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Concentrate On What Cannot Lie...
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DIGITAL TV
Carving up cable

Digital must-carry by Thanksgiving? Could happen. In a letter to Rep. Edward Markey (D-Mass.), FCC Chairman Michael Powell said the agency will soon resolve the bitter and seemingly endless debate over carriage of TV stations’ digital signals via cable. Jonathan Cody, a Powell aide, said must-carry rules should be ready for an FCC vote this fall. “We are moving pretty aggressively on this stuff.”

No word yet of the extent of must-carry rights Powell wants, but some broadcast attorneys and lobbyists hope the rules would require MSOs to carry each digital station’s full 6 MHz signal, even if it contains multiple program services and an electronic program guide. They were less certain whether the rules would include other interactive and data services in the requirement. Cable operators want to stop at carrying anything other than a station’s main programming channel and say broadcasters have rights to full 6 MHz only when used for true high-definition TV.—B.M.

Sign in, please

CNBC analyzed GE chairman’s handwriting.

SYNDICATION
Here comes the judge

Judge Joe Brown should send new Viacom stations’ Dennis Swanson a good bottle of Champagne. A year ago, when Swanson was still GM at WNBC(TV) New York, he struck a deal with Paramount Domestic Television to grab the judge show from its noon-time slot on rival Fox’s WNYW(TV) and, starting today (Aug. 19), give it a double run on WNBC at 3 p.m. and 3:30 p.m.

Now at Viacom, Swanson is expanding Brown’s reach in Los Angeles, where Viacom owns KCBS-T.V and KCAL(TV). Swanson and KCBS-TV GM Don Corsini worked a deal that keeps Judge Joe Brown airing at 8:30 a.m. on KCAL and then gives it another great exposure—at 3 p.m.—on KCBS-TV beginning Sept. 3. “For us to get those kinds of time periods gives the show awareness in the biggest markets,” crowds Paramount’s John Nogawski. “My friend Dennis Swanson has come through for us twice in a row.”—P.J.B.

SYNDICATION
Out of the closet

Former Cheers and Veronica's Closet star Kirstie Alley and Buena Vista Television are reportedly developing a first-run show, which, if it goes forward, would probably debut in fall 2003. No official comment from Buena Vista, although sources there did confirm the two sides had been talking for some time. There were conflicting reports on whether the deal had actually been signed. Holly Jacobs, executive vice president, development for Buena Vista, couldn’t be reached. Details about the show are sketchy, but one source says one idea kicking around is to shoot Alley and her daily guests at her home in Southern California.—S.M.

BUT, REED, WILL AL RUN IN 2004?

Former FCC Chairman Reed Hundt, Democrat and famous friend of Al Gore, still likes to tweak Republicans when he gets the chance. Last week, Hundt called the FCC’s new rule requiring TV makers to include digital tuners in all new sets by 2007 the “Powell tax” and said, at $100 a set, it is the biggest tax ever imposed by the FCC that benefits no one.”—P.A.
In 1998, we were the first Spanish-language network ever to win a national Emmy Award.

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This year, we could become the second.

And we applaud the National Academy of Television Arts and Sciences for recognizing the significant contributions made by Spanish-language television in this country.

Outstanding Interview Aquí y Ahora, "Perú en blanco" (Peru Undecided) - Producer - Enrique Guillén - Anchor - Jorge Ramos.

Outstanding Background/Analysis Single Current Story Primer Impacto, "Llamada Mortal" (Deadly Call) - Correspondent - Ricardo Arrambani.
Investor anxiety hounds cable

Financial markets question the very underpinnings of the industry

By John M. Higgins

Cable companies are accustomed to angry subscribers, but lately they’re seeing a deeper furor from a new direction: shareholders.

“People believe that God will come down on all of you who screw shareholders,” said a letter that came into the headquarters of one MSO last week, copies of which were addressed to each member of the board of directors. After being drawn to the company’s plan to grow by launching new services, the investor called the company’s strategy “more of a scam to defraud investors.”

That MSO isn’t alone. Every public cable operator is under assault in the financial markets, battered by angry investors who have lost billions of dollars and by short-sellers and hedge funds that profit from declining stock prices. Long-routine and long-arcane accounting policies abruptly make headlines as critics worry about abuses similar to those seen at scandal-ridden Adelphia Communications.

Investors who clamored for growth and shoveled cash at operators to invest in new services are suddenly questioning the size of their spending.

Cable operators have all seen dramatic slides in their stock prices during recent months, hit by a combination of worries about Adelphia-esque book cooking to general anxiety about heavy debt. On average, MSO stocks have plummeted about 73% this year. That’s even worse than the already vicious 36% drop in the NASDAQ Composite Index.

What’s maddening to cable executives is that the stock slump comes just as MSOs are hitting their operational stride. MSOs just posted uniformly great gains in operating cash flow for the second quarter, the best showing in years. The major MSOs posted 10%-15% revenue growth and 12%-27% operating-cash-flow growth. And unlike networks and stations posting gains only in comparison with terrible performance last year, the cable guys are building on fairly strong, recession-resistant 2001 performance (except for AT&T).

Cox Communications CEO James Robbins expressed enormous frustration over the contrast between the stock market and Cox’s success in bundling new data, phone and digital cable services. “We’re just in the ditch,” he said. “Until we can prove the bundle and where it’s leading us, we’re going to stay in the ditch.”

A frustrated Mike Willner, Insight Communications CEO and chairman of the National Cable & Telecommunications Association, said cable stocks are trading at “hysterical lows.” He pointed to the last downdraft in 1996, when MSOs faced scary competitive threats from telcos and DBS, $70 billion in capital spending to upgrade systems, and the uncertain prospect of new digital and high-speed Internet services on those upgraded systems.

Willner argued that $60 billion of that $70 billion has been spent, with DBS competition manageable, telcos gone and the new services clearly strong. “With all those risks behind us, does it make sense that cable stocks are selling at historical lows again?” he asked.

Indeed, the best-performing cable stock is Comcast, which gets to brag that it’s down only 46% for the year. Scandal-plagued Adelphia, of course, has dropped pretty much 100%.

Stocks that were trading at 20 times annual operating cash flow 18 months ago are trading at 6.5-9 times today, levels last seen during the “highly leveraged transaction” lending crisis in 1991. Investors are valuing MSOs at $2,500-$3,000 per basic subscriber, down from $4,500 or so early last year. The stock slide makes it difficult and expensive to raise money, either equity or debt, and pretty much impossible for operators to look for any acquisitions. And it completely stresses out employees, especially senior executives holding stock options now badly under water.

Why is cable so special? After all, the recession and 9/11 have battered the broad market and even other media sectors just as badly. Disney and its ABC network have taken shareholders on Mr. Eisner’s Wild Ride. Fox Entertainment has been off
30%-40%. TV station groups Young Broadcasting and Granite Television trade as if they were heading into Chapter 11. Radio-station giant Clear Channel has plunged 50% in the past three months.

The difference is that the ad-supported media are being pounded largely by the ad cycle. If not crippled by a huge debt load, they'll probably bounce back when the ad spending turns back upward.

Cable's crisis is more fundamental. Investors and lenders are questioning the very financial underpinnings of the business. They're doubting, for example, whether operating cash flow—the fundamental measure of cable operators' performance for years—is a valuable yardstick any longer. They're criticizing cable operators' strategy of not just plowing all their spare cash into system rebuilds but borrowing even more to add more services in more markets.

They say they want to see "free" cash flow. Not EBITDA earnings "before" interest, taxes, depreciation and amortization, and capital expenditures but the money left over after the cash-burning elements of that equation—interest, taxes and capital expenditures—are paid for.

That's a dramatic crisis of faith, because cable operators have hugely negative free cash flow. A long history of stable cash flow has let them operate with much more debt than businesses more vulnerable to a recession, such as newspapers or retailers, would ever dream of trying to carry. That can dramatically increase an operator's return on capital—the most important of all financial measures—but interest costs also eat up free cash flow.

More important, to prepare for new services, operators have spent heavily to rebuild their systems: new headend gear at every central office, new trunks down every major road, new nodes in every neighborhood, new amps on every block, new drops from the pole to almost every house. That creates the opportunity for huge new revenues from digital, high-speed data and, for some ops, telephone services. But every digital subscriber requires capital for a new $300 set-top box. Almost every data customer needs a new drop from the pole.

Operators call that "success-based" capital spending, which investors should like because it brings new money. But it also means that Cox will add $1 billion in debt this year, according to Bank of America analyst Doug Shapiro. Charter is adding $1.6 billion; Cablevision, $1 billion. Comcast's cable operations should generate $457 million in positive free cash flow but turn negative for a year after it buys AT&T Broadband's systems.

The heavy-capital-spending cycle is supposed to be coming to an end, and some companies are predicting that they will start generating free cash flow within a year. Robbins said that's the way cable has always worked. "There's two to three years of heavy spending, then you harvest."

Investors want more evidence that the harvest is really coming.

"There's a crisis of confidence in capital-consuming companies," said one hedge-fund manager. "I'm not sure there's a lot the companies can do except demonstrate eight quarters of movement toward free cash flow."
The grief in their backyard

New York, Washington stations will put hometown touch on 9/11 coverage

By Dan Trigoboff

I dread the 11th,” says WTTG-TV Washington News Director Katherine Green, even as she prepares for the unprecedented storytelling opportunities that come with the commemoration of the most vivid and catastrophic event in the nation’s memory.

In Washington, the events of the week of Sept. 11 range from 9/11 memorials to town meetings to a primary election to the Redskins season opener. “We’re calling it ‘Perfect Storm,’” Green says.

In New York, an online poll for WPIX-TV concluded that nearly nine of 10 viewers planned to watch none of the anniversary coverage. But the unscientific poll will have no influence on the Tribune station’s own extensive coverage.

In fact, this may be the most widely observed anniversary in history—seen, like the devastation itself, by hundreds of millions in this country and others over local and network television.

Amid wall-to-wall network coverage, station executives in those directly affected areas say they will try to stay local, with deference from the networks. Much of the coverage will look forward as well as back, news executives say, focusing on the rebuilding of lives as well as city blocks. Stations will explore the individual and collective physical and mental health of the city in preproduced packages, live memorials and town meetings; the government response and private contributions; and especially those who died and those who remain.

“By design,” notes WNBC(TV) Station Manager Dan Forman, “what we want to do in New York is different from what the network wants to show the nation. There will be events in Washington and Shanksville [Pa., where hijacked United Airlines Flight 93 crushed] that will coincide with events here. But New York will be at the core of our coverage.” Although the networks will likely cover the myriad of events at Ground Zero in Manhattan, they may pass on events in New York’s other boroughs, Forman notes.

Similarly, other New York stations expect to depart a bit from network programming for commemorations around the metro area, and the networks could turn to their stations’ news departments for some New York coverage.

Schedules for Sept. 11 haven’t been finalized at network-owned WABC-TV and WCBS-TV, but both said they will offer a combination of station- and network-generated programming—including the president’s speech that night, and, in the case of CBS stations, the 60 Minutes interview with the president. But the emphasis will be decidedly local.

Fox’s New York stations, WNYW(TV) and WWOR-TV, will combine satellite and microwave resources and share some background material but will air distinct programming using their own talent, Fox said. The stations say they will run no advertising that day, although that’s probably a moot point because it appears not many advertisers want to be part of the commemoration.

Stations without network news affiliations, like broadcaster WPIX-TV, and cable’s New York 1 and Newschannel 8 in Washington will get some pool or news service feeds but will be working without a net on anniversary day. Newschannel 8 News Director Alex Likowski sees an opportunity to demonstrate hyper-localism. “Obviously, New York experienced tragedy on a greater scale. But our audience is more closely connected with what happened at the Pentagon.”

Local angle

NY1’s Rebecca Spitz reported from Ground Zero on the six-month commemoration of the Sept. 11 attacks. Most New York stations plan to focus largely on efforts to rebuild—lives and livelihoods as well as property—on this first anniversary.

Said New York 1 News Director Steve Paulus, “The networks will devote a lot of time to Shanksville and Washington. We’ll report it, but we won’t spend a lot of time outside New York.” Both local cable nets will begin 9/11 coverage early in the month.

WTTG-TV is not relying on Fox News Channel, as on 9/11. “We’re making our own plans,” Green says, “and we’ll have our own anchors in New York City.”

WJLA-TV Washington plans a two-hour special on Sept. 10. Stories of Hope: A September 11 Remembrance will focus on the 9/11 experience in and around the Pentagon. Most of the anniversary day will be devoted to network programming.

In the Johnstown-Altoona, Pa., DMA near Shanksville, stations plan to stay heavily local with some network programming.
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Ferree has a big cable list

FCC Media Bureau chief’s goals include solving interoperability conundrum

By Bill McConnell

FCC Media Bureau Chief Ken Ferree is tackling the digital-television transition as if he has consulted an organizational guru. He has a checklist of DTV’s problems that he plans to tackle one-by-one.

Two weeks ago, the commission approved rules drafted by Ferree’s office and mandating that digital tuners eventually be built into nearly all sets. Confident the rule will prevent the flood of analog-only sets from delaying the day when most homes receive digital TV, he has now moved to the next item on his list, which is just as down and dirty: the interoperability between cable and broadcast digital TV.

But the cable list has a few other items, including deciding what cable’s obligations to carry local broadcasters’ digital programming should be and providing copy-protection measures for broadcast signals.

“We have lots of balls in the air, and some are fast approaching the point where they will come to rest. One of those balls is cable compatibility,” Ferree said earlier this month.

This could get nasty. The cable industry, broadcasters, and TV-set manufacturers have lingering disagreements on how digital television should receive cable service.

At issue are:

- Standards for security “pods” necessary to activate cable service for so-called “plug-and-play” service.
- Whether cable systems, to ensure that all plug-and-play DTV sets work in any part of the country, must offer set-top boxes using the same technical specifications as those sold by retailers.
- Copy-protection measures that cable will require manufacturers to incorporate into sets, VCRs and other equipment.

With the DTV-tuner mandate demonstrating that the FCC will impose regulations when industry can’t agree, Ferree is hoping the recent example will be enough to prompt free-market solutions.

“There’s a golden opportunity for the industries to resolve some issues and keep the commission out of it,” Ferree said.

Reaching those deals is a tough challenge. For example, plug-and-play products would allow customers to attach a cable wire without using a separate converter box obtained from the local cable franchise. But they have become the object of endless debate among the industries.

Set makers and retailers accuse the cable industry of sabotaging intra-industry negotiations over universal OpenCable specifications needed for making plug-and-play sets.

The National Cable & Telecommunications Association’s latest effort to eliminate a 2005 deadline for stopping the offering of channel-surfing boxes with incorporated security pods is the latest example of cable’s tough stance, the set makers and retailers add. Pods are little more than receptacles for coded electromagnetic cards that activate a television for subscription-TV service.

The pod-separation mandate was imposed because the FCC wanted retailers to have incentive to introduce their own channel-surfing boxes loaded with new interactive features. But NCTA says the separation requirement will unjustly add more than $70 to a customer’s cost and blames equipment makers for not yet figuring out how to make money from the set-top market.

“The commission’s rationale is no longer valid,” NCTA General Counsel Neal Goldberg wrote to Ferree earlier this month.

But retailers say the ban remains necessary if retailers are to compete with cable suppliers in the set-top market.

Equipment makers and retailers also argue that cable systems should not be allowed to build boxes from standards that offer potentially more features than possible under OpenCable. In part, cable’s critics fear that consumers won’t be able to use a box purchased in one part of the country when they move to another if each cable system has its own proprietary technology. But NCTA argues that cable systems everywhere will support OpenCable in addition to proprietary systems.

FCC Chairman Michael Powell, whose philosophy generally would lead him to shun this kind of market dispute, has made it clear that pushing DTV implementation is his priority, and he told Rep. Edward Markey (D-Mass.) that he will act if need be.

Finally, the FCC may have to decide whether cable can require equipment manufacturers to sign the “Pod-Host Interface” license, which would obligate manufacturers to implement strict copy-protection measures.
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Feds put heat on Charter

Grand jury prosecutors subpoena MSO's records but, so far, no executives

By John M. Higgins

Criminal lawyers are finding a whole new client base among media companies, with Charter Communications becoming the latest target of federal prosecutors over accounting issues.

Federal prosecutors in Charter's hometown of St. Louis delivered a subpoena to Charter last Thursday seeking records. One immediate issue involves how the company reports its levels of connected and disconnected subscribers. The other is the company's capitalization policies: how it counts some expenses as capital spending, which wouldn't affect reported earnings, rather than an operating expense, which would be directly subtracted from operating cash flow.

The good news, so far, is the grand jury subpoena seeks only company records. No individual executives have been subpoenaed.

AOL Time Warner is facing a similar criminal inquiry about revenues it counts as advertising sales on the America Online service and at its cable systems, prompting the company to seal the office of its top online business affairs executive, who was cutting deals with other Internet ventures. And, of course, Adelphia Communications executives have been handcuffed and "perp-walked" before news cameras on accounting and fraud charges.

Unlike in the other criminal investigations, however, prosecutors are investigating Charter ahead of the Securities and Exchange Commission. Typically, the SEC looks at accounting disputes and calls in the criminal investigators afterward.

But, after Enron and Adelphia, prosecutors seem to be moving for a first look.

Charter said prosecutors' attention seems to have been sparked by civil lawsuits filed by lawyers seeking to form a class action for shareholders. The company "will cooperate fully with the subpoena," an executive said.

Scripps will Shop at Home

Station, cable-net owner buys 70% share of the shopping channel

By Allison Romano

The E.W. Scripps Co. is going to kick home shopping up a notch. Scripps ponied up $49.5 million last week for a 70% stake in the shopping channel Shop at Home Television.

Scripps, which owns 10 broadcast stations and the HGTV, Food Network, DIY and Fine Living cable networks, also is floating Shop at Home a $47.5 million loan (to be repaid within three years) to pay down existing debt.

The shopping channel tallied $1.42 million in sales for the first nine months (ended March 31) of fiscal year 2002.

Since Scripps launched its first cable net, HGTV, eight years ago, "we've envisioned building some type of commerce-based biz around lifestyle, our programming base," said President and CEO Kenneth W. Lowe. "This gets Scripps in the game with very little financial risk."

The deal gives Scripps control of Shop at Home's TV network but not its five broadcast stations (though Lowe said they were offered). Shop at Home Inc. stations in San Francisco; Boston; Cleveland; Bridgeport, Conn.; and Raleigh-Durham, N.C., account for 4 million to 5 million of its 42 million full-time homes. Under the new structure, Scripps will pay them an affiliate fee of $1.25 per sub.

"We're very confident we can get distribution the good old-fashioned way," via MSOs, he said.

Scripps can buy out the remaining 30% from Shop at Home within five years. The channel's management would stay on to run it.

"The similarities and the synergies, from carriage to merchandise to a cleaner balance sheet, all are positive," said Memphis, Tenn.-based Morgan Keegan analyst John R. Lawrence.

Scripps execs envision multiple synergies between their cable nets and new retail arm. Its niche lifestyle nets have eschewed product placements, but the Shop at Home relationship may give advertisers new opportunities to hawk their wares on different platforms. HGTV and Food Network consumer products could be sold on Shop at Home, and their talent could pitch their products there.
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TOP OF THE WEEK

THE WEEK THAT WAS

TRIBUNE CO. GETS FCC BREAK IN FLORIDA
The FCC hasn’t changed its newspaper/television cross-ownership rules yet, but it bent the prohibition a bit last week, allowing Tribune Co.’s South Florida Sun-Sentinel and WBZL(TV) Miami to combine operations.
Formerly denied the opportunity for joint ad promotions and news production with its co-owned newspaper, seventh-rated WBZL turned to NBC O&O WTVJ(TV) to produce its newscast. Trouble is, WTVJ also had news-production agreements with two other stations, which meant that WTVJ was providing news for four of the market’s stations. By tapping resources of the Sun-Sentinel, Tribune says, WBZL could produce its own 30-minute newscast rather than “recycling” productions of other stations. Tribune remains under orders to sell one of the South Florida properties if the cross-ownership prohibition is continued.

EXPLANATIONS, PLEASE
After being trashed on Wall Street earlier for failing to disclose much detail about its financial maneuvers to improve its bottom line, Cablevision revealed some shockingly favorable info about the cutback in its digital set-top deal with Sony.
In 1999, Cablevision committed to buy $1.3 billion worth of Sony advanced digital converters at $350-$375 each. Then, Cablevision said it had gotten out of the deal but didn’t say how much it would have to pay. The new filing with the SEC shows that the commitment to Sony is just $138 million over the next two years. Cablevision now is free to use other vendors. …

EchoStar Communications turned in one of the best quarters in its history, boasting a 21% increase in revenue over the same quarter last year. EchoStar reported $1.17 billion in revenue for second quarter 2002, compared with last year’s $966 million.
The rest of EchoStar’s numbers looked equally strong, with net income increasing to $45.8 million during the quarter from a net loss of $5.86 million last year. EchoStar’s EBITDA (earnings before interest, taxes, depreciation and amortization) grew to $237 million, up 77% from $134 million last year.
EchoStar also added 295,000 new subscribers, bringing its total to 7.46 million subscribers, a 23% increase year to year.
But EchoStar also revealed that 10 unnamed state attorneys general are investigating the company’s customer-service practices. EchoStar CEO Charlie Ergen suggested the states may “have misunderstood the way our industry works, but some of them gave very constructive criticisms of some of our policies.” …

Fox knows it had a tough year, and its numbers show it. According to the year-end results for fiscal 2002 (ended June 30), the Fox network had an operating loss of $283 million vs. a loss of $65 million for fiscal 2001. For the quarter ended June 30, the network lost $60 million, almost as much as it lost in the entire previous fiscal year.
The owned TV stations did better, posting a 20% gain in operating income for the full year, to $598 million. The cable unit turned the profit corner for the year, posting $6 million in operating profits vs. a $59 million loss for 2001. The revenue picture was better for all Fox divisions in 2002 compared with the prior year.

NETWORKING
USA Network’s quirky detective drama, Monk, didn’t exactly solve ABC’s ratings woes in its repurposing debut on the broadcast net Tuesday night. Monk notched a 2.6 rating among adults 18-49 and a 2.9 rating for adults 25-54, trailing a Frasier rerun on NBC and Fox’s American Idol, according to Nielsen Media Research fast national ratings. …

Taco Bell is teaming with Viacom’s TNN for an advertising and product-placement pact. The multimillion-dollar deal runs through summer 2003 and includes Taco Bell advertising and product placement on TNN originals. Taco Bell also recently inked a similar deal with TNN sister net MTV. …

Viacom Stations Friday named Peter Dunn, who had been executive vice president of sales for NBC Stations, to run KYW-TV Philadelphia. Dunn is another former colleague of new Viacom Executive Vice President Dennis Swanson. Since joining the group last month, Swanson has recruited new general managers in four of the top five markets. Dunn replaces CBS executive Marcellus Alexander, who will likely move to another Viacom station.
Everybody loves sitcom

Raymond’s success paves the way for more off-net debuts this fall

By Steve McClellan

With the success of Everybody Loves Raymond in its first year in off-network syndication, sitcom distributors breathed a heavy sigh of relief.

Why? Because Raymond was the first bona fide off-network hit for TV stations since the launch of Friends into syndication four years ago.

That’s one of the longest droughts the business has endured without an off-network sitcom hit. But, with Raymond collecting big ratings in reruns, the question now is whether the fall 2002 crop of off-nets can repeat the trick.

This September, sitcoms Dharma & Greg, Will & Grace, That ‘70s Show and The Hughleys debut off-net. A fifth, The Larry Sanders Show, debuts as a strip on Bravo and as a weekly in broadcast syndication. And MTV’s reality-based Road Rules travels into syndication, too.

Next season, stations get two more sitcoms with King of Queens and Becker, followed by Malcolm in the Middle in 2004.

But comedies may become precious commodities if TV trends continue. One reason fewer sitcoms have hit the mark in off-network syndication recently is that fewer of them are coming up to bat on the network lineups, says Bill Carroll, vice president, programming, Katz Media Group.

“We’ve seen an increasing number of reality shows take up time periods where sitcoms used to be,” he said.

“The reality shows don’t repeat well.”

Will & Grace, NBC’s solid Thursday-night performer (produced by the network but distributed by Warner Bros.), and That ‘70s Show from Carsey-Werner probably stand the best chances of clicking in syndication, in part because both are current series still performing well in prime time. Twentieth’s Dharma & Greg performed well for ABC for four seasons before slumping in its fifth and final year on the network.

But Twentieth Television sold Dharma into off-network early and to strong stations, including the Tribune outlets in New York and Los Angeles. That will help its overall chances of success. Tribune has also picked up Will & Grace, which otherwise is cleared in 90% of the nation. That includes Tribune’s “superstation” WGN-TV Chicago, which will air it until the end of the 2004-05 season, when it will be picked up by cable’s Lifetime.

That ‘70s Show, a solid performer for Fox since the 1998-99 season, has cleared on 173 stations, including many Fox affiliates. For its syndie launch, Carsey-Werner has arranged a promo tie-in with Kiss, the rock band that was a sensation in that decade.

Promotion may make a difference, too, particularly in an increasingly fractionalized television universe. In one promo, the cast of Will & Grace got to show off their singing abilities in several shots, including one in which they sing a version of Louis Prima’s “Hey Boy, Hey Girl.”
### BroadcastWatch

**AUG. 5-11** Broadcast network prime time ratings according to Nielsen Media Research

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<th>Week 46</th>
<th>7/12</th>
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<td>20. King of Queens</td>
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<td>20. Fear Factor</td>
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<td>78. Boston Public</td>
<td>2.8/5</td>
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<td>75. Cops</td>
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<td>127. Twice in a Lifetime</td>
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<td>77. Crocodile Hunter</td>
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<td>45. ABC Premiere Event—Oprah Winfrey Presents: The Wedding, Part 1</td>
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<td>10. Law &amp; Order: Criminal Intent</td>
<td>1.7/12</td>
<td>135. Doc</td>
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<td>29. CBS Sunday Movie—The Color of Love: Jaceys Story</td>
<td>5.5/9</td>
<td>72. Malcolm/Winfield</td>
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*KEY: RATING/SHOW TITLE/PROGRAM RATING/SHARE |
*TOP TEN SHOWS OF THE WEEK ARE NUMBERED IN RED |
*TV UNIVERSE ESTIMATED AT 205,000 MILLION HOUSEHOLD, |
*ONE RATINGS POINT IS EQUAL TO 1,000,000 TV HOMES |
*YELLOW TINT IS WINNER OF TIME SLOT. (N) NOT RANKED. |
*SHARE ESTIMATED FOR PERIOD SHOWN. |
*PREDICTIONS/PROGRAM LESS THAN 2 MINUTES IN LENGTH NOT SHOWN. |
*SEASON TO DATE |
*SOURCE: NIELSEN MEDIA RESEARCH, CBS RESEARCH |

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16 Broadcasting & Cable / 8-19-02
Peek at Spies shortened

She Spies, the first-run weekly action hour that debuts in syndication Sept. 16, has completed its network "preview" on NBC one episode shy of the original four episodes that were planned.

Earlier this year, NBC and MGM Television struck a unique deal to give the show a creative promotional sendoff: The first four episodes were to air in prime time on NBC before launching into syndication.

It turned out, however, that the network "sneak peek" would be just three episodes. NBC aired a second run of Meet My Folks on Aug. 10 at 10 p.m., which was to have been the fourth outing for She Spies. One insider said Spies "soft ratings" probably had at least a little to do with the switch. But NBC Enterprises President Ed Wilson says he didn't expect the show to get ER-size ratings in its four-week run on the network.

And it didn't. In fact, week one (July 20) was the show's best outing: It averaged a 1.8 rating for persons 2-plus and ranked 79th out of 116 prime time shows airing on the six broadcast networks that week; almost 5 million viewers tuned in. By week three, though, the show's rating had dropped to 1.3, ranking it 90th for the week, with 3.4 million viewers.

Wilson says, "We accomplished what we wanted to do, and that's introduce it to an audience and create some awareness before it goes into syndication." Ad sales are solid on the show, he says.

Certainly, the clearances are solid, too: It'll air in 98% of the U.S. in 190 markets. NBC Stations and Hearst-Argyle Television are among the groups airing the show.

Katz Media Group Vice President, Programming, Bill Carroll, says the show "probably didn't meet their expectations" from a ratings standpoint and that it made sense for NBC to try something else in the time period. But, he adds, "it's in many ways, they accomplished what they set out to do. It was hard for viewers not to be exposed to at least some of the promotion NBC gave it."

—Steve McCallan
A REAL NEWS FIGHT IN PITTSBURGH

A Pittsburgh anchor was taken off the air—though briefly—following allegations that she slapped a former colleague at a weekend party. WTAE-TV producer Roberta Peterson filed a police complaint against WPXI(TV)'s Gina Redmond, charging Redmond with striking her. The two were attending a going-away party for WPXI's Reg Chapman, who is moving to KSTP-TV Minneapolis.

Although the station thought it appropriate to keep Redmond off the air at first, by Tuesday, management said it had concluded after preliminary investigation that resolution was best left to the legal system and that Redmond would return to her duties Wednesday.

GOLDBERGER OUT AT KNTV SAN JOSE

Bob Goldberger, who helped guide KNTV(TV) San Jose, Calif., from ABC affiliation through independent status to NBC affiliation and finally NBC ownership, is out at the station. He had remained after General Manager Bob Franklin and News Vice President Scott Diener—now at Belo's WHAS-TV Louisville, Ky.—had left. The station recently brought in new top management in Linda Sullivan, formerly general manager at WRC-TV Washington, and Jim Sanders, who had been news director at KNSD(TV) San Diego. Goldberger's replacement is likely to be at the assistant-news-director level, insiders said.

ANOTHER SWANSON RECRUIT...

Talent raids by the Viacom stations group continue. First, Dennis Swanson, new executive vice president of the group and former WNBC(TV) general manager, recruited Joe Ahern, of ABC's KGO-TV San Francisco, to run WBBM-TV Chicago.

Then, last week, Ahern hired Fran Preston away from rival ABC O&O WLS-TV Chicago for the new position of station manager. Preston had been at WLS-TV more than 20 years and was most recently director of programming and special projects. Both Swanson and Ahern are former WLS-TV general managers, and Preston had been the station's publicist for each.

...AND EVEN MORE

Portland, Ore., TV executive Ron Longinotti has been named vice president and general manager of Viacom's KPIX-TV San Francisco. The job has been open since Jerry Eaton retired in late January. Viacom executives cited the protracted vacancy to illustrate the talent dearth they hoped to reverse by hiring Swanson away from NBC.

Longinotti has been vice president and general manager at Belo-owned KGW(TV) Portland, Ore. “In just three years,” Swanson said, “he led KGW ... to the top of the ratings in every local-news day part, and he did it by emphasizing strong journalism and community service. The station won five Edward R. Murrow awards last year while also achieving the highest revenue share of the market despite a precipitous drop in advertising during last year’s media recession.”

FREE AIRTIME FROM MEDIA GENERAL

Media General's 26 network affiliates will provide airtime for position statements by candidates in various statewide and federal races.

The two- to three-minute statements must air without aid of props, photos, videos or graphics (presumably ruling out Ross Perot) and will air during newscasts. The statements will run unedited but must meet broadcast standards. They may not be false, and may not criticize or attack an opponent. “Anything obvious or extreme will hopefully set some alarms off,” said Dan Bradley, vice president, news, for the broadcast division. The stations will add context, if necessary, in follow-up reporting.

NEW POSTS FOR PINEDA, MCDONALD, TRAUSCHKE

Univision Communications named Ramon Pineda vice president and general manager of four Arizona TV stations, including Univision station KFPH-TV and Telefutura station KTVW-TV both Phoenix. He will be based in Phoenix.

Fox Stations promoted Cheryl Kerns McDonald from general sales manager at WDAF-TV Kansas City, Mo., to vice president and general manager. She replaces Stan Knott, who's now at Fox's WOFL(TV) Orlando.

WESI (TV) Orlando, Fla., promoted Ed Trauschke from assistant news director to news director. He has been acting news director since Russ Kilgore left the station last month. Trauschke was a reporter and managing editor at the station before becoming assistant news director.

All news is local. Contact Dan Trigoboff at (301) 260-0923, e-mail dirg@reedbusiness.com or fax (413) 254-4133.
### THE MARKET

- **DMA rank**: 112
- **Population**: 628,000
- **TV homes**: 241,000
- **Income per capita**: $17,717
- **TV revenue rank**: 115
- **TV revenue**: $27,400,000

### COMMERCIAL TV STATIONS

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<td>2</td>
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<td>ABC</td>
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<td>KDLT-TV</td>
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<td>4</td>
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<td>5</td>
<td>KAUN(TV)</td>
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*May 2002, total households, 6 a.m.-2 a.m., Sun-Sat.

### CABLE/DBS

- **Cable subscribers (HH)**: 149,940
- **Cable penetration**: 63%
- **ADS subscribers (HH)**: 52,360
- **ADS penetration**: 22%
- **DBS carriage of local TV?**: No

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

### WHAT'S NO. 1

**Syndicated show** | **Rating/Share*** | **Network show** | **Rating/Share***
 Wheel of Fortune (KSFY-TV) | 13/29 | Friends (KDLT-TV) | 22/35
 Evening newscast KELO-TV | 21/47 | Late newscast KELO-TV | 27/50

***May 2002, total households

### Young, vital and diverse

"Most markets have a rush hour," says Jack Hansen, general manager at KSFY-TV, extolling a virtue of his Sioux Falls, S.D., hometown. "Here, we have a rush minute."

"We've drawn a lot of people and a lot of businesses from neighboring states," notes Ed Hoffman, general manager at KTTW(TV). The businesses come in part for the absence of a corporate tax, he and Hansen say. The people like the lifestyle—even with wind chills that can reach 50 degrees below zero.

"It's a young, vital market," Hoffman says. The 2000 census shows a median age of 33. While many smaller markets have shrunk, the Sioux Falls-Mitchell DMA has grown, in both population and local economy. Per capita income is high, at $17,717.

KELO-TV is the giant in the market. According to BIA Financial numbers, the station brought in $12.5 million in 2001, more than a third higher than any other station in the market. And despite competition from the local CBS and NBC affiliates, the station dominates local news with enviable numbers.

Satellite stations are necessary to cover the 55,000-square-mile market. Sioux Falls is the only city in the market with a six-figure population; the next-largest city has less than 25,000. "We try to go into those towns," says Hansen, "with remote newscasts and advertising sales. We will sell Aberdeen only, or Pierre only, or Sioux Falls only. Or sometimes we sell the whole market."

"Agribusiness supply is a big advertiser, just behind automotive. The two major local hospitals are also big advertisers, as are credit-card companies. "We've got every credit-card company here," Hansen says, noting, "The state has no usury law.""

Local executives say the economy is quite diverse and, therefore, recession-proof. When other markets dropped in double-digit percentages in 2000-01, Sioux Falls-Mitchell dipped barely 5%, according to BIA Financial.

—Dan Trigoboff

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**full steam ahead in minneapolis!**

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Sinclair loses on LMA ruling

Station group may be out of luck in four cities, after federal court rejects its appeal

By Bill McConnell

The fate of four Sinclair Broadcasting local marketing agreements remains under a cloud following a court ruling last week.

The federal appeals court in Washington refused Sinclair's request to rehear an April court decision allowing the FCC to count a local marketing agreement (LMA) toward a broadcaster's local-ownership tally. The court also upheld the FCC's decision to deny grandfathering rights to LMAs established after Nov. 5, 1996.

Thus, Sinclair may have to unwind LMAs in Columbus and Dayton, Ohio; Charleston, S.C.; and Charleston, W.Va.

LMAs allow a company to own one station in a market and operate another under a contract with that station's owner. They have been long criticized as an attempt to skirt local-ownership restrictions. Ownership of two stations in a market was banned until 1999, when the FCC approved duopolies in larger markets.

The appeals court's April decision was, by and large, a victory for broadcasters because the FCC was ordered to rewrite duopoly restrictions the industry opposed. But the victory was only a partial one for Sinclair, because the court refused to vacate the restrictions during the FCC's rewrite. With the rules still in place, companies could be forced to come into compliance with the so-called eight-voice standard.

That restriction forbids broadcasters from owning or controlling two stations in a market with fewer than eight separately owned stations. But the court ordered the FCC to rewrite that rule after finding that it did not explain why television was the only medium counted in the voice test.

“We knew that asking a court to reconsider its original decision is generally an uphill battle,” Sinclair CEO David Smith said in a prepared statement. “We remain gratified that the court initially ruled in our favor in finding that the FCC's duopoly rules were arbitrary and capricious.”

At the moment, Sinclair is free to keep the four LMAs, thanks to a court stay barring divestiture pending the outcome of the case. Sinclair says the partnerships are protected from a forced sale until the court approves a new FCC voice test. But FCC officials say the commission has yet to review whether the stay continues once the latest decision becomes effective.

The FCC is considering new local-ownership limits for TV as part of a larger proceeding on a variety of industry ownership restrictions. New rules are expected by next spring.

Univision's digital dilemma

Spanish-language net sues FCC to change its Blanco, Texas, channel allocation

By Bill McConnell

Univision last week took the FCC to court to switch its allocation for ch. 52 in Blanco, Texas, to ch. 17. The company paid $19 million for the allotment in 2000.

Because the new analog channel was auctioned after the allocation of digital frequencies, the Blanco station, unlike most stations, did not receive a paired allotment for digital operations.

Although other stations have single allotments, they typically are allowed to make a “flash” switch from analog to digital when they decide to make the transmission switch. Unfortunately for Univision, chs. 52 and higher are to be auctioned to non-broadcasters, and it cannot operate on its existing channel beyond 2006.

FCC officials acknowledge that the Univision dilemma is unique.

Univision wants assurances that it won't have to turn off ch. 52 until it has obtained an allotment at ch. 17.

The Spanish-language net bested 10 other bidders, including Post-Newsweek, Pappas Telecasting and Pegasus, in a government auction, which ended a roughly 15-year search for an owner to operate ch. 52 in Blanco.
A major win for EchoStar — and for couch potatoes everywhere.

In what has been billed as the biggest-ever patent case before the International Trade Commission, Gemstar alleged that EchoStar's television program guide technology infringes a number of Gemstar patents. Gemstar's goal was to shut down EchoStar's satellites. The judge said no — a huge victory for EchoStar — for the multi-office MoFo team — and for those who don’t like anyone messing with their remotes.
Technology

Connie Chung Tonight's studio is next door to the American Morning With Paula Zahn studio.

CNN corners NYC

Paula Zahn's new studio offers a view on the hustle of Sixth Ave. and 51st St.

By Ken Kerschbaumer

New York City is increasingly the land of the street-level studio. An ever-increasing number of broadcast and cable networks can't seem to get enough of gawking passersby and the city's hustle and bustle.

The final touches are being put on Paula Zahn's new home at CNN, as American Morning With Paula Zahn prepares to launch from a new home at Sixth Avenue and 51st Street in the coming weeks. CNN's arrival makes five nationally broadcast morning shows that originate within viewing distance of the hustle and bustle of Manhattan streets.

"It's a fantastic location, and we have our own plaza so we can do all sorts of things outside, but inside my vision was that we wanted something that had some high-tech sort of things but was warmed down with colors and textures," says Guy Pepper, CNN executive director.

The street-level studio will feature wrap-around windows on three sides, giving viewers and studio guests a look at Radio City Music Hall, traffic on Sixth Avenue and also Time Life Plaza, where concerts and other outdoor events will take place.

The principal architect is Meridian Design Associates. "The driving force that picked the place was its presence on the street and the ability to connect CNN to the person on the street and do what we call branding in place," says Bice Wilson of Meridian Design. "That means that CNN's content from the inside out would be associated with the place."

Meridian Design Principal Antonio á

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Business

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Argibay headed up the project, which offered a number of structural challenges. A concrete column had to be removed from the center of the studio space. Removing the 100,000-pound column obviously meant figuring out another way to handle weight distribution. So a beam was put across the ceiling of the studio, and two sloping columns at the end of the beam transfer the load to a 68,000-pound beam below the studio. That beam redistributes the load to three columns underground.

The facility includes two studios: the 2,000-square-foot street-level studio and a 1,000-square-foot studio currently used for Connie Chung Tonight. The main control room is located across town at 5 Penn Plaza, connected via fiber link.

A studio with glass walls on three sides introduces a number of new elements into planning. Security, noise and light all become obstacles.

“There's a requirement to provide a certain amount of ballistic abatement for the safety of the guests, especially when you're in a fish bowl,” says Argibay. “That has to be addressed with bullet-resistant glass.”

The problem with such glass is that it requires a number of glass pieces to be layered together. The result is the glass turns green. Enter the German glassmakers and the low-iron glass known as Water White.

Glass like that comes at a price, by itself costing $800,000. Even so, total cost of the facility is less than ABC's Times Square Good Morning America studio and substantially less on a square-foot basis than CBS's Early Show facility.

Each piece of glass weighted more than 3,000 pounds and was ordered seven months ahead of construction to ensure that the construction would fit the windows perfectly. "Normally, when you do glazing, you wait until the frame is done and then measure, to compensate for imperfections in craftsmanship,” says Wilson. “But we couldn't do that.”

Windows introduce other factors as well. Environmental control becomes important: Condensation can quickly become a problem in a studio with windows where temperature can vary from zero to 100 degrees over the course of the year. The solution is to build a second set of glass walls angled inward within the outer glass walls. This creates a 2.5- to 4-foot cavity that can then be heated or cooled to maintain consistent conditions, preventing condensation and other problems.

“The space is a thermal buffer and needs to be managed,” explains Wilson. “There can't be a big temperature delta from one side to the other because, if [it is] super-heated on one side and cold on the other, you can get into cracking.”

Pepper says that the expanse of glass that surrounds the set will be important in keeping the look interesting and innovative. The set will also have moving walls, the flat-screen monitors will be used in a variety of ways. During the morning program, it'll run the program feeds, and the interior-mounted speakers will provide an audio feed of the program for people outside the studio.

The goal, he says, is to convey a strong sense of place—both inside and outside. Being on the street with 180 degrees of exposed glass, creating a theater-in-the-round, provides unique opportunities.

“The extra corner as opposed to other programs provides a little more transparency into the space,” he says. “It'll give a larger panorama.”

The driving force that picked the place was its presence on the street and the ability to connect CNN to the person on the street and do what we call branding in place.'

— Bice Wilson, Meridian Design Associates
PANASONIC OFFERS IMPROVED HD CAMERA

Panasonic Broadcast & Television Systems Co. has enhanced the AJ-HDC27 VariCam HD Cinema camera with additional frame rates, new CineGamma capabilities and an optional kit to retrofit existing AJ-HDC27 VariCams with CineGamma. The CineGamma feature extends the camera’s usable dynamic range to 600:1, which helps in highlight handling, a limitation of both standard-definition and HD video cameras. It also gives a closer approximation of film’s ability to maintain smooth image tonality.

The AJ-HDC27 VariCam allows variable frame rates from 4 to 60 fps in single-frame increments, but it now allows frame rates to be changed during recording, with constant exposure maintained with the camera’s time-base shutter mode.

Other key features include storage of up to eight setup data files on an SD memory card and up to 10 gain values ranging from -6dB to +30dB (three values can be saved as presets). The enhanced AJ-HDC27 VariCam with CineGamma functionality is available at a suggested price of $63,000; the optional kit for retrofitting existing VariCams, at $5,000.

PANAMSAT MEETS VOD

PanAmSat now offers video-on-demand and digital store-and-forward services, and the broadband on-demand service Intertainer is using PanAmSat to distribute its VOD content to cable affiliate partners via satellite. The digital store-and-forward service is designed to support the needs of international video-content providers, such as film and television production companies, while the VOD service is for cable MSOs. The former service is expected to offer a satellite-based digital alternative to dubbing tapes and express mailing.

HD NEWS FROM HDTV

HDNet will broadcast its second HDTV co-production with The NewsHour With Jim Lehrer. The three half-hour reports will cover the conflict between India and Pakistan, with special correspondent Simon Marks traveling through India, Pakistan and the Kashmir region.

LISTEN UP GIVES MIKES TO KUVO-FM

Denver-based professional audio dealer Listen Up has donated three Sennheiser MKH 800 variable-pattern condenser microphones to public-radio broadcaster KUVO(FM) Denver. The additions bring the total number of MKH 800 microphones at the station to five. They will be used on KUVO’s regular live broadcasts from its performance studio as well as remote locations.

YA GOTTA BELIEF

Santa Monica, Calif.-based broadcast design and production studio Belief recently completed three projects that used the Sony HDCAM format. The promo spots for DirecTV, Animal Planet and Entertainment Tonight were edited with Media 100 software and After Effects on Macintosh computers with Pinnacle HD Cinewave cards.

MORE FROM MEDIA 100

Media 100 is shipping a new expanded feature set for the 844/X system for multilayer content creation. The software release includes more than 100 new features and capability enhancements. New features include real-time keying, real-time color correction, editing and compositing integration, a matte tool to slip video separate from matte, trim mode, keyframe editor, and connectivity to support sharing of design elements through both Fibre Channel and Gigabit Ethernet. The 844/X version 1.1 software is shipping on all new 844/X systems (base price of $65,995) and to existing 844/X customers that have Platinum Support contracts.

CKWS-TV SELECTS AUTOCUE NEWS SYSTEM

Autocue Systems has announced that its QSeries newsroom production system will be launched at CKWS-TV Kingston, Ontario, which will begin using the QNews production system later this month. The system will be coupled with a QTV prompter and will also control an Inscriber CG Xtreme character generator from Inscriber.

WOOD’S NEXT LEVEL

Wood County Telephone Co. in Wisconsin has selected Next Level Communications to help the telco deliver bundled services to its subscribers. Charter Communications in Wisconsin Rapids, Wis., serves the area’s cable viewers. Wood County installed Next Level’s VDSL equipment in March 1999 and deployed new services in December of that year. Customers now have 108 channels of digital television (including pay-per-view and 40 digital music channels), 1.5-Mb/s Internet access and telephone service.
It's hard enough just integrating network feeds with local programming and spots and sending it to a single channel. Now, with the revenue potential of multicasting and cost savings of CentralCasting, you need to consider managing, integrating, and distributing a vast array of content to any number of channels. A complicated problem with a simple answer. Take control with AIRO. Protect your investment, optimize your productivity, and stay ahead of the competition with AIRO - the most flexible and scalable Windows® 2000 based automation solution from Odetics, the leading supplier of multi-channel automation systems worldwide. The AIRO Automation System for reliable broadcast automation. Now, more than ever before.
DTV transmission continues to be a conundrum for broadcasters: Spend the money to broadcast full power to serve a handful of DTV viewers or broadcast a low-power signal that saves on electricity bills but does little more than put a station in compliance with the FCC's DTV mandate.

As it stands today, most commercial stations seem to be opting for the latter.

"With the exception of public television, the whole issue of whether DTV is going to make money is a real issue," says Mike Kirk, vice president of communications for transmission-tube manufacturer E2V. "So, if commercial broadcasters are able to provide satisfactory service under the terms of their license without incurring a large power bill every month, they're going to do it."

The move to low-power DTV is more than a trend, according to Aerodyne Industries National Sales Manager Mark Polovick. "All the customers for all the vendors," he says, "are asking for 500-W, 100-W or 1-kW transmitters."

Transmitter manufacturers introduced a number of low-power DTV packages at NAB. But what should be bullish days for transmitter manufacturers are becoming as bearish as the rest of the nation's economy.

Says EMCEE Regional Sales Manager Jim Zaroda, "I think all transmitter manufacturers thought they would be rich by now selling high-power systems, and now they're all selling low power. The marketplace dictated to the vendors what [broadcasters] wanted, saying, 'If this is what we have to do, we want to do it as cheaply as possible.'"

Polovick notes that the market is very competitive right now. "If you're looking for digital low power, now is the time."

Axcera Director of Marketing Rich Schwartz sees interest in low-power transmission from stations looking to get on the air at the lowest possible overall system cost as well as those that want a system that can be upgraded to high power in the future.

While no one questions broadcasters' right to broadcast low power, some industry observers question the long-term impact. Because low power requires only
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SPECIAL REPORT

Transmitters

Although low-power service is intended to bring DTV to a station’s core community, critics say even viewers close to a station’s transmitter have poor reception unless they add a rooftop antenna.

enough power to cover a station’s city of license or the grade A contour, they point out, many viewers within a DMA won’t be interested in even attempting to receive an over-the-air signal. So much for a DTV-tuner mandate.

“If you go to the Best Buy or Circuit City, they aren’t selling the DTV tuners anymore,” Polovick point out. “So the issue of low power may, in fact, kill over-the-air because it doesn’t help over-the-air digital be successful.”

It’s difficult to argue against the cost savings in transmitting a low-power digital signal. A study by EMCEE says that the electricity bill for operating a 50-kW two-tube inductive-output-tube (IOT) high-power transmitter for four years is about $306,000. For a 400-W, low-power transmitter, it’s $11,200, a saving of approximately $295,000. EMCEE recommends a station begin with a low-power transmitter and upgrade to full power at a later date.

The savings of low-power transmission go beyond electricity consumption, Zurlo points out. The costs of the equipment, renting tower space and tower studies for large antennas are also lessened or eliminated. “It also allows [stations] to use the time during the low- to high-power transition to study their digital service,” he adds.

Low power is attractive also for VHF stations that have a UHF digital allocation, according to Dave Glidden, director, television transmission products, for Harris. The reason? They haven’t decided whether they’ll stay with the UHF allocation or go back to the VHF slot.

Moreover, some stations purchasing low-power transmitters plan to use them in the future to help with signal extension, Schwartz says. “There are a fair number of stations that will need some signal-extension product in the future, a booster or a translator. They can use the low-power transmitter there, and then there’s no fear that it’s going to be obsolete.”

One station using low power to fill in reception gaps is WPSX-TV Clearfield, Pa. Its UHF signal doesn’t crawl over the hill into State College, Pa. So low-power transmitters make the crawl possible.

“Certainly, broadcasters in a similar situation will be looking into boosters, but there’s also an application for boosters in terrain that isn’t as rough and hilly,” Schwartz says. “There will be pockets where a broadcasters who had VHF aren’t filling in areas with the UHF signal.”

Finances aside, there could be some new incentive to go full power. The FCC mandate to include DTV tuners in all television sets by 2007 gives broadcasters the comfort of knowing that the potential audience will have a predictable growth curve.

Also helping drive the move to higher power is a new development for transmitters with IOTs: multi-stage depressed collectors. An IOT is an electron vacuum tube that amplifies a signal by varying the density of electrons in a linear beam. A heated cathode supplies electrons, an anode accelerates them, and a grid controls the current or beam density. After RF output power has been extracted from the beam, the electrons (unused energy) are traditionally cap-

DIGITAL DC

The FCC imprimatur

The ins and outs of transition deadlines

The low-power bandwagon began rolling in November when the FCC ruled that commercial stations could continue lower-power transmissions beyond the original Dec. 31, 2004, deadline for reaching their entire service area. A new deadline will be set when the commission conducts its biennial review of DTV rules next year. The date can be no later than the 2006 85%-penetration deadline for the end of the digital transition and could be earlier. So far, 233 stations in markets outside the top 30 have taken advantage of the low-power option. But roughly two-thirds of the industry missed the May 1 deadline for launching digital service, and nearly all of those stations are under orders to come online quickly. For them, low power appears to be the preferred option.

Although low-power service is intended to bring DTV to a station’s core community, critics of the approach say that even viewers close to a station’s transmitter have poor reception unless they add a rooftop antenna. Recognizing low power’s shortcomings, the FCC last month ordered 16 top-30 market stations operating with expired special low-power permits and three stations in smaller markets that had already built full-power facilities to cover their entire markets. Large-market stations were not specifically given low-power authority in November, the FCC ruled.

—Bill McConnell
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## Transmitters

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1942</td>
<td>Dielectric founded by Dr. Charles Brown</td>
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<tr>
<td>1950s</td>
<td>First stacked antenna system built</td>
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<tr>
<td>1970s</td>
<td>Multi-station antennas installed on Mt. Sutro and John Hancock building</td>
</tr>
<tr>
<td>1986</td>
<td>Acquired RCA's TV Antenna operations</td>
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Since our inception, Dielectric has been at the forefront of technological developments in the broadcast industry. We have continually focussed on the ever-changing needs of our clients with countless innovations in antenna, transmission line, and RF system engineering and design.

Today, we are involved in all aspects of DTV implementation including:
- working with the broadcaster and their consultant on FCC filing data,
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- offering complete installation of antenna, tower, transmission line, and RF system packages

For 60 years broadcasters have relied on Dielectric for creative solutions to complex challenges. Over 75% of DTV broadcasters have chosen Dielectric antenna systems. We have the solutions to suit your budget and time frame. Let's get started.
Like the E2V, Thales single-stage depressed collectors will be capable of being an upgrade for transmitters that use Thales tubes. "It requires some modification to the transmitter, the biggest one being a different beam supply," says McVea. "But the cavity is similar to what we have now, so [a manufacturer can make] just a few changes to the cavity and then put in a new tube. This gives the people that have our tube an upgrade path."

Northrup-Grumman's tubes, which have efficiency measured as high as 59%, will begin appearing in stations in the next two months, according to Buzz Miklos, director of sales and marketing for the Electron Device Division. Cost savings are just over $20,000 a year per tube for stations paying 10 cents an hour for electricity, he says, noting that savings depend on local electricity costs.

Astre Systems has two tubes that will be sent out to stations soon, and Thales (the transmitter manufacturing division, not the tube division) will be delivering one to a station in October.

E2V will get units into the hands of transmitter manufacturers later this year, Kirk says, adding, though, that they won't be quite as efficient as they could be. "Whatever tube we introduce needs to be simple in operation because the depth of RF engineering skills in the industry is diminishing," he says. "So you can't put a level of complexity into the transmitter just to save a few percentage points of power."

Glidden expects to have initial deliveries of transmitters with multi-stage depressed collectors sometime before next April's NAB show. Harris has yet to get its hands on a tube with the new collectors, but that will change in the upcoming months.

Just how cost-effective the new tubes will prove remains to be seen. According to McVea, it's really a matter of capital costs vs. operational costs. Stations concerned with capital costs will probably pass on the new tubes because tubes with the depressed collectors are expected to come at a premium. If the station's concern is monthly electricity bills, then the new tubes may be attractive.

Schwartz figures a larger-market station will more likely go with higher power.

In a strangled economy, broadcasters may be looking to ride the low-power wave as long as possible. Says one transmitter manufacturer executive, "If the broadcasters could lower their analog power in the same way, my sense is we would sell a lot less full-power analog transmitters as well."

For now, the DTV transition could best be described as stuck in low power. And manufacturers see the next challenge in finding an incentive beyond mandates to get broadcasters up to full power.

"The medium- and small-market stations all tell me that DTV is an unfunded government mandate," says Zaroda. "They hate that because there is no return on investment and nothing on the horizon that says there will be."
Towers

Tower crews stay busy

DTV business is less brisk than had been expected, but tower companies aren’t complaining

The expected uptick in demand for tower modification and construction in the wake of DTV broadcast requirements has flattered out a bit, thanks to the FCC’s granting extensions to TV stations across the country.

Nonetheless, tower companies are still hustling. John McKay, manager, U.S. broadcast sales, for Radian, says there is a crunch when it comes to tower crews. Radian has eight tall-tower crews, and McKay says other tower companies have a similar number of crews and are also running flat out. So the spreading out of demand for tower crews over the next couple of years may be a positive.

"Stations are doing this fall what they would have done a year ago," he adds, "but a lot of stations are waiting until the last minute to get started."

Calls are coming in now, he says, from stations that need to be on the air by Nov. 1. That makes things rather tight, if not impossible. "They need a good three months, and that’s if nothing needs to be fabricated for the tower. If there is analysis or reinforcing, that requires another month or two."

McKay’s advice to stations is to get started six months in advance, especially because most of the towers do need some sort of strengthening. That can range from simply replacing a couple of members to putting in new guy wires and foundations.

Companies that, like American Tower and Spectrasite, build and lease towers are also constructing MSO community towers, though only if they’re confident the demand is going to be there.

American Tower, for example, has spent the past five years pursuing and developing large-tower sites. According to Vice President of Broadcast Development Pete Starke, a lot of the towers designed from 1997 to 1999 were intended to support multiple TV and radio antennas, and DTV antennas are starting to roost on those towers. American Tower built a tower in Oklahoma City in 1998 that, at the time, had two tenants lined up. Today, it has seven antennas, after broadcasters did their research and realized it was cheaper to lease than to modify an existing tower. That’s a common finding for broadcasters today.

“We've had no problem getting the crews lined up to do everything we’ve been asked to do by our tenants and prospective tenants,” says Starke. “And the tenants that have gone direct to their preferred tower crews haven’t had trouble either.”

Starke says it takes about two or three days to line up a crew to get a tower ready for DTV transmission by the end of the year. If no modifications are required, the typical side-mounted digital television antenna and transmission line costs about $200,000 for a 1,000-foot installation.

For stations that do decide to go the construction route, Spectrasite Broadcast Group President Tom Prestwood has some advice: Make sure you work things out with your local community.

Prestwood joined Spectrasite nine months ago after working with cellular-tower construction, so he’s well-versed in the problems that can arise. "You have to do a lot of political leg work to make sure that what you do best suits the community. No matter what you do," he cautions, "you won’t make everybody happy."

Working with city councils is the key, he says, adding that a broadcaster needs to be sure the council understands exactly what it is that being put up. Misunderstandings, he notes, could get in the way of proposal acceptance.

"Their perception of what a tower is will not be what your perception is," says Prestwood. "They have a right to protect their community and interests, but it’s our responsibility to tell them what it’s really going to be. Don’t try to hype what you’re doing."

Also, he says, make sure the attitude you take lines up with the interest of the people in the community. "If you don’t take their input to make this thing work, you’re gonna hit walls all day and get nowhere."

‘Stations are doing this fall what they would have done a year ago, but a lot of stations are waiting until the last minute to get started.’ — John McKay, Radian
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Making 8-VSB better

It's the standard, but ATSC continues to improve the core technology behind DTV transmission

The issue of 8-VSB vs. COFDM modulation for DTV transmission is officially settled, but that doesn't mean the industry is standing pat with 8-VSB in its current form. In fact, it can be argued that the only reason 8-VSB was able to win the battle against COFDM was the promise that it would steadily improve.

To fulfill the promise, the Advanced Television Systems Committee (ATSC), an industry standards-setting body, is evaluating two ways of improving the transmission of the 8-VSB signals: the robust-stream method and the "modified training signal."

"In both cases, the enhancements are backwards-compatible, and broadcasters can choose whether or not to use them," says ATSC President Mark Richer. "It's also important to remember that the ATSC work on VSB complements the rapid advancement of receiver technology in terms of multipath performance."

The robust-stream method involves encoding content in such a way that it lowers the minimum carrier-to-noise threshold, he says. "In layman's terms, this means that it can be received where the signal strength is lower." But the method involves a trade-off. It reduces the bits available for services. In fact, Richer says, "it is unlikely broadcasters would use the robust stream for HDTV because it would take a large number of bits."

However, he adds, the robust stream could be used for broadcasting TV audio or data services to mobile or portable devices — laptops, PDAs and such. The data services could include compressed video and audio.

TV audio could be sent in the robust mode so that it would continue to be received even if the TV signal fails, Richer says. This would make the DTV signal akin to current analog signals.

Some believe the robust stream could also be used to overcome multipath interference and improve signal acquisition, he says.

A consortium of the National Association of Broadcasters and the Association of Maximum Service Television (MSTV) is testing the robust stream to see how well it works and how it impacts the rest of the DTV signal, so it's still too early to draw conclusions, Richer says.

The modified training signal is designed to provide additional immunity to multipath interference that has marred VSB use in areas with tall buildings and other structures. The training signal is a code sent with the DTV signal that helps the receiver optimize itself for reception of the digital signal and better deal with multipath interference. Unlike the robust-stream method, the training signal does not come at the expense of content. An NAB-MSTV consortium of companies is currently testing it.

The success of the modified training signal could be an important milestone for 8-VSB, one that could place it on steady ground. The inability of DTV tuners to easily receive VSB signals in city environments has garnered much of the criticism of the standard.

Richer says the two-pronged approach by the DTV-receiver manufacturers and the ATSC will drive the necessary improvements. "There's a lot going on in receiver technology that has nothing to do with the standard. That's a natural progress of technology, and it's especially true in terms of multipath performance."

By Ken Kerschbaumer

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**Cable TV**
At Comcast Cable: Nancy Reardon, executive VP, human resources and corporate affairs, Muscle Shoals, Ala., joins as executive VP, human resources; Tony Hollinger, director, operations, Washington, named VP/GM, Charles County system, Md.; Ed Pardini, VP, Philadelphia Metro region, named regional VP, Pennsylvania and Delaware systems; Mary K. Pennington, manager, recruitment, Philadelphia, promoted to director, recruiting and career development.

At Time Warner Cable, Stamford, Conn.: Mike LaJoie, VP, corporate development, promoted to executive VP, advanced technology; Kevin Leddy, senior VP, new-product development, named senior VP, platform development; Chuck Ellis, executive VP, operations, named executive VP/chief marketing officer; Carl Rossetti, executive VP, operations, named executive VP, new-business development; Terry O'Connell, division president, Columbus, Ohio, promoted to executive VP, upstate New York, Maine and Texas systems.

**Broadcast TV**
Michael Rodriguez, local sales manager, WFOR-TV Miami, named VP/GM, WSCV(TV) Fort Lauderdale, Fla.

Dean Orton, interim president/CEO, WLVT-TV Allentown, Pa., named senior VP, development and community partnerships, KETC(TV) St. Louis.

Cheryl Kerns McDonald, VP, WDADF-TV Kansas City, Mo., named VP/GM.

Traci Eckels, interim director, development, KQED(TV) San Francisco, named VP, development.

Louis Supowitz, regional brand manager, Time Warner Cable, Tampa, Fla., named director, sales, WOFL(TV)/WRBW(TV) Orlando, Fla.

Jim Rose, national sales manager, KONG-TV Seattle, promoted to local sales manager.

At WFOR-TV Miami: Diane Alvarez, senior account executive, CBS Spot Sales, New York, joins as national sales manager; Ron Speck, sales manager, Blair Television, Houston, joins as corporate development manager, sports and special projects.

**Programming**
At MTV Networks: Janet Hill, executive VP, publicity, Miramax Films, Los Angeles, appointed head, West Coast communications, Santa Monica, Calif.; Michael Armstrong, account director, Chicago, promoted to VP, affiliate marketing, MTV Network Music Group, New York.

Steven J. Schifffman, executive VP, marketing, The Weather Channel, Atlanta, named executive VP, marketing and new media, The National Geographic Channel, Washington.

Barry Jossen, executive consultant, Imagine Television, Los Angeles, named senior VP, production, Touchstone Television, Los Angeles.

Sonja Piper Dosti, senior VP, drama programming, Studios USA, Los Angeles, appointed senior VP, drama development, UPN, Los Angeles.

At the Golf Channel, Orlando, Fla.: Mark Coleman, senior VP, strategic planning and operations, ITN

SignalStream, San Francisco, joins as senior VP, operations and new technology; Gene Pizzolato, senior VP, sales and marketing, NBC, New York, named senior VP, advertising sales.

Nazanin Parvizi, director, legal and business affairs, Hallmark Channel, Los Angeles, promoted to VP.

David Alworth, executive VP, ACTV, New York, named VP, operations, Rainbow Sports Networks, Jericho, N.Y.

Chris Monteferrante, account executive, Columbia TriStar Television Advertiser Sales, Culver City, Calif., promoted to VP, DirecTV advertiser sales.

At Telemundo: Lily Chavez Dickinson, Southeast regional sales manager, Miami, promoted to director, sales planning, finance and administration, New York; Gian Pablo Kates, account executive, Miami, promoted to Southeast regional sales manager.

Erik Arneson, public relations representative, CMI/Cotter Group, Charlotte, N.C., joins Speed Channel, Charlotte, as director, public relations.

Ken McFadden, account

1. Dean Orton
2. Tony Hollinger
3. Barry Jossen
4. Nazanin Parvizi
executive, ESPN.com, Detroit, joins ESPN ABC Sports Customer and Sales, Detroit, as account executive, national sales.

**Media**

At Journal Broadcast Group, Milwaukee: Kent Aschenbrenner, assistant chief engineer, named director, engineering; Chris Blanding, technology network administrator, promoted to corporate technology security administrator.

**Journalism**

Scot Safon, senior VP marketing, Turner Network Television, Atlanta, joins CNN News Group, Atlanta, in the same capacity.

Ed Trauschke, assistant news director, WESH(TV) Daytona Beach, Fla., promoted to news director.


Pam Schoen, on-air senior producer, WCCO-TV Minneapolis, named on-air writer/producer, KTLA(TV) Los Angeles.

Traci Gregory, local sales manager, Northwest Cable News, Seattle, promoted to director, local sales.

Russ Kirkpatrick, anchor/reporter, WTMJ(AM) Milwaukee, joins WTMJ-TV Milwaukee, as full-time general assignment reporter.

AT WFOR-TV Miami: Jill Martin, feature host, *Heat TV*, Miami, joins as sports reporter; Bonnie Schneider, weather anchor, News 12 Long Island, New York, joins as weekend weather forecaster.

James B. Kenneally, sports anchor/reporter, WPXT-TV Portland, Maine, joins WLVI-TV Cambridge, Mass., as weekend sports anchor/reporter.

**Radio**

Lori Wellingtonh, senior VP, Local Marketing Corp., Cincinnati, joins Clear Channel Advantage, Denver, in the same capacity.

**Technology**

Kenneth S. Williams, president, Technicolor Digital Cinema, Burbank, Calif., joins Liberty Livewire Corp., Santa Monica, Calif., as COO.

Mark Dzuban, founder/president, Hatteras House Consulting, Hatteras, N.C., appointed executive VP, cable telephony deployment, Cedar Point Communications, Derry, N.H.

Dr. Andrew Cross, VP, video software development, NewTek, San Antonio, promoted to senior VP, engineering.

Jay Yass, VP, business development, ViaCast, Ijamsville, Md., joins SpectraRep, Chantilly, Va., as VP, sales.

Kent Walker, general counsel, Liberate Technologies, San Carlos, Calif., appointed CFO.

Mike Bergman, VP, radio, Sirius Satellite Radio, New York, joins Kenwood USA, Long Beach, Calif., as director, R&D, digital broadcast products.

E. Scott Nix, marketing manager, broadcast/systems products division, Vela, Salt Lake City, joins Sundance Digital, Las Vegas, as director, sales, Western region.

**Internet**

At Weather.com, Atlanta: Jody Fennell, VP, business development, appointed VP, wireless and broadband.

Sandeep Sawhney, director, new-revenue development, promoted to director, business development and subscription services.

Tyler Goldman, founder/president, Broadband Sports, Santa Monica, Calif., joins Movielink, Santa Monica, Calif., as VP, business development.

Kevin Mayer, CEO/president, Clear Channel Interactive, Los Angeles, joins L.E.K. Consulting, Los Angeles, as head, media and entertainment.

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Steve Spendlove
Vice President/General Manager, KTVX-TV
Salt Lake City, UT
Clear Channel Communications
Frankel has been marketing program rights for 22 years

Frankel has made a career of working back-end cable and satellite rights to Warner Bros.' program library, which comprises nearly 5,000 feature films, 750 TV series, 560 made-for-TV movies, 100 miniseries and 600 specials.

His client number about 75 distribution entities, and not just the Disneys and HBOs of the world. He persuaded the National Football League to run movies on what would otherwise be a Barker channel for its pay service offering season-long packages of games to out-of-market viewers. Tech TV airs off-network series Max Headroom. And Animal Planet bought Gorillas in the Mist.

The client base is likely to expand dramatically as advertisers seek new ways of reaching customers. One example: Sears Roebuck & Co. was a serious bidder for the Harry Potter rights, says Frankel.

Typically rising at 4:30 or 5 a.m., he spends the first couple of hours thinking not just about the day ahead but also about innovative ways to market the library.

"Marketing is critical to this business," he says. "Whether it's to make sure that our clients know about a particular film or television series in our library or it's providing marketing support to our clients' broadcast, we really place a great deal of importance on support of the product. We're partners, and we share in their success as well as their failure."

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MORE THOUGHTS ON BROADCAST’S FUTURE

In his Aug. 5 cover commentary, “Sink or Swim,” Editor in Chief Harry A. Jessell argued that TV broadcasters should end their dependency on cable and satellite and use their digital stations to launch a multichannel TV service in competition with cable and satellite. Such an initiative would require unprecedented cooperation among broadcasters and the development of a broadcast-only set-top box that would transform the 260 million analog TV sets into receivers of the new service. Here’s more reaction to the commentary:

Editor: Harry Jessell’s thoughtful and provocative commentary “Sink or Swim” makes the strong case that, despite the distribution inroads made by cable and satellite companies, broadcasters must reestablish their own gateway to the television home, remaining “broadcasters” in every sense of the word.

Unfortunately, hard economic times and difficult budget issues have resulted in a weakening of the transmitter and tower infrastructure at many broadcast stations. Complex and emotional zoning and environmental issues have added to the difficulty of siting and building new towers. In the New York metropolitan area, the situation is particularly critical, since all of the broadcast stations shared a single tower atop the World Trade Center. Nearly a year has gone by and New York-area broadcasters, not through lack of initiative on their part, are operating in a degraded mode from the Empire State Building. What has been positive in New York is that the World Trade Center tragedy has brought about a level of cooperation that should serve as a model for our industry. New York-area television-station general managers meet biweekly to work together toward the common goal of quality reception for all viewers of all stations.

The broadcast spectrum remains local television’s most valuable asset. As the digital transition moves forward, the need to maintain robust technical capabilities in transmission is particularly important. The proposal from [FCC] Chairman Powell to require digital tuners in television sets and projects such as [former Broadcasting & Cable Editor in Chief] Don West’s Video Edge will go a long way to preserving over-the-air broadcasting. Most of all, we need the industry leadership and cooperation your perspective piece so strongly recommends.

Our future as broadcasters may look different than our past, but the intelligent use of our valuable spectrum is a clear part of that future.

Edward Grebow, president, Metropolitan Television Alliance

Editor: Enjoyed your think piece on how broadcasters might adapt to an increasingly harsh future. The overall concept that a single channel and a single revenue stream is less attractive in a digital world is appropriate. I’ll point out two items about the broadcast set-top box that bode ill.

One: Consumers have frequently told cable operators and the overbuilders of cable that they hate the box. They don’t like the extra electronic apparatus.

Two: The 20- to 30-channel package by multiple TV stations with some popular cable programming sounds a lot like 24- to 36-channel MMDS, or wireless cable, a failed distribution method of the 1990s.

I’d imagine a deeper risk/reward partnership with the broadcast networks, or local joint ventures with cable groups, might hold potential once the retransmission bad blood is behind all.

Good, different article nonetheless.

Jim Boyle, media analyst, managing director, Wachovia Securities Inc., New York

Editor: Harry Jessell’s call for television broadcasters to reinvent themselves through the use of an industry-exclusive digital set-top box is a bold challenge indeed. But it doesn’t cut to the heart of the matter. It’s true that technological problems are formidable. It’s equally true, and perhaps more difficult, to develop a workable business plan, bring broadcasters into a cooperative model and deal with Congress. But the push and shove of technology and economics will never be truly useful until decision-makers recognize change at a much more profound level.

Television today must be conceived not as the common experience of regulated “flow,” drawing numbers to aggregation, but as a viewer-demanded, usable array of special interests. This configuration is variously described as the “radio model,” the “publishing model,” or the “music-industry model.” I prefer to think of it as a library model.

It is, of course, still a subscription library, like those that preceded free public libraries as we now know them. But, even in this context, users think of libraries differently, use them differently, than they do “broadcasting.” Publishers and authors think of libraries differently. Regulators think of them differently.

If broadcasters begin to think of themselves as librarians or publishers or authors, as warehouse and retailers, they must completely rethink their “transactional relationship” with media users. And if they don’t, if “transactional relationship” remains an abstraction or, worse, is applied with the same old broadcasting assumptions, lots of viewers will use their set-top boxes for paperweights, and lots of media people will go broke.

Horace Newcomb, director of the Peabody Awards Program, Grady College of Journalism and Mass Communication, University of Georgia, Athens, Ga.

Editor: Congratulations, you hit the nail on the head on both counts: Broadcasters must reinvent the medium’s business model, and broadcasters must cooperate.

After spending most of the last five years straddling the broadcast and tower industries and the 20 years before that as a consultant and an owner-operator in the radio business, I fear your warning will fall on deaf ears.

With some notable exceptions (Don West; your magazine; David Donovan and MSTV; John Abel and GeoCast; Jim Goodman’s WRAL-TV Raleigh, N.C.; iBlast; AccessDTV; and a handful of others), this business is dominated by people who got rich respecting the status quo. They will likely not jeopardize their 50% margins, nor are they likely to embrace the enemy, whom they still believe to be—and this will be their
Spanish language television is busting off the charts. On September 23, Broadcasting & Cable will provide an in-depth report on all the issues surrounding this new and lucrative market:

- The battle of the broadcast networks and the explosion of new cable networks.

- Spanish-language stations dominate markets as ratings leaders.

- Nielsen's Top 25 Spanish language TV markets.

ISSUE DATE: September 23, 2002
SPACE CLOSE: Friday, Sept. 13
MATERIAL CLOSE: Tuesday, Sept. 17
undoes—other broadcasters.

I would add one other revenue source to your model. It is spectrum aggregation and leasing. While this concept has also largely been overlooked, at any given moment in a built-out digital radio and television future, there would be a good deal of unused spectrum. I have long foreseen an industry growing out of this surplus capacity. My bet was that broadcasters and tower owners would become spectrum aggregators and lessors. That read has proven premature.

To your cautionary phrase “catch the wave or miss the future” I would add that timing is everything: Paddle too soon and you’ll miss the wave; too late, and it will crush you.

Jon Sinton, JSA Inc., Atlanta

Editor: Your article “Sink or Swim” is an enlightening piece on the need for television broadcasters to enter the digital era now, not in the distant future.

Finding digital solutions is essential to growing a broadcaster’s business. Digital represents a significant new source of revenue at a time of increased strain on broadcasters’ margins. In addition, the set-top box is the enabling device to get broadcasters what they need: a direct digital connection to the consumer’s home.

As you alluded to in your article, we at WOW Digital TV have spent over two years researching the needs of the marketplace, assembling a world-class group of technology and investment partners, attracting prominent broadcast stations, and conducting successful tests on our set-top box. WOW is poised to deploy our state-of-the-art box in Salt Lake City in the fourth quarter. Together with our broadcast, retail and technical partners, WOW is enabling the digital era to occur NOW.

Historically, competition has prevented broadcasters from uniting and is hampering the adoption of over-the-air digital television. You make this clear in your article. However, we at WOW are pleased to be working closely with many progressive broadcast groups—including LIN, McGraw-Hill, Sinclair, Sunbelt and others—to participate in the testing and deployment of our product in the upcoming months.

We wholeheartedly support your accurate assessment: that broadcasters must unite if we are to give the American public a digital television service at a reasonable cost with ease of installation. We invite MDTV or other interested parties to unite with us as we help move digital TV closer to reality.

At WOW, we are moving forward with our business plan, are confident in our product, and anticipate a very high acceptance rate. Our hope is that competitive interests can be put aside and broadcasters from around the country can join together to ensure that over-the-air television “takes its place in the digital future.”

Steven Lindsley, chairman and CEO, WOW Digital TV, Salt Lake City

Editor: I read with great interest your recent article titled “Sink or Swim.” As one of the world’s leading developers of digital set-top box design, Pace has been watching these developments with enthusiasm. As you may know, in Europe, there has been a groundswell in the adoption of free-to-air digital terrestrial products available at retail. Pace has been one of the early pioneers in this space. This year, we began shipping a digital terrestrial unit called DTV (Digital Television Video Adapter) for $150 at retail. The demand has been very good, and the product has been well-received.

Aside from offering 30 channels of digital television and teletext, the product comes with MPEG support to allow for additional advanced functionality down the road.

It is our opinion that a similar unit with HD support could be offered to the U.S. market for less than $200. Your article is right on the money. A nationwide service, sponsored by each terrestrial broadcaster, should be the ultimate goal. With such a service, we could easily and quickly launch a very affordable set-top to the market.

David Novak, vice president of marketing, Pace Micro Technology Americas, Boca Raton, Fla.

Editor: Great article on a wonderful concept. Once the technology is worked out, I envision farsighted broadcasters joining forces to form new businesses, which would program all the secondary digital channels offered by the station combine and share in the profits from the new revenue streams.

They will still compete with their primary channels, but I foresee the day when all the reps in a market are selling advertising on the secondary digital channels against their local print and cable competitors. Perhaps digital will enable over-the-air television broadcasters to finally displace their local newspapers as the No. 1 advertising medium in their markets.


Editor: I agree DTV is a new frontier the broadcasters will need to address. Most stations now feed the cable and satellite companies directly with little consideration to their over-the-air signals.

Just a few years ago, a TV station being off the air was unthinkable but now is becoming commonplace. It seems that, as long as the station is feeding the cable and satellite, there is not much interest in properly maintaining the transmission system or returning the station to the air as soon as possible. This kind of thinking will get the industry in so much trouble they will have difficulty overcoming it. This is like a newspaper allowing its printing press to go down, thinking printing the paper is not very important since it has a Web site on the Internet.

Stations now have the perfect opportunity to bring back their over-the-air viewers with DTV and all the other important services the stations can now offer. Both the NTSC and DTV systems will have to be kept up and running with the best maintenance and best signals possible in order to sell the service. I really hope the industry sees the light before it is too late. Just my two cents.

Rusty Wallace, Bartlett, Tenn.
S A V E  T H E  D A T E  
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ISSUE DATE
Sept. 16, 2002

SPACE CLOSE
Friday, Sept. 6

MATERIALS CLOSE
Tuesday, Sept. 10
**Television**

**NewsCareers**

**Anchor/Reporter**

We have an opening for a reporter/anchor who is competitive, writes well, loves to smoove for good stories and does great live. This person would also anchor our weekend newscasts. A minimum of two years experience. If you are this person, please send your resume and tape to Personnel Administrator -172, WTLT-TV, P.O. Box 1111, Toledo, Ohio 43699-1111. No phone calls. WTLT is an EOE.

**Assistant News Director**

WESH-TV, the Hearst-Argyle and NBC affiliate in Orlando, is looking for a content-oriented Assistant News Director to supervise the reporting staff, assignment desk and special projects. Our morning and late newscasts are #1. NOW we want a leader to help take our other newscasts to the top! Ideal candidates will have 3 years news management experience, a college degree and reporting or assignment desk experience. Please send resume and references to Ed Trauschke, News Director, 1021 N. Wymore Road, Winter Park, FL 32789. EOE

**Anchor**

Looking for a great job and a wonderful place to live? Look no further! KBMT-TV, ABC affiliate, is located in Beaumont, Texas, one hour from Houston and 45 minutes from the beach. We are looking for a 6/10 p.m. anchor to compliment our male anchor. A great opportunity for a newsroom leader with strong journalistic skills. Must be willing to make long-term commitment and have 3+ years anchor experience. Rush tape and resume to KBMT-TV, ATTN: Miles Resnick, 525 IH-10 South, Beaumont, TX 77701.

**TechnicalCareers**

**Chief Engineer**

Qualifications include supervising operation and maintenance of Engineering Dept. and maintaining compliance with FCC Rules & Regulations regarding station license, recordkeeping, and transmission quality. Must have knowledge of analog and digital technology. Requires college degree with five years broadcast experience and two years management experience. Email resume to: xparker@reedbusiness.com OR send to: #Box 0819, Broadcasting & Cable K Parker, 275 Washington St., 4th Flr, Newton, MA 02458 EOE.

**PromotionCareers**

**Promotion Manager**

WPTA-TV, a top rated ABC affiliate and Granite Broadcasting station, is currently seeking a Promotion Manager. This department head is responsible for successfully marketing news and entertainment programming to viewers and advertisers. Required skills include creating, planning, implementing, and evaluating marketing campaigns. Must be a hands-on leader working closely with news and production to write, produce and edit compelling promotions. Ability and experience working with AVID Editor Plus. News promotion experience, a basic understanding of marketing functions, media placement experience, and 2-3 years of writer/producer experience preferred.

WPTA-TV offers the opportunity for advancement based upon ability and actively supports Equal Opportunity Employment. The company offers a very favorable benefit plan. Interested candidates please send cover letter, resume, and demo tape to: WPTA-TV P.O. Box 2121 Fort Wayne, IN 46801 ATTN: Deborah J. Sand, Human Resources.

**News Graphic Designer**

ABC 7 and Newschannel 8 are moving in together! We serve the Washington, DC DMA (#8) and are searching for a designer who loves news. We’re moving into a new digital facility complete with a new Discreet Smoke and Flipt FX-Deko, Thunder and more. Must be flexible on hours, including weekends. Please send your most recent NEWS work to: David Sykes, WJLA-TV 3007 Tilden Street, NW Washington, DC 20008. EOE

**MiscellaneousCareers**

**MISC CAREERS**

Marketing, Media, and PR Services start up firm is currently seeking producers, directors, creative directors for television, film, and radio production on a freelance basis. All applicants should have a minimum of 7 to 10 years experience working in one of the mediums mentioned. Established contacts in the industry of your expertise are also required to be part of our new team. Awards and Nominations for prior work are preferred. Please send resume to Steve382@covad.net or send resume and demo reel package to Media Resource Networks, Inc., 382 Central Park West, Suite 19U, New York, NY 10025.

**Director of Language Services**

needed for Miami based television service co. to be responsible for the language conversion operation, and to negotiate new strategic business partnerships with language dubbing companies in the USA and Latin America. Min req. 5 yrs exp. Send resume to Clexsson USA, Inc. P.O. Box 191715, Miami Beach, FL 33139.

**DirectorCareers**

**News Director**

Are you ready to help build and lead a new regional television newsroom built on state-of-the-art technology and dedicated to the idea of covering the communities we serve with relevant local journalism? Do you have a cutting-edge brand of news gathering, serving an initial audience of 1 million viewers in the Southern California area? The Inland California Television Network is seeking an innovative news professional who will establish our news operation, hire/train news staff and function as a key member of our management team. The incumbent will serve as chief anchor for nightly, live half-hour newscasts Monday-Friday. If this opportunity appeals to you, you have 3-5 years of television news experience with 2 of those in a supervisory role, and excellent oral, written, and organizational skills with an ability to think outside the box, we want to hear from you. We offer a competitive salary and excellent benefits. Send resume, on-air non-returnable tape (VHS preferred) and writing sample with a Foundation application to: The Inland California Television Network Cal State, San Bernardino Human Resources 5500 University Parkway San Bernardino, CA 92407 http://www.csusb.edu Position is open until filled; desired start date is October 1, 2002.

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Let the sunshine in

It’s all about trust. Those cable stock prices will not bounce back until investors do a thorough reevaluation of cable finance and convince themselves that all is on the up and up.

And we don’t mean only that they find no more John Rigases out there with a $1 million-a-month corporate allowance. We also mean that they become fully comfortable with the way cable operators report their revenue and expenses and earnings. When a cable operator writes a check, investors need to know whether it is going to be subtracted from revenue (and hence earnings) or coded as capital spending and not subtracted. This is the very issue that has a federal grand jury now scrutinizing Charter’s books.

What is needed is a common accounting language for cable. For instance, everybody agrees on what a basic subscriber is, right? Not really. There are variations. An apartment building with 100 units that is getting a 20% bulk discount may be counted as 80 subs by one operator but as 100 by another. Here’s another: Time Warner Cable treats launch fees from cable networks as ad revenue when virtually every other operator doesn’t. Go figure.

So we applaud the effort by Insight’s Michael Willner to create a code of cable accounting practices by rallying other large operators around the idea. (See story, page 7.) In theory, the code will make the business more transparent and allow investors to more easily compare and contrast cable companies. In theory, widespread implementation should bring back some of those equity dollars.

As seen on HGTV

Did you read it? Last month, we ran a cover story underscoring that the one recession-proof segment of the TV programming business appeared to be home shopping. While most broadcast and cable networks whine about falling revenue, the video hawkers continue their rapid growth. In fact, as the story pointed out, QVC is now pressing NBC to become the No. 1 revenue-generating network.

You may have set the story aside. But we bet that Ken Lowe and the other folks at Scripps read it. At the time of publication, Scripps was apparently negotiating to buy Shop at Home, No. 4 in the parade of home-shopping channels. Those negotiations last week yielded a $49 million purchase agreement. Although Shop at Home reaches just 42 million homes and reports only a fraction of the revenue QVC and HSN do, we like this deal. Scripps will be able to leverage (and solidify) its relationships with advertisers on HGTV and Food Network by giving them an opportunity to sell directly to viewers on Shop at Home. Also, in a TV programming world increasingly dominated by AOLDisViaGEnews Corp., it’s good to see Scripps’ determination to build up and maintain its independence.

Now, what’s the S&H on that electric screwdriver?
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