SPECIAL REPORT: M&A

Will ownership limits crumble?

And if they do, who will be left standing?

NBC KEEPS IT LOCAL
Network's new $10 million centralcasting operation maintains station control

TECH REPORT
SELLERS GUIDE
Selected broadcast and cable networks unveil their NAB shopping lists

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Meet Milton

HE'S HERE TO MAKE A POINT ABOUT PUBLIC PERFORMING RIGHTS.

Milton, as you may have noticed, is a macaw. And macaws are one of the pet passions of Aaron Barker, exotic bird lover. So if you're in the broadcast or cable industry, why should you want to read about an individual like Aaron Barker, let alone his feathered friends? Because Aaron is a major supplier of content to your business: he's a songwriter.

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Managing the songwriter relationship™

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**NETWORKS**

*Murdoch, take two*

Mitch Stern (above), who oversees the Fox TV-station group, has a new boss: Lachlan Murdoch, 31-year-old son of Rupert and heir apparent to the News Corp. empire. It's the younger Murdoch's first direct management role on the TV-operations side; he also oversees the company's vast print operations.

Stern had reported to News Corp. President Peter Chernin until January. Other TV sector heads, including Tony Vinciquerra, who runs the business side of the Fox network, and Sandy Grushow, who oversees the entertainment side and TV-production arm, continue to report to Chernin. Insiders say the scion will likely take a bigger management role in TV. It's just a question of when.—S.M.

**PROGRAMMING**

*Growing family*

The Family Friendly Programming Forum is now working with all the Big Four broadcast networks. Over the past two seasons, the advertiser-sponsored production consortium aimed at developing family-friendly fare has helped develop a pair of series at The WB: freshman comedy *Raising Dad* and sophomore *Gilmore Girls* (above). The forum comprises more than four dozen advertisers supplying seed money for scripts and pilots. With development season in full swing, the forum's Barbara Bacci Mirque says it has already seen over 30 concepts from the four nets. "We'd like to get a couple of shows on the air each season that are family-friendly," she says, "and are encouraged because we are seeing so many different concepts from so many networks."—J.S.

**TECHNOLOGY**

*Planning ahead*

Getting the shot is what TV news is all about. And what might seem tactless in some quarters is considered planning ahead in TV news. So it should come as no surprise that networks take steps to make sure they get the most dramatic shot. Example: NBC is installing a robotic camera at the Vatican so it won't miss the release of a puff of smoke over St. Peter's Square that signals the naming of a new pope. ABC is said to be interested, too.—K.K.

---

**The road back**

Is Frank Andrews the once and future king of television in Wilkes Barre-Scranton, Pa.? Long the lead anchor and news director at market leader WNEP-TV, Andrews lost those posts in 1997 due to a host of problems including alcoholism and back and hip injuries from an auto accident.

No. 3 station WYOU(TV) hired him in 1998, but more troubles took him off the air again. He came back to WYOU in 2000 as a producer and assistant news director, the station's ranking news executive.

(under a shared-services agreement. WYOU and WBRE-TV are owned separately but share News Director Al Zobel).

Now Andrews will anchor WYOU's 5:30 and 6 p.m. news while continuing as assistant news director.

"My goal has always been to get back on the air," he said. "But I'm glad I went through treatment. In January, I celebrated two years of continuous sobriety." He's now active in sharing his experiences as a recovering alcoholic.—D.T.

---

NBC gave affiliates four extra minutes of local ad time to sell during the last two nights of the Olympics. That was to make up for all the front-loading of local ads during the games NBC took as a way to boost the broadcast's national ratings.

To Nielsen, the night begins with the first national commercial. But Olympic viewership is usually lower during that first half-hour. So, throughout the games, NBC shifted national spots out of and local time into, the first 30 minutes. For many affils, the added spots were icing on the cake. The spot-shifting presented logistical headaches, but most stations came out ahead. "NBC did a terrific job on the games," said Post-Newsweek chief Alan Frank, not known for giving easy compliments to his network partners.—S.M.
Is TV too high on drug money?

TV execs fear that pharmaceutical makers may curb ads to appease Congress

By Paige Albinik

It didn’t take the television industry long to get addicted to nearly $1.5 billion a year in prescription-drug advertising. And now TV and advertising execs worry that what the government gave them five years ago may soon be taken away.

In 1997, the Federal Drug Administration (FDA) changed the rules so that pharmaceutical companies could promote their wares on TV. In 2000, drug companies spent approximately $1.4 billion on TV ads, 60% of the total $2.5 billion spent on “direct-to-consumer” (DTC) prescription-drug advertising, which includes print, radio and billboards. The estimates on TV spending are about the same for 2001, putting prescription-drug makers in the top 20 spenders among TV advertisers. It was a new high: In 1996, those same companies didn’t even advertise on TV.

All those drug ads have caught the attention of some members of Congress, and they want to know whether advertising on television is jacking up the cost of prescriptions. With President George W. Bush calling for a prescription-drug benefit for seniors in his State of the Union speech last month and pledging to “give seniors a sound and modern Medicare system that includes coverage for prescription drugs,” advertising and pharmaceutical lobbyists are wary that everything pertaining to the cost of prescription drugs will come under scrutiny this year.

Specifically, advertising lobbyists worry that the glare of Congress’s spotlight will cause pharmaceutical companies to back off TV advertising, even though the money they spend on it is only 1% to 2% of their total $132 billion in revenue, according to a 2001 study by the National Institute of Health Care Management.

“This is the number-one issue for next year for advertisers and agencies,” says John Kamp, of counsel with Washington law firm Wiley, Rein and Fielding and the former head of the American Association of Advertising Agencies (AAAA). “A number of people in the Congress are asking the question ‘Is this kind of advertising building use or demand for prescription drugs and is that, in turn, increasing the cost of prescription drugs?’” says Dick O’Brien, executive vice president of AAAA.

In fact, pharmaceutical companies spend much more money promoting their drugs to doctors than they do on advertising them to the public. In 2000, they spent nearly $4 billion briefing doctors and handed out nearly $8 billion worth of drug samples.

Kamp’s and O’Brien’s concern is more political than economic. It’s not that pharmaceutical companies are spending so much on advertising that Congress will require them to stop, particularly because any such requirement would likely violate the First Amendment. The issue is more like a risk-reward equation: Pharmaceutical companies believe that they have enough on the line as lawmakers look at Medicare reform and prescription-drug benefits; it may be worth their while to back off aggressive TV advertising campaigns so as to avoid attracting lawmakers’ further attention.

And because drug companies believe they have only so much political capital to spend this year, they plan to leave the lobbying on advertising to others.

Last summer, after the Senate Subcommittee on Consumer Affairs, Foreign Commerce and Tourism held a hearing on the topic, subcommittee Chairman Sen. Byron Dorgan (D-N.D.) came away convinced that advertising prescription drugs causes little harm, although it may make patients more demanding of their doctors and cause them to want drugs that may not help them.

Opponents say the ads can mislead consumers, who go to their doctors expecting to be prescribed the drug they have just heard about on TV.

One group of naysayers is particularly significant: Some 46% of doctors feel negatively toward the ads, according to a January study by the National Health Council, because they feel “they must devote increasing amounts of scarce time to dissuading patients from taking drugs that advertising led them to believe are right for them, when
THIS SEASON
SEINFELD, JUST SHOOT ME! and JUDGE HA
Delivering Season-to-Date

Just Shoot Me!

3.1
HH Rtg.

JUDGE HATCHETT

2.5
HH Rtg.

CASTLE ROCK
ENTERTAINMENT

COLUMBIA TRISTAR D
ON'S BEST!

TCHETT Are Posting Impressive Numbers...
Highs in Household Ratings!

Seinfeld
8.0
HH Rtg.

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DOMESTIC TELEVISION
The Leader In Young Adult Programming.
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Doctors think otherwise.” Furthermore, “some physicians feel they don’t have the
time required … to reeducate patients who
set the agenda with misconceptions gleaned
from DTC ads about their diagnosis or
which treatment is best for them.”

This year, rumors have swirled that Sen.
Edward Kennedy (D-Mass.) would hold
hearings on the issue, although that now
seems unlikely. House Ways and Means
Committee Chairman Bill Thomas (R-Calif.)
may do so in the House. Nothing is sched-
uled yet, says a Thomas spokeswoman, but
Medicare reform may start heating up in the
House in March. Once the issue starts
rolling, prescription-drug advertising may
just roll along with it, she says.

Last summer, Rep. Pete Stark (D-Calif.)
introduced the only bill so far on the issue;
it would remove advertising tax deductions
for prescription-drug ads that are “unbal-
anced.” To keep the ads balanced, he
would require that ads allot equal airtime
and volume to describe the benefits and
risks of any advertised drug.

“Why should taxpayer funds go to drug
companies’ questionable advertising tech-
niques that endanger lives and ultimately
raise overall health expenditures? By deny-
ting tax deductions for unbalanced prescrip-
tion-drug ads, we may be able to change
pharmaceutical-company behavior,” Stark
said when he introduced the bill.

Lobbyists and others say they aren’t
worried about Stark’s bill because it is bla-
tantly unconstitutional and also because
FDA rules already prevent drug companies
from running unbalanced ads.

“It’s almost impossible to spin the posi-
tive information because the FDA regula-
tions are so tight,” says John Calfee, Ph.D.,
a resident scholar with the American
companies have to provide a lot of infor-
mation on side effects.”

But even this much attention from Con-
gress is enough to put lobbyists on alert.
Concern is high enough that the National
Association of Broadcasters board of direc-
tors discussed the issue at the organiza-
tion’s board meeting in January.

Prescription-drug ads have plenty of
defenders, who argue that the commercials
bring people in to see their doctors and have
discussions about their health, even if those
discussions don’t result in a prescription.

“Patients have clearly signaled that they
want to be empowered and have more
knowledge about their treatment options,”
says Jeff Trewhitt, spokesman at the Phar-
mautical Research and Manufacturers of
America. “They want to have some knowl-
edge of what their doctor is talking about.”

Would we lie to you?

Defense Department promises no ‘strategic’ fibbing to journalists

By Dan Trigoboff

The Defense Department
last week appeared to
back away from a policy
that would put out information
intended to mislead foreign
reporters for strategic purposes.

The issue attracted media
attention after The New York
Times reported that Defense’s
Office of Strategic Influence
planned to plant false items in
foreign media in an effort to
influence public sentiment and
policymakers in both friendly
and unfriendly countries.

The alleged policy drew im-
mediate criticism. In a letter to
Secretary Donald Rumsfeld,
the Radio-Television News Di-
rectors Association said, “Not
only would lying undermine
the credibility of the Defense
Department’s public affairs
office, it also would undermine
the credibility of the United
States in the world’s eyes.”

RTNDA President Barbara
Cochran told Rumsfeld, “There
would be no way to ensure
that falsehoods told abroad
would not also be told to the
American public.”

At a briefing the day after
the article appeared, Rumsfeld
seemed a bit ambiguous at
first, stating that “we make a
practice of assuring that what
we tell the public is accurate
and correct. And if, in any
event, somebody happens to
be misinformed and says some-
ting that’s not correct, they
correct that at the earliest
opportunity.” But there was no
explicit denial of the policy.

Later that day, the Penta-
gon issued “a major clarifica-
tion of earlier statements on
misinformation policy,” saying
the policy was still under
development but that “under
no circumstances will the
office or its contractors know-
ingly or deliberately dissemi-
nate false information to the
American or foreign media or
publics.”

Subsequently, Rumsfeld re-
iterated that policy.

ABC News Washington
Bureau Chief Robin Sproul
said she was more satisfied fol-
lowing the later statements. “If
there were something there”
about a policy of intentionally
misleading media, “it seems to
have been rethought.”

Nevertheless, Tom Rosen-
stiel, director of the Project for
Excellence in Journalism, won-
dered “how it is that these
plans could have evolved to
this point?” Rumsfeld, he
noted, “does not address that.
That makes me worry.”

TOP OF THE WEEK
Spare us 9/11 pain, they ask

Families of victims want CBS to omit scenes of carnage from documentary

By Dan Trigoboff

The high-profile documentary dealing with the Sept. 11 attacks that CBS will air next month has raised a classic journalistic clash between strong public interest and concerns of victims' families.

Relatives of victims have asked that certain footage be omitted—particularly the dramatic ground-level view of a plane crashing into the World Trade Center.

The two-hour March 10 special, to be introduced by actor Robert DeNiro, will feature video from filmmakers Jules and Gedeon Naudet, who had been making a documentary about New York City firefighters when the planes struck. The project is being produced by the Naudet brothers, along with senior network staffers Susan Zirinsky, Hal Gessner and Tom Forman, and Vanity Fair magazine editors Graydon Carter and David Friend.

In a letter, victims' group The Massachusetts 9/11 Fund asked CBS President Les Moonves to "reconsider its decision to televise that portion of the video which contains footage of the moments when the airplanes crashed into the twin towers."

Some footage of the first crash was aired on CBS shortly after the disasters, but the group feared that new footage showing people who may not have escaped the collapse could "revictimize" family members.

Similarly, Christie Coombs, widow of a Flight 11 passenger, asked CBS to refrain from airing the "violent, horrifying fate of Flight 11." The footage, she said, may give CBS "some bragging rights and perhaps increased viewership. It may be captivating to some, but it is horrifying to others."

A few days after Sept. 11, ABC News President David Westin won some praise for announcing that news producers would limit showing video of the planes' hitting the towers. Generally, other news organizations also limited the footage aired.

The footage in this documentary is different because it has not been seen before and includes scenes inside the towers as rescuers arrived.

CBS spokesman Gil Schwartz acknowledged receiving several dozen messages and said the network is sensitive to them. But he suggested that, while it's appropriate for the families to question the content, those looking for the network to refrain from using troubling footage may well be disappointed.

He said the program is largely about the chaos surrounding the event and the heroism of New York firefighters—with the added drama that each brother recording the event believed that the other had been killed.

"We will not be exploitative," Schwartz said, and the footage used will not show a lot of carnage. However, he added, the impact of the tragedy "should not be softened." The Naudets' video "is of enormous historical and cultural importance. It's extremely important for the truth to be told and to be kept in the public eye."

"To some extent, you weigh these issues every time you make a journalistic choice," said Tom Rosenstiel, director of the Project for Excellence in Journalism. "But the stakes are usually not this high. It's a classic and difficult balance. But it's possible that there is a public good in showing the contents of the film that will also be traumatic to some people."

500 to get AT&T axe

Realignment will give more authority to regional managers

By John M. Higgins

Job cuts at AT&T Broadband's Denver headquarters will total 500 workers, or 11% of the headquarters' 4,400 employees. The cable giant, in the midst of being acquired by Comcast Corp., announced the job reductions.

COO Ron Cooper said the cuts are aimed at freeing up cash to push more functions into the hands of regional managers, who are closer to customers. Both Cooper and his boss, AT&T Broadband Chairman Bill Schleyer, are biased toward decentralized management from their experience at Continental Cablevision.

Cooper said the company decided to make the cuts "so we can put more authority and responsibility in the hands of the field senior VPs," but some workers will be offered jobs if they relocate.

Employees losing their jobs will stay on the payroll until the end of March and then receive severance. Cooper said the cuts would have happened even if AT&T Broadband were not to be acquired by Comcast.
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THAT'S A LIMITED YES FOR THE YANKEES NET

Yankees Entertainment and Sports is about to get much of what it wants from AOL Time Warner Cable, signing a deal at about $2 per subscriber monthly. The downside is that AOL's New York City systems will carry the network only part time; CNN//fn will share the channel.

YES will be carried full time on digital tiers, which have less than 20% of the operator's subscribers.

But YES will collect the full license fee based on the system's total basic-subscriber base. The network will also be carried on AOL Time Warner's other systems in New York State on analog tiers.

Cable operators have been balking at the huge, year-round license fee for a startup network that has only one interesting piece of programming: 130 New York Yankees baseball games. (The others will be shown on CBS.)

The AOL deal gives YES Chairman Leo Hindery leverage against the other major metro-New York MSOs, Cablevision Systems and Comcast. Cablevision—whose MSG Network lost TV rights when the Yankees decided to start its own network—wants to make YES a pay network.

CABLE READY

A&E is yanking legal drama 100 Centre Street after two seasons. The original averaged a solid 1.8 Nielsen household rating in its first season but has slowed to a 1.0 average during season two. There are two episodes left to air. ...

Game Show Network, whose ad sales had been handled by the syndication unit of 50%-owner Sony Pictures Entertainment, now has its own ad-sales team. Senior Vice President of Advertising Sales Michael Saken has hired 13 people and put offices in New York, Chicago and Dallas.

College students want their MTV, and the Viacom net is gearing up to deliver, hatching plans for an MTV University network, which would be distributed on college cable systems. Expect the channel to be heavy on raucous stuff like spring-break fare, animated favorites like Beavis & Butt-head and Total Request Live. MTV U will compete with existing college nets Burly Bear and College Television Network.

SIMply SYndie

Studios USA Domestic Television President Steve Rosen-berg will run the combined syndication studio at newly merged Vivendi Universal. Universal Worldwide TV President Ned Nalle is expected to leave the studio's TV division, but the veteran Universal exec may remain with the company in a different capacity. Nalle's Universal syndication division is being merged with Studios USA's syndication assets as a result of Vivendi Universal's $10 billion acquisition of USA Network's entertainment assets. Layoffs are expected on both sides. ...

Twentieth Television has expanded its syndication test-run for Hollywood-based Good Day Live. Late last year, the distributor launched the show on seven co-owned Fox TV stations. Beginning March 18, it's adding six markets, including WTTG(Washington D.C.), WBK(TV) Detroit, KRIV(TV) Houston and WJW(TV) Cleveland.

NATPE President and CEO Bruce Johansen meets Wednesday in Los Angeles with top syndication executives to discuss the future of the organization. He's expected to propose a scaled-back NATPE Conference show floor for
next year's meeting in New Orleans. At last month's NATPE in Las Vegas, more than 50 syndicators, including the major U.S. distributors, pulled off the show floor and greeted customers at the Venetian hotel instead. ... Paramount Domestic Television's freshman dating series *Rendez-Vous*, hosted by *Whose Line Is It Anyway?* co-star Greg Proops and dating expert Ellen Ladowsky, won't be back for a second season. Cleared on 248 stations nationally, it has averaged a 1.0 national household rating and a 0.6 rating in adults 18-49, according to Nielsen Media Research. ... Buena Vista's *Live With Regis and Kelly*, blocked from the 9 a.m. slot on ABC-owned WLS-TV Chicago because that's where the station carries hometown gal Oprah Winfrey, is getting a daytime slot at WGN-TV Chicago starting next season. Currently, Reege and Kelly show up at 1 a.m. on WLS-TV.

**OVER THE AIR, INTO PRINT**

KLAS-TV Las Vegas not only offered viewers exclusive security-camera footage of a fatal shooting at Harrah's hotel and casino this month but also provided an original soundtrack. Reporter/anchor John Gilbert told local weekly *Las Vegas City Life* that, lacking natural sound, he presented what he felt replicated the actual sounds— including the sounds of slot machines and gunfire—to present a story closer to "reality." News Director Gene Ross said that, although Gilbert thought he was doing the right thing, it was a mistake. ... NBC's new live comedy series, *The Colin Quinn Show*, starring the former *Saturday Night Live* news reader, will debut Monday, March 11, at 9:30 p.m. and be broadcast live on the East Coast from SNL's famed Studio 8H. So far, NBC has scheduled only three installments (March 11, 18 and 25). ... The Defense Department will cooperate with producers for *Profiles From the Front Line*, a new ABC prime time reality/documentary series that will go behind the scenes in the war on terrorism. It's from *Warner Bros. TV*. Producers are Jerry Bruckheimer's (*Black Hawk Down*) and Bertram van Munster (*The Amazing Race*). It gets 13 weeks at least, beginning this summer.

**YOUR TAXES AT WORK**

Tribune Television will get an additional six months to sell WTXX(TV) Waterbury, Conn., to comply with FCC restrictions on TV duopolies and crossownership rules. It was under orders to sell the station by Feb. 6 but told the commission its efforts to sell the UPN affiliate failed to garner acceptable offers "in the range" of a broker's appraisal. Tribune also owns WTIC-TV there, as well as the Hartford *Covans*. FCC Commissioner Michael Copps "reluctantly" agreed to the additional six-month waiver but said he has no intention of voting for repeated grace periods.

Still, it's unclear whether Tribune will ever be forced to divest the Hartford properties. The FCC currently is reconsidering its restriction on newspaper crossownership and the duopoly "voice test" is being challenged in court. ... The FCC last week announced winners of the auction of four new analog TV stations. Roberts Broadcasting won with gross bids of $2.5 million for ch. 47 Columbia, S.C., and $1.9 million for ch. 34 Jackson, Miss. Bidding credits of 25% for new industry entrants would reduce Robert's actual payments by a total of $1.12 million.

Challenges to Robert's eligibility for the licenses and the bidding credits remain pending.

The other winners: *Venture Technologies*, which will pay $1.32 million for ch. 51 Albany, N.Y., and *Equity Broadcasting*, $376,000 for ch. 16 Cheyenne, Wyo. Neither Venture nor Equity was eligible for bidding credits. ...

The Justice Department will handle antitrust review of Comcast's purchase of AT&T Broadband. Washington, a department spokesman said Friday. Public advocates would have preferred the *Federal Trade Commission*, which is a bipartisan panel and perceived to be more willing to impose public-interest conditions before approving deals. ...

**HAVE YOU SEEN ANY GOOD PSAS LATELY?**

Broadcast and cable networks donate an average of 15 seconds of airtime per hour to public-service announcements, according to a study by the *Kaiser Family Foundation*. That number represents less than 0.5% of all airtime. KFF says, while commercial advertising and promotions fill 25% of all airtime. Nearly half of donated airtime (43%) falls between the hours of midnight and 6 a.m. Just 9% of donated media is aired in prime time, the hours between 8 and 11 p.m. EST.

Kaiser conducted the study by analyzing 1,680 hours of programming on 10 channels: broadcast networks ABC, CBS, Fox and NBC; Spanish-language channel Univision; and cable networks CNN, ESPN, MTV, Nickelodeon and TNT. Univision donates the most time to PSAs, 48 seconds per hour, while cable networks average seven seconds an hour. The broadcast networks average 17 seconds of PSAs per hour, but that amount falls sharply during prime time, to five seconds an hour.

Think she's happy?

Then talk to NBC sports chief Dick Ebersol. NBC dominated last week with Olympic action that peaked Thursday night at a 32.5 Nielsen rating and 53 share when skater Sarah Hughes (!) surprised the world to capture gold. The entire Thursday-night Olympics telecast averaged a 26.8/41. For the first 14 nights of Olympic coverage, the network averaged a 19.3/31; NBC says 179 million watched at least some portion of the games.
### MARCH 2012 Primetime Highlights

All Times Eastern

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### March 2012

- **31**: Oscar goes dark
  - Double Incest
  - The Killers
  - The Maltese Falcon

### Monday

- **04**: Oscar goes south
  - Gone with the Wind
  - Coal Miner's Daughter
  - A Streetcar Named Desire

### Tuesday

- **05**: Oscar travels the world
  - Gate of Africa
  - Cleopatra
  - Queen Elizabeth II

### Wednesday

- **06**: Oscar gets political
  - Seven Days in May
  - Born Yesterday
  - The Great McGinty

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Web radio rate set

Stations, Webcasters must pay, but some may not play

By Paige Albinia

Radio stations’ signals may no longer be available over the Internet after a ruling last week that requires stations and Webcasters to pay record companies new royalty fees for each streamed work they play.

“The ruling may have the effect of unintended consequences in that many radio broadcasters may reevaluate their streaming strategies,” said Eddie Fritts, president of the National Association of Broadcasters. “If the powerful record-company interests’ goal was to strangle a fledgling new service to radio listeners, it may have succeeded beyond its own expectations.”

Says Steven Newberry, president and CEO of Commonwealth Broadcasting in Glasgow, Ky., “It is going to make it very difficult, particularly in my size markets, to find any way that the economic model will make sense.” Commonwealth owns 24 radio stations in rural Kentucky.

Many larger radio conglomerates, such as Clear Channel, curtailed streaming over the past year while awaiting the outcome of this decision, which is retroactive to October 1998.

The ruling by a three-judge arbitration panel, assigned by the U.S. Copyright Office, would require commercial radio stations and Webcasters to pay 0.07 cents per performance per listener of any work or song simulcast over the Internet as part of a traditional radio broadcast. The ruling would require radio stations and Webcasters to pay twice that amount—0.14 cents per performance—for any work Webcast without an accompanying radio transmission. They also would have to pay another 9% of those fees to cover "ephemeral recordings," which are the copies computers make of digital products as they are streamed over networks and through servers, and a basic $500 fee for the license.

That means the cost to radio stations to simulcast one song over the Internet to 10,000 listeners would be $7. Multiply that by 20 songs an hour, 24 hours a day, for example, and radio stations could be paying out $3,360 a day to stream their signals, plus the additional 9%.

Noncommercial broadcasters would pay lower fees—0.02 cents per performance per listener of a copyrighted work and 0.05 cents for non-simultaneous Internet transmissions—but would still be required to pay 9% of their license fees to cover ephemeral recordings.

The fees are about 10 times more than radio broadcasters and Webcasters had suggested (around 0.015 cents per song) but much less than record companies wanted (close to 0.4 cents per song). The panel’s decision offers a compromise that neither side likes.

“We would have preferred a higher rate. But the panel clearly concluded that the Webcasters’ proposal was unreasonably low and not credible,” said Hilary Rosen, president of the Recording Industry Association of America.

“We are pleased that the arbitration panel has recommended royalty rates for Internet radio broadcasting and that its recommendation is much closer to the royalty rate proposed by the Webcast industry than was proposed by the recording industry," says Jonathan Potter, executive director of the Digital Media Association. “We are extremely disappointed, however, that the panel’s proposed rate is not significantly lower, as a lower rate would more accurately reflect the marketplace for music-performance rights and the uncertain business environment of the Webcast industry.”

The new fees are on top of royalty fees radio stations already pay to music publishers ASCAP and BMI, which amounts to some $300 million a year. Radio stations don’t pay royalties to record companies because the two have traditionally recognized it as a trade of content for the promotional value of airing the song. That concept does not appear to hold for radio Webcasts.

Radio broadcasters and Webcasters can still challenge the decision, which the U.S. Copyright Office must adopt and the Librarian of Congress must sign before it becomes official. Once that happens, they will have to take their appeal to Congress and/or to the courts. ■
Suleman heads for Citadel

Longtime Infinity exec tapped to grow Forstmann Little's $1B radio acquisition

By Allison Romano

Despite recent media speculation, Sumner Redstone is still Viacom's chairman, and Mel Karmazin is still its president. But another high-ranking Viacom exec did step down last week.

Farid Suleman, who headed Viacom's Infinity Broadcasting radio group and its outdoor advertising unit, will become CEO of radio group Citadel Communications. He also accepted a limited partnership with Citadel's owner, leveraged-buyout firm Forstmann Little & Co.

Insiders say Suleman, who worked at Infinity for 16 years, was growing restless at Viacom and may also have been anxious about the possibility that Karmazin, his longtime associate, could be forced out. The two first worked together at Infinity, which was acquired by CBS's then-parent Westinghouse Electric Corp. in 1996 and, as part of CBS, by Viacom in '99.

Yet another possible explanation: Through the partnership, Suleman stands to make a financial windfall from his new Forstmann venture.

Suleman had been Infinity's CEO for only about a year but was chief financial officer for 15 years. That experience helped him build strong relationships on Wall Street.

Analysts say his move to Citadel, a group of about 200 stations in mostly mid-size markets, seems smart and well thought-out. They expect that it'll help drive more acquisitions of both mid- and large-market stations.

"Farid's always had large, beachfront station properties," said Morgan Stanley analyst Michael Russell. "His modus operandi has been to grow."

Forstmann Little plunked down $1 billion to acquire Citadel last June and is eager to grow its radio portfolio.

Suleman's new bosses also found his Wall Street reputation attractive. "He's well-known on Wall Street, and we ultimately want to take the company public," said Citadel Chairman Larry Wilson. Forstmann took Citadel private after the acquisition last year.

Wilson says he'll hand over day-to-day CEO duties to Suleman and focus on long-term strategy.

Infinity should stay its course, insiders say, even after Suleman leaves. "It bears Karmazin's imprint enough that it won't feel like it's under new management," said one analyst.

A Merrill Lynch report concurs. "Although it is unsettling to have management turnover within Viacom's divisional CEO level," wrote media analyst Jessica Reif Cohen, "we do not believe this implies any deep management 'issues' nor any operational concerns at Infinity."

Karmazin, who served as Infinity's top executive for about 20 years, will take over as interim CEO. Sources say Infinity Radio President Dan Mason could be Suleman's likely successor, although others expect Karmazin to look outside Viacom.
On Aug. 5, 1999, the FCC for the first time agreed to permit a single company to own two television stations in a single market, so-called duopolies. Six days later, CBS Chairman Mel Karmazin visited Viacom Chairman Sumner Redstone to talk about what kind of deals they could do, now that the overlapping signals of their TV stations presented an opportunity rather than an obstacle. On Sept. 5, Viacom declared that it would acquire CBS for $37.3 billion.

No one envisions such an immediate and dramatic reaction to last week’s startling attack on federal media ownership rules, a court decision that strikes the prohibition against owning a TV station and cable system in the same market and also casts doubt on the federal TV-station ownership cap.

For the past two decades, though, even small changes in FCC ownership rules have unleashed a swarm of deals that transformed the media landscape. Last week’s ruling will be no exception. It just might take a little longer.

First, that ownership cap, which limits groups to a reach of no more than 35% of U.S. TV homes, is still in place, and it’s unclear how fast the FCC will move to eliminate or relax it (see story, page 20). Also, the recession has depressed the stock price of likely buyers, meaning that stock won’t buy as much as the buyers would like.

“I’m not sure there’s going to be as much merger activity as there was, say, in the radio business after 1996,” Karmazin says, though noting that he was contacted by nine investment bankers the afternoon the court decision came down. “The stock market is in the tank. You use your currency when the currency is high.”

Why has he lobbied against the ownership cap so hard, then? “It’s America,” Karmazin says. “It gives me freedom to expand in a business that we like a lot. Whether we go up to that limit depends on many more things.”

Says Jack Sander, executive vice president, media operations, for broadcaster and newspaper publisher Belo Corp.: “It will take a little time to sort out both the cap and cross-ownership opportunities for the industry and Belo. Everyone talks and plans, but now it becomes real.”

But pressure to buy will come. “The best competitive hope for free broadcast-
television networks is if they extend their distribution," says Barry Diller, CEO of USA Networks and soon to be CEO of Vivendi Universal Entertainment, which will own a movie and TV studio, cable networks, but no broadcast outlet.

Also driving deal talk is the expectation that other FCC ownership restrictions will soon be relaxed or eliminated. The agency is already reviewing the prohibition against common ownership of newspapers and TV stations in the same market. And broadcasters in smaller markets are in court looking to loosen duopoly rules, which currently permit jointly owned TV stations only in fairly large markets with a sufficient number of competing “voices.”

Sanford Bernstein media analyst Tom Wolzien says rule changes will make a couple of deals easier to do and that will have a ripple effect throughout the market, particularly the TV-station sector.

“Gentlemen, start your engines,” he says. “This has broken the wall that has maintained separate, large companies and kept them at arm’s length.”

Clear movers will be the big media companies that control the broadcast networks: Viacom, News Corp., General Electric’s NBC, Disney.

If the 35% cap goes, says Larry Patrick, a leading station broker, the big players will try to extend their reach into markets 15 to 50 with an eye for growth markets like Orlando.

The broadcast networks will also try to double up in markets where they can. “If CBS and Fox have two stations in a market and you only have one, you’re in trouble.”

Non-network broadcasters, the mid-size and small station groups, have been working to keep the 35% cap in place. Some don’t want to be forced into selling to the networks; others simply don’t want to see the networks become more powerful than they already are.

Every group with stations in the top 50 markets becomes a target of one network or another. And the larger and the better the group’s markets, the more attractive they are. The most-likely-to-sell list includes Sinclair, McGraw-Hill, Emmis, Media General, Allbritton, Scripps, Meredith and Paxson.

But even more-substantial groups like Hearst-Argyle, Post-Newsweek and Belo may eventually succumb. “Belo has great stations in great markets,” says Patrick. “At some point, it gets an offer that it can’t refuse.”

Some mid-size groups may be able to resist network takeover by merging. That’s what LIN Television seems to have in mind.

It is planning to go public and use the cash and stock to roll up other groups. “It’s our intention to be a consolidator,” says President Gary Chapman.

AOL Time Warner may also make a move in the more liberal regulatory environment. Although it owns The WB, it has been kept out of the TV-station business by the cable/broadcast ban. With that gone, it can begin the hunt for a station group to go along with the network.

An AOL executive acknowledged that Tribune Co. would be the most natural target. The broadcaster and newspaper publisher is a 25% owner of The WB and owns WB affiliates in New York and Los Angeles.

AOL interest in TV stations could be Sinclair Broadcast Group David Smith’s dream come true. The group is having financial programs and 21 of its 61 stations are WB affiliates.

AOL’s big play would be the acquisition of NBC, which lacks the bulk and scope of the other broadcast-network owners. The AOL and NBC media assets fit nicely together.

General Electric has considered selling all or part of NBC for years, talking at one point to Turner Broadcasting before it was bought by Time Warner and at another to Time Warner before it merged with AOL.

The end of crossownership rules would

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Opening the floodgates

What happened: Prompted by lawsuits from Fox, Viacom, NBC and Time Warner, a three-judge panel of the federal appeals court in Washington last week refused to uphold a rule limiting a broadcaster’s audience reach to 35% of TV households and struck down a rule barring a cable system from owning TV stations in its market.

What it means: The decision is expected to usher in a wave of media consolidation similar to, if not greater than, the tide created by the deregulatory rewrite of the Telecommunications Act in 1996.

Getting rid of the cross-ownership ban means that, starting April 5, cable giants like AOL Time Warner and AT&T Broadband are free to buy as many as two TV stations in major markets.

The 35% cap on TV reach remains in effect, but the FCC must collect sufficient economic data to justify either that number or another one. If it can’t or chooses not to defend the cap, it must either come up with another approach to regulating broadcast ownership or jettison limits entirely.

Immediately, Fox and Viacom should ultimately be absorbed of their standing obligations to divest stations. In the future, other major networks will have more room to add to their station totals.

The loosening of the cable/broadcast crossownership rules makes it increasingly likely that newspaper/broadcast crossownership rules will be scrapped, too.

What’s next: Conventional wisdom holds that the FCC won’t scrap the cap entirely but will likely increase it dramatically.

Affiliates afraid the networks will grow too powerful, public advocates, and perhaps the FCC will squawk and may seek a review by the Supreme Court.

Congress also may get into the debate by holding hearings.

In the meantime, the FCC’s working group on media ownership issues will continue to formulate new ways to measure media concentration. It will likely work on an economic justification for raising the cap, while the general counsel provides the legal underpinning.

The loosening of the cable/broadcast crossownership rules makes it increasingly likely that newspaper/broadcast crossownership rules will be scrapped, too. That prohibition had been wobbly even before the court ruling.

Was the court skeptical of the rationale behind the 35% rule, the so-called “eight-voice test” limiting small-market duopolies will almost certainly fall. Sinclair Broadcasting is already challenging the duopoly rule in the same federal court in Washington that ruled on the 35% rule last week. —Bill McConnell
certainly make any talks with AOL Time Warner's Steve Case much easier. The conflict between AOL's New York City cable operation and WNBC-TV would disappear.

And, of course, the ailing stock market suddenly changes dealmakers' perspective. GE could easily be a buyer, not a seller. With its price fallen to $25 per share, AOL is worth just $100 billion. "That's less than what Time Warner alone was worth before AOL acquired it," notes the CEO of one major media player.

This is analyst Wolzien's favorite prospective deal, in part because AOL has two things NBC lacks and probably needs: a studio and lots of entertainment cable networks. "How many times has GE tried to figure out what to do with NBC?" Wolzien asks. "They were a seller because they could never do anything else with it."

But NBC Chairman Bob Wright discourages such talk. "GE has always been happy with NBC and its performance and remains so," he says. "But it's never been eager to become substantially bigger in the business" because so much of it, like the movie business, is cyclical.

With corporate pressure to keep revenue and profits growing, though, NBC will not be sitting still. "We're out there looking for things to do all the time." The Paxson, ValueVision and Telemundo acquisitions are all examples, Wright says.

AOL Time Warner aside, the freedom to own cable and broadcast outlets in the same market is less compelling than relaxation of the TV-station rules would be. Only News Corp. has shown any appetite for multi-channel distribution. Rupert Murdoch has been repeatedly thwarted in attempts to get into the U.S. DBS business. I.e. longs for distribution against which to leverage his portfolio of cable networks, although his company isn't in a financial condition to mount much of a system shopping spree.

Industry executives' other favorite broadcast/cable combination is a takeover of Disney by Comcast. The MSO's president, Brian Roberts, is seen as hungry to get deeper into the content side of the business.

But Steve Burke, president of Comcast's cable division and a former Disney cast member, flatly denies that the company has any interest in buying Disney. "Purchasing a company with broadcasting assets is as far away in our mind than anything you could imagine. We're working on digesting AT&T Broadband," the 15-million-subscriber cable operation.

Wright and Karmazin say they have equally little interest in owning cable systems. "Cable television is not attractive to commercial industrial businesses [like GE] because it has a lot of capital intensity," Wright says.

Only Cox Communications—the sole top-five cable operator that, through parent Cox Enterprises, is also a broadcaster and newspaper publisher—expresses even mild interest in crossownership. COO Pat Esser says it would be interesting to freely and intensely cross-promote a station and cable system. "If you could use the system to get a one-rating-point improvement in news over a year, that's a lot of gain to you year after year."

The cable/broadcast crossownership rule has fallen. Other ownership restrictions are not far behind. And if history is any guide, major structural changes in the TV industry are on the way.

"You're either a buyer or a seller," says broker Patrick. "If you stand still, you will be run over."

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**Court to FCC:**

Prove it!

**By Bill McConnell**

After federal judges ruled last week that the FCC must justify its cap on a company's TV-household reach, network executives could barely contain their enthusiasm. After all, the networks have been working to raise the ownership limits and succeeding by degrees, since at least the mid-'40s, when NBC wanted more stations to seed its fledgling TV "chain."

Certainly, chiefs at Fox Television and CBS parent Viacom have reason to celebrate: They probably won't have to make good on obligations to reduce their TV group's reach from roughly 40% of U.S. households to the FCC's 35% threshold.

But anyone on Wall Street expecting the networks to embark on a new round of station acquisitions in the next few months is likely to be disappointed.

Although a three-judge panel of the federal appeals court in Washington found that the FCC was "arbitrary and capricious" in retaining the 35% limit without backing it up with rigorous economic analysis, it also rejected the networks' argument that broadcast ownership limits in general are unconstitutional, a violation of the First Amendment. Further, the court retained the cap at its current level pending an FCC effort to justify today's number, calculate a new one or do away with limits altogether.

Conventional wisdom had been that the FCC, through its ownership working group, would come up with a justification for a raised limit, perhaps as much as 50%. That may still be true, but it may take a while.

"It ought to be painfully clear today that we have a problem," agency Chairman Michael Powell told telecommunications attorneys at a Georgetown Law School conference last week. Although the FCC could seek a higher limit in a quick rulemaking, the court's scathing tone makes it nearly impossible for the FCC to impose a limit that would be any less arbitrary than 35%.

"The court is insisting on much more than the intuitive and sometimes subjective rationales we have offered," he added.

"Powell will be very methodical and rig-
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The history of the TV-station ownership cap

1944: FCC ups TV station limit from 3 to 5.

August 1948: To prevent concentration of control of broadcast facilities, FCC proposes to preserve the TV ownership limit at 5, while capping AM ownership at 7 and FM from 6 to 7. New rules are to take effect in 1953 to allow for an orderly transition. Two owners cited by Broadcasting & Cable with most-pressing divestiture issues are CBS and Paramount. (Note: Interestingly, today, Viacom, which now incorporates both CBS and Paramount, has most-pressing divestiture issues due to mergers that brought its household reach to roughly 40%).

November 1953: New 5-7-7 rules are adopted.

December 1953: To help spur UHF development, FCC ups TV limit to 7 if at least 2 are UHF.

April 1984: FCC eliminates regional concentration rule, which prohibits ownership of 3 stations when 2 are within 100 miles of third and any primary service areas overlap.

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FCC Chairman Michael Powell: “It ought to be painfully clear that we have a problem. The court is insisting on much more than the intuitive and sometimes subjective rationales we have offered.”

The confident tone of the cap’s broadcast-industry supporters contrasted sharply, however, with the nonplussed frustration of FCC officials and public advocates. Beyond the issue of the 35% cap, they say, the ruling puts nearly all the FCC’s ownership rules at risk of court attack and obligates the agency to carry out extremely burdensome reviews of each of the hundreds of commission regulations every two years.

At issue is the court’s finding that the FCC failed to meet obligations of the 1996 Telecommunications Act, which required the FCC to review all its rules every two years and “repeal or modify” those no longer in the public interest.

“Looking back at the record, it’s difficult to see much more than the obvious deficiencies in the FCC’s justifications for the cap,” said Jonathan Schwartzman, former FCC commissioner.

Even if Powell tried to lift the cap quickly, the NAB would need to sway only one of the other two Republican commissioners to block him. It’s presumed that the one sitting Democrat, Michael Copps, and commissioner-in-waiting, Democrat nominee Jonathan Adelstein, would vote to keep the cap at its current level.

Further legal action could also hold up action on the cap. The non-network broadcasters last week were still mulling whether to ask for a rehearing before all 11 judges of the appeals court, appeal to the Supreme Court, or simply lobby the FCC to retain the cap.

The higher hurdle will make it difficult to defend FCC limits on multiple ownership of TV stations in the same market, which have been challenged in the same court, and the restriction on crossownership of broadcast stations and newspapers in the same market, which is currently being reviewed by the commission.

“The court can’t justify the cable crossownership rule, I can’t imagine they can justify a rule covering an industry one
December 1984: As part of Chairman Mark Fowler's deregulatory agenda, FCC expands ownership from 7-7-7 to 12-12-12 (with no UHF requirement) for "transition period," with all limits to sunset in 1990.

April 1985: New 12-12-12 rules go into effect. On reconsideration, 25% cap on nation's TV households is added and the 1990 sunset eliminated. Concerned about the balance of power between larger and smaller group owners, Commissioner Mimi Dawson had pushed for a cap. Only one-half of a UHF station's reach counts toward the cap, and TV cap is extended to 14 if at least 2 are minority-controlled.

February 1996: In rewrite of Communications Act of 1934, Congress eliminates numerical limits, raises ownership cap to 35% and tells FCC to review every two years the need for maintaining broadcast ownership limits.

May 2000: In first biennial review, FCC upholds 35% cap. Fox sues. Eventually, lawsuits by Fox, NBC, Viacom and Time Warner are consolidated.

February 2002: Federal appeals court strikes down cable/broadcast cross-ownership ban and orders rewrite or justification of TV ownership limit.

more step removed from broadcasting," said John Sturm, president of the Newspaper Association of America.

Although the judges agreed during oral argument that the "silly" and "bizarre" law places nearly impossible burdens on the FCC, they nevertheless concluded that its meaning is undeniable. The congressional mandate "might better be likened to Farragut's order at the battle of Mobile Bay," wrote Judge Douglas Ginsburg. "Damn the torpedoes! Full speed ahead!"

Copps and public advocates are urging an immediate Supreme Court appeal, but Congress is another option.

"If Congress wants to preserve any semblance of diversity and localism, they will have to step in if the FCC doesn't appeal," said Christopher Day, an attorney with the Georgetown Law School's Center for Public Representation.

Democratic lawmakers quickly threatened to act. "Congress may have to reestablish the clear public and policy interest in rules that promote diversity and safeguard against undue media concentration," said Rep. Edward Markey (Mass.), ranking Democrat on the House Telecommunications Subcommittee.

Rep. John Dingell (Mich.), the Commerce and Energy Committee's top Democrat, complained that the court might have set in motion the death of local broadcasting. "If this stands, local television throughout the country will be controlled by a handful of media conglomerates in New York and Los Angeles."

Republicans, for the moment, are largely keeping quiet. House Commerce Committee Chairman Billy Tauzin praised the decision, but the GOP will likely be torn between the powerful network and broadcasting lobbies. ■

—Additional reporting by Paige Albinia
Programming

Where the product is co-star

It’s getting harder to tell the show from the commercial

By Joe Schlosser

Debiong next weekend on The WB is the latest outdoor reality series No Boundaries, which might be the way some cynics describe its advertising structure.

The series may have all the ingredients to become the next big reality hit, but its real story is that it is sponsored by Ford and its title is also the two-year-old marketing theme behind the automaker’s line of sport utility vehicles.

In an age of product placement and unique advertising concepts, No Boundaries is taking the level of ad sponsorship back to the days when Milton Berle fronted for Texaco Star Theater. But, with personal video recorders like TiVo giving viewers the chance to zap commercials before they even get a chance to ignore them, advertisers and networks are increasingly intrigued by deft product placement within programs themselves. How far down that road networks and advertisers want to go may depend on how well No Boundaries performs in Nielsen ratings.

“Ford was involved with this show from the outset, and they were very committed to the philosophy and what would be the core of No Boundaries as a show,” says Brady Connell, one of the show’s executive producers and a former director on Survivor and Eco-Challenge.

Advertising giant J. Walter Thompson brought series producer Lions Gate Television and Ford together a year ago. The reality series features 15 contestants battling the elements on a 2,000-mile trek to the Arctic Circle and uses a number of different Ford SUVs every week.

Ford has also committed to running an unspecified number of commercials during the 13-week series.

“This was really in line with what we are trying to accomplish, and it gave [Lions Gate] another avenue to try to produce the show,” says Curt Jaksen, of J. Walter Thompson.

Ford and J. Walter Thompson are currently talking with several Hollywood studios and networks about making the newly remodeled Thunderbird a central element in a new or existing series. (The original T-bird was featured in ABC’s 77 Sunset Strip detective show from 1958 to 1964.) Jaksen wouldn’t discuss that but did allow that “we are looking for unconventional opportunities to build the Ford brand.”

The WB snapped up No Boundaries more than a year ago, says President Jed Petrick, to stockpile reality programming in case of a writers and actors strike.

He says product tie-ins have to be done correctly or they can kill a show. “Product placement has to be hidden. If it’s in your face, then it’s going to backfire. I think the minute the viewing public starts to smell they are being sold in the program is the minute those programs begin to fail. But we are continually looking for good ideas, and we are always talking to advertisers and media buyers about different ways to sponsor shows.”

Some top executives at other networks say they are definitely open to product placement but naming a show with one specific advertiser may not always work.

“If we did a show with Ford, and GM is already buying three times as much advertising, we could run into a number of problems,” says a top network executive. “We wouldn’t want to piss off GM.”

Executives at cell-phone maker Nokia, which was the sole sponsor on the debut episode of ABC’s Alias this season and has a product-placement deal with the series, say they are looking into a number of unique advertising opportunities.

“Our phone has almost become a character on Alias, and that has worked out very well for us,” says Nokia spokesman Keith Nowak. “So any opportunities that present themselves like that we will always be interested in. As for sponsoring an entire show, it’s one of those things we would probably have to see before we did something like that.”

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  Chairman and Co-Founder, Loudcloud, Inc. and Co-Founder, Netscape

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<td>8:00</td>
<td>3.8/6</td>
<td>7.2/11</td>
<td>19.3/28</td>
<td>5.9/9</td>
<td>0.8/1</td>
<td>2.5/4</td>
<td>3.7/5</td>
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<tr>
<td>9:00</td>
<td>61. Who Wants To Be a Millionaire 4.1/6</td>
<td>14. The Real 1.7/10</td>
<td>39. That '70s Show 4.8/8</td>
<td>41. The Phil Vettel Show 3.8/8</td>
<td>44. 24 4.8/8</td>
<td>90. The Practice 2.5/2</td>
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<tr>
<td>10:00</td>
<td>50. The Rest Of Us 1.2/2</td>
<td>3.3/8</td>
<td>41. America's Funniest Home Videos 4.4/8</td>
<td>55. The Closer 3.2/7</td>
<td>44. The Agency 4.8/8</td>
<td>10. Christmas in the City 2.9/5</td>
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<tr>
<td>11:30</td>
<td>32. Drew Carey 5.5/8</td>
<td>45. America's Hottest Home Videos 3.3/8</td>
<td>41. America's Funniest Home Videos 4.4/8</td>
<td>2.0/3</td>
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<td>38. America's Funniest Home Videos 5.1/9</td>
<td>25. 48 Hours 6.2/11</td>
<td>44. The Agency 4.8/8</td>
<td>51. Who Wants To Be a Millionaire 5.9/9</td>
<td>10. Christmas in the City 2.9/5</td>
<td>4.8/8</td>
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</tr>
<tr>
<td>1:00</td>
<td>3.2/6</td>
<td>4.7/8</td>
<td>56. Winter Olympics 14.0/25</td>
<td>54. Cops 4.6/8</td>
<td>114. Diagnosis Murder 0.7/1</td>
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<td>1:30</td>
<td>75. ABC Saturday Night Movie—Thunderball 3.2/6</td>
<td>56. Touched by an Angel 4.3/8</td>
<td>54. The District 4.5/8</td>
<td>40. Cops 5.0/9</td>
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<td>2:00</td>
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<td>44. The Agency 4.8/8</td>
<td>15. CBS Sunday Movie—The Fugitive 5.9/10</td>
<td>5. Winter Olympics 17.1/26</td>
<td>71. FUTURA M.3.4/5</td>
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<td>3:00</td>
<td>46. 48 Hours Minutes 8.1/4</td>
<td>10.60 Minutes 8.1/4</td>
<td>61. King of the Hill 4.1/7</td>
<td>61. The Simpsons 5.1/9</td>
<td>95. Doc 1.6/2</td>
<td>67. Steve Harvey 1.9/3</td>
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<td>4:00</td>
<td>15. The Practice 5.9/11</td>
<td>17.0/26</td>
<td>71. Futurama 3.4/5</td>
<td>27. The Simpsons 5.1/9</td>
<td>95. Doc 1.6/2</td>
<td>67. Steve Harvey 1.9/3</td>
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<tr>
<td>5:00</td>
<td>5.3/8</td>
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<td>17.0/26</td>
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### TOP 25 SHOWS

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<thead>
<tr>
<th>Rank</th>
<th>Program</th>
<th>HH 18-49</th>
<th>HH 25-54</th>
<th>HH GAA</th>
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<tbody>
<tr>
<td>1</td>
<td>Wheel of Fortune</td>
<td>10.8</td>
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<td>2</td>
<td>Jeopardy</td>
<td>8.9</td>
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<tr>
<td>3</td>
<td>Friends</td>
<td>7.9</td>
<td>9.2</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Seinfeld</td>
<td>7.3</td>
<td>8.0</td>
<td></td>
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<tr>
<td>5</td>
<td>Judge Judy</td>
<td>6.4</td>
<td>9.3</td>
<td></td>
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<tr>
<td>6</td>
<td>Everybody Loves Raymond</td>
<td>6.0</td>
<td>7.2</td>
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<tr>
<td>7</td>
<td>Entertainment Tonight</td>
<td>6.4</td>
<td>6.5</td>
<td></td>
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<tr>
<td>8</td>
<td>Oprah Winfrey Show</td>
<td>6.2</td>
<td>6.3</td>
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<tr>
<td>9</td>
<td>Seinfeld (wknd)</td>
<td>5.8</td>
<td>6.8</td>
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<tr>
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<td>Live With Regis and Kelly</td>
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<td>Access Hollywood</td>
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### TOP ACTION SHOWS

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<td>4</td>
<td>VIP</td>
<td>2.2</td>
<td>2.4</td>
<td></td>
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<tr>
<td>5</td>
<td>Invisible Man</td>
<td>2.0</td>
<td>2.2</td>
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</tbody>
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**A banner Edition**

In its 14th season, syndicated newsmagazine Inside Edition is enjoying a banner year.

King World Productions’ daily series is up in national ratings, it’s beating many top daytime talk shows, and it continues to break more than its share of top stories.

This season, according to Nielsen Media Research, Inside Edition is averaging a 3.1 household rating, the show’s best numbers since 1998-99. It’s also up in adults 18-49 (1.3) and adults 25-54 (1.6). Inside Edition is consistently in the top 20 weekly rankings of syndicated shows, and its national household ratings top those of rivals Extra and Access Hollywood.

Executive Producer Charles Lachman has no doubt that Sept. 11 has played a big role in the ratings resurgence, although he also credits award-winning investigative units and the show’s push to air more hard-news stories. For the first six weeks after Sept. 11, he says, Inside Edition was almost entirely dedicated to the terrorist attacks and related stories. “I think people see magazine shows as offering real information; we are the investment for their viewing time,” says Lachman, who has worked as a producer on the show since it launched in fall 1988. “Certainly, a big part of that has been Sept. 11. I think there has just been a general recognition that some of the things viewers have been watching now seem trivial and silly.”

According to Lachman, Inside Edition considers prime time network newsmagazines like Dateline NBC and CBS’s 60 Minutes as its main competition on the content side. New York-based Inside Edition is now the only five-day-a-week newsmagazine in syndication tackling the major news stories. Entertainment Tonight, Access Hollywood and even Extra generally cover Hollywood and the entertainment industry.

For its 15th season, Inside Edition is getting a facelift. Lachman says, including a new set and new on-air graphics. Deborah Norville, who took over for Bill O’Reilly as host in 1995, is expected back.

—Joe Schlosser
SUPREME VINDICATION
The Supreme Court may have finally ended the protracted litigation between a syndicator and a station group that didn’t pay to rerun old TV shows.

The high court last week refused to hear the appeal by C. Elvin Feltner’s Krypton International Corp. of a decision that it had aired reruns of Columbia Pictures Television’s T.J. Hooker, Silver Spoons, Who’s the Boss and Hart to Hart without paying for them. Krypton, which owned stations in Florida and Alabama, subsequently went bankrupt and no longer owns TV stations.

The case had been before the Supreme Court before, following a 1994 judge’s ruling that Feltner owed Columbia $9 million. Feltner won the right to have his case heard before a jury, which proceeded to more than triple the judge’s $9 million award.

The latest appeal asked the high court to consider whether a jury should have decided whether he should be penalized for each of more than 400 times the shows aired or fined once for each of the four shows. The court rejected the appeal, thereby leaving the higher award in place.

Attorneys for Feltner said they were considering their options but acknowledged that the Supreme Court decision limits those options.

PREACHING TO THE CHOIR
Thousands of attendees at the National Religious Broadcasters Association’s annual conference in Nashville, Tenn., last week heard Attorney General John Ashcroft provide a spiritual foundation to the war on terrorism, saying that the “guarding of freedom that God grants is the noble charge of the Justice Department.” He also thanked the group, which represents more than 1,300 religious TV and radio broadcasters, for “leading our culture to prayer.” Ashcroft is the son of a minister and himself a lay minister.

President Bush also provided a taped greeting, calling theirs a “noble calling” and “important mission” and taking the opportunity to put in a plug for his faith-based initiative as “one of the ways we are fighting the war against terrorism.”

UNVEILING ISLAM
Noncommercial WNET(TV) New York is offering two 90-minute tapes and study guides free to schools and community organizations—while supplies last—to promote understanding of Islam and its role in the war on terrorism.

Included in the series will be 18 stories explaining Muslim practices and beliefs. “Commercial broadcast coverage of religion,” said Sarah Frank, VP/director of education, Thirteen/WNET, “almost disappeared in the 1980s when the FCC eliminated the religious-programming requirement.”

NIGHTLY WRIGHT
Will Wright, longtime news director at WWOR-TV New York, is now executive producer at BET Nightly News. He was credited with boosting WWOR-TV’s news product, winning accolades as well as ratings, but lost his job when the former Chris-Craft station joined Fox’s WNYW(TV) New York in a duopoly. BET’s weekday news program had been located in Washington but is moving this week to CBS headquarters in New York.

BIRDS GET OWN NET
Add the Baltimore Orioles to the list of proprietors of regional sports networks. The new Orioles Television Network will produce, sell and market Orioles broadcasts. Flagship stations will be WJZ-TV and WNUV(TV) Baltimore and WBDC-TV Washington. Plans call for a network of 10 to 12 stations in six states. Orioles Television will produce 74 broadcasts this season.

HAYWARD CELEBRATES 30 YEARS AT WUSA
WUSA(TV) Washington took time in a newscast last week to commemorate the 30th anniversary at the station of anchor JC Hayward. She was hired by the late, legendary WUSA News Director Jim Snyder and has been lauded for community involvement as well as for award-winning stories.

With this anniversary, Hayward joins two other 30-plus-year veterans at the station: Gordon Peterson and Mike Buchanan. Crosstown anchor, WRC-TV’s Jim Vance, is also a member of that elite club.

All news is local. Contact Dan Trigoboff at (301) 260-0923, e-mail dtrig@starpower.net or fax (413) 254-4133.
Programming

Focus Springfield

THE MARKET

| DMA rank | 74 |
| Population | 950,000 |
| TV homes | 391,000 |
| Income per capita | $13,763 |
| TV revenue rank | 90 |
| TV revenue | $45,000,000 |

COMMERCIAL TV STATIONS

<table>
<thead>
<tr>
<th>Rank</th>
<th>Ch.</th>
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<th>Owner</th>
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<tr>
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<td>KYTV</td>
<td>2</td>
<td>NBC</td>
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<tr>
<td>2</td>
<td>KOLR-TV</td>
<td>10</td>
<td>CBS</td>
</tr>
<tr>
<td>3</td>
<td>KSPR-TV</td>
<td>33</td>
<td>ABC</td>
</tr>
<tr>
<td>4</td>
<td>KDEB-TV</td>
<td>27</td>
<td>Fox</td>
</tr>
<tr>
<td>5</td>
<td>KWBM(TV)</td>
<td>31</td>
<td>WB</td>
</tr>
</tbody>
</table>

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

CABLE/DBS

- Cable subscribers (HH): 179,860
- Cable penetration: 46%
- ADS subscribers (HH): 117,300
- ADS penetration: 30%
- DBS carriage of local TV: No

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

WHAT'S NO. 1

<table>
<thead>
<tr>
<th>Syndicated show</th>
<th>Rating/share***</th>
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<tr>
<td>Wheel of Fortune (KYTV)</td>
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<td>Friends (KYTV)</td>
<td>18/28</td>
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<tr>
<td>Early-evening newscast</td>
<td>20/35</td>
</tr>
<tr>
<td>Late newscast</td>
<td>15/31</td>
</tr>
</tbody>
</table>

***November 2001, total households

Sources: Nielsen Media Research, BIA Research

Sleepy, maybe, but growing

Springfield, Mo., is a growing but historically underperforming market, with executives looking to break the $50 million revenue mark in the next few years. It has been a sleepy market, station execs agree, that hasn't yet drawn the attention of the major market groups.

With the local and advertising economy driven largely by small local business, ad rates are lower than in similar-size markets. But, as many markets nationally dropped precipitously in 2001, Springfield held nearly all its 2000 level, even without political.

"We had a lot of telecommunication advertising last year," said Mike Scott, general manager of dominant local station KYTV(TV). The cell-phone business, he says, virtually replaced what was lost in the dotcom crash, as AT&T, Southwestern Bell, Alltel and Springfield staked out a piece of the local wireless market.

Although NBC gets the lion's share of viewers as well as revenue—with more than $18 million in a $45 million market—it's CBS affiliate KOLR-TV that wins prime time.

Stations look forward to a good political market this year, with state-legislated term limits opening up lots of state offices, congressional seats up for reelection and a U.S. Senate race. Although nearby Branson, Mo., helps bring in local tourism advertising such as restaurants, says local ABC affiliate KSPR General Manager Jim Schuessler, Springfield remains the economic focus of the market.

Multichannel penetration totals a relatively low 76%, and serving the entire area is a problem. "We're a 34-county DMA," says Scott. "There are parts of our rural areas, in southwestern Missouri and northern Arkansas, that are totally unserved." Scott and other station executives in the market hope to expand local viewership when DirecTV brings local stations onto its satellite service. Springfield has the highest satellite penetration—30%—among the top 100 DMAs.

—Dan Trigoboff
WASHINGTON

What’s in a name?

For cable-modem service, ‘information service’ means plenty

By Bill McConnell

After years of uncertainty in the courts and Congress, the FCC is expected in the next few weeks to chart its course on regulation of cable Internet and other broadband services.

Although conventional wisdom has long held that the commissioners believe they have the power to force cable systems to offer unaffiliated Internet service providers, they won’t exercise that controversial option.

That call comes from a proposal the FCC is expected to unveil at its meeting March 14. Industry sources say the agency plans to classify cable-modem service as an “information service,” a move that would bring big relief to the industry because it would deny local franchise authorities and other municipal regulators the power to impose ISP-access conditions themselves.

Still, the classification would have some drawbacks in the form of new fees the industry would be obligated to collect.

The nomenclature of cable-modem service classification would seem a terribly arcane subject, but its ramifications go far beyond the already important access issue.

Depending on how the FCC decides to classify cable broadband, local systems could be forced to pay additional local franchise fees or pay into the federal universal-service fund used to deliver telephone service to rural and other high-cost areas and to wire schools and libraries to the Internet. The FCC’s other choices for classification are “telecommunications,” which would carry access requirements, or “cable service,” which would permit local franchise fees for broadband.

Under the information-services classification, cable is most likely to be susceptible to a new universal-service obligation. (Cable systems offering telephony already pay into the universal-service fund.)

The cable industry is mounting a lobbying campaign to fend off any new fee, of course.

On the other side of the competitive divide, telephone monopolies, which compete with cable broadband for high-speed digital subscriber line business, would like to keep the threat of new fees so long as phone companies still have ISP-access obligations.

According to talking points prepared by the National Cable & Telecommunications Association, cable executives are urged to call on FCC commissioners to stand their ground against cable ISP-access obligations and to insist that local authorities get no power to overrule the FCC.

Regarding franchise fees, the cable industry will fight against paying a new levy on cable-modem service but indicates that it will not seek refunds from the handful of local governments that have collected fees on the service so far.

The FCC’s plan, one of four broadband proposals the agency will have under way soon, is meant to eliminate the regulatory uncertainty that has caused an endless stream of court fights and congressional hearings over the open-access rules and broadband deployment since 1998, when high-speed Internet service became available.
**Changing Hands**

**TVs**

**KCAL-TV Los Angeles**
**Price:** $650 million
**Buyer:** Viacom (Mel Karmazin, president); No. 2 TV-station group owns 38 stations covering 41% of the country
**Seller:** Young Broadcasting Inc. (Vincent Young, president)
**Facilities:** ch. 9, 141 kW, ant. 3,186 ft.
**Affiliation:** Independent

**AMs**

**WHJMJ(AM) Knoxville and WKCE(AM) Maryville (Knoxville), Tenn.**
**Price:** $400,000
**Buyer:** Kirkland Wireless Broadcasters Inc. (P. S. Sierocki, president); no other broadcast interests
**Seller:** Morgan Broadcasting Co. (Harry Morgan, president)
**Facilities:** WHJMJ(AM): 1180 kHz, 10 kW day, 1 W night; WKCE(AM): 1120 kHz, 1 kW
**Format:** WHJMJ(AM): nostalgia; WKCE(AM): nostalgia
**Broker:** Satterfield & Perry

**Correction**

In the Feb. 4 issue, incorrect information was reported on the acquisition of KHHL-FM. The buyer is KHHL Acquisition LLC (James Anderson, manager). City of License is Leander (Austin), Texas

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**Combos**

**WMID(AM) Atlantic City, WMID-FM Cape May, WGBZ-FM Cape May Court House, WTTH-FM Margate City, WZBZ-FM Pleasantville and WBNJ-FM Wildwood Crest (Atlantic City-Cape May), N.J.**
**Price:** $13 million
**Buyer:** Equity Communications LP (Gary Fisher, president); owns three other stations: WCMI(AM), WAYV-FM and WZXL-FM Atlantic City-Cape May
**Seller:** Margate Communications LP (Donald Brooks, president)
**Facilities:** WMID(AM): 1340 kHz, 890 W; WMID-FM: 102.3 MHz, 3 kW, ant. 292 ft.; WGBZ-FM: 105.5 MHz, 3 kW, ant. 295 ft.; WTTH-FM: 96.1 MHz, 3 kW, ant. 315 ft.; WZBZ-FM: 99.3 MHz, 3 kW, ant. 328 ft.; WBNJ-FM: 93.1 MHz, 4 kW, ant. 217 ft.
**Format:** WMID(AM): adult standards; WMID-FM: smooth jazz; WGBZ-FM: CHR; WTTH-FM: urban AC; WZBZ-FM: CHR; WBNJ-FM: urban AC

**FM**

**KALC-FM Denver (Denver-Boulder)**
**Price:** $88 million
**Buyer:** Entercom (David J. Field, president); No. 5 radio group owns 98 other stations, none in this market
**Seller:** Emmis Communications (Jeff Smulyan, president)
**Facilities:** 103.9 MHz, 100 kW, ant. 1,470 ft.
**Format:** Hot AC

**KXPK-FM Evergreen (Denver-Boulder), Colo.**
**Price:** $47.5 million
**Buyer:** Entravision Communications (Walter Ulloa, Chairman); No. 20 radio group owns 52 other stations, including KMXA(AM) and KJMN-FM Denver-Boulder
**Seller:** Emmis Communications (Jeff Smulyan, president/CEO)
**Facilities:** 96.5 MHz, 100 kW, ant. 1,528 ft.
**Format:** '80s hits

**WMID-FM**

**KALC-FM Denver (Denver-Boulder)**
**Price:** $88 million
**Buyer:** Entercom (David J. Field, president); No. 5 radio group owns 98 other stations, none in this market
**Seller:** Emmis Communications (Jeff Smulyan, president)
**Facilities:** 103.9 MHz, 100 kW, ant. 1,470 ft.
**Format:** Hot AC

---

**Millennium Radio Group**

**has acquired**

**WKXW-FM, WBUD-AM, WBSS-FM**

**Middlesex, NJ**
**Trenton, NJ**
**Atlantic City, NJ**

**from**

**Press Communications**

**for $110,000,000**

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

**Kalil & Co., Inc.**

3444 North Country Club Tucson, Arizona 85716 (520) 795-1050
Centralized but local, too

**NBC's $10M centralcasting operation moves master control to three strategic sites**

By Ken Kerschbaumer

NBC's new $10 million centralcasting operation—with hubs in New York, Los Angeles and Miami—is up and running. The operation model has a simple goal: Centralize but also make it easy to localize.

"We want to ensure that the stations could continue to operate as they had in terms of being able to do local and breaking news from their facilities any time they wanted," says Vice President and Chief Information Officer John Wallace. "So we gave them a system that gave them that capability at the local side, without the master control, and we built the centralcasting operation at the hub."

With each hub capable of handling eight stations, and 13 owned-and-operated NBC stations due to be on by year-end—with KNBC(TV) San Jose, Calif., possibly joining the list—there's room for growth.

Currently, there are four stations on the Miami hub, eight on the New York hub and two on the Los Angeles hub (see box for details). The technologies behind the system include Grass Valley Group's Media Area Network (MAN), Florical Systems automation, and 45-MB/s connectivity between the stations and the hub provided by Marconi.

Miami's hub, with 12 operators, is built within WTVJ(TV) Miami's facility but operates independently of the station. The New York hub and its 17 operators are located at 30 Rock. The Los Angeles facility, with nine operators, is in the same building as KNBC(TV) but on a separate floor.

Each hub has two MAN systems, which will ingest video onto Profile XP systems and shared RAID storage. Fibre Channel networking provides 1-Gb/s connectivity. The Florical system will handle traffic and automation flow; the Marconi gear will connect the stations and hub.

"We have one operator for four streams," says Wallace, "and their responsibility is to monitor the stream for audio and video quality and to make sure the commercials scheduled are the ones that are running."

Allowing the operators to focus on quality control is an important aspect of the system. Historically, in automated plants, a master-control operator edits lists and does a lot of work on the playlist, but Wallace says that isn't the case with the centralcasting approach.

"We have a management team that does all the manipulation of the playlist to cut down on the number of errors we could potentially have," he says. "That allows the operators to be focused on the four streams they're responsible for."

Commercial and program material is placed on the MAN system, the challenge then becoming tracking material through the system. Wallace says a team was put together to create a standard list that all the stations could use.

"Every station uses the exact same numbering scheme, so, if we take in a General Motors commercial, the system knows when to purge it," he explains. "That way, if it has run its course in New York and still has to run in Columbus, the system won't purge it."

The system treats a commercial, for example, as a single file, eliminating the need to store it eight times.

"It was a very difficult process when we had to go through every single contract we
have and migrate the data to the standards,” says Wallace. “It’s about a one-month process per station. Now we have consistent data across all the operations.”

Florical’s system comprises modules that handle different tasks. The AirBoss terminal, which sits at each station in the control room, allows the station to work around any overrides the news department may want to do for breaking news.

“If the commercials are affected, the AirBoss terminal allows the producer to slide breaks around,” he says. “That allows them to protect the revenue and produce the local-news segment.”

The Marconi ASX 1000 and ASX 200BX broadband ATM network switches are designed to carry real-time broadcast-grade video traffic as well as IP traffic for the operation of the systems and monitoring, according to Spike Jones, who is responsible for solutions integration, media and entertainment, at Marconi.

Plans call for corporate telephony and LAN data traffic to be carried as well.

“Marconi allows us to create the Ethernet between the hub and the spoke operation without affecting our audio and video output,” notes Wallace. “So we’re using the same fiber line to run the Ethernet and push out the audio and video to the station.”

With redundancy always a core issue in a centralcasting facility, two identical Florical and MAN systems are in use, both fully redundant, Wallace says. They are completely independent.

The fiber is redundant as well and is also self-healing so that, if there is a cut in the fiber, it will fix itself in 35 milliseconds. And if there is a failure on the X side, an emergency button enables the operator to switch over to the Y side.

The ultimate failure would be a power failure at the hub. In that event, each station still has an IRD and can receive the network’s satellite signal.

Even though centralizing may shift the master control out of the station, the key to successful implementation, Wallace says, is to remember that local presence is often what drives revenue.

“When you centralize,” he says, “you have to be very careful that you don’t affect the operating model. You need to determine what is important to your station group and make sure that you work through all the issues, like the traffic issues we dealt with.”

Breaking news isn’t the only thing that may pop up. Late-breaking promotions, for example, may need to be put on-air in five minutes. Local file servers permit them to be loaded and played out.

“On the traffic side, we’re very reliant on the quality of the traffic logs,” Wallace adds. “With seven inputs coming into the New York facility on any given day, we put a lot of accountability back on the station.”

With a $10 million investment, NBC is only beginning to realize the cost savings because it is still in phase one of the rollout.

Phase two? Centralizing graphics and promotion, Wallace says, adding, “There are a lot of benefits that will come from this platform that we built.”

IN BRIEF

DOJ APPROVES GVG DEAL
Thomson Multimedia acquisition of Grass Valley Group took a step towards completion when Department of Justice approved it. Additional steps remain before deal closing, but sources say it should be completed within 30 days.

SBE ISSUES HANDBOOK
The fifth edition of the TV Operator’s Certification Handbook, written by Fred Baumgartner and Doug Garlinger, is available from the Society of Broadcast Engineers. According to SBE, the latest edition updates technology and broadcast practices, including centralcasting and information on the Children’s Television Act.

Readers passing a written test are designated an SBE Certified Television Operator (CTO).

LIVING FAITH IN DTV
Living Faith Ministries broadcast stations will install the SignaCast DTV compliance system offered by integration company SignaSys. The system includes an Acrodyne Quantum transmitter, Miranda analog-to-digital conversion and HD routing equipment, and a Tandberg encoder.

WLFG (TV) Grundy, Va., will be the first station to install the SignaCast “Lite” version, which also carries closed-captioning information, PSIP and Emergency Alert System messages.
IN BRIEF

WFAA-TV ADDS QUANTEL CLIPBOX

WFAA-TV Dallas has purchased a Quantel Clipbox Studio to be used alongside its Quantel Henry and Hal graphics equipment. The Clipbox system will give the station more flexibility in its newscasts, according to Post Facility Manager Don Hazen, by allowing faster response to on-air needs. The station will also be able to build unlimited stacks of clips to roll during a newcast.

NBC AT GROUND ZERO

A LiveWave PRO robotic camera-control system has been installed in Manhattan by NBC to get pictures of Ground Zero for both NBC and MSNBC newscasts. The camera, located in a nearby building, will also serve the needs of a pool service comprising other TV news organizations, including CNN. The system controls a Panasonic AW-E600 camera with a Fujinon 20x zoom lens with a 2x extender in a Panasonic PH-600 housing. Producers at MSNBC's facility in Secaucus, N.J., control the camera from desktop computers, and engineers at MSNBC can also handle additional camera functions like presets and white-balance levels.

CINEMANOW, MGM PACT

CinemNow signed a deal with MGM Home Entertainment to offer MGM movie content to CinemNow Internet VOD customers in both streaming and downloadable formats. The goal of the tests is to get an understanding of consumer behavior. Movies available include What's the Worst That Could Happen? and The Man in the Iron Mask. The test includes the use of different price points.

By Ken Kerschbaumer

Call him HDTV's Tom Joad. Randall Paris Dark has moved his HD Vision production facility from the heart of Texas to Los Angeles, where HD production and post-production demands hold the same promise as California's farm country during the Dust Bowl years.

"HD Vision Studios will be much bigger in many ways," says Dark of the 15,000-square-foot facility. "We'll offer a range of services both in the world of fiction and non-fiction. We'll have HD cameras, digital cinema and a broadcast center. And, in post-production, we'll have 1080/24p, 1080i and standard-definition editing and graphics."

The production arm of the facility, he says, is already landing work for both the corporate market (such as shooting an interview with director Steven Soderbergh for Texas Instruments) and the more traditional Hollywood community (working on a docudrama about a Canadian artist that will air on Bravo). Dark is even writing a script.

One factor working in Dark's favor in Los Angeles is that, with studios and production communities looking to save money, HD production helps get "smaller" films made.

"Our industry has changed dramatically over the years, and I think we all feel at times art has suffered because of the need for the blockbuster," says Dark. "Small, quiet scripts don't get produced as often because bean-counter decisions are made. HD dramatically brings down the cost of production to a point where the independent imagemaker can afford to move forward at a much more palatable entry price. First dollar in is traditionally the hardest dollar to acquire. That all changes now."

One thing lacking in HD Vision's Dallas facility was 24p editing capability. The new facility has it. "Besides our 1080i edit suite with the Snell and Wilcox switcher with color correction and DVE, we have added the ability to edit in 24p that will utilize the Sony HDW-F500 HDCAM VTR, Panasonic D-5 HD-3700 mastering VTR, and a Chyron HD Duet Paint System," he says. "We're evaluating a number of other products and will soon add them to our arsenal."

An interesting aspect of the facility will be a broadcast center connected via fiber to a transmission facility that can handle HD or SD. Complete with a newsroom set, a talk-show set and a virtual set, the center will bring new production capabilities to the L.A. basin.

"The advent of the 24p camera and the adoption of 35mm telecine to HD have caused many of the studios to come around to HD," says Dark. "All this, coupled with high-profile HDTV productions and the upcoming release of Star Wars: Episode 2, will make the independent filmmaker realize that it is the way of the future."
Perhaps today's most talked about new digital videotape format is MPEG-IMX. Those in the know think that it could well become the new half-inch digital standard, much like the Betacam formats. And outside of the hardware manufacturer's own brand, only one other name now appears on MPEG-IMX format videotape – Fujifilm.

For more information, call 1-800-755-3854, extension 8312 or check out our new website at www.fujifilm.com.
Surviving NAB

Divide and conquer

It's a big show. Here are some broadcasters' strategies.

By Ken Kerschbaumer
everyone’s shopping list this year. Asset-management systems are one such item. All the networks have lofty aspirations of closely networked facilities sharing digital video assets. The rub is that many of the aspirations seem to outstrip the product capabilities—or at least those of the product offerings available today.

Nonlinear editing also appears to be gaining popularity as a product area worthy of closer inspection. Again, this is closely coupled with the storage of video assets on servers. In years past, nonlinear editing was often relegated to the post-production community. The post industry has a business model that allows for bleeding-edge capital expenditures to be picked up by clients willing to pay for the privilege of being on the bleeding edge. Broadcasters, on the other hand, don’t have such a model. So, with digitally stored assets more readily available to be quickly imported into nonlinear editing systems, the operational savings are visible.

Editing, storage and asset management are just a few of the hot topics. But there is one overarching trend: the switch to digitization and the desire to move and edit video and audio as digital files.

The articles on the following pages provide a sampling of what broadcast and basic- and pay-cable network engineers will be on the hunt for at this year’s show.
Maintaining status quo
With HDTV operations in shape, it’s on to other digital demands

ABC will be checking out HDTV production equipment, but that won’t be the main focus of its trip to NAB. The network is in good shape with both HD gear and programming and will be looking for ways to tie digital systems together.

“We’ll always be monitoring developments in HDTV,” says Preston Davis, president, broadcast operations and engineering, ABC, “but we have the core equipment we need to do a pretty good job of delivering HDTV content to viewers, so I don’t see any big pushes in that direction this year.”

One quest Davis and his staff will continue is the search for an archive system. “We’ve had projects over the last couple of years looking at archiving, asset management and wide-area networks because the three are sort of related,” he says. “But we haven’t seen any elegant solutions to those problems today, at least nothing we can afford.”

There will be the beginnings of a push to deliver digital network feeds to affiliates, something ABC doesn’t do today. “We’re probably one of the few networks that has an analog network-to-affiliate delivery system, so we’ll be looking at technology that will allow us to digitize those paths in the next year or two,” says Davis. If things go well, ABC will be up with a digital system by the end of 2003.

Digital transmission receivers are on Davis’s list, as well as equipment that allows for compression of multiple program streams onto a single transponder. He also says MPEG-4 technologies will be investigated as well. There isn’t a specific agenda, but the goal is to make sure ABC knows where transmission technologies are going.

“We’ll canvass the show for the first few hours, and then, because we’re such a small team, we’ll have to figure out a strategy as to how we’re going to approach seeing the show,” he says. “We’ll have to pick our spots, but we also don’t want to miss the little jewel companies that are developing the glue that makes some of these larger systems work. They tend to be located in the corners of the big halls or some of the smaller halls.”

This year’s budget is about the same as last year’s, Davis says, adding that there is always old equipment that needs to be replaced and things that need to be done.

“We aren’t looking to grow but to maintain the current production capacity with equipment that is reliable and hopefully makes us more efficient.’

“We have 30-year-old networking facilities, two of which will be updated this year, and edit rooms that need to be replaced,” he explains. “So most of the efforts that we will pursue this NAB are focused on replacing old facilities. We aren’t looking to grow but to maintain the current production capacity with equipment that is reliable and hopefully makes us more efficient.”

While he doesn’t expect anything groundbreaking, he does expect some developments in collaborative editing systems and electronic newsrooms that will be worth investigating. The editing systems will be used for news, daytime and sports programming.

As for the newsroom, Davis says ABC News has been looking at newsrooms for a while but ABC will be trying to get a sense for trends and seeing which manufacturers are doing the best job with third-party integration.

He sees that as a real issue confronting newsrooms. “It’s one thing to have a great newsroom system, but it’s another thing to tie it back to legacy systems as well as configuring it in a way that anticipates future technologies.”

Probably the biggest change in ABC’s approach to NAB this year is that the network is reversing its planning. In previous years, the network would meet with manufacturers before the show so the staff could get an idea of what to expect. This year, however, the meetings will be held afterward.

“We’re going into NAB with our eyes wide open and our hopes high,” he explains. “We think [having meetings after NAB] will be more fruitful and allow us to target more specifically those things that we found at NAB.”

—Ken Kerschbaumer
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 Seeking more of the same
The goal is simple: Gear that makes facilities better

Last year, Vice President, East Coast Operations, Bob Ross and the rest of the CBS engineering team went to NAB in search of new equipment and technologies for use in a Broadcast Operations Center being built in New York. This year? More of the same as the development of the BOC continues to take shape.

“The BOC we have is working okay,” says Ross. “We just have to keep working towards the future.”

Specific equipment that CBS will be looking for includes video servers, control systems for those servers, and additional production products for HDTV demands, specifically for sports production.

“We need an HD super sloyo for the HD sports productions that we’re doing,” he says. “And we need HD nonlinear editing.”

Ross says he’d love to see more manufacturers create HD production equipment. Right now, the 24p production market, for example, is pretty much a two-company market: Panasonic and Sony. Even so, he says, a producer who wants to use HD video for episodic television could do it.

One advance he would like to see, however, is the ability to produce in full 1920x1080 with a variable frame rate. “We’re not doing full 1920x1080 24p with a variable frame rate yet, but we’re getting there.”

The shift to nonlinear editing for HD use is typically the realm of large, expensive post-production facilities. Checking out HD nonlinear editing systems at trade shows like NAB often involves demonstrations of the latest $150 million motion picture, not television network programming.

But editors accustomed to working in a nonlinear fashion in standard definition aren’t keen on taking a step back in time for HD. “Editors are used to working nonlinearly, and they aren’t going to go back to tape-based editing systems,” says Ross.

One factor working in Ross’s favor is that the price of HD nonlinear editing systems is coming down. “Costs are based on the massive amounts of disk space needed for storage,” he explains. “So now we’re seeing the benefit of getting bigger and faster drives at a lower cost, and we can afford more storage. We need more competition in that area because it’s basically Avid and Pinnacle.”

Ross also says he’ll investigate HD systems from other manufacturers, like Quantel and Discreet, at NAB.

Servers will also be on the shopping list this year. With so many companies offering server products, education plays an important part in making the right purchasing decision. “We spend an inordinate amount of time researching the company, its history, who else is using the server, what the reliability is, and what the basic hardware structure is for the server,” says Ross.

CBS currently uses Grass Valley Group Profile servers at its owned-and-operated stations, so the company does have an established relationship with one server manufacturer. “But we’re always looking at alternatives which mean the usual cheaper, better, faster attributes,” he says.

The most important attribute in server-type systems is making sure the hardware will hold up. “For most of these kinds of systems, the investment in the software side means we want the hardware to last a while,” Ross explains. “Before we’ll change the hardware again, we’re going to need a good reason to change it, like if it’s incompatible.”

A number of upcoming engineering projects are in the offing. Ross’s basic goal at NAB is to look for products that might change the direction of what CBS is doing. “I don’t expect to see anything, but you never know.”

One area that Ross will continue to explore is centralcasting technologies. He wants to take a closer look at the technologies involved to determine whether the cost savings outweigh the risks.

—Ken Kerschbaumer
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The push into digital

Shopping list is similar to last year’s, but with a difference

This year, Gordon Castle, senior vice president, strategic digital systems for Atlanta-based CNN, will travel to Las Vegas for the NAB convention with a shopping list quite similar to last year’s. In an industry as fast-changing as this one, though, that may not be as simple as it sounds.

“I want to maximize general research time at the show, so we will limit some of the meeting in the technology and companies that we are well-versed in,” he says. “It’s divide and conquer.”

Continuing a major push to digital production, CNN will again focus mainly on content management and manipulation of content over multiple platforms this year. “This continues to be a volatile field where there have been several ownership changes,” Castle says.

For example, he points out that, last December, Documentum acquired Bulldog and that Informix, acquired by IBM about a year ago, recently announced that its Ascential Software division is selling off the Media360 line. Ascential’s Media360 is credited with helping CNN win a Technical Emmy Award last year.

\[\textbf{Shopping List:}\]
- Digital asset management
- Long-GOP-based equipment
- Large-capacity servers
- MPEG Production equipment

\[\textbf{Gordon Castle} \]
Senior Vice President, Strategic Digital Systems

“We are making content available more efficiently in terms of speed and throughput. Unless you use an asset-management system, you can’t unlock that value.’

The network has begun implementing a technical plan designed to make content more accessible across its enterprise by replacing videotape and using compressed digital video to move files.

“We are making content available more efficiently in terms of speed and throughput in implementing digital systems,” Castle says. “Unless you use an asset-management system, you can’t unlock that value.”

Another area where Castle is hoping to find advances since last year is in the area of long-group-of-pictures (long-GOP) editing equipment. Castle says he is hoping to see developments in the long-GOP MPEG format.

Long-GOP MPEG groups 15 frames at a time and, at 15 Mb/s, offers the same quality of production as I-frame only, which handles just one frame at a time at 50 Mb/s. Castle says he’ll look at servers, processing equipment and distribution equipment that use the native long-GOP MPEG format. He also will seek MPEG editing equipment that will allow producers to insert bugs and keys in a long-GOP domain.

“This is very much in the developmental stage,” he says. “There have been some announcements about developments in editing and production and equipment using long GOP. We’ll be anxious to see actual product in that space.”

The news network also plans to add large-capacity video and data server systems that take advantage of general computing, such as support for high-speed Ethernet connections for fast transfer of video material.

“There are trends in the computing field which are complementary to broadcast specialized equipment,” Castle says.

He also will be looking for IP-based transmission and contribution equipment that would enable the network to merge real-time video with general IP traffic.

“Because we continue to see more broadcast with IT technology,” Castle adds, “we’ll be looking for new vendors that will be at NAB and for existing vendors that will directly support standard IT-based networks.”

In terms of field production, CNN has implemented laptop-based editing systems using DV-based compression.

“We’ll be looking for advancements in Apple, Avid and Pinnacle that allow nonlinear editing in the field and movement toward MPEG nonlinear production,” Castle says.

CNN is also planning to investigate optical-disk-based production technology, which is part of an evolution away from tape. Sony, Panasonic and Hitachi have begun developing such products, and Castle is interested to see what they will be offering this year.

“Optical disk appears to provide bandwidth and the storage capacity and data rates to supply high-quality video,” he says. “We think this technology will find its way into higher-end equipment as well.”

—Karen Anderson Prikios
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Simple but sophisticated
Network is seeking the Holy Grail of a truly tapeless system

Fast-growing Discovery Communications is looking to simplify work flow and add efficiencies to its production environment. This year, it will go to NAB with a lengthy shopping list and a specific game plan.

"NAB has evolved into a convention that is far too large and unwieldy to reap any benefit without an extremely detailed agenda," says Jay Schneider, senior vice president, production, operations and engineering services. "We have preplanned meetings and do relatively little floor cruising."

One of the areas the network will explore is advances in full-bandwidth nonlinear editing. The network recently upgraded its suite of nonlinear editing systems—the AVID XL-1000 and XL-9000, Discreet Logic Flint, and Quantel Edit Box—to allow for full-bandwidth editing.

"This is putting more-powerful tools in the hands of the creative individuals," says Schneider. "I think, ultimately, it’s where the entire industry is going to end up. The whole notion of a two-step process was inefficient but was necessary due to the high cost of full-bandwidth production tools."

The network has begun to edit some of its programs—those that require little editing and finishing—in this manner and plans to expand that in the future.

"We are going to look to more-sophisticated editing projects to begin to employ this technology," Schneider says. "We’re looking for tools that not only enable a more sophisticated approach to editing but also allow for an upgrade of the entire post-production environment."

The next step for Discovery is to create a networked environment that would simplify production work flow across multiple devices. "Specifically, we’re looking for efficient and cost-effective tools to enable content sharing and processing in a very large facilities environment," Schneider says.

The "Holy Grail" of post-production is the tapeless environment. "The ultimate goal is to be able to have content pass through post-production and network origination without ever being transferred to tape."

"The ultimate goal is to be able to have content pass through post-production and network origination without ever being transferred to tape."

Schneider also plans to investigate master-control—automation systems that will offer the ability to control content servers widely dispersed over different geographic areas. "You can ingest in one location and play it back in another location."

He also is looking to deploy a system that would allow the network to store video and audio as separate files. This would allow Discovery to encode the video feed once and send it to multiple worldwide origination facilities, where the audio could be encoded with the local language.

Another area in which he hopes to see progress is multi-format-compatible HD VTR equipment.

"At Discovery, we use many different formats," he explains. "Tape machines and other HD equipment that are format-agnostic [allow you to] get the maximum benefit from your investment. We are going to pay very close attention to what improvements have been made."

In transmission, Discovery has already made some major improvements. Last year, the network successfully deployed digital-compression and satellite distribution equipment from Scientific-Atlanta and Motorola.

"This coming year, what we’ll be looking for is advancements in integrated receiver/decoder equipment for our affiliates," he says. "The challenge is, as Discovery continues to distribute programming to an ever-widening audience, [to find] cost-effective affiliate-based equipment that delivers all the quality and features required."

—Karen Anderson Prikios
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Over the years, HBO has been trying to reduce the focus of NAB as a place to make purchasing decisions and use the show more as an informational forum.

"I think the day is gone when the people in engineering group deferred buying decisions until NAB," says HBO Senior Vice President, Technical Operations, Bob Zitter. "We are in regular contact with manufacturers, always talking to them about our needs."

By the time NAB comes around, a team from HBO can scour the show floor to seek out new players and emerging technologies. "We always look for new ideas and companies that will be there next year," Zitter says.

This year at NAB, HBO's focus will be on studio production and network origination. Taking a step closer to the tapeless environment, HBO plans to institute a server-based origination system interfacing with an automation system, but finding the right system is proving to be quite a challenge.

"Some manufacturers' servers may interface with some automation systems but not others," he says. "All the pieces aren't designed to interface with each other."

With a growing library of programming, storage is another important area. "We have our people touching base to see what things are out there that we ought to know about," Zitter says. "We want to move to network storage to manage it. That's something that we are not going to implement overnight."

HBO is also looking to add an asset-management system to allow producers easier access to this expanding library, but interoperability has been a challenge.

"If we move from videotape to server for our 28 network feeds, all equipment has to be interfacing as one system, and we will need one asset-management system."

"If we move from videotape to server for our 28 network feeds, all equipment has to be interfacing as one system, and we will need one asset-management system."

"If we move from videotape to server for our 28 network feeds, all equipment has to be interfacing as one system, and we will need one asset-management system."

With HBO's growing distribution channels, Zitter also will be looking at equipment to enable the network to modify data rates of program content. This would allow it to archive programming at one data rate, use another for transmission to affiliates, and use a higher data rate for full-quality broadcast programming and a lower rate for Web streaming.

"This is something that everyone is going to need in the future," Zitter says. "We wouldn't want to limit ourselves to any specific manufacturers. If someone has a product and it's proven, we will be happy to look at it."

The problem, he adds, is that many people say they can modify data rates but HBO hasn't seen anything it's pleased with yet.

HBO On Demand, the network's new video-on-demand service being tested in several markets, will also be a focus.

"We had been outsourcing work in terms of encoding and transmitting fields," Zitter explains. "We're moving that in-house this year."

Gearing up to expand HBO On Demand, he plans to seek out file servers and storage encoders. A device the network calls a "pitcher system" will encode files to be transmitted via satellite in IP format. This will enable HBO to transmit programs as a file at faster-than-real-time speeds.

In addition to seeking out new technologies, Zitter is looking forward to meeting with colleagues from around the world.

"It's a time when a lot of the people from the different technology operations from HBO's worldwide [networks] get together and compare notes."

—Karen Anderson Prikios
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On a limited budget
One goal is to manage assets while sounding great

With the construction of a major new facility complete, the Denver-based Starz Encore Group will be going to NAB this year with a limited budget and a short shopping list, allowing for leisurely exploration of new technologies.

“We spent an awful amount of money this year just getting our systems and our facility in order,” Vice President of Production and Operations Ray Milius points out.

The network went live from the 300,000-square-foot building on Jan. 21. The facility boasts a Pinnacle MediaStream 40-channel video server controlled by an Omnibus Automation system. “We have no tape playback,” Milius says.

All content is stored on a 64-TB Sony PetaSite tape library. “Each tape can hold just a ton of movies,” he boasts.

To be more precise, each tape stores the material as MPEG data files and can accommodate approximately 20 feature-length movies. This allows more files be transferred to and from the server at faster-than-real-time speeds.

Though filled with the latest and greatest technology, the facility is missing one piece, Milius admits: an asset-management system. Such a system would take maximum advantage of the tapeless environment and allow producers to get to the content more readily and use the content more efficiently.

Adding a content-management system isn’t in the budget for 2002, but he plans to look for advances in that area and hopes to implement a system in 2003. He plans to look at systems from Bulldog, Emotion and Artesia.

“All of them have their strengths,” Milius observes. “I don’t think there’s any one that has the whole solution. Some are more marketing-oriented, and some are more production-oriented. To really get bang for the buck, you have to do it on an enterprise-wide basis; it has to be utilized by all of the different departments in the company.”

‘To really get bank for the buck, you have to do [asset management] on an enterprise-wide basis. It has to be utilized by all of the different departments in the company.’

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“Digital surround sound is more important to us now that we have three of our channels broadcasting in Dolby Digital 5.1: Starz, Encore and Starz Theater,” Milius says.

Five years ago, the network had just one audio suite, which was under-utilized. Today, its two edit suites are constantly booked up, with surround sound being added to interstitial programming as well as to movies.

“Producers have discovered how powerful audio can be,” Milius says.

He explains that the growing base of “home-theater surround-sound addicts” also recognize how powerful audio can be to a program. “Once you have it, you don’t want to give it up.”

Starz Encore’s new facility has two audio suites, and the company plans to add a third to meet increased demand for high-end audio production. At the NAB show, Milius will be looking at advances in audio consoles, particularly at DigiDesign’s booth.

He will also be interested to see whether Dolby or any other audio company has devised a way to normalize audio across multiple channels. “When you’re home watching TV, you’ll notice a wide variation of volume,” he points out. “As an industry, we need a way to normalize that. Some tools are available, but we need a box that can help us standardize perceived loudness.”

—Karen Anderson Prikios

Shopping List:
- Digital asset management
- Nonlinear editing equipment
- Audio-design systems

Smoke Suite. “We want to see what’s out there and see the state of where things are,” he says.

Audio is very important to the network, which has been programming in Dolby Digital 5.1 surround sound since June 1999.

“Digital surround sound is more important to us now that we have three of our channels broadcasting in Dolby Digital 5.1: Starz, Encore and Starz Theater,” Milius says.

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—Karen Anderson Prikios
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Plans for expansion

Turner Studios seeks to enhance production work flow

Turner Studios in Atlanta handles more than 70,000 hours of post-production for Turner's nine networks and 18 worldwide feeds each year. It operates 24 hours a day with a staff of 300 full-time employees and 300 free-lancers.

"It's a big operation," says Craig Heyl, senior vice president of Turner Studios. With a new facility under way and an expanding production operation, Heyl and Clyde Smith, senior vice president, broadcast technology, Turner Entertainment Group, will go to the NAB convention looking for advances in studio and field production gear. Smith will also be looking for improvements in interoperability.

Turner Studios wants to expand its nonlinear edit and audio-design systems. For editing, Turner uses mainly Avid and Discreet Logic equipment and would like to grow its operation. "We are not limiting ourselves," says Heyl.

He will also be looking for advances in storage that can be shared by the nonlinear editing system and sound-design system.

"We have so much happening here that we have something we think is unique to the industry," Heyl says. "We would like to build and design our own systems that suit our production work flow."

The approach to both hardware and software at Turner, according to Heyl, is a "best-of-breed approach. There are a number of manufacturers [that could work with us]. The door is wide open."

While many production companies outsource audio post-production, Turner handles its own audio post-production and is planning to make enhancements to its system. "If we have the best people, the best technology and the best rooms," says Heyl, "there is no reason for a client to need to work outside of Turner Studios."

He will be looking for scalable audio systems from companies like Fairlight and is interested in learning about new audio protocols. "We place a lot of emphasis on sound design, and we believe it ought to be in the forefront," he explains. "We want to get as much mileage out of our equipment as possible."

On the video-effects side, Heyl plans to look at compositing tools, including Discreet’s Inferno and Fire as well as graphics equipment like Pinnacle’s Deko. He also plans to check out clip servers like the Accom 6000 as well as production switchers.

"With Grass Valley’s merger with Thomson, we have to see what their product offerings will be this year," he says. "We also will be looking at Sony switches."

Meanwhile, Smith will focus on monitoring and storage equipment for the new facility, from which Turner should begin operation in December. Smith plans to look for equipment that supports the SNMP networking protocol, an IT protocol that is increasingly accepted in the broadcast world. SNMP allows various systems to report to a single monitoring system and permits ongoing monitoring as well as targeted troubleshooting.

"Snell & Wilcox has been a great partner, tying together distribution equipment and making sure that we will have a very good monitoring system across the network," Smith says. "Our challenge now is to take that to the next level and tie together all of the systems."

At the top of Smith’s list is finding equipment that supports MPEG production and is interoperable throughout its operation. Turner already has purchased IMX VTRs from Sony and will explore offerings from other manufacturers as well.

With a focus on more-efficient storage, Smith also will be looking at DVD storage systems. "DVD formats today are quite suitable for our short-form programming: interstitials, commercials. Transfer rates are fine; [capacity] is satisfactory."

"DVD formats today are quite suitable for our short-form programming: interstitials, commercials. Transfer rates are fine; [capacity] is satisfactory."

—Karen Anderson Prikios
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People

Broadcast TV
Randy King, head, operations and productions, WFLD(TV) Chicago, named executive VP, television, WTTW(TV), Chicago.

Jorge Delgado, president, TeleFutura Group, Los Angeles, named president/GM, KMEX-TV/KFTR-TV Los Angeles.

Cable TV
Jim Heneghan, VP, advertising sales, western division, Charter Communications, Denver, appointed, VP, Charter Media, St. Louis.

Lindsey Burroughs, president, Hawaii and San Diego markets, GTE Wireless, appointed VP/GM, Cox Business Services, San Diego.

Programming
Stephanie Fleming, VP, marketing, Road Runner High Speed Online, Herndon, Va., named senior VP, marketing and new media, National Geographic Channel, Washington.

Rob Pellizzi, VP, marketing, TV Land, New York, promoted to senior VP, consumer, promotional and advertising sales marketing, TV Land and Nick at Nite.

Bill Gross, co-founder/president/CEO, Cartoon Pizza, New York, named senior VP, brand strategy, Gullane Entertainment, New York.

Appointments at Bravo Networks, Jericho, N.Y.: Elena SanGabino, director, programming, BBC America, Washington, appointed director, programming and continuity; Tricia Lynch, VP, Greater Cleveland Film Commission, joins as director, programming administration; Ian Levy, creative executive, Sci Fi Channel, New York, joins as manager, acquisition and original specials.

Promotions at Fox Cable Networks, Los Angeles: Michael Biard, VP, affiliate business affairs, promoted to VP, national accounts; Jonathan Sarrow, manager, affiliate business affairs, promoted to director.

Tamra Seldin, VP, marketing, Mommy and Me Enterprises Inc., Los Angeles, Calif., joins Sesame Workshop, New York, as VP, marketing, global consumer products and international TV distribution.

Radio

Robert Pierce, director, affiliate relations, United Stations Radio Networks, New York, named VP.

Journalism

Obituary
Jim Schmidt, longtime director of operations for KYW-TV Philadelphia, died last week of cancer at his Churchville, Pa., home. He was 67.

Schmidt was with the station more than 30 years, and he is probably best-known for developing the station’s Evening Magazine.

He was the recipient of two Iris awards from the National Association of Television Programming Executives and a Peabody Award for documentary Sweet Nothing, about America’s love affair with sugar.

Schmidt continued a full schedule until his retirement in 1997, despite having been diagnosed with multiple sclerosis years earlier.

Survivors include his wife of 44 years, a son and a daughter.

—Dan Trigoboff

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Randy King
Rob Pellizzi
Tamra Seldin
Robert Pierce
Courage is the footstool upon which all virtues stand.
- Robert Louis Stevenson

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Thanks to serendipity

Dolgin says he got to where he is by ‘falling into things’

Tracey Dolgin’s career has not gone according to plan. “Every place I have gone in my career, I went having had no experience doing it,” says the president of Fox Sports Net. “I have sort of made a career of falling into things.”

After graduating from Cornell University in 1981, he headed west to Stanford University’s business school, thinking to get into the entertainment business. “I had spent my entire life on the East Coast,” says Dolgin, who grew up in Miami and later in New York City. “I didn’t know Stanford was, like, a thousand miles away from Hollywood.”

Having earned his M.B.A., he wound up as far from the entertainment industry as possible: as an assistant product manager for General Foods’ Jell-O in Westchester County, N.Y.

Three years later, with newly acquired knowledge of branding, Dolgin got his first opportunity in the entertainment industry, becoming a marketing manager for start-up home-video company Thorn EMI-HBO Video. “On the very day I started there,” he says, “The Hollywood Reporter had a front-page story that read, ‘Canon buys Thorn EMI and vows to shut down home video division.’”

Dolgin and his colleagues persuaded Canon executives to keep the division open. Besides selling HBO original productions, it handled video sales for an array of independent studios and often helped market their theatrical releases.

When HBO bought Canon out in 1989, Dolgin stayed on as senior vice president of marketing at newly minted HBO Video. Three years later, he got the “call that was too good to be true.”

Film director George Lucas wanted Dolgin to run his consumer-products company in northern California. He was to get an ownership stake, lots of money and a return to the San Francisco Bay Area. He persuaded his wife, Judy, to move and took the job.

On the day after he had moved to California, he was given some bad news. “They called me in and told me basically that the job I was hired for no longer existed,” he says. “They were getting rid of a lot of the divisions that I was going to run.”

The next day, he and his wife were on a plane back to New York. As luck would have it, start-up network Fox Broadcasting Co. needed a marketing chief. “I figured,” he says, “if these idiots were stupid enough to give me a job as the head of marketing for a TV network, never having worked in TV before, I had to take it.”

Dolgin returned to the West, to Los Angeles, and launched The X-Files, Melrose Place and other series at Fox. He also helped convince the NFL that Fox was the right place for the NFC broadcast contract and worked himself into the top marketing position at Fox Sports, where he spent three years getting Fox Sports’ coverage of professional football, hockey and baseball off the ground—and revolutionizing sports marketing.

“Nobody had ever branded sports by the network,” he says. “We basically came to sports and said we are going to do it this way. We were going to make sports Fox-like.”

Dolgin helped Fox Sports move into cable and became chief operating officer at Fox Liberty Networks, overseeing FX, Fox Sports Net and several other new cable networks. In 2000, he was named president of Fox Sports Net, with responsibility for 21 regional cable networks.

Last month, Fox Sports canceled its nightly national sports-highlights program, created to take on ESPN’s successful SportsCenter. The goal now is programming to entertain sports fans. “We really tried to do a traditional sports business and put the Fox Sports name on it,” Dolgin says. “Instead of doing what we did before, which was sort of reinventing the wheel, we copied the wheel. Now we are trying go back to what works, and we are already seeing a lot of positive signs.”

—Joe Schlosser
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Responsibilities include teaching courses in news writing, reporting and news production and assisting with the production of student newscasts. Inasmuch as this department operates a converged newsroom, any print or online journalism expertise will be useful. Professional track faculty are also expected to pursue a vigorous agenda of professional development that contributes to the goals of the department and the mentoring of the students.
The Department of Communications has approximately 1100 majors and pre-majors with emphases in print and broadcast journalism, advertising/marketing communications, public relations, and communications studies. BYU operates the award-winning PBS station KBYU-TV, PRI-affiliated radio station KBYU-FM, a community cable TV channel, and satellite channel BYUtv. These facilities offer students valuable on-air production experience in a professional setting.
Adherence to high standards of ethical conduct and to rules of behavior of the sponsoring institution, The Church of Jesus Christ of Latter-day Saints, is required. BYU is an equal opportunity employer. Preference is given to LDS applicants.
Review of candidates will begin March 30, 2002. Send letter of application and resume or curriculum vita to: Michael K. Perkins, Chair, Department of Communications, E-509 HFAC, Brigham Young University, Provo, UT 84602. Questions should be addressed to: Brad L. Rawlins, Broadcast Search Committee Chair, Department of Communications, E-509 HFAC, Brigham Young University, Provo, UT 84602 or by phone at (801) 378-1697, fax to (801) 378-6016 or e-mail to brawlins@byu.edu.

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Teach undergraduate radio/audio and television/video production as well as some non-production media studies courses. Ph.D. or MFA in Radio/Television required. Significant university teaching experience and/or media industry experience expected. Salary: Competitive. Start 9/1/2002. Send statement of interest, vita, and the names of three references by March 31 2002 to: Ned Eckhardt, Chair, Rowan University, Radio/TV/Film, Glassboro, NJ 08028. (e-mail: neckhardt@rowan.edu).

To place an ad in the magazine and on the web, contact Kristin kbarker@cannahers.com

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Half speed ahead

The appeals court decision last week to remand the 35% cap on station ownership to the FCC with instructions to either defend it or deep-six it was a potentially historic one, as was vacating the ban on cable/broadcast same-market crossownership.

Networks, other broadcasters and this page have been pushing for increased limits at least since the 1940s, when NBC wanted to buy TV stations in key markets to begin "chain" broadcasting, as it then was called. Having applauded each successive change, from three stations to five to seven to 12 to "the cap's the limit" last week, we are ready for the next step.

That stance has been increasingly at odds with some. As the networks became more powerful and their relations with affiliates more strained over economic issues, the idea of some governor on network power became increasingly attractive to smaller group owners.

We continue to oppose structural regulations as an intrusion on broadcasters' First Amendment rights, their ability to function with the same freedom from government oversight as newspaper and magazine publishers do. But we are also sensitive to the concerns of smaller broadcasters increasingly faced with the unhappy choice, as broker Larry Patrick puts it, of buying, selling or getting run over.

So our answer is to take that next step toward incremental deregulation.

The court has told the FCC in no uncertain terms that it must clearly justify its approach to keeping or modifying ownership rules. Fine, the FCC should explain to the court that its ultimate goal is to scrap any unnecessary rules but that the only way for it to gauge the impact on the market of unfettered ownership is to do it by degrees, to open the floodgates gradually rather than dynamite the dam. The FCC can try to find economists to justify a new cap percentage, but why bother? All caps are arbitrary. It should instead admit that fact and tell the court that a cap, let's say, upped to 45% is a responsible approach because it provides for a real-world test of a theoretical limit.

The court pointed out that Congress's directive in remaking the telecom act in 1996 was not some gentle prod, but more akin to Farragut's orders at Mobile Bay: "Damn the torpedoes! Full speed ahead." We would amend that to "deliberate" speed ahead.

Although he ended his network news career with ABC, Howard K. Smith, who died last week at 87, was one of "Murrow's boys." He was a Rhodes Scholar, a war correspondent who succeeded Edward R. Murrow as CBS's top man in Europe, a Washington correspondent and, at ABC, evening-news anchor in a career that mirrored the arc of TV news' maturation. A self-described perfectionist, Smith never wanted to settle for less than his best. As far as we can tell, he never did.
Talk to Leitch.
The people who invented the shared-storage news server.

Going digital is the buzz of the industry. Everywhere you hear promises of simultaneous access, content sharing and instant playout. It's true that an all-digital newsroom will help you beat the competition to air, tighten your on-air look, and at the same time lower your costs. But what are the risks?

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