THE SURGE OF SET-TOPS
All of a sudden, several competitors are heating up cable's set-top market by adding more features
» PAGE 64

ROOT, ROOT ROOT FOR THE HOME TEAM
Cable's regional sports networks thrive, especially if your local team isn't a bunch of losers
» PAGE 28

JUST A LITTLE MORE TIME
NAB wants FCC to give small-market stations more time for competing their DTV buildout
» PAGE 6

FOLD-OUT CHEAT SHEET
B&C's special wall chart of media's interactive players is knowledge-at-a-glance
» INSERT INSIDE
Lifetime Real Women...

A new 24-hour television network from the brand that knows women best.

Lifetime Real Women is reality based programming told from a woman’s perspective.

- Real Experiences.
- Real Lives.
- Real Women.

Launching Summer 2001
Now, introducing

Real Experiences.

Real Lives.

Real Women.
The #1 Brand for Women

Announces the Next Powerful Extension...
Top of the Week June 11, 2001

**DIGITAL DEADLINE**  NAB is seeking extension for rollout in small markets. » 6

**POLE CAP**  Cable industry fights to retain limits on attachment fees. » 7

**SYNDIE SLUMP**  Sweeps ratings were down for Seinfeld, whole court genre. » 10

**SYNDIE SHOCKER**  Media buyers reportedly set to slash their advertising budgets. » 11

**Programming**

Local team  National sports ratings may be down, but regional networks are hot. » 28

Time to fill  Syndicators rush to occupy slots left by departing series. » 34

Branding  VH1 retools prime time lineup with music-related theme nights. » 36

**Business**

Pep talk  UPN executives urge affiliates to promote the network more. » 44

**Advertising**

Cable view  Five top ad-sales execs offer their take on the upfront market. » 46

Extreme winter  To boost Olympics ratings, NBC hyped nontraditional sports. » 52

**Washington**

Indecent air  FCC fine for Eminem lyrics could chill the climate for content. » 54

Hang up  Bill to deregulate long-distance data service seems unlikely to pass. » 58

Court TV  Prospects brighten for bill to allow cameras in federal courtrooms. » 58

**Interactive Media**

Blanket license  Court is asked to rule on Webcasters’ copyright responsibility. » 60

In recess  Trial on Gemstar’s lawsuit against its IPG competitors is delayed. » 62

**Technology**

Set-top wars  New manufacturers take on Motorola and Scientific-Atlanta. » 64

Panorama  NBC offers 360-degree images for play analysis in NBA Finals. » 68

SAG President William Daniels expects to avoid an actors strike.

**NO SURE THING**  It may be premature to discount the possibility of a strike by the Screen Actors Guild. » 12

**THEREBY HANGS A TAILWIND**  CNN settles with Jack Smith, co-producer of retracted “Valley of Death” story. » 16

**HOLD THE BELLS AND WHISTLES**  AT&T rethinks its set-top strategy. » 18

Winner in attachment-fee battle could have the upper hand in the broadband market.

Cover Story

**BIG CABLE NETS**

The five general-entertainment networks are stumbling down the same path the Big Three broadcast networks took in the 1980s. » 20

Airtime ......................... 80
Bednarski’s Column .............. 19
B&C Eye  .......................... 4
Broadcast Ratings .......... 38
Cable Ratings .................. 36
Changing Hands ............... 45
Classifieds ..................... 75
Datebook ....................... 59
Editorials  ...................... 82
Facetime ...................... 70
Fates & Fortunes ............... 72
Fifth Estater .................. 748
Financial Wrap-Up .......... 16
Focus .......................... 41
Open Mike ..................... 81
Station Break ................. 40
Syndication Ratings ........ 39
Web Watch .................... 61
NBC to get Access

NBC Enterprises appears close to snagging the distribution rights to Access Hollywood. Sources say the strip, produced by NBC Studios but distributed by Warner Bros., should be under the wing of NBC's fledgling distribution division by the end of this month. One clue that it's almost a done deal—the wheels have been in motion since April—is that the NBC O&Os have just renewed Warner Bros.' Extra through May 2005. That was apparently the sort of good-faith move Warner Bros. was looking to receive once it agreed to release Access Hollywood to NBC. Sources also say the NBC O&Os have renewed Access Hollywood through May 2005. At press time, neither Warner Bros. nor NBC Enterprises was commenting.

TNN is Oblivious

How can TNN, which already boasts the WWF franchise, continue to pump up its remade profile? Pick up an all-the-rage reality project, for one. TNN has grabbed the pilot for Oblivious from Stone Stanley Entertainment, creator of ABC's The Mole and The WB's Popstars. In development at Stone Stanley since August of last year (B&C, Aug. 28), Oblivious is a Candid Camera-like game show where people are unknowingly taped in a variety of potentially humorous situations. Unwitting contestants will be asked trivia questions, not realizing that it is a contest or that the right answers will earn them prizes. One possible scenario: Someone posing as a waiter quizzes diners on food facts.

ON BOARD AT NAB

Here's the anticipated new lineup when the NAB board changes at this week's annual summer meeting in Washington:
- David Kennedy, president and COO of Susquehanna Radio Corp., is expected to take over from Benedek Broadcasting President Jim Yager as joint-board chairman.
- LIN Television Vice President Paul Karpowicz will move up to chair the television board.
- Dispatch Broadcast Group President Michael Fiorile is expected to become TV board vice chairman.
- Federated President John Dille will chair the radio board, while Hubbard President Ginny Morris will likely become vice chair.

TRUTH IN ADVERTISING

We always like the hint of inspiration in convention literature, so we loved this headline for a panel plucked from the NCTA preliminary convention agenda this week: "Oh Brother, Where Art Thou? Field service management today." Applause! (And when cable customer service is as good as that headline, they won't need the panel.)
Speedvision attracts guys like Mike Luftman—who are well educated, technically savvy and just a little car crazy.

Whether it's on the fast track or the race track Mike Luftman—knows how to stay ahead of the competition. So does Speedvision. We're the network that's 100% devoted to the faster things in life, from Hot Rods & Harleys to the most prestigious competitions in motorsport. That's why we've got the greatest concentration of men 25-54 in prime time* and the most lucrative and technically savvy group of viewers in America. Get on the fast track; add Speedvision to your lineup today. Now in over 40,000,000 households nationwide.

Call Speedvision Today East (203) 406-2500, Central (312) 832-0808 and West (310) 444-8700 or for more info log on to sv-oln-affiliates.com.

Running out of time

NAB plans to petition FCC for more time to complete digital signal roll-out

By Paige Albiniak

The NAB board next week is expected officially to ask the FCC to extend the May 2002 build-out deadline for TV stations in small markets, sources say.

"I would not be surprised if the board took some action regarding the 2002 deadline," says NAB Joint Board Chairman Jim Yager. The NAB holds its annual summer board meeting in Washington next week.

As of May 15, 2001, 195 TV stations are broadcasting in digital in 65 markets, including stations in markets as small as Salisbury, Md., market 162 out of 211. But the FCC counts a total of 1,288 commercial TV stations, and the deadline dictates they all must be broadcasting digitally by May 2002.

"We're going to do it; we just need a little more time," says Cullie Tarleton, senior vice president at Bahakel Communications. "There's nothing magical about that 2002 date." He would like the FCC to extend the deadline for one year for stations in markets 75 through 99, two years for stations in markets 100 and up.

The conversion to digital is much more expensive for stations in small markets because it costs them as much to convert as stations in big markets—anywhere between $2 million and $4 million—but with much smaller profit margins to bankroll the switch. There also is a shortage of equipment, particularly of digital towers, and of crews to build them.

"Even if our feet are held to the fire on the 2002 date, I doubt seriously there are enough crews in the country to accommodate all those needs," Tarleton says. He also points out that all his stations have placed orders for the necessary equipment, such as transmitters, but that equipment makers are going to have a tough time filling those orders by the deadline.

Broadcasters have been hinting for the past several months that it will be impossible for all stations to be airing digitally by 2002. Washington won't be surprised by NAB's request. FCC Chairman Michael Powell acknowledged at April's NAB convention that delays are to be expected but hasn't been willing to say he'll waive the deadline. House Energy and Commerce Committee Chairman Billy Tauzin (R-La.) said months ago that it's a "damn certainty" broadcasters will miss the deadline.

Digital television issues will probably take up the bulk of broadcasters' time in Washington next week, including digital must-carry, cable compatibility and consumer acceptance of digital television, Yager says.

"There has to be some kind of plan to get the digital signals being transmitted by digital broadcast stations on to cable," he stresses. "Cable is the gatekeeper to approximately two-thirds of viewers in America. If the FCC does not want to do it, then we need congressional support to get it done."

So far, the FCC has refused to guarantee cable carriage for digital broadcasters, saying only that the law requires cable operators to carry one TV signal per station, analog or digital.

Broadcasters also are asking Congress for legislation that would require TV-set makers to include digital TV tuners in every new set sold so consumers in all markets are ready to receive high-definition programming as soon as the networks make it widely available.
The price of power
Cable fights for caps on pole-attachment fees; court case could give winners leg up in broadband provision

By Bill McConnell

The cable industry is trying to persuade the Supreme Court to preserve caps on pole-attachment fees, but much more is at stake than the size of cable systems' yearly bills to power and phone companies. Wireless telecom providers, telephone companies, landlords and communications-tower owners all have a stake in the battle and in winning a court decision that will give them the upper hand in the market for broadband services.

At issue is an April 2000 federal appeals court ruling that eliminates pole-attachment price caps when cable companies add high-speed Internet service to their traditional video-programming offering.

The cable industry has enjoyed caps on pole-attachment costs since 1978, when Congress ordered the FCC to limit the fees. In 1996, Congress expanded the FCC's authority to cap pole rates charged by any provider of "telecommunications services," without spelling out exactly what businesses fall under that label. In response, the FCC two years later ruled that cable companies are entitled to the price protection after they add Internet service.

After the court ruled that Internet providers do not qualify as telecommunications services, several power companies tried to raise their annual per-pole rates from roughly $5 to as much as $40. The FCC and the National Cable Television Association appealed the decision, and the high court is expected to rule on the case next year. In the meantime, the Atlanta court barred pole owners from jacking up rates pending the Supreme Court ruling.

Depending on how the justices rule, their decision could also be a key factor on other hot issues pending separately before the FCC and the courts, such as whether cable companies must open their high-speed networks to competing Internet providers and whether landlords must permit any wireless provider to connect to their facilities.

Ironically, a win on the pole-attachment issue may hurt cable's chances of fighting off open-access rules if the justices deem Internet provision to be a telecommunications service, because that would put the cable high-speed networks under the same antidiscrimination rules as telephone digital-subscriber lines, which must be open to all ISPs.

The regulators, represented by the Justice Department, argue that all cable pole attachments are subject to price caps regardless of the type of service. The FCC hasn't said how it will define cable Internet service yet.

The FCC also worries that the Atlanta court's ruling, by arguing that the FCC has no power to dictate access terms for wireless operators, will jeopardize additional rules requiring building owners to permit wireless communications providers to connect to their properties.

The wireless industry, of course, has come down on the FCC's side. Building and tower owners are asking the court to strike down the FCC rules claiming they pose a threat to private-property rights. "The commission has no authority over entities that are not engaged
CAN YOU do this with YOUR tv?
Build a boat with step-by-step instructions

Launch a one-of-a-kind network: DIY. We're drawing an avid audience with projects from boat-building to landscape lighting. On-air and online 24 hours a day, and with 65 percent original programming. DIY is an ideal tool for steering your subscribers into a digital tier.

diynet.com

Northeast 212 549-4488 | Southeast: 865 694-2700 | Midwest 348 447-2785 | West 310 228-4500 | Satellite 310 228-4535
A sweeping slump

Seinfeld and syndie court shows suffer May ratings drop

By Susanne Ault

Few syndicated series flexed their muscles during the most recent May sweeps, including such usual heavyweights as Seinfeld and the entire court genre.

Columbia Tri-Star's Seinfeld may be losing its audience, literally. Viewers are apparently struggling to find it since it's on 43 new stations for its second syndication cycle. And with Paramount's drooping Judge Judy, the problem could be a case of viewers getting lost among this season's five rookie entries. But analysts aren't burying Seinfeld, which hit a 4.1 Nielsen household score, down 24% from May 2000 or Judge Judy (5.7, down 12%).

Seinfeld is behind Friends (5.3, down 7%) and Frasier (4.9, flat), and, while TN Media's Howard Nass, senior vice president and director of local broadcast, still considers it "a pretty good sitcom," he notes: "It's losing its luster; it's been out a long time now." But Blair TV's Garnett Losak predicts Seinfeld, which debuted in syndication in 1995, will rebound "when viewer habits are re-established. I think Seinfeld will have a nice long history."

However, the outlook isn't as sunny for the judges—for proof, look at the fact that no court-related series have so far surfaced on syndicators' fall 2002 development slates. And May didn't help. All the veterans—Judge Joe Brown (3.3, down 11%), Divorce Court (2.6, down 10%), Judge Greg Mathis (2.0, down 9%), People's Court (1.8, down 25%) and already canceled Judge Mills Lane (1.4, down 30%)—suffered.

Advertisers once thought court was hot because "it was priced cheap. And you didn't have to worry about editorial content like you do with the Jerry Springers of the world," says Nass, pointing out that otherwise attractive shows like Entertainment Tonight were considered too pricey. "But we're in an environment where advertising dollars are soft. So advertisers, instead of rushing to the judge shows, will say, 'Hey, I'll offer [ETF] the same price I paid for the court shows, and I'll bet you they'll take it!'"

Judge shows weren't the only victims of May. Many talk series dropped just as far from their May 2000 levels, including The Rosie O'Donnell Show (2.9, down 22%), Sally (2.1, down 28%) and Jenny (2.0, down 13%). However, Live with Regis and Kelly (3.7, up 3%) and Montel (3.0, unchanged) held steady. Top talkers slightly edging down, but less dramatically, were Oprah (5.9, down 8%), Jerry Springer (3.5, down 8%) and Maury (3.3, down 8%).
INTRODUCING THE NEW CABLE CHANNEL WITH 100% BRAND AWARENESS.

THE NEW HALLMARK CHANNEL LAUNCHES IN PRIMETIME ON AUGUST 5TH -- BUT IT’S ALREADY IN THE HEARTS AND MINDS OF VIEWERS¹. HALLMARK RANKS IN THE TOP 5% OF BRANDS KNOWN FOR QUALITY AND RANKS IN THE TOP 1% FOR FAMILIARITY².
THE POWER OF THE

HALLMARK

INTRODUCING THE NEW CABLE CHANNEL

Give us a call to find out how your system could benefit from a family-friendly, high-quality network with original films, landmark series and the Hallmark Hall of Fame Collection. And put the power of the Hallmark brand to work for you.

FOR INFORMATION ABOUT ADDING THE NEW HALLMARK CHANNEL TO YOUR LINE UP, CONTACT:

RON GARFIELD  818.755.2677
STACIA ARMSTRONG  818.755.2408
DAVID STONE  312.819.2926
CLAUDE WELLS  212.930.1954

hallmarkchannel.com
The power of a brand...
Syndie ads: Half-bad news

Dire predictions of sharply trimmed market shock media sellers and buyers

By Steve McClellan

Everybody knows the advertising market is tanking in just about all sectors. But is it really possible that syndication dollars might be off by half—or roughly $1 billion—in the coming season?

That’s what people were asking last week in the wake of comments made a couple of weeks earlier by John Muszynski, chief investment officer for Chicago-based media buyer Starcom. Muszynski told a group of investors that the syndication budgets of his clients (including Philip Morris, Sara Lee and Kellogg) would be down 50% for the coming season.

Even other media buyers were stunned by the magnitude of the falloff in syndication ad dollars at Starcom, which Muszynski said has (or had) about 12% of the overall spending in the sector. “That was the most shocking number I’ve read so far this year,” said Tim Spengler, executive vice president, director of national broadcast for Los Angeles-based Initiative Media, which, like Starcom, is among the top buyers of syndication ad time.

Spengler said that spending among his clients will be down for syndication (as well as network and cable) and that the declines are double-digit but not anywhere near the 50% level. Generally speaking, TV budgets are down closer to 15%, maybe a little more, he claimed.

“Our budgets are going to be off in all dayparts,” he said. “Which is not good news for us, or John [Muszynski] for that matter. It’s not something we’re happy about, but it’s sort of a fact of the marketplace, and pricing is going to have to reflect that for our clients.” In part, agencies get paid commissions on the dollar amount of advertising they place for a client. The more money they place for a client, the higher the commission. So it’s not in the agencies’ interest to spend less.

Jon Mandel, co-managing director at MediaCom, another big player in syndication (and network and cable), said overall TV budgets at his shop are down between 20% and 25%. It’s difficult, he maintained, to break out syndication per se: “We don’t plan syndication, cable or network separately. We just plan television.”

The way MediaCom figures it, “syndication is just as good as network, which is just as good as cable,” said Mandel. “We play the price-value relationships and move money between them” right up until the deals are made. So while TV overall will be down, at his shop anyway, syndication could conceivably be up. “It could be if they’re smart about where the market is and cable is stupid or vice versa.”

By Muszynski’s estimate, Starcom’s decline in syndication spending will by itself drop this year’s pool of syndication dollars by 6%. “That won’t decimate the market,” said Marc Hirsch, president, Paramount Advertiser Services.

Hirsch, one of the biggest sellers of syndication ad time, is holding out for an up market. “Everybody is waiting to see where the marketplace is,” he said. Ultimately, that sign will come from the networks, and his view is that they will demonstrate it’s an up market. “The buyers have been talking about a soft market. They need confirmation from the networks that it’s not a down market,” he added, “and I think they’ll be prepared to buy syndication up as well.”

Spengler responded: “No chance. Talk is cheap, and we can both position. But when I talked to Marc’s guys and I said we’re off in every category, they said we don’t see that. But when I asked what categories were up, they didn’t haven’t anything to say.”

Garnett Losak, vice president of programming at Petry Media Corp., says that the sense she gets from syndicators is that the market will be down, not up. “Everybody is very tentative,” she said. “One syndicator told me that, if their show does not go forward, it won’t be because he hasn’t cleared the show.” The syndicator didn’t finish the thought out loud. He didn’t have to. “I knew what he meant,” said Losak. “It won’t go forward because they don’t have any barter revenue.”

'Some of our clients aren't coming back at all; a lot are down. That's true for network, syndication and cable.'

—Tim Spengler, Initiative Media
**Down to the wire**

*While some see a slam dunk, the SAG-AFTRA pact with producers remains to be OK’d*

By Joe Schlosser

The Screen Actors Guild’s contract renewal with major Hollywood studios and networks is expected to be a slam dunk, with a new three-year pact likely to be signed before the June 30 deadline.

But the Lakers were expected to sweep the NBA Finals, and Los Angeles learned last week that wasn’t going to happen. Likewise, the SAG snag remains until a new contract is signed, sealed and delivered.

When the Writers Guild of America signed its new deal with the Alliance of Motion Picture & Television Producers in early May, Screen Actors Guild President William Daniels made it clear that he, too, expected to avoid a strike. In fact, SAG and the American Federation of Television & Radio Artists, which together are negotiating with the studios and networks, held a press conference last month to stress that fact.

And with the Writer’s Guild negotiations over and positive vibes coming out of SAG and AFTRA headquarters, the broadcast networks and studios have gone back to an almost business-as-usual mentality.

But with only two and half weeks until the SAG-AFTRA deadline, it might be a little premature to discount the possibility of a strike in Hollywood.

“The more that we hear that this deal is going to be a slam dunk, the more that it causes the likelihood for it not to be just that,” says one executive close to the negotiations. “Actually the parties started pretty far apart, not that that’s not expected. Quite honestly they haven’t spent a lot of time together since they started. It’s not a done deal by any stretch.”

The two sides have been meeting sporadically at the AMPTP’s Encino, Calif., head-
TUESDAY NIGHT, YOU’RE ON THE CASE.
REAL CLUES. REAL INVESTIGATIONS. REAL TRIALS.

A FALL DOWN A FLIGHT OF STAIRS.
A MOTHER DEAD OF BLUNT FORCE TRAUMA.
A SON WHO’S SOLE HEIR TO A HUGE ESTATE.
MAKE YOUR CASE.

YOU’RE ON THE CASE
TUESDAY
The Prosecutors 8 pm e/p
The New Detectives 9 pm e/p NEW EPISODE
The FBI Files 10 pm e/p

How do you lift a fingerprint? Get the goods to solve the crimes at discovery.com

EVERY NIGHT, WE’RE ON THE CASE.
REAL TRIALS. REAL DRAMAS. REAL LIFE.

COPs
NYPD BLUE
Coming in September
HOMICIDE
LIFE ON THE STREET
MUGSHOTS
THE SYSTEM
profiler
AMERICAN MOST WANTED
PERRY MASON RETURNS

If you like Tuesday nights on Discovery Channel, you’ll love every night on Court TV.
From real-life investigations to highly acclaimed investigative dramas, we’re serving justice seven days a week.

COURT TV
foodie?

Spends 14 hours a day researching and eating from vending machines.

Eats up every bit of knowledge Alton Brown can dish out.

Foodies. We define them as that small niche of people who eat. And they can't get enough of our original programming. What's more, when they're not watching our programs, they're coming to foodtv.com—for live chats, info and shopping. So, are you feeding your foodies?

foodtv.com
quarters since mid-May and started again last week after a 12-day hiatus.

"It’ll probably come down to the wire just as the WGA's did," says another executive close to the negotiations. "I think that’s the quote-unquote reality. If [SAG] came away with a contract early, some members might think that the representatives are not fighting for everything they can. So it wouldn’t surprise me if it goes down to the wire or a little beyond."

We’ve always maintained that we want to come away from this without a work stoppage.

—an SAG spokesman

Both the studios and unions have vowed to keep the negotiations out of the press and are working under a media blackout. A SAG spokesman would only say, "We’ve always maintained that we want to come away from this without a work stoppage." A spokesman for the AMPTP declined comment.

Meanwhile, last week, a month after heading off a potential strike of their own, the WGA's members voted overwhelmingly to approve a new three-year contract with the AMPTP. Of the 4,000 votes cast, 92% of WGA members favored the new deal.

A deal ends a war

Tailwind co-producer Jack Smith reaches a settlement with CNN over dismissal

By Dan Trigoboff

Jack Smith, co-producer of the infamous "Valley of Death" story that launched and virtually sank CNN's synergistic Newsstand efforts and led to Smith's firing, last week called his settlement with the network—exactly three years after the story aired—"a down payment on the restoration of my reputation."

Neither Smith, who currently teaches in two Chicago-area colleges, nor his attorney Roger Simmons would disclose the amount, but they described the settlement as "substantial." Simmons, who represented Smith's co-producer April Oliver in an earlier, similar suit against CNN, said, "It will make Jack's life a great deal easier." Both Oliver and Smith claimed wrongful termination, tortious interference and defamation. CNN confirmed the settlement but would not comment further.

Oliver has not commented on the amount of her settlement, but it has been estimated in the low seven-figure range. CNN has settled or won dismissal on several of the myriad Tailwind claims. Famed war correspondent Peter Arnett, whose role in the story was limited to narrating and some reporting, was another Tailwind casualty and left the network following an initial reprimand and later a negotiated settlement.

Smith and Oliver, now a law student, lost their jobs after the Operation Tailwind story brought criticism from the military, and a report from renowned First Amendment attorney Floyd Abrams commissioned by the network concluded that the story was not sufficiently supported. The 1998 "Valley of Death" story alleged that, during the Vietnam War, the U.S. military took covert action against American defectors that included the use of nerve gas. The story was quickly attacked as untrue by current and past defense personnel.

Both Oliver and Smith maintain that their story was well-reported and accurate and that CNN's mistake was to retract it. They have also been critical of Abrams' report, particularly for its input from a CNN lawyer who had helped vet their story.

The controversy damaged CNN's attempt at synergy among its news network and owner Time-Warner's magazine properties and brought damage as well to the term of then-CNN U.S. President Rick Kaplan.
This fall, FX launches its most exciting primetime lineup featuring three of TV's most critically-acclaimed shows. With more original series and movies, FX delivers what your subscribers want... they want more X.

three hits  five nights  one place

FXnetworks.com

For more information, contact your Fox Cable Networks representative or call (310) 229-4949
DIVA WINS BEST SUPPORTING ROLE

In addition to supplying you with the components you need to make your VOD launch successful, DIVA's solutions come with a secret ingredient: exceptional people who know how to integrate it all.

Those MSOs who have already deployed our products and services find our operations personnel to be the best they've ever worked with. In fact, they call our people and support phenomenal.

If that's the kind of support you'd like, give us call. It's the kind of support you'll get from DIVA.

THE DIVA DIFFERENCE

Engineering Support and Installation Services:
- Network Operations Center 24x7
- Network Design and Traffic Engineering
- Launch Management
- Space and Power Planning
- Billing and 3rd Party Integration

Training:
- "Train the Trainer" Programs
- Headend Technical Training
- Customer Support Training

DIVA
The Leader in VOD Solutions
www.divatv.com
(650) 779-3000

In addition to supplying you with the components you need to make your VOD launch successful, DIVA's solutions come with a secret ingredient: exceptional people who know how to integrate it all.

Those MSOs who have already deployed our products and services find our operations personnel to be the best they've ever worked with. In fact, they call our people and support phenomenal.

If that's the kind of support you'd like, give us call. It's the kind of support you'll get from DIVA.

The nation's largest cable operator has asked Microsoft, which had invested $5 billion to get its software deployed in as many as 10 million set-tops, to rethink its software strategy and develop a simpler interface with less functionality. It has also turned to Liberate Technologies to create applications like personal video recorders (PVR).

AT&T is now giving both companies "a broader canvas," said a spokeswoman. Instead of deploying the Motorola DCT-5000 in selected markets, AT&T will continue to build-out DCT-2000 boxes.

The company is also working with Motorola to develop "an enhanced basic set-top box," which would include more functionality than the DCT-2000 and integrate PVR features. A Motorola spokesman also said the two companies have discussed a mid-range box that "falls between the DCT-2000 and DCT-5000, in terms of internal capability." No time frame was given for when such a box would be available.

TOP OF THE WEEK

AT&T rethinks M’soft set-top

Cable giant will deploy a simpler interface that has less interactivity built in

By Michael Grotticelli

A

fter announcing grand plans for interactivity on its cable systems two years ago, AT&T's Broadband division has decided to deploy only those features that customers want most. What some want, according to company officials, is video-on-demand (VOD), interactivity to play games alone and stock tickers and weather data scrolled across the bottom of the screen.

The nation's largest cable operator has asked Microsoft, which had invested $5 billion to get its software deployed in as many as 10 million set-tops, to rethink its software strategy and develop a simpler interface with less functionality. It has also turned to Liberate Technologies to create applications like personal video recorders (PVR).

AT&T is now giving both companies "a broader canvas," said a spokeswoman. Instead of deploying the Motorola DCT-5000 in selected markets, AT&T will continue to build-out DCT-2000 boxes.

The company is also working with Motorola to develop "an enhanced basic set-top box," which would include more functionality than the DCT-2000 and integrate PVR features. A Motorola spokesman also said the two companies have discussed a mid-range box that "falls between the DCT-2000 and DCT-5000, in terms of internal capability." No time frame was given for when such a box would be available.
never once have I been home, plopped on the couch and declared, “I’m going to settle in for a night of CBS.” Or NBC, ABC, Fox or The WB. (Truthfully, I have said that about UPN. There was a time when you had to gird up to do that, and, sometimes, there still is.)

But that’s the idea with cable, I guess, and that’s the glory of, that’s the story of, branding.

It’s a word I loathe and simultaneously a concept that’s fascinating. Branding: The word is a branding ploy itself. It’s language that’s just too puffed up, and a lot of older television executives spit it out the way you might if you were forced to call a janitor a sanitary engineer.

As strategy, branding seems to be the best way to make the sum much larger than its parts. For most of television’s existence, the mantra was “People watch programs, not networks.” Branding begs to turn that philosophy on its head, and that’s a lucky thing for the cable industry, which has far more networks on its hands than it does hits.

“That’s the dirty little secret of branding,” says Rick Haskins, the executive vice president of branding for Lifetime, a thoughtful fellow who somehow takes all this seriously and humorously, too.

“With effective branding, weak shows become stronger, and strong shows become dominant. Sometimes, you can get away with schlock.” (Not at Lifetime, he’s quick to add.)

Truth is, branding often dresses up incredibly ordinary stuff. Take Nick at Nite or TV Land. These are fun cable networks, but, from the time Rich Cronin ran those channels, the part everybody liked was the “Your Television Heritage” promotion. The programs, well, most of them are just as bad as television was for much of the last four decades.

Branding means you don’t have to notice.

I don’t know how that fits into me watching it, however. I may feel good about TV Land, but, at the end of the day (or actually at 8 o’clock Eastern), TV Land’s Emergency returns are still just as bad as they were the first time around.

Haskins would tell you that, once a product—or a network—gets the “consumer vote of confidence,” it’s actually possible to fall off the mark occasionally as long as the brand managers don’t destroy the bond. That happened a few years ago with Fox, which established a solid male 18-to-34 niche and then, Haskins says, broadened so much it disenfranchised the guys and didn’t pull in a new crowd. “Their audience said, ‘Hey, this isn’t what I’m used to.’”

So branding creates the image from which all things, or not much at all, can spring. It’s pretty true that, while somebody might actually choose to watch MTV for a specific reason, it’s just as likely they’ll go there because they know what to expect. Ditto with everything from E! (bikinis taken seriously here) to History Channel—making a thing what’s not what’s on. It’s what you think is on.

But if you start messing with it, bad things happen. Haskins these days is watching the Gap try to re-establish a brand. It has lost its way by losing its niche: cheap, casual clothing. Likewise, Haskins thinks, you can dilute brands so that what was once exclusive becomes mundane. That, he believes, is the problem budding for Starbucks, with one on every corner.

At Lifetime, the stereotypical joke is that it’s the place for victim movies in which ordinary women survive extraordinary horrors. The classic Lifetime movie is something like Sudden Terror. It is the stuff of parody, but, when Saturday Night Live lampoons Lifetime, it makes Haskins happy. It means the network is well-enough established that everybody understands what it does.

That translates into women’s using Lifetime as the network they start with every night, even if they don’t know why and even if they don’t actually stay there. In a landscape of a jillion cable networks, a strong identity doesn’t hurt.

Haskins formerly worked at Procter & Gamble, which

knows a thing or two about branding, and he has authored Brand Yourself: How to Create an Identity for a Brilliant Career.

Thinking about that the other day, I could think of only one truly defined kind of “brand” person: A Mafia hitman is something I understand intuitively.

My mob mentality got me to thinking about HBO, home of The Sopranos. That’s a network where branding is perfectly married to content. When it boasts, “It’s not TV. It’s HBO,” I hate the conceit, but I concede the point: It’s got the brand.
The five blind mice know they've got a problem. ... They have to find a way out of the maze. The original three blind mice didn't know what trouble they were in.

—Tim Brooks, Lifetime

Nielsen counts the basic-cable network in first place. And if Lifetime wins for the entire year, Black plans to give everyone an additional week off.

One problem: Lifetime didn't do it all on its own. Its ranking came at least in part because other once-dominant cable networks are falling. For example, after consistently topping the widely followed quarterly Nielsen ratings with a 2.4 to 2.6 prime time rating, in the past year, USA Network has slid dramatically down to a 1.9. That was just enough of a fall for Lifetime to storm into first place and secure bragging rights for at least a few months.

USA isn't alone. Indeed, despite cable's steady growth in total viewership, the general-entertainment networks have not shown appreciable ratings growth over the past five years. USA, TNT and TBS are down in the most recent quarterly ratings. FX is up a tenth of a ratings point, and TNN is a little stronger, owing to its new World Wrestling Federation shows.

The decline of the broadcast networks was captured perfectly in the seminal 1991 work on the TV industry, Three Blind Mice. Reporter Ken Auletta, now with The New Yorker, spent five years looking at the broadcast networks that dominated TV, starting in 1986 when all three—ABC, NBC and CBS—abruptly changed hands and the new owners realized that the networks weren't as
THE CONTINUING STORY OF LIFE ON EARTH

As only National Geographic can tell it. For over 113 years, National Geographic has been telling stories that have inspired our imaginations. Now this great legacy continues with the new National Geographic Channel. Share the continuing story of life on earth with your subscribers. 7 days a week - 365 days a year.

FOX CABLE NETWORKS

For more information contact your Fox Cable Networks representative or call 310.229.4949.
invincible as media executives had deluded themselves into thinking.

Now, in the the made-for-cable adaptation, that book might be called *Five Blind Mice*. Those are the five broad entertainment networks—USA, TNT, TBS, FX and TNN—that try to attract broad audiences, much like the big broadcast networks.

Except advertisers won't pay as much for those broad cable audiences. They prefer to pay premium prices for either big-audience delivery at NBC or hard-to-reach niches at places like MTV.

“The five blind mice know they’ve got a problem,” said Lifetime’s Senior Vice President of Research Tim Brooks, a former USA Network and former NBC executive. “They have to find a way out of the maze. The original three blind mice didn’t know what trouble they were in.”

**ERODING THE BASE**

Cable as a whole has continued to grow, steadily stealing audiences from the broadcast networks. It’s just that it’s not the big entertainment networks getting the eyeballs; it’s the boutique upstarts like HGTV, Court, Turner’s own Cartoon Network and others that are ramping up. During some quarters, the general cable networks may be up, but they tend to come right back down.

Like a lot of what’s on those cable networks, this episode seems like a repeat. Some industry and Wall Street executives first saw vulnerabilities more than a decade ago, when the Big Three broadcast networks saw their core franchises get nibbled away by startup cable networks and by the then-new Fox Network. At the same time, the broadcast networks faced an endless spiral of escalating costs as they paid more and more for programs they prayed would hold their audiences.

**Now younger, mid-sized cable networks eat away at the broad cable networks’ base, just as USA and TBS once feasted on broadcasters.**

Morgan Stanley media analyst Richard Bilotti has been hammering home the hazards facing the big cable entertainment networks for the next several months. “I think they have the same problem the broadcast networks did, a constantly eroding audience,” Bilotti said. “I think the single biggest issue in cable is the fragmentation of the audience ratings over time.”

Said Barry Diller, chairman of USA Networks: “It makes everything more challenging. How do you create new things in a world where it’s hard to generate new interests and all the broad or even narrow franchises are gone?”

New USA Network President Doug Herzog contended that he’s “not in the same business the broadcast networks are,” largely because he has a second source of revenue: license fees from cable operators. He agreed, however, given the ratings trends, that “we would be remiss in looking across the street at the trials and tribulations of the broadcast networks and not take notes.”

Most of the mature networks are in a scramble, installing new management and whipping out new branding campaigns to convince viewers, advertisers and maybe themselves that their channels are something other than general entertainment networks.

TNT this week is repackaging itself as the home for dramatic series, movies and, somehow, NASCAR races, touting the slogan “We know drama.” TBS is trying to position itself as a network for guys. TNN, after shedding the last remnants of a redneck image left over from its two decades as The Nashville Network, is now calling itself The National Network. The network declares that it is a pop-
Which network keeps its viewers glued to their TV sets?

If you guessed GAME SHOW NETWORK, you're correct! Congratulations, you've just won a network whose viewers Simmons Research ranks #2 as the most brand loyal shoppers.* Adding 10.3 million subscribers in the past year, GAME SHOW NETWORK now reaches 35 million households.** Sorry, you didn't win A NEW CAR! But as a lovely parting gift we guarantee this ad won't give you a nasty paper cut!

Western Region 310.364.8870 • Central Region 972.776.8585 • Eastern Region 212.833.8727 • National Advertiser Sales 212.833.8418


www.gameshownetwork.com
Portfolio managers

As the biggest TV companies start more cable networks, they squeeze out some gains in prime time household ratings. Except for NBC, the big media conglomerates’ cable groups have generally offset their slipping broadcast ratings.

**Combined basic-cable network ratings**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Viacom/MTV Nets</td>
<td>2.8</td>
<td>3.1</td>
<td>3.5</td>
<td>3.8</td>
<td>3.7</td>
<td>6.8%</td>
</tr>
<tr>
<td>Fox Cable</td>
<td>1.1</td>
<td>1.1</td>
<td>1.3</td>
<td>1.1</td>
<td>1.3</td>
<td>5.5%</td>
</tr>
<tr>
<td>Time Warner/TBS</td>
<td>4.2</td>
<td>4.7</td>
<td>4.7</td>
<td>4.8</td>
<td>4.6</td>
<td>2.6%</td>
</tr>
<tr>
<td>Disney Cable</td>
<td>1.3</td>
<td>1.3</td>
<td>1.5</td>
<td>1.6</td>
<td>1.4</td>
<td>1.8%</td>
</tr>
<tr>
<td>NBC Cable</td>
<td>0.4</td>
<td>0.3</td>
<td>0.4</td>
<td>0.5</td>
<td>0.4</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

*Annualized

**Combined broadcast/cable network ratings**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NBC/NBC Cable</td>
<td>12.7</td>
<td>10.0</td>
<td>9.3</td>
<td>8.7</td>
<td>8.3</td>
<td>-10.1%</td>
</tr>
<tr>
<td>Fox/Fox Cable</td>
<td>5.3</td>
<td>5.5</td>
<td>5.6</td>
<td>5.2</td>
<td>5</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Disney/ABC</td>
<td>10.4</td>
<td>9.5</td>
<td>9</td>
<td>8.9</td>
<td>10</td>
<td>-0.9%</td>
</tr>
<tr>
<td>AOL/WB/TBS</td>
<td>4.8</td>
<td>5.7</td>
<td>6</td>
<td>6.2</td>
<td>5.9</td>
<td>5.6%</td>
</tr>
<tr>
<td>Viacom/CBS</td>
<td>12.4</td>
<td>12.7</td>
<td>12.9</td>
<td>13</td>
<td>12.5</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

*Annualized

Source: Nielsen Media; Morgan Stanley; Wilofsky Gruen

Culture network, which is somehow completely different from a general-entertainment network.

"Our goal is to get TNN differentiated from a general-entertainment network," said MTV Networks Chairman Tom Freston, who was put in charge of the network when his parent company, Viacom Inc., bought CBS. "We don't want to be spoken of in the same breath as TNT and USA." That may be tough when TNN's big programming moves have been deals for wrestling, *Star Trek* and *Baywatch* reruns, off-CBS drama *CSI* and movies.

**UNDER NEW MANAGEMENT**

It's no accident that four out of the five general-entertainment networks have shifted management. Just about all of them are scrambling to adjust their approach so that they somehow look more like a niche network than a broad broadcast channel.

AOL Time Warner fattened the portfolio of The WB Network chief Jamie Kellner by adding Turner Broadcasting System, which includes TNT and TBS. USA Networks Inc. tapped ex-MTV and Comedy Central whiz Herzog. And MTV Networks assigned Nickelodeon executive Diane Robina to awaken TNN from its long slumber by throwing money into entertainment programming.

The exception is FX, which, if anything, is broadening rather than narrowing its target. After programming heavily to men with series like raunchy *Baywatch* parody *Son of the Beach*, the network has a slate of off-network series coming that skew heavily toward women, including *Ally McBeal* and *Buffy the Vampire Slayer*.

Network executives counter that there's no problem. Household ratings can reflect some broad viewership trends, but advertisers don't buy household ratings; they buy eyeballs of a certain demo.

And household ratings points, which divide viewership by a cable network's distribution universe, doesn't account for, say, a fall-off in undesirable 50-plus viewers in favor of 20-year-olds.

The other problem with falling ratings is that they neutralize the gains in actual viewers that come with wider DBS distribution. (A 1.0 rating is 1% of whatever distribution a cable network has at that point in time.)

Brad Siegel, president of TBS' entertainment networks, contends that looking at his networks' schedule gives an inaccurate picture of the health of TNT and TBS. For example, TNT walked away from the NFL, and both networks dumped World Championship Wrestling programming, which was still their highest-rated programming even after sliding from a 6.0 rating in 1996-97 to a 2.0 in recent months. And ratings for NBA games have hurt anyone carrying the league's games.

The conventional series and movies on which the networks are not investing their money are doing far better. Siegel is particularly happy that there is now an expensive move to buy Hollywood movies in the window that traditionally belonged to broadcast networks, instead of waiting five or seven years for the basic-cable window. "We have made a conscious choice to shift away from some of the sports programming that was driving ratings," he said.

**GOING TO THE BOUTIQUES**

However, one advertising researcher said that TNT and TBS have been flat in their adults 18-49 ratings over the past five years. And to ignore the networks' sports programs is somewhat like a stockbroker in 2001 asking a client to ignore all of the Internet stocks in the portfolio that were so highly touted a couple years before.

The key difference between the broadcast networks of the late 1980s and maturing cable networks is profits. The Big Three started posting losses as they fell from 75% of the prime time audience in
The fastest growing 24-hour digital business and financial news channel

Gaining access to over 1 million new households per month

BLOOMBERG TELEVISION — backed by BLOOMBERG NEWS™

More Americans depend on Bloomberg to deliver business and financial information than any other source through:

- Over 150 U.S. newspapers
- Syndicated TV and radio
- Our top-ranked news website — BLOOMBERG.COM®
- Award-winning magazines

The best business news for digital growth is

Bloomberg TELEVISION

Watch BLOOMBERG TELEVISION anchor Page Hopkins interview top industry and business leaders live from NCTA, booth #3345. For more information, stop by the booth or call 212.893.4220.
ment networks have dropped at the same rate as the broadcasters, about 4% per year.

TNT's ratings were 30% lower in the first quarter than in the same period five years ago, falling from a 2.0 to 1.4.

USA, for all its recent post-wrestling problems, did a little better, off 27%, from 2.2 to 1.6. TBS was only off 10%, from a 2.1 to a 1.9. FX was flat at a 0.7.

Only TNN showed a gain after ending the long starvation programming diet its owners demanded. Ratings were falling until the network landed wrestling last fall. The network's ratings now stand 22% higher than they were in 1996.

So where are the viewers going? Some are going to established networks whose owners finally found a programming groove. Court TV has tripled its Nielsen scores, VH1 ratings are up 150%, Sci Fi Channel is up 80%, and MTV and TLC are up 50%.

But about a third of the ratings growth is coming from startups, the boutiques of cable. Bilotti's data shows that networks either too young or small to get Nielsen ratings in 1996 now get 20% of cable's prime time viewes. That includes networks like HGTV, Animal Planet and History Channel.

"This is basically the endgame for the big networks," Bilotti said. "This doesn't stop. Every time a digital set-top ships another cable, an established network takes a hit."

The ratings shrink has the painful side effect of making the smaller networks strong enough to compete for programming deals. Suddenly, Court TV is entertaining auctions for off-network series that fit its crime-and-justice theme, bidding $1 million per episode. Bravo, whose entire programming and operating budget last year was a mere $30 million, just agreed to pop $1.2 million each for what looks to be at least 100 episodes of The West Wing.

"You're spending more and more money to chase the same audience you already had," said Sanford Bernstein

1984 to 60% when Auleta published Three Blind Mice and to 38% today.

But they were totally dependent on ad revenue and were the leaders. Cable networks sold ads at a discount to broadcast networks and have been growing revenues by chiseling away at that gap. And no one in the cable business forgets that 45% to 55% of basic networks' revenue comes from license fees to cable and DBS operators.

Turner's Kellner said that, until the economy started sputtering for everyone, the Turner networks had been showing strong revenue and cash-flow gains. "They have been quite successful without seeing a lot of audience growth."

It's not as if the whole cable sector has slowed. Bilotti's crunching of Nielsen Media data shows that, in the past five years, basic networks' combined ratings have grown 9% annually, from 21.0 to 29.8. At the same time, the broadcast networks have lost about 4% annualized, falling from 41.4 to 35.3.

But that first star is for basic cable as a whole. The five cable broad-entertain-
media analyst Tom Wolzien. "Something's got to give, and that will be profits."

**MANAGING CHANGE**

"I don't worry about the other networks from a competitive-ratings perspective as much as they're willing to pay for programming," said Siegel.

The big question is how to reinvent a mature network within that cost structure. The most aggressive is TNT. For years, joint owner Gaylord Entertainment and Westinghouse simply milked it for cash, balking at spending much on programming other than The Waltons and The Real McCoys. When Westinghouse bought CBS, and Mel Karmazin ascended to become CEO, he was cutting costs, not investing in cable.

So it was only last year when Viacom took full control that TNN began investing and dramatically changing. The biggest boost came from snapping away from USA Network the WWF, which, despite a ratings dip, still generates the highest ratings in cable.

Also, TNN's Robina was the only TV executive not to complain loudly about the XFL because even its worst games doubled and tripled ratings in the games' Sunday-afternoon time slot. The network lost NASCAR rights to TNT and Fox, so it is redeploying that budget into entertainment programs. A lot of the moves are typical for entertainment networks seeking their footing (like Memorial Day weekend's Miami Vice marathon).

But Robina and executives at other networks are being careful not to make too many dramatic changes, learning from self-inflicted wounds over at Fox Family Channel. News Corp. and Saban Entertainment bought The Family Channel to remake it as a kids network by day and an edgy parents network at night. It was a library-driven deal, one of those synergistic deals that are supposed to work so well. Saban had a fat library of older cartoons and kids shows from his years as a syndicator.

But Saban's new shows tanked in the ratings. And worse, he chased away Family Channel's existing audience. Fox Family's ratings are down 40% over the past five years, and the network is now up for sale.

"We really don't want to scare away the old viewers," Robina said, even the 50-plus crowd advertisers avoid. Hence, The Waltons and Dukes of Hazzard stay on the schedule. So do the weekend fishing, hunting and bull-riding shows. "Weekends were the only things people were watching," Robina said. "There is a fan base there. Why send those males 18-34 over to ESPN2?"

Don't wait, however, for many more new episodes of Grand Ole Opry or home-grown trucker drama 18 Wheels of Justice.

"Our goal is to get TNN differentiated from a general-entertainment network," says Robina. "It's one thing to start a network from scratch with a specific point of view. But attempting to rebrand—or, in some cases, brand for the first time—an existing operation can stretch the label pretty thin."

Take TNT's new proclamations about being "the home for dramas." Yes, the network has plenty of hour-long dramas on the schedule—four runs of ER on weekdays (a hugely expensive acquisition from sister division Warner Bros.) and Law & Order reruns starting this summer, as well as an original police/action series Witchblade.

Turner's Siegel explained that positioning emerged from focus groups with heavy viewers. Turner has long bought hour-long dramas for TNT and sitcoms for TBS, but Siegel wants to hammer the differentiation hard. "This drama-lovers group really emerged as a unique group," he observed, noting that they're heavier TV watchers and skew surprisingly young.

The drama label is a bit of a stretch. Even ignoring morning airings of CHiPs, TNT's schedule the first week of its "drama" campaign includes prime time runs of You've Got Mail, and Three Men and a Baby and Adam Sandler laughter The Wedding Singer (twice). Fringe-hour movies include Adventures in Babysitting and chick karate flick China O'Brien.

"It will be interesting to see how the regular guy responds to seeing Pretty Woman and how the drama lover responds to seeing Austin Powers," said the president of a rival cable network.

Kevin Reilly, president of entertainment at FX, dismissed the branding talk. "Viewers watch shows, not networks," he said. A network's brand is only as good as its last hit, and network executives will shift gears instantly in the face of a new hit. He contended that Kellner's The WB started out as the "kids and urban network. Then they stumbled onto Buffy. "Did we say kids? We meant teens.'"

Not that he faults The WB or other networks for quick shifts. Home Box Office is now hailed for high-quality original series. "It was only a few short years ago they was all about Tales of the Crypt," Reilly applauds the switch.

The fragmentation of the big networks could be good news for one group: cable operators. "The MSOs should like this," Bilotti said. "In a totally fragmented world, none of their suppliers have leverage over them."
Some like it local

As national sports’ ratings dip, regional teams draw viewers

By Allison Romano

Don’t write an obituary for sports on television just yet. While ratings forSports on broadcast and national cable have slumped, regional sports networks are growing.

“The people watching regional affiliates are watching very passionately. They have a vested interest in their team,” said Tracy Dolgin, president of Fox Sports Net, which owns a piece of 22 regional sports networks. “It’s love of a game vs. identification with a team.”

A game that might not draw well nationally can harvest huge ratings on a regional sports net. This season, the second-round NBA playoff game between the Toronto Raptors and the Philadelphia 76ers registered a 2.1 on TNT, while another game in the same series brought Philadelphia’s Comcast SportsNet a 16.1, its highest-ever rating.

When a team performs well, local interest peaks. When it slumps, a regional channel’s ratings dip. Some teams buck this trend, though, attracting viewers no matter how they are playing.

“Their distribution is to people who are the most interested,” said Kris Magel, vice president of national broadcasting for Optimedia International. “They are very targeted. It’s the home-team level.”

Regional sports networks can’t count on such loyal viewing habits. The national audience is more finicky, and even cable’s sports pioneer, ESPN, has seen its ratings falter.

“When ESPN started, they brought something into people’s living rooms. But now what they bring can be found in many other places,” said Tom McGovern, director of sports marketing at OMD USA.

ESPN’s total-day ratings were off 20% for the first quarter this year, the fourth straight quarter its ratings have declined. The average daily rating for first quarter 2001 was 0.52, compared with 064 for the same period in 2000 and a 0.65 in 1999.

ESPN execs are quick to point out that, over the past three years, they have increased ratings in their core demographic, men 18-34.

The NBA on TNT and TBS was off 15% this year. The Turner networks posted a 1.1 average rating for regional season games, compared with an average 1.3 in 1999-2000 season. Playoff ratings were down 18% from last season.

FX’s baseball ratings have dropped 2% since last year. CNBC’s Senior PGA Tour broadcasts have averaged a 0.26, compared with a 0.49 rating in 2000 on ESPN.

Cable executives assert that these drops are a result of audience fragmentation: Because, there are too many places on TV to find sports, viewers are distracted.

Regional sports networks usually have an easier explanation for declining ratings: The home team stinks.

Case in point: When Michael Jordan
Fox introduces a whole new suite of interactive services that lets your subscribers see Fox their way. Let Fox Enhanced TV engage and captivate every viewer—making Fox's cable networks an even more valuable tool for attracting and retaining subscribers. Discover three unique levels of service that can be integrated into any cable or satellite system with speed and ease. Together we can transform the television experience.
and the Chicago Bulls were racking up championships in the 1990s, Fox Sports Chicago was as high as a 25.0 rating for Bulls broadcasts. Now that the team is in the NBA basement, ratings average around 1.4 (still higher than the average on TNT).

The Sacramento Kings have been successful the past two seasons, but ratings jumped 34% this season on Fox Sports Bay Area as the team became more popular.

"In Cleveland, Indians coverage is averaging over a 9.0," said Daniel Ronayne, Rainbow Sports' vice president of marketing and communications. "This gives you a tremendous platform to promote other shows and move the audience from one programming element to the next."

Rainbow Sports Network owns 50% of Fox Sports Net and is the majority owner and operator of five regions. FSN reaches 73 million homes, with Rainbow's five nets reaching 29 million.

Rainbow operates Fox Sports Ohio, along with FSNs in the San Francisco Bay Area, Chicago, Florida and New England. The five networks' MLB ratings are up 1% so far this season, and their 2000-2001 NBA ratings increased 4%.

"There are bigger variances [regionally] team to team, season to season, but when you add them all up, ratings are more stable," said Fox's Dolgin.

Fox Sports Net has tinkered with its balance of local and national programming. Several years ago, FSN positioned itself as an alternative to ESPN for national sports news. Since then, it has retrenched and regionalized its approach and now produces 15 versions of the Regional Sports Report news show.

In April, FSN moved the Regional Sports Reports back to 10 p.m. from 11 p.m. so the show would immediately follow prime time games. Second-quarter ratings suggest that the show has found a better home in its new slot. In Houston, the average ratings for Fox Sports Southwest's RSR increased 288%, to 0.66 from 0.17 in the first quarter. Denver's climbed from 0.25 to 0.63, a 152% jump. Fox Sports Detroit's RSR posted a 132% increase, from 0.41 to 0.95.

Most of the FSN affiliates use its national programming, such as the National Sports Report and The Last Word With Jim Rome, to
If you were free to pursue your passions, what would you do?

Would you dive the world’s top reefs?
Would you learn to speak Italian?
Would you restore a ’58 Thunderbird?

Would you stop making a list of to-do’s?
And actually start doing?

fine living
Life’s A Journey; We’ll Help You Pack.
PREMIERING IN 2002

SCRIPPS NETWORKS
Icing the puck
Across the board, ratings for hockey are down, although ESPN's 5% dip from last year isn’t as pronounced as the 13% drop for 10 Fox Sports Net stations and the 14% hit for ESPN2. Source: Fox Sports Net.

<table>
<thead>
<tr>
<th>Rate</th>
<th>Percent change</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 FSN 0.80s season to date</td>
<td>1.33</td>
</tr>
<tr>
<td>10 FSN 0.80s last season</td>
<td>1.53</td>
</tr>
<tr>
<td>Percent change</td>
<td>-13%</td>
</tr>
<tr>
<td>ESPN season to date</td>
<td>0.59</td>
</tr>
<tr>
<td>ESPN last season</td>
<td>0.62</td>
</tr>
<tr>
<td>Percent change</td>
<td>-5%</td>
</tr>
<tr>
<td>ESPN2 this season</td>
<td>0.25</td>
</tr>
<tr>
<td>ESPN2 Last season</td>
<td>0.29</td>
</tr>
<tr>
<td>Percent change</td>
<td>-14%</td>
</tr>
</tbody>
</table>

Regional networks offer spots that can be sold locally, regionally or as unwired national packages across several networks.

NBA ratings on NBC have plummeted 35% since Michael Jordan’s retirement in 1998. ABC averaged a 1.1 rating for its NHL coverage, down 15% from last season. Other losers: Last year’s World Series pulled in a 12.4 ratings, the lowest national rating ever for the event. The Sydney Olympics were the worst rated Games since 1968.

One sport that has seen its ratings improve on broadcast TV is NASCAR. Through the first 12 races of the season, Fox is averaging a 6.5 rating, up 20% from ABC and CBS’ combined 5.4 average last season.

Buying time on nationally televised games may be more attractive to advertisers than buying on regional sports nets. National networks offer advertisers more uniformity, and while the spots are more expensive, it can be a more efficient media buy.

On the other hand, regional networks offer spots that can be sold locally, regionally or as unwired national packages across several networks. These unwired packages guarantee airtime in each market, but the ads may be seen at different times and on different days.

“This can be a benefit because you are getting a large portion of the country, but the local appeal that the sport brings,” said Optimedia’s Magel. “I’m not saying it’s the answer to sports buying, but it’s a viable option.”

ESPN has an advantage over regional sports nets because it attracts a larger piece of the national advertising pie, according to Ed Erhardt, president of sales for ESPN and ABC Sports. “Advertisers are buying demographics, not household ratings,” he said. “That’s why people buy ESPN.”
Telemundo's share of the Hispanic market is up, way up, nationally. So, if you want to reach the fastest growing segment of the U.S. population, buy the fastest growing network in the U.S. Telemundo, Spanish for "big numbers."

There is a sense there will be a lot of openings in fall 2002,'

—Garnett Losak, Blair TV

There is the downside, of course. The upfront ad market is still slow. First-run hits, which would brighten syndication's outlook, are rare. Most rookie strips, even the few renewed ones, pulled below-2.0 level Nielsen numbers during the May sweeps. And Dick Wolf's Arrest & Trial, arguably a good bet, was canceled last week because of weak ratings.

But, with many strips expected to vanish in the coming season—most notably Rosie O'Donnell but also such declining efforts as The Jenny Jones Show (many stations' contracts with the show are said to be up after 2001)—stations will have to pick up some new shows, soft ad market or not.

"There is a sense there will be a lot of openings in fall 2002," says Blair TV's Garnett Losak. "We're certainly looking at a situation where a lot of contracts are up, a lot of shows are hanging by threads."

Katz TV's Bill Carroll sees five or six hours open in most markets in 2002: "That's an awful lot of time periods."

Among those on the endangered list, considering unweighted metered-market Nielsen results for May, are returning freshmen Judge Hatchet (pulling a 1.8 rating/6 share, down 10% from the year-ago time-period average), Power of Attorney (1.7/ 6, down 15%), and To Tell the Truth (1.3/5, down 13%). Also, Tribune Broadcasting hasn't renewed rookie Street Smarts in New York, Los Angeles or Chicago. And besides Jenny (with a 2.1 season average through May, down 9% from this time last year), there is Sally (2.4, down 33%), also thought to be on shaky ground.

Ironically, given these cellar-dwelling numbers, "there was more doom and gloom six months ago then there is now," says a source close to the Vitamin C project, which insiders say is a youth-skewing, hour-long chat series with an MTV feel. Most likely, the show title will use the real name—Colleen Fitzpatrick—of the singer, who's best-known for the top-40 hit "Graduation."

"There are time periods open," says Young Broadcasting Executive Vice President Deborah McDermott. "We're just very interested" in what's out there. So far, she has heard speciis on Buena Vista's Millionaire, NBC Enterprises' Weakest Link, Columbia TriStar's Pyramid and Twentieth's Texas Justice, a regional effort that's expected to roll out nationally.
Meet the interactive cable guys

Cable 2001
June 11 - 13 2001
Booth 2771

The digital cable revolution is raging on! That's why you should visit NDS today.

NDS delivers the interactive TV and security solutions you need to attract new subscribers, reduce churn and deliver new revenue streams. These solutions include interactive television, personal television (PVR) services, targeted advertising, efficient use of bandwidth, e-commerce, Video on Demand and conditional access.

NDS understands the business of cable and delivers technology that powers you to success. Technology designed to be open and work on multiple platforms so you get the right solutions for today and tomorrow.

Visit us at Cable 2001, June 11 - 13, Booth 2771 and see why NDS, the new interactive cable guys, will power you to success.

Making staying in, the new going out.
Lineup dancing

VH1 reorganizes prime time shows into theme nights

By Allison Romano

After months of stagnant ratings, VH1 is retooling its prime time format into music-related theme nights. The Viacom-owned music network is hoping the new late-night blocks, billed “My VH1 Primetime,” will guide viewers to its best shows and create new viewing habits. VH1’s prime time ratings have hovered around 0.4 or 0.5 since 1999. The music channel harvested a 0.5 rating for first quarter 2001, identical to its first quarter ratings in 1999 and 2000. In May, VH1’s prime time rating was 0.4, after posting a 0.4 in May 2000 and a 0.5 in May 1999. The network’s highest monthly rating in 2000 was a 0.5 in January.

The new strategy should produce ratings growth, said Fred Graver, VH1’s executive vice president of programming. “This is not a strategy we’re going to abandon if we don’t see a big jump in ratings,” Graver said. “We need to make VH1 a resource for music lovers, and we need to have a system to tell viewers what’s on the air consistently.”

Summer is a good time to introduce this kind of new programming format, because viewers don’t have many other favorites, said TN Media’s Stacy Lynn Koerner.

“Viewers aren’t locked into shows on networks,” she said. “In the winter, it’s more difficult to get face time with viewers and get them to commit.” It may take time to see if this helps VH1 boost ratings, she added, because ratings may initially increase from promotions and increase in summer viewing across cable networks.

Other networks, such as USA and Lifetime, also are experimenting with theme nights in their summer schedules. VH1 is pursuing its new format because viewers have expressed confusion over where and when to find shows, Graver explained.

VH1 is planning heavy promotion for the new format, which begins June 18. The four theme nights: “My Mondays,” which lets viewers vote online the week before to determine a video show; “Movies That Rock on Wednesdays,” showcasing music-based movies, including original offerings such as Hysteria: The Def Leppard Story; “Front-Row Fridays,” with concerts and new episodes of Storytellers; “My VH1 Primetime Weekend,” featuring new episodes of Behind the Music; and series, including Cover Wars, a cover-band music competition hosted by Late Night With David Letterman’s Paul Shaffer.

VH1 has yet to brand Tuesday and Thursday nights; for now, returns of Behind the Music, Bands on the Run and VH1 All-Access will air. “The audience can only absorb so much at a time,” Graver said. But he remains confident. “Aside from labeling every week “Shark Week,” this is a great idea.”

CableWatch

MAY 28-JUNE 3 Cable programming ratings according to Nielsen Media Research

CABLE’S TOP 10

Ranked by rating. Cable rating is coverage area rating within each basic-cable network’s universe; U.S. rating is of 102.2 million TV households.

Sources: Nielsen Media Research, Turner Entertainment.

<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>Rating</th>
<th>U.S.</th>
<th>HHs (000)</th>
<th>Cable Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>WWF Entertainment</td>
<td>TNN</td>
<td>Mon</td>
<td>10:00P</td>
<td>71</td>
<td>4.5</td>
<td>3.6</td>
<td>3617</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>WWF Entertainment</td>
<td>TNN</td>
<td>Mon</td>
<td>09:00P</td>
<td>60</td>
<td>3.9</td>
<td>3.1</td>
<td>3145</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>&quot;Boss of bosses&quot;</td>
<td>TNT</td>
<td>Sun</td>
<td>08:00P</td>
<td>120</td>
<td>3.7</td>
<td>3.1</td>
<td>2537</td>
<td>8.8</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Rugrats</td>
<td>NICK</td>
<td>Sun</td>
<td>09:30A</td>
<td>30</td>
<td>2.9</td>
<td>2.3</td>
<td>2349</td>
<td>8.1</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Rugrats</td>
<td>NICK</td>
<td>Sun</td>
<td>10:00A</td>
<td>30</td>
<td>2.8</td>
<td>2.2</td>
<td>2249</td>
<td>8.1</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>&quot;Fools Rush In&quot;</td>
<td>LIF</td>
<td>Sun</td>
<td>06:00P</td>
<td>120</td>
<td>2.7</td>
<td>2.1</td>
<td>2197</td>
<td>5.2</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Rugrats</td>
<td>NICK</td>
<td>Sat</td>
<td>03:00P</td>
<td>30</td>
<td>2.5</td>
<td>2.1</td>
<td>2054</td>
<td>6.7</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Rugrats</td>
<td>NICK</td>
<td>Sat</td>
<td>04:30P</td>
<td>30</td>
<td>2.5</td>
<td>2.1</td>
<td>2051</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>&quot;The Bride in Black&quot;</td>
<td>LIF</td>
<td>Sat</td>
<td>09:00P</td>
<td>30</td>
<td>2.5</td>
<td>2.0</td>
<td>2039</td>
<td>8.2</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Rugrats</td>
<td>NICK</td>
<td>Sat</td>
<td>04:00P</td>
<td>120</td>
<td>2.5</td>
<td>2.0</td>
<td>2028</td>
<td>4.9</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&quot;A Match Made in Heaven&quot;</td>
<td>LIF</td>
<td>Sun</td>
<td>09:30A</td>
<td>30</td>
<td>2.5</td>
<td>2.0</td>
<td>2004</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&quot;Mrs. Winterbourne&quot;</td>
<td>LIF</td>
<td>Sun</td>
<td>08:00P</td>
<td>120</td>
<td>2.5</td>
<td>2.0</td>
<td>1978</td>
<td>3.8</td>
<td></td>
</tr>
</tbody>
</table>
PLAY BALL!

HOLLYWOOD'S BEST • GREAT ACTION • FAMILY FAVORITES
YEAR-ROUND SPORTS

SUPERSTATION

NEW YORK (212) 210-5903  LOS ANGELES (323) 460-3861  CHICAGO (773) 883-3273
<table>
<thead>
<tr>
<th>Week</th>
<th>abc</th>
<th>NBC</th>
<th>FOX</th>
<th>PAXtv</th>
<th>UPN</th>
<th>1.8/3</th>
<th>2.5/4</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/7/10</td>
<td>27. King of Queens</td>
<td>27. King of Queens</td>
<td>27. King of Queens</td>
<td>27. King of Queens</td>
<td>27. King of Queens</td>
<td>27. King of Queens</td>
<td>27. King of Queens</td>
</tr>
<tr>
<td>5/12/10</td>
<td>29. Last Man Standing</td>
<td>29. Last Man Standing</td>
<td>29. Last Man Standing</td>
<td>29. Last Man Standing</td>
<td>29. Last Man Standing</td>
<td>29. Last Man Standing</td>
<td>29. Last Man Standing</td>
</tr>
<tr>
<td>5/15/10</td>
<td>32. Last Man Standing</td>
<td>32. Last Man Standing</td>
<td>32. Last Man Standing</td>
<td>32. Last Man Standing</td>
<td>32. Last Man Standing</td>
<td>32. Last Man Standing</td>
<td>32. Last Man Standing</td>
</tr>
<tr>
<td>5/16/10</td>
<td>33. Last Man Standing</td>
<td>33. Last Man Standing</td>
<td>33. Last Man Standing</td>
<td>33. Last Man Standing</td>
<td>33. Last Man Standing</td>
<td>33. Last Man Standing</td>
<td>33. Last Man Standing</td>
</tr>
<tr>
<td>5/17/10</td>
<td>34. Last Man Standing</td>
<td>34. Last Man Standing</td>
<td>34. Last Man Standing</td>
<td>34. Last Man Standing</td>
<td>34. Last Man Standing</td>
<td>34. Last Man Standing</td>
<td>34. Last Man Standing</td>
</tr>
<tr>
<td>5/18/10</td>
<td>35. Last Man Standing</td>
<td>35. Last Man Standing</td>
<td>35. Last Man Standing</td>
<td>35. Last Man Standing</td>
<td>35. Last Man Standing</td>
<td>35. Last Man Standing</td>
<td>35. Last Man Standing</td>
</tr>
<tr>
<td>5/20/10</td>
<td>37. Last Man Standing</td>
<td>37. Last Man Standing</td>
<td>37. Last Man Standing</td>
<td>37. Last Man Standing</td>
<td>37. Last Man Standing</td>
<td>37. Last Man Standing</td>
<td>37. Last Man Standing</td>
</tr>
<tr>
<td>5/21/10</td>
<td>38. Last Man Standing</td>
<td>38. Last Man Standing</td>
<td>38. Last Man Standing</td>
<td>38. Last Man Standing</td>
<td>38. Last Man Standing</td>
<td>38. Last Man Standing</td>
<td>38. Last Man Standing</td>
</tr>
<tr>
<td>5/24/10</td>
<td>41. Last Man Standing</td>
<td>41. Last Man Standing</td>
<td>41. Last Man Standing</td>
<td>41. Last Man Standing</td>
<td>41. Last Man Standing</td>
<td>41. Last Man Standing</td>
<td>41. Last Man Standing</td>
</tr>
<tr>
<td>5/25/10</td>
<td>42. Last Man Standing</td>
<td>42. Last Man Standing</td>
<td>42. Last Man Standing</td>
<td>42. Last Man Standing</td>
<td>42. Last Man Standing</td>
<td>42. Last Man Standing</td>
<td>42. Last Man Standing</td>
</tr>
<tr>
<td>5/26/10</td>
<td>43. Last Man Standing</td>
<td>43. Last Man Standing</td>
<td>43. Last Man Standing</td>
<td>43. Last Man Standing</td>
<td>43. Last Man Standing</td>
<td>43. Last Man Standing</td>
<td>43. Last Man Standing</td>
</tr>
<tr>
<td>5/27/10</td>
<td>44. Last Man Standing</td>
<td>44. Last Man Standing</td>
<td>44. Last Man Standing</td>
<td>44. Last Man Standing</td>
<td>44. Last Man Standing</td>
<td>44. Last Man Standing</td>
<td>44. Last Man Standing</td>
</tr>
<tr>
<td>5/28/10</td>
<td>45. Last Man Standing</td>
<td>45. Last Man Standing</td>
<td>45. Last Man Standing</td>
<td>45. Last Man Standing</td>
<td>45. Last Man Standing</td>
<td>45. Last Man Standing</td>
<td>45. Last Man Standing</td>
</tr>
<tr>
<td>5/29/10</td>
<td>46. Last Man Standing</td>
<td>46. Last Man Standing</td>
<td>46. Last Man Standing</td>
<td>46. Last Man Standing</td>
<td>46. Last Man Standing</td>
<td>46. Last Man Standing</td>
<td>46. Last Man Standing</td>
</tr>
<tr>
<td>5/30/10</td>
<td>47. Last Man Standing</td>
<td>47. Last Man Standing</td>
<td>47. Last Man Standing</td>
<td>47. Last Man Standing</td>
<td>47. Last Man Standing</td>
<td>47. Last Man Standing</td>
<td>47. Last Man Standing</td>
</tr>
<tr>
<td><em>NATIONAL HOLIDAY</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/1/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/2/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/3/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/4/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/5/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/6/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/7/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/8/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/9/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/10/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/11/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/12/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/13/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/14/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/15/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/16/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/17/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/18/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/19/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/20/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/21/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/22/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/23/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/24/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/25/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/26/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/27/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/28/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/29/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/30/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A May affair with *Blind Date*

In May, viewers were apparently attracted to *Blind Date*. Universal's relationship strip bested many of its May 2000 results in key ratings categories.

For the sweeps month, the show scored a 2.1 in households, 17% better than in the yearago period, according to Nielsen Media Research. Among women 18-49, *Blind Date* shot up 25%; men 18-49, up 18%; women 18-34, up 20%; and men 18-34, up 8%.

Plus, for 10 consecutive weeks, *Blind Date* has drawn more households than *Change of Heart*. It topped its relationship rival also in most season-to-date (March 12-May 14) ratings, including households (2.0 vs. 1.9), adults 18-34 (1.5 vs. 1.3) and adults 18-49 (1.3 vs. 1.2).

This surge can be chalked up to "the way TV works nowadays," says Matt Cooperstein, Universal's domestic syndication chief. "Audiences don't come instantaneously. They're sampling so many different kinds of cable and network programming. But once they find *Blind Date*, they don't leave." And there's more where they came from, he insists. *Blind Date* should really heat up this summer.

Full of reruns, "the summer is traditionally the weakest season for many shows," Cooperstein points out. "But it's our strongest season because there are so many more of our target adult 18-34s available to watch," with a lot of that crowd out of college for the period.

A slew of dating strips—including Paramount's *Rendez-View*, Columbia TriStar's *Shipmates* and Warner Bros.' *Elimidate*—will enter the fray in late summer or early fall, but Cooperstein isn't concerned.

"We're not done yet," he explains, noting Universal's goal of the show's traveling more during the 2001-02 season to such places as Washington, D.C., and Dallas, "keeping it fresh." Universal is also in negotiations for the show to travel internationally.

The studio is also launching another dating show of its own, *The 5th Wheel*, which, in being paired with *Blind Date* in 80% of the top-100 markets, delivers "one-stop shopping for our audience," says Cooperstein. "I know I haven't lost ground to the competition."

"I see *Blind Date* having a long life," he adds. "I'll take my chances with *Blind Date*.

—Susanne Ault
SCRANTON SYNERGY
Scranton and Wilkes-Barre, Pa., stations WBRE-TV and WYOU(TV), already connected by an unusual arrangement in which they share facilities, a news director and other resources, have joined with the Scranton Times-Tribune in what the partners call “a cooperative news partnership that is part of a broader alliance of radio, television and newspapers in the region. The deal includes a working affiliation between the newspaper and the WYOU newsroom.

REPORTER, COVER THYSELF
WJAR(TV) Providence, R.I., reporter Jim Taricani found himself in the middle of the story when a special federal prosecutor was appointed to investigate the leak of a videotape containing evidence from the infamous Operation Plunderdome case. The case involves a protracted investigation into government corruption that has implicated many political figures, including Providence Mayor Vincent Ganci Jr. Taricani was the reporter who received the tape.

As such, he found himself reporting a first-person story and answering questions from other reporters. His news director, B.J. Finnell, said that, although he has full confidence in Taricani’s ability to cover the story fairly and objectively, he would not be covering future stories on the investigation into the leak. “We knew that, eventually, he could become part of the story,” Finnell said, although the station was not aware of the specific announcement of the special prosecutor. Taricani has said he would not reveal the source of the tape, even if threatened with jail.

OMAHA BEEF TESTER IS ARRESTED
KETV(TV) Omaha’s investigation into local law enforcement’s treatment of complaints against officers will likely lead to a complaint itself.

Tester Richie Rivera, a former police officer who has done numerous similar stories for TV stations as a representative of The Police Complaint Center, was taken into custody by an officer who cited a law requiring people to produce identification. A Center spokesman says legal action is planned.

Attorneys and academics say there is no such law, despite the county sheriff’s steadfast support of the officer. Rivera was not charged with failing to produce identification. He was arrested, ostensibly, for giving false information, but prosecutors quickly decided not to bring charges. The Sarpy County Attorney’s office said it has not researched whether a law requiring production of identification exists.

The station’s tape shows Rivera, who had inquired about the complaint procedure, becoming evasive when asked for his name and identification. In fact, he was taken into custody when he tried to leave rather than produce identification.

“We were shocked,” said investigative reporter Carol Kloss, who said nothing similar had happened at other departments tested. Stations conducting such tests require that the tester not tell lies or provide false information but merely ask about the complaint procedure.

AFTRA COMPLAINS ABOUT WPXI
The American Federation of Television and Radio Artists (AFTRA) Pittsburgh local has filed charges of unfair labor practices with the National Labor Relations Board against WPXI-TV. The investigation into whether pro-union sympathizers were reprimanded unfairly and whether the station has been bargaining in bad faith will put off a vote on decertifying the union.

Reporter Alan Jennings, who led a successful decertification effort at WTAE-TV four years ago, filed a petition with the NLRB to decertify the union at the station last month.

The local’s Executive Director Mark Wirick said, “Before any vote may be fairly conducted, the NLRB should take a hard look at several circumstances that have tainted the atmosphere at the station. The same law that allows the decertification petition also requires that the process be free of interference by the station.” Said Station General Manager John Howells, “We have not committed any unfair labor practices. This is a stalling tactic to delay the setting of a voting date.”

LAYOFFS AT WPRI-TV
The takeover last week of WPRI-TV Providence, R.I., by Sunrise Television from Clear Channel prompted some staff trimming. Among the five let go from the CBS affiliate were Ann Conway and Steve Wiczek, anchors on the low-rated morning show. Sandy DiPasquale, Sunrise’s chief operating officer, will run the station now that General Manager Deborah Sinay, having announced earlier that she’d be leaving, has departed.

All news is local. Contact Dan Trigoboff at (301) 260-0923, e-mail dirg@erols.com or fax (413) 254-4133.
All eyes on Indiana

The news departments at WTWO-TV and WTHI-TV have been covering one of the biggest stories in years, but it’s unclear when they will be able to air the final chapter. The execution of Timothy McVeigh for killing 168 people when he bombed the Murrah Federal Building in Oklahoma City was scheduled for May 16, then postponed after it was discovered that the FBI had not given defense counsel more than 4,000 pages of documents prior to the 1997 trial. McVeigh’s lawyers asked a federal judge for another delay, saying the government had committed a “fraud upon the court,” but that request was denied last Wednesday.

The delays are costing the TV stations money, but both general managers are fairly sanguine about the situation. “We’re kind of in a catch-22,” says Frank Forgey, general manager of WTWO. “It’s a fact of life; we’ll take whatever kind of losses we have and plan to do the same thing again.” His station’s expenses prior to May 16 included “the construction of a platform at the prison, special power generators, telephone lines and budgeting for food for our personnel.” And there’s also overtime, he adds: “The June 11 date was scheduled for 7 a.m., and we’re not exactly staffed for live capability at 7 a.m. Those are just some of the expenses we’ve encountered which are not going to change. We’re going to have these again.”

David Bailey, general manager of WTHI-TV, is in the same boat. “We have spent a tremendous amount of not only money. We’ve been planning for this thing for six months, so, from both a technical standpoint and a news-coverage standpoint, we’ve spent an awful, awful lot of time. The good thing is that, even with the postponement, we’ve got that all done, and we’re ready. From a cost standpoint, we’re estimating that primarily from overtime for news personnel and other station personnel, plus a little bit of technical expense, we’re going to spend $10,000 to $12,000.”

—Mark K. Miller (markmiller@aol.com; 301-773-0058)
iTV

iTV: The Internet on Every TV

Internet and e-mail are the number one reasons people want Interactive TV. And with WorldGate's Interactive Service (iTV), you'll give them high-speed access from a standard set-top box.

Presenting CableWare™, the middleware

Presenting CableWare, the middleware platform that supports virtually any iTV application, from any supplier, including WorldGate. Applications like interactive TV (iTV); an interactive program guide (IPG); enhanced television (eTV); and Video-On-Demand (VOD).

But what separates CableWare from the others is the ability to pick and choose the applications you want, from whomever you want, whenever you want. Already have one of the four leading VOD services in mind? Fine. Just enable with CableWare and you're ready to go. Same for Enhanced Television (eTV): Channel HyperLinking™

Open up bigger revenue opportunities when subscribers link to Web sites from TV programming and advertising. It's called Channel HyperLinking, and it takes interactivity to a whole new level.
TVGateway™: Interactive Program Guide

Customize your program guide to personify and complement your brand. TVGateway works right now on current digital set-top boxes. It's your guide. And with TVGateway, it's your look.

with total plug and play flexibility.

CableWare and give you a complete ITV package.

Of course, WorldGate is a pioneer in Interactive Television, and has developed some of the finest applications available, ready to ride with CableWare and give you a complete ITV package.

To find out more about our CableWare ITV solution, see us at the show in Chicago, or call WorldGate at 215-354-3455 or visit www.wgate.com.

Visit us at Booth 1345 during Cable 2001, June 11-13 in Chicago

WorldGate
Cable's Interactive TV Solution

Video-On-Demand: Just the Ticket

You're ready to launch and we make it easy. Video-On-Demand for CableWare. Choose from Concurrent, DIVA, SeaChange or nCube, some of the industry's leading vendors.

©2001 WorldGate Service, Inc. All rights reserved. WorldGate and Channel HyperLinking are service marks of WorldGate Service, Inc. CableWare is a trademark of WorldGate Service, Inc. TVGateway is a service mark of TVGateway, LLC. TVGateway is a joint venture formed by Adelphia Communications Corp., Charter Communications, Inc., Comcast Cable Communications, Inc., Cox Communications, Inc., and WorldGate.
Promote more, preempt less

UPN executives urge affiliates to make the network their top promotion priority this coming fall

By Steve McClellan

Promotion and preemption: Do a lot of the first and less of the latter. That was a key message that UPN executives delivered to affiliate managers last week in a round of regional meetings in New York, Atlanta, Chicago, Dallas and San Francisco.

Steve Carlston, head of affiliate relations for the network, asked affiliates to make the network, not syndication shows, the top promotion priority for the 2001-02 season. Ideally, he wants every station to air at least one UPN promotion spot every half-hour of the day, and he wants the spots to run first in their pod for maximum exposure.

"We really want the affiliates to push us," he said, "and make UPN the very first priority. In the past, it might have been Spin City or Judge Judy that was the priority. But we want them to look at the network as the opportunity for growth. This is our breakout year. It's a buyer-friendly schedule beyond any we've had in the past."

UPN COO Adam Ware said the network is formulating cross-promotion plans with cable networks both in and outside the Viacom group. MTV will likely promote the new Star Trek: Enterprise series, he said, noting that this season's Voyager finale got a huge boost in teen viewers thanks to MTV promotion. UPN and Fox-owned FX are also talking about jointly promoting Buffy the Vampire Slayer, which moves to UPN this fall and starts an off-network run on FX.

The Sci Fi Channel will also promote Buffy and/or Enterprise this fall, Ware said, the result of a cross-promotion deal for which UPN had promoted that network's series Farscape.

As for the Buffy move, Ware sees an opportunity for a new promotion campaign. "This whole notion that Buffy's dead we can make into Buffy's reborn on UPN," he said, likening the opportunity to the "Who Shot J.R.?" campaign CBS did with Dallas two decades ago.

Preemption seems to be an issue for every network and its affiliates. Indeed, it's one of the key gripes noted in the complaint against the Big Four networks filed with the FCC by the Network Affiliated Stations Alliance. But Ware's pitch was simply that preemptions cost UPN about $10 million a year—money that would be put to better use promoting the network or developing programming.

Dave Hanna, president of WUPV(TV) Ashland, Va., and chairman of the UPN affiliate board, said affiliates understand. "We need to help the network launch this new schedule. They've given us beachheads on four nights, and we have to help get it properly launched." He said his station will have record revenues this year. The new schedule "will give me the ability to sell at prime rates I've never seen before."

The network also reported that a new affiliation agreement had been reached in St. Louis, where the network previously has not had a full-time affiliate.

The new deal is with WHSL(TV), a Home Shopping Network affiliate controlled by Roberts Broadcasting. UPN will continue its secondary affiliation status on WB affiliate KPLR-TV until the HSN affiliation expires in 18 months. The Roberts deal is interesting because it gives that company a firmly planted foot in both the UPN and WB camps.

St. Louis has been one of the biggest holes in UPN's lineup. But the network has battled back on the distribution front since Sinclair Broadcast Group pulled a handful of key affiliates and placed them with The WB in 1998. In February '98, when the Sinclair switch took effect, UPN's U.S. household coverage sank to 71.5%. With St. Louis added, UPN's coverage will now top 87%.
Changin Hands

FM

WELL-FM Dadville, Ala.
Price: $325,000
Buyer: Tiger Communications
Education Foundation Inc., Auburn, Ala. (Tom Hayley, president). Hayley has interest in WAUD(AM) Auburn, WQNR-FM (formerly WACQ-FM) Tallassee, W TGZ(FM) Tuskegee/Montgomery, all Ala.
Seller: Winds of Change Inc., Dadville (Philip Williams, president); no other broadcast interests
Facilities: 88.7 MHz, 100 kW, ant. 328 ft.
Format: Christian

Price: $300,000
Buyer: CSN International, Santa Ana, Calif. (Charles W. Smith, president/25% owner); owns 17 other FMs in 13 states (none Pa.); is building four new FMs in four states
Facilities: 96.9 MHz, 3.6 kW, ant. 430 ft.
Format: Contemporary Christian
Broker: Sales Group (seller)
KAYH(FM), Fayetteville, Ark.
Price: $119,000
Buyer: William B. and Martha J. Disney, Fayetteville; own K O F C(AM) Fayetteville. Note: William B. Disney is secretary/treasurer of seller
Facilities: 89.3 MHz, 1.5 kW, ant. 630 ft.
Format: Southern gospel
MHz, 6 kW, ant. 328 ft.

AMs

KBZS Palo Alto/San Jose/San Francisco, Calif.
Price: $9 million
Buyer: Salem Communications Corp., Camarillo, Calif. (Stuart W. Epperson, chairman/30% owner; Edward G. Atsinger III, president; Edward G. Atsinger III Trust, 40% owner); owns/is buying 79 other radios, including KFAX(AM) San Francisco. Epperson owns 51% of Truth Broadcasting Corp., which owns six N.C. AMs
Seller: In Radio LLC, Palo Alto (Greg Douglas, president); no other broadcast interests
Facilities: 1220 kHz, 5 kW day, 147 W night
Format: Business and technology news
WVBB (formerly WTRV) Richmond, Va.
Price: $735,000
Buyer: Salem Communications (see above)
Seller: Cox Radio Inc., Atlanta (Robert F. Neil, president); owns/is buying 67 FMs and 15 AMs, including W K H K(FM), W K L R(FM), W M X B(FM) and W T V R(AM) Richmond and W D Y L(FM) Chester/Richmond, Va.
Facilities: 1380 kHz, 5 kW
Format: MOR, nostalgia
Broker: Media Venture Partners

—Compiled by Elizabeth A. Raibun

MILLENNIUM RADIO GROUP

has agreed to acquire
WKWX-FM, Middlesex, New Jersey
WBUD-AM, Trenton, New Jersey
WBSS-FM, Atlantic City, New Jersey
from
PRESS COMMUNICATIONS

The undersigned acted as exclusive broker in this transaction and assisted in the negotiations.

Kalil & Co., Inc.

3444 North Country Club Tucson, Arizona 85716 (520) 795-1050

Broadcasting & Cable/6-11-01 45
Cable executives assess ad sales in a soft economy

THE UPFRONT GUYS

BY ALLISON ROMANO

The snails have replaced the bulls. After last year's frenzied, $4.6 billion cable upfront, this year's advanced ad-sales market is soft and drawn out. Cable executives are trying to remain upbeat, waiting for the market to break. But the soft economy has advertisers wary, and, rather than commit in the upfront, they may test their luck in the scatter market.

We checked in with the top ad-sales executives from MTV Networks, Discovery, USA Networks, Turner and A&E to get their views on the upfront market, the slowing economy and how they made their way in the cable sales business.

MTV The passion potion

For 20 years, Harvey Ganot has argued that cable is a great value. Recently, though, he has seen advertisers finally start to understand.

"There has been a love affair with network television for many years that is waning," said MTV Networks' president of advertising sales worldwide.

Cable gives advertisers the chance to target a specialized, niche audience, of course, but that wasn't so clear to advertisers when he was starting out at Turner in the early 1980s.

"It was real crusader work," Ganot said. "We had to convince everyone that cable was a viable alternative for advertisers looking to reach a new audience."

He joined MTV Networks in 1986, starting as a "schlepper" salesperson, and "clawed" his way up the ranks. He has been at the helm since 1991.

Despite softer economic conditions, Viacom's MTV Networks are well-positioned because they offer the youthful demographic that advertisers covet, says Ganot.

"Advertising is a necessity, not a luxury," he said. "There's a love affair between advertisers and Generation Y. We're the passion potion between the two."
SoapNet Ranks #1 in Primetime!

During first quarter 2001 among all basic cable networks, SoapNet ranked:

#1 with Women 25-54
#2 with Women 18-49

*Source: Nielsen Media Research, 1Q01 (1/1/01-4/1/01), basic cable networks ranked on each network's coverage rating for prime (M-Su, 8p-11p).

Spec furnished upon request.

The only TV and online network devoted exclusively to soaps and YOU!

SoapNet.com

Call Your Account Executive for More Information.

Discovery  The ‘Rolls’ of cable

Bill McGowan believes there is strong incentive to buy upfront this season.

“The deals that are going to be available in this upfront are going to be much better than the deals advertisers are going to get in the scatter,” said Discovery Networks’ executive vice president of ad sales. “This year’s scatter will be much stronger with steeper pricing.”

In April, McGowan predicted that this year’s broadcast upfront would be down 5% from $7.8 billion last year to $7.3 billion. He argued that the $500 million difference would spill over and boost cable’s upfront 11%, to $5.2 billion. This upfront market has been slow moving, and it’s too early to tell if McGowan’s predictions were correct.

Prior to joining Discovery, McGowan had worked his way up the ranks at Fox, eventually becoming the head of sales for all Fox O&Os. In 1991, he was lured away to Discovery, where he has pushed his sales teams to sell value, not price.

USA  Glad to be back

Despite the gloomy outlook cast on this year’s upfront market, John Spaet, USA Cable’s president of ad sales, is glad to be back in the TV business.

“Cable has the sights, sound and motion that makes TV the greatest sales platform in media,” said Spaet, who spent two years at About.com. “And you can target a more specific consumer group with programming.”

For seven years before “the siren of the Internet beckoned” in 1999, Spaet worked at NBC Cable, running ad sales while it launched CNBC and MSNBC.

Spaet says this year’s ad sales will be done at a slower, more orchestrated pace.

“If advertising is a reflection of the economy, then this year will mirror the more prudent nature of the Fortune 500 companies,” he said. “Everyone is being a little more careful with money.”

He believes creative packages and sponsorships are the way to combat a soft market and drive business in a slower market.

The upfront market has been strong the past six or seven years, but last year was so strong it should be seen as a bubble, he opined.

“It’s hard to make comparisons between this year and last,” he argued. “If you remove last year, we’d be in line for growth compared to the few years before.”

The McGowan File

EDUCATION: M.B.A., Northwestern University, B.A., University of Wisconsin, Madison
FIRST SALES JOB: Ad sales at a radio station in Arlington Heights, Ill., between junior and senior years of college
FAVORITE PASTIMES: Boating, skiing, golf
FAMILY: Wife (Jeanne), daughter and son (Katie, 19, Patrick, 17)
HOME: Greenwich, Conn.

The Spaet File

EDUCATION: M.B.A., New York University; B.A., New York University
FIRST SALES JOB: NBC Spot Sales
FAVORITE PASTIMES: Basketball, golf
FAMILY: Wife (Becky), Three sons (Lee Jordan, 16, Peter, 14, and Joshua, 16 months)
HOME: New York City
AS OF NOW, THERE IS NO DISTANCE BETWEEN TWO POINTS.

Now, no matter where your next story takes you, you'll be able to keep open the lines of communications. Iridium, the world's only global communications service, is back and more capable than ever. The handset goes where you go without weighing you down. And it's incredibly easy to use. Our 66 low-orbit satellites keep the signal strong even in the most remote terrain. And improved data capacity lets you send and receive text. Count on Iridium to close your communications gaps. The U.S. Department of Defense does. Call 1-866-947-4348 toll-free, or visit www.iridium.com.

IRIDIUM
TRULY GLOBAL. TRULY MOBILE.
Turner  

**A market advantage**

Turner Entertainment Group Sales and Marketing President Joe Uva contends the "Turner advantage" will help his networks (TNT, TBS, Cartoon Network, Turner South and Turner Sports) weather a weak market.

The advantage he sees comes from the AOL Time Warner merger, which bolstered his offering: Turner can now sell advertisers cross-platform deals across the media giant’s TV, print and online properties.

Uva, who joined Turner in 1984 and early on sold time for CNN, sees the economic downturn as another snapshot of financial times. "The market will always have peaks and valleys."

He believes cable tends to do well in a weaker market because it offers advertisers more-targeted audiences and more promotional and sponsorships opportunities.

"From first commercial windows to theatrical blockbusters to original series, we’ve achieved qualitative parity with broadcast."

---

The Uva File

**EDUCATION:** B.A., communications, State University of New York at Albany.

**FIRST JOB:** "I met a head hunter at a wedding, and he helped me find a job in advertising and media planning. It was the only place I could find a job."

**FAVORITE PASTIMES:** Golf, fishing, *The Sopranos*

**FAMILY:** Wife (Sue) and two children (J.C., 21, and Jamie, 18)

**HOME:** Glen Ridge, N.J.

---

A&E  

**On-the-job training**

Ron Schneier has started playing electric guitar again for the first time since college. But with the upfront market in full swing, A&E’s executive vice president of sales and marketing has his attention on ad sales, not sheet music.

"It’s hard for us to gauge when the market is going to break," he said. "But the market is going to be long and drawn out this year."

Schneier is confident that his properties—A&E, The History Channel and its sister digital networks Biography and History International—offer advertisers a valuable audience.

A&E was Schneier’s first sales job. He originally signed on with the network in 1985, charged with building a research department from scratch. He was comfortably leading the research and consumer-marketing departments when, in 1989, the company brass approached him to take over sales.

"I decided it would be a good growth move. I went from never having sold anything to running the department here."

He now manages a third of the employees and 90% of the revenues. He oversees sales for the four networks, *Biography* magazine, the channels’ Web sites and affiliate sales. Since 1999, he has added creative services, research and integrated marketing to his duties.

---

The Schneier File

**EDUCATION:** M.A. in Communication, Wheaton College, Wheaton, Ill.; B.A., University of New Mexico

**FIRST TV:** "In 1983, there was a new startup business news show on CNN and I was managing their research. Cable was very young and it was very exciting to start a new TV program."

**FAVORITE PASTIMES:** Electric guitar, reading historical books

**FAMILY:** Wife (Betty), two sons and a daughter (Joe, 20, Daniel, 18, Michaela, 13)
it's beyond the PC.
it's Interactive TV.

Ever try to drive a square peg into a round hole? Then why force PC-centric applications into the TV?

Canal+ Technologies provides advanced software products that enable network operators and broadcasters to deliver secure interactive services over digital cable, satellite and terrestrial networks. Our MediaHighway™ technology enables shopping and VCD to personalized music and enhanced sports—applications portfolio designed specifically for the TV—speeding your time to revenue.

Need interactive TV...now?

Call Canal+ Technologies 877-385-7338 or check us out at www.canalplus-technologies.com

See us at NCTA - Booth # 3375
No winter of discontent

NBC hypes extreme Olympics sports hoping to raise ratings higher than last summer's

By Joe Schlosser

These aren't your father's bobsled races. NBC is looking to bring young viewers to its 2002 Salt Lake City Winter Olympics coverage, using extreme sports and edgy advertising to attract a younger demographic.

Coming off the worst Summer Olympics ratings ever, NBC executives are going to extremes with their promotional efforts—this month launching a slew of ads aimed at the Gen X crowd. And at a time when money is tight, the network's promotional gurus are working with a trimmed-down budget and looking to unconventional ways to get the word out.

By February, the in-house NBC Agency advertising-promotional division will have produced some 200-plus promos geared to the Games. The NBC Agency began its push toward Salt Lake City last week during NBC's coverage of the NBA Finals with spots aimed at snowboarding, mogul-riding viewers.

"Anybody over 35 views the Olympics one way, and there is a younger section that views it a different way; we want to make sure we are getting both sides of that audience," says John Miller, co-president of the NBC Agency. "We are going to try to build characters, not necessarily Michelle Kwan—people know Michelle Kwan—but with athletes from other, nontraditional sports, such as something called Skeleton, which is sliding down on a luge face-first."

NBC owns the domestic broadcast coverage of the Winter and Summer Olympics through 2008, having paid $3.6 billion for the next five Games. The network is paying $555 million for the exclusive U.S. coverage of the Salt Lake Games and spent just over $700 million for last summer's 2000 Sydney Summer Olympics. Down Under was down under: The Australian Olympics posted the lowest-ever Summer Olympic ratings, with a 13.8 national household rating for the two-week event. NBC doesn't want a repeat.

"We're calling this phase Extreme Olympics," says Vince Manze, the other co-president of the NBC Agency. "We are going to focus on the fact that the Winter Olympics are a little wilder, a little more extreme. The popularity of extreme sports and not just with snow, but skateboarding, street luge, in-line skating and all of the rest, has just taken off over the last several years."

Miller and Manze have taped 20 different extreme-type spots that will debut over the next several weeks, focusing on everything from aerial skiing to snowboarding. The spots also use a rock song titled "My House," which was used for some XFL promo spots.

Manze singled out several spots, including one in which a coach tells a group of potential bobsledders about the sport. "He starts by saying you get into this bullet-shaped thing where you will go about 180 mph and we don't have any brakes. So it's going to be hard to stop. If we flip over, you will scrape your head right down to your brain. Then there is a pause, and all of the guys cheer."

After highlighting extreme sports, Miller and Manze say the next phase of Olympic thrust will focus on more-traditional athlete profiles. "I think people know American summer athletes better than they do winter athletes," Manze notes. "So we will devote three or four months, once they are picked to be on the team," trying to create awareness of these athletes and their histories.

Then it's on to the stretch drive, with nightly Olympic-torch-relay profiles and updates that will be sponsored by Coca-Cola. For the two months leading up to the Games, NBC will profile various torch-relay participants and follow the cross-country trek all the way to Utah.

Once the Games begin, NBC Sports takes over full time with nightly updates and promos geared to the next day's action. As for their budget, Manze and Miller won't disclose exactly what it is but say it's close but probably "a little bit less" than what the network spent on its promos leading into Sydney last summer.

"I think we have found smarter ways to do it; I think we are a little bit more organized," Manze says. "The more that you have the Olympics and know that you have them on a regular basis, you are able to anticipate and organize a little bit better."

Manze points to a movie trailer that will show up at theaters around the country this winter that will cost NBC almost nothing because it's filled with sponsored tie-ins. The one-minute "action-packed" trailer follows snowboarder Chris Cluge going down a slope—past various billboards and sponsored items, of course.
“Knowledge comes, but wisdom lingers.”

Alfred Lord Tennyson

Enrich your channel line-up with WISDOM Television -
a network for EVERYONE - a network with WISDOM

WISDOM Television - the only network integrating the mind, body, spirit and earth to promote a quality lifestyle.

EVERYONE wants to live a happier, healthier and more fulfilled life. Our quality programming is designed to motivate, inform, enlighten and inspire through our signature series like, Integrative Medicine, WISDOM of Dreams with Martin Luther King, III, FoodWise with Jesse Cool, Innerviews with Chantal Westerman and many other insightful programs.

For information on launching WISDOM® Television, contact:

Michael S. Feinner  Vice President, Affiliate Sales & Marketing  (303) 681-2701
Sam Klosterman  Director, Affiliate Sales - Western Region  (303) 283-6706
Diane Montgomery  Director, Affiliate Sales - Central Region  (972) 931-0557
Gordon P. Jones  Director, Affiliate Sales - Eastern Region  (212) 735-5325
Washington

Don’t mess around with **Slim**

**Stations advised to yank Eminem song; FCC indecency decision could cost millions; Citadel will appeal**

**By Bill McConnell**

KMG(FM) Pueblo, Colo., is on the line for a mere $7,000, but the FCC’s decision to fine the station for airing a song by Eminem could cost the raunchy rapper millions and signal a chillier climate for broadcast content.

Some of the country’s biggest station groups, including Clear Channel, Infinity and Citadel, last week were urged by their lawyers to remove from their playlists the cleaned-up version of “The Real Slim Shady” supplied by Eminem’s record company or leave themselves open to government sanction. Eminem, whose real name is Marshall Mathers, could lose millions of dollars in air-play royalties.

“I’ve advised my clients to pull the song,” said Kathleen Kirby, a Washington attorney with Wiley, Rein & fielding, who represents Citadel, owner of KKMG.

“The practical implication is they’ve got to yank the record. They can’t play it safely,” said another big-station-group attorney who asked not to be named.

Officials at Interscope Records, Eminem’s recording label, are taking a wait-and-see approach before responding to the FCC’s action and would not comment for this story.

Although each radio station could perform additional edits to Interscope’s on-air version, there’s no guarantee those efforts would shield them from penalties.

“We haven’t gone down that road yet,” said Bobby Irvin, KKMG operations manager. “The Real Slim Shady” topped the charts last spring and summer and was the biggest hit from Eminem’s *The Marshall Mathers LP*, which was the No. 1 album on the *Billboard* 2000 for eight weeks and garnered three Grammys.

Irvin estimated the song was played 60 times a week during the hottest part of its run.

Citadel last week said it would appeal the ruling, which was levied by the agency’s Enforcement Bureau without a vote of the FCC commissioners. It’s unclear whether agency Chairman Michael Powell, who repeatedly has voiced deep reservations about restricting broadcast content, was aware of the Eminem case. At least one other commissioner’s office was caught by surprise when the decision was released June 1.

FCC rules prohibit indecent broadcasts between 6 a.m. and 10 p.m. FCC officials argue that sexual and anatomical references were edited from the song and it should not have been ruled indecent, but regulators argued that the meaning of Eminem’s offensive references remained clear. The rap song contains a variety of potentially offensive passages, including references to female anatomy, bestiality and masturbation.

FCC officials insist they have not intensified efforts against the increasing amount of raunchy programming and were simply reacting to an individual complaint. The FCC did, however, issue guidelines in April aimed at clarifying agency indecency-enforcement policies.

Attorneys in Washington, however, say the number of FCC indecency investigations is starting to rise and they expect the number of fines imposed this year to surpass 2000’s mark.

“Last year, I handled less than a half dozen indecency inquiries. In the first five months this year, I’ve seen 10,” said John Burgett, who represents Clear Channel for Wiley, Rein.

Washington lawyers see other troubling signs. For instance, they say the FCC appears more willing to investigate complaints that are not accompanied by tapes or transcripts of the broadcasts. Additionally, the agency no longer has a hands-off attitude towards popular songs or social commentary. On May 14, the FCC fined a station for airing an explicit rap decrying attitudes toward male sexual conquest.

Technically, indecency is defined as pro-
Choosing the right partner is important.

Partner with AT&T Digital Media Centers for your content delivery needs—we take you where you want to go. We offer a full complement of distribution services designed to get your product to market. Whether your needs require satellite, terrestrial, occasional, streaming, store and forward, just to name a few, we can deliver. And Titan, our primary uplink facility, is among the largest and most technologically advanced commercial uplinks in the world. Just one part of the powerful technology available at AT&T Digital Media Centers. Everything you need. All together now.

AT&T Digital Media Centers

<table>
<thead>
<tr>
<th>Production</th>
<th>Origination</th>
<th>Media Management</th>
<th>Distribution</th>
<th>Interactive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver</td>
<td>Los Angeles</td>
<td>New York</td>
<td>Hong Kong</td>
<td></td>
</tr>
<tr>
<td>303.486.3800</td>
<td>310.979.5300</td>
<td>212.824.4400</td>
<td>852.2876.3588</td>
<td></td>
</tr>
</tbody>
</table>

centers.att.com/distribution
**IN BRIEF**

**THE WEAKER LINK**
A New York public broadcaster is one step closer to selling the weaker of its two Buffalo stations. Federal judges have upheld an FCC ruling allowing the organization to switch the noncommercial designation of WNEQ-TV (ch. 23) to WNEQ-TV (ch. 17), a commercial-allotted station that licensee Western New York Public Broadcasting also operates as a noncommercial station. The transfer is key to WNYPB's plan to sell WNEQ-TV to LIN Television and generate funds for WNEQ-TV's digital conversion.

**AMBER HONORED**
The National Association of Broadcasters Education Foundation is giving its Samaritan Award to broadcasters and law-enforcement agencies in the Dallas/Fort Worth area for developing the "Amber Plan." The plan uses the Emergency Alert System to find children police believe have been abducted. Thirty-two radio stations and eight TV stations participate in the program, along with 43 law-enforcement agencies. Oklahoma has implemented the program, and Michigan is developing it. The plan, which has led to the recovery of 10 children, was created in memory of 9-year-old Amber Hagerman, who was abducted and murdered in Arlington, Tex.

**CABLE ADDITION**
Thomas Horan has been named senior legal adviser at the FCC's Cable Services Bureau. Previously, he worked in the bureau's consumer protection and competition division. He replaces Clint Odom, a former adviser to ex-FCC Chairman William Kennard, who had been serving in the cable bureau since Kennard's resignation in January.

Troubling because the complainant appeared not to know what version of the song aired. The transcript initially provided the FCC was of the unedited version and featured several vulgar words. That version was never played on the station, KKMG responded, which then provided regulators with the lyrics of the edited rendition. No matter, the FCC ruled that version indecent.

"This really puts broadcasters on the defensive," Burgett said.

The Enforcement Bureau made clear in March that transcripts would not always be necessary. When it upheld a $2,000 fine against Infinity's KROQ(FM) Los Angeles for airing "You Suck." The complainant, a mother who heard the song in her car, did not provide a transcript, and Infinity argued that there were no records indicating whether the station played the original version containing the words public, and anatomical slang d— and p—y or an edited version deleting those words. After the mother filed a written statement indicating she recalled hearing the vulgar expressions, the FCC ruled that her recollection provided "sufficient probative evidence" and that precise transcripts are a "general practice" but not a requirement.

FCC Commissioner Gloria Tristani has been pressing the agency to relax its transcript policy, arguing that listeners rarely are in a position to tape or write down the contents of an offending broadcast, making it impossible for most listeners to file successful indecency complaints.

By going after such a popular song, attorneys say, the FCC is neglecting its obligation to judge complaints based on local community standards. "That this song is played more than a hundred thousand times a month across the country and was featured on a Grammy-winning album speaks to the community standards," Burgett said. "Its pretty clear the FCC is wrong about contemporary standards."
The globalization of GE Americom is complete. With it comes our unparalleled ability to deliver enhanced content to an expanded universe of users. Nearly all the people in the world are able to enjoy entertainment and media channels to profit from end-to-end enterprise solutions and benefit from congestion-free Internet applications.

GE Americom customers can now take advantage of links across both the Atlantic and Pacific Ocean to the world's premier regional satellite system. In addition, we are planning the next generation of satellites and next level of services. Our mission is simple: to be recognized globally as the leader in customer satisfaction.

Now that globalization is ours...its benefits are yours.

Call us today at +1-800-273-0329 (U.S.) or +1-609-987-4200, or e-mail us at info.americom@gecapital.com for more information.

Come Visit Us At NCTA
Booth 4322

GE Americom
We bring good things to life.

www.geamericom.com
Bell tolling for Bell bill
Passage appears unlikely for Tausin dereg effort

By Paige Albiniai

Chances appear slim for passage of a bill that would allow incumbent phone companies to offer long-distance, high-speed data services unencumbered by regulation.

The House Judiciary Committee last week began two weeks of oversight on the bill. It has until June 18 to complete work on the measure, introduced by House Energy and Commerce Chairman Billy Tauzin (R-La.) and that committee’s top Democrat, John Dingell (Mich.).

The bill is much more contentious now that it has actually been making progress in the House. Last year, former House Commerce Committee Chairman Tom Biley (R-Va.) strongly opposed the measure and kept the bill bottled up.

This year, Tauzin and Dingell struggled to get the approval of the bill’s sponsoring committee; it finally passed 32-23 after a heated debate.

Now that the House Judiciary Committee has its hands on the bill, it could potentially emerge from a vote planned for next Wednesday in a form unacceptable to its own sponsors.

The House Judiciary Committee is limited in its review to provisions that address whether incumbent phone companies are behaving monopolistically. According to the 1996 Telecommunications Act, the Justice Department can deny the Baby Bells’ applications to enter the long-distance market if those companies are acting anticompetitively. Tauzin-Dingell would deregulate that process for data, which would cut the Justice Department out of the loop, something many members of the Judiciary Committee oppose.

That committee’s strongest opponents to Tausin-Dingell are Reps. John Conyers (D-Mich.) and Chris Cannon (R-Utah), who are pushing two countermeasures.

Opponents of Tausin-Dingell say passing the bill will eliminate any incentive the Bells have to open their local phone markets to competitors.

The bill’s strongest proponents in the Judiciary Committee are Reps. Bob Goodlatte (R-Va.) and Rick Boucher (D-Va.), who in the last session of Congress introduced legislation that would have deregulated the phone companies’ data services but aren’t reintroducing those bills this year.

The bill’s supporters say, if the govern-ment forces phone companies to share their expensive high-speed networks with competitors, the Bells won’t spend to build the networks, delaying rollout of high-speed services to underserved areas.

Lights, cameras, litigate

Prospects brighten for bill allowing cameras in courts

By Paige Albiniai

Cameras may soon be allowed in federal courts, thanks to the Senate’s shift to Democratic control.

Last week, Sens. Charles Schumer (D-N.Y.) and Charles Grassley (R-Iowa) reintroduced a bill that would allow federal judges to decide whether to open their courts to TV cameras and tape recorders. Currently, the policy-making body for federal judges, the Judicial Conference, does not allow cameras in most federal courts, although it leaves it up to the judge’s discretion in federal appeals courts.

One of the bill’s co-sponsors is Sen. Patrick Leahy (D-Vt.), who last week took over as chairman of the Senate Judiciary Committee. He plans to allow hearings and a committee vote on the bill. Schumer is now chairman of the subcommittee that has authority over the bill. He plans to hold a hearing soon. Former Senate Judiciary Chairman Orrin Hatch (R-Utah) opposed the bill and would not allow it through his committee.

“I think the thing is going to pass this year because I don’t see how it can be stopped. Hatch was the problem before,” says an industry source, who also says Hatch opposed the bill in deference to the wishes of the Judicial Conference and Supreme Court Chief Justice William Rehnquist. The conference thinks allowing cameras in federal trials would compromise the safety and honesty of witnesses and jurors, says spokesman David Sellers.

Schumer has been pushing to allow cameras and tape recorders into federal courts since he was a member of the House.

Reps. Steve Chabot (R-Ohio) and William Delahunt (D-Mass.) plan to introduce companion legislation to Schumer-Grassley by the end of the month. Sources don’t expect it to pass.

The Radio-Television News Directors Association and Court TV have been pushing hard to open federal courts to cameras and tape recorders.

“What makes this different this year,” says RTNDA Executive Director Barbara Cochran, is the Supreme Court’s release of audio transcripts of arguments in Bush v. Gore. “That really drove home to the public, to the judiciary and to members of Congress how short-sighted it is not to be using 21st-century technology in one branch of government.”
This Week

Also in June
June 20-23 PROMAX & BDA 45th Annual Convention and Exposition. Miami Beach Convention Center, Miami Beach. Contact: Gregg Balko, 310-788-7617.
June 24-26 New York State Broadcasters Association 40th Annual Executive Conference. Sagamore Resort Hotel on Lake George, N.Y. Contact: Mary Anne Jacon, 518-456-8888.

July
July 19-21 Tennessee Association of Broadcasters 34th Annual Convention. Maxwell House Hotel, Nashville, Tenn. Contact: Jill Green, 615-399-3791.

August
Defining personalized

Court asked to determine whether Webcasters can pay single fee

By Paige Albinia

A group of Webcasters has asked a federal court to determine whether their services are indeed "interactive" and thus ineligible for a blanket copyright license.

At issue is which category of Webcasters will be able to pay one copyright fee to offer audio content over the Web and which will have to negotiate individual deals with record companies, a much more complicated feat.

The Digital Media Association (DiMA) and member companies Launch Media, MTVi, MusicMatch and Listen.com sued the Recording Industry Association of America (RIAA) in U.S. District Court in San Francisco on June 1, asking the court to decide whether the types of Webcasting services they offer are

"interactive" and "personalized." If the court finds that the services can be defined by either of those terms, the Webcasters will be ineligible for the blanket license.

DiMA maintains, however, that the services are instead "consumer-influenced," meaning that visitors to their sites rate music and other content, which helps the sites tailor content to visitors' preferences.

"These are not on-demand services," says DiMA Executive Director Jonathan Potter. "It's just like when you call a radio deejay and ask him to play your favorite song."

RIAA Senior Executive Vice President Cary Sherman says the law defines an "interactive" service more broadly as one that allows the user to "receive a transmission specially created for the recipient." RIAA argues that, by being able to accept input and thus tailor a streaming-audio service, DiMA's members are interactive.

This issue was partly addressed late last year in a proceeding at the U.S. Copyright Office. The agency decided that traditional Webcasters who stream their radio signal over the Internet are eligible to pay a blanket copyright fee, known as a compulsory copyright license. A compulsory license covers the copyrights of all
content providers, so users can pay one fee into an established pool and have their fees distributed.

However, the office’s ruling purposely left up for debate the definition of interactive. Bill Roberts, senior attorney at the Copyright Office, said last week that the law is too vague for the agency to create a definitive rule: “This is best resolved by the courts.”

DiMA’s action at the court is in response to a filing that the RIAA submitted to the Copyright Office last month, seeking to keep DiMA and its member companies out of an upcoming proceeding that ultimately will set the rate for all qualified Webcasters’ compulsory licenses. “DiMA does not seek to clarify the law,” RIAA wrote. “It seeks to change the law.”

But DiMA argues that the law is unclear. “We are throwing ourselves at the court and saying, ‘Please resolve the rules. If you resolve the rules, we can build sustainable businesses,’” Potter says. DiMA’s members have already volunteered to pay both new and retroactive royalties, once the rates set. The fees likely will bring in millions of dollars for the record companies.

DiMA is not asking for any damages from RIAA, just legal clarification from the court.

ChoiceSeat sets reorg

By Michael Grotticelli

ew York-based ChoiceSeat, a provider of in-venue interactive entertainment systems, filed for Chapter 11 protection on May 18 and cut 75% of its staff on May 31.

Although it had raised more than $22 million since 1999 from such companies as Axalon Internet Group, Intel, Microsoft and Williams Communications, the money has apparently run out, and CEO Mary Frost is seeking additional funding. There’s talk of the company’s being acquired, according to Dave Levine, senior vice president of finance and administration.

A reorganization will be completed by the end of July. Frost will remain with the “new” company.

ChoiceSeat provides instant access to sports information via an interactive LCD touch-screen mounted on the backs of seats in major sports venues, including Fleet Center in Boston; Madison Square Garden in New York; and Tropicana Field in Tampa Bay, Fla. Interactive options offered include real-time and replay action on-demand from multiple camera angles and the means to order concessions, tickets and merchandise.

‘These are not on-demand services. It’s just like when you call a radio deejay and ask him to play your favorite song.’

—Jonathan Potter, Digital Media Association
IPGs waiting for their day in court

Gemstar throws its weight around; others say they can co-exist

By Andy Grossman

What do a ritzy Atlanta strip club, John Gotti Jr., a star-studded roster of pro athletes, and the status of cable operators' ability to deploy interactive program guides and other advanced services have in common? They're all at the mercy of a federal court that has pushed back one of the most important trials in cable history—a patent lawsuit brought by Gemstar against several of its IPG rivals—in order to hear the salacious tales of the Gold Club.

In sports, not too many fans go around shouting, "We're number two!" But, in the world of IPGs, the outcome of the patent suit could decide who is best-positioned to play the lucrative role of second banana to Gemstar, an 800-pound gorilla that believes its more than 300 U.S. patents give it a legal monopoly. Cable operators desperately want a second company to provide leverage against Gemstar, a notoriously hardball negotiator. So assuming Gemstar doesn't get its way in court, who is well-positioned to become the IPG version of Avis?

Conventional wisdom says that honor will fall to TV Gateway, a consortium of four cable operators and Worldgate Communications, which MSOs formed last summer to use as a negotiating wedge against Gemstar. Gateway has the momentum, with three deployments by Comcast and a recent commitment from Charter Communications, both of which are Gateway partners. The others are Adelphia Communications Corp. and Cox Communications.

Operators like that the Gateway guide offers them a middleware solution on their digital platforms. MSOs close to Gateway say the MSO owners will keep feeding business to prop up the company. Plus, at preertime, Gateway was expected to announce a non-exclusive deal for distribution on AT&T Broadband's Headend-in-the-Sky platform (although not to AT&T systems).

And MSO backers insist their attorneys have determined that Gateway is "bulletproof" against potential Gemstar patent litigation. "This was done in great diligence to try and create a product that didn't infringe on anyone. Charter isn't particularly worried about it," says Charter Executive Vice President Steve Schumm.

However, the main rap against Gateway is a universal opinion that its initial product was slow, unattractive and clunky. Worldgate was really a middleware company that whipped up an IPG in response to operators' need for a quick Gemstar hedge. Operators also got some favorable terms in its deal from the cash-strapped Worldgate.

Reports (that Gateway does not explicitly deny) circulate that the company has sniffed around its rivals. "We're interested in all technologies being developed today," says Gateway General Manager Peter Mondics, dismissing such talk as "premature."

In fact, sources in the IPG industry said at press time that Gateway is in talks with VOD provider Diva Systems to buy Diva's guide because of the company's potential patent portfolio for its IPG. Neither company would confirm the talks, and Diva has not filed any patents.

But Gateway is touting the forthcoming rollout of an upgraded IPG, which it will demo at the NCTA Show this week, for which its MSO partners are giving high marks. "We're getting a very positive reaction [to the new guide]," Schumm says. "A lot of those issues are behind us." And another upgrade by year's end will be "very fast with a lot of changes, look-and-feel changes," according to another operator close to Gateway.

But Gateway's rivals aren't folding their hands just yet. For now, Time Warner Cable is committed to Scientific-Atlanta and Pioneer New Media Technologies. Also up for grabs are all the operators smaller than Adelphia, including Cablevision Systems, which has made no guide decisions yet for its Sony platform. Besides patent issues, operators say they're basing decisions on how much memory the guides use in the set-top, cost, viability and technology/user-friendliness.

Here's how the other Gemstar pursuers stack up:

Source Media has the backing of Insight Communications. It was in the right place at the right time two years ago when the operator needed a server-based guide that

Pioneer's guide (I) is part of its Passport suite that supports VOD and other interactive features. iSurfTV's guide incorporates video with some sophisticated searching methodology.
Cable operators desperately want a second company to provide leverage against Gemstar, a notoriously hardball negotiator. So assuming Gemstar doesn’t get its way in court, who is well-positioned to become the IPG version of Avis?

 Gemstar will seek to extend that arrangement to IPGs, which means that S-A would lose Time Warner. S-A declined to comment.

Pioneer’s guide is part of its Passport digital application suite that also supports video-on-demand and other interactive features. Like S-A, its guide is embedded in the company’s own Voyager set-top, although, unlike S-A, the Burbank, Calif.-based Pioneer sells its suite on other platforms.

Pioneer claims to have shipped more than 2 million copies of Passport and says that Time Warner Cable, Cox Communications and several small MSOs have deployed its IPG.

Pioneer and S-A have somewhat parallel features (both boast of the ability to see the video on-screen while browsing their guides). That’s no coincidence since Time Warner is using both IPGs.

The newcomer is iSurfTV, which recently signed a non-exclusive deal with the National Cable Television Cooperative to get access to the group’s 13 million small operators homes. The Sunnyvale, Calif.-based iSurfTV has garnered attention for two reasons: Its deals are based on software models rather than the usual cable-vendor relationship; and it has a multimedia guide that incorporates video “with some sophisticated searching methodology,” says President and CEO Gene Feroglia. Still, iSurfTV is lower on the radar than its rivals and, unlike the others, has not yet been deployed.

With the jocks and strippers having taken over federal court, the Gemstar patent case could get its first hearing before an International Trade Commission magistrate in December. The judge could bar companies whose guides come from overseas (Pioneer, S-A and DBS provider EchoStar Communications) from importing them. But the ITC judge can’t impose damages, so, once the strippers have left Atlanta, the feds could still weigh in on whether to punish any of Gemstar’s rivals.
Battle of the set-top boxes

*Competition heats up as newcomers challenge Motorola and Scientific-Atlanta*

By Michael Grotticelli

For MSOs, whose business depends on satisfied digital subscribers, the gateway to consumers’ pocketbooks is through the digital set-top box. That’s why, in an effort to combat “digital churn,” cable operators are working closely with manufacturers to develop and deploy models that facilitate the most popular applications.

Competition to win MSO business has become fierce as dominant players Motorola (formerly General Instrument) and Scientific-Atlanta (S-A) have been joined in recent years by aggressive upstarts Pace, Pioneer, Samsung and Sony.

“It’s no longer a two-horse race, and that’s good for everyone,” says Neil Gaydon, CEO of UK-based Pace Micro Technology. “This industry needs somebody to challenge the pricing, quality of service and delivery capacity that have existed for years.”

Manufacturers new to the U.S. have found it hard to break into the market. Sony, for one, had such a hard time convincing U.S. MSOs that it helped Cablevision Systems Corp. transition its head-end facility in Bethpage, N.Y., as part of an agreement to have its new digital set-top box deployed.

No Sony boxes have been deployed to date, but, according to Cablevision spokesman Keith Cocozza, deployment will begin in the fall, with the MSO giving analog subscribers the boxes at no additional cost.

New features of set-top boxes are being deployed in limited test markets. Although Replay Networks and TiVo have stalled as stand-alone consumer devices, many MSOs are betting on personal video recording as an internal feature of the set-top. Indeed, after unsuccessful tests of Replay devices in Florida, Time Warner Cable is looking at S-A’s efforts to integrate PVR functionality into the new Explorer 8000 set-top, according to company spokesman Mike Luftman.

Interactive applications—shopping, playing along with a TV program, online gaming, surfing the Web—are also being tested, and the jury is still out on whether significant numbers of consumers want these capabilities. Many industry observers cite Time Warner’s Full Service Network trial in Orlando, Fla., eight years ago as proof that there’s a limit to what subscribers want, but much of the technology developed for that business has since matured and is being included in the latest set-top boxes and cable head-end facilities.

Processing power has also increased substantially. In most of the latest boxes, separate 300-MIPS (million instructions per second) silicon processors are being used for box functions and applications, improving speed and on-screen display quality.

**This industry needs somebody to challenge the pricing, quality of service and delivery capacity that have existed for years.**

—Neil Gaydon, Pace Micro Technology

**MEETING SPECS**

Combined, Motorola and S-A manufacture about 90% of the analog-to-digital processing and satellite transmission equipment in the head-end facilities. For set-top newcomers, then, it’s important that their boxes are compliant with existing Motorola and S-A systems.

For example, companies wishing to work with AOL Time Warner’s S-A-based systems must design their products to Pegasus specifications, which came out of the Full Service Network project. Motorola systems, on the other hand, require building to the DigiCipher spec.

There have been industry efforts to make all set-tops compatible. A 1998 agreement between Motorola and S-A called Harmony, for example, was supposed to enable each company’s boxes to work with the other’s head-end equipment. Nearly three years later, most cable facilities today are not Harmony-compliant.

This issue affects the FCC’s desire to get set-top boxes into retail stores. The government wants to enable consumers to buy a box outright to avoid monthly rental charges while still having access to encrypted programs.

**AT RETAIL**

The FCC mandated that cable companies operating in the U.S. had to make a Point of Deployment (POD) module available to
There's a world of satellite solutions at the heart of the cable arc

At 129° W.L., Teistar 7 provides the coverage and capacity the cable industry needs for maximum performance for digital and analog transmission. To access comprehensive technical resources and customer solutions for the Americas, make your connection with one of the highest-powered satellites in the industry.

Call Loral Skyret today at 800.847.9335 or visit us at www.loralskynet.com
consumers by last July. Specifically, proprietary security functions to enable conditional access (CA) had to be separated out of the set-top box.

The mandate required that the PODs be available to facilitate the sale of set-top boxes at retail. The manufacture of consumer set-top boxes, however, was not mandated.

Most set-top manufacturers agree that full-featured cable set-top boxes with CA functionality will not be available at retail realistically for several years. Manufacturers wonder whether consumers will buy them.

"You're adding a whole level of cost that will make the box expensive," says Pace's Gaydon. "It's clear by the ferocious deployment of digital boxes by the MSOs that they are getting to their premium-package and high-end customers as fast as possible before that mandate arrives."

Pioneer New Technologies, according to director of marketing Dan Ward, will have a full-function set-top box in stores this year, but he predicts sales will not be significant until 2003, at the earliest.

S-A has a POD device, called PowerKey CA, but will not yet market a cable box for retail because of a lack of consumer interest. "It's hard to find an attractive price point," says Sam Lim, vice president and general manager for S-A's Media Networks division. "Anything over $400 is not going to find many takers, yet that's the bottom line for companies to make money."

Motorola offers a POD device and will also have a set-top box, called DCP, at retail later this year, priced at about $800. It includes a 30-MB hard drive, 500-W A/V receiver and internal DVD player. "Based on research we've done, if you offer a box that has features that people want, the uptake will be there," says Bernadette Vernon, director of strategic planning at Motorola. The box is able to display premium digital channels, however, only with Motorola-based cable systems.

**LOOKING AT FEATURES**

Pace Micro has several million digital set-top boxes deployed overseas but none in the U.S. Like Motorola and Sony, it declines to provide pricing details, saying only that its products are "competitively priced" (putting them at the $300-plus level). However, Pace has sold products to the U.S. DSL market for distributing video over twisted-pair phone lines and has made strides toward breaking into the set-top market, having 20-year licenses for both Motorola and S-A.

"Having both licenses allows us to talk to the other MSOs and offer them the services of one company, building for two operating systems," Gaydon points out. "For them, it means convenience and less cost."

Pace has received an order for 750,000 Pace 500 "home gateway" boxes to be deployed nationwide throughout Time Warner's 40 cable systems over the next three years. Comcast Cable will test 50,000 of them for its S-A-based network, using S-A's PowerTV for interactive services.

The Pace 500 features a single-chip (Broadcom's BCM7100) and integrates a cable modem, conditional access and a choice of an S-A Resident Application (SARA) or Pioneer Passport interactive electronic program guide. Pace also offers two models in its 700 Series, the 710 and 750. The former incorporates S-A conditional access, an integrated DOCSIS (Data Over Cable Service Interface Specification) cable modem and support for OpenTV, Liberate and Microsoft TV interactive services. Options include HDTV display and a POD interface. Comcast has signed a three-year contract for 300,000 of the 710 boxes for its Motorola-based networks.

Meanwhile, Pioneer New Technologies has shipped approximately 1.5 million boxes in the U.S., where they have been deployed by major MSOs like Cox and AOL Time Warner, as well as by small, independent operators. To meet the digital demand, Pioneer recently opened two factories—in Japan and Malaysia.

Its latest offering, the Voyager 3000 (priced $325 to $350, with volume discounts available) incorporates a Broadcom single-chip MPEG processor with 16-MB memory (32-MB optional) and up to 8 MB of flash memory for maintaining and documenting user preferences.

The company's Passport Application Suite software—with an interactive EPG, channel banner browser and parental-control features—is deployed in approximately 2 million Pioneer and other boxes in the U.S. The software supports both Motorola and S-A digital infrastructures.

Pioneer hopes to introduce PVR technology into its boxes sometime next year and will integrate it in the Voyager next-generation box, which will also have up to 30 MB of internal storage and the ability to network with other Pioneer consumer electronics devices.

"The Passport software will become the unified GUI," Ward says, "bringing together all of Pioneer's products that will be controlled through the set-top box."

With the largest installed base, Motorola has shipped more than 14 million set-top boxes in the U.S. and Canada, most of them carrying the General Instrument brand. Declining to reveal actual numbers of units produced or pricing, Vernon says Motorola has increased production to meet the digital demand and is working with the MSOs to improve forecasting of product volume.
Most of Motorola's customers deploy some type of VOD system, whether with local or national control, and PVR capability is in their immediate future. "With products like [Microsoft's] Ultimate TV available in some homes via cable," Vernon says, "we are seeing some demand for PVR service."

Motorola's DCT-2000 is the most commonly deployed cable box, able to facilitate VOD and Internet access. Software upgrades since its deployment two years ago have added such features as an intuitive EPG.

The DCT-5000 offers more capabilities for two-way interactive services, such as a built-in high-speed cable modem and a 300-MIPS internal processor to facilitate home networking. Software development for the 5000 has been slow to materialize, but it is happening.

With deployment since 1998 of nearly 7 million Explorer 2100 and 3100 boxes (each priced about $300), S-A envisions "home network" use for its Explorer 8000 media server (about $500). Introduced late last year, it incorporates PVR and interactive streaming-video capability and a 30-MB internal hard drive.

It has been ordered by Time Warner in limited numbers but not yet deployed.

S-A's Explorer 4100 digital set-top, introduced at the recent Cable-Tec Expo's Engineering Conference in Orlando, Fla., and priced $330 to $350, is described as a "home gateway" and features two tuners, a DOCSIS modem, high-performance graphics and memory interface. USB and Ethernet ports suit it for home-network connectivity and interactive-TV applications.

S-A's Explorer 3100HD digital set-top functions as a network computer capable of presenting high-definition (1080i) programming through its component outputs.

Because interactive applications are driving set-top-box deployment, the company has approached design of its boxes from a "TV-centric" point of view, as opposed to trying to emulate a PC, says S-A's Lim. "We try to make graphics look better on an interlaced TV set. To be successful, we had to allow for the inevitable progression from single-channel audio to multichannel audio, accommodate HDTV and include a down-sampling capability for SDTV."

"We had to allow for the inevitable progression from single-channel audio to multichannel audio, accommodate HDTV and include a down-sampling capability for SDTV."

—Sam Lim, Scientific-Atlanta

S-A envisioning "home network" use for its Explorer 8000 media server (about $500). Introduced late last year, it incorporates PVR and interactive streaming-video capability and a 30-MB internal hard drive.

The new Explorer 4100 digital set-top, introduced at the recent Cable-Tec Expo's Engineering Conference in Orlando, Fla., and priced $330 to $350, is described as a "home gateway" and features two tuners, a DOCSIS modem, high-performance graphics and memory interface. USB and Ethernet ports suit it for home-network connectivity and interactive-TV applications.

S-A's Explorer 3100HD digital set-top functions as a network computer capable of presenting high-definition (1080i) programming through its component outputs.

Because interactive applications are driving set-top-box deployment, the company has approached design of its boxes from a "TV-centric" point of view, as opposed to trying to emulate a PC, says S-A's Lim. "We try to make graphics look better on an interlaced TV set. To be successful, we had to allow for the inevitable progression from single-channel audio to multichannel audio, accommodate HDTV and include a down-sampling capability for SDTV."

"We had to allow for the inevitable progression from single-channel audio to multichannel audio, accommodate HDTV and include a down-sampling capability for SDTV."

—Sam Lim, Scientific-Atlanta

S-A envisioning "home network" use for its Explorer 8000 media server (about $500). Introduced late last year, it incorporates PVR and interactive streaming-video capability and a 30-MB internal hard drive.

The new Explorer 4100 digital set-top, introduced at the recent Cable-Tec Expo's Engineering Conference in Orlando, Fla., and priced $330 to $350, is described as a "home gateway" and features two tuners, a DOCSIS modem, high-performance graphics and memory interface. USB and Ethernet ports suit it for home-network connectivity and interactive-TV applications.

S-A's Explorer 3100HD digital set-top functions as a network computer capable of presenting high-definition (1080i) programming through its component outputs.

Because interactive applications are driving set-top-box deployment, the company has approached design of its boxes from a "TV-centric" point of view, as opposed to trying to emulate a PC, says S-A's Lim. "We try to make graphics look better on an interlaced TV set. To be successful, we had to allow for the inevitable progression from single-channel audio to multichannel audio, accommodate HDTV and include a down-sampling capability for SDTV."

"We had to allow for the inevitable progression from single-channel audio to multichannel audio, accommodate HDTV and include a down-sampling capability for SDTV."

—Sam Lim, Scientific-Atlanta
Getting the TotalView

For the first time, NBC Sports offers 360-degree images for play analysis in NBA Finals

By Michael Grotticelli

NBC Sports is supplementing its multicamera live coverage of the 2001 NBA Finals series with first-of-its-kind panoramic analysis of selected replays.

Full-court (360-degree) images in full-motion and freeze frame are captured with a small digital video camera and processed with specialized compositing software from Be Here Corp., Los Angeles. NBC announcer Doug Collins has been using the TotalView broadcast system during downtime in the action to analyze play, breaking down these wide-angle views as he directs the software to zoom in, pan, tilt and freeze a particular play while he discusses it.

The TotalView system comprises a special wide-angle lens, image-processing software, and production and playback hardware. A tiny 3-inch-square digital camera with customized wide-angle lens has been mounted atop the backboard glass at each end of the court at the Staples Center in Los Angeles and at Philadelphia’s First Union Center. Be Here’s processing software smooths the separate video frames to create a panoramic composite for live broadcast.

Using a small touch-screen controller, Collins points to and maneuvers through these live panoramic images or freezes the game action while analyzing a play. A Be Here technician with the same controller locates and dissects plays called for by Collins.

Although the company would not reveal specific costs of the system, the price depends on how much production is involved and how many cameras and crew are needed. TotalView has been used by Entertainment Tonight for its Oscar-night coverage, as well as in surveillance, still-frame panoramic photography and Internet video applications. The NBA Finals are the first use on live TV.

Indeed, NBC knows it’s taking a chance using TotalView for its highest-rated sports broadcast of the year but “sees potential going forward,” says Andy Rosenberg, coordinating director for the NBA on NBC.

He points out that, because NBC wasn’t 100% sure the system would work flawlessly, TotalView is not being used in real time—at least it wasn’t during Game One last week—but during time-outs and before and after commercial breaks.

“We’re eager to work with the Be Here people, but, because the [Be Here] technician is a computer guy and not a TV guy, there’s going to be a learning curve,” Rosenberg says. “Hopefully, that curve won’t take too long to make it look good on TV. We don’t know what it’s going to be like getting these images on the air under the pressure of the NBA Finals and during a live broadcast.”

Be Here previously worked with the NBA on the first live Webcast of an entire professional sports game and the Webcast of portions of the 2001 NBA All-Star Weekend.

“It’s all about allowing the viewer to see a view that he otherwise has not been able to see watching sports TV today,” says Be Here President and CEO Andrew Thau. “The key is the ability to navigate within the view. Most people find this compelling.”

During the NAB convention in April, Be Here and Philips demonstrated a viewer-navigable panoramic video application for interactive television embedded in a set-top box. The NFL, NBA, NHL, ESPN, Fox and E! Entertainment have all used Be Here’s technology on the Internet for interactive-viewing applications.

“What attracted us to Be Here’s technology is that it gives us a different way to break down the way plays occur,” NBC’s Rosenberg explains. “It allows viewers to watch people other than the primary player and see how plays develop. We’re always looking for new technology that will enhance a broadcast but not detract from it.”

Be Here was founded in 1996 in Cupertino, Calif., the current site of its technology-development center. Its investors include Eastman Kodak, Intel Capital, Philips Electronics, Enterprise Partners and Wasserstein Adelson Ventures. The company recently completed a $6 million round of additional funding from Snider Capital (co-owner of several Philadelphia sports teams and Comcast Cable).
The authority on broadcasting... from who owns what to detailed information on syndication, station formats, personnel, and much, much more.

- Over 14,300 listings for every radio and TV station, and cable system in the U.S. and Canada
- 150 new stations and affiliates
- Over 6,300 listings of companies serving the industry
- Hundreds of statistics like Cable Market Penetration, Nielsen Data and Arbitron markets
- An expanded listing of Digital TV Stations

EACHTHING YOU NEED. ONE LOW PRICE.

We give you enough data on radio, TV and cable media markets to fill three or four volumes—but edit it concisely into one easy-to-use volume, so you pay only one low price.

Call 1-888-269-5372 to order your copy of the new 2001 edition today. Place a Standing Order and get an additional 10% discount now and every year upon publication.

List Price: $210.00
Standing Order Price: $189.00
A TOWERING TRIBUTE

Former CBS President Dr. Frank Stanton took a tour last week of new public-radio studios bearing his name. The $3.5 million digital, state-of-the-art studios, located in downtown Los Angeles, were developed by Marketplace Productions—current producer of the Peabody award-winning Marketplace Morning Report—which was recently acquired by Minnesota Public Radio.

"There is a large creative-talent pool in Southern California," said Jim Russell, senior vice president and general manager of Marketplace Productions. "We plan to take advantage of this talent in our expanded program development."

Several new national programs are in the pipe for the Frank Stanton studios, including Public Radio Movie Show, Spanish Marketplace and the magazine program True West.

FUELING THE LIGHTHOUSE

Craig Kornblau, president of Universal Studios Home Video, and Jerry Gepner, executive vice president of Fox Sports, were honored at the Vision Fund of America Annual Awards dinner in New York City, emceed by comedian and The View resident gabster Joy Behar.

The not-for-profit organization, made up of visual-media professionals who seek to make their products and services accessible to the visually impaired, lauded Kornblau and Gepner for their work within their respective industries.

"We are delighted to have the opportunity to single out and honor the accomplishments and contributions of these key leaders in our industry," Vision Fund President Alec Shapiro said. He also noted that the event was to benefit VFA’s partner, Lighthouse International.

Laudable audio

"This is so motivating," crowed Steve McKenzie (r) of WZSR-FM Crystal Lake, Ill., after receiving his $5,000 Radio-Mercury Award last week in New York for best station-produced spot from David Growl of Clear Channel Communications. "I want everything. I want to conquer the world," McKenzie said. "I’ll be back."

The other 12 awards for radio spots aired in 2000 went to ad agencies, with the top $100,000 award going to DDB Chicago for another in its series of "Real American Heroes" spots. Stan Richards, chief of The Richards Group agency in Dallas, won the Lifetime Achievement Award. He never wrote a radio spot but appreciates the craft. "The radio spot belongs to the writer."

An unlikely duo

FCC Chairman Michael Powell gave an embrace to Lamb Chop, in Washington last week in handing out the second annual Lamb Chop Awards for excellence in children’s programming. He was joined by Mallory Lewis, whose mother, Shari, created the lovable woolen sock puppet. Award winners were Sesame Workshop founders Joan Ganz Cooney and Lloyd Morrisett and the late Muppet creator Jim Henson.
STREAMING MEDIA WEST 2001
Conference and Exhibition

June 20 - 22, Long Beach Convention Center, CA

7 Dynamic Keynotes • 200 Visionary Speakers • 200 Cutting-Edge Exhibitors • 15,000 Inspired Attendees
The World's Largest Internet Audio and Video Event

THE SECRET TO YOUR SUCCESS IN
Digital Media Entertainment

CONFIRMED KEYNOTES:
- Bob Pillar, President and CEO, Viacom Interactive Ventures
- Richard Clokey, EVP/Head of Media, Walt Disney Internet Group
- Stewart metals, CTO, New Media Network, WWF Entertainment
- Dave Priebe, President and CEO, Infortun
- Tom Stemberg, VP, Research and Analysis, Streaming Media, Inc.
- Philip Schiller, VP, Worldwide Product Marketing, Apple
- Jon Glaser, Chairman and CEO, RealNetworks, Inc.

PLATINUM SPONSOR:
RealNetworks

GOLD SPONSORS:
Midstream Broadcasting

DMZ SPONSORS:

MEDIA SPONSORS:

Full Conference and FREE Exhibition pre-registration at streamingmedia.com/west
or call 1-888-301-8890 or +1 415-593-4800 outside U.S.
Broadcast TV
John Cottingham, GM, WISTV Columbia, S.C., joins WSPA-TV Spartanburg, S.C., WASV-TV Asheville, N.C., and WNEG-TV Toccoa, Ga., as VP/GM.

John O’Laughlin, manager, promotions and marketing, KDVR(TV) Denver, appointed creative services director, KWGN-TV Denver.

Chuck Allenstein, systems engineer, Journal Broadcast Group, Milwaukee, promoted to director, information technology.

Cable TV
Promotions at Comcast Cable Communications: All of the following are in Union, N.J.: Maria Carriere, manager, collections, promoted to regional director; Fred Kopecki, regional manager, new-business development, promoted to regional director; Peter J. Lyden III, regional manager, promoted to regional director, government relations; Debra Marshall, regional manager, promoted to regional director, public relations; Irene Schaefer, manager, information services, promoted to regional director. All of the following are in Eatontown, N.J.: Warren Heimall, regional manager, engineering/operations, promoted to regional director; Barbara Irwin, regional technical analyst, promoted to regional operations business manager; Priscilla Reilly, regional manager, Pay Per View, promoted to regional director, Pay Per View/Video On Demand.

Margaret O. Woodside, VP, Amerix Corp., Columbia, Md., joins as regional director, community relations, Maryland/Delaware region, Baltimore.

Michael Groves, director, legal affairs, Media One/AT&T Broadband, Atlanta, joins Cox Communications, Atlanta, as director, government affairs.

Programming
Steven Kent, senior VP, international production, TriStar International Television, Culver City, Calif., promoted to executive VP.

Adrienne Cleere, president, Cleere Strategic Alliances Inc., New York, joins PBS, New York.

Obituaries
Imogene Coca, the tiny saucer-eyed actress—don’t call her a comedienne, she wanted to play St. Joan—died in Westport, Conn. She was 92.

Coca came to comedy accidentally, while clowning in the theater during rehearsals of Leonard Sillman’s Broadway revue New Faces of 1934.

Producer Max Liebman, who had worked with Coca and Caesar in the Catskills, paired them in The Admiral Broadway Revue in 1949—which was simultaneously on NBC and Dumont—and again in the groundbreaking Your Show of Shows, for which all three are best-known. The versatile seemingly rubber-faced Coca appeared in satires of movies, including avant-garde foreign films, performed sketch comedy and was part of a regular skit with Caesar, The Hickenloopers. The show ran from February 1950 to June 1954 and earned Coca a Best Actress Emmy in 1951 and a Peabody Award in 1953.

She and Caesar were reunited in 1958 in Sid Caesar Invites You.

Coca had her own sitcom, Grindl (1963-64), in which she played a housemaid. In the sitcom It’s About Time (1966-67), she played a stone-ager. Coca was also a singer and dancer whose last Broadway appearance, in 1978, was in the musical version of On the Twentieth Century.

She was twice widowed. There are no immediate survivors.

Arlene Francis, TV panelist par excellence, died May 31. She was 93.

Francis, an actress whose career encompassed movies and Broadway, started in radio, where she was in game shows and hosted an interview program. Her pleasant, bubbly personality and genteel manner led to her landing some of the biggest names, including Frank Sinatra. She appeared on morning TV, hosting NBC’s newsmagazine Home (1954-57). She was the first woman to host a game show, Blind Date (1949-51, ABC; ’52, NBC; ’53, Dumont). However, she is best-known for What’s My Line?, on which she was a gorgeously gowned panelist, appearing in all its iterations from 1950 to 1975.

—Beatrice Williams-Rude
Imagine how your workday would go if you had all the resources you needed. If one phone call could solve a problem. If you could rely on a single business partner for timely delivery, quality product and agile service.

CONUS is exactly the right resource for you. Whether you need B-roll, a complete program package or anything in between, we can deliver. Or if you need satellite time or uplink facilities, we can do that too. And more.

Your imagination. Our tools. Call us.
Independent Coalition, director, Knoxville, Tenn., joins Scripps manager, Kinko's, Knoxville.

Cyberchase. national outreach duties of project director, WNET, New youth Movies VP, Movies, tor, Networks Inc., New communications, named Entertainment, New companion partnerships.

York, as 74 Sally Remi Macenje Laura research, research, Broadcasting The director, and Turner South. managing direc -01 sites, Jo Bay Fifer, Turner Area Video USA strategic Television Broadcasting

Joe Sullivan Associates, 9 Feather Hill · Southold, NY 11971 (631) 765-5050 www.joessullivanassociates.com Broadcasting · Cable Satellite · Internet

The person you describe is the person we deliver

Our 25th year of identifying and recruiting exceptional executives


promoted to executive VP/ executive creative director.


Promotions at BMI Media Relations, New York: John Coletta, director, business affairs, promoted to senior director; Christine Iglesias, manager, Internet licensing, promoted to director; Mollie Chaney, account representative, radio and TV licensing, promoted to manager, Internet licensing.

Appointments at Sullivan Direct: Susan Burke, director, video products and services, TESS Communications, Denver, joins as senior account executive, Denver office; Penne Heede Pojar, corporate director, marketing, Fanch Communications, Denver, joins as account executive, Denver office; Tawn Graham, VP/account supervisor, Digitas, Boston, joins as group account director, Cincinnati office.


Ilise Benun, director, Creative Marketing & Management, Hoboken, N.J., joins Guarino Woodman, New York, as director, marketing.

—Compiled by P. Lloro

Alleyne

212-337-7141

palleyne@cahners.com
Watch it in your hotel room and online.

Top executives, analysts and journalists look at key issues and trends driving the cable business. See HBO’s Jeff Bewkes and Insight’s Michael Willner, technology reports by Leslie Ellis, a visit to AT&T Broadband’s Chicago operations, a panel of Wall Street analysts, features on ITV and cable advertising, coverage of the General Session and show floor, exclusive reports from Bloomberg Television and techtv, plus a guide to dining in Chicago.

Produced in association with Cahners TELEVISION GROUP

Video coverage of cable since 1987. The Cable Channel. First, and still the best.

See it in streaming video on demand at www.cablechannel.com.
Jane Mago returned to familiar territory when she was named FCC acting general counsel in January. Her first job out of law school was on the agency’s legal team. “This is a coming home for me. I’ve spent the majority of my career in the general counsel’s office,” says Mago, whom agency Chairman Michael Powell named to the post permanently on May 14.

After getting her feet wet in a general counsel’s honors program for recent law school graduates in 1978, Mago’s first permanent assignment was in the Common Carrier Bureau. She then returned to the general counsel’s office as a litigator after a year and a half.

Between other stints in this office, Mago also served as adviser to former commissioners Rachelle Chong and Anne Jones and as a staffer in the old private radio bureau. Her latest stretch before returning to head the office was as Powell’s mass-media and cable adviser from November 1997 until December 1999, when she was named deputy chief of the new Enforcement Bureau. Mago jokes, “They keep taking me back, like a bad penny.”

With her varied duties a plus, her experience as a litigator convinced Powell that he should send her back to run her original haunt. Today, her office faces a load of high-profile cases, and, on Mago’s watch, federal judges are likely to hand down rulings that will reshape long-standing policy on telecommunications mergers, broadcast ownership and cable Internet service.

“Jane Mago is a lawyer’s lawyer who provides insightful, objective analysis on all issues she takes up,” Powell says. “She has been a trusted legal adviser, both when she was on my personal staff and in her subsequent work in the Enforcement Bureau and as general counsel.”

Although Mago doesn’t plan to tackle courtroom duties, she says recent visits to watch the team in action have made her a little wistful for the days when she argued cases.

Her first big case, known as “Computer 2.0,” was the second of three FCC legal battles defending rules for advanced telecommunications services. Set before the AT&T break-up, the regulations were created in anticipation of today’s broadband revolution and were intended to differentiate between basic telecom services and high-speed data, or “enhanced” services.

Many of the decisions FCC lawyers struggle with today—whether cable companies must provide rival carriers telephone-style open access to their broadband networks, for instance—are just logical progressions of those three cases. “That’s one of the things that has amazed me,” she says. “Many of the issues are just revised versions of what we did in my early days. They’ve just become more complex.”

Mago says one of her tasks assigned by Powell is to burnish the agency’s reputation among federal judges, which has been tarnished by high-profile courtroom losses on minority recruiting, cable-ownership caps and right-of-reply rules for broadcasters. “One of his concerns is that we work on the quality of commission decisions that may go to court,” she says. “We’re trying to make sure the decisions are solid, well-founded and adhere strictly to the law.”

Mago joined the FCC after earning her law degree and a graduate degree in communications from the State University of New York in Buffalo, her hometown. The agency, she thought, would be the ideal place to capitalize on both degrees. She initially planned to stay only five years, but, after getting married and starting a family, she decided government work provided the ability to have a career while handling the duties of being a mom.

Family life hasn’t come without conflicts, however. Her husband, Robert Blau, is BellSouth’s federal regulatory counsel. Consequently, Mago has been forced to recuse herself from agency decisions dealing with the company specifically or, many times, with common-carrier issues in general. Still, even when she’s had to delegate those duties, she insists, “I’ve never felt like I had nothing to do.”

—Bill McConnell
CLASSIFIEDS

PRODUCER

EXECUTIVE PRODUCER

Our highly successful news program has a highly visible position available for a professional, AM addition to supervise producers and reporters and production of newscasts during day assigned. A minimum of 5 years exp highly desired. Mgmt background preferred. Dedication to journalistic standards of accuracy required.

We offer an excellent comprehensive benefits package. For consideration, mail resume, stating REF # 0611BC2222JFE in cover letter to:

Rainbow Staffing, Dept JFE,
1111 Stewart Ave., Bethpage, NY 11714
or E-mail to: careers@cablevision.com
(Include REF # in subject line of e-mail).

EQUAL Opportunity Employer

AFFILIATE RELATIONS MANAGER

News 12 Networks, the country's first, largest, and most watched regional cable news channel, is seeking a professional to maintain relationships with current cable affiliates. Position also involves acquiring new affiliates, conducting cable customer service product training, and more. Affiliate relations experience preferred.

We offer a competitive salary and comprehensive benefits pkg. Please rush resume indicating REF #0611BC2859JFE in cover letter, to: Rainbow Staffing, Dept. JFE, 1111 Stewart Ave., Bethpage, NY 11714, Fax: 516-803-3464 or email: jedmonds@cablevision.com (indicate REF # in subject line of email).

AFFILIATE RELATIONS MANAGER

EXECUTIVE PRODUCER

AFFILIATE RELATIONS MANAGER

News 12 Networks, the country's first, largest, and most watched regional cable news channel, is seeking a professional to maintain relationships with current cable affiliates. Position also involves acquiring new affiliates, conducting cable customer service product training, and more. Affiliate relations experience preferred.

We offer a competitive salary and comprehensive benefits pkg. Please rush resume indicating REF #0611BC2859JFE in cover letter, to: Rainbow Staffing, Dept. JFE, 1111 Stewart Ave., Bethpage, NY 11714, Fax: 516-803-3464 or email: jedmonds@cablevision.com (indicate REF # in subject line of email).

AFFILIATE RELATIONS MANAGER

AFFILIATE RELATIONS MANAGER

NEWS PHOTOGRAPHER/ENG TRUCK OPERATOR

KTRK-TV News has an immediate opening for a full time News Photographer/ENG Truck Operator. Candidates should have a minimum three years experience in all facets of television news photography including lighting, audio and editing, or show exception knowledge and creativity in these areas. Applicants should have a good eye for news photography, be able to work in the field unsupervised or with various reporters and be able to work in deadline situations. Applicants must be able to work to learn to set up and operate a news microwave van for news remotes. Interested persons should send resume and video tape of news related work to: Phil Grant, News Operations Manager, KTRK-TV 3310 Bissonnet, Houston, Texas 77005

No phone calls please.

Equal Opportunity Employer M/F,

GUEST COORDINATORS

Guest Coordinators wanted for nationally syndicated dating show. Candidates should be experienced in recruiting potential talk show guests and have excellent communication skills. We are looking for candidates in the New York City and Miami areas. Please send resume to: TV Show, 245 8th Avenue, P.O. Box 111, New York, NY 10011

GUEST COORDINATORS

GUEST COORDINATORS

GUEST COORDINATORS

URBAN TELEVISION/RADIO

The Broheim Group, LLC, the new urban television and radio choice is looking for dedicated college graduates. Opportunities available:

TV-Station Manager Washington, D.C.
TV-Sales Manager Washington, D.C.
TV-Traffic Manager Washington, D.C.
TV-Account Executive Washington, D.C.
Radio-Station Manager Henderson/Oxford, N.C.
Radio-Account Executive Henderson/Oxford, N.C.
Accountant/Bookkeeper Washington, D.C.

Forward Resumes to: Randall Williams-COO
The Broheim Group, LLC
P.O. Box 5202, Takoma Park, Md. 20913
E-mail to williams@thedreamnetwork.com or fax to 1-301-587-7464

EEOE: M/F: Drug Screen

www.tvsinite.com/broadcastingcable

SALES CAREERS

TV SALES CERTIFICATION!
ADD VALUE TO YOUR CAREER!

Details @ www.MediaRecruiter.com

LOCAL SALES MANAGER

Clear Channel's WKRC-TV, the Cincinnati CBS affiliate, has an opening for a Local Sales Manager. WKRC-TV seeks a candidate that has a minimum of 5 years Local/National sales experience, possesses excellent communication and organizational skills, has a proven track record of leadership and success, and demonstrates the ability to develop with reduction results and non-traditional revenue opportunities. Qualified candidates should send a cover letter and resume to: WKRC-TV, Attn: Business Office - LSM, 1906 Highland Avenue, Cincinnati, OH 45219

ACCOUNT EXECUTIVE

WAVY-TV seeks an Account Executive with two to four years broadcast sales experience to join our Sales team. Successful candidate should be proficient in Nielsen ratings, TV Scan, negotiations and service of key accounts. Proven track record of new business development a must.

College degree and experience with local market research a plus. Please send resume and cover letter to: John Cochrane, Local Sales Manager, WAVY-TV, 300 Wavy St., Portsmouth, VA 23704. No phone calls, please. EOE

SALES ACCOUNT EXECUTIVE

KYW-3, the Viacom/CBS owned and operated station in Philadelphia, has an immediate opening for an Account Executive. Candidate must possess strong negotiation and presentation skills plus a proven track record with major agencies and new business development. Ideal applicant understands the importance of relationships, teamwork, and a positive attitude.

College degree preferred; computer skills a must. Resume to Lloyd Bucher, Local Sales Manager, KYW-3, 101 S. Independence Mall East, Philadelphia, PA 19106 or e-mail to bucher@kyw.com. EOE ADAA

Over 125 New Career Opportunities!

$350 - 70 Cities! Account Executives
Sales Management - Marketing - Research
Traffic - Production
www.MediaRecruiter.com
Free to Candidates!
303-368-5900

FOR SALE STATIONS

FLORIDA-LPTV

LMA with option for Two Built Stations
- Ft. Myers and Lakeland - owner 407 342 6457

www.tvsite.com/broadcastingcable
CABLE SATELLITE SPACE AVAILABLE ON GALAXY 11

- Valuable space available immediately on Galaxy 11, Transponder 19, 18MHz
- Popular cable satellite
- Easy for your customers to receive your signal
- Negotiable leasing terms

For more information, please contact Grace E. Leone at:
(800) 882-6447 or gleone@earthlink.net

EXECUTIVE PRODUCER
Twin Cities Public Television seeks an experienced Executive Producer to join its National Productions team. TPT is located in the culturally rich Twin Cities of Minneapolis and St. Paul and has a reputation for bringing innovative, high quality programs to public television. From Hoop Dreams to Liberty, from Newton’s Apple to American Photography, TPT’s National Production Department has produced a wide range of successful programs for public television.

Candidates should be capable of developing, fundraising for, and overseeing a wide variety of projects, including high-end specials, weekly series and miniseries. Experience with public broadcasting is preferred but not required. Candidates should have a proven track record in producing for television. Highly competitive salary and benefits package. Please send resumes and sample tapes to National Productions, TPT, 172 East Fourth Street, St. Paul, MN 55101. www.tpt.org

SENIOR PRODUCER
KATV-Little Rock, one of the top-rated ABC affiliates in the country, is seeking a Senior Producer. Oversees duties of all news producers and graphic production of all newscasts. Instructs producers and reporters on newswriting, newsgathering, franchise elements and other content elements of newscasts. Assists Executive Producer in overseeing the news product and Assignment Editor in staffing news events. Degree in Journalism or related field and five years of progressively responsible experience in a television newsroom required. Send resume and tape to: Human Resources Director, KATV, 401 Main Street, Little Rock, Arkansas, 72201. KATV is an Allbritton Communications station and an Equal Opportunity Employer.

An ad here could bring you

the perfect job candidate.

Contact Kristin Parker at kbparker@cahners.com
or Neil Andrews at nandrews@cahners.com
**TECHNICAL CAREERS**

**MAINTENANCE ENGINEER**

KCRA, the ABC affiliate and dominant #1 news station in Sacramento, Ca, has an opening for a Maintenance Engineer. The successful candidate must have a minimum of 1-2 years experience with the ability to troubleshoot and repair to the component level, switches, CG's, still stores, audio consoles, tape machines, cameras and all support equipment. This is an IBEW Union position. Please send resume to: KCRA-TV/KQCA-TV 3 Television Circle Sacramento, Ca 95814 Attn: Larry Eastteam, Chief Engineer. **KCRA/KQCA-TV is an EOE**

**ENGINEERING MAINTENANCE SUPERVISOR**

KNXV-TV the ABC affiliate in Phoenix, AZ seeks an enthusiastic and qualified candidate to manage the day-to-day operations of the technical maintenance staff. Work in a new digital facility and enjoy the great southwest lifestyle. The candidate should have 2 years supervisory experience and 3-5 years broadcast TV maintenance. Primary duties include coordinating equipment installation and repair, scheduling work shifts, interfacing with other station departments, technical and work performance evaluations, AV/RF systems design and documentation, budgeting and training. ABC-15 produces News, local programming and Web content. Please send your resume to Human Resources@KNXV-TV, 515 N. 44th Street, Phoenix, AZ 85008 or fax to (602) 685-3020 or email to jobs@knxv.com. KNXV-TV is an equal opportunity employer.

**BROADCAST MAINTENANCE ENGINEER**

KTRK-TV, the ABC owned station in Houston, Texas, is seeking an experienced professional to join our engineering team. The ideal candidate will be FCC licensed and/or SBE certified, with a minimum of 5 year’s experience in broadcast engineering (a closely related field). Should have 2 years experience in the maintenance of a wide variety of digital and analog broadcast equipment, including serial digital switches, cameras, routers, digital and analog tape recorders, graphic systems and video servers. The person we seek will also have strong PC and networking skills as well. Experience with automation systems, RF, and/or Unix/Linux administration skills would be a definite plus.

KTRK-TV offers an excellent opportunity in a recently renovated, state-of-the-art digital facility. For consideration, please send your resume to: Jim Stanley, Director of Engineering, KTRK-TV 3510 Bissonnet, Houston, TX 77005 Fax (713) 663-8755 E-mail: james.w.stanley@abc.com No phone calls please. Equal Opportunity Employer M/F/V/D

---

**Technical Directories**

**TECHNICAL DIRECTOR**

Fox Television Station - WNYW-TV. WNYW-DT is looking for a motivated, creative individual that has at least 4 years experience in a major market, as a staff control room Technical Director switching live events. The candidate must be able to work efficiently in the fast paced world of daily telecasts. Knowledge of control room operations, Grass Valley switchers and the Kaleidoscope Digital Video Effects unit is a must. Knowledge of server systems, master control operations and experience as a tape operator is a plus. Please send resume and cover letter to: Fox Television Station - HDF/DT, 205 East 67th Street, NY, NY 10021. EEOC

---

**Management Careers**

**PRODUCTION MANAGER**

WWFX-TV/Fox 46 has an immediate opening for a Production Manager. Aggressive Fox affiliate in the West Virginia mountains looking for a creative, well organized and detail oriented Producer/Director ready to make the move to management. Successful candidate must be able to write, shoot, and edit the best commercials in the market. Avid non-linear editing experience preferred. Send resume and sample reel to General Manager, WWFX-TV, 775 West Pike Street, Clarksburg, WV 26301. EOE/M/F. NO PHONE CALLS PLEASE!

---

**Closed Captioning Services**

**VISUAL, AUDIO CAPTIONING, INC. provides**

Superior Quality Real-Time Captioning Excellent Service Competitive Rates

www.visualaudiocaptioning.com 703-278-9110

---

**Classifieds**

**TELEVISION**

If it has anything at all to do with Cable Television or the Telecommunications Industry...

Broadcasting & Cable Classifieds is the place to be!

Call today to place an ad! 617-558-4532 or 617-558-4481
STATIONS FOR SALE!

Class C-3 FM in rated Florida market. Cash Flow. $900k
LPTV. UPN affiliate. Top 75 market. $2.0M
AM/FM in Central Michigan. Real estate included. $1.25M
For more information call Scott Knoblauch at (904) 285-3239.

Missouri small market radio. Cash Flow. $200k
North Dakota small market radio. CF. Price reduced to $595k
Kansas small market AM/FM combo. More than $200K CF. $1.3M
Missouri small market. AM/FM combo. $595k
For more information call Bill Lytle at (913) 498-0040.

Oklahoma AM/FM combo. $1.2M
Vicksburg, Mississippi C-3 FM move-in. $450k
For more information call Bill Whiteley at (972) 231-4500.

New Mexico, 2 AMs/3 FMs. $3.5M
For more information call Austin Walsh at (415) 289-3790.

Michigan rated market. Make offer.
2 Southeast Kentucky clusters.
South Georgia cluster. Cash Flow. $3.0M
Southwestern Ohio AM. $800k
For more information call Eddie Esserman at (912) 634-6575.

Virginia small rated market, 1AM/2FM group. $5.25M cash
Florida network affiliated Class A LPTV. $5.93M cash
Central Ohio, 6AM/1FM group. $3.0M cash
NE resort market. 2AM/2FM group. $3.5M cash
For more information call Mitt Younts at (804) 282-5561.

North Carolina small market FM. Cash Flow. $4.0M
New Florida C-3 FM. $5.5M
North Carolina FM move-in. $3.2M
Georgia small market FM. $362.5k
For more information call George Reed at (904) 285-3239.

Eastern Colorado AM/FM. Good Signals.
For more information call Greg Merrill at (435) 753-8090.

Hawaii C-2 FM. Strong format position. $2.0M
California Central Coast-established station. $2.2M
Large southwest market AM. Good signal. $5.0M
California central coast AM. $950k
LPTV CP. West coast adjacent to Top 10 market.
For more information call Tom McKinley at (415) 924-2515.

MEDIA SERVICES GROUP
Technology validated

Northpoint asks FCC to proceed with license—at last

By Sophia Collier

On Jan. 1—just in time for the Bowl games—DirecTV and EchoStar will likely drop local television stations in dozens of markets so that they can continue to deliver local stations in the most populated markets. Despite a lengthy statutory transition to the “carry one, carry all” must-carry obligation, the satellite TV operators still lack the capacity to carry more than a fraction of the nation’s 1,600 television stations.

Our company, Northpoint Technology, has a technological solution to this problem that requires no changes in current law and will allow all satellite television subscribers to finally get their local signals. Our system has the capacity, and our company has the commitment, to carry all local television stations in all markets from our first day of operations.

Our technology is designed to share spectrum with DirecTV and EchoStar, which already share spectrum with each other, by having our subscribers point their reception antennas north toward our transmitters instead of south toward the satellites. We have broad fundamental patents on our system of using a combination of low-power and directional transmission to share with satellites. It’s a sophisticated technology, and it works.

So what is the problem? For seven years, DBS incumbents have exploited the regulatory process to slow approval of our license applications. Based on successful demonstrations of our technology under experimental licenses in Texas and Washington, D.C., the FCC last November determined that our technology could operate successfully without harmful interference to DBS in the 12 GHz band and gave the new service the label MVDDS.

Our opponents petitioned Congress to require independent testing, and, to their surprise, we supported this legislation as a demonstration of our confidence in our technology. The FCC retained Mitre Corp., which released its 208-page report in April. The report’s last paragraph states: “Mitre believes that with implementation of the licensing process and other policy recommendations outlined above, spectrum sharing between DBS and MVDDS services in the 12.2-12.7 GHz band is feasible.”

Predictably, our opponents have attempted to claim that, when Mitre wrote sharing is feasible, it really meant sharing is not feasible. Moreover, the DBS industry ignores the fact that Mitre’s recommendations to facilitate sharing mirror those provided in the FCC’s November decision. It should be obvious that Mitre would not have recommended a process for licensing MVDDS unless its tests demonstrated that Northpoint works.

Having failed to stop us with legislation, the satellite industry now wants to subject Northpoint’s Broadwave affiliates to a spectrum auction, even though eight other satellite applicants, who filed applications on the same day for the same spectrum, will not be subject to auction. These satellite applicants include DirecTV’s parent, Hughes, and other industry giants, Boeing and Alcatel among them.

The FCC’s auction authority requires a finding of mutual exclusivity. In this case, there is no basis for an auction because no other terrestrial applicant has demonstrated an ability to share spectrum with satellites, which Northpoint has done with respect to two existing and eight proposed satellite systems. Additionally, Northpoint is the only applicant that has met the statutory requirement of a successful independent demonstration of its technology’s ability to share with DBS. Thus, with no other qualified applicants, there is no mutual exclusivity, and an auction is not required.

We have worked long and hard to invent and prove our technology. We now simply want the chance to market it to consumers.

It is time for the FCC to move forward and license Northpoint’s technology. The FCC should put its foot down and terminate the DBS industry’s campaign to keep out a future competitor.

Consumers are waiting to receive local television stations via their small-dish antenna. If DBS operators cannot supply this service, then consumers should be permitted to turn their dishes around and subscribe to a service that can meet their needs—and at a lower price. We’re ready to go.
KNOCKING ON THE GLASS CEILING

Editor: We applaud and concur with your conclusion that "change has to begin at the top, which means that a lot of male CEOs still have their work cut out for them." ("Shortfall," Editorial, April 9).

We take exception to your conclusion that the glass is "slightly full" because about 25% of the pipeline of executives aspiring to clout positions are women, and a few boards of directors here and there have more than a token female on them.

What the Annenberg Public Policy Center report brought to light is that women may make it into the top 25% of many of the communications companies, but that very few ever make it to the inner circle. What's more, the women who have demonstrated the talent and ability to lead, leave. Not just those companies, but the communications business. We continue to see the same pattern: Where there is no past, there is no future for women.

Rather than develop mentoring or other programs that might integrate women into the talent pool that will fill the inner circle, communications corporations continue to turn to the people with whom they are most familiar and comfortable: other men. Most often, in fact, other Caucasian men.

This study sheds light on that practice. That not a single woman—not one—in a major entertainment/media company or a network news company has reached the inner circle of "clout titles." By focusing on the few positive points in the report, Broadcasting & Cable's editorial effectively absolves those companies from even considering an alternative path.

We are members of a group dubbed, by Radio Ink magazine, "The 20 Most Influential Women in Radio." We have focused our collective clout on creating as much visibility as we can for "the numbers," such as those from the Annenberg report and, in June, from Mstreet.

We've created an "M2W" Web site at www.radioMIW.com where broadcasting-company executives can download a template for a corporate mentoring program or where radio and TV women can go to find contact information to network with us. And we hold panels whenever and wherever we can.

We believe one line in the Annenberg report says it best: "It seems [communications corporations] may be overlooking one major resource—women." We would appreciate your support in preventing that practice from continuing at its current pace. That will happen only if men become uncomfortable with the realization that they are doing so.

—Joan E. Gerberding, President, Nassau Media Partners, Princeton, N.J.

POWELL’S DECENTY DUTY

Editor: Your editorial of May 14 ("Keeping out") says that Morality in Media has "called for an indecency litmus test for the new FCC" and for an investigation in to "what [MIM] sees" as lax enforcement of broadcast-indecency violations. You also say that new FCC Chairman Powell will be busy enough "without adding an active content-policing function to his job description."

He doesn’t have to add it. Enforcement of the broadcast-indecency law (18 U.S.C. 1464) is part of his job requirement, mandated by Congress. Right now, the FCC’s record of indecency-law enforcement is a disgrace, and it is the duty of all the commissioners to see that this law is enforced, a duty that apparently only

Commissioner Gloria Tristani takes seriously.

Under the new Communications Act, the FCC still has the duty—not the option—to ensure that the nation’s communications media serve the public interest. Lack of enforcement of the indecency law is one of the largest unfulfilled public-interest duties on its plate.

Therefore, the American people, through their representatives in Congress, have a right to know the commissioners' views on the FCC’s role in protecting the public interest—particularly by enforcing the indecency law.

—Patrick McGrath, Director, Media Relations, Morality in Media Inc., New York

ENFORCING INDECENCY

EDITOR: The June 4 issue of Broadcasting & Cable contained an editorial which said that "indecency enforcement is discretionary." This is incomprehensible since the FCC is charged by law with the enforcement of the indecency provisions of 18 U.S.C. 1464, which prohibits the broadcast of obscene or indecent material on radio or TV.

Since when has it been discretionary for the FCC to refuse to carry out its duty? If the FCC does not enforce the law, who will?

—Robin S. Whitehead, counsel, Morality in Media Inc., New York

We like letters

Broadcasting & Cable welcomes your letters about our coverage or media issues in general. You may mail them to Broadcasting & Cable, Open Mike, 245 W. 17th Street, New York, N.Y., 10011; or e-mail them to pbbednarski@cahnners.com; or fax them to 212-337-7028. Please include your title and a daytime (work) phone number so we can verify your letter.

Letters should be brief (about 300 words maximum). We reserve the right to edit them for space and clarity. We won’t publish anonymous letters.
Editorials
COMMITED TO THE FIRST AMENDMENT

Bring on the noise

We applaud Citadel for its decision to appeal the FCC’s $7,000 indecency fine for playing an expurgated version of the popular Eminem song, “The Real Slim Shady,” on KKMG/FM Pueblo, Colo.

It would have been tempting to just pay the fine—another cost of doing business in an industry where it doesn’t pay to anger government officials who control your future. Citadel is, after all, in the process of being bought by Forstmann Little and is undoubtedly reluctant to do anything to upset that $2 billion apple cart.

The fine of $7,000 for 408 airings is not much when you amortize it. But paying it would be a quick fix to a problem that will only get worse. Broadcasters must not acquiesce to a government edict that suggestsive songs are indecent. Inaction would put broadcasters in the “I did nothing until they came for me” category.

That, unfortunately, is where the industry seems to be at the moment. Where is the indignation from the NAB and leading broadcasters? Are they in touch when KBOO-FM Portland, Ore., was fined recently for airing a hip-hop song by DJ Vadim with Sarah Jones called “Your Revolution,” which packs the punch of social commentary and reads like poetry? The NAB should be screaming bloody murder but remains quiet, with the issue “under review.” The issue should be under attack, with faxes and e-mails blazing.

And where is Chairman Michael Powell? Like NAB, he was laying low last week. There was the suggestion that the ruling must be a brilliant gambit of his to have the indecency rules thrown out by giving broadcasters a decision so constitutionally porous as to provide them a gilt-edged invitation to relief from the courts. We’re afraid even we can’t grab at that straw.

Another scenario is that the chairman never saw the decision. It came out of the Enforcement Bureau, and at least one commissioner claimed no knowledge of the fine until press accounts after the fact. That one we can cling to, but it doesn’t get Chairman Powell off the hook. He’s the guy with the big office who is responsible for every action the staff takes.

As we noted here last week, Powell has consistently talked the talk on First Amendment protection for broadcasters. We remember his 1998 speech to The Media Institute, in which he characterized the scarcity rationale (Red Lion) and the uniquely pervasive rationale for content regulation (Pacificas) as “demonstrably faulty premises” and concluded that “the government has been engaged for too long in willful denial in order to subvert the Constitution so that it can impose its speech preferences on the public.” Yes, we know there is an indecency law on the books that the FCC is obliged to enforce, but there is wide discretion in how it is applied, including taking into account contemporary community standards. There is no obligation to extend the chilling effect of rules rooted in “demonstrably false premises.”

It’s time for Powell to walk the walk, which is toward less chilling content regulation and away from the minefield. Citadel’s appeal is due July 2. This fine should be history by Independence Day.
These premier broadcasters see the wisdom of providing their quality programming in Dolby Digital 5.1. With more than five million US households now equipped to receive exciting Dolby Digital in their home theaters, viewers are demanding more surround sound programming.

Dolby is proud to be part of these broadcasters' vision of the future.

www.dolby.com/tvaudio

Dolby Laboratories, Inc. • 100 Potrero Avenue, San Francisco, CA 94103-4813 • Telephone 415-558-0200 • Fax 415-863-1373
Wootton Bassett, Wiltshire SN4 8QJ, England • Telephone (44) 1793-842100 • Fax (44) 1793-842101 • www.dolby.com

Dolby and the double-D symbol are trademarks of Dolby Laboratories. All other trademarks remain the property of their respective owners. © 2001 Dolby Laboratories, Inc. 301/13513
Interactive TV. New ways to personalize, communicate, entertain—and more. Your customers are ready to stop watching and start doing.

Now you’re ready, too.

Microsoft TV offers the best solutions for Interactive TV. If you’re a network operator, we have the most comprehensive software platform available to help you deploy Interactive TV services. If you’re a content provider, we have the resources and support you need to create Interactive TV programming. And to help you bring it all together, Microsoft TV has alliances with leasing companies that provide the hardware, software, tools, and other technology that you rely on.

Our bottom line?

We can help you deliver a new TV experience while you deliver on your company’s bottom line. Get started today.

Visit Microsoft TV at Cable 2001 in Chicago in booth #2300.

www.microsoft.com/tv