

TVC
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CABLE TELEVISION

BUSINESS

*Cable Advertising:
A Business View*

April 15, 1983

AMERICAN RADIO HISTORY.COM

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Time sharing is for turtles

An on-line, time-share system won't give you the quick response you expect from a computer. Especially when you've got stacks of work to process and need all the speed you can get.

The service bureau's computer divides its time between you and a host of other cable companies. When you're swamped, so are they. It's you and some 200 other people—all fighting for computer time. And the greater the workload, the slower the computer.

Happily, all computers don't run at turtle speed. Our SMART™ computer is a good example. Response is always immediate because SMART is your own in-house system. You're the only company on the line.

SMART provides you with fast, economical *Subscriber Management and Accounts Receivable Tracking*. And that helps you manage your cable system more efficiently. Now isn't that what you expected from a computer all along? Call toll-free: 800-523-5947; in Pennsylvania 800-492-2512.

SMART features hardware from
Texas Instruments

TONER
cable equipment, inc.

969 Horsham Road/Horsham, PA 19044

Circle 4 on page 83.

CABLE TELEVISION BUSINESS

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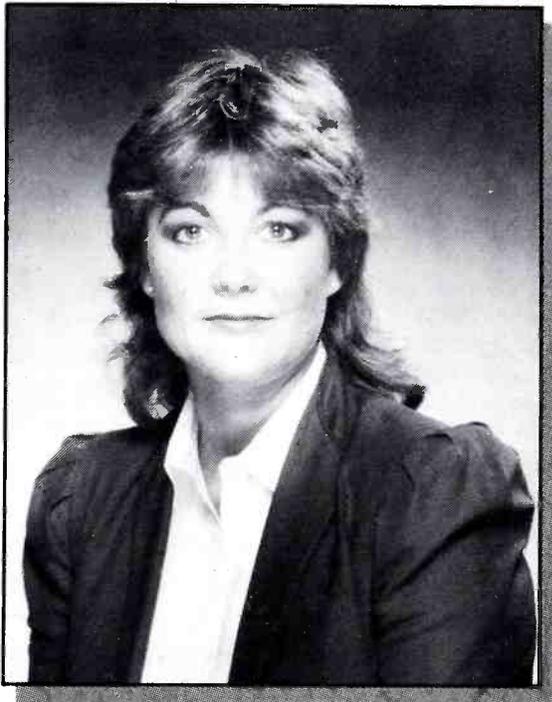


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CARDIFF

Commentary

Peace on the Horizon?



By Judy L. Rudrud
Vice President/Publisher

The proposed treaty negotiated in Washington to end the war between cable operators and the nation's cities is good news for both camps. The question now: Will Congress ratify it?

As we were going to press, there was no guarantee that all aspects of the accord would find their way into a revamped S. 66. It was disappointing that the Senate Commerce committee failed to approve the bill during last month's mark-up. The delay might give interests opposing the measure time to regroup. Meanwhile, the word from Rep. Tim Wirth (D-Colo.) is that he is preparing to introduce his own version of the compromise later this year.

Our review of the negotiated proposal is that the road to wiring the major metropolitan areas for cable has been cleared of major obstacles. For the first time, the cable industry can depend on a stable, nationwide relationship with franchising authorities. At the same time, it provides sufficient authority for municipal governments to protect the legitimate rights and concerns of their constituencies.

If approved by Congress, the settlement may also hasten the day when cable operators in major urban areas can begin providing the kinds of enhanced services the industry has been promising for years. Indeed, the sudden alliance of cities and cable may well be of some concern to the nation's telephone companies. With the Bell break-up set for next year, many of the AT&T operating companies are now actively exploring ways to develop alternate services in their own markets, including cable television.

Of more immediate concern to the telcos, as well as other utilities, is agreement on provisions to close loopholes in the federal pole attachment law. Within days after the agreement had been announced, there were indications that utility interests were considering a lobbying campaign to eliminate these features of the proposal. But with the assistance of cable and the cities, Congress should be able to overcome any temptation to prevent proper implementation of an obviously needed and sound law.

So an agreement has been struck. Should Congress ratify it? We think so.

Calendar

April 17-19, Virginia Cable Television Association Annual Convention/The Homestead, Hot Springs. Contact: Dick Carlton or Lorraine Whitmore (804) 358-7060.

April 19-21, Blonder-Tongue MATV/CATV/TVRO Technical Seminar/Seattle, Wash. Held in conjunction with Pacnor Marketing. Contact: Chuck Fitzer (415) 449-0547.

April 24-27, 11th Annual Telecommunications Policy Research Conference/Annapolis, Md. Contact: Vincent Mosco (215) 787-8437.

May 2-6, CATA Advanced Technical Training Seminar/Best Western Coachman, Cranford, N.J. Contact: CATA Engineering Office (305) 562-7847.

May 4-6, Magnavox Mobile Training Center/Kansas City, Kans. (location to be announced). Seminar also held May 9-11. Brochure available on request. Contact: Laurie Venditti (800) 448-5171 or (800) 522-7464 in New York.

May 5-7, Municipal Administration of Cable Television Symposium/University of Wisconsin Extension, Madison. Contact: Barry Orton (608) 262-2394.

May 6-8, Mountain States Region of the National Federation of Local Cable Programmers spring conference/University of Arizona. Contact: Sam Behrend (602) 626-7343.

May 6-8, Society of Cable Television Engineers Cable-Tec Expo/Dallas Convention Center, Dalls. Contact: SCTE (703) 823-1911.

May 10-12, International Conference and Exhibition on Satellite and Cable TV/Wembley Conference Center, London, England. Contact: Online Conferences Ltd. (212) 947-1734.

May 10-12, Jerrold Technical Seminar/Minneapolis, Minn. Contact: Diane Bachman (215) 674-4800.

May 10-12, West Virginia Community Television Association Spring Meeting/Canaan Valley State Park. Contact: (304) 846-2551.

May 11, New England Cable Television Association Spring Conference/Sheraton Tara, Nashua, N.H. Contact: Gary Cain (603) 224-3373.

May 16-19, Canadian Cable Television Association 26th Annual Convention and Trade Show/Calgary Convention Center, Calgary, Alberta. Contact: CCTA (617) 232-2631.

Major Shows

June 12-15, National Cable Television Show/Houston. Contact: NCTA (202) 775-3550.

August 7-10, CTAM 83/Town and Country Hotel, San Diego. Contact: Martha Turner (404) 399-5574.

September 8-10, Eastern Show/Georgia World Congress Center, Atlanta. Contact: SCTA (404) 252-2454.

November 1-3, Atlantic Show/Atlantic City, N.J. Contact: Jane Sharkey (609) 848-1000.

December 13-15, Western Show/Anaheim Convention Center, Anaheim, Calif. Contact: CCTA (415) 881-0211.

Editorial Comment

Momentum

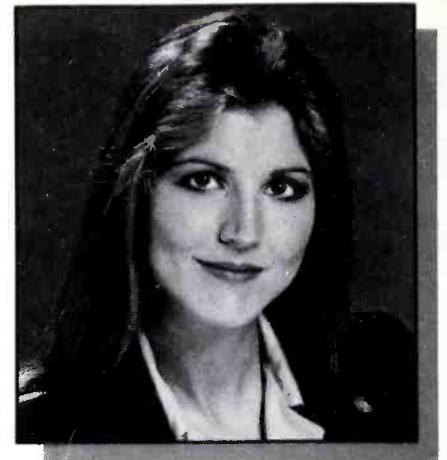
The latest wave of cable pragmatism is breaking over local advertising sales programs, and fortunately this one may do more to propel them to their destination than destroy them. MSO rollouts are slowing as they carefully assess business climate, the competition and the marketplace for ad dollars before launching each boat.

In the face of the ad-supported services' woes, it's heartening to see that many local efforts are not only out of the red sea but making an increasing contribution to the profits of their companies. To maintain the momentum that's been gained, particularly for systems which deal with national and regional accounts, some collaboration is in order. It's not enough for operators to put their heads together at the CAB conference, then return home to implement their new-found strategies in isolation. They are doing a fair job of exchanging ideas through the CAB and the trade press, but must also start acting in concert on the local level.

In areas where several systems sell ads (see "Power Bases," p. 18.) — whether through interconnects and rep firms or individually — they can present a single front to the competition and the advertising community.

How? By orchestrating generic regional tune-in advertising campaigns, which would also benefit our struggling networks. By conducting regional research and measurements. By combining their marketing skills into a program which not only won't let advertisers forget that cable is a vehicle, but relentlessly extolls its virtues at Rotary meetings, in direct mail and advertising launch parties.

And if "economy of scale" is anything but a buzzword in cable, the shared benefits will far outweigh the shared costs.



By Jill Marks
Editor

A large, stylized handwritten signature in black ink that reads "Jill Marks".

THE BEST FREQUENCY AGILE MODULATOR YOU CAN BUY



Our new IF modulator has 5 new design concepts that make our modulator the best.

- 1** We developed two new ultra low noise voltage controlled oscillators and phase locked them to the same 6.000 MHz crystal reference oscillator. The results are, the audio carrier (41.25 MHz) and the video carrier (45.75 MHz) are very stable and the difference between them is $4.5 \text{ MHz} \pm 50 \text{ Hz}$.
- 2** The audio carrier is phase modulated at 41.25 MHz resulting in a very linear audio modulator that can be deviated $\pm 100 \text{ KHz}$ at a 100 KHz rate. Of course, if you don't have a need for stereo audio right now, our audio modulator works real great at $\pm 25 \text{ KHz}$ deviation.

- 3** Because we put our new modulator in our standard $1\frac{3}{4}$ " chassis, we decided to let you use your own digital voltmeter to set the audio deviation and video modulation depth.
- 4** We developed a new 38 channel Frequency Agile Up Converter that takes the IF output of our new modulator and converts it to any channel from 54 to 300 MHz.
- 5** Our new modulator also works well with our other fine frequency agile output converters, including our FAOC-68 (54-450 MHz) FAOC-MIDSPLIT (5-200 MHz) and FAOC-60T (5-400 MHz).

Combine the FAOC-68 or FAOC-38 Frequency Agile Output Converter with our new IF modulator, and you can take baseband sound and video signals from Satellite Receivers, Video Tape Recorders, Demodulators, or other signal sources

to any of the following assignments: Standard VHF, Midband, Superband, Hyperband, IRC channels, FM-1, FM-2, FM-3, A-1, and A-2. HRC channel assignments are available when you combine the IFM modulator with the FAOC-38/HRC Frequency Agile Output Converter.

SPECIFICATIONS:

IFM TV IF MODULATOR

Input Level	1 volt p-p for 87% modulation
Diff. Gain	5%, max. modulation at 87.5%
Diff. Phase	1%, max. modulation at 87.5%
Harmonic Dist.	1% max. with 25 KHz dev. at 1 KHz
FM Hum and Noise	<60 dB with 25 KHz dev. at 1 KHz

FAOC-38 FREQUENCY AGILE OUTPUT CONVERTER

Output Frequency Range	54 to 300 MHz
Output Level	+65 dBmV max.
Input Frequency	TV IF
Input Level	+20 to +40 dBmV
Spurious Outputs	>60 dB below the video carrier

 **Synchronous**
COMMUNICATIONS, INC.

1701 Fortune Dr., Suite O • San Jose, CA 95131 • (408) 262-0541
800-782-2222

Circle 5 on page 83.

Stay Tuned

Interim methods follow CAMS study, but it will be a while before a consensus is reached.

How badly is accurate cable audience measurement needed? In the words of **Norm Andrus**, general sales manager for Gillcable and the San Francisco Bay Area Interconnect, "It was needed yesterday." But, he adds, as both the recently-released CAMS and Arbitron studies indicate, "It will not be done tomorrow."

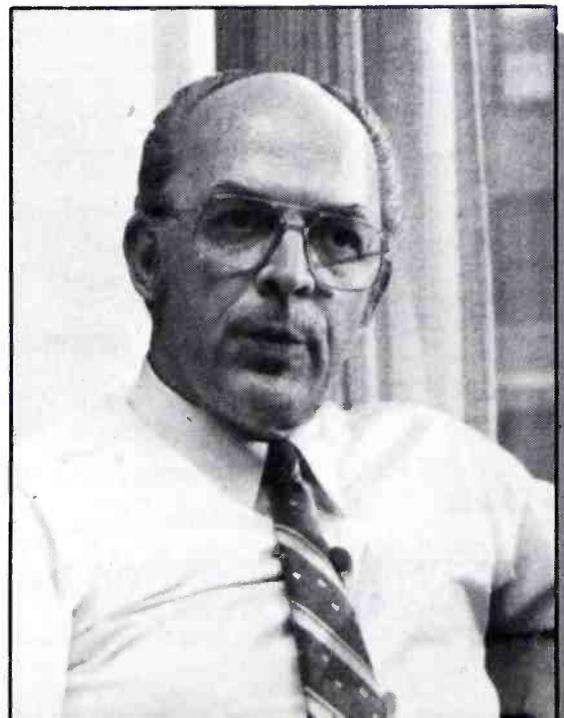
So where does that leave cable operators faced with advertisers and agencies begging for numbers? While several operators are basing their sales on the argument that the broadcast networks' audiences are eroding, others have made concentrated efforts to perform their own audience surveys. Caltec Cablevision of Baltimore County, Md., for example, has been conducting its own one-day aided recall telephone surveys, according to **Sharon Lyon**, executive director of advertising sales and promotions. Lyon says a September survey, which examined which dayparts the system's subscribers were watching, "is the most valid research method we as a local cable system have done." In addition, she notes, a second survey was conducted in response to advertising requests to determine exactly which programs were being viewed during those dayparts.

Barbara Lowe, vice president of research for Eastman CableRep, also said she feels "very comfortable" with telephone surveys, "more so than any other (method)." Telephone surveys, however, "can be pretty expensive on a regional basis," Lowe explains. In fact, the two telephone surveys studied by CAMS — the seven-day unaided recall and one-day aided recall — had cost indices of \$218 and \$260 respectively, according to former CAB Vice President of Research **Bruce Hoban**, while the four diaries had cost indices ranging from \$100 to \$135. Yet, despite being a less costly method, Lowe said, "I don't think the diary will be the ultimate solution."

Gill, one of the two systems used in CAMS, had also relied upon telephone surveys to sell advertising. In one example, Andrus explained a May 1980, Arbitron Cable Audience Measurement and Profile (CAMP) survey was used. The survey showed that the system could reach 80 percent of its available adults with Gill's now-defunct basic movie service and that each would tune into the service at least once a week. "The question was," Andrus says, "How could we be sure we could get the whole 81 percent?" The answer was to sell an advertiser one spot on each movie shown during a given week. "That's one way we went at it," he says, "And it not only worked in selling the service, but advertisers did get results." It should be noted, however, that Arbitron has suspended the use of CAMP surveys as well as the Arbitron Network Cable Audience Report until they can be tested against the firm's findings from its two-way measurement study.

Other research methods Lowe suggested include a census track analysis of an operator's franchise area or a comparison of the franchise area with the broadcast television area of dominant influence or designated market area.

Gill's Andrus: Accurate measurement needed "yesterday."



Jane Zenaty, manager of media research for Leo Burnett in Chicago, also suggested that operators provide advertisers with a system profile using either census information or by conducting subscriber surveys. If such a profile were made available, Zenaty says, "I would feel comfortable projecting the national ratings for the cable networks into the local system in order to make a buy."

—Ilene V. Smith

Hope Eternal

St. Paul vows to make award

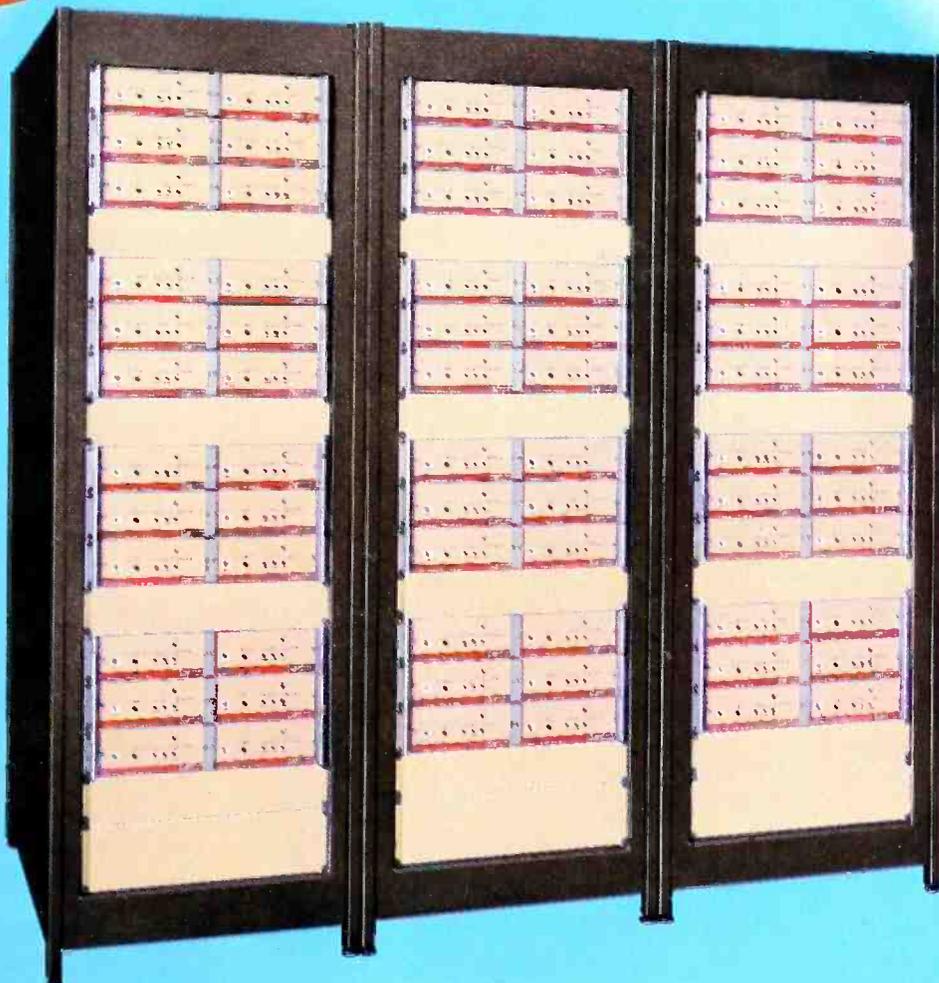
Maybe it's a good thing that St. Paul has been studying cable for so many years. This time around the RFP was clearer, the council has a better idea of what it wants, the process is on schedule and fewer bids mean less evaluation time.

Linda Camp, cable communications officer, reported that the Minnesota city received "three strong proposals" from Group W Cable, Continental Cablevision and Nor-West Cable (a local group) last month. All bids offered good plans for public access and community involvement, according to Camp, "with lots of interesting ideas, including local radio tie-in." A franchise award is expected early this summer.

The city actually began addressing cable in 1972 when a citizens' committee issued a report identifying the needs of the community, but RFPs were never issued. In 1979, council began studying cable again and issued RFPs the following year; seven bidders responded. In 1981, St. Paul rejected all bids to consider a municipally-owned system. While the city was in favor of the public cable system, voters were not, defeating the proposal by a two-to-one margin in a referendum last spring. So St. Paul issued RFPs again late last year.

Councilman **Bill Wilson**, chairman of the energy, utilities and environment committee, which oversees cable, felt past attempts, especially the debate over

Take Command!



Magna Command – Gateway to the Magnavox system

As part of our expanding product line, the new Magna Command headend offers the kind of signal reliability you've come to expect from Magnavox for over 20 years. You get:

- Proven high performance quality
- Pre-packed to your specifications
- Efficient, compact design

We offer Magna Command for standard and HRC systems in a pre-wired, pre-tested package to meet the specific requirements of your franchise. Your Magna Command can be operating immediately after it arrives. With its convenient design of two units mounted in one 19" rack, it won't cramp your space as you grow.

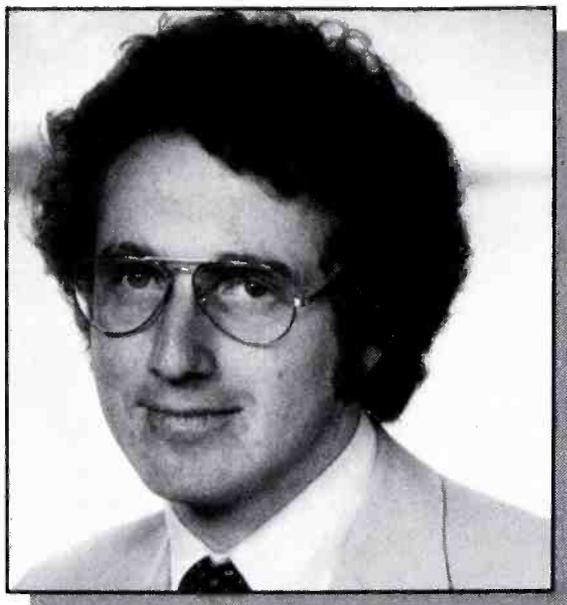
For details on the Magna Command headend – including our microprocessor-based scrambler, optional frequency agile modulator, and customization for Emergency Alert – ask for a free brochure. Contact your Magnavox account executive or call toll free 800-448-5171 (in New York State 800-522-7464). And let Magna Command put you in command to stay.



A NORTH AMERICAN PHILIPS COMPANY
100 FAIRGROUNDS DR., MANLIUS, N.Y. 13104
Circle 6 on page 83

In the News Continued

public cable, helped sharpen the council's ideas. "We have a good idea of what we want," he commented. Wilson also dispelled any notions that the council would once again fail to make an award. "I think it's fair to say that this council is of a mind to award a cable franchise. There's strong public sentiment that the cable process should go forth in a timely manner."



Continental's Sachs: Confident St. Paul will make franchise award.

All three bidders were confident that a franchise award would be made. Said **Bob Klukas**, Group W's area manager, "There's a different council today. Five of the seven members are new and it's now a bipartisan group. There's a new consultant (Kalba Bowen replaces the Cable Television Information Center). The referendum last year clearly established the electorate's position on cable." **Robert Sachs**, Continental's director of corporate development, was equally bullish. "The city is on the right track with their schedule. There are no signs that there will not be an award. **Mark Van Loucks**, president of Nor-West Cable concurred. "The council is a bit wiser having been through this before," he said. "We'll have a better process because of it. Financially, too, the city has sobered up a bit. There aren't as many bells and whistles in these bids and that's a nice healthy change."

One Year Ago

The House Telecommunications Subcommittee approved H.R. 5158, a bill which would have required AT&T to establish a separate subsidiary to operate long distance services. However, the bill did not contain any language prohibiting Bell from operating a cable system.

Five Years Ago

The FCC's delay in acting on requests to carry WGN via satellite prompted Southern Satellite Systems to propose a joint venture with United Video and American Microwave regarding satellite distribution of the Chicago superstation.

10 Years Ago

During FCC hearings, Rhode Island Sen. John Pastore, chairman of the Senate Subcommittee on Communications, said it was time the Commission "put its foot down on dirty pay cable movies."

15 Years Ago

The Ninth Circuit Court of Appeals ignored FCC objections and granted Port Angeles, Wash., TeleCable 60 days in which to prepare legal arguments to be presented to the court. The informal petition failed to include legal reasons why waiver of an order requiring the protection of KVOS-TV in Bellingham should be granted.

18 Years Ago

At the NAB convention, Julius Barnathan, vice president and general manager, ABC Television, said "CATV pay TV and satellites loom over advertiser-supported free television today and threaten its vitality."

—From the pages of TVC

While all agree that council has learned a thing or two, Wilson also recalls promises made by the cable firms when the public cable debate was raging. "The private companies vowed to bring cable to St. Paul quickly and we're going to attempt to hold them to it. Already the bidders have asked for one extension. Perhaps we will have to remind them of their own rhetoric."

—Pam Greenberg

Mixed Blessing

CRT hike garners PR

The fallout from last month's blitz by the cable industry in the aftermath of the increase in copyright payments has

had its good and bad sides, according to sources around the country.

Ed Dooley, the NCTA's vice president for public affairs, reported shortly after the "Black Tuesday" initiative that news of the cancelled signals and increased royalty payments attracted widespread attention in the nation's general press. Feature length stories following the dispute which evolved after the CRT increased rates on post-Malrite signals threefold appeared in no less than three dozen city and national papers throughout the country.

Some members of Congress bore the brunt of cable subscribers' concerns about the CRT's decision. The staff of Republican **Sen. James McClure** reported heated reaction to Idaho cable operators' plans to delete programming they could no longer afford to carry. One system in central Idaho blacked out WTBS for two days prior to the March 15 deadline to explain the CRT decision, urging subscribers to contact McClure.

The senator's district office was swamped with nearly 1,000 phone calls in the two-day period. "They were mad and abusive," reports one member of McClure's staff, adding "**Ted Turner** has a lot of fans out there."

The Idaho system did not drop WTBS. Meanwhile, Turner himself hopes that some of his friends in Washington, D.C., will bring some relief. "We are working on legislation to exempt the superstations from the new fee schedule," he told *Cable Television Business*. "We're the only distant signal that has announced our intent to compete with the big three (networks). Operators should not have to pay 3.75 percent for our signal."

Turner said he's hopeful that a bill exempting WTBS and other superstations would be introduced "fairly soon."

But consumer reaction to the cable industry's strategy did not always bring about the desired reaction. In Omaha, Neb., the city council voted 6-0 to require the Cox system there to con-

Set-top converters are obsolete.

MINI-HUB FOILS SIGNAL AND EQUIPMENT THEFT.

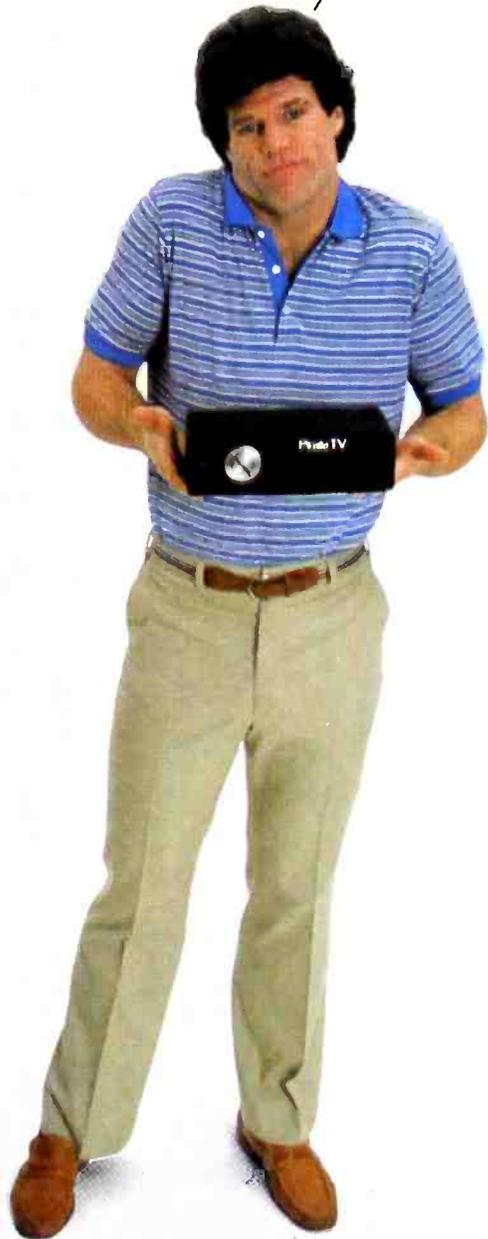
My old converter won't work with Mini-Hub.



The Mini-Hub keypad brings in only authorized signals.



My pirate box won't work with Mini-Hub.



The Mini-Hub™ System ends your losses due to equipment theft or damage, and makes your system piracy-proof.

Pirate equipment cannot be used to steal signals because authorization is remote—not in the dwelling unit. And there is no converter to attach the pirate equipment to.

There is no dwelling unit converter to be damaged, stolen, or defeated.

The subscriber keypad can only request signals. Programming authorization is stored in the Mini-Hub, and

only one authorized signal at a time is sent to the TV set. It is meaningless to steal the keypad, because it won't work in unauthorized locations, and its cost can be fully covered by a security deposit.

To find out how a theft-proof system affects your bottom line, contact TFC today at P.O. Box 384, Wallingford, CT 06492, (203) 265-8500.

TFC TIMES FIBER COMMUNICATIONS, INC.

tinue carrying superstation WOR for a six month period — at a cost to the system of \$108,000. Under the franchise agreement, Cox must seek city approval for any programming change over its 54-channel, 50,000 subscriber system. But the vote outraged system spokesmen who said they will decide whether to take the council vote to court. They added they might seek a rate increase to cover the increased costs.

—Arthur M. Hill II

Jackpot

System gets big basic hike

"It took a lot of courage to ask for that much." So said **Barry Moore**, Cable Atlanta's system manager, referring

to his system's recently approved rate hike from \$8.50 to \$12. Moore said the key to getting the increase approved was an effective presentation of "all the facts." This gives Cable Atlanta one of the highest basic rates in the nation.

While rate increase proposals are often short, one- or two-page briefs, Cable Atlanta's was 40 pages long. It took three months to develop with the help of **David Zaccaria**, cable communications coordinator for the mayor's office. The proposal was designed to outline the company's financial background, current and future status, and highlight its successful track record in meeting franchise commitments. In the end, the city engaged a financial consultant to evaluate the proposal and a recommendation was made in favor of Cable

Atlanta. The council approved the proposal on its "economic merit" and the system's past performance as well as its commitment to improved subscriber service, Zaccaria said.

When the council approved the increase, Cable Atlanta launched a direct mail campaign to inform subscribers. The mailing outlined the reasons for the rate hike and pointed out the addition of 12 programming services including Cable Health Network and The Nashville Network. The increase went into effect April 1 and despite its size and heavy press coverage, there have been few subscriber complaints. Only time will tell, Moore says; "It's tough to assess what the subscriber reaction will be."

—Edward Fields

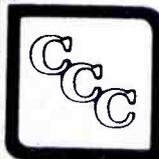
OUR GUIDE SERVICE IS DESIGNED... TO MEET YOUR OBJECTIVES



Our Cable Guide program enables you to benefit from the positive results of producing your very own guide.

- Your Best Retention Marketing Tool
- A New Profit Center
- Low Cost Marketing Piece For New Subscribers.
- Informed Subscribers Remain Subscribers.

For Further Information
With No Obligation, Call:
Ciarence D. Stark (214) 331-6200



CREATIVE CABLE COMMUNICATIONS, INC.
Commerce Savings Building
4347 South Hampton Road, Suite 215
Dallas, Texas 75237

Set-top converters are obsolete.

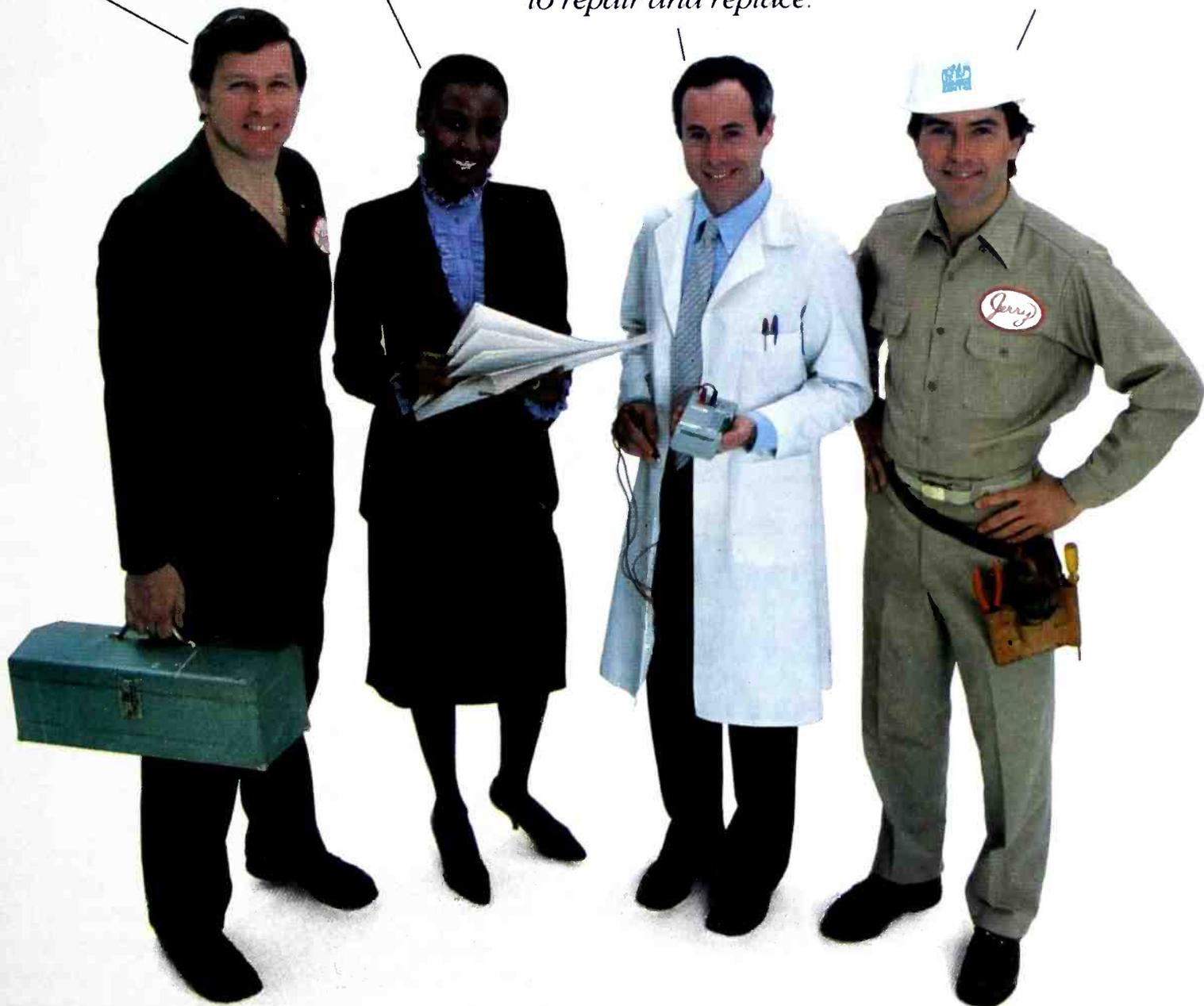
MINI-HUB SLASHES OPERATING EXPENSES.

*Fewer service calls,
reduced truck maintenance.*

*Instant disconnect or
reconnect from central
office.*

*No more set-top converters
to repair and replace.*

*No more lock outs, or
converters to pick-up.*



Only with the Mini-Hub™ System will you have total remote disconnect/reconnect, remote authorization/verification, and remote upgrading/downgrading capabilities. The subscriber program controller also provides for maintenance diagnostics and efficient service scheduling.

Since there is no set-top converter, subscriber access to disconnect or reconnect is no longer required. And your service people never have to get in to maintain, replace, or retrieve set-top converters.

Service calls are reduced because you no longer have

“bad picture” complaints caused by electromagnetic and radio frequency interference. TFC’s fiber optic distribution network is immune to these disturbances.

To find out more about how the Mini-Hub System will slash your operating costs, contact TFC today at P.O. Box 384, Wallingford, CT 06492, (203) 265-8500.

TFC TIMES FIBER COMMUNICATIONS, INC.

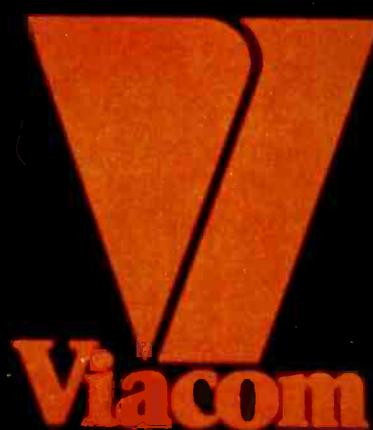


THE
ENTERTAINMENT
CHANNEL



BizNet

GALA
VISION



**RCA Americom's
Cable Net 2 programmers
help you attract subscribers.
And our satellite safety net
helps you keep them.**



**TIME
TELETEXT
SERVICE**



men



The
PLAYBOY
Channel



There are two very good reasons why Cable Net 2 is the smart choice for the long term. It will offer the widest variety of top quality programming and sponsors. And it provides you with the most comprehensive and reliable protection plan.

Our list of programmers includes the most prestigious names in the television industry. Names that can attract subscribers on the basis of their reputations alone. So you can bet Cable Net 2 will be carrying the programming your prospects want to see. (Cable Net 2 programming already reaches about 300 CATV systems serving over 4 million subscribers.)

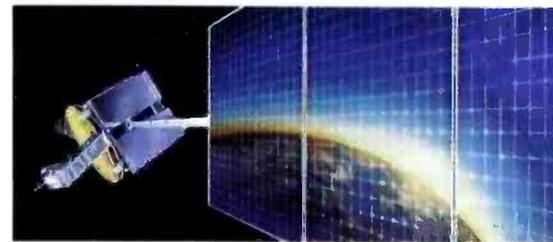
And, since our bird is dedicated to cable, we can offer not only the best programming, but more of it. Your customers get more variety. And you get more customers.

Our protection plan ensures that you and your subscribers will continue to receive all the programming we carry. 22 of our 24 transponders devoted to cable will be protected. Which gives you an idea of our commitment to cable. We also carry four sets of spare transponders on the bird.

We have a unique Comprehensive Protection Plan, allowing for continuation of service in the highly improbable

event of satellite failure. No one else offers that degree of protection. Or a track record like that of Cable Net 1, which has a reliability factor better than 99.99%.

Short term incentives may be tempting, but only RCA offers the combination of quality and reliability that will ensure future success for ourselves and our customers. To find out more about Cable Net 2, call Bill Kopacka, Director of CATV Services, at 609-734-4073.



RCA American Communications

"I wouldn't want to bet a lot of money that we'll have... five advertising supported channels five years from now."

advertising-supported networks is questionable," McCrudden adds. "I wouldn't want to bet a lot of money that we'll have the four or five advertising supported channels five years from now. We might. But even if we assume the chan-

nels are around, it's not at all clear to me that the local spots will be available."

In his strategic thinking, there may come a time when the cable networks arrange to buy back their avails through direct compensation or marketing sup-

port in a sufficient number of cable systems to totally change the economic structures of local cable advertising. If that happens, and Jay James' sense of the future for local buys by national advertisers is correct, those national dollars might never be more than pocket money for a very few systems.

"We certainly have not extended our advertising testing to a point where we are at any risk," McCrudden concludes. "For those reasons it would be, I think, a bit foolish to launch a massive advertising business startup in every market given that programming is still coming and going."

Despite this cautious attitude, ATC has already rolled out ad sales programs in Albany, N.Y.; Birmingham, Ala.; and Austin, Texas, and plans to expand the effort to Orlando, Fla., and Rochester, N.Y., this year. ATC's Manhattan Cable and Oceanic in Honolulu use cable rep firms.

Still, ATC's New Business Development Group does interact with its Cable Investments Group to some extent. Says NBD Vice President John Walkmeyer, "We generally get involved after markets have been identified as potential acquisitions or as presenting clustering opportunities. We provide input about their ad sales limitations and opportunities, and we generate some financial pro formas which they can include in their overall analyses."

"For example, our Cable Investments Group would identify a market in Timbuktu as a possible acquisition and come to us and ask, 'What are the ad sales opportunities here?' We might observe that it is a 12-channel system which has no inventory to sell and don't expect a revenue stream until it is rebuilt. In another instances, where the suburban system is a piece of an urban market, we might have to join hands with other operators. We have to look at the logistical difficulties which accompany that. Or if, of the system's 50,000 subscribers, only 15,000 are on the tier which carries ad-supported services, we'd point that out."

Like McCrudden, Walkmeyer doesn't think advertising for any cable firm is

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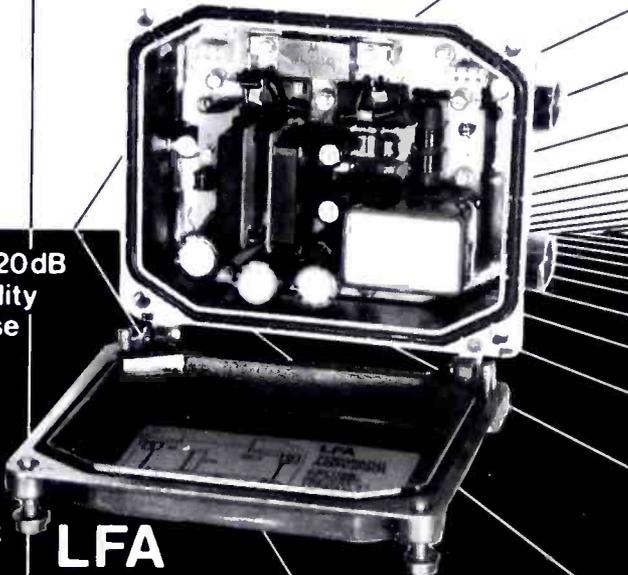
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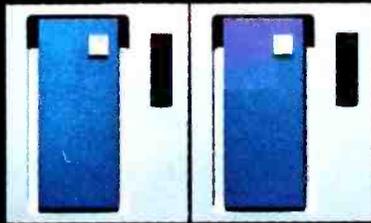
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Circle 10 on page 83.

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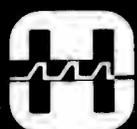
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HARRIS

Circle 11 on page 83.

How Clusters Are Born

Clustering strategies of the country's top MSOs are unfolding slowly. There is no mad rush to acquire systems in demographically-pleasing markets. But clustering is beginning to change how properties are viewed and valued.

Hugh McCulloh, senior vice president, mergers and acquisitions, for Daniels and Associates explains the trend in cost-saving terms. "If a company has a regional manager in charge of 100,000 subscribers and finds a system up for sale within 20 miles of some of its other properties, the purchase may be more attractive because it means no additional management costs to oversee the system. And from the corporate

headquarters standpoint, it's easier to oversee systems which are clustered together than it is to take a 600-mile plane trip to visit isolated holdings."

Has he actually seen a change in acquisition patterns? "I called on a potential customer, one of the major MSOs, about purchasing a system and was told 'We're not expanding in that state anymore.' I asked them out of curiosity if they would consider selling systems there, and they said yes, they were seriously considering the sale of properties where they're sparse."

Other companies are concentrating on reducing their Frost Belt holdings due to economic factors in those regions, and seeking Sun Belt oppor-

tunities. Still, he says, "There is no fire sale."

And, though the number of clusters is growing, he has not seen it influence system pricing. "If a system is adjacent to an MSO's cluster, the MSO would tend to have a sharp, rather than a ho-hum interest when that property comes up for sale. But I haven't seen the trend grow to the point where it's reflected in the price of a system."

Tom Benning, senior vice president of ATC's Cable Investments Group, thinks that point may come soon. "If you own a system that's just outside a cluster, you'd want more for it because you know the buyer gains some economies of scale."

"The seller needs to do his homework and know his potential," adds Jim Bloxham, president of California-based Communications Marketing. "A business is the revenue it produces only. You're really buying a return on investment, and how can you talk about ROI without talking about future ROI?" Bloxham advises a third-party analysis of the marketplace in question, including technical and financial studies of the system itself, to close the gap between the new business potential a market *actually presents* and what the seller *thinks* is there.

He also points out that a valuation difference may occur between a small operator and a prospective buyer when it comes to risk.

"Typically the seller is in his 40s or 50s, lives a comfortable lifestyle and just doesn't want to have to risk anything to increase his revenue through new business like security, business services or ad sales," says Bloxham. The small operator may believe that the larger firm will be anxious to take on such challenges, reap the rewards, and pay dearly for the opportunity to do so. But that ain't, as the accompanying article indicates, necessarily so.

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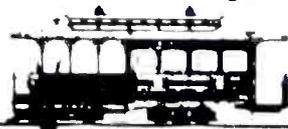
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Circle 14 on page 83.



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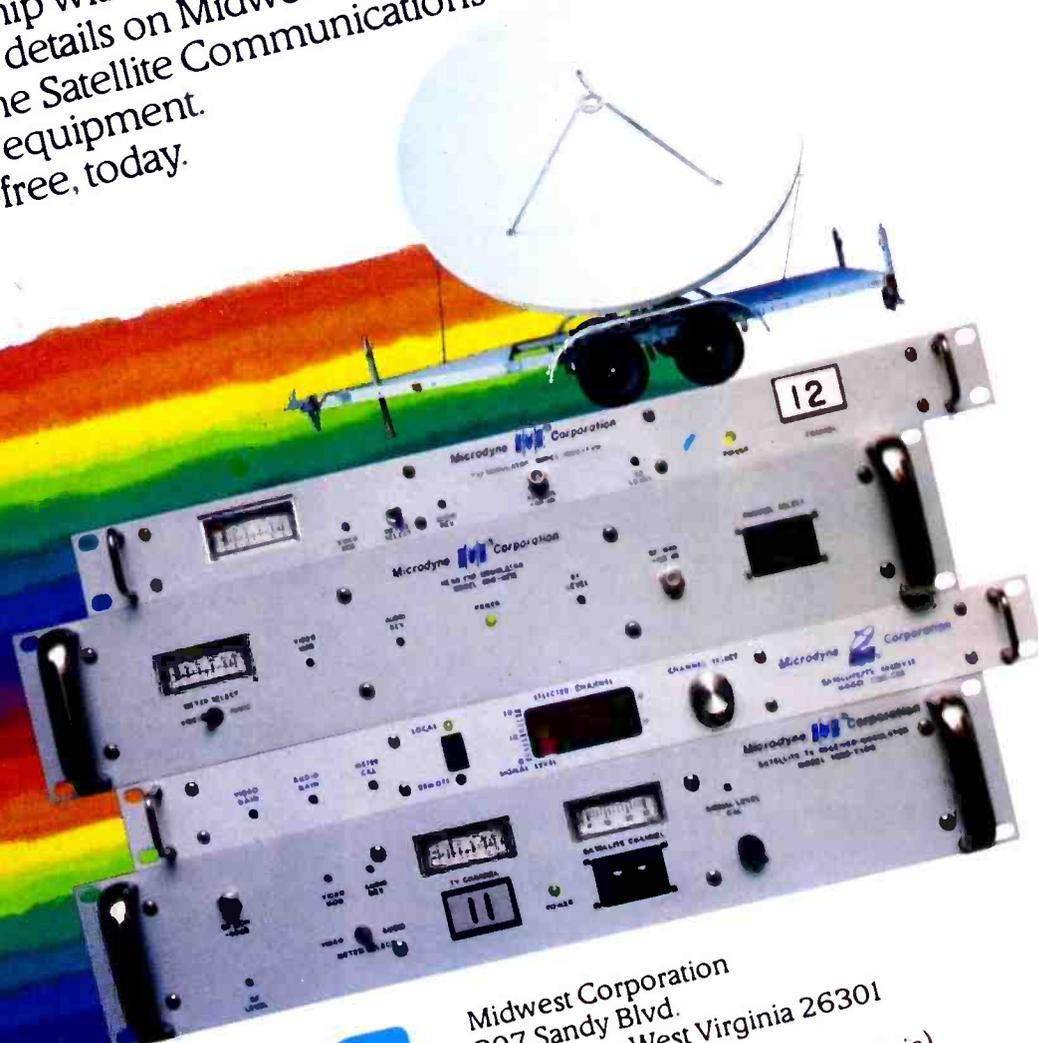
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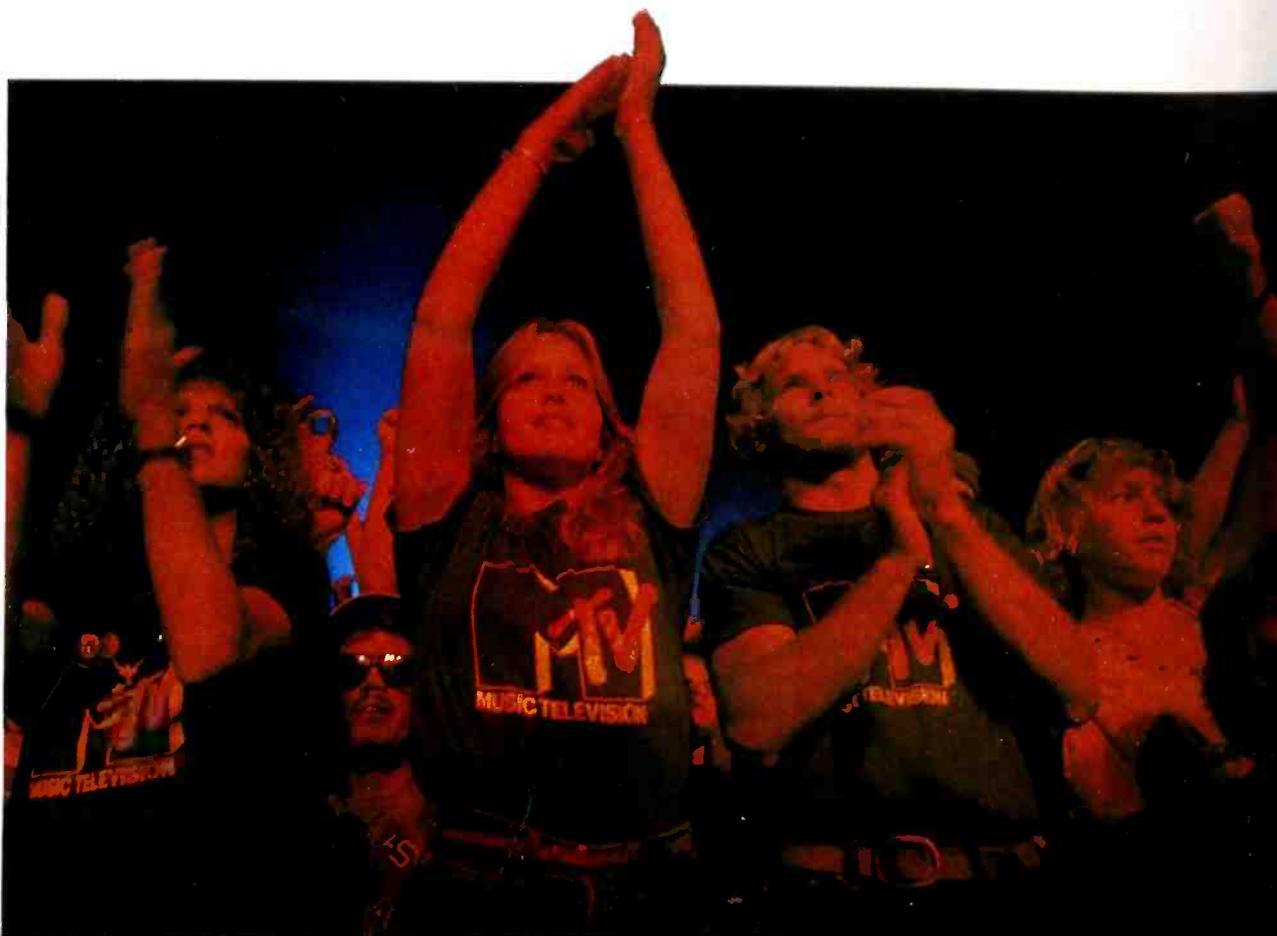
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Return on Your Ad Sales Investment



Getting your return on investment may take some patience. Those who've started on the path to generate a return, share their ad sales success formulas.





Warner's MTV: One of the most popular ad-supported services.

*By Chuck Moozakis
Managing Editor*

Last year, the Cabletelevision Advertising Bureau says, the cable industry chalked up some \$235 million in local and national advertising revenues. This year, that figure should rise to \$382 million, and by the end of this decade, a \$1 billion-plus advertising market could be a reality for the cable industry.

These projections are all well and good, but getting there will only be part of the battle. The rest of the fight: How can the cable industry ensure that it will receive some return on its cable advertising investment?

Still in its infancy, cable's advertising efforts are for the most part money-losing propositions. To be sure, some pioneering cable systems are approaching the break-even point, and here and there a system may be squeezing some profit out of its ad efforts.

The reasons behind the industry's lack of widespread advertising profit-

ability are varied, but chief among them is the simple fact that it's still too early for most cable sales managers to see positive results. Capital is still being poured into ad sales operations and for now, these expenditures are considered low-risk because of the vast potential cable advertising holds.

More trouble

Beyond cable advertising's relatively short track record, more troublesome factors are looming, however. The national economy, for one, has forced a decrease in the number of dollars available from both national and local companies geared to cable advertising. The demise of ad-supported CBS Cable also hurt cable's image as an advertising medium and the fact remains that ad-supported cable programmers still find profit an elusive term.

Yet the cable industry's advertising

supporters remain optimistic about the future of cable advertising. More importantly, however, industry executives are becoming far more realistic about it. "There was a lot of blue sky about cable advertising at one time," says Cox Cable's Merritt Rose, director of advertising sales. "There is a lot less now, I'm happy to say. I'm glad the attention to cable advertising has toned down a little bit. With all the attention, (successful cable advertising) was almost impossible to ascertain."

Cable's more realistic approach to advertising has also translated into more attention being paid to the system's bottom line. Cable advertising managers now appear to be saying that costs associated with ad sales will only be carried on the books for a specific period — two years at most. If advertising doesn't begin to carry its own weight, the effort will be cut like any other money-losing operation.

“There are going to be some bumps along the way.”

“An operator should expect some break-even within the second year of a cable advertising program,” comments Dave Walstrom, market development director of United Cable in Denver. “If you’re not getting anything back by the second year, the program should be

dropped because it just won’t work.”

Indeed, Year Two appears to be the magic period for most cable advertising managers, who feel that that time frame is the most realistic regarding break even and profit. But, these managers are quick to add, the groundwork

must be laid well in advance if local cable advertising efforts are to succeed.

But laying that groundwork is a major stumbling block. Although cable advertising offers some tantalizing revenues, the fact remains that it takes money to earn money. Unless the commitment is there — ranging from financial to philosophical support — cable advertising’s profits may be long in coming.

More development

United Cable is, in fact, a good example of the growing trend by MSOs to carefully structure advertising programs to ensure financial success. Its Tulsa, Okla., operation is the MSO’s flagship, with ad manager Ray Klinge and his staff consistently selling some \$200,000 worth of cable advertising per year. But while Tulsa’s pioneering advertising program has evolved, over time, UCT’s other advertising programs are more formally planned, Walstrom says. Extensive market analysis is performed before local efforts are kicked off.

“We will be more developmental and take a lot of time,” Walstrom says. “There needs to be more education. Advertising is similar to cable’s early days. Our game plan now is for a methodical roll-out. We’ll establish an advertising program where it belongs.”

For now, UCT is intensifying its roll-out efforts in its Tyler, Texas, system, which serves as the MSO’s model system for future advertising efforts. Within the next few years, Walstrom hopes that 15 of United’s systems — including new-build units in Sacramento, Calif., and Montgomery County, Md. — will boast successful ad programs.

“(Management) has to be realistic in setting up their advertising projections,” says Saralee Hymen, the CAB’s vice president of marketing. “The biggest mistake made is expecting too much too soon. There are going to be bumps along the way.”

One of the biggest “bumps,” Hymen adds, is that oftentimes cable management underestimates the time and costs associated with launching a successful cable advertising program. “We would like those efforts to start more



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Circle 17 on page 83.

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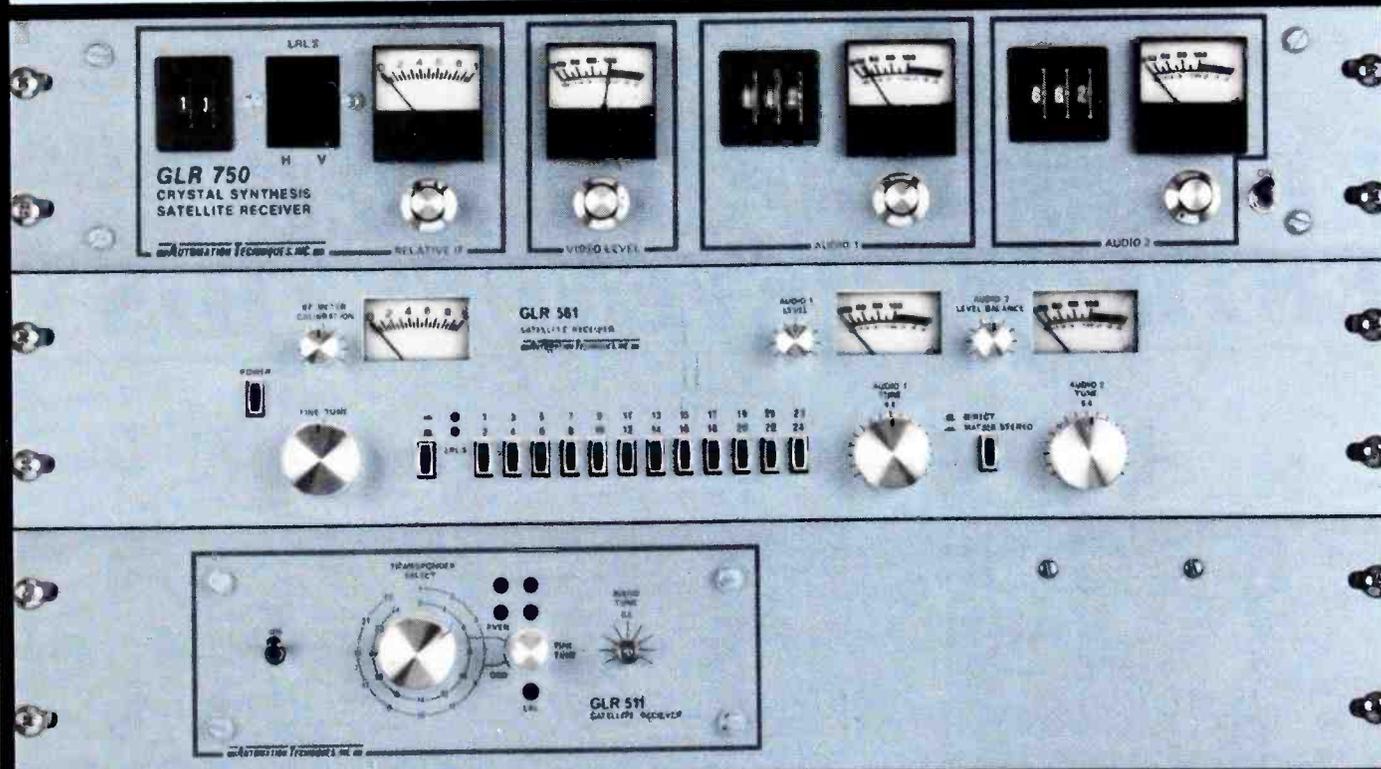
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Circle 18 on page 83.

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"They don't think it is important to hire trained sales staffers. . . It takes a real specialist."

slowly but more surely," Hymen says. The bottom line? Don't start an ad sales program before getting the bugs out. "Make good, sound businesslike decisions about cable advertising," Hymen says. "Eventually they will come to fruition. Two years ago, the concept of ad sales had to be sold to cable operators, because of the commitment and capitalization required to build systems. That perspective has changed. Operators now see ad sales as a good revenue source, and it can be done today."

One cable executive who didn't need convincing is Norm Andrus, sales manager of Gill Cable's hugely successful ad program in San Jose, Calif. In its fourth year of operation, Andrus says the system made a profit from its ad efforts after the fourth month in

1982, and should surpass 1982's efforts through a 1983 projection of some \$4 million in ad revenues.

Competitive threat

Gill's success is partly attributable to its interconnect with Viacom; the network serves some 500,000 households in northern California. Since the subscriber base encompasses many communities and not just one, national advertisers are attracted to the single market the cable system can deliver. Conversely, however, Andrus faces substantial competition from 12 commercial broadcast stations, some 40 radio stations and a handful of local newspapers for the local advertising dollar.

To meet this competitive threat, An-

drus has staffed his ad sales staff with professionals, a move he says is the best piece of advice he could give to other operators planning similar efforts. "The quickest way to get your (ad sales) investment back is to hire professional salespeople to sell cable advertising," Andrus stresses. "That's also the biggest trouble spot for operators. They don't think it is important to hire trained sales staffers. You have to have the people and sales staff to compete because (with cable) you have the least amount of experience and information to give advertisers. It takes a real specialist."

Getting that message across to operators, however, sometimes takes some doing, Andrus and others say. "You have to put cable advertising in per-

(Continued on page 36.)

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*John Wheeler
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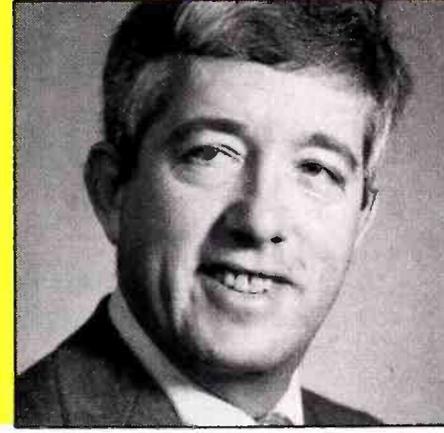
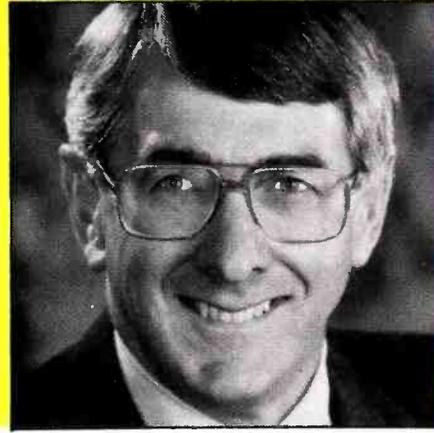
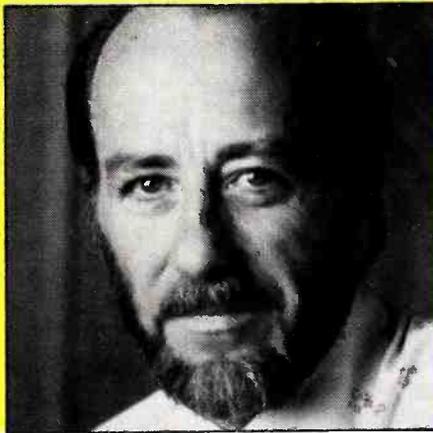
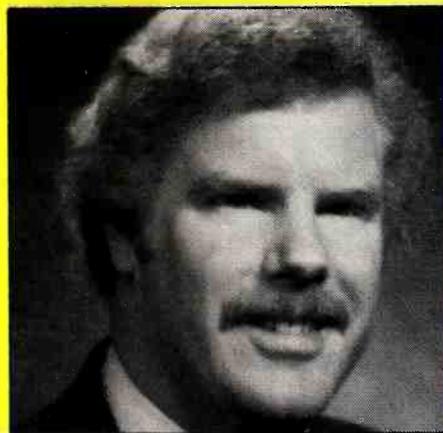
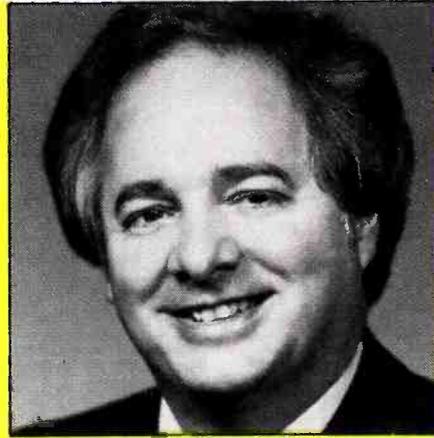
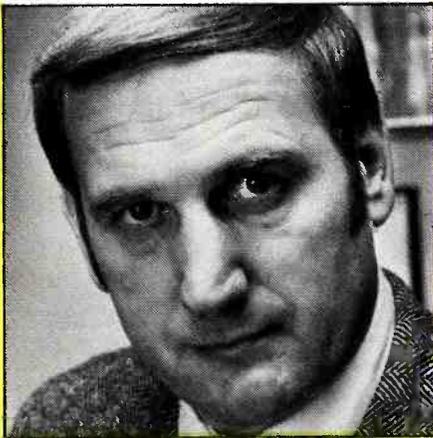
*Joe DiBacco
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*Ernie Olson
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*Bob McCann
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*Robert Schloss
President
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...Sales. Success. Service. Support.

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“Most operators are afraid to get into ad sales.”

(Continued from page 32.)

spective. Broadcasters get all of their revenue from advertising sales. Cable, though, looks at advertising as incremental revenue, because revenues come in from subscription and premium programming fees. It takes my 35 people a

whole year to get the same amount of revenue that the system gets in one month from subscription fees.”

Thus in the short-term, an effective cable advertising program appears to be a drain on revenues, due to start-up costs for personnel and equipment. But,

if the same number of ad salespeople can bring in 10 times as much revenue — as they currently do which, Andrus says is conceivable — advertising-generated incremental revenue is a factor too big to be ignored.

“Most operators are afraid to get into ad sales. They don’t know how to look at it,” he explains. “They are too concerned with other operations, so they don’t have the time to talk with the advertising community. My best advice is to get a professional ad sales manager. A seasoned professional is the best bet.”

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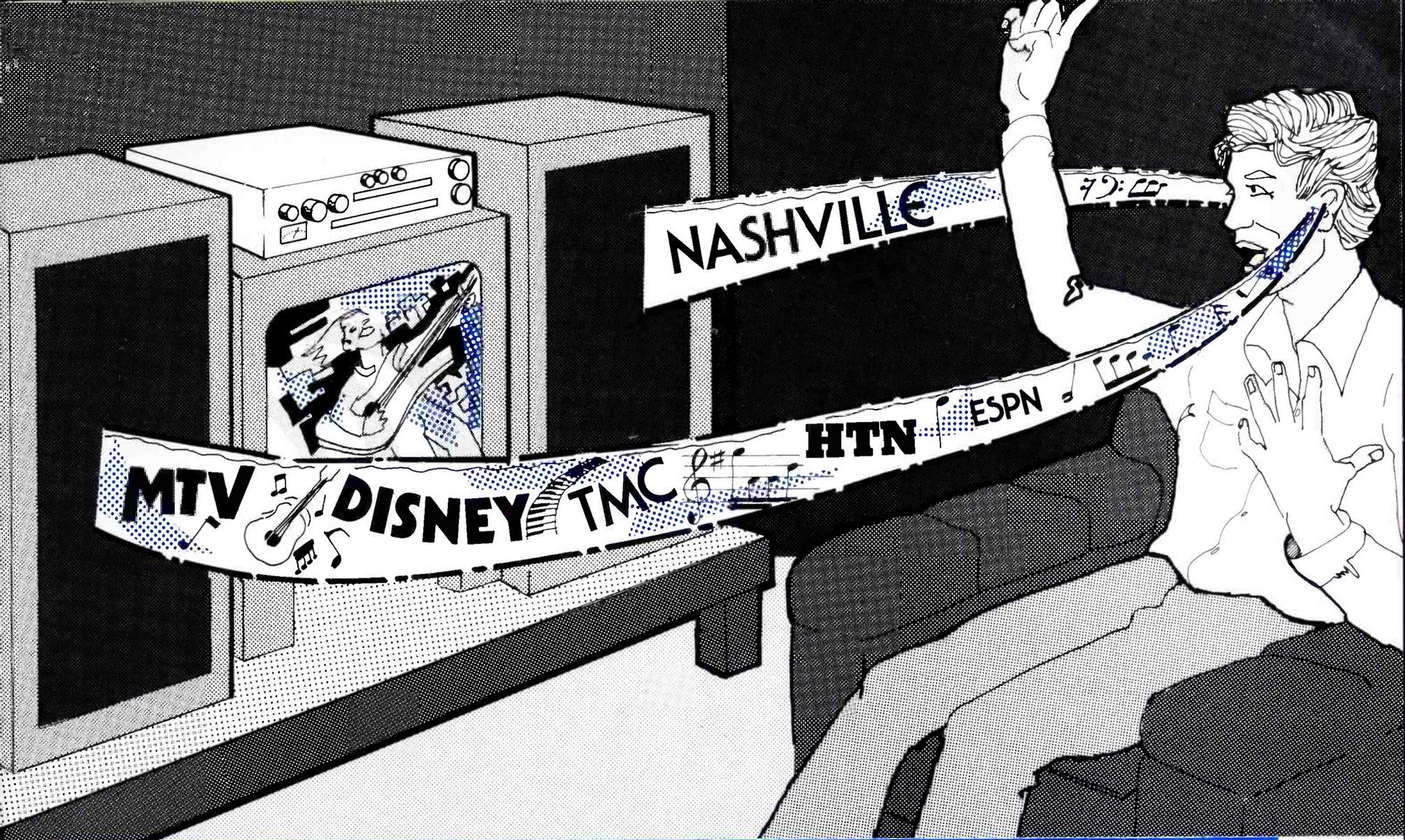
Cornerstone

Another independent cable system with an advertising sales track record is Cable TV of Puget Sound in Tacoma, Wash. The system has dabbled in the local sales market for seven years, and has seen its efforts blossom under the direction of Geri Duckworth, marketing manager. (Ed. note: Duckworth has since assumed the same position with Monterey, Calif., Peninsula TV Cable.)

Like Andrus, Duckworth subscribes to the theory that the cornerstone of a successful local ad program is the caliber of the people hired. Unlike Andrus, however, Duckworth believes that locally sold advertising — as opposed to national and regional accounts — is the way to go.

Here, however, is an indication of how a local market must dictate the type of cable ad sales efforts made. In San Jose, with its heavy over-the-air broadcast and print competition, national and regional accounts like the fact that Gill can target a healthy percentage of the market’s population. In Tacoma, Duckworth is a little more free to beef up local ad efforts since regional and national dollars aren’t as likely to use cable as a primary medium. “For us, it makes a lot of sense to provide a specific advertising tool for Tacoma. Last year we were hopeful about national dollars, but that’s been a disappointment because of the economy. Local ad sales is the way to go for us,” Duckworth says.

Still, Duckworth stresses, the decision (Continued on page 43.)



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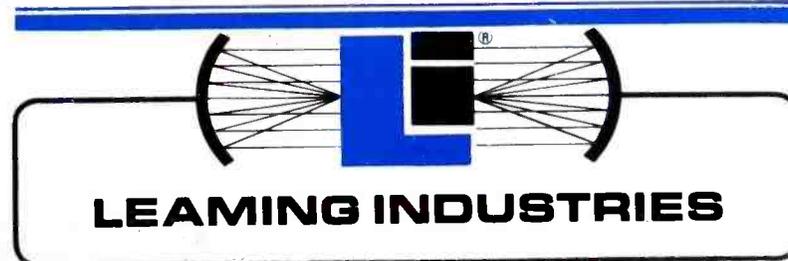
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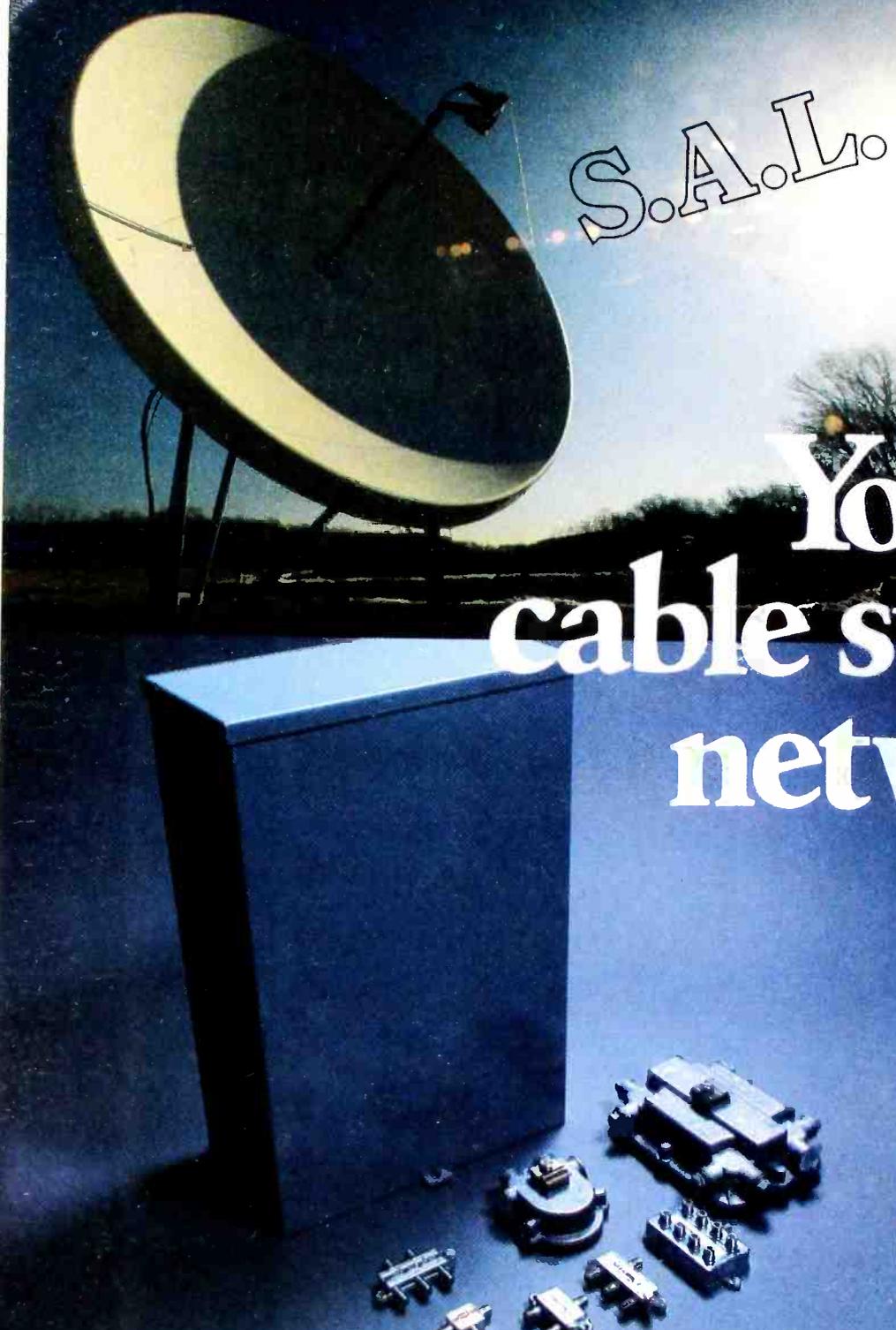
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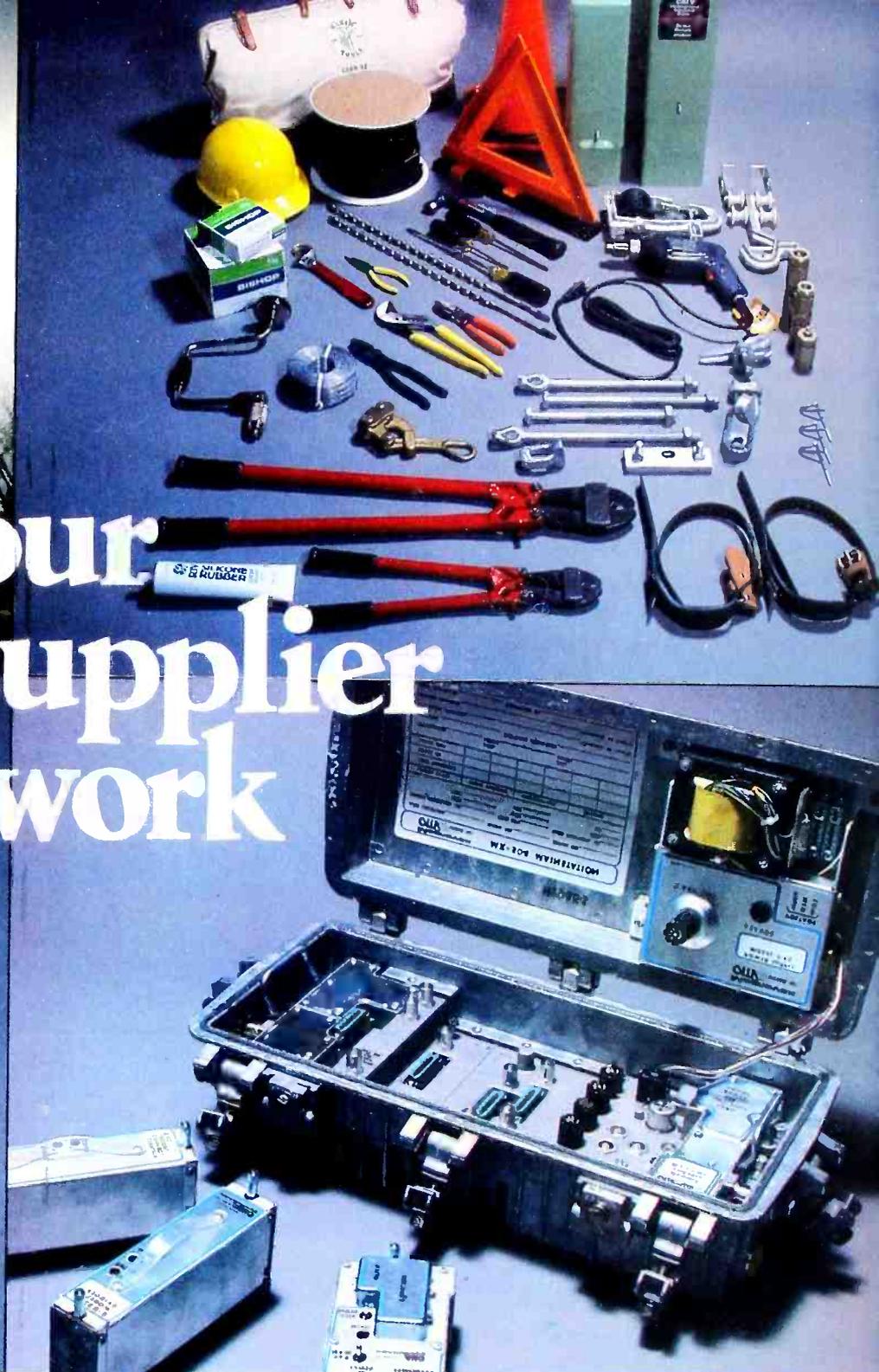


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Everything you need, everywhere you need it.

S.A.L.

Circle 25 on page 83.



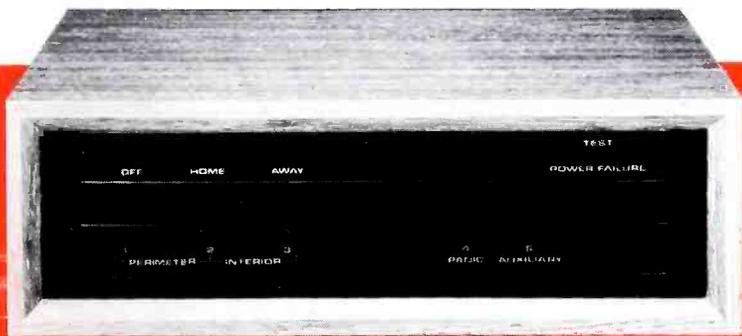
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Your subscribers want a security system

There's no better way for your subscribers to acquire a security system than through your cable network

P-65 ALARM PROCESSOR

A portable, easy-to-install system is available — custom designed to meet your specific needs. Choose between 1-port, 2-port, and 5-port systems — all wireless and remotely controlled.



- Three operating modes
- Seven outputs
- Easy to use — easy to install
- Audibly signals receipt of commands
- Latching LED zone indicators
- Outputs for two siren alarms



- Remote control hand-held Model DT-4A command transmitter is used to select operating modes
- Model DT-4-A: Command transmitter also functions as a portable panic button



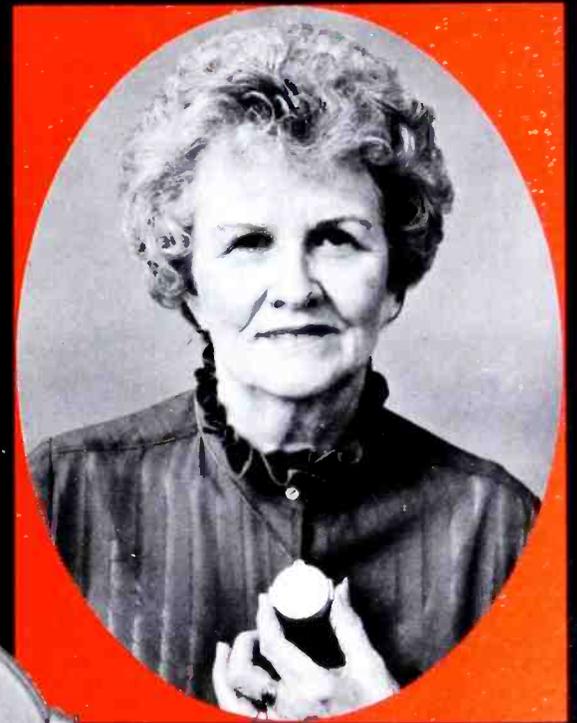
- Model DK-1: Security coded wall-mount transmitter selects operating modes
- Also functions as a fixed location panic button

SELL SECURITY

Increase your franchise income

Offer your subscribers Linear's ET-1 Pendant Transmitter as part of your complete home security package

The ET-1 (emergency transmitter) measures only 1 1/2" in diameter by 3/4" thin. It can be worn on a chain as a decorative pendant, attached to a key ring, or velcro fastened to a wrist band. It is the ideal medical alert or panic button. Also, operating in conjunction with a Linear Alert receiver such as the Model D-67, it can be used to remotely control a wide variety of electrically operated devices.



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THE EPG SUBSCRIBER

What happens to your cable viewing family without program information?

They eventually disconnect.

Unless The Electronic Program Guide is there. Ready when they are.

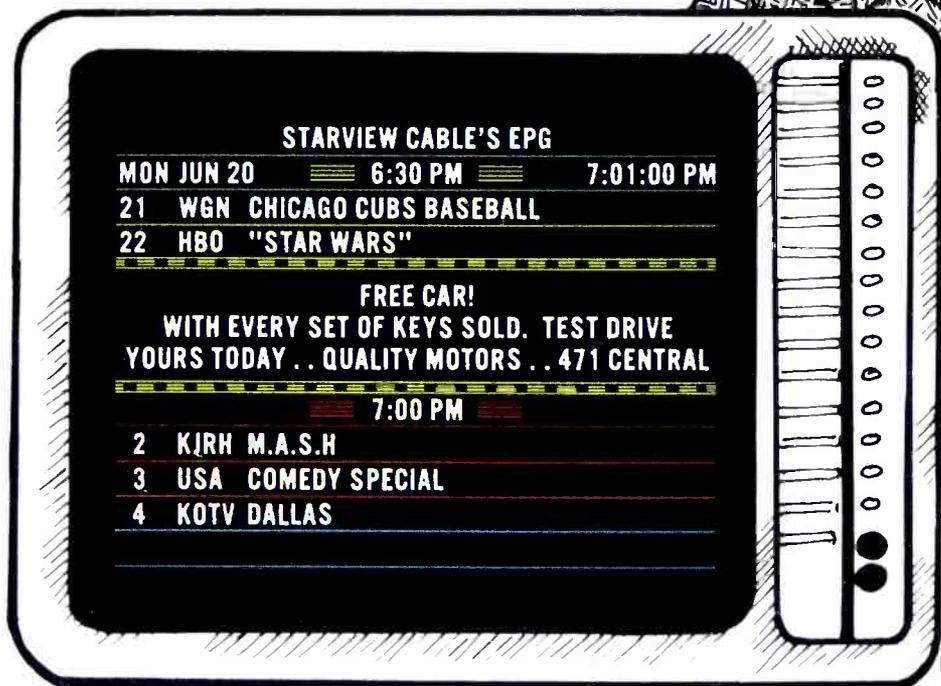
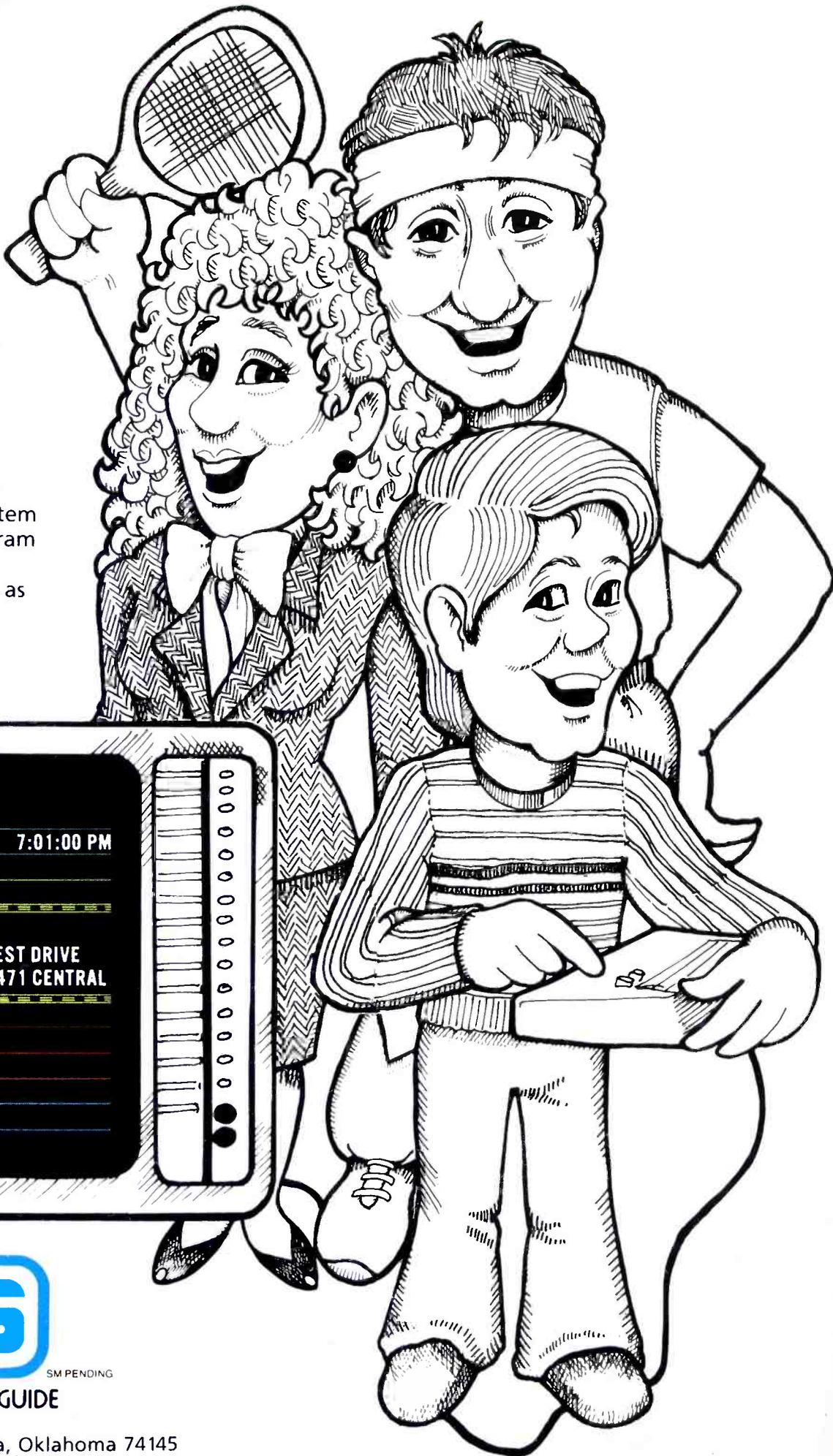
By pushing one button, your subscribers receive accurate, up-to-the-minute scheduling.

The EPG scrolls upward one line at a time with color accented time segments for quick reference. That's a turn-on!

Although the family may scramble for the Sunday printed guide and guard it with their lives, by mid-week, the search is on. Under the couch, on the kitchen counter or heaven help them, in the trash. That's a turn-off!

Printed guides may be the primary source, but research shows that your subscribers depend on more than one guide. And they look to you, their system operator, as their first source for program information.

Shouldn't you put The EPG to work as one of your most important program information services?



Simulated



SM PENDING

THE ELECTRONIC PROGRAM GUIDE

United Video • 3801 South Sheridan • Tulsa, Oklahoma 74145
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"We want to do anything we can to develop the local . . . community so they will think cable."

(Continued from page 36.)

to pursue local advertisers did not mean that the system didn't invest in commercial broadcast-quality equipment. "We went into that in a big way," she comments, "and made a commitment to ESPN and CNN so that our commercials would look like those presented on CBS or NBC. We also dramatically increased our professionalism and upgraded and enhanced our support staff. Competition is increasing so it is important to have a commitment to professionalism. If an operator makes a decision to sell local advertising, you'd better do it right."

That philosophy appears to have worked for the 52,000-subscriber system. Its revenues from advertising have increased from \$50,000 two years ago to \$200,000 in 1982; Duckworth says its projected 1983 figure of \$350,000 is on target.

Such a percentage increase must be gratifying to people not only in the CAB, but also those who are ready to take the cable advertising plunge in a big way. So it is with ATC, which has launched advertising tests in three of its systems — Austin, Texas; Albany, N.Y.; and Birmingham, Ala. — to gauge the effectiveness of implementing an internally staffed sales program. (Two ATC systems, in Manhattan and Honolulu, Hawaii, sell advertising through regional reps.)

"The purpose of those tests is to determine the viability of setting up a stand-alone advertising program," says John Walkmeyer, director of advertising business development for the MSO.

Using the tools

To help gather research, ATC uses a recently developed feasibility worksheet, which helps managers lay the groundwork for implementation of cable ad sales programs. The worksheet features a wide-ranging series of topics, from a detailed market analysis of the community served to profile of the system itself. In addition, an inventory of

satellite avails is also developed, in order to determine the potential of ad sales within the programming carried. "It's a framework to help us think about the potential for success in the market," Walkmeyer says.

The worksheet also uses "hurdle rates" to help measure the possibility of success. If, for example, a hurdle rate calls for at least 50 percent cable penetration in a specific market, and the system does not meet that, an advertising program could be deferred until that penetration rate is achieved.

Although Walkmeyer says it's still too early to draw any conclusive data from the three ad experiments, early returns appear to be favorable for continued cable ad programs. ATC is planning to unveil similar ad efforts in its Orlando, Fla., and Rochester, N.Y., systems later this year.

The advertising worksheet has also found favor with Cox Cable, according to Merritt Rose. The MSO uses a 20-point check list which asks questions ranging from the system's size to the economics of the market. Cox has some 26 systems offering local advertising, and will roll out additional efforts in Cedar Rapids, Iowa, and Roanoke, Va., later this year.

"We want to establish Cox systems as a local advertising medium," Rose says. "There just aren't a lot of national advertising dollars out there (for local systems) so we want to do anything we can to develop the local business community so they will think cable."

So far, "thinking cable" seems to be working for the industry and its relationship with the advertising community. There remains a long way to go, but every day, more cable system managers are taking the plunge in the cable advertising waters. As Puget Sound's Duckworth says, "Many of us got involved. We grabbed our surfboards and splashed around a bit, waiting to catch a wave. We're still on the cutting edge."

Maybe, just maybe, that wave is in sight at last. □



DIRT CHEAP

FREE Chicago Cubs' schedules. That's right, steal a little goodwill by ordering these giveaways for your subscribers. You'll hit home by dropping them in your subscriber's bill. To get the rundown on how to score big with these freebies, call 1-800-331-4806.

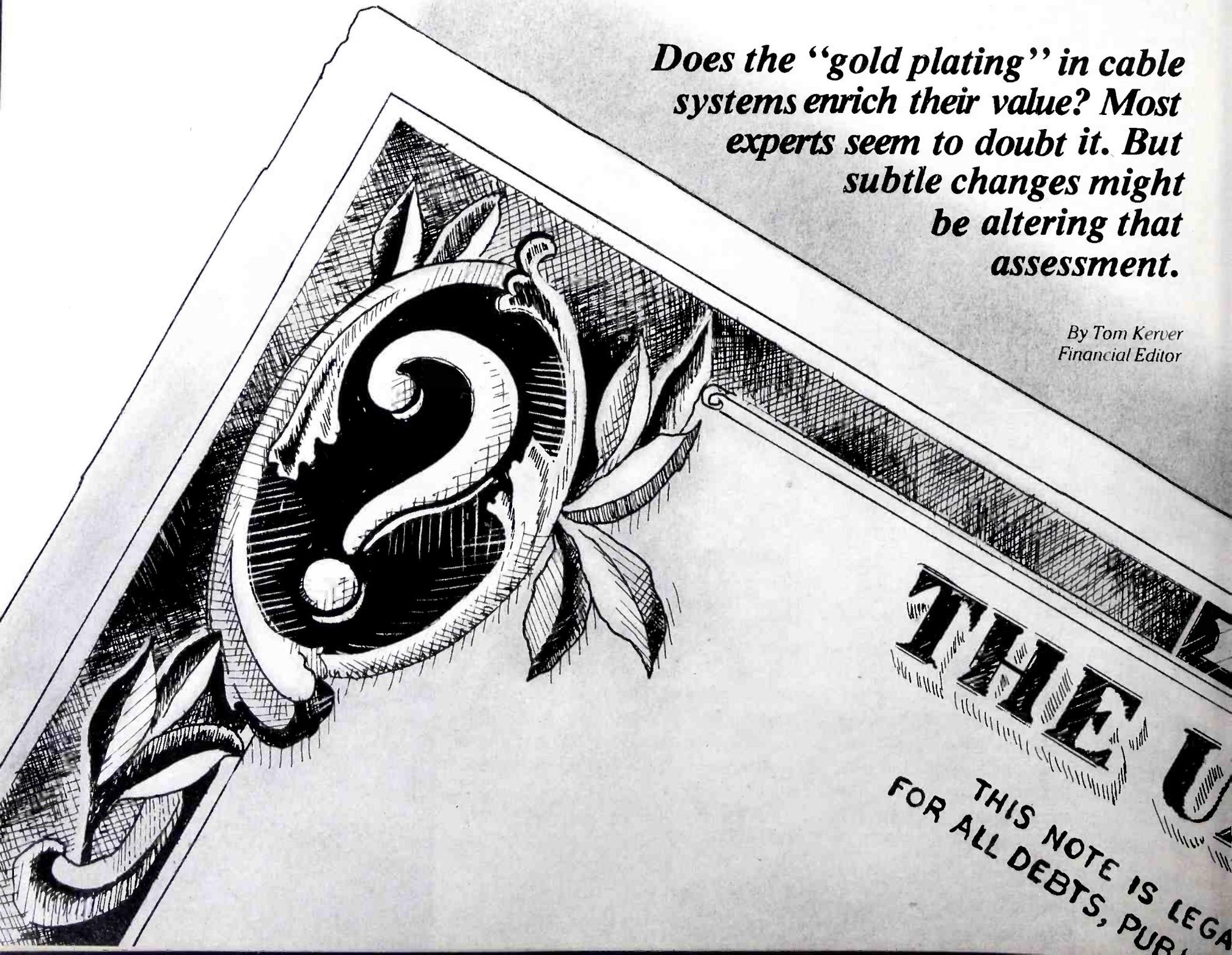
WGN...
Chicago
Super
Channel

Circle 27 on page 83.

What's It Worth?

Does the "gold plating" in cable systems enrich their value? Most experts seem to doubt it. But subtle changes might be altering that assessment.

By Tom Kerver
Financial Editor



When you purchased that new car, the dealer convinced you to add a number of accessories which, according to him, would enhance its beauty and thus its value. So, you decided to buy the chrome wheel covers, the tinted glass, the deluxe interior decor package and the computertized warning lights.

Now you want to sell the car, and you hope to get something back for your investment in those accessories. Much to your surprise and dismay, you discover that your investment in the accessories failed to pay off in resale value.

The same type of situation may well apply to those cable operators who are contemplating selling their systems. It isn't the "gold plating" that's important, say the experts. It's the revenue which the system is producing and which it is clearly capable of producing.

Such add-on features as advertising sales capability, FM services and second sets in subscribers' homes apparently have little or no significant value, according to most appraisers and lenders — unless, of course, they happen to be good revenue producers. Even the addition of expensive addressable equipment may not produce the kind of return on investment that might be hoped for because of the uncertainty associated with revenues produced by such opportunities as pay-per-view.

"The primary factors used in setting a value are such things as the number of channels a system offers, its age, its expected franchise life, its growth po-

tential and its penetration," says Gordon Sherman, president of Sherman & Brown Associates in Miami.

"Factors like two-way capability, advertising sales and extra services are all pluses, but they haven't proved themselves. Until you're sure that they will be money makers, you can't build them heavily into a projection of future value," explains Bruce Dickinson, vice president of Daniels & Associates, Inc.

Subjective process

Establishing a system value is a highly subjective process, which means that add-on services and potential benefits will have different levels of significance for different people. Witness, for example, the contrasting opinions of two appraisers on the importance of advertising sales.

"Advertising sales activities were once considered pure gravy, or weren't even considered at all, says Jim Bond, vice president of Frazier Gross & Kadlec of Washington, D.C. But, Bond thinks all that may be changing. "In today's more sophisticated market," he believes, "ad sales are being looked at with greater interest; and they are starting to become a part of the value-setting process."

John Waller, president of Waller Capital Corp. of New York, doesn't agree. "Ad sales contribute little or nothing to a system's value," he contends. "Even if they are pulling in revenues, they're little more than a nice-to-have extra. They won't affect a system's sale price."

Moreover, Waller doesn't foresee any trends which might alter the picture he paints. "Things aren't going to change in this regard," he says, "because lenders are reacting cautiously to the value potential of these kinds of ancillary services. They have been burned before with promises of great things which never materialized."

The subjectivity applies not only to determining the importance of these ancillary factors, it relates to the whole process of determining the overall worth of a system.

"We've managed to develop some degree of reliability in projecting system value," says Dickinson. "Thanks to experience we have enough knowledge that we can use computer models to look down the road and make a reasonably good guess about future cash flow."

But, beyond that, the projected cash flow multiple is what establishes the selling price. And that's still a subjective judgment. Generally the multiple ranges between seven and 10 times projected cash flow, "but I've seen cases where it has been as low as five and as high as 13," says an official of the Englewood, Colo., firm of Cable Investments, Inc.

What factors contribute to determining how high or how low that cash flow multiple will be? This is where the appraiser's subjective judgment remains a critical part of the picture. For example, according to J. Patrick Michaels, Jr., chairman of Tampa-based Communications Equity Associates, "the single most important intangible item in a sale is its tax consequences, because that not only determines the price, it also establishes how the transaction is structured."

Michaels cites some other factors which he says are often overlooked. "In many areas, the ratio of multiple family dwellings to single homes is important, particularly if there's competitive pressure from SMATV. Demographic patterns and area growth potential are also critical."

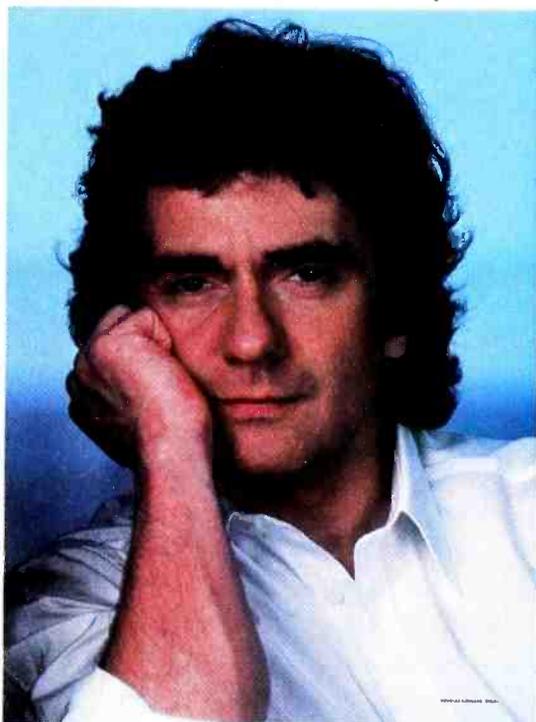
What's important and what isn't will not only vary from appraiser to appraiser, but — more significantly — is different with each potential buyer. "Each buyer reacts to a situation differently," explains Michaels. "Some buyers believe in security systems; some don't. The same is true for extra services like FM and for second sets. If these are important to a buyer, then their presence

The whole TV scene

Time-Life

Suddenly, there's a weekly cable TV magazine that brings the whole world of cable to life for your subscribers.

In the tradition of *Time*, *Life*, *Sports Illustrated* and *People* magazines, new TV-CABLE WEEK is the kind of weekly your subscribers will want to read. Our 32-page four-color national editorial section is alive with celebrity closeups, sports, previews, and features on all the bright stars who illuminate cable. Now you can enhance the image and reputation of your entire system with the quality of TV-CABLE WEEK's editorial, accuracy and dependability.



Devilish Dudley Flaunts Tall Blondes And Loftier Talents

BY RICHARD ZOGGIN

If you've ever seen "The Godfather" you know how to spot a man who's got the goods. Dudley Moore, whose name is now a verb to tall blondes, has two former wives, Tuesday Weld and Sally Krawcheck, both honored over him in altitude as did Bette Midler. Moore's perfect consort in his first major film (it's indeed over since that epochal Blake Edwards hit, movie buffs everywhere have come to expect more and more from the casually funny actor-comedian. Not have they been disappointed. With the comedy smash director from ascending on premium channels, the diminutive Moore turned himself into a box-office draw.

Playing Arthur, the endearing married millionaire who's perpetually happy, Moore won the hearts of fans and critics as well as an Oscar nomination for



Three-month Moore's *Love* (1980) that drew Susan Sarandon, whose *Heart* (1981) is her first movie but the only reason why they don't figure in our eye to eye.

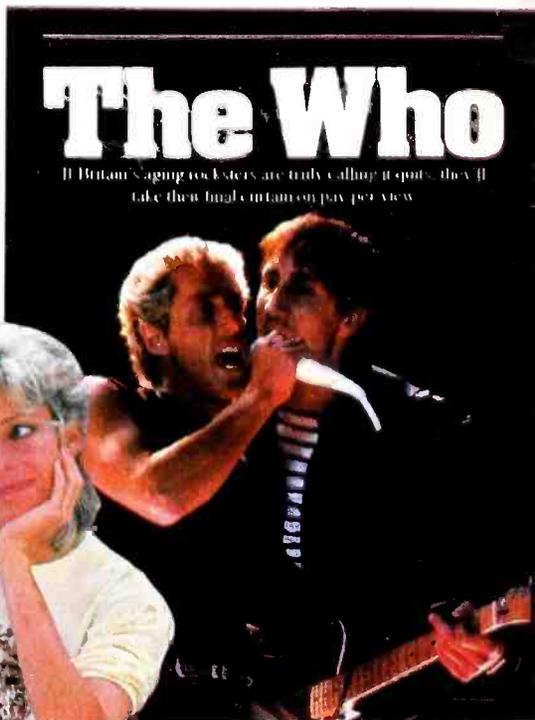
best actor. Since then, the 47-year-old English transplant has become one of this country's most sought-after actors, reportedly commanding \$1 million per movie. His first drama, *Sally*, directed by which he co-stars with Mary Tyler Moore as a congressional candidate who befriends a dying 12-year-old—was released just before Christmas. In upcoming months, he'll also be seen in *Lovers*, with Elizabeth Mitchell; *Romance Comedy*, with Mary Steenburgen; and *Unfaithfully Yours*, a remake of Preston Sturges' classic 1947 comedy about a jaded symphony conductor.

Moore, in fact, is one of Moore's about the pinnacles. An accomplished pianist, he graduated from Oxford University with an organ scholarship and now plays piano with a trio of jazz musicians. His performance was seen on Bravo last fall.

Moore's other passion clearly is sporting blondes, a penchant that continues to intrigue his fans. "It's attracted tall women, but I have no choice," declares Moore reasonably. "Tall women are taller than I am."

In a sense, Moore has been looking up to women ever since childhood. The son of a railroad electrician and a secretary in Essex, England, he was born with a clubfoot, which was corrected by surgery that left one leg permanently shorter and weaker than the other. The deformity contributed to a "very isolated youth."

TV-CABLE WEEK '80



The Who

If Britain's aging rock stars are truly calling it quits, they'll take their final curtain on pay-per-view.

Will you see Farrah's new look on the new TV?

TV-CABLE

SUN

MON

TUES

WED

introduces in one magazine.

Suddenly, you have a powerful new marketing tool for retention, upgrades and impact against the untouchables.

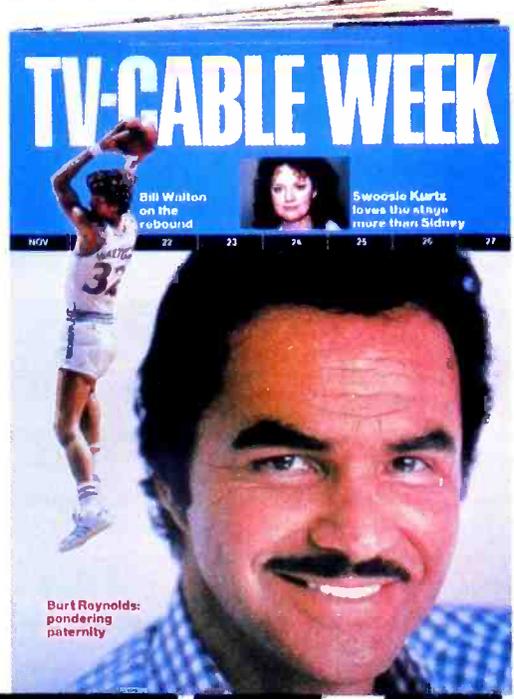
TV-CABLE WEEK is a retention device second to none, with 60 years of Time-Life subscription retention experience to back you up. Selling more tiers is easier when your subscribers can see what's available to them each week on your system. And extensive sampling by Time-Life will make development of new prospects in homes passed even easier.

Suddenly there's so much more to see.

Suddenly, you can offer your subscribers a system-specific TV listings section every week!

At the heart of TV-CABLE WEEK is 64 pages of the most readable, system-specific TV listings anywhere today, integrating cable and broadcast channels. Daily rolling logs detail the programming choices your system offers. Quick-scan grids show 8 full hours of prime-time programs. There's even a Premium Channel Directory with reviews of your pay service movies and specials for the week ahead.

For more information on new TV-CABLE WEEK, call Dick Stone, Marketing Sales Director at (914) 681-5215



Bernadette Peters... is she the funniest funny girl?



NEW WEEK

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*Todd Hepburn, VP, CATV Division
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Circle 29 on page 83.

This announcement appears as a matter of record only.

March 17, 1983

\$40,000,000

SUMMIT COMMUNICATIONS, INC.

**SENIOR REVOLVING CREDIT
AND TERM LOAN**

The undersigned arranged this financing.

**BLYTH EASTMAN PAINE WEBBER
INCORPORATED**

Circle 30 on page 83.

will enhance a system's value. If they aren't important, then they'll make little or no difference."

"Most likely, the prospective purchaser will be looking primarily at growth potential," says Todd Hepburn of the Ted Hepburn Co. in Cincinnati. "But," he cautions, "that can mean different things to different buyers. For example, some buyers will not be interested in investing large amounts for new construction or rebuild if that's the means by which growth will be accomplished. To this sort of buyer, what's attractive is growth developed through marketing."

According to Waller, another factor important to many buyers is the system's location. "Geography is an intangible which can not only swing a deal but can also sweeten its price," he believes. "Buyers will often tolerate an unusually high cash flow multiple in order to acquire systems convenient to their other operations or in dynamically growing communities."

But it is precisely this sort of unrealistic pressure on system prices which has caused lenders to become increasingly wary about loan requests. Says Bond: "In many cases, extraordinary premiums have been paid for systems. As a result, buyers and lenders are both evaluating systems more carefully." In their new found circumspection, according to Bond, they may discover that they are paying more attention to refinements such as potential revenues from ad sales, security services, second sets and other ancillary features which have been previously relegated to insignificant roles in the value-setting process.

New potential

If new patterns are evolving which will result in greater emphasis being placed on the accessory features of cable systems, their extent isn't yet clear. Appraisers continue to seem uncertain about the degree of importance which should be attached to these features.

"I value these things," says Dickinson, "and because of their presence, I might

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450 MHz

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Optional Switching Regulator Supply

Choice of 3 Gain Levels

Proven Two-Way Capability

Dual Hybrid Design

Variable Slope and Gain Controls

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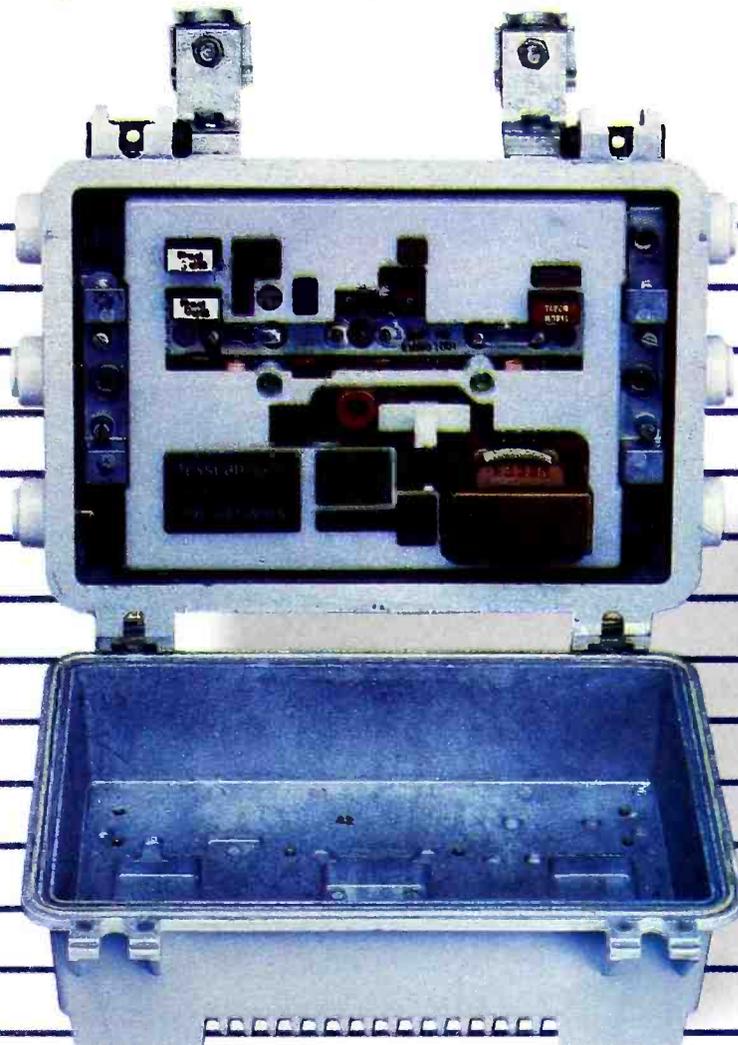
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Corrosion Resistant Polyurethane Coating

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assign a slightly higher cash flow multiple to the system when I appraise it." But he also warns that it's all based on *potential* for profit rather than actual cash in hand.

Donald Perry, president of Donald A. Perry & Associates in Virginia, says that occasionally this potential has been realized. "I know of one case here in Virginia where FM services penetrated 30 percent of a market. That made the value of these services a very tangible thing."

Perry cautions that a system's size is also an important consideration when evaluating the significance of ancillary services. "If services such as FM or security reach at least 2,000 subscribers, then I would say they have proven value," he contends. Michael Kruger, senior vice president of Harmon & Co., in Englewood, Colo., concurs. "In smaller systems, we tend to ignore these extra features," Kruger says. "But, in larger systems, we'll consider them in our appraisals."

Enthusiastic

Kruger is particularly enthusiastic about ad sales as an important revenue enhancement in the larger systems. "If a large system is generating revenues from ad sales, we'll project at least that amount of revenue when we develop our cash flow projections," he explains. "If we see that ad sales revenues have been growing, we'll go beyond that. We'll develop a growth curve projection to show the contribution which increased ad sales will make to future cash flow."

Another ancillary factor which many appraisers enthusiastically support is premium subscribers. "When we project cash flow, we'll usually anticipate increased revenues from premium programming," says Kruger.

Hepburn attaches so much importance to premium subscribers that he uses a factor which he calls "equivalent subscribers" in calculating projected cash flow. Basically, this involves adding 50 percent of premium subscribers to the

number of basic subscribers. Hepburn's rationale is that premium programming returns half of all revenues to the cable operator. "Because of this," he believes, "it makes sense to include these revenues in the valuation process and to project their development."

Will revenues from premium subscribers, ad sales and auxiliary services ever play a more prominent role in calculating system values? Perhaps Perry's answer to that question holds the key. According to him, the purpose of the appraisal could make the difference in how prominently these factors are considered.

"If you're simply seeking a fair market value for conventional purposes, then I would tend to agree with those who minimize the importance of these extra features," says Perry. "But, if you're attempting to establish a value for loan purposes, you must then consider all these factors. You must look at ad sales, two-way services, premium programming and second sets — especially if they bring revenues from converter charges. All these things will be important to establishing a loan value."

So, this places the burden on the appraiser to determine whether the "gold plating" is contributing to the system's projected cash flow or whether it's simply nice to have. If many appraisers are still generally skeptical about how much value to attach to this "gold plating," perhaps it's because they must satisfy three very divergent interests: those of buyer, seller and lender. In walking this kind of tightrope, they are naturally cautious about changing their established patterns of evaluation without reasonable justification. But, even though this caution prevails, signs of change are clearly beginning to appear.

In the meantime, as Waller and others suggest, there remain some very basic and direct means for operators to enhance their cash flow, and thereby immediately enhance their system's value. "All you have to do," says Waller, "is raise rates, market your products more effectively or add channel capacity." □

THE EPG OPERATOR

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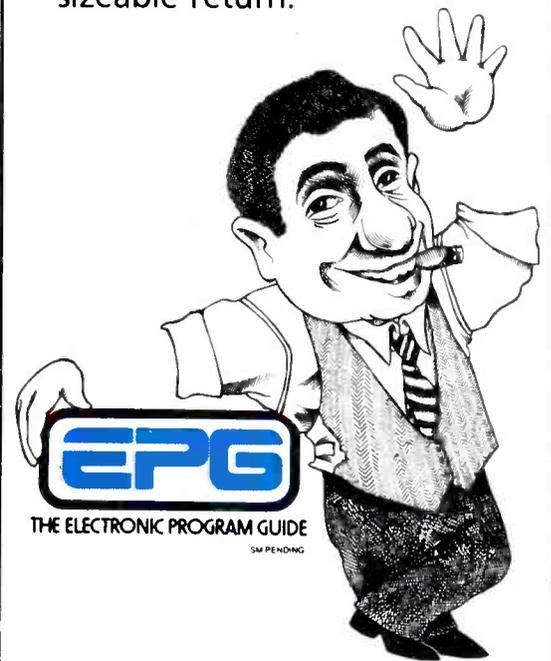
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Your character generator automatically receives each day's programming 24 hours in advance. A totally hands-off service!

You won't be burdened with keyboards, scheduling and programming personnel.

The EPG is personalized and automatically delivered to you *via satellite* for only \$125 per week. Plus \$4 per channel over 14 channels.

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If one doesn't help you make the sale, the other one will.

No matter what kind of news coverage your subscribers expect from cable, the Ultimate News Team has it.

Some viewers want 24 hours of helpful, in-depth information — world, national, financial, sports and special interest news. For them, the choice is Cable News Network.

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them both. They're the only news services designed to work as a team, on cable.

CNN and CNN Headline do more than help you sell subscribers. Because of their popularity, they help you sell local advertisers as well. For

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SHARE THE SUCCESS.

Our unique \$3⁰⁰ per sub offer.

To celebrate the success of CNN and CNN Headline, we are making this limited-time offer. To systems carrying both our news services, along with SuperStation WTBS, we will provide a growth dividend of \$1 per subscriber per year for up to three years. Details are available from your Turner cable sales representative.

Do Advertisers Support Community Programming?

A West Coast report reveals some programming and promotional surprises.

*By Ethel Greenfield Booth
West Coast Correspondent*

A sampling of a dozen cable systems up and down the West Coast indicates that, for the most part, cable systems are the ones who dictate whether or not advertisers support local programming, rather than the other way around. There is only a handful of systems now actively soliciting advertisers for programs they produce.

There seems to be little correlation between system size and advertising activity. One system with 75,000 subscribers feels that in advance of a well-developed business plan, it would be premature to go after advertisers. Another with over 60,000 is enthusiastically and profitably engaged in selling time on local programs. Smaller systems are equally divergent in their philosophy and approach to advertiser support for

local programs. Some are content to sell blocks of time for an outside producer to fill as he wishes.

Success stories

Puget Sound Cable in Tacoma, Wash., with 22 contiguous franchises, has been producing local programs with advertising for seven years. Geri Duckworth, who until this month was general manager of the system, says, "Support is never adequate to offset costs. Our advertisers do not expect direct sales results, which is a good thing. What they do get is visibility. It (advertising on cable) shows their willingness to support community activities. For the most part they buy time on sports programs, sometimes a parade or a rodeo."

Among Puget's clients are a motorcycle dealer, a car dealer, and a fast food chain, all buying time on about 75 local sports events a season. In addition to athletics ("No Little League, or baseball — baseball's too hard to shoot") Puget Sound does a magazine show featuring local politics and volunteer activities and "Target Olympia," a discussion show hosted by two state senators with guests.

Spot sales and sponsorship are popular on community sports events or specials. The cable company offers cross-advertising in newspapers and frequently mentions the show's sponsor during a program to make advertising even more attractive. The company also leases time on the channel for \$215 an hour or \$125 a half-hour. This has proven



San Diego schoolchildren watching Cox educational program, above, and Group W Manhattan crew on location: Is advertising necessary?



very successful: among the users have been the Korean community, a realty company, and an auction group from San Jose, Calif.

"Local programming may never pay for itself," she concedes, "the better the program is, the greater the cost to produce. We do it for good public relations, for the help it is in franchising, and for reflecting our own activities as people who live in the community.

Local programmers at **Valley Cable** of the San Fernando Valley, Calif., agree with Puget Sound's advertising philosophy. *And* they tackle baseball: Valley charges \$400 for the baseball season and \$300 for football. Basketball is seasonally supported by a local car dealership.

Valley has sophisticated editing equip-

ment which is used to good advantage. A sports wrapup features weekly highlights of the games, hosted by a reporter from a local newspaper. With 20,000 subs and more to come, Ellen Pittleman, director of local origination, feels that the system has succeeded in attracting advertisers to its sports coverage because Valley is the only system which covers sports for the three colleges in the community.

Valley is actively trying to syndicate programs produced in its studio, for which it gets co-production credit. "Harrison's Mike," a popular local talk show featuring celebrity guests, is already airing in 12 major markets on a barter basis. The future for ad sales in Valley's territory looks good, but the effort will not switch to high gear until

the newbuild matures.

Enthusiastic support for ad sales on cable's local programs also comes from the California **Coachella Valley** system owned by Palmer Communications, Inc., of Des Moines. Its rate card prices 30 second spots at \$25 and :60s at \$45, with \$90 the going rate for a half-hour. Complete sponsorship of a season's athletic program, including games, highlights and commentary, has gone for as much as \$7,000; Shakey's Pizza was that season's sponsor.

This system does well with Little League games and game highlights which are repeated frequently throughout the week. Coachella Valley tries to cover all Little League games in the area, a formidable task, and distributes the edited versions to Warner Amex'

"We cannot expect an immediate return... but we do expect our activities to attract subscribers."

cates that six spots per hour are available for advertisers, to the tune of \$125,000 to \$150,000 per year. A frequency-discount rate card prices :60 spots at \$10 to \$50.

Reflecting the character of San Francisco's diverse community, the programming lineup consists of three weekly shows: "In Review," on San Francisco art; "Viewpoint," a politically-oriented series; and "Love Style," representing gay and lesbian interests. Others which have aired in a 13-week cycle are "Cooking Naturally," "Up-beat" (dealing with innovations for the handicapped) and "Duck's Breath," a comedy show featuring a troupe of the same name.

At **Falcon**, Alan McGlade directs programs for the company's 13 systems in the San Gabriel Valley. The system hasn't issued a rate card yet, but accepts basketball and football game sponsorships, has ordered ad insertion equipment and hopes to generate profits from commercial production as well. Like many other system programmers, McGlade says, "It's too early to predict the future. We have made a large capital outlay in equipment and personnel.

"We cannot expect an immediate return on that but we do expect our activities to attract subscribers and help in franchising."

"No one wants to be the first to try advertising, we have found," says Robin Rowlands-Terry at **CableCom of Modesto**, Calif. Yet a certified financial planner has bought system air time to present a program on financial planning, and the owner of a computer store does a weekly program on computers and their applications. In a community of 29,000 subs, the system offers spots at \$15 for 30 seconds and \$20 for 60, a bargain by any standard.

At **Group W of Milpitas**, a small northern California system with 4,000 subscribers, the director of local programming says, "My predecessor didn't feel it was a good thing to go after advertising and it would be difficult with

our current equipment, because we do not have editing capability." The system gives what it calls "promotional support" to program producers, especially to specials which they present from time to time. One such is "Academy Awards Preview," which the local Cinadome Theater hosts. In return for the assistance, the theater gets prominent billing and is highly visible as the locale of the proceedings. But no ads are sold.

Gill Cable, whose interconnect in northern California has produced profitable results in the sale of advertising on satellite channels, isn't looking for much advertiser support of local origination, according to Sales Manager Norm Andrus. Except for special events, local origination is no longer the focus of his attention. He feels that the competition from satellite channels for viewership is too great to make LO ad sales worthwhile. "In a major market, competition for the viewer's attention is so intense that it does not pay — we have 22 ad-supported networks," he states.

Ardie Ivie, director of programming for **Group W's** western region, is even more emphatic. He is determined not to embark on an ad sales program for local origination until the company has approved a comprehensive business plan based on good corporate marketing principles. "You can't do it on a program-by-program basis," says Ivie. On the other hand, the system has begun selling local advertising on satellite services; 80 percent of sales are made through ad agencies.

Ivie makes a distinction between the term "local origination" and "local production": local origination could mean merely the source of the physical distribution of the program whereas local production, focusing on what gives the community channel its special character, is the more precise descriptive term. He hopes to develop programming where the sponsor can provide information of value to the viewer.

"Local programming is intended to provide a service to the customer. We'll pass when it comes to just entertainment — where others can do it better — unless it's a theatrical venture, where there is considerable local involvement," he explains. "We think the business community is as important as any ethnic community and we want them to be represented."

At the moment **Group W of Santa Monica** produces "Southland Digest" monthly, featuring city government activities. The system originates the Jewish Television Network and "Beyond Sound," a series for the hearing-impaired, both of which sometimes produce their programs in Group W's studios. Many others are in the pilot stage. Ivie is working with potential producers and sponsors and believes that the right program concepts combined with good business planning will yield substantial revenue in time. The present timetable for Group W is targeted to the fourth quarter of 1983.

CommuniCom's Paul Wedeking agrees with Ivie. He finds the system's current subscriber base of 24,000 not large enough to warrant the necessary effort to seek out advertisers. Until CommuniCom hits 60,000 subscribers, he says, ad sales is not a priority even though the system has a well-equipped studio and staff already engaged in developing its use by community groups.

Finally, ads will never be sold on the community access channel of **United Cable in San Leandro and Hayward**. The channel, which has won ACEs and critical applause, more closely resembles the traditional public access channel than many of its LO counterparts in California.

There is no doubt that despite the different local programming philosophies of West Coast systems today, advertising can and will be sold on local origination channels. But whether or not that revenue will exceed production costs for most of those systems is still to be seen. □

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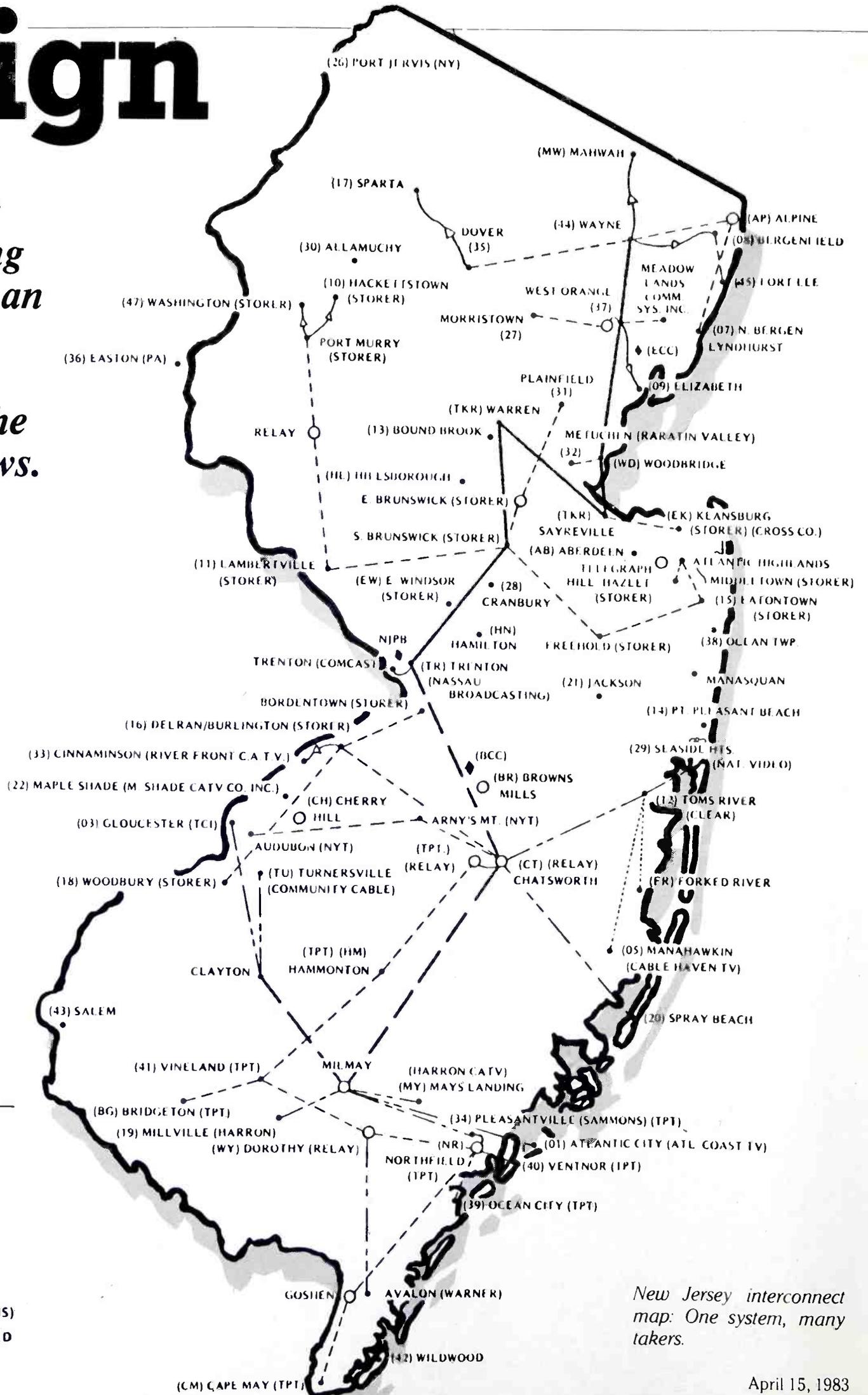


**OCTAGON-SCIENTIFIC
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Circle 37 on page 83.

Interconnect Design

What are the best methods of linking cable systems for an advertising interconnect? Those who've bridged the gap give their views.



LEGEND

- CABLE HEADEND
- RELAY STATION TWO-WAY BACKBONE
- COMMON CARRIER
- CARS M/W
- HARDWARE FIELD
- AML
- FM CARS (SPUR SYSTEMS)
- COMMON CARRIER FIELD

New Jersey interconnect map: One system, many takers.

By Ilene V. Smith
New York Correspondent

The advantages of establishing a regional interconnect are well-known by now. The ability to reach the combined subscriber base of all systems involved in a region-wide network has meant a substantial increase in advertising revenues; some interconnects have already approached the \$1 million mark (see *Cable Television Business*, Nov. 15, 1982).

Before those revenues start to pour in, however, operators must take a long, hard look at the various modes of connection available and determine which makes the most sense in terms of cost-effectiveness and signal quality.

Tape distribution

The cheapest — and in some cases, the simplest — route to take is the “soft” interconnection. With this method, commercials are inserted simultaneously by participating systems not linked by any direct means. But there are several problems inherent in sending spot tapes to each system, explains Tom Sassos, vice president and general manager of Cable Networks, Inc., a New York rep firm.

One such problem is spot displacement, which has been occurring in the New York City area where CNI has been operating a three channel soft interconnect since August, 1980. Running the wrong spot at the wrong time is a mistake which occurs one out of 10 times during normal periods, Sassos says, but gets worse during heavy flow periods, when the error rate is two to three times out of 10.

Billing can cause even bigger headaches. While some of the advertisers on CNI's interconnect prefer to receive one bill for the entire set of systems, others would rather receive one bill for each of the 20 systems.

A soft interconnect, too, is often unable to run commercials on all systems at a given time, since several of the participating systems shut down in the early morning hours. CNI recently



Lerro's Robert J. McTammey and Frank Kovary; Suburban's Greg Vandervort; CTN's Jim DeBold and Suburban's John Rawcliffe: New Jersey's interconnect one of the most ambitious.

experienced this problem when ESPN's early morning business show, “Business Times,” debuted. “We had to check to make sure which of our systems would have the hardware to run the ads at 6 o'clock in the morning,” Sassos recalls. And upon checking, he found that only half of the interconnect's participating systems would be able to run the ads.

For these reasons, CNI, like several other soft interconnects around the country, plans to establish a four-channel, microwave-connected system to serve New York by the end of the year. Sassos expects the system to cost around \$3 million; CNI's parent 3M will fund the project.

Microwave

Microwave is the chosen path for the majority of interconnects up and running and for those still in the planning stages. The decision to use microwave transmission, however, also involved deciding whether to transmit the signals via CARS band or common carrier and whether to use FM or AML to enhance the transmission. In addition, several factors make using microwave to connect certain systems impossible — weather, for example — so hardware connections may be necessary.

The Cable Television Network of New Jersey, a statewide single channel interconnect which began operating last

month, is designed to use CARS band microwave, common carriers and hardware to transmit programming to the state's one million subscribers. According to CTN's Vice President of Engineering Frank DeJoy, microwave signals are transmitted from a microwave tower at the interconnect's origination point in Trenton, N.J., toward points both north and south. Along the northern route on the interconnect's backbone, the CARS band is used to transmit the signal to cable systems which serve as relay sites. They are required to purchase equipment and maintain the microwave path. (see accompanying map).

Along the southern backbone, CARS band microwave won't be used. “Some of the systems are so small they cannot justify the cost,” explains DeJoy. Instead, the microwave signal from Trenton will be transmitted to a common carrier's relay site in Chatsworth, repeated to Milmay and repeated again to Clayton. Each of the common carriers involved has contracts with four to five feed systems.

The Connecticut Cable Advertising Network, a two-channel regional interconnect, operates on a much smaller scale but uses a similar combination of CARS band, AML and hardware to connect its eight participating systems. Valley CableVision of Seymour, Conn., serves as the network's hub site.

Centel Videopath's regional interconnect
(Continued on page 68.)

Switching Solutions

When operators select a transmission mode for a regional interconnect, cost-effectiveness and signal quality aren't the only factors involved in the decision. How they'll switch the signal with the greatest accuracy at the lowest possible cost is also an important issue.

A recent report by Tele-Engineering Corp. of Framingham, Mass., evaluates the switching a commercial insertion requirements of four regional interconnect models. The equipment manufacturer's report looks at a telephone line interconnect, a single-channel microwave interconnect for commercial spot transmission, a multiple-channel microwave interconnect which transmits complete LO channels or satellite-delivered services, and a shared, single-channel two-way regional microwave interconnect.

The simplest of the four models, the wire line interconnect, joins participating systems to the commercial insertion center by switched network telephone lines. The commercial insertion center is equipped with Tele-Engineering's Ad-Cue 100 video switcher, with automatic billing and verification of commercial spots provided by a TRS 80 Model 16 computer. Affiliates, meanwhile, are equipped with Sony 5000 videocassette recorders and a programmable switching module. The module, which holds in its memory timing instructions for up to 300 commercial breaks, is programmed for seven days for up to 18 ad-supported channels. Spot insertions are activated by cue tone.

According to TEC, the advantage of such a design is that commercial spots can be sold during different time slots at each affiliate location via random access program-

ming for the insertion center's CRT terminal.

Although the microwave interconnect for commercial spot transmission overcomes the "soft" interconnect's tape-bicycling disadvantages, this model, according to the report, does not allow for the flexibility of different commercial insertion schedules at the participating systems. TEC also claims that using microwave for the occasional transmission of spots constitutes "waste-



ful use of the microwave spectrum." Nor does the system allow for simultaneous insertion of commercial spots on different satellite channels.

Share alike

According to TEC, the principal advantage of a hard microwave interconnect, where the production center serves as the receive point for all satellite channels, is that participating systems can forego the use of earth station receive equipment. But the hard interconnect requires one microwave channel for each satellite channel, resulting in high

capital costs. It also prevents participating systems from selling their own advertising on the interconnect's channels.

What TEC recommends is the formation of a shared regional microwave interconnect, where the production center is connected with the participating systems via a one-channel, two-way microwave system. "The system," TEC says, "combines low capital outlay with low operational expenses."

Each participating system is equipped with the Ad-Cue 100, which is controlled by the regional production center, and a Sony 5600 VCR for each satellite channel requiring commercial insertion. A master tape with all commercial insertions for each satellite channel is prepared at the production center. To handle insertion overnight, master tapes are transmitted via Ad-Cue 100's time program control to the participating systems and all VCRs are downloaded. The system also allows each affiliate to be programmed individually over a tape with all commercial insertions for each satellite channel prepared at the local production center. Spot play verifica-

tion is transmitted either over the return microwave path or telephone network back to the production center.

How much do such systems cost? According to TEC Project Engineer Dann Robinson, a four-channel complement at each location costs about \$13,000. The cost of the central programming location — including the CRT, all memory location and a printer — is approximately \$2,000.

(For more on regional interconnect switching see *TVC*, "The Increasing Demand on Cable Switching Units," by 3M's Jerry Kerr and Frank D'Ascenzo, July 1, 1982.)

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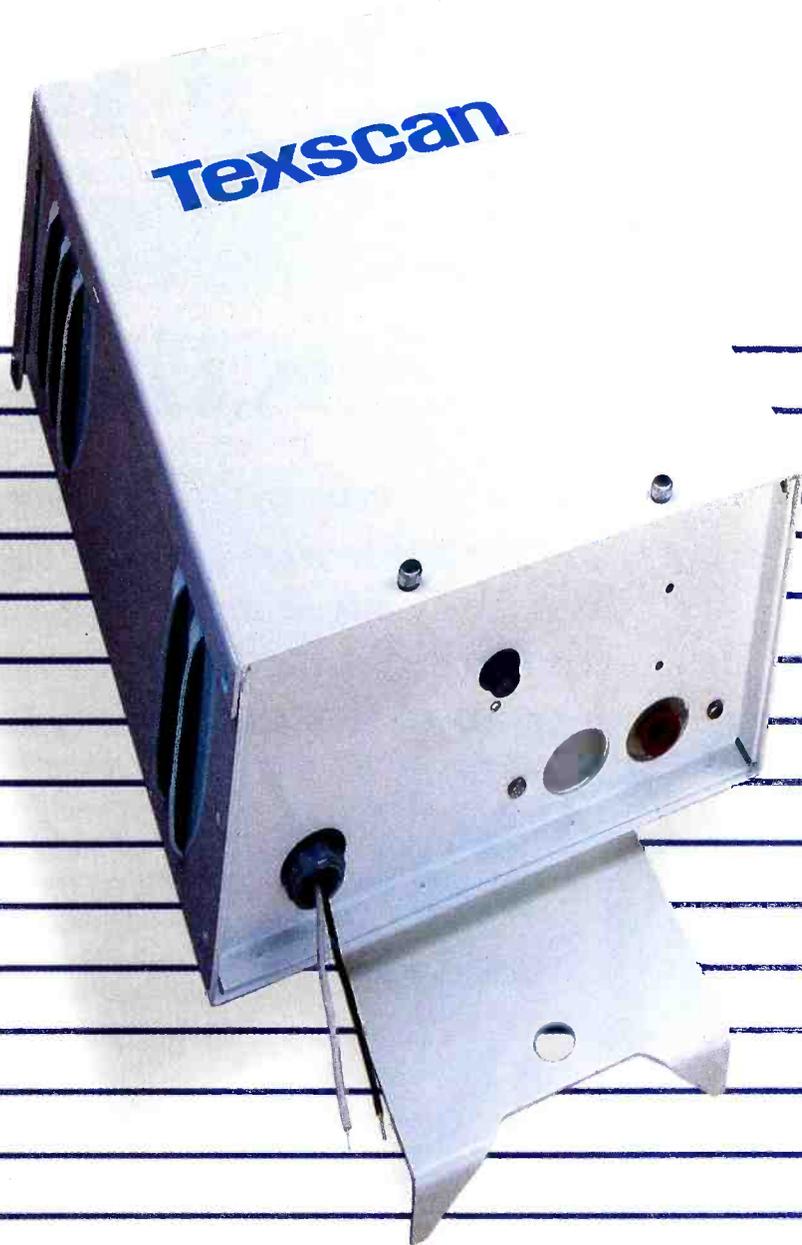
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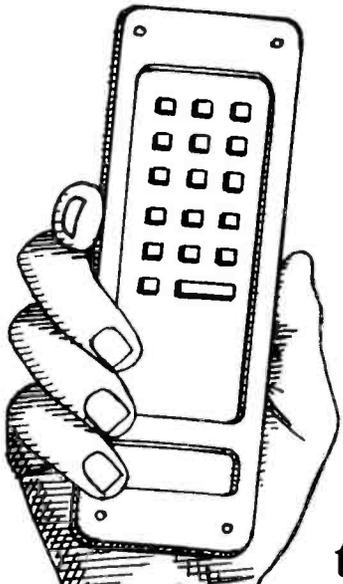
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John Adams, 1765



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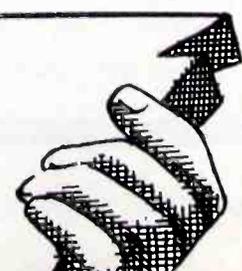
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C-SPAN/America's Network

Circle 61 on page 83.

CENTEL

Centel Cable Television Company



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With the changing environment of the cable industry, most cable companies are seeking ways to provide additional services and increase revenue.

Utilities have always dreamed of having access to current information at each customer location without using meter readers. Today, you can make that dream a reality with Neptune's Central Meter Reading (CMR) System.

NEPTUNE CENTRAL METER READING (CMR) SYSTEM

Neptune's CMR System will enable you to provide water, gas or electric utilities, or all three combined, the capability to automatically and accurately read their meters from a remote central location utilizing your two-way cable. The System then transmits this information to the utility's computer for management analysis, customer service functions, and bill preparation.

REASONS TO OFFER CENTRAL METER READING

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- reduces your future subscriber's installation costs by having 100% cable drop penetration.
- improves marketability of entertainment services to potential subscribers because of reduced service activation fees.

CMR's COMMUNICATION LINK—TWO WAY CABLE

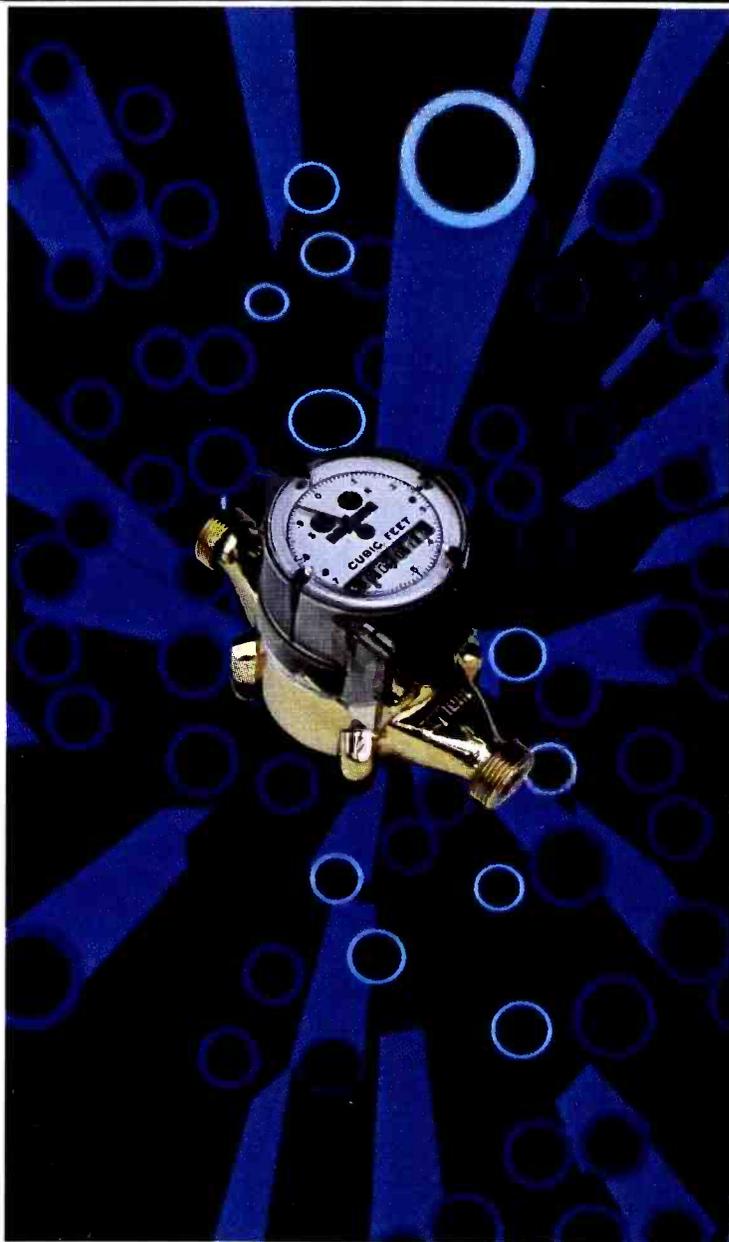
The CMR System utilizes two-way cable as a data carrier. This passive system acts as a data communicator, with the utility meter transmitting the meter reading to the communication controller unit (CCU) in your cable head end. The utility's billing computer can then access the communication controller unit whenever information is required. Of course, this system does not interfere with other cable services.

The needs of cable companies and utilities are changing, and satisfying those needs requires modern technology and new solutions. Neptune is meeting those needs by being in the forefront of information management systems.

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CMR

CENTRAL METER READING



More Than You Expect From a Meter Company, Just What You Expect From Neptune



Centel's interconnect center in Illinois: The most efficient means of distribution?

(Continued from page 61.)

nect, which transmits four outbound and two inbound channels to six systems in the Chicago area, is a good example of an entirely microwave-linked system. According to John Tammen, Centel's director of engineering, the system operates on an 11 GHz FM terrestrial microwave network. The firm decided to use FM instead of AML because Centel wanted to operate as a common carrier, which it could not have done using AML, under FCC rules. However, AML advocates note that AML in some cases is more cost-efficient, since it requires only one 40-channel receiver. A receiver is needed for each channel when FM is used.

The participating systems in Centel's interconnect are supplied with two equipment racks containing four receivers, two transmitters, order wire, alarm sending equipment and patch panels for interconnection, according to Tammen. The central control facility at McCook, Ill., and the first leg of the interconnect cost \$3.7 million.

The McCook operations center houses the interconnect's commercial insertion equipment, downlinks, cuetones, four consoles for program insertion, vertical interval switching modules and a network control console. The commercial insertion equipment includes one tone decoder module for each satellite service the interconnect programs, associated control equipment, video tape players, a time base connector and both picture and waveform video monitors. Channelmatic provided both the commercial insertion and switching equipment as well as the network control console. Also located at McCook is the microwave tower, which is equipped with antennas, transmitters and receivers for each interconnect system —

all supplied by M/A-COM's Microwave Associates, a 20 percent equity partner in the interconnect.

For the Connecticut interconnect, a master control console was installed at Valley Cable for \$100,000. Lake Systems Corp. manufactured the console, which the interconnect's engineers designed. (see *TVC*, Dec. 1, 1981 for details).

At sites where the microwave is transmitted to each system's headend, a receiver for each channel is required. There are some circumstances in which the signal is relayed through an intermediate site, where an additional receiver and transmitter are required. Transmitters cost \$7,500 each and receivers used for repeater applications cost \$7,500 each; drop receivers are \$3,700 each.

One supplier estimated costs for AML microwave equipment as follows: \$13,000 for one five-watt AML transmitter, \$10,000 to \$11,000 for a multi-channel receiver and \$2,000 to \$3,000 for each dish. Also to be considered in the cost of a microwave link is the amount of waveguide required, which depends on how far the transmission site will be from the headend.

Only way?

Is microwave the only way to go? "It's certainly the only way to do it," says CTN's DeJoy, explaining that the amount of signal distortion and the costs associated with cabling over long distances prohibit a hardwire approach in most cases.

"Could you imagine the costs of labor if we had used cable?" he says. While CTN's microwave signal will be transported from one point to the next at a cost of \$18,000, excluding facilities, a cable connection would cost

\$15,000 per mile for aerial construction and from \$30,000 to \$130,000 for underground. The average distance between microwave relay stations for the interconnect is 12.37 miles.

But microwave and hardwire aren't the only options available for interconnection. Other modes which may be implemented in the near future include satellite transmission, fiber optics and laser links. The Florida Cable Television Association, for example, is currently working on the concept of establishing a statewide single channel interconnect by satellite. Although FCTA Executive Director Thomas Gilchrist concedes that no plans for the interconnect are firmly set, satellite transmission of C-SPAN-type programming to the state's 150 systems is a possibility. Gilchrist explains that the network would carry full coverage of the state legislature's proceedings, which are currently transmitted via Westar to public television stations. Many of the state's cable systems already have earth receive stations and dishes aimed at the Western Union satellite. For those who haven't yet equipped themselves with Westar-aimed dishes, he says, "the FCTA would prevail upon them to do so."

That state association is also considering the use of either microwave or fiber optic delivery. "Both would be very expensive" Gilchrist says of both satellite and microwave methods. But he adds that microwave doesn't work well in Florida because of thermal clouds which are created by the drastic changes in the temperature of Florida's shallow waters, thus bending the microwave path. Microwave transmissions can also fade during heavy storms.

So how can operators best connect their systems to garner a bigger slice of the advertising pie? Careful analysis of needs, geographical restrictions, economics and the long-term commitment of the systems involved will provide individual answers in the context of today's technology — but new solutions are never far away in this industry. □

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Circle 41 on page 83.

CAMS: What Was Learned?

The CAB/NCTA Cable Audience Methodology Study showed that the measurement method you use depends on what you want to know.

By Bruce Hoban

As cable penetration, pay services, and advertiser-supported cable channels began to proliferate, some research professionals began to wonder whether the traditional diary could hold up against the video explosion. In 1979, several advertising agency and cable executives met to form the AD Hoc Cable Measurement Committee. This committee solicited bids from 67 major research companies for a study that would determine how various methods would work in high-channel capacity cable homes. From the 67 firms, A.C. Nielsen was unanimously selected.

Traditionally, research companies (most notably the A.C. Nielsen Co. and Arbitron Ratings, Inc.) employ diaries which are sent to households to be filled out for one week. The diary requests the channel number, call letters, and name of program for every 15-minute interval the television is in use.

Nielsen and Arbitron also use meters for major urban markets where the broadcast stations can afford this.

In late 1981, the Cabletelevision Advertising Bureau joined with the NCTA to form the Research Standards Committee, composed of 15 leading cable industry research executives. The Standards Committee took on the job of

refining the Nielsen proposal, obtaining funding from cable networks and MSOs, and seeing the study to completion. The mandate: to determine the accuracy of various methods in obtaining all television viewing in cable households. For CAMS, the method described the means — either diaries or telephone calls — by which subscribers gave a research company an accounting of when television sets were in use, what channels were being watched, and who was watching.

Present and future

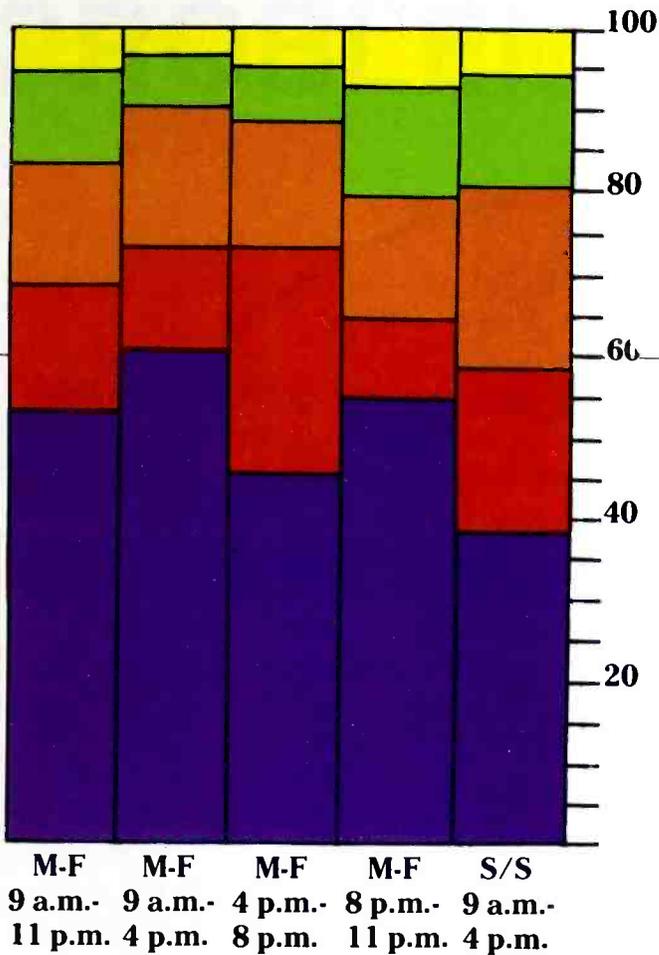
The Cable Audience Methodology Study was designed to analyze not only a present, but future need of the cable industry. This was reflected in the selection of the two systems — Gillcable of San Jose, Calif., and Warner Amex Qube of Columbus, Ohio — used for the study. Both represent an environment that is complex, yet quite realistic: each has a capacity of at least 30 channels; reaches a subscriber base of no less than 50,000 and offers a program mix that independent broadcast network affiliates, regional and distant independent stations; basic and pay services and pay per view programming. The two systems were also chosen because

of their diverse geographic areas: the West Coast and Midwest. Warner Amex Qube's two-way capability was an additional feature since it would be used to cross-check the telephone coincidental, as well as to validate the tests at times when telephone coincidentals could not be conducted.

The telephone coincidental was the standard used to determine the accuracy of the data provided by each of the test methods with the exception of two which collected only daypart information. A total of 7,200 phone calls was made. Viewing information for each person and television set in the household was collected.

When measured against the data collected by Qube on a channel-by-channel basis, the coincidental and Qube ratings closely agreed. The following comparisons were made against the coincidental: the ability to accurately report audience distribution to program categories and individual channels; the influence of aided recall; personal versus household measurement; the effect of simplified diary designs; the production of cumulative audience data; and the collection of broad dayparts. Although the coincidental is accepted by the television industry as an accurate measure-

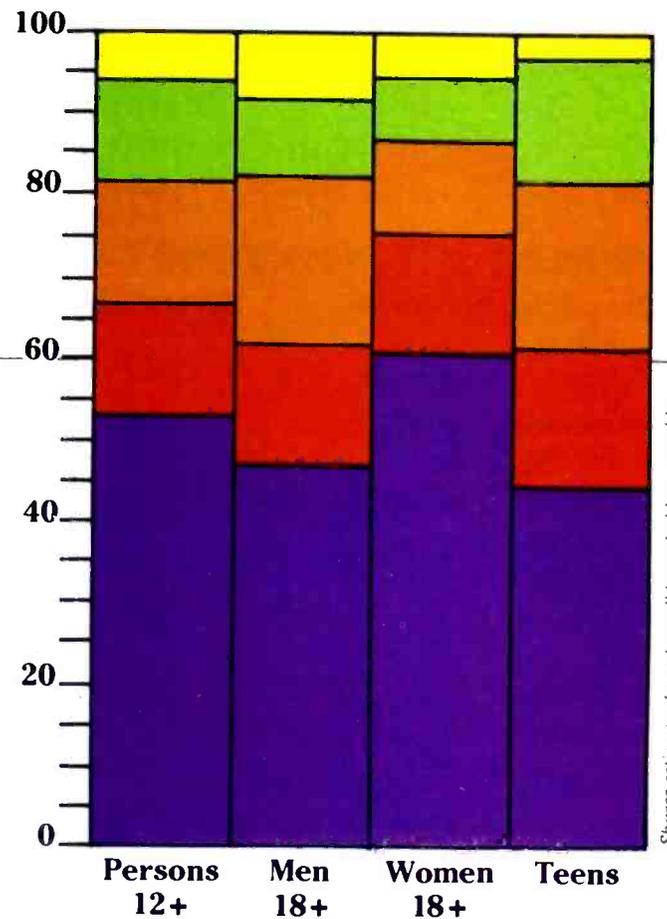
Source: CAMS study



Coincidental Shares By Daypart

(Total Persons 12+
2 System Average)

Shares puzzle: What's the best way to measure cable audiences?



Coincidental Shares By Demographic Group (M-F, 9:00 a.m.-11:00 p.m.)

Shares estimates based on all households; pay cable viewing levels are lower than if based only on households or persons who receive pay services.

ment method, the calls are somewhat expensive to make and can produce only a limited amount of information from each household surveyed. Their use, therefore, as a methodology for local systems in the future is conceivable if no better method is found.

A glimpse at the size of this study shows just how complex CAMS is. Viewing information was collected from more than 18,000 households, entered into computers and analyzed in several different ways: by various periods of time through the day, various age groups (demographics), individual channels and by channels grouped by type of service (i.e. pay channels, basic channels, broadcast network affiliates, etc.). The CAMS data bank contains hundreds of thousands of numbers which were condensed to several hundred tables for analysis.

Methods tested

CAMS tested six different methods: two using telephone collection and four using diary collection. Each of these methods contained variations in the amount of information a cable household (or person) was asked to supply. This is a brief description of each of the methods tested:

- **The NSI Standard Diary** is currently used for estimating all television viewing (in both cable and non-cable households) on a local market basis four times per year. One diary for each television is sent to those households who agree to participate in the study. The diary requests the channel number, call letters and program title for each 15-minute period the TV was watched by any member of the household.

- **The Personal Half-hour Diary** and **Personal Daypart Diary** both used the same format but the half-hour asked for all channels viewed for every 30-minute interval while the daypart requested viewing over periods of four to five hours. Both of these diaries were sent to only one pre-selected member of a household. In addition, both contained a list of 20 channels available on each system on the left side of the diary record. Both were "scorable," and looked much like tests given to grade school students who use a pencil to fill in a small circle.

- **The Daypart Household Diary** resembled the diaries previously mentioned. However, all members of the household were asked to keep track of their individual viewing in a special

column that represented each member of the household.

- **The One-day and Seven-day Telephone Recall** methods both involved supplying viewing information for the previous 24 hours to an interviewer on the telephone. While the one-day involved a subscriber for only one day of the week, the seven-day involved asking the same subscriber similar questions seven days in a row.

With the exception of the two methods which collected only daypart information, the results produced by each of the methods were compared to a "coincidental" survey. A coincidental is a very short telephone call made to several hundred households per day that can produce a reliable estimate of viewing for each channel on the system. Coincidentals are somewhat expensive to conduct and can produce only a limited amount of information from each household surveyed, so their use as a methodology for local systems in the future is conceivable if no other better method is found. The results of the coincidental closely matched data produced by Warner Amex Cable's Qube system on a channel-by-channel basis.

The coincidentals allow an interesting look at how households use the

Category	7-Day Unaided		1-Day Aided		NSI Diary	Half-hour Diary
	Coincidental	Telephone Recall	Telephone Recall	Telephone Recall		
RATINGS ANALYSIS						
PERSONS 12+						
Mon-Fri, 9:00 a.m.-11:00 p.m.						
Broadcast Networks						
Rating	10.1	12.0	12.4	9.9	19.7	
Share	52.7	63.6	61.3	65.1	63.5	
Independents						
Rating	3.0	3.1	2.6	2.6	5.2	
Share	15.8	16.2	13.0	16.5	16.8	
Basic Cable						
Rating	3.1	1.8	2.5	1.4	4.4	
Share	16.4	9.3	12.2	9.3	14.3	
Pay Cable						
Rating	2.0	1.1	1.7	1.0	2.1	
Share	10.3	5.9	8.3	6.9	6.7	
PUTS	19.1	18.9	20.2	15.4	31.0	

Still confusion: The above chart shows that none of four methods accurately replicated all four program categories, the CAB says.

multiple channels offered them. While this may not be representative of the diversity of viewing occurring in all 30+ channel systems, it is representative of the Gillcable and Qube systems for June 3-16, 1982.

The CAMS report is laying the foundation for most future research that will deal with measuring how subscribers are using cable television.

Systems selling local avails need to know the amount of viewing and the

demographics viewing each of the channels they are selling time for. How this measure is conducted will partially depend on how much information is needed (i.e. viewing to each channel for any desired half-hour or for a number of hours) and the cost.

Viewing information for marketing will help marketers create an optimum channel line-up. If a system desires to add a new programming service and there are no more available channels, a viewing survey would help with the decision making process to see if a channel could be dropped without causing too many subscriber complaints. The Daypart Diaries (results of these methods are still under analysis) may be the perfect answer to this problem.

Unfortunately, there is no quick way to find research methods for accurately determining television viewing. The diary used for broadcast measurement for the past 30 years evolved over years of refining and redesigning. The cable industry is attempting to solve its measurement needs in just a few years.

What happens next?

The data from CAMS will continue to be analyzed. At the same time, different small tests will be designed to determine possible improvements in each of the methods originally tested in CAMS. At this time none of the methods tested have been excluded from possible future testing. Just recently, A.C. Nielsen announced a test of new improvements to the NSI diary to see if the under-reporting of cable viewing can be corrected and raised to the proper levels.

(Editor's note: A more detailed description of CAMS is available by contacting the research department at either the CAB or NCTA.)

Though the CAB and NCTA will provide the summary free of charge, Bruce Hoban won't be among the CAB staff available to comment on CAMS findings. He has, since this writing, moved from the CAB to Warner Amex Cable, where he is director of research.

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Circle 42 on page 83.

This notice appears as a matter of record only.

March, 1983

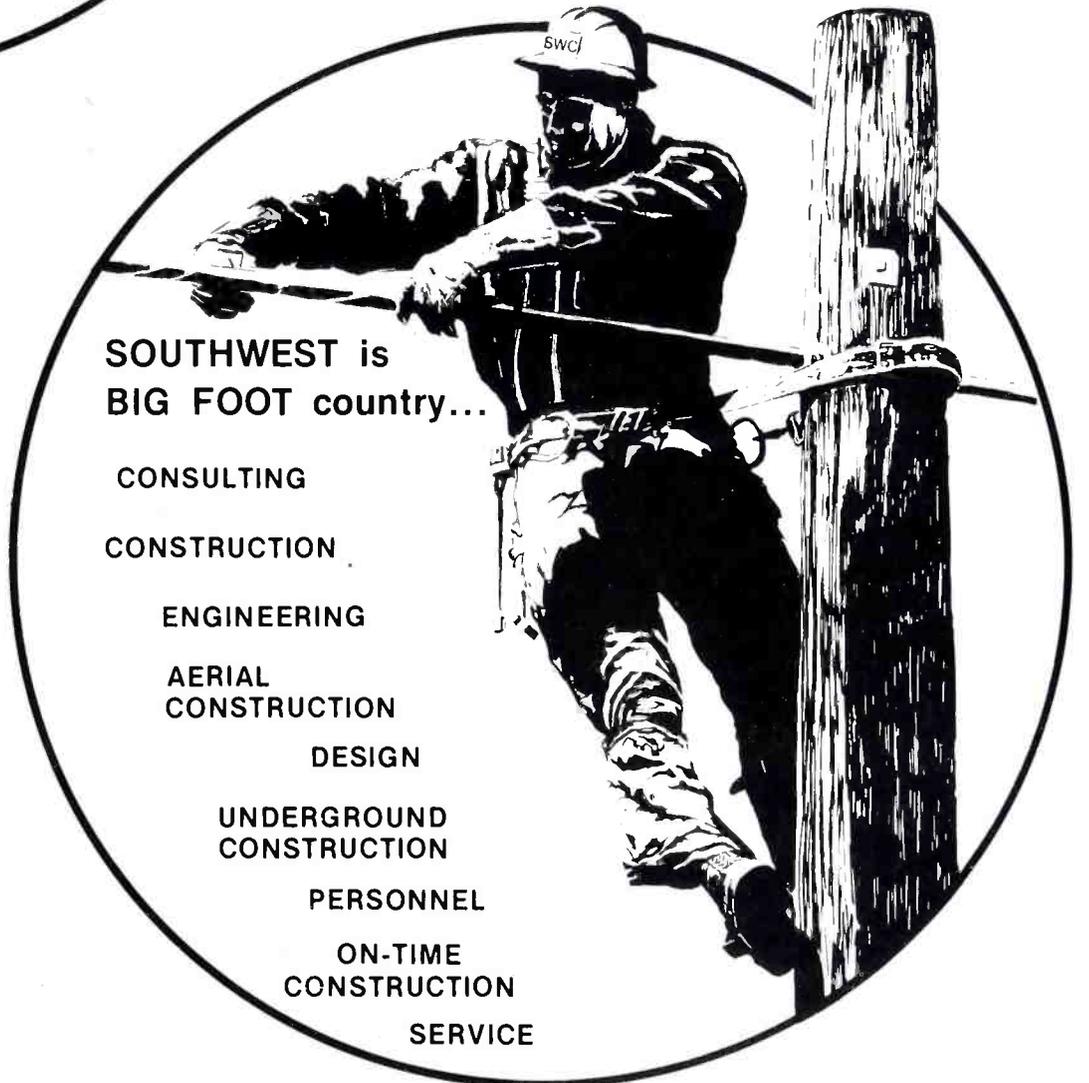
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Circle 19 on page 71.

WOMEN IN CABLE

New Member Application

Women In Cable
a professional society
2033 M Street, NW, Suite 703
Washington, DC 20036
(202) 296-4218

Before filling out this form please read the Eligibility Requirements, Dues Schedule, Chapter Affiliation and Membership, and any other sections on the reverse side of this form. Send application with dues payment to: Lucille Larkin, Executive Director, Women In Cable, Suite 703, Washington, DC 20036

NAME: C. WOOD
COMPANY: ANYCABLE CO.
STREET: 123 MAIN ST.
CITY: ANYTOWN

TITLE: SYSTEM V.P.
PHONE: 555-5555
STATE: CO
ZIP: 80000

INFORMATION ON PRESENT POSITION
Length of tenure in present position: 24 months
Nature of your business activity: GENERAL MANAGEMENT
Total number of years in the cable industry: 5
Cable industry participation (NCTA, State, Regional Assn):

STATEMENT BY APPLICANT
I affirm to the accuracy of the information in this application and any attached documents. I agree to accept the Society's decision on this application. I understand the Society's objectives and agree to abide by the Society's rules and do all in my power to maintain and enhance the prestige of the Society.

STATEMENT BY SPONSOR
I have read all the details of the application and the requirements for membership. I believe the applicant is in good standing and is qualified to join the Society.

NEEDS A FEW MORE GOOD MEMBERS . . .

IF YOU ARE . . .

- On a demanding career — track in cable television
- Able to profit from a network of professional contacts across the nation.
- Ready for opportunities in leadership organization and visibility among your colleagues.
- Interested in enhancing the profile of women as professionals in the cable industry.

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For more information and a membership application, contact your local chapter, or:



Women In Cable

2033 M. Street, NW, Suite 703
Washington, D.C. 20036
(202) 296-4218

It's 2PM. Do you know where your money is?

Today's financial news today. All day. Not the next day. On the Financial News Network.

People who invest their hard-earned money also invest their time keeping tabs on it. They want to know what's happening minute by fast-changing minute.

That's why they stay on top of things seven hours a day, five days a week with The Financial News Network.

Instead of just reading about it the next day. (More than half of what is headlined in The Wall Street Journal is aired the day before on FNN.)

Wall Street's electronic newspaper is one year old.

In this short time span, The Financial News Network has established itself in 9 of the country's top 10 markets.

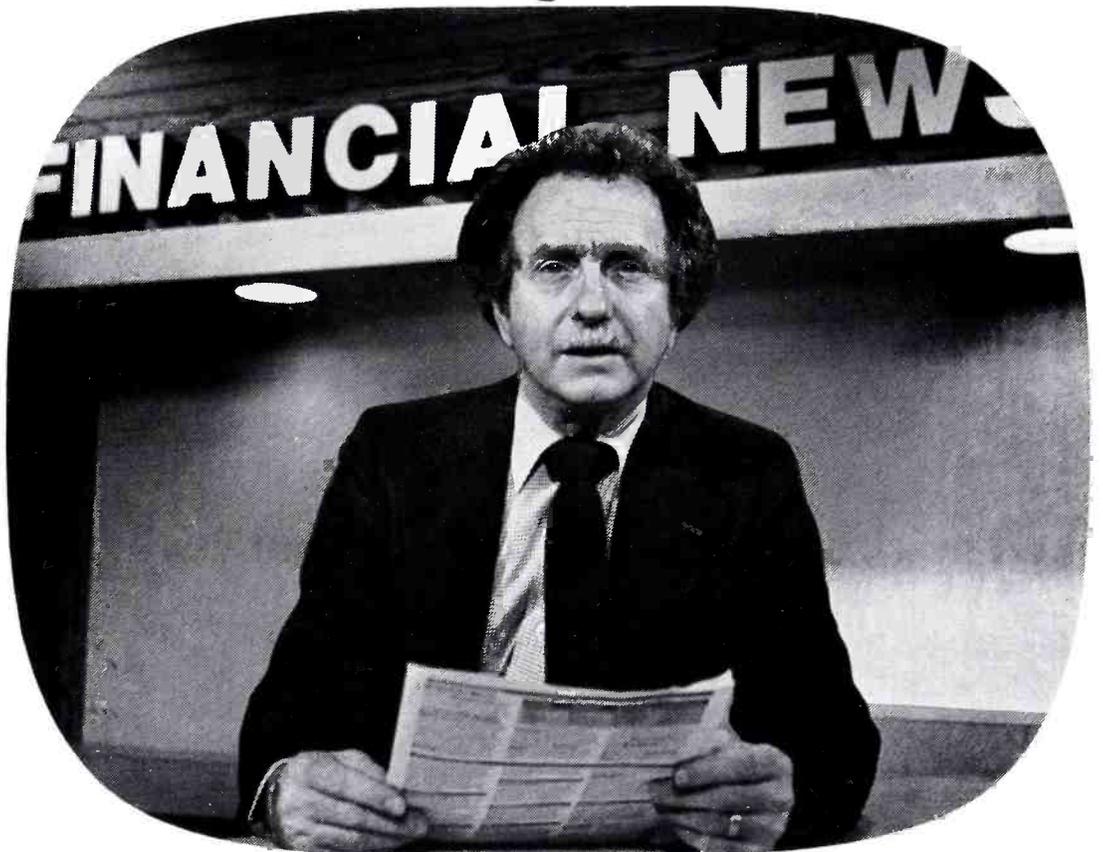
In touch with 7.1 million cable homes and available to another 22 million television households via UHF broadcast affiliates.

Broadcasting from main lobby of Merrill Lynch Building.

FNN covers both coasts with studios in Santa Monica and recently opened full-service facilities in the Merrill Lynch building at One Liberty Plaza—in direct, immediate touch with all the dramatic events that govern the market.

In 1983, millions of intensely involved people will be watching FNN. Will they be watching your TV commercials?

Consider this unique opportunity for your corporation to get in on the ground floor with a pivotal audience.



Robert Metz, FNN's Bureau Chief, on "The Opening Bell."

Specifically those watching Robert Metz' New York based new shows: "The Opening Bell," a five-minute preview of news that will guide the day's investment decisions; "Street News," market exclusives from respected, high level sources; "The Closing Bell," interviews and overviews with brokers and specialists—analysts and economists—that put the day's stories into perspective.

Bob Metz' unique experience includes 16 years as The New York Times distinguished business columnist.

For creative sponsorship opportunities, advertising and program development, call Richard L. Gilbert, FNN senior advisor, or Dennis Kelly, director of sales Eastern region, at (212) 888-7327. In Los Angeles, call Norman Potter, President, at (213) 450-2412.

A typical hour on Financial News Network.

- 1:00*** STOCKS—live report from NYSE.
- 1:05** BUSINESS UPDATE.
- 1:10** COMMODITIES—mid-session report on markets.
- 1:15** STREET NEWS—with Robert Metz.
- 1:20** NATIONAL & INTERNATIONAL NEWS.
- 1:25** BUSINESS NEWS.
- 1:30** STOCKS—live report from AMEX/most active stocks/interview with Wall St. analyst.
- 1:40** BUSINESS NEWS UPDATE.
- 1:45** COMMODITIES—precious metals report.
- 1:50** LIVE INTERVIEW—with company president or CEO.
- 2:00** STOCKS—ten most active/breaking news on publicly-held companies.

* Eastern Standard Time

Note: And the tape is always running.

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Circle 46 on page 83.

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Regional Sports Hit the Longest Yard



Capturing the local distribution rights for major sports franchises has become de rigueur in the cable industry. What is needed to make these networks work?

By Arthur M. Hill II
Washington Correspondent

The late Nathaniel Benchley, noted humorist and father of the author of *Jaws*, once said of sports, "if the urge for physical activity presents itself, hurl yourself upon the nearest couch. The urge will soon pass."

These days, cable operators are hoping their subscribers will hurl themselves upon the nearest couch and spend a few dollars each month to view what has become a mushrooming number of sports events presented by local or regional cable networks. The unofficial tally of existing or proposed networks is 20, with a growing array of cable operators and various sports entrepreneurs convinced the public will pay for a new tier of programming that includes their favorite teams.

Unfortunately, many of these ventures may not succeed. The reasons will vary. They will include overly optimistic projections by franchise owners, poor marketing, inflated rights fees, low penetration and poor performance by the teams involved.

Indeed, some regional sportsnets have already thrown in the towel, notably the ill-starred Five Star Cablesports Network. Established by Eddie Chiles, the owner of the Texas Rangers baseball team, the network floundered largely because it could not sign deals with other major professional sports packages. The rights were eventually sold to Warner Amex, which plans to air the Ranger package over its Dallas system. Warner Amex has negotiated similar deals in Pittsburgh and Houston.

The Pittsburgh package coincides with Warner Communications' purchase of a majority interest in the Pirates baseball team, a deal which follows a well-recognized pattern of media-sports joint ownership.

No problem

But the failure of such efforts as the Five Star Network seem not to have dissuaded many MSOs from entering the regional sports market. Indeed, the general consensus among those who study such matters closely is that regionalized sports programming offers the best opportunity for cable's next advance in pay TV. "Regional sports networks have the potential to become the second most profitable form of pay programming behind movies," says Bill Fogarty, chief marketing executive for Box Seat, the Southern California pay sports offering.

Until recently, the major cable sports attractions were the products of national networks, including ESPN (with over 23 million subscribers), the USA Network (15 million) and WTBS (25 million). Also involved were CBN and BET.

Yet, the predominant interest of most sports aficionados is in their local teams — professional, college and high school. Private studies show that with few exceptions, interest in national events almost always lags behind enthusiasm for local teams. "Unless it's for the national championship, most subscribers in San Diego are not going to be

interested in a basketball game between Duke and North Carolina," says Fogarty.

But will subscribers be willing to pay anywhere from \$6 to \$15 per month to watch their favorite local teams in action? Probably, say representatives of the most successful networks, provided the service is properly produced, promoted and marketed.

An essential ingredient to any successful pay regional network must be year-round programming, say cable's sports experts. "Success depends on the number and quality of professional sports teams whose rights are available," says Roger Werner, senior vice president, finance and marketing, for ESPN.

Purchasing year-round programming has played a large role in the success of two of the nation's largest regional networks, SportsChannel and PRISM. Launched in 1979 by cable innovator Chuck Dolan, SportsChannel currently serves over 30 affiliates and 250,000 subscribers throughout the New York City-New Jersey metroplex. Presently included among the major attractions are such professional franchises as baseball's Yankees and Mets, basketball's Nets, and hockey's Islanders. Also included are the New York Knicks (basketball) and Rangers (hockey) which are distributed to the SportsChannel via the Madison Square Garden Network, one of the industry's largest basic sports networks.

In January, Cablevision Program Enterprises, the partnership headed by Chuck Dolan which owns SportsChan-

“Packaging is the key.”

nel, purchased PRISM/New England, a faltering regional sports network in the Boston market carrying a series of Celtics and Whalers games. A spokesman for Cablevision Program Enterprises says the New England network has failed to turn a profit because it cannot purchase rights to carry baseball's Red Sox. Industry observers speculate that in time, the Red Sox will agree to sell rights to a package of games. Such speculation has been fueled by the recent purchase of a 50 percent interest in SportsChannel by The Washington Post Company, by any count a cash-rich enterprise.

Another key to success in regional sports programming appears to be packaging. SportsChannel executives believe that cable operators should sell regional sports packages in conjunction with

other kinds of pay programs or services. Cablevision of Long Island, for example, offers SportsChannel as a stand-alone for \$7 per month. But if a subscriber purchases SportsChannel and HBO, the price for both totals \$11.50.

Variations

The success of packaging is well documented, according to Jeff Genthner, director of affiliate relations for SportsChannel. “In Chuck Dolan's five New York systems, 75 percent of the systems' combined 250,000 basic subscribers have bought our packaging concept,” he says. He contrasts this highly successful penetration rate with the Viacom system in Suffolk County (N.Y.), which offers SportsChannel as a stand-alone. So far, only 13 percent of the

system's 82,000 basic subscribers have bought the pay service. But Genthner adds that the system plans to begin offering the service as part of a package at reduced prices in June.

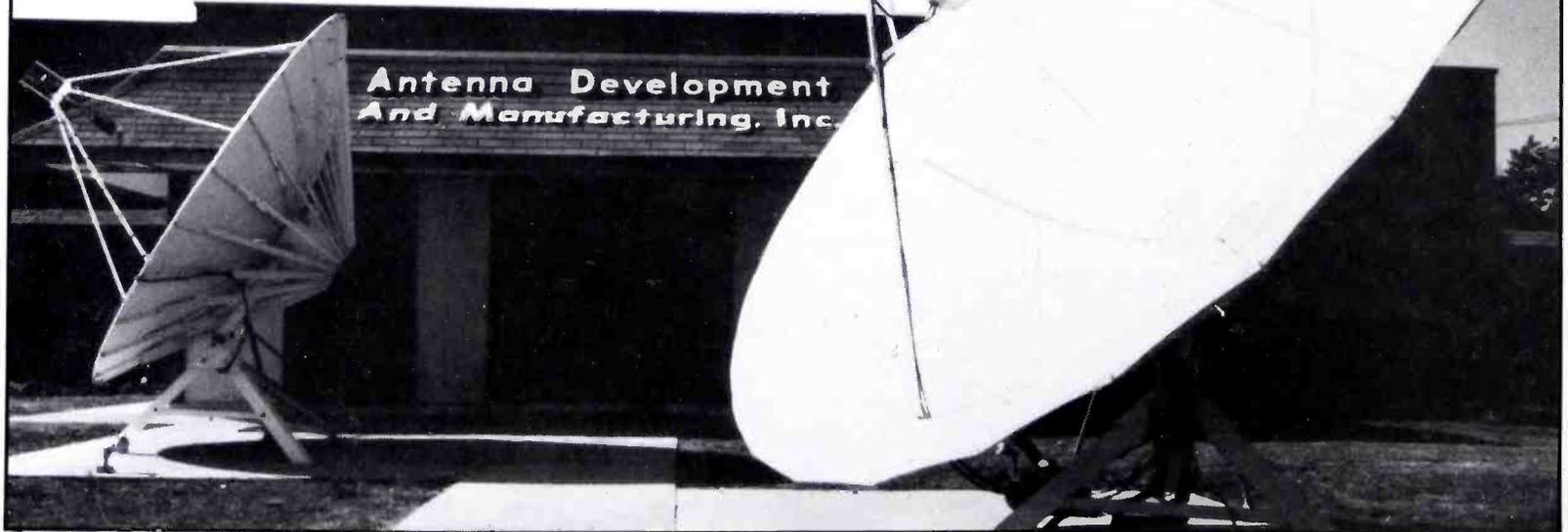
A variation of this theme is offered by PRISM, the Philadelphia-based pay programmer now offering some 330,000 subscribers a mix of sports and movies on its 24-hour service. “Packaging is the key,” says Len Salidor, PRISM's vice president for advertising and public relations.

Launched in 1976 by Ed Snider, owner of hockey's Flyers and the Spectrum Arena, PRISM has earned profits for the past three years. The network charges cable operators \$5.25 per month per sub for its mix of movies, basketball, hockey and baseball games, “the same price we charged when we

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going to get to know us better...because we want to be your cable supplier. And, because we do, we are going to do everything we possibly can to get a share of your business.

Quality? All the time, every time, every inch of the way. Pricing? We really do make it worth your while.

Delivery? Tell us where. Tell us when. You'll have it.

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You'll be hearing from us and you'll be hearing more about us. And it's all going to be good.



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Circle 48 on page 83.

“... the more events stripped from over-the-air television, the better for cable...”

launched,” says Salidor. Cable operators which carry the service charge subscribers from \$10 to \$12.

While PRISM shuns advertising on its sports offerings, others believe spots sold to local and national sponsors will add significantly to the revenue poten-

tial of sports programming. In two years, SportsChannel has attracted some 40 advertisers, most of whom are national. “It’s growing like crazy,” says a network spokesman. Others caution, however, that few will spend advertising dollars on any network unless it has

achieved at least a 25 percent penetration of basic level.

With the growth of regional sports programming, some have expressed concerns that national sports networks could be adversely affected. Not so, according to some of these networks. ESPN’s Werner says the positive aspects far outnumber the negative, adding that the more events stripped from over-the-air television, the better for cable network ratings.

Werner adds there are several areas where national and regional networks could work together. He says they could purchase events together, conduct cooperative promotions, sell more attractive ad packages, share production facilities and distribute local events nationally.

Networking eyed

Networking regional events is a prospect which Group W Satellite Communications finds attractive. Using the local-national programming mix concept it has developed for The Satellite News Channel, GWSC executives believe they can successfully create a viable, ad-supported national sports network for the cable industry. According to a company spokesman, cable and sports has been under “active study” for the past two years. “We’re keenly interested,” he says, confirming previous reports that the company could package regional events with interviews, analysis, and other kinds of programming easily tailored to games produced at the local level.

Whether such a venture can succeed is far from clear. What is clear is that offerings such as SportsChannel and PRISM are showing other entrepreneurs with the dollars and the programming material how to successfully launch and operate a regional sports network. With most professional sports teams outside the National Football League now committed or considering commitment to cable television at the regional or national level, it is obvious that fewer cable operators will take Benchley’s advice to stay away from sports until the urge passes. □

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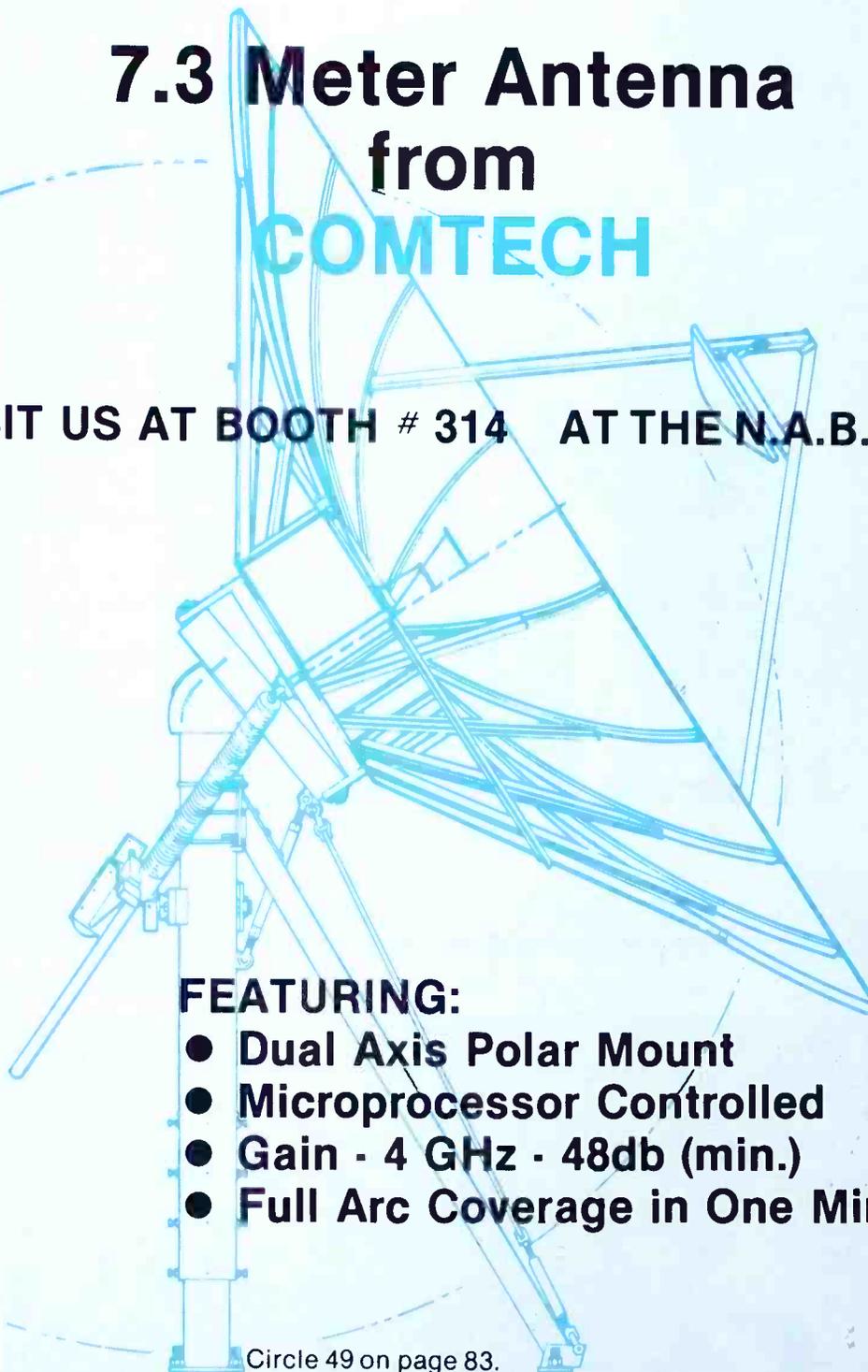
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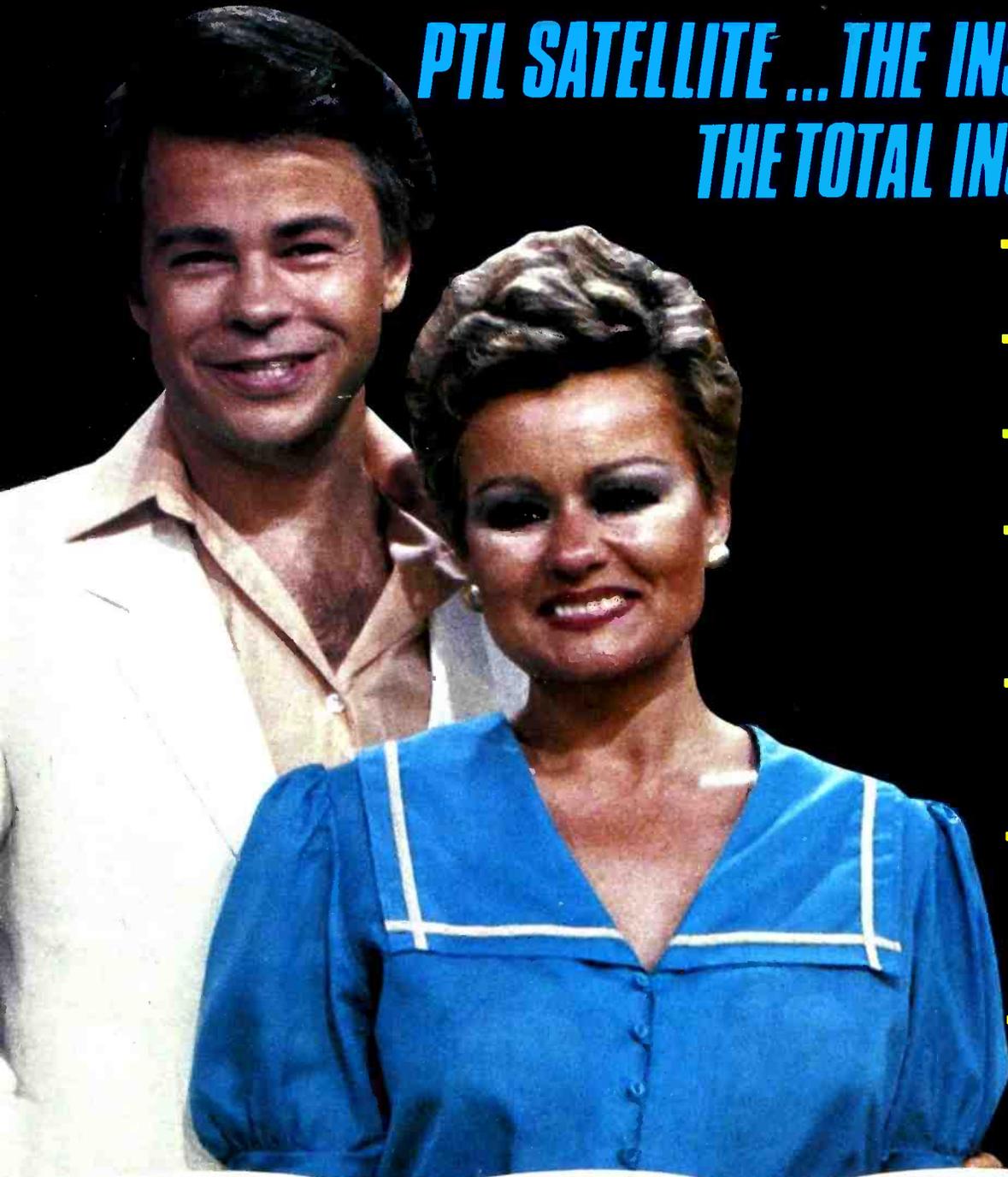
Circle 49 on page 83.

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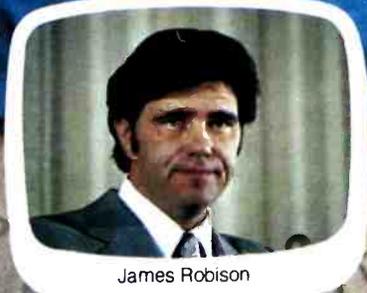


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Oral Roberts



**SATELLITE
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**THE
INSPIRATIONAL
NETWORKSM**

Circle 50 on page 83.

Your Business Ad Sales

Q. *How can a cable operator help local advertisers measure the effectiveness of their advertisements?*

A. The measurement of an advertisement's effectiveness is most

often conducted when an advertiser talks about a specific product in an ad that is not used in any other medium but cable. When customers purchase that product and mention seeing the advertisement on cable they receive either a discount or some type of

promotional item from the advertiser.

This type of a campaign was recently conducted in Syracuse, N.Y., when a local department store placed a specific item on sale during Columbus Day. The store was able to measure the results of this campaign against sales of the same item during the previous year's sale. The only advertising mention of the sale for 10 days beforehand was on USA Daytime, while the store's newspaper campaign was not released until one day before the sale. The store found that more than half of the item's sales were the result of the cable portion of the campaign. The store has now taken some of its newspaper dollars and put them into cable.

Similar campaigns have been conducted with restaurants, which give customers mentioning the restaurant's cable advertisement a free carafe of wine or a \$5 credit toward their bill, and ski resorts, which offer a discount on lift tickets for the mention of their cable ads. Supermarkets also measure the results of their cable advertisements by varying the copy of their ads from medium to medium.

It's important to work closely with the advertiser in formulating a plan that will create consumer reaction to the copy. A local advertiser who sees these results will accept the reaction over ratings and not care if the operator ever shows them ratings data.

Nevertheless, the advertiser must realize that his ads will not get immediate results. The test has to run for at least six to eight weeks with a minimum of 12 to 15 spots a week. You need time to develop awareness of the advertisements among viewers, especially in a brand new system.

The cable operator, moreover, must show genuine concern for these tests. In other words, just don't take the money and run. An operator has almost got to hold the advertiser's hand until the results come in. If you do that correctly, your sales will become automatic.

—Tom Gatti

Tom Gatti is the executive vice president of Tele-Cable Sales, a Syracuse, N.Y., cable rep firm.

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Circle 51 on page 83.



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Financial Notes

Disney's Yen for Long-Term Money

Japanese banks appear anxious to deal with U.S. firms — at very favorable rates.

Is it only a fantasy? Because it was announced by **Walt Disney Productions**, it might have appeared that way. But, it is quite real. Disney recently obtained \$66 million in long-term credit for 10 years at a fixed rate of approximately 8.7 percent. How did they manage to accomplish such a feat? They got their money in Japanese yen.

Japanese banks are anxious to discuss lending opportunities with U.S. businesses, says Susumu Yasuma, manager of the Los Angeles office of the Industrial Bank of Japan, Ltd., the institution which arranged the new financing for Disney.

If that's so, why hasn't more activity occurred in this area? The Disney loan, it seems, was the first of its kind by a consortium of Japanese banks to a major American business. "The notion that the dollar is almighty has kept American firms from active borrowing in foreign currency," Yasuma believes. "Other industrial nations, such as those in Europe, are quite accustomed to this type of procedure. But most Americans don't even consider this sort of option when it comes to borrowing," he explains.

While the loan to Disney is apparently a first for U.S. business, it does not represent the initial involvement in Japanese financial markets by an American corporation. "Sears and Dow Chemical, among others, have been quite active in Japanese financial markets," according to Yasuma.

For Disney, borrowing in yen posed few problems because the company is preparing to open a major amusement park near Tokyo. "This," says Yasuma, "will enable them to use the revenue generated in Japanese currency to repay the loan without having to be concerned about fluctuations in the exchange rate."

But this type of opportunity could be worth considering even if the borrower doesn't anticipate major revenues in the particular currency being used for the transaction. For example, an American firm borrowing in yen could minimize the risks associated with exchange rate fluctuation by hedging on one of the foreign currency futures markets.

Another possibility is to arrange the loan when the dollar is weak against the currency being borrowed. As the dollar strengthened, the pay-back rate would be lower than originally contracted. In the long run, the vagaries associated with currency fluctuation would probably mean higher paybacks at some points and lower paybacks at others. As long as the borrower is confident of the long-term strength of the dollar in relation to the foreign currency, the risks involved might well be offset by the advantages of rate and term.

Incidentally, Disney did not receive an especially favorable rate on its 10-year loan (principally because the rate was fixed and the term was long). According to Morgan Guaranty Trust, the Japanese equivalent of our "prime rate" at the time the

Disney loan was consummated was approximately 6.30 percent.

—Tom Kerver

Why Volatile Rates

Fed economists aren't sure

The ups and downs of interest rates in recent times have generally been attributed to the fluctuations of inflation and the nation's economic activity. But two economists from the Federal Reserve Bank of Kansas City, Mo., have challenged that theory.

In a recently published study, they contend that interest rate volatility since 1979 can be traced in part directly to changes in the Federal Reserve's operating procedures. These changes related to placing more emphasis on bank reserves and less on interest rates in developing the monetary policy through which the nation's money supply is controlled.

The economists believe that about 15 percent of increased interest rate volatility since 1979 is traceable to market reaction following announcements relating to changes in the money supply and the Federal Reserve's discount rate. "The response to other announcements, including those related to inflation and economic activity, does not appear to have contributed to the increased volatility," they contend.

According to the study, less than 1 percent of the new volatility can be attributed to release of information relating to industrial production and unemployment.

While nearly all of the explainable volatility in interest rates might be attributable to monetary policy and announcements relating to that policy, the study's authors admit that they are still at a loss to explain the causes for about 75 percent of the volatility since October 1979. Try as they might, the "experts" are still stumped.

—Tom Kerver

Sales and Acquisitions

Centel Corp. of Chicago has purchased two cable systems which serve approximately 2,700 subscribers in Sumter County and portions of Hernando County in west central Florida. This acquisition gives the diversified communications company, which last year had \$1.16 billion in sales and revenues, approximately 153,000 cable subscribers in seven states. Centel has also recently completed its investment in the **Argo Group** of New Rochelle, N.Y. Argo plans to build a digital intercity network which will offer voice, data and video services via satellite to businesses in 15 U.S. metropolitan areas.

Cablevision Systems of Southern Connecticut, whose general partners are Charles F. Dolan and Scripps-Howard Cable Co., has announced its intention to acquire **Southern Connecticut Cablevision**. The new acquisition serves Bridgeport, Stratford, Milford, Orange, Fairfield and Woodbridge, Conn. It is adjacent to a system which Cablevision Systems is currently constructing in the remaining part of Fairfield County.

Wavetek Corp. of San Diego and **Pacific Measurements, Inc.**, of Sunnyvale, Calif., have announced their intention to merge. Under terms of the merger, Pacific Measurements would be a wholly owned subsidiary of Wavetek.

Money Matters

The Tribune Co., which has diverse publishing, sports and cable television interests, has announced that it is considering a public stock issue sometime between now and the end of next year. If the company carries out this intention, it will be preceded by a stock split or a dividend distribution.

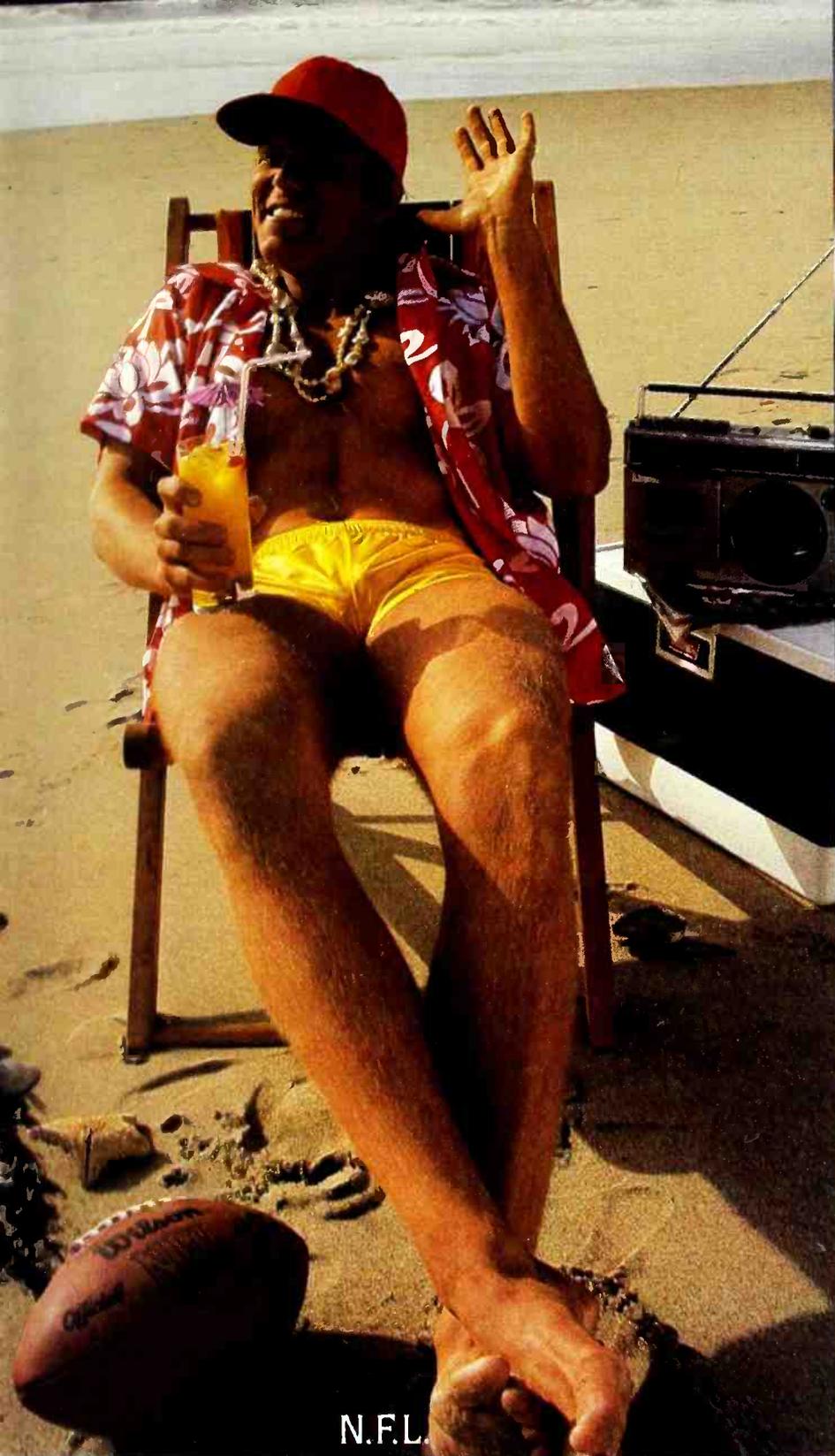
Communicom, Inc. of Culver City, Calif., has purchased \$12.7 million worth of addressable converters from **TOCOM, Inc.** of Dallas. The converters will be used in CommuniCom's Los Angeles cable system.

Oak Industries, Inc. has been served with a class action suit alleging that it has violated certain sections of the Securities Exchange Act of 1934 as well as California law on fraud and misrepresentation. According to the complaint, the company failed to state material facts or made misleading statements regarding its business and financial condition during the period Jan. 12 to Oct. 6, 1982. Oak denies the allegations and says it plans to defend the suit "vigorously."

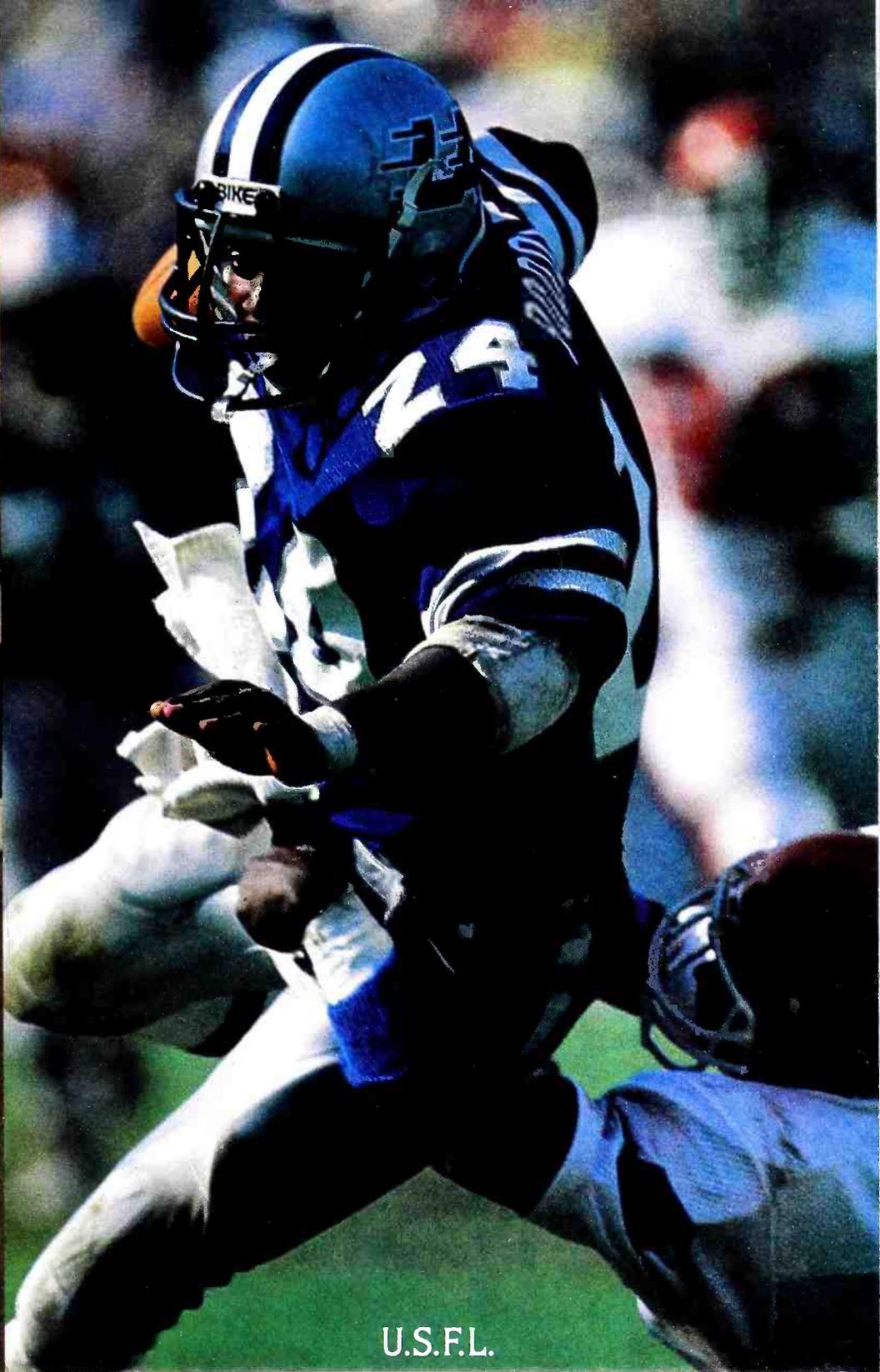
Corporate P&L

Scientific-Atlanta has announced that its sales and earnings for the first half of its current fiscal year are "down considerably over the first half of last year." For the six-month period, the company showed a net loss of \$5.8 million, or 25 cents per share. During the comparable period last year, it earned a profit of \$10.8 million, or 51 cents per share.

Private Screenings, in its report for the quarter which ended last Nov. 30, showed a profit sufficient to offset its losses in the previous quarter. The company earned approximately \$40,000 for the quarter, which amounted to an income of 2 cents per share. Sales efforts are being directed toward MDS, SMATV and STV operations, where it sees the biggest growth potential for its pay movies.



N.F.L.



U.S.F.L.

Football in July.

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Circle 53 on page 83.

United States Football League: Arizona Wranglers, (602) 253-7777; Birmingham Stallions, (205) 251-8735; Boston Breakers, (617) 357-8735; Chicago Blitz, (312) 298-0100; Denver Gold, (303) 431-4653; LA Express, (213) 546-5666; Michigan Panthers, (313) 540-6484; New Jersey Generals, (201) 641-8060; Oakland Invaders, (415) 638-6900; Philadelphia Stars, (215) 337-1250; Tampa Bay Bandits, (813) 875-2059; Washington Federals, (202) 331-8735

Business Notes

Diane Hughes, acting president of **Ben Hughes Communication Products**, thanks the cable industry for the support, patience and understanding that has been shown since the time of her father's death. She stresses that Ben Hughes' ideals and dedication to his customers, the Cable Prep product line and the cable industry will be adhered to.

Latest to jump on the MTV bandwagon is **WTBS**, which will add a video music show to its program lineup on June 4. The show will air between the hours of midnight and 6:05 a.m. on Saturday and Sunday mornings and will feature both video clips and computer-generated animation. The programming, WTBS said, will consist of the top hits from the Album-Oriented Rock, Adult Contemporary, Rhythm and Blues and Top 40 charts.

Macom and General Instrument Corp. have reached an agreement in principle to jointly develop antenna hardware for DBS and exchange technology relevant to the DBS marketplace. Initially, Macom will provide antennas for use in DBS systems being developed by General Instrument, who will supply the low noise amplifier and block down converter electronics for the antenna. General Instrument was awarded a \$600 million contract by United Satellite Communications, Inc. for electronic systems for home reception of satellite transmitted programming. The equipment covered in the Macom/General Instrument agreement will be incorporated in the earth stations used in the USCI service.

American Cable Connection, Inc., a Daniels & Associates venture, has sold 30 new franchises for its Connecting Point stores. United Cable Television has purchased 10 and is considering such locations as Grand Junction, Colo.; Casper, Wyo.; and Tyler, Texas, as potential sites. The Plechaty Companies, a Cleveland-based holding company, will invest in 20 Connecting Point

New Connection: Larry Welch, president of American Connection; John Saeman, Daniels & Associates chief executive and Gene Schneider, United CEO, sign letter of intent.



franchises which will be managed by American Cable Connection. While Plechaty owns foundry, energy and service companies, its stores will sell cable service according to agreements with local cable system operators. Larry Welch, ACC president, said Plechaty's investment offers operators an opportunity to sell their services at retail with a minimum financial investment.

Boston's **North Bennet Street School** will offer a second daytime course in cable television technology to begin May 9. The curriculum will focus on construction, installation and service and course topics will include safety, public relations, strand mapping, clearances, attachments, grounding, climbing and splicing. The course involved 330 hours of training. The Cable Career Council, a nonprofit group comprised of local representatives from the cable industry, helped develop the curriculum.

Warner Amex Cable of Altoona, Pa., assisted the Altoona Area Public Library in winning a national award of \$2,500 from the Financial Development Award Jury of the Gale Research Co., Evanston, Ill. The library staged a telethon last fall and raised nearly \$30,000. The event was cablecast by Warner Amex on its local access channel. Dolly Ickes, the system's general manager, said Warner's association with the library had extended over a five year period. The system has worked with the library's media center in producing local access programming and supplying technical expertise and equipment.

Keycom Electronic Publishing has announced an agreement with the **National Captioning Institute** to provide information for "Speak Up," a mini-magazine of news and features for hearing impaired subscribers to the Keyfax National Teletext Magazine. "Speak Up" will offer information found in NCI's HINTS service (Hearing Impaired News Text Service) including stories and features on legislation affecting the hearing impaired, medical information and news from other countries. Updates on closed captioned television programming and news text summaries will also be provided.

Zenith Radio Corp. will provide addressable equipment to Cox Cable. The MSO has ordered Zenith's tiered addressable cable system, A-TAC, for its Pensacola, Fla., franchise. The units have up to a 60-channel capacity and offer pay TV program security and full function remote control.

Telecommunications services in the Chicago area will be increased with the advent of Teleport-Chicago, an earth station complex to be built this year by **Midwestern Relay Co.** The complex will handle satellite television service as well as voice/data transmission, according to Robert C. James, MRC president. The complex will be located in Skokie, north of the Chicago loop. Tele-

port-Chicago is expected to be in operation by mid-summer.

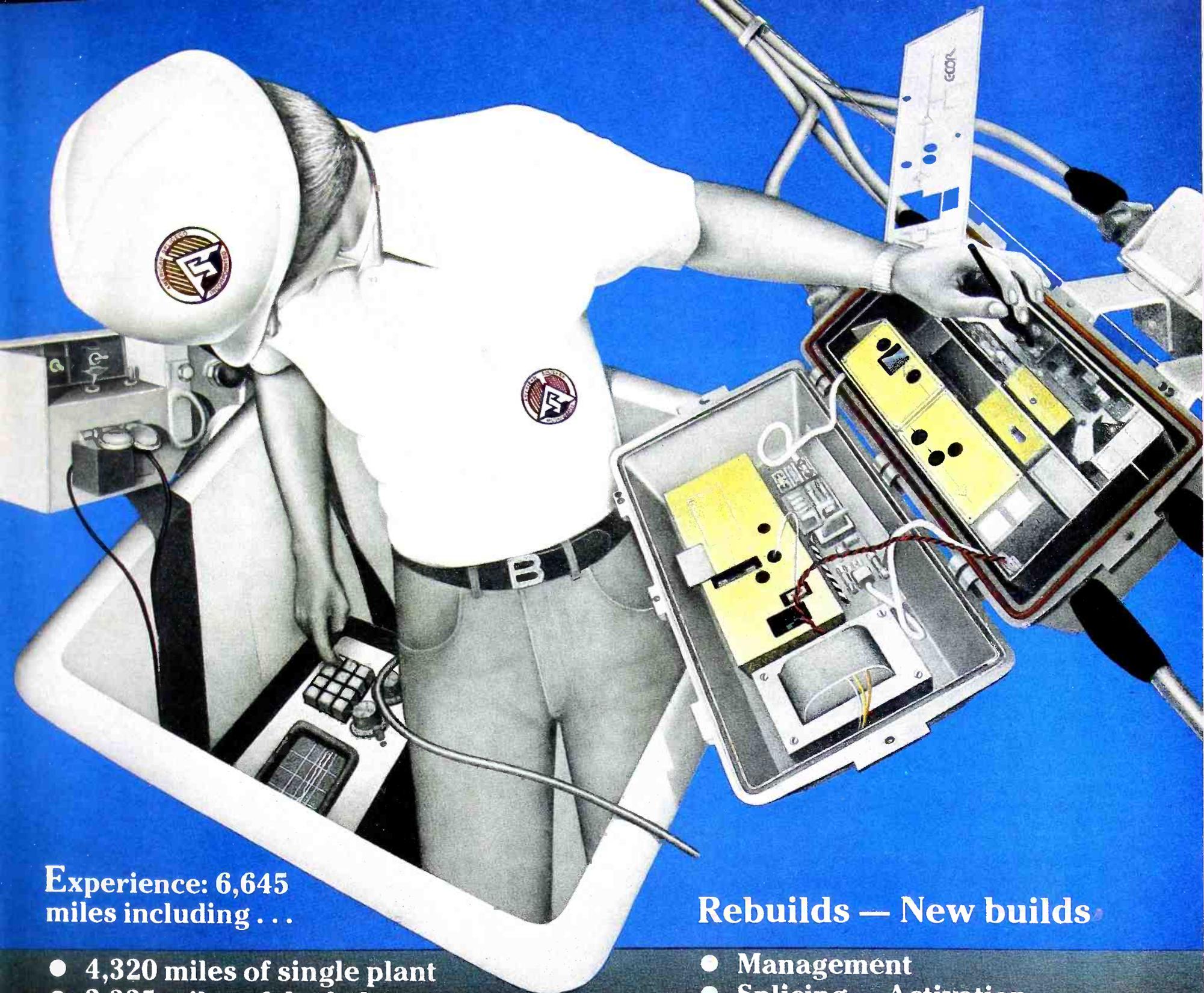
Following their split from RKO, the Nederlander brothers have formed **Nederlander Brothers Television and Film Production, Inc.** The company is involved in packaging specials, series and made-for-TV movies for both the network and cable markets. The first two programs slated for production are "A Case Of Libel" for Showtime in the US and First Choice in Canada and a movie based on Sid Caesar's autobiography.

According to the results of a January study conducted by Keleman Associates, commercials appearing on **Cable Health Network** are achieving significantly higher recall scores than normal industry standards. The study showed that 35 percent of the women and 34 percent of the men in a national, randomly selected sample of 500 CHN viewers recalled a Merrell Dow Pharmaceuticals, Inc. commercial that ran only on the network.



Hub activity: Fred Dressler, Mile Hi Cablevision president, Linda Alvarado, Alvarado Construction president and Ray Helfer, SLP associate discuss plans for hub construction.

Mile Hi Cablevision has awarded the contract to build its first hub facility to **Alvarado Construction**, a Denver-based minority-owned firm. The \$525,000 facility is scheduled to be operational by late spring and will eventually be part of Mile Hi's telecommunications center. The cable firm cited Alvarado's reputation for successful operation under tight construction schedules and its experience in finding and using qualified minority subcontractors as key factors in its decision. Mile Hi's affirmative action commitment calls for 37 percent minority business utilization. The system began construction of the Denver franchise earlier this spring. Mile Hi is a joint venture of ATC and Daniels & Associates.



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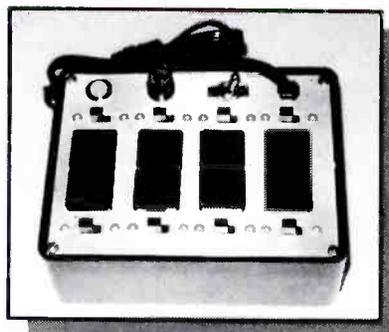
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Circle 54 on page 83.

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Products and Literature

Kalglo Electronics, Dept. DPC Plus, 6584 Ruch Rd., E. Allen Township, Bethlehem, PA 18017 has added a new **console model Spike Spiker** to its line of voltage surge suppressors and noise filtering devices. The DPC Plus provides eight individually switched 120V, 15 amp outlets divided into two banks of four outlets each, a main on/off switch, fuse status lights and a seven foot grounded heavy duty cordset. The unit suppresses voltage spikes in six different stages on both the common and differential modes, the company says. Suppression starts at 131V and responds in one picosecond with an absorption capacity of 174.5 joules. Noise filtering is provided by use of inductive/capacitive series-parallel low pass networks in five stages on both common and differential modes. ACTION CARD 250.



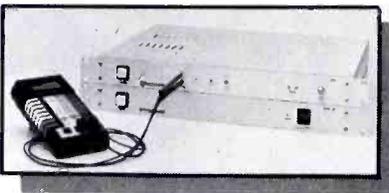
Kalglo Electronics: console model surge suppressor

Ditch Witch, The Charles Machine Works Inc., P.O. Box 66, Perry, OK 73077 is now offering a **conveyor spoils delivery system** for use on its model R100 trenchers equipped with Perkins engines. The conveyor moves spoils from the trench and can deposit the material to either side, the company says. It is able to move more spoils than auger spoils delivery systems, according to Ditch Witch. The R100 is a 100 HP class Modularmatic underground construction machine which can be equipped for trenching or vibratory plowing via interchangeable work modules. ACTION CARD 249.



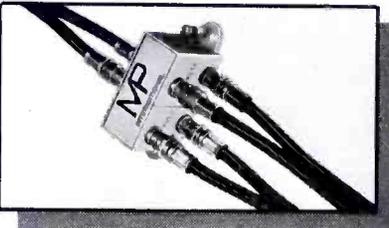
Ditch Witch: conveyor spoils delivery system

Synchronous Communications, Inc., 1701 Fortune Drive, Suite 0, San Jose, CA 95131 has introduced two new **frequency agile standby modulator systems**. The IFM/FAOC-38 offers a 38-channel capacity while the IFM/FAOC-68 has a 68-channel capacity. Both have a TV I.F. modulator that can also be used in conjunction with the company's standard frequency agile output converters, according to Synchronous. One new feature of the units is that the audio and video carriers are phase-locked to the same 6.000 MHz reference crystal, insuring very stable carriers and any inter carrier difference of 4.5 MHz \pm 50 Hz. The audio modulator is also capable of \pm 100 KHz stereo audio, the company says. ACTION CARD 248.



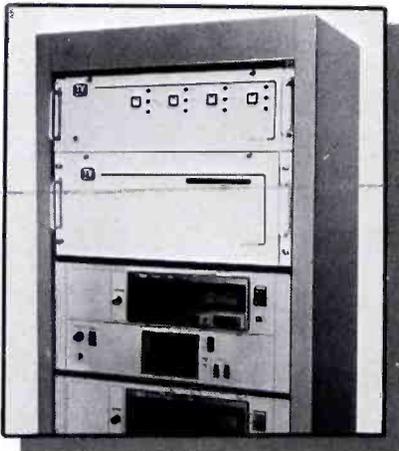
Synchronous Communications: frequency agile standby modulator system

Artel Communications, P.O. Box 100, West Side Station, Worcester, MA 01602 has announced a new **fiber optic computer graphics communications system**. The T/R 2011 transmits ultra-high resolution computer generated video. The company's T-2011 and R-2011 are plug-in transmit/receive modules that transmit high resolution RS-170 video up to 10,000 feet via fiber optic cables. The fiber optic system bandwidth accommodates either 640 x 512 or 512 x 512 pixel resolution. The T/R 2011 permits long distance interconnection of the workstation monitor and the computer video display generator without loss of video resolution. The compact fiber optic cable also eliminates problem associated with electro-magnetic noise pick-up, hum, ground faults, lightning and communications security, the company says. ACTION CARD 247.



Multi Products International: dual splitter

Telecabulary, a new addition to the "Business Telecommunications Series," has been published by **abc of the Telephone**, Box 537, Geneva, IL 60134. *Telecabulary* is a concise, illustrated dictionary of commonly used words and phrases covering the telecommunications spectrum. All definitions are clearly expressed and cross referenced



TV Watch/DIP: stationmaster

in an alphabetical index for quick access. The booklet is organized by operating categories. Contents include fundamentals of the telephone industry, customer equipment and business services, switching, transmission, telephone evolution chart, index of words and terms, index of figures and sources of additional information. ACTION CARD 246.

Multi Products International has introduced a new **dual cable splitter** featuring A/B circuit isolation greater than 100 db. The Multi View MPI2202 offers fast and easy indoor/outdoor installation eliminating crossing of cables, the company says. The splitter features fully machined non-tapered connectors spaced to accommodate traps. All circuits are rated at 450 MHz and the housing provides a convenient grounding terminal, according to the firm. ACTION CARD 244.

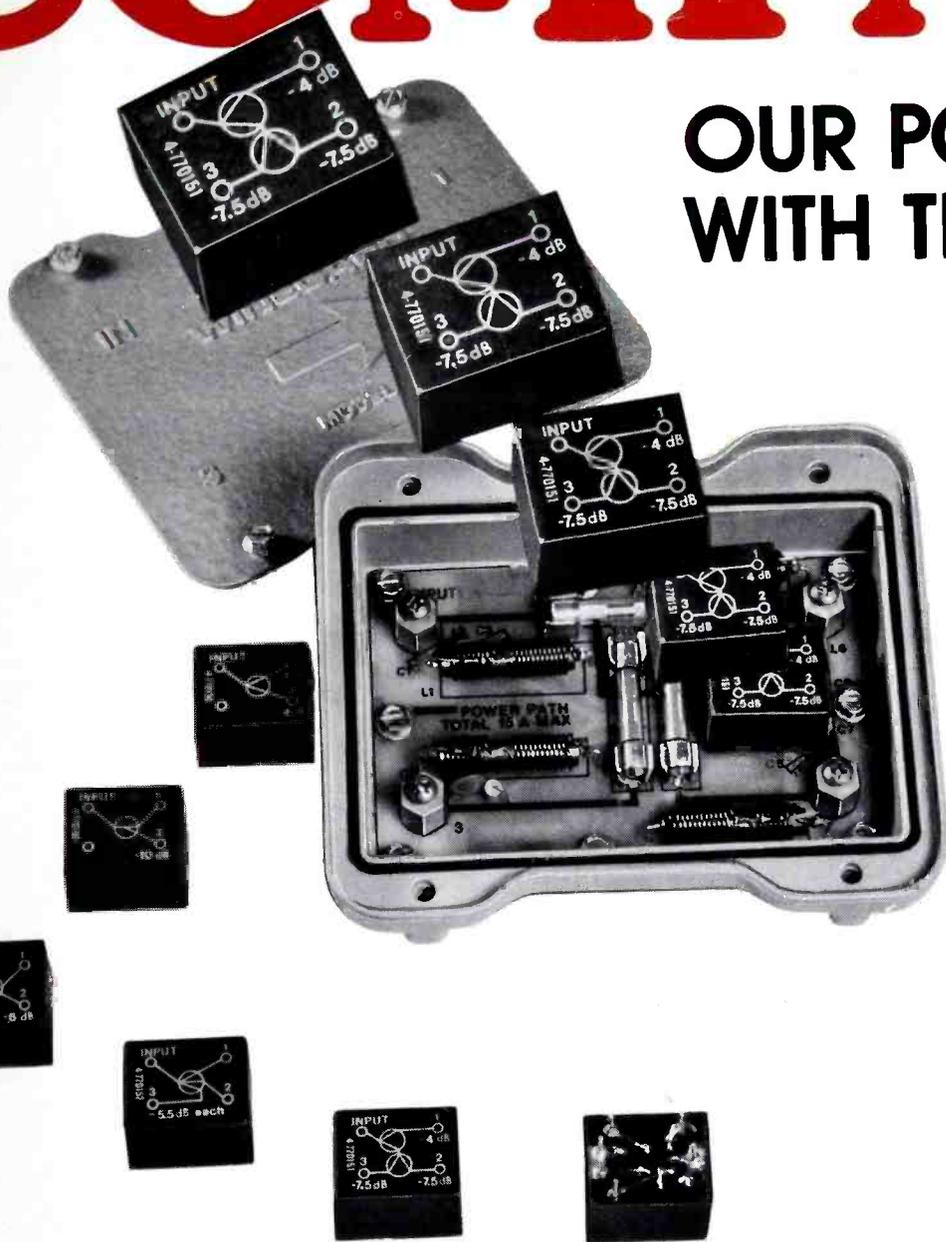
Comtech Antenna Corp., P.O. Box 428, St. Cloud, FL 32769 has expanded its product line to include a **7.3 meter dual axis polar mounted antenna**. The dual axis polar mount allows full satellite arc coverage from any location in the continental U.S. with optional motorized drive and microprocessor controls. The main reflector consists of 20 close tolerance, high strength panels mounted to aluminum radial supports attached to a central hub. A high efficiency cassegrain feed systems allows efficient performance with mid-band gain of 48 db, according to the firm. Initial production units will be available for delivery my mid-July. ACTION CARD 243.

TV Watch/DIP, 1819 Peachtree Rd., NE, Atlanta, GA 30309 is introducing **The Stationmaster**, an automatic advertising traffic and billing management system. The completely integrated system includes a programmer, inserter, tape player and verifier assembled and rack mounted prior to delivery. The system manages advertising spot insertions in up to four channels at once with an optional fifth channel capacity. The Stationmaster features a network sync safety mechanism fully gen-locked with the unit's VCRs. The unit also automatically balances audio levels in switching from networks to local spots and back, the company says. Another feature is the system's ability to verify insertions on networks that offer different length commercial breaks. In addition the system prints a rolling log as events occur and a verification summary every 12 hours. The tape is color coded by channel for easy billing identification and details verification by advertiser, spot number, time, salesperson and agency. ACTION CARD 245.

Telpar, Inc., 4132 Billy Mitchell Rd., Addison, TX 75001 has announced a new color character text generator, the **CTI-180**. The unit offers 16 pages of text as a standard feature, while 32, 48 and 64 page capacity is also available. Text is entered into the system via standard keyboard. Special function keys control color selection, cursor control, centering, flashing, size selection, underlining and others. The unit offers eight colors and text and background can be designed in any color combination. Users have a choice of either 15 lines of 32 characters or 7 lines of 16 characters. The last line displays day, date and time or day. The company says the CTI-180 is easy to install and operate. It operates on ordinary color televisions. Changes in text can be made on-line without complicated regeneration of the system. ACTION CARD 239.

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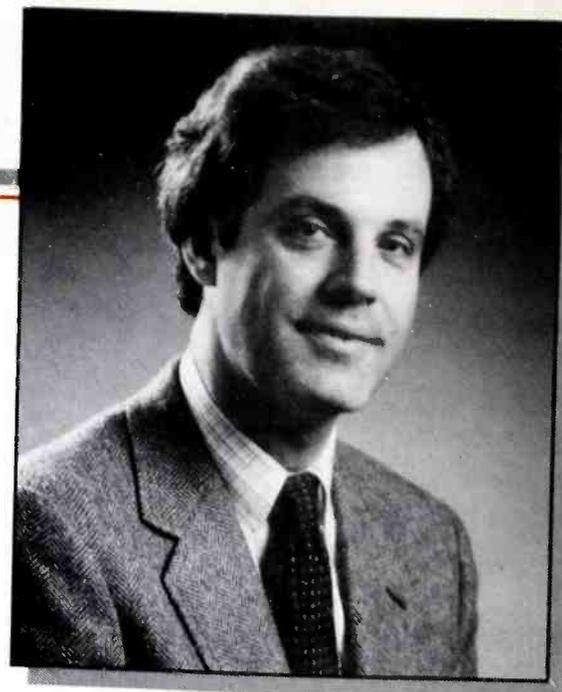
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What If CNN Wins?

There are some disturbing consequences for the cable industry to ponder should the Cable News Network succeed in its antitrust action against

Westinghouse, Group W Cable and Satellite News Channel.

Running throughout the complaint against the industry's third largest MSO, Westinghouse and its news venture with ABC is the premise that cable television, at least for the purpose of pro-



By Arthur M. Hill II
Washington Correspondent

viding entertainment programming in a given geographic location, is a monopoly. For at least the past year, cable industry representatives in Washington have stoutly maintained that in most areas, cable is not a monopoly. If CNN prevails in court, the industry's position could legitimately be challenged on Capitol Hill by broadcasters, the cities and others who want the industry's tight leash retained.

Another concern some raise about the suit goes to the heart of its argument: that the defendants conducted a "group boycott" by denying CNN access to available channels on Group W systems. Yet there is no evidence that existing contracts with CNN have been violated. Perhaps more significantly, many wonder why a cable operator's decision to carry whatever programming it chooses should be subject to legal attack.

Few who are familiar with CNN's complaint find fault with the network's strategy to follow any path which could lead to marketplace success against its archrival.

But CNN's attack against a major MSO could well tear down much of the goodwill Turner has built over the years. More importantly, a CNN victory in the courts would cast a long shadow over the industry's ability to enjoy unregulated development.

Correction: In "Down to the Wire," (*Cable Television Business*, March 15, 1983), it was incorrectly stated that copyright fees for syndicated exclusivity in the top 100 markets would be assessed in addition to fees paid for distant signals added since the FCC deregulated the rules. In fact, cable operators would have to pay one or the other, not both.



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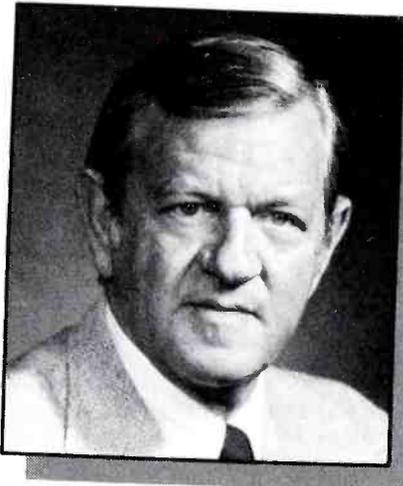
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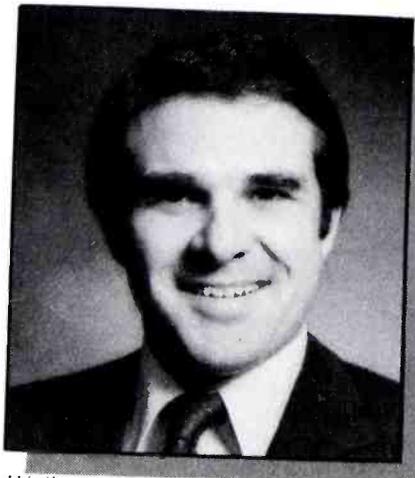


Daniels

Bill Daniels, chairman of Daniels & Associates, has been elected to the board of directors of H.F. Ahmanson & Co. The Los Angeles holding company operates Home Savings, the world's largest savings and loan company. Daniels' appointment increases Ahmanson's board to nine members. Stuart W. Evey, ESPN chairman and Getty Oil vice president also sits on the board.

CableData has announced the following personnel changes: **Ray Matteson** has been named vice president of sales and MSO relations for the western, southwestern, mid-west and Canada regions. **Milo Rodich** is sharing the sales and MSO relations position with Matteson. **Mike Neal** has been promoted to vice president of hardware development and regional operations at CableData in Sacramento, Calif.

Gary G. Weik has been named president of Harte-Hanks Communications' cable television operations and a vice president of the corporation. Weik joins Harte-Hanks



Weik

after an eight year career at Cox Cable Communications, where he most recently served as vice president and general manager of the development division.

Group W Cable has named **Edward J. Duffy** to the position of director of marketing production position. The company has also named **Dean Jones** manager for its system in Pocatello, Idaho, and **Toby Bouchey** manager for the Group W system in Richland, Wash.

Rogers Cablesystems has announced the promotion of **Jim Vadergriend** to the position of construction coordinator for its east Portland, Oregon operations. He will be involved in directing and coordinating all construction activities of Cablesystems Pacific.

Sydney Kathryn McQuoid has been named an affiliate relations marketing manager for Cable Health Network. She will assist in selling the network to MSOs and independents in the central region and be responsible for helping systems develop their own marketing programs for CHN.

Continental Cablevision has announced the appointment of three new marketing managers. **Dean A. Gilbert** has been named manager, sales development, **Vickie R. Marks** is manager, market research and **Rand K. Spero** has been promoted to manager, customer service and marketing training.

Patricia Byrne has been named director of national accounts for Showtime's western region. Her re-



Byrne

sponsibilities will include facilitating the needs of the major MSOs in the region and acting as the company's direct contact in the field.

Dr. Larry Grouse has been named senior medical editor for Cable Health Network. He will also act as medical advisor and on-camera spokesman for the network's news show, "Cable Health World Report" and direct the continuing medical education program.

ATC has announced the following promotions: **Richard J. Davies** has been named vice president and controller, **David E. O'Hayre** and **Peter Robinson** have been named vice presidents of cable investments. **Robert B. Niles** was elected vice president, **Margot Zaterman** is now treasurer and **Kathy Mathis** has been named director for cable investments.

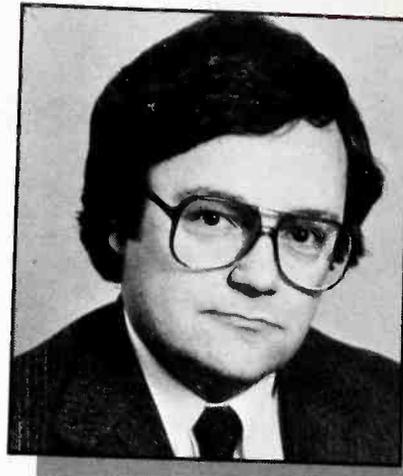
Satellite Program Network (SPN) has announced the promotion of **Bill Sullivan** to international relations director. **Sarina Klaver** is now public relations director and **Shelly Browne** is public relations coordinator.

The CBN Cable Network has announced the appointment of **Craig Sherwood** as northeast affiliate relations representative. He will cover the northeastern states from the relocated northeast office at CBN Headquarters in Virginia Beach.

Paul J. Rozzini has been elected vice president of Chyron Corp. Rozzini, who has been with the company for nine years, will direct the expanding manufacturing operations.



Rozzini



Davies

Sheldon Satin Associates, Inc. has announced the promotion of **Janet T. Hollander** to director of training. Prior to the promotion, Hollander was associate director of training.

RCH Cable Marketing announced the promotion of **Victoria Jarrett** to vice president of corporate development. She was previously regional manager. The firm also named **Robert Dolan** as vice president of operations.

D. Wayne Rankin has been appointed area general manager of Storer Cable's operations in the Greater Houston area. His former duties as area general manager for central Kentucky will be assumed by **March S. Jennings**, northern Kentucky general manager.

The Weather Channel has announced the appointment of **Gary S. Koester** as vice president, eastern sales manager. Koester comes to TWC from Warner Amex Satellite Entertainment where he was vice president of ad sales for MTV.



Koester

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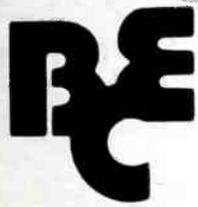
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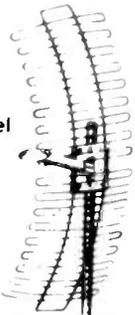
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San Gabriel is located within the Los
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Applications are due June 6, 1983.
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Massachusetts CATV Commission.

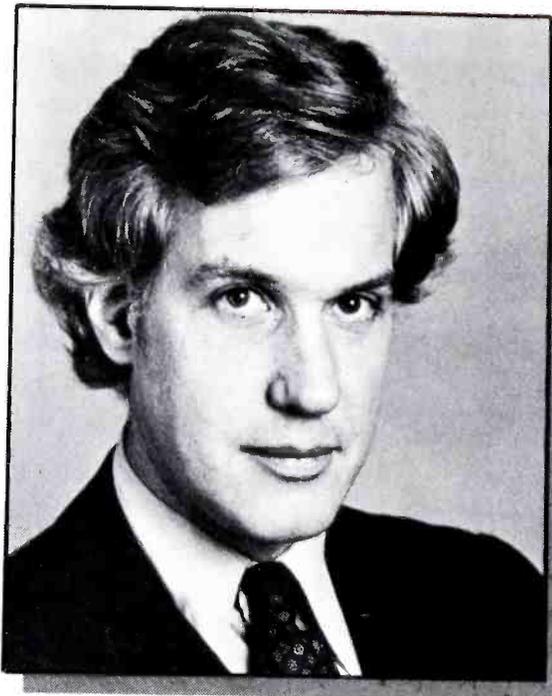
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This is the only period during which
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Town Hall
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Profile



Larry Howe

While dealing with the unknown is difficult for some people, Larry Howe considers the ability to handle change and uncertainty his greatest strength. As ATC's vice president, new business development, Howe says his job requires lots of new skills, disciplines and fresh approaches; he calls it "a fun stewpot."

Like many in cable, Howe began in broadcasting. After a year as an NBC network trainee, he spent the next five years in public television. From 1969 through 1972, Howe served as producer for WGBH Boston and KCET Los Angeles' "The Advocates." During his tenure, Howe and the show received several prestigious national awards. In 1972 as executive producer for KCET, he headed the station's local news and public affairs programming.

Despite a great deal of professional success, Howe felt that broadcasting did not offer a chance to personally make an impact. He decided to pursue other avenues and entered Har-

vard's graduate school of business administration in 1974. While completing his MBA, Howe researched the cable industry and felt it offered him the growth opportunities he was seeking. In 1976 he joined ATC as director, new venture analysis, a position he held for three years. In 1979 he was named vice president, cable programming, and he assumed his current post in 1981.

For Howe, the ability to deal with the unknown is more than his biggest asset; it's a way of life. He's the first to admit he isn't good in structured situations. "I like to try and write the book, lead the way, organize people and draw out their best qualities, to create something out of nothing," he says. Industry affairs, as well as his ATC duties, provide an outlet. Howe was a member of the NCTA's Cable Services Committee in 1979 and 1981. He has also been a member of C-SPAN's board of directors since its inception and secretary of the executive committee of the Cabletelevision Advertising Bureau since 1981. He's also a member of the CAB's board of governors as well as its steering and nominating committees. He also served as program chairman of the first cable software

symposium and exhibition in New Orleans in 1981, sponsored by CTAM and the NCTA. He's "very, very proud" of his involvement in the conference. "It was a very important milestone," he says. "It showed that the industry recognized the importance of programming as our most valuable resource."

No less active in community affairs, Howe has served as a member of the governor's commission on public telecommunications for the state of Colorado, vice president of the Colorado Harvard Business School Club and a member of his neighborhood's homeowners' association. He enjoys carpentry, tennis, skiing and cooking. He and wife, Linda, have one daughter.

Howe firmly believes he's in the right job at the right company. "There are lots of challenges — ATC and Time Inc., are very foresighted," he says. "There's lots of room for personal growth, something that's very important to me. I've got to have one of the best jobs in the business."

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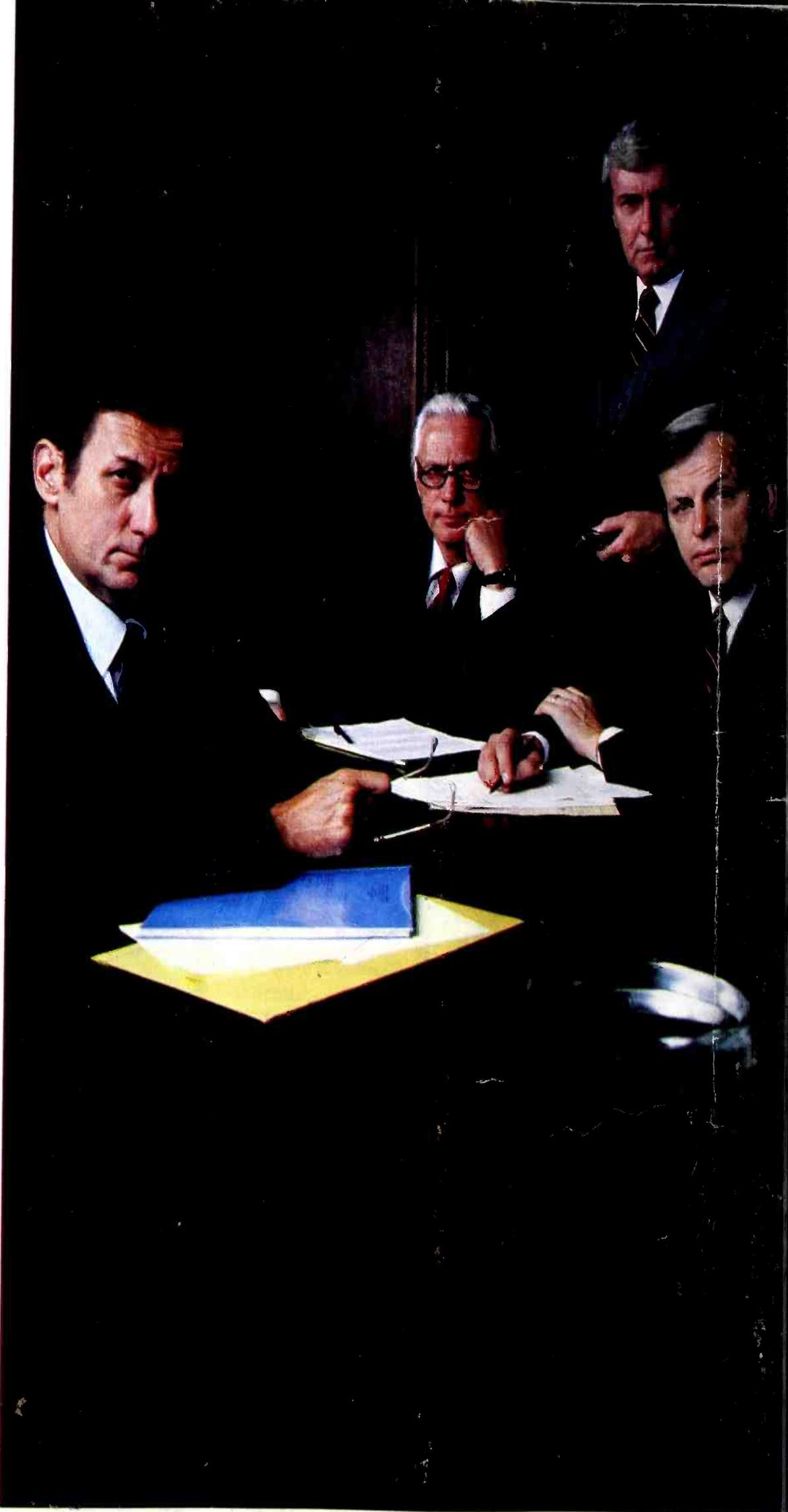
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