different from Browne or any of these other dysfunctional, relationship talk shows."

Also coming down the pike this fall are series hungering for sleeper-hit status. Shows, such as Buena Vista and Chris-Craft/United Television's Housecalls, Columbia TriStar's Men Are From Mars, Women Are From Venus, Warner Bros. Street Smarts and Pearson's To Tell the Truth are often overshadowed by this season's granddaddy court efforts and much-talked-about Dr. Laura but are nevertheless picking up steam.

"While court shows have the best chance for success because they are the hot genre and will get showcased better than any other type of show, it will be difficult for the average viewer to discern tangible differences between them," says Katz TV's Bill Carroll. "[The next class of court shows] looks the same and is aimed at the same audience. They will run against each other and savage themselves."

However, Carroll is optimistic about Housecalls, To Tell the Truth and Street Smarts. "Because they're distinctive and different, these shows really don't look like anything else, so people will likely sample them."

Housecalls, cleared at just over 70% in early fringe and daytime slots, features roving psychiatrist Dr. Irvin Wolkoff going inside troubled couples' homes to solve their problems. The show will be executive-produced by Harris Kattelman and Jonathan Goodson.

"If you want counter-programming, Housecalls is unique," says Buena Vista Executive Vice President of Sales Tom Cerio. "[T]his show has as an organic feel with its own premise. And people won't be yelling and screaming at each other, but actually talking."

Laurie Barnett, executive vice president of Chris-Craft's TV division, agrees. "I have a great deal of enthusiasm that this show can break through."

Street Smarts, now reaching 90% clearance, aims to attract the same niche audiences as relationship game shows Change of Heart and Blind Date. Warner Bros.' sees young viewers similarly falling for its MTVish edginess. "When we saw a rough-cut [of Street Smarts], we thought it was hysterical," says Warner Bros.' Greenblatt. "And this is not a tough show to execute, so we'd really have to screw this up for it not to work."

Street Smarts, hosted by comedian Frank Nicotero and created by Change of Heart executive producer Scott St. John, pits two contestants against each other in determining which passersby can correctly answer trivia questions.

Rounding out the game shows, To Tell the Truth (a revival of the classic quizzer to be steered by Seinfeld alum John O'Hurley aka Mr. Peterman) has been cleared in 85% of the country. Pearson began production last week.

On the talk-show front, Columbia TriStar's Men Are From Mars, Women Are From Venus has secured 88% clearance. King World's The Cindy Margolis Show is set to roll in late night, but the studio withheld further information.

Also eyeing opportunities for success are the producers of a handful of new action-hour series. Many last less than a season, but, with Hercules: The Legendary Journeys having departed, Doublecross declared a "no go," and New Line's Matthew Blackheart: Monster Smasher opting for cable, shows like Columbia TriStar's Sheena should have a brighter future. Sheena stars former Baywatch bombshell Gena Lee Nolin and has reached 98% clearance.

Hercules' Kevin Sorbo will return this fall in Tribune's Gene Roddenberry's Andromeda (94% clearance), and Mercury Entertainment and Paramount's joint effort Queen of Swords has hit 85%. Already humming are Studios USA's January entries Cleopatra 2525 and Jack of All Trades, which air back-to-back on more than 200 stations, reaching 99% of the country.
In the media and entertainment industry, out-of-the-ordinary growth demands out-of-the-box ideas.

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**Paxson pushes for JSAs**

**Discloses three more joint-sales pacts but appears to overstate progress with big NBC affiliate groups**

By Dan Trigoboff

NBC and Paxson Communications took the wraps off three more joint-sales agreements last week. The move brings to 10 the number of Paxson stations whose local news, programming, sales and marketing shots will be called by NBC.

Last week’s agreements were with NBC-owned stations kxas-tv Dallas; wvit(tv) Hartford, Conn.; and wncs(tv) Raleigh, N.C.

Paxson already had such agreements in place with NBC-owned stations in Providence, R.I.; Washington, D.C.; Miami; Knoxville, Tenn.; Greenville, N.C.; Cedar Rapids, Iowa; and Shreveport, La. The network bought 32% of Paxson last September for $415 million in a deal that included an option to increase that to a controlling stake of Paxson, if the FCC loosened its restrictions on TV station ownership.

The 32% deal included an agreement for NBC to cross-promote Pax TV and allow Pax to repurpose some of NBC's big-ticket programming. Pax has aired made-for-television movies originally shown on NBC, and Paxson stations air NBC’s prime time game show, Twenty-One, several days after it’s shown on NBC.

“The key to Paxson’s network paradigm, since its inception in September 1998, has been to team up with other network stations in each market where Paxson has a local station,” said Paxson President and CEO Jeff Sagansky.

The joint-sales agreements with NBC “provide Paxson with access to many of NBC’s local resources and increase our market presence through improved programming and sales infrastructure.

“The completion of these 10 JSAs bodes well as we move forward market by market to complete additional joint-sales relationships before the year's
end,” he added.

But in a release last week, Paxson apparently overstated its relationship with four major NBC affiliate groups. Paxson said that NBC had “reached an understanding” with Gannett, Hearst-Argyle, Post-Newsweek and A.H. Belo to develop JSA agreements with Pax stations in their markets. These groups represent JSA opportunities for 16 Paxson stations, and it is expected that agreements will be completed in these markets in the short term.” Paxson executives could not be reached for comment at press time.

“We have agreed to talk with them,” said Alan Frank, president of Post-Newsweek Stations. “And as of this week, there are no meetings scheduled.”

The focus on joint-sales agreements emerged after NBC, which had no part in last week’s announcement, retreated from a plan to repurpose Nightly News With Tom Brokaw on Pax. NBC Television President Randy Falco said the repurposing would be delayed until several of its larger affiliate groups had signed off on the local sales agreements with Pax stations in their markets.

The affiliates clearly had not signed off on the Nightly News idea, believing it would draw away viewers and lower ratings.

 Officials at Paxson—where many fear the JSAs will accelerate the loss of their jobs—as well as executives at NBC stations believe the partnership is pushing the affiliates to see how far it can go before the affiliates push back—as they did in the case of Brokaw.

For NBC, the 32% partnership allows the network to increase its local station holdings without running afoul of the FCC cap. NBC affiliates say they are willing to consider relationships with the Paxson stations, but they are as yet unsure what they have to gain from such relationships.

Pax has also struck a deal with DirecTV for distribution to the satellite operator’s 7.3 million small-dish subscribers. Similar to one that DirecTV cut with the Public Broadcasting Service, the deal obviates DirecTV’s having to carry local Pax stations market-by-market. Combined with its cable and over-the-air coverage, Pax claims that the satellite carriage will put its programming before 80% of the nation’s TV homes—roughly the same level as UPN and The WB.

—John Eggerton contributed to this story.
ABC on total (viewer) roll
NBC put an end to ABC's adult 18-49 streak, but the Disney-owned network kept on trucking with its 18th straight week as the most watched broadcast network.

NBC ended ABC's nine-week streak in the key adults 18-49 demo, averaging a 5.2 national rating for the week of April 24-30. ABC averaged a 5.0 rating in adults 18-49, ahead of Fox's 3.8 and CBS' 3.1, according to Nielsen Media Research. In total viewers, ABC reached its longest consecutive run ever with a 13.3 million viewer average. ABC beat NBC with 12.4 million, CBS with 11.1 million and Fox at 8.1 million. NBC's Must See TV Thursday night lineup powered NBC to adults 18-49 victory—with ER averaging a 13.1/34, Friends a 10.8/34 and Frasier 10.4/27 in the key demo.

Doublecross-ed
Don't look for David Hasselhoff in anything other than Baywatch togs next season. Hasselhoff's planned weekly syndication series, Doublecross, has been crossed off its producers' to-do list, sources say.

The weekly action series, from Kaleidoscope Media Group, was already cleared in 80% of the country for a fall rollout. Kaleidoscope executives failed to return calls by press time.

Doublecross was originally titled A.K.A. Picasso and was to have Hasselhoff playing a convicted art forger working for a special government agency.

Hasselhoff, who stars in and is the co-creator and executive producer of Pearso...
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Summing an icon
Broadcast news icon Walter Cronkite was called as an expert by two broadcast journalists suing Fox O&O WTV(TV) Tampa, claiming they lost their jobs for refusing to slant stories regarding artificial hormones in milk.

Fox denies the charges, and says that the departures of married plaintiffs Steve Wilson and Jane Akre is strictly a personnel issue.

Cronkite testified on the dangers to journalism of turning over the pre-broadcast process to lawyers, and not on the specifics of this case. Because Cronkite will be unavailable at the trial, the plaintiffs want to present his taped testimony to a jury after the trial begins in June; although the plaintiffs believe Fox lawyers will try to keep the testimony out by attacking Cronkite’s expertise in broadcast law.

The CBS legend is one of two well-known experts expected to be called by Akre and Wilson; consumer advocate Ralph Nader is the other. Akre and Wilson were given an award for “civic courage” by a trust operated by Nader’s family.

D.C. news crew badly burned
Three members of a WTTG(TV) Washington news crew were badly burned May 2 when the mast of their satellite van struck a power line in Alexandria, Va. At press time, Geoff Manifold and Jim Forner were said to be in fair condition at the Washington Hospital Center. Manifold had been listed in serious condition. Reporter Laura Evans was treated and released. The crew was set up at police headquarters reporting about the investigation of the murder of an 8-year-old boy.

In February, WOI(TV) Ames, Iowa reporter Kimberly Arms, who was badly burned when the mast of her station’s van hit a 13,000-volt power line, settled her lawsuit against several equipment manufacturers for an undisclosed but significant amount, sources believe.

Her lawsuit attempted to hold the manufacturers accountable for not providing such available safety equipment as alarms to warn of the proximity of power lines.

Also at WTTG, SkyFox pilot John Guazzo has complained to the National Broadcast Pilots Association that he was booted from airspace while trying to shoot the arrival of Elián González and his father Juan Miguel at Andrews Air Force Base two weeks ago. Even though there were no temporary flight rules declared, Guazzo said, the controllers at Andrews decided to boot him. “We had to fly up to 3,000 feet” said Guazzo, to get the money shot of Elián and his father.

Report your sheriff
WTTR(TV)’s hidden camera report showing Marion County Sheriff Jack Cotey drinking and driving during working hours brought the station a considerable buzz during the early days of sweeps. Sheriff Cotty said he was not drunk, nor on duty while drinking, and called the story poor journalism. News director Jacques Natz said the station received hundreds of messages, mostly supporting the story, and the Indianapolis Star reported receiving several hundred more, running about 50-50.

Natz said the station had received numerous tips regarding the sheriff’s drinking and followed him for 15 days. On six of those, Cotey drank and drove his official vehicle, according to the station. About 20 staffers were involved in the story, in which the sheriff was observed and taped at several locations.

Natz said it was only the third time the station has used hidden cameras in his four years there. “We’re not experts in inebriation,” said Natz, but the station was prepared to call police if Cotey appeared to be driving dangerously after drinking, but he did not.

The news also rises
Tribune Broadcasting’s WPIX(TV) New York will introduce its WB11 Morning News in June. Featured personalities will be Lynne White, formerly of WNYW(TV) New York’s Good Day New York; WPIX late news anchor John Muller; entertainment reporter Lynda Lopez from VH-1’s The Daily One; and weather anchor Linda Church.

Vice President and General Manager Paul Bissonette said: “[t]he tremendous growth in viewer interest in morning news coincides with an increased emphasis on news here. As we expand our news programming, it makes the most sense to do so in a time period where there is proven viewer demand.”

All news is local. Contact Don Trigoboff at (301) 260-0923, e-mail dtrig@eols.com, or fax (302) 463-3742.
Carsey-Werner is looking to create its next big TV hit with former Saturday Night Live and film star Steve Martin. The Hollywood studio has signed Martin, who is also an author and playwright, and his producing partner, Joan Stein, to a three-year development deal that will have the duo developing and producing series television under the banner of the Martin-Stein Co. The deal is Martin's first foray into series television since 1986, when he served as an executive producer on the quickly exiting CBS sitcom, Leo & Liz in Beverly Hills.

"Steve is not only one of the greatest comedic talents of our time, but he is also a renaissance man," says Carsey-Werner partner Caryn Mandabach. "And Joan, who has a knack for finding and shaping quality work, has established herself as one of the most prolific producers in the business today."

Martin quipped, "I am very excited to be working with Carsey-Werner, but even more excited not to be dead."

Stein and Martin have worked together since 1994, when they first collaborated on the Broadway play, Picasso at the Lapin Agile. The duo have been trying to fit series TV into their busy schedules for these past several years and are looking to develop network projects with a number of their Broadway and film colleagues.

Martin has worn many hats of late, producing Broadway plays, writing the best-selling book Pure Drivel in 1998 and acting in various films, including Father of the Bride, Roxanne and Bowfinger. Last year, Stein produced two of the four nominees for Best New Play at the Tony Awards: The Lone- some West and Side Man.
Aided by 'ER' in the top slot, NBC tied twice: splitting the win for Week 32 with ABC and pulling even with CBS for second in season-to-date figures.
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Calling all digital tiers

**GE Americom launches compressed C-band service, its first turnkey effort**

By Glen Dickson

Satellite operator GE Americom is introducing a C-band transmission service aimed at digital cable networks. The digital satellite service, called Digital-C, will be demonstrated live this week at NCTA's Cable 2000 show in New Orleans.

Although GE Americom already has several large customers that use digital compression technology to distribute feeds on the space capacity they lease, Digital-C is the company's first attempt to offer MPEG-2 satellite distribution on a turnkey basis. It will be marketed to new networks being launched as part of digital cable tiers, particularly those of start-up cable programmers.

"We'll take it all the way from the customer's studio," says Vice President of Satellite Services Carl Capista. "Customers with one channel can come to us for a full package, and we'll arrange for playback, transport to the uplink center, the uplink, and the transponder capacity."

The MCPC (multiple channel per carrier) service is available immediately on the GE-1 bird, at bit rates ranging from 3 Mb/s to 15 Mb/s, says Capista.

Digital-C will be priced by the bit, although Capista isn't disclosing specific pricing. The service includes fully protected space segment as part of GE Americom's Cable2 neighborhood, which encompasses both the GE-1 and GE-4 satellites and counts Rainbow Sports, MSG Network, Fox Sports Net, InDemand, Pax TV and Telemundo as customers.

For the past few years, GE Americom has been providing headends with dual-feed antennas that can look at both GE-1 at 103 degrees west longitude and GE-4 at 101 degrees west.

Digital-C will offer end-to-end transmission through GE Americom's Digital Media Center in Woodbine, Md., which can accept videotape, fiber or satellite feeds. The service is also available on either the Motorola DigiCipher II or Scientific-Atlanta PowerVu transmission platforms, the idea being that Digital-C customers will probably be passed along in MPEG-2 form from the headend to subscribers' digital set-tops without ever being converted to analog.

"There's very little analog shelf space, and most of the new shelf space will be in digital tiers," says Capista. "Either you go up analog and compress at the headend, or you go up digital as part of a bouquet."

OpenTV ports expand

**Interactive TV firm's system will now work on DCT-2000**

By Glen Dickson

Interactive television firm OpenTV says its set-top operating system will now work on Motorola's DCT-2000, the first widely deployed digital cable set-top in North America.

The Mountain View, Calif.-based company will be showcasing a variety of interactive applications running on the DCT-2000 this week at NCTA in New Orleans, including e-commerce, e-mail and video-on-demand.

"With the functionality we're going to provide cable operators," says OpenTV President and CEO Jan Steenkamp, "there will be a whole new paradigm of services they can offer."

OpenTV has deployed its operating system on more than 6 million set-tops worldwide and counts BskyB and EchoStar as customers, but it has no deals with U.S. cable operators to use its operating system. Steenkamp says that should such a deal be closed, his
company could roll out interactive services on the DCT-2000 by the third or fourth quarter.

Roughly 4.5 million DCT-2000s have already been deployed in the U.S. and Canada, estimates Tom Jackson, OpenTV's senior vice president of worldwide sales. Those boxes could be updated with OpenTV's software through flash downloads over the cable pipes; new ones could be deployed with the OpenTV software already in place.

Jackson says operators will be able to create new revenue streams with the DCT-2000 now and transfer those interactive services later to the DCT-5000. Motorola's next-generation digital set-top.

"Of the applications that are available today, we think we can run 95% on the 2000," says Jackson. "Operators can get it launched and get it going."

In that vein, OpenTV has made a $5 million strategic investment in video-on-demand supplier DIVA. The companies will work together to launch VOD and other interactive services on the DCT-2000 platform.

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SkyStream unveils cable router

After teaming with Motorola [then General Instrument] at the 1999 Western Show to demonstrate how cable operators can send data within compressed digital video streams, SkyStream Networks has now extended the idea into a commercial product.

SkyStream's DBN-45 source media router is aimed specifically at "in-band" data broadcasting over cable pipes: inserting IP packets into MPEG-2 compressed video streams that can be stored and displayed by a digital set-top. The product, which will be demonstrated at NCTA this week, is similar in technology to SkyStream's DBN-25 and DBN-35 routers, which are aimed at satellite and terrestrial DTV applications, respectively. It costs $37,500 and will support insertion of IP data across the full bandwidth of a QAM-modulated 6 MHz cable channel.

Grass Valley logs Kalypso orders

The Grass Valley Group says it has already received several million dollars in orders for its new Kalypso Video Production center, which combines switching and mix/effects capabilities. The Nevada City, Calif.-based company has shipped 30 Kalypso systems and has taken orders for over 60 more from news, sports and mobile production customers. Early customers include Australia Broadcast Corporation, Pittsburgh-based mobile vendor NEP Supershooters, and Fox O&O WAGA-TV Atlanta.
The sky's the limit

Mixed Signals' ITV DataFlo system is used to deliver interactive versions of Columbia TriStar's game shows Jeopardy and Wheel of Fortune to WebTV users. Other clients include NBC, HGTV and Game Show Network.

How many people are using the Interactive "Wheel of Fortune" and "Jeopardy" features?
I know exactly, but I'm not allowed to disclose it. But what I can say is for our figures of the WebTV installed base, which is about 600,000, almost 60% of the installed base has registered to play, and over 45% to 50% play more than twice a week. So it's pretty significant. A lot of people watch those shows. It's simple, it's fun.

Have you tried to experiment with any digital TV broadcast signals?
We have, actually. We're working with an electronics manufacturer that's making a DTV receiver that's sort of an ancillary consumer electronics device. Really, what that's going to come down to is everybody is, with that type of broadcast signal, they're going to create a set of rules. It's going to be just like captioning and multicast IP, etc. Okay, we're going to use this specification for encoding data.

That specification may encompass ZIP code addressability or any one of a number of different things. It's easy for us, because we know how to grab or address the signal based on a standard or a protocol that somebody developed. As long as there's a receiver that's programmed when it receives the signal to look at a specific part of it and decode and display what's there, our job is easy. The real tricky part is on the side of those receiver manufacturers; that's the tough bit.

Do you think the DASE standard for DTV data is going to be the equivalent of ATVEF for NTSC?
First of all, ATVEF has become such a misnomer in the industry. ATVEF was a great idea, but it's just about dead at this point, because it just wasn't developed properly. It's a specification that references other specifications. For instance, we don't use ATVEF for Wheel and Jeopardy; we use EIA-746, which is referenced in ATVEF.

DASE, I think, has a lot more momentum behind it. As a specification, it's better put together, it's much more thought out. As for whether it gets adopted or not, unfortunately, it all comes down to politics in one form or another. But I think it's pretty sound.

What kind of feedback were you getting from broadcasters at NAB, and how do they see using your technology? How far evolved is their vision of interactivity compared with the people in the cable space?
The way we drive the conversation at this point, is a broadcaster will come to us. They'll sit down, and usually they'll drag an engineer with them. We go, "Here's the simple part. You have a video signal. Our equipment can grab any video signal, incorporate data and shoot it back out." That's easy. The difficult thing—and the feedback we get really has little to do with what we do as a company right now—primarily involves what's going to happen as far as fulfilling the technology to the consumer.

Wheel of Fortune and Jeopardy are good, well-rounded applications. But what drives television is advertising. And with all of the capability that's being talked about with interactive advertising, when a consumer clicks on something, the technology is there, and we're getting there, to have this instant-response capability.
The problem is fulfilling on that promise to the consumer. If the consumer says they'd like a free sample of Special K, who's going to lick the stamp, slap it on that box and send it to the consumer? A letter-size envelope in the United States costs 33 cents to send, and most people in the interactive TV business are saying they want a minimum of 50 cents per transaction. Well, if it costs 33 cents to just send a letter to somebody, and the most valuable piece of data an advertiser can get is someone's name, address and telephone number, where's the money to make all this work going to come from? That's the question people are asking.

When these guys sit down at our table, they say, "We understand that, technically, we can produce interactive TV. How does this make sense from a business point of view?"

What's your next big area?
We're doing sports, we're doing game shows. I think sports is probably the next big thing.
“Once you get comfortable in HDCAM, you never want to go back.”

—Angus Yates, Executive Producer for Discovery Channel’s Eco-Challenge

A 300-mile race, 24 hours a day, through some of the toughest terrain in the Andes. Mountain-climbing, kayaking, canoeing, racing on horseback and on foot—a survival test for man, woman, and camcorder. Listen to Angus Yates, Executive Producer for Discovery Channel’s Eco-Challenge.

“There were 20 Sony HDW-700A HDCAM® camcorders covering the shoot. Camera crews were spread out over 700 square miles of wilderness. It was nerve-racking, because nobody had ever taken HD equipment into an event like this. But the camcorders really had what it takes.”

Teams from over 30 nations raced the course, through some of the world’s worst weather. “We got hammered. In the morning, it could be a blizzard with 100mph winds — by afternoon, the sun could be shining.”

When it was over, they had 600 hours of incredible HD images shot from both ground and aerial vantage points. They also edited in the field, logged footage and fed daily uplinks. And as you’d expect from Sony, all the equipment came back in perfect working order.

“On a complex human adventure drama, it only makes sense to use a “future-proof” format. Sony HDCAM technology makes this the leading format to originate in. And the HDW-700A has a human engineering component that’s remarkably like Betacam®, so even guys who hadn’t worked in HD before quickly felt right at home. And once you get comfortable in HD, you never want to go back. Working in HD, shooting, editing, on-line production — it makes you feel like a filmmaker again.”
C2K rings in new media

NCTA’s Cable 2000 show focuses on the Internet and interactive TV

By Ken Kerschbaumer

ew media” may be a buzz phrase that is already wearing as thin as “Generation Y,” but that isn’t going to stop it from steamrolling across NCTA’s Cable 2000 show this week in New Orleans. After already conquering the Consumer Electronics Show and the NAB convention last month, “new media” need a new victim. The impact will be felt in nearly every booth in the Big Easy.

Content providers will need to show operators that their programming services will offer interactive services that will help make broadband access more attractive, while hardware vendors will need to provide solutions that will allow interactive content to reach the home easily.

The buzz around new media may cause a “been there and done that” feeling, along with flashbacks to Time Warner’s infamous Orlando, Fla., trial. But Keith Kocho, CEO of ExtendMedia, says that the Internet will make all the difference this time. ExtendMedia, founded in 1991, creates interactive programming and manages the integration and delivery of interactive content for clients including PBS, New Line Cinema and Cablevision. “We’re building an interactive service for a major cable MSO in a large market,” says Kocho. “We’re building a series of specific interactive channel offerings on the ITV and broadband infrastructure to their consumer base.”

“Previously, the underlying primary business model of interactive TV was video-on-demand. That was really a thin threat to put Blockbuster out of business, and consumers didn’t really care about it,” he explains. “Today, it’s more than just marrying the utility of the Internet to the entertainment power of television. Interactive services will address the consumer impulse to want more when watching a linear narrative.”

Cut deals now

Cable networks like Bravo are getting ready for interactive content. “Operators shouldn’t focus on sniffing out interactive technologies or sitting through demonstrations of services,” says Joe Cantwell, executive vice president, New Media, for Bravo. “This show should be more about cutting deals than looking into the future in some hypothetical way.”

One of those companies looking to sign deals is Liberate Technologies, which is competing with Microsoft and Open TV in the set-top platform business.

“I believe almost everyone will be deploying interactive services in some form or another in the next year,” says Mitchell Kertzman, Liberate president and CEO. “And I think what’s changed is, it isn’t a question of if but when. I don’t know anyone who is saying ‘if.’”

Cantwell, who is involved with defining the relationship between Bravo’s cable content and interactive content, says the relationship between cable and the Internet has already been defined: A cable operator will need to offer Internet access. Cantwell says the cable industry is actually in a situation similar to where it was 24 years ago. At that time, operators were on the fence about simply being a retransmission service vs. being a true packaged-content provider.

“Just how much do they want to get their hands dirty in shaping and delivering content that matters to their customers?” says Cantwell. “I don’t have a sense that that question has been answered. And my challenge to the operators would be to get your hands very dirty, because somebody else is willing to
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bundle it if you're not.”

A new type of content, it appears, may look to become king. “Content drives viewers. It’s not technology,” says Kertzman. “Consumers want all the great content. Remember, color TV didn’t take off until Bonanza started being broadcast in color. And as a technology supplier, we think we have to provide the tools and capabilities to provide a compelling viewing experience.”

Looking for AOL

Liberate is providing technology to AOL for its AOL TV platform, and, while AOL doesn’t have a booth at Cable 2000, it will have a presence—in the Liberate booth.

“A lot of people are dying to see what AOL TV is going to look like, and the only place to see it is in the Liberate booth,” adds Kertzman. “AOL is going to do virtual channels, so there’s the opportunity for traditional broadcasters and cable channels to provide additional interactive content, and there’s an opportunity for people that don’t get carriage today to do programming on these channels. One of the things that is true is that television is going to change a lot.”

The challenge facing cable operators is threefold, according to those involved in the interactive environment. First, there is the need to build out a physical plant that can handle the demands of a broadband-hungry public. But beyond that, there is the need to build a parallel content track that will ensure that, once the broadband capabilities are in place, the consumer can easily tap into a new set of offerings. And then there is also the challenge of marketing services in a competitive environment.

“This is definitely the beginning of an industry, and there are challenges,” says Jonathan Marx, president of ISP Channel. “It’s the beginning of changing the delivery of content. The industry is emphasizing increased speed over dial-up access, but, at some point, users are going to feel like they have a car that can go 70 miles per hour but where do they go?”

Not ‘ancillary service’

Marx says broadband-related exhibitors won’t be alone in emphasizing interactive services at this year’s show. “I think we’re going to see a lot more emphasis on the major programmers going interactive. Today it’s just ESPN or CNN, but you’ll see more cable Web sites starting to stream media.”

For ESPN, the Internet is part and parcel of its effort to connect with viewers. “The macro issue is the relationship of cable networks with Internet, and I think, among the cable networks, we were one of the first to establish a position on the Internet,” says John Skipper, senior vice president and general manager, ESPN Internet Group. “We’ve never perceived this as an ancillary product. Our business is to be wherever sports fans are, and that means bringing them real-time stats and scores as well as other content.”

Skipper points to ESPN’s recent draft-day coverage, which included a constant push and pull with its over-the-air coverage. And he does think video streaming will grow from a niche product to a core product, in time.

“We do quite a bit of both audio and video streaming, and we do it now as an added benefit to a small segment of our users, maybe 5% or 6%. But that number is going to grow as it becomes easier and easier for a household to hook up to broadband content. I’ve seen reports that it will hit 15% in 18 months and 25% in two years. But we’re probably four or five years away from penetration around 50%.”

Another recent success for ESPN was its “3Play,” a new game available on its site. It launched on April 1 and has already had 650,000 people play a total of 4 million games. “We’re experimenting a bit with enhanced television, and we’ll have to figure out new applications for it,” says Skipper. “We expect to be there in a meaningful way.”

Keeping viewers interested

Bravo was the first programmer to offer an independent feature film over broadband (in 1998), and Cantwell says the approach taken by Bravo and the Independent Film Channel is to offer branded content on the Web sites that is similar to the TV content. The difference is it’s created to take advantage of the Internet medium. “For us, that means short-burst video, a lot more depth, and the ability for the user to make some of that content portable,” he says.

Electronic program guides are also looking to the Internet as a way to reach viewers. “The consumers are faced with a number of choices now,” says Barbara Needleman, vice president, entertainment products, Tribune Media Services (TMS), which offers the ZAP2IT electronic programming guide. “The question is how does cable keep the viewer interested? With satellite having access to local channels, the message the operator gets out in the local market is important.”

If operators aren’t interested in implementing interactive technology today, Bravo’s Cantwell says, they should make sure that any new cable programming services they sign on have a Web or interactive component in the works.

“I don’t think they should launch a single video-only network today, and I believe in that strongly,” he explains. “The operator has to demand that the programming partner come up with the goods that will help the operator grow the business for the long haul. Today, it’s about video product and broadband product, but tomorrow it’s going to be about interactive television. If the cable programmer isn’t moving in that direction, the programmer is offering a one-note song that won’t play in five years.”
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THEY'LL ALL BE THERE ON THE CABLE CHANNEL!
A twist on streaming video content

Traditional video content creators view the Internet as a new distribution tool and a way to get their content in front of viewers. Nontraditional video content creators view the Internet as the distribution tool for getting their content in front of viewers.

And then there’s CameraPlanet.com.

Visitors to CameraPlanet.com are more than just visitors; they also help create the content. They submit story ideas via e-mail, and, if CameraPlanet finds the story interesting, it will help the visitor produce a video to be streamed on the site. CameraPlanet is currently signed on with three partners—Fast Company, Court TV and Alloy.com—which have “channels” on PlanetCamera.com Web.

It’s all part of tapping into the sense of connectedness that drives the Internet.

“People go to the Web not looking for linear programming but rather to be part of something,” says Steven Rosenbaum, CameraPlanet.com founder and president. “Viewers have great access to story content, and we add the journalism.”

For Rosenbaum, the goal is to create a sense of community. “We make really innovative, original content that adds video to a Web site and does it in a way that makes the community members feel like they’re actually participants in the Web site rather than just viewers,” he explains. “TV on the Web is about empowering individuals to tell new stories, not just distributing the same old stories.”

Talking with Rosenbaum makes clear that he’s a hopeless TV romantic, harking back to the days when three networks ruled the planet and everyone came into school talking about the hot TV show of the day, whether it was Bonanza or Twin Peaks.

He explains that, while cable has added choice, it has made the sense of community a lot less obtainable. There’s a touch of irony in that the medium offering the ultimate in choice will also destroy the sense of community.

Of course, singing the hippie praises of community gets a business only so far. CameraPlanet.com does have a business model, based on what Rosenbaum calls “contextual” advertising. “By going to a site, you tell a little bit about yourself,” he says. “In fairly short order, you’ll find a couple of Web sites that interest you. And each site is going to say, we want to create an environment for you.”

According to Rosenbaum, building the site has cost CameraPlanet.com’s parent company, BNtv.com, more than $1 million. He is in discussions with more than 25 possible affiliates and expects more deals to be announced shortly.

ESPN Internet Group still sticky

ESPN Internet Group (EIG) is claiming the title of stickiest sports content on the Web, with users spending an average of nearly 42 minutes on EIG sites in March, according to Media Metrix. By comparison, the second-ranked sports Web site, NSI.com, registered 27.6 average minutes per unique user in March. Sportsline.com was third at 22.1 minutes, and Fox Sports averaged 8.3 minutes per user.

Prime One Solutions Now CaritaSoft

Austin, Texas-based Prime One Solutions has changed its name to CaritaSoft. The company offers the CVM Suite, products designed to allow providers of broadband services easier access to information on customers.

Users of the software can get a single-view of customer activity, automate closed-loop marketing campaigns, and deliver real-time business reports.

OgilvYInteractive forms App Lab

OgilvYInteractive has established the OgilvYInteractive Applications Laboratory to create Web applications that will allow seamless movement among entertainment, information gathering, and commerce. Dr. Robert F. Henrick will head the new unit. He joins OgilvYInteractive from Lucent, where he initiated and led the company’s internal venture, MyNetWorks, a Web application for managing business communications.

Oh, look. Another Internet first

HOB.com is offering the Internet’s “first ever” live-music video digital download (VDD) service.

The service offers an evolving live-music archive, covering a broad range of musical styles. The HOB.com VDD service will also tap House of Blues venues, giving HOB.com the means of offering additional video download titles within hours of an artist’s performances. The VDDs will be offered at $2.99 per track.
About the Only Kind of Video Server We Won't Cover

On May 22, Broadcasting & Cable will serve up all the latest information on video servers. This report will provide everything you need to know on the newest technology and applications. Plus, we’ll provide a rundown of some of the biggest players – and most promising upstarts – in the video server market.

This will be the industry’s most comprehensive report on video servers, making it the ideal vehicle for reaching your market. Call your sales representative today, and serve up your message to the industry.

ISSUE DATE: May 22, 2000
AD CLOSE: Friday, May 12
MATERIALS DUE: Tuesday, May 16

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KMGG(FM), KSRO(AM)-KFGY(FM) and KXFX(FM) Santa Rosa, Calif.
Price: Up to $25 million
Buyer: Emerald City Radio Partnership L.L.C., Washington (Paul W. Robinson, principal); owns two other AMs and five other FMs
Seller: Amaturo Broadcasting L.L.C., Santa Rosa (Lawrence V. Amaturo, managing member). Amaturo also has interest in one AM and two FMs
Facilities: KMGG: 97.7 MHz, 250 W, ant. 1,122 ft.; KSRO: 1350 kHz, 5 kW; KFGY: 92.9 MHz, 2.3 kW, ant. 1,800 ft.; KXFX: 101.7 MHz, 2.2 kW, ant. 1,056 ft.
Formats: KMGG: oldies; KSRO: news/talk; KFGY: country; KXFX: AOR

WTTB(AM)-WGLY(FM) Vero Beach/Fort Pierce, Fla.
Price: $5.15 million
Buyer: Vero Beach Partners II, Boca Raton, Fla. (Mitchell Rubenstein, director); owns two other AMs and two other FMs, including WPWFL(FM) Vero Beach/Fort Pierce
Seller: Sandbeam Communications LP II, Baltimore (Steve Seymour, president); owns two FMs in Cape Cod, Mass.
Facilities: AM: 1490 kHz, 1 kW; FM: 93.7 MHz, 50 kW, ant.475 ft.
Formats: AM: Music of your Life; FM: soft AC
Broker: Blackburn & Co.

KBBS(AM)-KLG(T(FM) Buffalo/Gillette, Wyo.
Price: $1.05 million
Buyer: Legend Communications of Wyoming LLC, Ellicott City, Md. (spouses Larry and Susan Patrick, principals); owns/is buying two other AMs and four other FMs. Patricks own WJMH(AM)-WYRR(FM) (formerly WJH) Gallipolis, Ohio
Seller: Communications Systems III, Buffalo (spouses Albert and Judy Wildman, principals); no other broadcast interests
Facilities: AM: 1450 kHz, 1 kW; FM: 92.9 mhz, 100 kw, ant. 85 ft.
Format: AM: oldies; FM: country
Broker: Patrick Communications

FMS

WUMX(FM) Charlottesville, Va.
Price: $5.9 million
Buyer: Clear Channel Communications Inc., San Antonio (L. Lowry Mays, chair); Randy Michaels, president, Clear Channel Radio; Dille also has interest in four AMs and seven other FMs

WJEX(AM) Birmingham, Ala.
Price: $7 million
Buyer: Amaturo Broadcasting L.L.C., Birmingham (Lawrence V. Amaturo, managing member). Amaturo also has interest in one AM and two FMs
Facilities: WJEX: 1050 kHz, 50 kW, ant. 1035 ft.
Format: Country
Broker: Clear Channel Radio

PROPOSED STATION TRADES

By dollar volume and number of sales; does not include mergers or acquisitions involving substantial non-station assets

THIS WEEK

TV/Radio $0 - 0
Combos $31,200,000 = 3
FMs $11,612,000 = 4
AMs $3,389,000 = 3
Total $46,210,000 = 10

SO FAR IN 2000

TV/Radio $2,133,450 = 1
TVs $626,080,139 = 22
Combos $3,925,609,717 = 85
FMs $532,529,768 = 114
AMs $175,377,885 = 86
Total $5,261,730,959 = 308

KQTL(AM) Sahuarita/Tucson, Ariz.
Price: $3.3 million
Buyer: Radio Unica Communications Corp., Miami (Joaquin F. Blaya, president); owns/is buying 15 other AMs
Seller: CIMA Broadcasting L.L.C., Tucson (Raúl B. Gamez, CEO/general manager); no other broadcast interests
Facilities: 1210 kHz, 10 kw day, 1 kw night
Format: Regional Mexican
Broker: Serafin Bros.

Construction permit for WALD(AM)
Walterboro, S.C.
Price: $76,000
Buyer: John H. Pembroke, Tallahassee, Fla.; owns wvcc(AM) Chipley, Fla.
Seller: Frankie Green, Charleston, S.C.; no other broadcast interests
Facilities: 1080 kHz, 2.5 kw

69.7% of WKWL(AM) Florala, Ala.
Price: Up to $13,000 ($10,000 cash and up to $3000 assumption of debt)
Buyer: Robert Williamson, Crestview, Fla.; no other broadcast interests
Sellers: J.C. Tew, Florala; no other broadcast interests
Facilities: 1230 kHz, 1 kw
Format: Southern gospel

-Cherry Compiled by Alisa Holmes

Broadcasting.com

The big news on the Internet is Broadcasting & Cable Online.
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STREAMING MEDIA EAST 2000, New York
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May 22—George Foster Peabody Awards, 59th annual presentation, luncheon, Waldorf-Astoria, New York. Reception 11:30 a.m.; program 12:30 p.m. Contact: Dr. Barry Sherman (706) 542-3787.

June 4-7—SCTE Annual Engineering Conference and Cable-Tec Expo 2000, Las Vegas Convention Center, Las Vegas. Contact: Marci Dod (610) 363-6888.

June 16-19—Cable & Telecommunications Association for Marketing, Summit, Hyatt Place Convention Center, Boston. Contact: Seth McGowan (703) 837-8546.


July 4-7—SCTE Annual Engineering Conference and Cable-Tec Expo 2000, Las Vegas Convention Center, Las Vegas. Contact: Marci Dod (610) 363-6888.

June 5-6—NJBA/MCD Mid-Atlantic States Expo, Caesars Hotel and Casino, Atlantic City, N.J. Contact: Phil Roberts (888) 6522-3663. (extra digit on phone number correct)

June 5-8—SCTE Cable-Tec Expo 2000, Las Vegas Convention Center, Las Vegas. Contact: Marci Dod (610) 363-6888, ext. 217.

June 6-8—eMarketWorld @d.tech. Hamburg, Germany. Contact: Lee Hall (800) 535-1812.


June 9-12—PBS Annual Meeting. Opryland Hotel, Nashville, Tenn. Contact: (703) 739-5001.

June 14-17—Promax/BDA annual conference, Ernest N. Morial Convention Center, New Orleans. Contact: (310) 788-7600.


June 16-17—Nevada Broadcasters Association Golf and Tennis Tournament and Awards Luncheon, annual Hall of Fame dinner-dance, Desert Inn Country Club, Las Vegas. Contact: Bob Fisher (702) 794-4994.

June 16-18—RTNDF TV Producers Workshop for Women and Minority News Professionals, Syracuse University, Syracuse, N.Y. Contact: Michelle Thibeault Loesch (202) 467-5206.

June 18-21—Cable Telecommunications Association of Md., Del., and D.C. Annual Conference. Sheraton Fontainbleau Hotel, Ocean City, Md. Contact: Wayne O'Dell (410) 266-8111.

June 19-22—New York State Broadcasters Association 39th annual Executive Conference, Sagamore Resort Hotel, Lake George, N.Y. Contact: Mary Anne Jacson (518) 456-8888.


June 28-30—eMediaL�tainmentWorld Las Angeles Conference Marketplace for Media and Entertainment Internet Content and Technology. Westin Bonaventure Hotel, Los Angeles. Contact: Rebecca Williams (800) 535-1812, ext. 181.

July 16-19—CTAM Summit, Hyatt Place Convention Center, Boston. Contact: Seth Morrison (703) 837-6865.


July 31-Aug. 2—National Cable Television Cooperative's 16th Annual Members Meeting. Doubletree Hotel, Newport, R.I. Contact: Caprice Caster (913) 599-5900 ext. 305.

August 7-8—Association of National Advertisers Seminar, Rye Town Hilton, Rye Brook, N.Y. Contact: (212) 697-5995.


Aug. 15-18—Access Conferences International Interactive TV launches USA. Windows on the World, New York City. Contact: Johanna Karmano +44(0) 7840 2700.


Sept. 13-16—RTNDA International Conference and Exhibition, Convention Center, Minneapolis. Contact: Rick Osinski (202) 467-5200.

Sept. 18-20—Association of National Advertisers Seminar, Ritz-Carlton, Phoenix. Contact: (212) 97-5631.

Sept. 20-23—NAB Radio Show, Moosonee Centre, San Francisco Contact: Gene Sanders (202) 429-4194.


Compiled by Beatrice Williams-Rude (bwilliams@cainers.com)
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A dead end at Digital Equipment Corp. turned into an avenue of opportunity for Bill Styslinger, president and CEO of video-server supplier SeaChange International.

He was a top executive at now-defunct DEC in 1990 when he was charged with finding applications for the computer company’s powerful new Alpha microprocessor. “We didn’t find any,” he says wryly, “So that was kind of a sad circumstance.”

What Styslinger and his team did discover, however, was a large opportunity for storing video and making it available through networks. He pushed to set up a cable television unit within DEC to pursue it, getting a go-ahead from company founder Ken Olsen.

Styslinger and his team, which included engineer Edward McGrath and marketer Ed Delaney, first looked at residential video-on-demand. But that required too much expensive disk storage as well as cable bandwidth to be economically feasible at the time.

“You could quickly calculate on a small piece of paper how that didn’t work,” Styslinger notes. “You were talking $10,000 to $30,000 a stream for the server.”

Cable ad insertion, however, was a problem Styslinger considered solvable. Replacing tape-based systems with MPEG-compressed disk storage would dramatically reduce labor and maintenance costs, help eliminate errors and allow cable operators to easily target different geographic sectors of their market with customized spots.

Unfortunately, DEC’s core corporate computer business was falling on hard times, and Robert Palmer, Olsen’s successor, closed the cable initiative.

Styslinger, McGrath and Delaney asked for permission to go out on their own and left in July 1993 to form SeaChange.

Jumping ship to form a start-up was a bold move for Styslinger, a 15-year DEC veteran. He had come up through the ranks in New York, managing the company’s bank and securities business, which grew from $5 million annually to $250 million during his tenure. He also launched DEC’s “All in One” integrated office system, which used a combination of terminals, computers, networks and PCs to allow financial professionals to work on documents simultaneously and was a $1 billion-plus annual business in the mid ’80s.

It was Styslinger’s extensive banking experience that convinced him that digital ad insertion was viable. “We replaced the whole operation with a network with a lot of automation and remote management,” he says.

SeaChange’s initial seven staffers, all from DEC, set out to build a business on a shoestring budget that was raised mostly by Styslinger and a few friends. Most worked without salary for the first year; Styslinger and his colleagues were too conservative to seek financing from venture-capital firms. “I would say the whole amount was less than $300,000, and that got us through our first 18 months.”

Notes Delaney, SeaChange’s vice president of marketing and business development, “As I look back on it, there didn’t appear to be a lot of trepidation or worry. It just seemed like the right thing to do.”

SeaChange delivered its first video-server product, comprising off-the-shelf storage and SeaChange-developed software, to Time Warner Cable in Manhattan in April 1994. The company grew quickly, posting revenues of $5.7 million in 1994, $23.2 million in 1995 and $49.3 million in 1996. It went public in November 1996, raising roughly $24 million in proceeds, and has a market capitalization today of more than $700 million. First-quarter revenues for fiscal 2000 were $22 million.

While snapping up roughly 80% of the U.S. cable digital ad-insertion market, SeaChange has broadened its focus to include near video-on-demand (NVOD) systems, big sellers in Europe; hotel VOD systems; and broadcast servers.

But the next big opportunity, Styslinger believes, is cable VOD. SeaChange’s VOD system is currently being tested by Time Warner and Comcast, and the company just struck a deal to integrate its servers with TV Guide’s interactive EPG.

With disk-storage costs dropping dramatically, Styslinger foresees a future in which cable operators will be able to offer all the functionality of a personal video recorder from a large headend server.

“The next big move for us is what we started out to do, which is personal television, largely video-on-demand played to the residence,” he explains. “You start out with movies, and you add other applications to that. Ultimately, you end up where the infrastructure is able to work like Replay and TiVo are able to work today.”

—Glen Dickson
we can't predict the future
(but we'll show it to you)

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**FATES & FORTUNES**

**BROADCAST TV**

**Jim Burke**, executive VP, sales and marketing, Fox Television Stations Inc., Los Angeles, named president, sales, and for 11 Fox-owned regional sports networks.

**Anna Carbonell**, director, station relations, wNbc(TV) New York, named director, press and public affairs.

![Image](https://via.placeholder.com/150)

**Jeffrey N. Sales**, GM, KOLD-TV Tucson, Ariz., joins WKMG-TV Orlando, Fla., as VP/GM.

**Vincent Manzi**, general sales manager, WLVI-TV Cambridge, Mass. (Boston area), named VP/GM.

**Mark Mulholland**, corporate director, marketing, Lee Enterprises Inc., Davenport, Iowa, joins wFLA-TV Tampa, Fla., as VP, marketing.

**Catherine A. Carbonell**, account executive, Hampton Roads Office Furniture, Norfolk, Va., joins wtvz(TV) Norfolk, as account executive.

**PROGRAMMING**

**Ted Rubin**, director, labor relations, Warner Bros., Burbank, Calif., named VP, labor relations.

![Image](https://via.placeholder.com/150)

**Karen Cassell**, VP, public relations, TNT, Atlanta, named senior VP.

**Christie Dreyfuss**, executive in charge of production, Scholastic Productions, New York, joins Netanyahu Limited, as director, development, Los Angeles.

Appointments at Fox Channels Group, Los Angeles: **Michael Biard**, attorney, Heller Ehrman White & McAuliffe, Los Angeles, joins as director, affiliate business affairs; **Don Green**, marketing specialist, Nissan Motor Corp., Torrance, Calif., joins as director, field operations; **Suzanne Holtermann**, national director, affiliate marketing, The Health Network, Orlando, Fla., joins as affiliate marketing manager.


**Cami Winikoff**, executive VP and chief administrative officer, Trimark Pictures, Marina Del Ray, Calif., named COO.

Los Angeles, joins as director, affiliate business affairs; **Jamie Chasalow**, director, consumer insight, Fox Family Worldwide, Los Angeles, named VP, consumer insight.

**John Smith**, regional VP, affiliate relations, In Demand, Buckhead, Ga., joins TVN Entertainment there as VP, transactional content distribution.

**Laureen Ong**, VP/GM, wttg(TV) Washington, joins National Geographic Channel, there, as president.

**Cynthia Rubins**, director, client business systems, USA Network, New York, named VP, sales/business integration, USA Cable.

**John West**, VP, integrated sales and marketing, Outdoor Life Network, Stamford, Conn., named senior VP, advertising sales, Speedvision and Outdoor Life Network.

**John Jones**, senior music programmer, MuchMusic/Much More Music, Toronto, joins The Box Music Network, Miami Beach, Fla., as VP, programming.

**Larry Novenstern**, senior VP and director, sports marketing services, BBDO Worldwide Network, New York, joins Sportvision Inc., there, as executive VP, sales and marketing.


**Clotilde Dillon**, director, employee relations, Associated Press, New York, joins MTV Networks, there, as VP, diversity.

Appointments at New Ventures Group, Knoxville, Tenn.: **Channing Dawson**, senior VP, new media, HGT, Knoxville, named senior VP; **Michael Evans**, senior VP, assistant GM and CFO, The Food Network, New York, joins as senior VP, finance; **John J. deGarmo Jr.**, VP, Scripps Networks affiliate marketing and local ad sales, there, joins as VP; **Harry Jenkins**, VP, software production, The Walt Disney Channel, Los Angeles, joins as VP, technology.

**Franklin Watson**, president, Management and Marketing Consulting Inc., Tallahassee, Fla., joins Florida’s News Channel, there, as GM.

Appointments at Blackboard Entertainment, Oakland, Calif.: **Glen Yunker**, VP, director sales, named senior VP, sales and acquisitions; **M. J. Worthington**, regional sales manager, Imperial Entertainment, Los Angeles, joins as national sales manager; **Michael Rumensky**, senior account executive, Golden Books, New York, joins as director, schools and libraries; **Ellen Trachtenberg**, video buyer, Library Video Company, Wynnewood, Pa., joins as regional sales manager.

**Tim Somers**, central regional manager, affiliate relations and sales, Fox Family Channel, Oak Brook, Ill., joins Rnethealth.com as central region VP, affiliate sales for Recovery Network.

**Bernie Mullin**, principal, Aspire Group, Denver, joins NBA, New York, as senior VP, team marketing and business operations.

Appointments at Minnesota Wild, St. Paul, Minn.: **Laura Day**, director corporate development, Minnesota Vikings, Minneapolis, joins as VP, corporate partnerships; **Steve Griggs**, VP, Sportsco International LP and Skydome, Toronto, joins as VP, customer sales and service; **Matt Majka**, VP, product marketing, named VP, marketing; **Bill Robertson**, director, communications, named VP, communications and broadcasting.
JOURNALISM

Joel Parks, producer, Fox Files, Fox News, New York, named senior producer, magazine unit, Fox News Channels.

Appointments at wwtv(TV) Cadillac, Mich., and wwtv(TV) Sault Ste. Marie, Mich.: Ryan Bell, news producer, sports photographer, wtvig(TV) Toledo, Ohio, joins as weekend reporter; Matthew Johnston, production manager, wgti(TV) Cadillac. Joins as producer, promotions and production; Bronson Peshlakai, master control technician, wgtu(TV) Traverse City, Mich., and wgtq(TV) Sault Ste. Marie, joins as weekend newscast director/editor; Elijah Taylor, director/producer, WCHS Cadillac High School, joins as Michigan This Morning director.

Appointments at Bay News 9, Pinellas Park (Tampa Bay area), Fla.: John Cavazos, executive producer, New England Cable News, Newton, Mass., joins as executive producer; Sara Marriott, producer, wtnn-TV Washington, N.C., joins as producer; Kim Larson, producer, wjxt(TV) Jacksonville, Fla., joins as producer; Tony Arranaga, reporter, Six News Now, Sarasota, Fla., joins as reporter; Eric Watson, reporter kwitv Amarillo, Texas, joins as reporter; Allyson Berger, producer, named executive producer; Kate Fox, producer, named executive producer, special projects.

CABLE

Paul Garner, IT systems engineer, Millennium Digital Media, St. Louis, named manager, network systems-information technology.

Appointments at Cablevision, Bethpage, N.Y.: Glenn Brown, managing director, named VP, field communications; Kristin Reynolds, VP, sales support, also named VP, field communications.

ADVERTISING/MARKETING/PUBLIC RELATIONS

Rich Kronengold, executive VP, BBDO New York, named chief marketing officer.

TECHNOLOGY

Richard C. Notebaert, retired chairman, and CEO, Ameritech Corp., Chicago, joins board of directors, Tellabs, Lisle, Ill.

Donald H. Buck, group VP, transmission distribution group, Video Services Corporation, Northvale, N.J., named executive VP.

Marie McMorris-Bruce, area coordinator, Hearst Entertainment Cosmopolitan Television, Miami, joins Broadcast Video Inc. there as producer and program manager.

John P. Cassidy, ENG technician, Canadian Television Network, joins Interface Media Group, Washington, as account executive.

Bill Coffin, visual effects compositor, Editel, Los Angeles, joins Post Logic Studios, Hollywood, Calif., as visual effects artist.

INTERNET

Appointments at Abuzz Technologies Inc., Cambridge, Mass.: John A. Capello, VP, products, named GM, Russell A. Neufeld, software architect, named CTO.

Larry M. Kramer, agent, William Morris Agency, New York, joins Pseudo Programs Inc. as COO, there.

Appointments at DME Interactive Holdings Inc., New York: Mark J. Herlitz-Ferguson, managing partner, MBIC Capital LLC, New York, joins as president; Carlton Charles, VP, assistant treasurer.

Joseph E. Seagram & Sons, New York, joins as CFO; Tracy E. Tramel, content producer and manager, marketing and promotions, MSBET, Washington, joins as VP, content groups.

ASSOCIATIONS/LAW FIRMS


DEATHS

Barry Sherman, director of the Peabody Awards program at the University of Georgia, died Tuesday, May 2, at Athens Regional Medical Center in Georgia after collapsing while playing basketball. He was 47.

Sherman, also a telecommunications professor, oversaw the Peabody Awards, which have annually recognized outstanding achievement in broadcast and cable since 1991. He considered the position a "sacred trust," according to a University of Georgia statement.

After teaching journalism history at Western Michigan University and Penn State University, Sherman joined the UGA's Grady College in 1981, drawn there by the Peabody Archives. He is credited for starting a fund-raising campaign to create an endowment for the Peabody program.

UGA President Michael F. Adams said in a statement that Sherman directed the Peabody program "with dignity and distinction. He possessed a unique ability to work well with academia, the entertainment community and a host of administrative details. It's very difficult to think about the Peabody Awards without Barry Sherman." This year's awards luncheon will be held May 22 in New York.

Sherman leaves behind his wife, Candice; two children; his father; a brother; and two sisters.

His family has set up a memorial fund to send student judges of the Peabody Awards to New York for the awards ceremony. Contributions should be made out to the University of Georgia Foundation and can be sent to Bill Herringdine, c/o the Grady College of Journalism and Mass Communication, University of Georgia, Athens, GA 30602.

—Compiled by Nancy Catmull ncataull@cahnlers.com 212/337-7141
CLASSIFIEDS

MANAGEMENT CAREERS

STATION MANAGER Small progressive TV station in Seattle DMA seeks station manager to oversee daily activities of sales/marketing, master control technical operations, traffic, budgets, FCC compliance, project management for transmitter upgrade, and managing current staff. Must have at least 5 years of management experience in TV, Radio, or Production environment. Min. BA in Communications, MBA is a plus. Excellent written, verbal skills, computer skills in MS Word, Excel, and PowerPoint. Please send resume to Attn: Bill Chen (323) 965-5411 fax or email bchen@loop.com. Equal Opportunity Employer, minorities and women are encouraged to apply.

SALES CAREERS

ACCOUNT EXECUTIVE WXMI Fox 17, a Tribune-owned television station in the 38th market, is seeking a highly motivated, success-oriented individual. Must have at least 5 years of management experience in a local account executive. The ideal candidate should be enthusiastic, have a strong work ethic, be computer literate, goal driven and have a strong desire to succeed. Responsibilities include servicing existing station advertisers, developing new advertisers and working with other departments and clients on commercial production. Strong writing and presentation skills are a must. At least 2-3 years broadcast sales experience required. Please forward resume and cover letter by May 19, 2000, to Human Resources, FOX 17 WXMI, 3117 Plaza Drive NE, Grand Rapids, MI 49525; fax 616-354-8506; email: tburns@wxmi.com EOE.

GENERAL SALES MANAGER Strong station in one of the Sunbelt's fastest growing markets seeks a dynamic General Sales Manager with great leadership skills and a "get-it-done" attitude. Winning candidate will possess exceptional people skills and prior TV sales management experience and a history of consistent budget achievement. This is an enthusiastic, teambuilding environment that needs the direction of a real pro. Work for one of the best companies in the business in one of the most desirable locales in the country. Great benefits, lots of opportunity and a terrific lifestyle await the right individual. Forward resume to Box 01672 EOE.

GENERAL SALES MANAGER KHSL-TV CHICO-REDDING Cal. Are you looking to join one of the fastest growing Broadcast groups in America? Are you challenged by high revenue performance expectations? Do you understand market pricing, alternative revenue streams, sales vendor programs and inventory control? We are searching for a General Sales Manager with 3-5 years of experience for our CBS station KHSL-TV in Chico California. Candidates must possess full knowledge of local traffic systems, avail and sales software systems, and have some previous exposure to qualitative software as well as added value sales drivers. Ability to develop new local business and train and motivate local AE's an absolute must. Please send your resume to Steve Scollard, Director of Group Sales, Catamount Broadcast Group, 1100 Blue Lakes Blvd, Twin Falls, Idaho 83301. KHSL-TV, is an equal opportunity employer.

SALES CAREERS

GENERAL SALES MANAGER Established independent television station in top 50 Southeast market. Looking for experienced General Sales Manager. Must be an energetic and positive leader who can take the opportunities we have created and make them happen. Excellent company benefits, with a great staff. Reply to Box 01669 EOE.

NATIONAL ACCOUNT EXECUTIVE C1TV, America's new national cable programming service, has an immediate opening for a national account executive. Person must have national ad sales experience and be very motivated. Excellent compensation package. Please send resume with cover letter to: C1TV, 935 Fourth Street, Miami Beach, FL 33139

NATIONAL SALES MANAGER KTVE Region 10, a strong NBC affiliate in Southeast, is seeking an individual who is ready to accept the challenge to join a strong team. Experience with national rep organization or senior list will be beneficial. Must have excellent leadership and exceptional people skills. The right candidate will not only have the NSM skills but will have creativity to develop non-traditional revenue. Knowledge of TVSCAN and basic computer skills a plus.

LOCAL SALES MANAGER KTVE Region 10 is also seeking a self-motivated leader to direct our El Dorado sales team. KTVE is the dominant station in South Arkansas. Individual must have strong organizational skills and can-do attitude. Three to five years successful selling experience a plus. Must have a proven track record of developing new business and increasing existing shares of business. Candidate should have knowledge of TVSCAN and basic computer skills. Submit cover letter and your resume by May 3, 2000 to: GSM, Lydia Guillory, 2909 Kilpatrick Blvd, Monroe, LA 71201. Fax resume to 318-322-9718. You may e-mail to: lydia10@bayou.com. KTVE is an EOE. KTVE encourages women and minorities to apply.

NATIONAL SALES MANAGER Immediate opening for ABC affiliate located 80 miles from Houston and close to the Gulf Coast. Seeking a proven performer with strong organizational, research and leadership skills. Individual must be highly motivated and self-disciplined. A minimum of 3 years television sales experience is required. Send resume to KBTM-TV, Attn: EEOC Officer, PO Box 1550, Beaumont, TX 77704.

LOCAL ACCOUNT MANAGER WCN WNBC NBC-17, the NBC owned station in Raleigh, North Carolina is seeking an established local account manager with an eye on future professional responsibilities and growth. Qualifications: BA/BSS, 3-5 years experience in television sales and marketing and a working knowledge of sales process. Excellent preparation, organization, and presentation skills and the ability to close deals a must. Needs to be a strong conceptual thinker with demonstrated ability to flawlessly execute plans that deliver a positive customer experience to our clients. A proven track record developing new business with major clients and agencies along with excellent presentation skills and a sound understanding of the industry is a must. An aptitude to integrate traditional and digital selling, current and new market opportunities. Please forward resume to Pat DeRicco, NBC-17, 1205 Front St., Raleigh, NC 27609. EOE.

LOCAL ACCOUNT MANAGER WCN NBC-17, the NBC owned station in Raleigh, North Carolina is seeking an established local account manager. Person must have strong television sales experience and be very motivated. Excellent compensation package. Please send resume with cover letter to: C1TV, 935 Fourth Street, Miami Beach, FL 33139

SALES CONSULTANTS AND MARKETERS Southeastern CBS affiliate in top 30 market wants to build the finest television sales department anywhere. We need talented and innovative sales consultants and marketers to help us fulfill our vision of the ideal television sales department. If you would like to participate in helping to create the perfect sales department dedicated to serving our customers, please apply. The future belongs to the most talented, driven and dynamic General Sales Manager with great staff. Reply to Box 01670 EOE.

TECHNICAL CAREERS

MASTER CONTROL OPERATOR Master Control Operator needed immediately at Univision O&O station in Houston. Must have related experience. Formal video/television technical training preferred. Will oversee all on-air operations, including switching, programming CG and system automation computers. Working knowledge of Spanish preferred. Competitive pay and excellent benefits. Please apply at: Master Control, KXKN-TV 45, 9440 Kirby Drive, Houston, TX 77054. EOE.

IT/VIDEO ENGINEER KTRK-TV has a unique opening for an IT professional or a broadcast engineer with both strong computer/networking skills and a knowledge of professional video. The successful candidate, working in the station's Engineering Department, will be responsible for installing, configuring and maintaining multiple video and data server platforms (both NT and Unix) throughout the technical plant, as well as assisting our IT Manager with newswroom and other station computer and network support. The position will primarily involve helping and users with set-up, operation and maintenance of computer hardware, creating and integrating network file, print and database servers within the station, addressing network security and traffic issues, performing and verifying backups, system troubleshooting and general maintenance. Qualified applicants will need strong systems-level video and audio troubleshooting skills, extensive experience with Microsoft NT, Exchange, local and wide-area networks, as well as an understanding of TCP/IP, SQL and a basic knowledge of Unix. KTRK-TV offers a very competitive salary and excellent benefits package. Interested applicants should send their resume to: James Stanley, Director of Engineering, KTRK-TV, 3310 Bissonnet, Houston, TX 77005, Fax (713) 663-4623, E-mail: james.w.stanley@abc.com. No phone calls please. Equal Opportunity Employer M/F/V/D.

www.BroadcastRecruiter.com
Over 100 radio-tv-cable-internet sales & sales management jobs
75 cities nationwide - Let us help you find your new opportunity free!
303-368-5900
birschbach recruitment network
DIRECTOR OF ENGINEERING WLRN Public Radio & Television Station, Miami-Dade County Public Schools. Qualifications: Bachelor's degree in engineering, electronics or related field OR Bachelor's degree in education with a background in electronics or technology. Five (5) years experience in radio and television equipment installation, maintenance, and operation. Considerable knowledge of computer and networking technology, distance learning, and satellite communications. Ability to deal effectively with staff. Ability to communicate clearly and concisely, verbally and in writing. Application Information: Lateral deadline: May 5, 2000. Deadline to apply: May 26, 2000. Incomplete applications will not be processed. Submit letter of application (include title of the position of interest), resume, copy of transcript or diploma, and two letters of reference written with this calendar year to Ms. Brenda Miles, Director, Professional and Technical Staff, 1500 Biscayne Boulevard, Suite 144, Miami, Florida 33132. Please call (305) 995-7061, May 30, 2000, after 3:00 p.m. for screening results. A veteran of active military service during World War II, Korean conflict, Vietnam Era or Persian Gulf War or the spouse of a veteran killed or disabled by such service should include a copy of DD 214 Form or similar statement of service. Drug Screening and Fingerprinting are required prior to employment. An Equal Opportunity Employer. For an advance interview opportunity please call Dr. Adiba M. Ash, Executive Officer, WRLN-Integrated Media Services, at 305-995-1829.

TELEVISION - TECHNICAL DIRECTOR Candidate must be able to efficiently perform switching duties for fast-paced newscasts and special programs. Candidate must be familiar with operation of Grass Valley 3000-3 Switcher, Abekas Deveous, Pinnacle DVE & Store, Chiron Inflight and Sony 370 studio cameras. Must be able to perform under pressure and meet deadlines. Must be able to do some directing. Prefer a minimum of three years experience in a major market as a Technical Director doing newcasts. Degree in Communications or related field desired. Qualified applicants must be motivated, creative and able to meet strict deadlines. Please send resume and cover letter to: Jeff Jeanheur, Production Manager, KPRC-TV, PO Box 2222, Houston, Texas 77252.

BROADCAST MAINTENANCE ENGINEER KDfx-TV is seeking a Broadcast Maintenance Engineer. Duties will include, but not be limited to, repair and maintenance of audio and video equipment, distribution and switching systems. Repairs to the component level and knowledge of electronics and practical application are prerequisite. Knowledge of mechanical advantage, pneumatics, hydraulics and electricity are a plus. Knowledge of ENG systems, BETA recorders and editing systems, studio and field lighting systems and remote production facility operations is needed. FCC General or SBE a plus. Send cover letter and resume to: Terry Porter, Chief Engineer, KDfx-TV, PO Box 4888, Wichita Falls, TX 76308. No phone calls. KDfx-TV is an Equal Opportunity Employer.

ASSISTANT TECHNICAL DIRECTOR Channel 5 Berkeley County News is looking for an experienced Assistant Technical Director for our award-winning evening newscast. Candidate must have at least two years experience assisting in directing a live local news segment. A working knowledge of Grass Valley Switchers is a plus. No phone calls. Please send resume to: AT&T Cable Services, Attn: Human Resources, 400 Riverfront Drive, Reading, PA 19602. EEO/A Employer M/F/D/V.

TELEVISION ENGINEERING We are a leader in the design and construction of many of the most prestigious broadcast television facilities in the nation. The explosion in electronic media and the digital revolution has dramatically impacted our growth opportunities. As a result, we are looking for a number of highly-motivated people to help us fulfill our commitment to exist for SENIOR PROJECT MANAGERS, ENGINEERS, APPLICATIONS/PROPOSAL ENGINEER, SUPPORT SPECIALISTS, COMPUTER NETWORK ENGINEER, with video experience, INSTALLATION PERSONNEL and SUPERVISORS for permanent or freelance positions. If you have experience in television engineering or a related discipline and would like to join a dynamic company, we would like to hear from you. Please send your resume and a letter describing your career interests to: Employment Manager, A.F. Associates, Inc., 100 Stonehurst Court, Northvale, NJ 07647; Fax: 201-794-8637 or email: hr@afassoc.com (no attachments please); No phone calls please. We are an Equal Opportunity Employer.

ASSISTANT CHIEF ENGINEER KPLR TV WB11, the WB affiliate in St. Louis Missouri, is seeking an experienced, highly motivated individual with strong technical skills and leadership abilities to assist in managing the Engineering department. Candidate should have a minimum of five years experience in television broadcast engineering with three years in a supervisory role. A thorough knowledge of engineering including maintenance, News operation, capital planning and implementation is required. Interested applicants should have strong computer skill and experience with networks. Excellent verbal and written communication skills and prior experience working with collective bargaining units desired. This position will play an important role in the daily repair and maintenance of new digital studio and transmission facility. Please send resume to: Dept. 114F, KPLR-TV, 4935 Lindell Blvd., St. Louis, MO 63108. EEO Employer M/F, VH are encouraged to apply.

BROADCAST ENGINEER Media General Broadcast Group www.mgbg.com WFLA-TV Broadcast Engineer - join the NBC Affiliate team at our new broadcast facility in Tampa. We're looking for a candidate with 4 years experience who has an understanding of broadcast automation (preferably Floridal), and is familiar with server technology. Duties will include on-air sound, video tape operations, and satellite feeds. Handsome benefits package, including 401K. A Media General Company. Send resume to HR Dept., WFLA-TV 200 S. Parker St., Tampa, FL 33606 or e-mail wfla.com. EOE M/F Drug Screen.

ASSISTANT CHIEF ENGINEER Tucson TV Station with LMA needs experienced technical engineer. Responsibilities include FCC compliance in the transmitters operations, assist in studio equipment repair, work on remotes, and assist in purchase of installation of both studio and transmitter equipment. Knowledge of troubleshooting and maintenance of both VHF and UHF transmitter preferred. People skills a must and computer and digital knowledge a plus. KMSB-TV, a BELO subsidiary, is an Equal Opportunity Employer. Resume/applications to: KMSB Fox 11/KTUU UPN 18, Attn: HR Department/ENG, 1855 N. 6th Avenue, Tucson AZ 85705.

CHIEF ENGINEER VHF NBC Affiliate WTWO, Terre Haute, IN seeks a Chief Engineer. Candidate should have experience with digital on-air equipment, all studio related and ENG equipment. Position requires an individual with management skills as well as strong hands on capability. Major responsibilities will include managing and integrating digital in the daily operations of studio/transmitter, maintaining operating budgets, capital project implementation and maintenance of a 40 foot production truck. Salary is commensurate with experience. Send cover letter and resume to Rick Stolpe, Nexstar Broadcasting, Inc., 62 South Franklin St., Wilkes-Barre, PA 18702.

CHIEF ENGINEER KPTM is currently accepting applications for a Chief Engineer. The successful candidate should have previous Television Chief Engineer or Assistant Chief Engineer experience and must be able to effectively lead a staff of technicians. The candidate must also be able to effectively coordinate all operations within the stations as well as maintain FCC and Pappas Telecasting technical standards. Responsibilities include maintaining two UHF transmitters, UHF translators, studio equipment, computers, building equipment and proprietary broadcast software. We are working with a state of the art broadcasting automation system, controlling multiple transmitters. If your experience qualifies you for this opportunity, please send your resume to: KPTM, Attention: Personnel, 4625 Farnam Street, Omaha, Nebraska 68132. No phone calls please. KPTM is an equal opportunity employer. M/F/H.
CLASSIFIEDS

Deputy Bureau Chief Tribune Broadcasting, Washington Bureau. Supervises news gathering operations; Coordinates daily news coverage and manages assignments; provides editorial guidance to staff members. Coordinates news information and feeds for all Tribune stations; responsible for editorial integrity and quality. Must have experience in fast-paced program. Must have strong writing and organizational skills. Experience should include strong editorial skills and news judgement; skills for story planning and coverage of breaking news; experience maintaining high journalistic standards under deadline pressure; Experience supervising newsroom staff. Must have considerable knowledge of national news, government and politics. Bachelor’s degree or equivalent required. Seventeen years journalism experience required. Send resumes to Bureau Chief, Tribune Broadcasting, 1325 G. St. NW, Suite 200, Washington, DC 20005.

News Director Effectively manage, oversee the day-to-day operations of, and provide a strategic vision for News, Weather, and Sports Departments. Must have proven ability to effectively manage newsroom personnel including hiring and disciplinary action and effective communication skills. Prefer 2-5 year’s experience in a news director or news management role. To apply, send resume, news philosophy, and salary requirements to: WABC-TV, Attn: Human Resources/TB, P.O. Box 44865, Madison, WI 53744-4965. Equal Opportunity Employer. wisctv.com.

Photожournalist KLAS Las Vegas: We are looking for an aggressive and creative photojournalist to work for one of the fastest growing television markets in the country. Looking for someone with strong NPPA photojournalism skills. Candidate must have high standards and a good attitude. Having at least two years of news photography experience and a solid resume tape is a must. Ability to operate a microwave truck. Candidates should have a good driving record and provide a motor vehicle report upon application. Send your resume and non-returnable Beta/VHS tape to: Strongholds South, Chief Photographer, KLAS-TV, 3228 Channel 8 Drive, Las Vegas, NV 89109. KLAS-TV is an Equal Opportunity Employer.

News Director WKMG TV, CBS Orlando, a Post-Newsweek Station, seeks highly qualified individual to lead the News Department in fast growing southeast market. Successful candidate will have proven track record in highly competitive broadcast environments with a knack for winning. Good knowledge of contemporary television journalism, exceptional communication skills, strong work ethic and natural leadership abilities a must. This is an exciting opportunity with one of the largest, most creative and growth oriented companies in broadcasting. Send resume or Email to Mark Effron, VP News, Post-Newsweek Stations, Inc., 3 Constitution Plaza, Hartford, CT 06103-1882, Fax (800) 493-2490, meffron@postnewswEEK.com EOE.

News Photographer/Editor (Vacation Relief): WABC-TV is looking for experienced, highly creative photographer/editors. Experience operating a live truck a plus. Ideal candidate must be able to work well under pressure. Must be able to work flexible shifts. Please send tape and resume to: Ted Holtzclaw, News Operation Manager, WABC-TV, 7 Lincoln Square, New York, NY 10023. No telephone calls or faxes please. We are an Equal Opportunity Employer.

News Anchor-Univision WGBO, 66 Chicago: Weekend news anchor for Spanish language newscasts. Reporting duties also required. Write, benefit packages. Interested candidates forward resume, tape and cover letter to: Cindy Vaughan, HR Director, HR-00-15, WHAS11, 520 W. Chestnut St., Louisville, KY 40202. EOE.
REPORTER Media General Broadcast Group www.mgbg.com, WCBD-TV. WCBD-TV in beautiful Charleston, SC is looking for a general assignment reporter to investigate complex issues. Must be willing to keep digging to get to the bottom of the situation. Candidates must have at least two years of broadcast experience as a news reporter. Broadcast degree or equivalent required. EOE M/F Drug Screen. Send resume to HR Dept., 210 West Coleman Blvd., Mt. Pleasant, SC 29464 or fax to (843) 881-3410.

REPORTER/PHOTOGRAPHER KAIT-TV is looking for a creative reporter who is an exceptional storyteller. Great writing skills are a must; knowledge of current events essential. We’re looking for a team player with great potential who is willing to learn. Must have one year newsroom experience. Send resume & non-returnable tape to Randy Tatano, PO Box 790, Jonesboro, AR 72403-0790. EOE.

TWO IMMEDIATE OPENINGS on CNN Business Show based in New York City. WRITER/PRODUCER: Responsible for writing breaking business news copy, teases and intros for a high-profile daily CNN program on markets and person financing. Looking for dynamic team player with a flair for the written word who can turn complex stories into controversial copy for a general audience. Financial background, or a solid understanding of business and financial markets essential. Network or large-market experience preferred. BOOKER/WRITER: Looking for a bright, enthusiastic candidate with excellent research skills to book, pre-interview, write and produce guest segments with business newsmakers and market analysts. Strong editorial judgement, news experience, financial background, interest and Rolodex of contacts in the business world a plus. Email cover letter and resume (Microsoft Word format preferred) to Eric Gonon, Executive Producer, at moneyjobs@turner.com or fax to: 212-714-7922. No phone calls please.

PRODUCER Channel 5 Berks County News is looking for an experienced Producer for our award-winning evening newscast. Candidate must have at least two years experience assisting in the planning, coordination and execution of news producer assignments. Strong writing skills a must. No phone calls. Please send resume to: AT&T Cable Services, Allen Human Resources, 400 Riverfront Drive, Reading, PA 19602, EEO/A Employer M/F/D/V.

ANCHOR/REPORTER/PHOTOGRAPHER KAIT-TV is looking for a 10 pm anchor who won’t be chained to a desk. Ability to turn a great package & clever writing skills are essential. We’re looking for a team player with a positive attitude who likes to get involved in the community & has three years reporting & anchoring experience. Send resume & non-returnable tape to Randy Tatano, PO Box 790, Jonesboro, AR 72403-0790. EOE.

PHOTOJOURNALIST Join the team that placed 1st, 3rd and 8th in the top ten Regional NPPA Photographer of the Year contest for 1999. Join the station where great vid rules! One year of experience required. Tapes/resumes to Don Jackson, Chief Photographer, WYFF-TV, 505 Rutherford Street, Greenville, SC 29609. WYFF is an Equal Opportunity Employer.

VEGEOGRAVER/EDITOR INSIDE ALABANY, covering NYS government/politics for 25 years, needs videographer/editor. Experience required in ENG videoigraphy, Avid Express editing. Competitive salary/benefits package. Submit resume, videotape to: Inside Albany, P.O. Box 7041, Albany, New York, 12225-0041. Contact Gary Glinski, (518) 426-3771 or e-mail to insalb@albanyny.net.

A.M. NEWS WRITER WFLD/FOX32 CHICAGO Description: Candidate will write and edit scripts for early morning news cast by deciding which facts are important and what pictures are to be used. Requirements: 2-3 years writing experience, computer knowledge preferred. Must be creative, concise, attentive to detail, handle deadline pressure and take direction from producers. Reliability, good news judgement, and factual accuracy are crucial. Heavy sitting at workstations, light standing, bending, walking, stair climbing. Forward cover letter and resume to: Marge Curtis- Director, Human Resources, WFLD/FOX 32, 281 N. Michigan Ave., Chicago, IL 60601. EOE/M/F/D/V.

WEEKEND ASSIGNMENT EDITOR KFSN-ABC30, The Disney/ABC Owned Station in Fresno, CA, is looking for a full time weekend assignment editor. Must have at least 5 years experience working the anchor desk. Qualified candidates will have a 4-year college degree, great communication and writing skills and solid news judgement. The job includes generating great story ideas, assigning and dispatching reporters and photographers, monitoring scanners and answering phones. Please send your resume with cover letter and salary requirements to: KFSN-TV, Job # 12, Dept. BC, 1777 Q Street, Fresno, CA 93701. WFLD-TV is an equal opportunity employer. Women and minorities are encouraged to apply.

RESEARCH CAREERS
Attorney

A&E Television Networks is seeking an experienced attorney to provide legal and business affairs support to our programming division, particularly with respect to original drama development and production on drama series. The individual will be responsible for negotiating and drafting a variety of programming co-production agreements, as well as writer, producer, director and actor agreements. Individual will also need to liaison and work closely with outside producers.

Requirements include a BA/BS and ID degree, with a minimum of 7 years’ experience in television series, strong negotiating skills, as well as a firm knowledge of WGA, DGA, SAG and other guild/union issues. Excellent communication & writing skills are a must. Team players only.

Send resume with SALARY REQUIREMENTS to:
A&E Television Networks,
Human Resources Dept/LBA,
235 East 45th Street,
New York, NY 10017,
Fax 212-907-9402 or Email recruiter@aetn.com
No phone calls please - candidates will be contacted within 7 business days if an interview is desired. EOE.

PUBLICIST CAREERS

Discovery Networks seeks local market publicist with at least 3 years experience to implement local market media campaigns for Discovery Networks, U.S. Manage external PR agencies/consultants to coordinate publicity for channel launches, promotions, partnerships and/or special events in local communities around the country. Write and edit press materials, develop press lists, pitch local newspapers, radio and TV reporters and manage the flow of information with key internal constituents. Additionally responsible for managing the department press web site as well as other press tools and public relations information services. No phone calls.

Please mail resume to:
Jennifer Sweeney
Discovery Networks, U.S.
7700 Wisconsin Avenue, Bethesda
MD 30814
or fax to 301/771-4053.

CREATIVE SERVICES CAREERS

TRIBUNE BROADCASTING

Graphic Designer - KSBW 5/69, San Diego's Warner Brothers Affiliate and San Diego's fastest growing television station, is seeking a Television News & Creative Services Graphic Designer. We're looking for a talented and versatile designer to join our winning team. If you're interested in broadcast design and in creating on-air and nightly news to print graphics and beyond, this position offers it all. Must be skilled in graphic design and proficient in Adobe Photoshop and Illustrator. Knowledge of After Effects a plus and must be willing to train on Quantel Paintbox System. Successful candidates will have solid creative skills, ability to work in a team environment and a winning attitude. Interested and ready?

Send resume and non-returnable VHS tape or other work samples to: T. Sorensen, Human Resources, KSBW-TV, 7191 Engineer Rd., San Diego, CA 92111. Refer to Ad # BC-GD7. KSBW is a Tribune Company subsidiary and an equal opportunity employer. Women and minorities encouraged to apply. No telephone calls or emails please. Visit our web site at KSBWTv.com to learn more about KSBW 5/69.

PRODUCTION CAREERS

PRODUCTION MANAGER Overall managerial responsibility for live broadcast production facilities and related personnel including directors, Chyron operators, audio personnel and studio crew. Leadership qualities are a must along with a proven background as an accomplished news cast and general production director. The successful candidate will demonstrate a creative and innovative personality matched by positive people skills. The production manager will also work closely with other department managers, department heads and the general manager in a total team focus environment. Send Resume to: WPEC NEWS 12, P.O. Box 198512, West Palm Beach, FL 33419-8512, Attn: Jerry Riling.

THE U.S. OLYMPIC COMMITTEE, located in Colorado Springs, CO, is the coordinating body for all Olympic-related activity in the United States and is the home of the largest of the three Olympic Training Centers in the U.S. We seek candidates for POST PRODUCTION EDITOR. Responsible for in-house post production in our Olympic Entertainment Properties Division using linear and non-linear editing equipment. Experience with pre reads, Panasonic Post Box, DVE and Chyron preferred. Projects include music, promotional and educational videos, image films, public service announcements, commercials and program-length shows for national, regional and local broadcasts. Requires bachelor degree in telecommunications/broadcasting, plus 5 years video production experience, with at least 3 years as post-production editor, correctable vision with normal color vision, ability to lift up to 80 lbs. Salary approx. mid $30K plus excellent benefits package. Forward resume and salary history to USOC Human Resources Office, One Olympic Plaza, Colorado Springs, CO 80909- or fax to (719) 632-2884 (if faxed do not mail originals) or email to usoc.hrmailbox@usoc.org Deadline May 15 EOE.
MARKETING CAREERS

MARKETING MANAGER • MEDIA GENERAL BROADCAST GROUP STATION, WDEFTV in scenic Chattanooga, TN seeks a highly motivated Marketing Manager. Must have a strong sense for news promotion. Will lead the the creative team in developing station image advertising, outside media and strategic marketing plans. Should have strong writing ability, organizational and leadership skills along with proven creativity. Send resume Human Resources Dept., WDEFTV, 3300 Broad Street, Chattanooga, TN 37408. EOE, MF, Drug Screening.

PROMOTIONS CAREERS

PROMOTION/WRITER/PRODUCER KPIX TV, San Francisco’s CBS Owned and Operated television station is looking for a Promotion/Writer/Producer. If you’re looking for a chance to push your creativity to the limit, we’ll supply award winning graphic support, state of the art video equipment and the best view in television. Outstanding writing ability a must, non-linear editing experience a plus. Live and work in the best place on earth! Rush your resume to: Ed Cushning, Promotion Manager, KPIX TV 855 Battery St., San Francisco CA 94111.

PROMOTION/COMMERCIAL WRITER/PRODUCER Unique opportunity in Raleigh! NBC-17, the NBC O&T in Raleigh, NC is looking for a Promotion/Commercial Writer/Producer. A successful candidate has a minimum of 2 years writing/producing experience, non-linear editing skills, and a bachelor’s degree in production, marketing, or a related field. You'll be helping NBC-17’s growing Promotion Effort while assisting our clients with their messages. Send letter, resume and non-returnable tape to Dan Kurtz, Promotion Manager, NBC-17, 1205 Front Street, Raleigh NC 27609. EOE.

PROMOTIONS CAREERS

TECHNICAL/PRODUCTION CAREERS

NEW CABLE NETWORK LAUNCH JULY 2000 Looking for technical/production crew for the following full time positions, Mon-Fri with vacation/benefits package for start up of a new cable network located in New York City. Must have at least 3-5 years experience. E.I.C.-ENGINEER IN CHARGE, VIDEO ENGINEER, TECHNICAL DIRECTOR, AUDIO MIXER, AUDIO ASS'T, CAMERA OPERATORS, CHYRON MAXINE/STILL STORE OPERATOR, TAPE OPERATORS, LIGHTING DIRECTOR, UTILITY/ GAFFER, PROMPTER OPERATOR, ONLINE EDITORS, ONLINE PLAYBACKS AND NON-LINEAR AVID SYMPHONY EDITORS & DIGITIZER/LOADERS. Experience in After Effects, Photoshop, Illustrator a plus. Please send resume to: MK, P.O. Box 125, 847A Second Avenue, New York, N.Y. 10017.

MANAGEMENT CAREERS

MANAGER OF RADIO SALES SmartRoute Systems is one of the nation’s leading firms providing real-time traffic information to radio, TV, Internet and Wireless businesses across the country. SmartRoute Systems is in search of an individual responsible for the aggressive sale of its “SmarTraveler” traffic service to radio stations and group owners nationally. The position requires 60% travel and face to face selling and negotiations with local radio operators, regional management and group owners. A thorough working knowledge of the radio industry is required with at least 5 years of direct sales experience, excellent negotiating and closing skills, knowledge of Microsoft Office and ACT is a plus. Interested candidates should submit their resume, cover letter and salary requirements to: Human Resources at: SmartRoute Systems, Inc., 141 Portland Street, Cambridge, MA 02139, Fax (617)494-9973, or e-mail: Jobs@smartroute.com.

SALES MANAGERS AND ACCOUNT REPS握 Pollack Broadcasting Co. of Jonesboro, Arkansas, owner of multiple radio and television stations, is acquiring the Studio 4 Group of 3-FM, 1-AM and the ASU Sports Network. We are accepting applications for Sales Managers and Account Representatives. Are you community involved with leadership qualities and a desire to earn a guaranteed, competitive income with commissions and bonus opportunities? We offer a benefits package and the chance to live in one of America’s dynamic growth regions. Our family-owned company is growing and we make selling radio a fun and creative sport. EOE. Send resume to: Penny Jones, GM, Studio 4 LLC, P.O. Box 540, Jonesboro, AR 72403. Phone # 1-888-410-5336 Fax # 1-870-933-9652.

USA TODAY Classifieds

Selling Station Manager needed for Florence, SC radio station. Ideal climate, one hour from Myrtle Beach. Rapidly growing business seeks a highly motivated, successful account executive (sales rep) to join our expanding sales team. Individual will serve as primary contact between the station & corporate and cultural clients. Requires proven experience selling public or commercial radio or demonstrated ability to work in the media/communications industry. B.A. degree in Business, Marketing, Communications or related field.

To apply send resume and cover letter stating salary requirements to: Geri Iglesito, HR Director, WNYC Radio, One Centre Street, New York, NY 10007.

SELLING STATION MANAGER needed for Florence, S.C. radio station. Ideal climate, one hour from Myrtle Beach. Rapidly growing business seeks a highly motivated, successful account executive (sales rep) to join our expanding sales team. Individual will serve as primary contact between the station & corporate and cultural clients. Requires proven experience selling public or commercial radio or demonstrated ability to work in the media/communications industry. B.A. degree in Business, Marketing, Communications or related field.

To apply send resume and cover letter stating salary requirements to: Geri Iglesito, HR Director, WNYC Radio, One Centre Street, New York, NY 10007.

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A listless Odyssey

Crown Media's initial public offering launched with a thud last Thursday. The parent company of cable's Odyssey network went public at 10:30 a.m. at $14, only momentarily reached $14.24. By 11:15 a.m., trades dropped below $14, and subsequent market activity indicated the company's underwriters, DLJ, Lehman Brothers and Salomon Smith Barney, were supporting the price at $14 for the rest of the day.

Crown, a subsidiary of Kansas City greeting card king Hallmark, entered the market one month after its originally planned IPC launch date, which coincided with the Microsoft market crash.

Thursday's restructured IPO was reduced by 2.5 million shares and priced $5 less than the first, effectively reducing the value of the offering from $250 million to $145 million and valuing the company at $870 million vs. $1.25 billion.

Crown president and CEO David Evans said the $145 million would still be sufficient to move the networks forward. Crown owns 53% of Odyssey and two international nets, but most of the money is intended to build programming and distribution for Odyssey, with particular emphasis on Hallmark content.

Evans said Crown made the move after being encouraged by an additional $5 million investment from Liberty Media on Wednesday and a 10% stake taken by a German firm the previous day. —Deborah McAdams

ABC's celebrity version of Who Wants to Be a Millionaire? got the network off to a blistering start for the May sweeps. The four episodes (May 1-4) averaged more than 33 million viewers and a 10.0 rating in adults 18-49, according to Nielsen Media Research. Millionaire scored its most-watched episode to date on Wednesday, May 3, drawing 36.1 million viewers to see Rosie O'Donnell win $500,000 for charity. On Tuesday, May 2, Drew Carey won $500,000 as well and helped Millionaire score its top adult 18-49 average (12.4 rating/36 share) ever. The final installment of celebrity Millionaire (May 4) averaged 33 million viewers and a 10.8/28 in adults 18-49 and actually ran over its normal hour time limit, bleeding into ABC's 10 p.m. (ET/PT) episode of 20/20 Downtown.

Actor/comedian Ray Romano's attempt at winning $1 million went eight minutes into 20/20 Downtown and helped the ABC newsmagazine attain its highest rating ever.

Fox drama 'Party of Five' went out in style but still failed to attract much of an audience. The 6-year-old drama came to a tearful conclusion Wednesday night (May 3) but managed only a 3.8 rating in adults 18-49, according to Nielsen Media Research. The Columbia TriStar-produced series that proved a launching pad for young stars like Jennifer Love Hewitt and Neve Campbell averaged 6.6 million viewers in its two-hour series finale.

In an attempt to stem a downward trend in prime time ratings, Nickelodeon will put greater emphasis on kids rather than the recycled sitcoms of Nick at Nite. The network will go after the kid demo left wanting by ABC's abandonment of Sabrina and Boy Meets World. Nick will add an hour of kid programming to Friday nights beginning this fall, running the block from 6 p.m. to 10 p.m. The 9 to 10 p.m. spot is currently populated by The Brady Bunch and The Beverly Hillbillies, part of the Nick at Nite lineup. Also in the fall, the Monday-Thursday Nick at Nite block will be bumped a half-hour earlier to 8:30 p.m. Nick suffered a 10% decline in rating and delivery in prime time in first quarter 2000 compared with last year, according to Nielsen Media Research data.

The Inspiration Network is not for sale, according to president and CEO David Cerullo. Inspiration is a non-profit religious channel based in Charlotte, N.C., with about 12 million subscribers. Cerullo was responding to a BROADCASTING & CABLE article stating that Inspiration was among the likely targets for takeover by USA Chairman Barry Diller, who is in the midst of buying a small cable network with the intention of growing the service.

Douglas H. McCorkindale will succeed John J. Curley as CEO at Gannett Co. Inc., it was announced last week. McCorkindale served most recently as vice chairman and president since 1997. He joined Gannett as general counsel and secretary in 1971.

Trinity Broadcasting won its fight to keep its Miami TV license. A federal appeals court on May 5 overturned the FCC's 1999 revocation of Trinity's permit. The agency charged Trinity with setting up an illegal front company to take
advantage of a minority investment program. The court ruled that the FCC had failed to spell out what level of minority control was required to qualify. Still, the FCC's case was not without heavy costs for Trinity. Previously, the company agreed pay $31 million to outside parties challenging the religious network's fitness to hold several other licenses.

Embattled WOWK-TV Charleston, W.Va., News Anchor Tom McGee filed a $15 million counterclaim against his former employer, charging that Gateway Communications' recent actions against him—a suspension and a lawsuit—violated his contract and intentionally damaged his reputation locally and nationally. In its lawsuit, the station paints McGee as a prima donna, well-paid, under-worked and arrogant. Gateway's attorney, Niall Paul likened the counterclaim to a tantrum and called it "spurious and ridiculous."

WASC-TV New York News Director Bart Feder is joining interactive broadband TV news network The FeedRoom as vice president of news, the latest in the Internet brain drain. "He's an ideal fit with the visionary journalists who are gathering at The FeedRoom to create the next generation of television news," said FeedRoom founder and CEO Jonathan Klein, himself a former CBS News executive.

Troubled Cumulus Media Inc. will save some $111 million in cash since Clear Channel Communications Inc. has agreed to renegotiate a recent radio-station swap with the Milwaukee-based company. The previous deal was valued at $219.5 million, with some $147.5 million of that, or 67.2%, to be paid in cash. The new deal is worth $209.5 million and requires Cumulus to fork over about $36.6 million, or 17.5%, in cash. The cash payment was reduced as Cumulus threw 20 more stations into the deal on top of its already proffered four FM's and one AM in Chattanooga, Tenn. (the nation's 104th-largest radio market).

The FCC will accept applications from non-commercial organizations seeking to establish low-power radio stations in Alaska, California, the District of Columbia, Georgia, Indiana, Louisiana, Maine, Mariana Islands, Maryland, Oklahoma, Rhode Island and Utah from May 30 through June 5. It will accept applications for channel changes and other major alterations to Class A low-power TV stations from July 31 through Aug. 4. Applications for construction permits and major changes to conventional low-power TV station and translators will be accepted as well.

Martin Umansky died in Wichita last week at 83. The Kansas broadcaster embodied the tie between local stations and their communities. As the top executive at KAKE-TV Wichita (as well as the colocated AM) in the 1950s and '60s, he helped make the affiliate of the third network, ABC, into the perennial top station in the market, with his emphasis on localism, including strong local news and public affairs. "Ratings should never be the sole means of judging a buy," he once told BROADCASTING & Cable: "The station that is closely integrated with the community is the one that will produce the greatest results for its advertisers."

Corrections:

Jack Womack has been named executive vice president at CNN Newsource, not James Womack as reported last week. Eason Jordan is president, news gathering and international networks, at CNN News Group, not executive vice president.

Eugene Katz, former president and chairman of Katz Media Group, a media sales rep firm, had established a radio client list of 25 stations by 1940, not 40 as reported last week.

A photo of Elián González on page 68 was incorrectly attributed. It was a Reuters pool photo taken by AP photographer Alan Diaz.
What were they thinking?

We can only presume Time Warner wants to kill its merger with AOL. Why else would it have taken its nasty channel-carriage negotiations with Disney public by pulling its ABC-owned stations from its cable systems last Monday and then pinning the blame on Disney? While Time Warner was telling the world, “Disney has taken ABC away from you,” Disney was running around New York and Los Angeles with proof that the opposite was true: a letter giving Time Warner Disney’s “unconditional and unequivocal consent” to continue carrying ABC through May 24.

Time Warner’s actions were a lightning rod for the mounting concerns about its AOL coupling. Since announcing the merger last January, Time Warner has been trying to persuade the public and Washington policymakers that it would not become the big, bad gatekeeper, who would use the power of its broadband pipe into 20 million homes to muscle content providers. But by Tuesday morning, that’s exactly what it looked like. It was like handing your PR department the second flight of the Hindenburg to promote. By noon Monday, Disney even had New York Mayor Rudy Guiliani rooting against the home team. Had the blackout gone on another day, the mayor might have been persuaded to wear a California Angels cap to Yankee Stadium.

The fallout was as predictable as snow in International Falls. The FCC and the House said they would have to hold hearings on the merger. The Senate said it needed to hold hearings on how to ensure that cable subscribers are not jerked around. Then, on Friday, The New York Times weighed in with a lead editorial that will fuel anti-Time Warner-AOL sentiment. The Times concluded that AOL-Time Warner and, presumably, other large cable operators should be regulated as some sort of common carriers. Echoing Disney, the paper says AOL-Time Warner should not be allowed to discriminate against outside content providers or in favor of its own.

We cannot endorse Time Warner’s tactics last week (who could?), but we are extremely wary of regulations or merger conditions that would further diminish Time Warner’s, or other operators’, right to decide what content they put on and how they put it on. Discrimination is a word with all kinds of ugly connotations in our society today. But the fact is, that is what every media outlet does every day: discriminate. It chooses to offer this content. It chooses not to offer that content. The Times would defend to its last agate line its right to discriminate (i.e., to make editorial judgments). Yet, it glibly dismisses Time Warner’s right. Disney discriminates, too. No matter how compelling you think your programing is, it’s not going to get on the ABC schedule, or WABC’s, for that matter, unless the Mouse says so.

We hope Time Warner and Disney can resolve their differences and successfully conclude a carriage deal by July 15—the new mutually agreed-upon deadline. We see nothing wrong with Disney’s using its retransmission consent rights as leverage for carriage of cable networks, greater affiliate fees and preferential treatment for its Web services. And we can’t blame Disney for trying to increase that leverage by hitting every pressure point in Washington: Congress, the FCC, the Federal Trade Commission. But it’s a dangerous business. Disney and Time Warner are similar companies. If Time Warner is painted as an out-of-control media monopoly inclined to favor its own programming over that of others, Disney will have a hard time escaping a similar portrait. And once you invite government to the party, it’s hard to get it to leave.

And a word of advice for Time Warner: If on July 15 you still find yourself at odds with Disney, whatever you do, don’t pull the plug.

WHAT DO YOU THINK?

We invite your comments on our editorials and other matters affecting the TV, radio and Internet businesses. You may submit a letter to the editor by mail (Harry A. Jessell, Editor, Broadcasting & Cable, 245 West 17th Street, New York, N.Y., 10011); by e-mail (jessell@cathers.com); or by fax (212-337-7028). Your letter may be edited for clarity and length and may appear on our Web site (broadcastingcable.com).
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