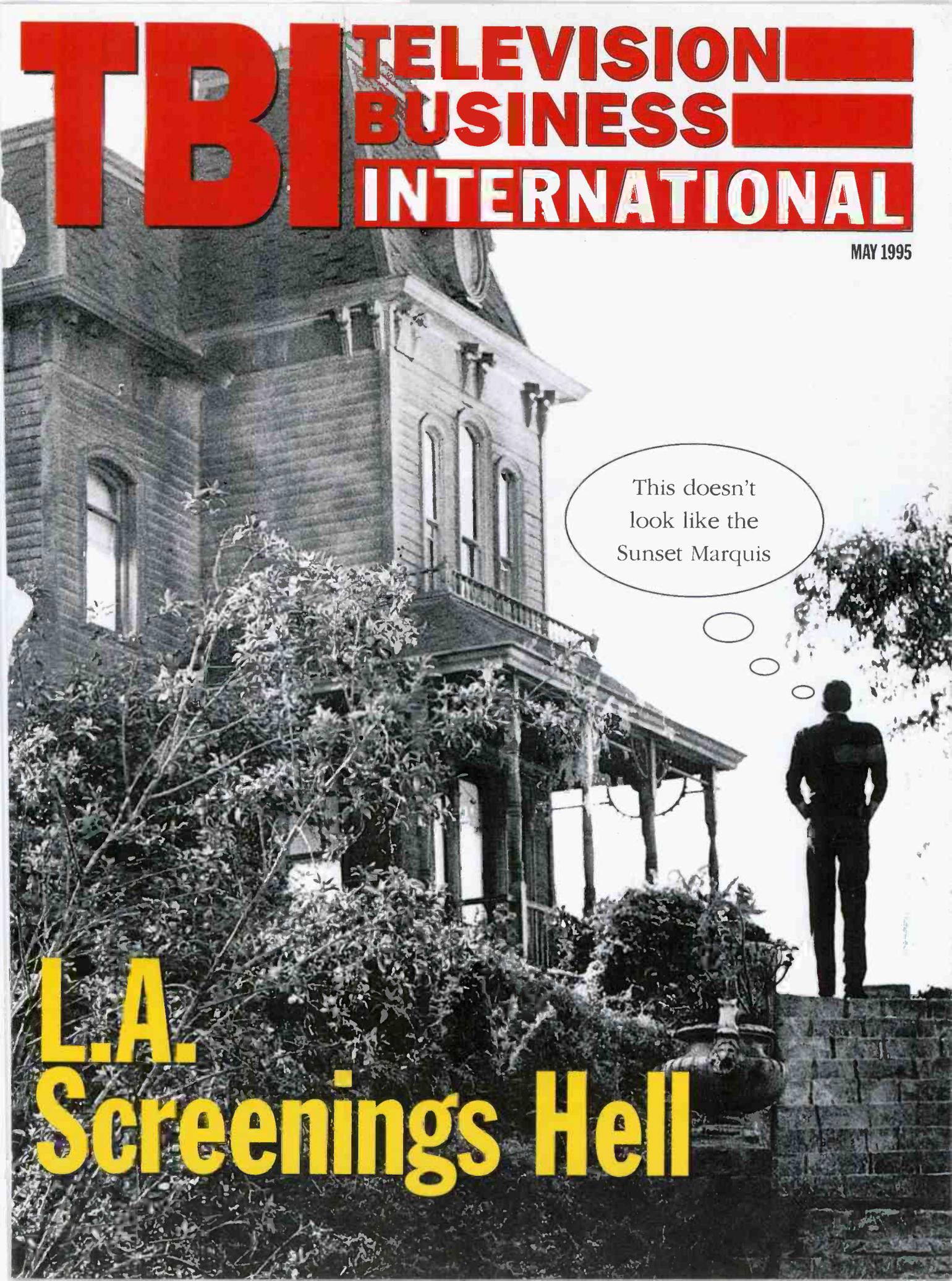


TBI TELEVISION BUSINESS INTERNATIONAL

MAY 1995



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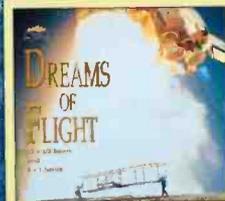
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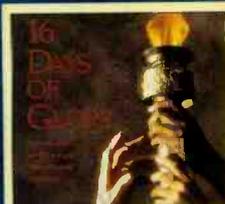
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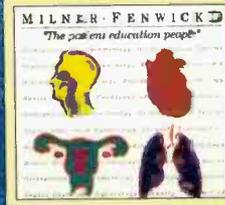
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Bates Motel, a tv series taking off where Psycho left off, was piloted for NBC in the 1987/8 season. Still from Psycho courtesy of the Kobal Collection

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TBI is published monthly except January and August, 10 issues (ISSN 0953-6841) by Television Business International, a 21st Century Publishing company. TBI is available by subscription only at an annual subscription price of £50 (United Kingdom), US\$102 (Europe and US\$89 USA US\$110 Outside Europe including air-speed delivery. Send address changes to: TBI, 531-532 King's Road, London SW10 0TZ. © All contents copyright 21st Century Publishing.

Printed in England by Headley Brothers Ltd Ashford Kent.
Reproduction by Graphic Ideas Studios, 1-11 Backus Street, London N1 6DL.
U.S.A. POSTMASTERS: Send address changes to Television Business International, Publications Expediting, Inc., 200 Meacham Ave., Elmont, N.Y. 11003. Air freight and mailing in the U.S.A. by Publications Expediting, Inc., 200 Meacham Ave., Elmont, N.Y. 11003. Second class postage paid at Jamaica, N.Y. 11431.

The Secret's Out

In back street bars in Cannes and Edinburgh and Banff, after a long day at this market or that and a longer night on the schmooze, somebody eventually decides it's time for a bit of debate. Why does America want to dominate world television? I'm asked. Have we no respect for the artistic desires and audiovisual dreams of peoples around the world? My first impulse is to answer no, none; in fact, in the basement below Jack Valenti's office, or maybe on John Malone's boat, or probably stuffed in Sumner Redstone's safe next to billion-dollar stacks of bills, is a binder containing the detailed strategic plan for America's conquest of the global television market. It was written by the same guy who invented Levi's. He was drinking a Coke at the time.

Would that it were that dramatic, that insidious, that conspiratorial. The quota brigade would own the moral high ground. And I'd have it easy every time I'm asked to take personal responsibility for *Baywatch* and *Gladiators*. Not me, I'd say. It was the guy in the Levi's, drinking the Coke. But life is never that simple. American television holds a dominant position in the world market, well, because of the very way its own wealthy domestic market operates. That sounds like a simplistic answer itself, but bear with me a moment. I remember sitting in an audience of Canadian producers when an NBC executive told them he had commissioned 46 different scripts to get all of two comedies on the coming Fall schedule. There was an audible gasp. This was a group that obviously believed you wrote scripts for programs that would actually go on the air. They could hardly fathom a development budget that would pay for 46 scripts a year. It'd be something like the billion-dollar stacks in Sumner Redstone's safe.

The end result of the U.S. networks' development season – the new series that will go on the Fall schedules – will be on display at the L.A. Screenings over the next few weeks. After 15 months of work, hundreds of scripts and dozens of pilots have been winnowed down to the handful of new series international buyers will get a first look at. As we report in this issue, the development process is a grinding, insane lottery; production companies risk millions in the hope of getting a series on one of the networks. Some of the silliest ideas are turned into pilots, and some of the best-sounding pilots never get ordered as series. And once a production company gets a show on the air, it has about as much chance of staying on the air as a pilot does of making it on in the first place.

This gruelling, cash-consuming, market-testing marathon has an upside: If a show becomes an *ER* or an *X-Files*, then it'll go on to air 100 or so times, becoming the kind of quality Hollywood programming that slides ever-so-easily into broadcaster's schedules around America and the world. There. I've done it. I've given away the secret system for making American programming so exportable. I'm not worried though. It's not a system broadcasters in other countries are going to be in any rush to duplicate.

The Editor

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Sex and violence are two for the seesaw in American television. When one is down, the other is up. That's been the way of it for decades, even before deregulation and before tv sex got seriously sexy.

At the moment it is violence that is down. This dates to 1990 when congress was still controlled by Democrats and tv violence was deemed a national health issue. Liberals took the networks to task for their excesses with gunplay and explosions, and threatened legislative action if the industry didn't find its own way to protect the young from all that spilling of blood.

The Congressional heat was on for four years, extending also to cable, probably the worst perpetrator of gratuitous mayhem, largely from its heavy reliance on cinematic potboilers.

The networks and cable channels grudgingly complied by steering away from ultra-violent content and, when necessary, by posting on-screen advisories in advance of the programs.

With tv violence curtailed, sex immediately rose to fill the void. Rupert Murdoch's Fox network led the way, with series like *Melrose Place* and *Beverly Hills 90210* joining *Married With Children*, *A Current Affair* and other established sex-exploitations.

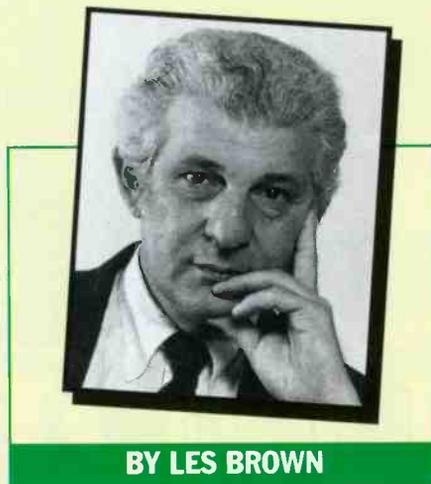
The major networks went about it somewhat more subtly in regular programming by permitting more of what Hollywood producers speak of as creative freedom — unchaste relationships, body contact and suggestive dialogue.

Sex-laced shows have even invaded the network sanctum of family viewing hour, the start of primetime which for 20 years has conventionally been off-limits to whatever might be inappropriate for children.

Syndication in recent years has become a cesspool of salacious talk shows, each trying to outdo the others in sexual pathology. Their guest lists, which used to predominate in authors, now abound in deviants, prostitutes, and assorted bizarre people willing, if not anxious, to put their bedsheets on national display.

Sex and violence are the salt and pepper of modern entertainment, Holly-

The Violence Lobby Gets The Upper Hand



BY LES BROWN

wood's trusty condiments. In a perfect world television could probably do without them, but it's a jungle out there today.

Some 50 ad-seeking cable networks, the video rental shops, scores of local radio stations, and the online services in cyberspace are all competing for the same demographic group, young adults in the age range of 18-49. And there's no question that the surest way to seduce that prized audience is with stuff that titillates.

As a medium that plays more to the emotions than to the mind, commercial television always seeks what will excite the blood. Sex or violence will do it, but the problem comes from the need to keep ratcheting up the levels year by year to achieve the full effect.

Last year's brands of sex or violence, having spent their shock value, are all

too tame this year. So on to something raunchier or more outlandish: that's the test of creativity today.

In a recent speech, Larry Gelbart, the noted tv and screen writer, decrying the trend "to more and more keyholes to peek in," characterized the fascination with prurience and sensationalism as a "short-term guilty pleasure."

Paradoxically, there's another kind of talk show that is growing in the U.S. market alongside those obsessed with aberrated sex. These are the ones hosted by right-wing ideologues, obsessed I would say with aberrated politics.

The most deep-dyed of them oppose any suggestions of gun laws, in deference to the powerful gun lobby, which can put a charge into anyone's political campaign if he or she is simpatico.

What is more notable about the sex-and-violence seesaw is that it works in concert with the political seesaw. Liberals are troubled by violence in the media but not as much about sex. With conservatives, it's just the opposite.

The conservatives are in now, having throttled the liberals in last November's congressional elections. Those anti-violence legislators who started the tv clampdown in 1990 are either gone or have lost their clout.

The scene is set for the classic shift on the seesaw. Republican hopefuls for the presidency in 1996, especially those seeking the backing of the formidable religious right, are promising to crack down on salaciousness in the media. Odds are they will pay only lip-service to violence. That has been the political pattern since the 50s.

Americans have managed to survive the ups and downs of sex-and-violence in tv, though each bounce clearly affects the national mores. For better or for worse, people are getting more street smart.

But what is most regrettable about the seesaw is its route. For all the motion, it doesn't take you anywhere. **IBI**

Liberals are troubled by violence in the media but not as much about sex. With conservatives, it's just the opposite

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MONITOR

BRAZIL

Globo's Top Novelas In Ratings Stumble

**The audience has gone missing,
presumed shopping, say some**

Brazil's largest network, TV Globo, has for decades broadcast three, back-to-back telenovelas every night, using them to capture a 55% to 60% slice of the country's 30 million tv audience. And the network has for years successfully

exported these slickly-made soaps to dozens of countries. But the current below-average ratings of two TV Globo telenovelas may indicate the genre needs refreshing.

The current primetime telenovela, *A Próxima Vítima* (The Next Victim), an Agatha Christie-type series about one unidentified character killing off the others, is only capturing 45% of the viewing audience, considered low by TV Globo's standards.

And the 6 p.m. serial, *Imãos Coragem* (Courageous Brothers), about the adventures of four gold-mining brothers, is also flagging

in the ratings, even though it is a remake of one of TV Globo's biggest hits. Only the 7 p.m. entrant, *Quatro por Quatro* (Four by Four), about four women revenging themselves against men who've betrayed them in various ways, is doing well by historical standards.

TV Globo, though trying not to show concern over *A Próxima Vítima's* flagging ratings, bought billboards in major capitals to promote the soap. But to almost no avail. The following week, the telenovela's rating had only risen one percentage point.

The ratings trend actually began before the current series of novelas began airing. The ratings for Globo's last 8:30 p.m. novela, *Pátria Minha* (My Homeland), dropped from 47% to 41% after the network was forced to fire star Vera Fischer for constantly arriving late on the set and fighting with fellow actors.

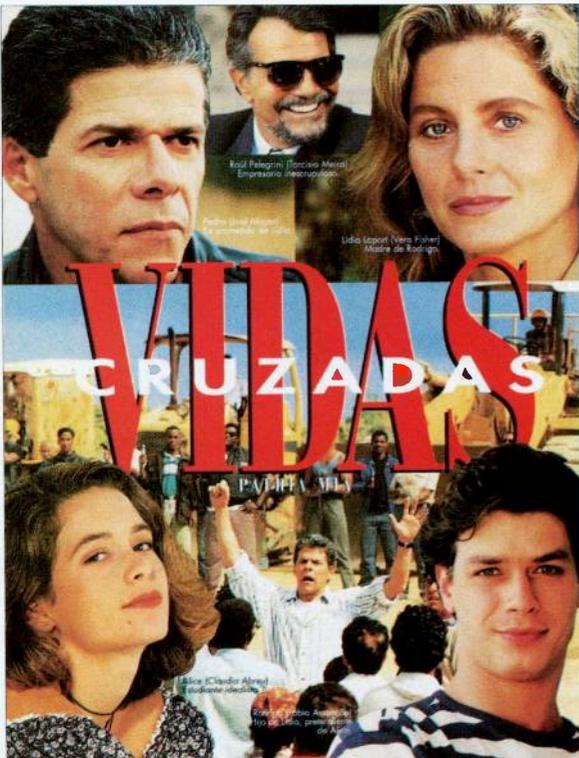
Benedito Ruy Barbosa, who scripted several popular TV Globo soaps, thinks the genre that has brought Globo its greatest success needs to be overhauled. "The telenovela needs to leave the studio and show what Brazil and its people look like," Barbosa said in a recent interview. "Its secret is in the public's identifying with it."

Some in the industry are already blaming cable for Globo's flagging ratings, but that seems a bit of an early call. Cable service, which began in Brazil three years ago, has captured little more than 1% of the tv audience. And the audience doesn't seem to be going to competing broadcast networks. The SBT network's *Programa Livre*, a show at 8:30 p.m. where the host interviews members of the audience, is still getting an average 9% rating.

Sergio Groisman, host of *Programa Livre*, blamed the lower-than-average ratings for TV Globo soaps on the country's economic stabilization program, which has drastically cut inflation and led to a consumer spending spree. "The economic plan has given the public the ability to leave the house more," said Groisman.

SBT, now running one telenovela a night, even plans to broadcast two soaps per evening in the near future. SBT President Silvio Santos said: "The telenovela is a form of creating a habit, and a loyal audience."

by Michael Kepp — RIO DE JANEIRO



Ratings started cooling off with My Homeland

ARGENTINA

Gems Ratchets Up Co-Pro Activity

Spanish women's network is doing deals to get programming

Miami-based Gems Television, the Spanish-language female-oriented cable network broadcasting in Latin America and the United States, has been busy cutting co-production deals with a handful of Latin producers in a continued effort to diversify its programming base. At the time of its April 1993 launch, its schedule consisted almost entirely of Venezuelan telenovelas. But through co-production arrangements, Gems has added new entertainment, talk and comedy programming to its line-up.

In its most recent pact, Gems in April began broadcasting Argentine station Telefe's *Hola Susana* variety show on its international signal, which reaches 18 Latin American countries and a number of U.S. cable systems. The deal gives Gems exclusive international broadcast rights for two years. Neither Gems nor Telefe would disclose financial details.

Gems is currently broadcasting the same *Hola Susana* show 26 hours after it runs here on Telefe, but hopes to play more of a creative role in the future. "A lot of stars we have on other shows will be coming on to *Hola Susana* and vice-versa. We want to develop a relation between one show and another," Gems president Gary McBride said in an interview.

In probably its most aggressive deal to date, Gems agreed last year to make the *Sin Fronteras* (*Without Frontiers*) talkshow, hosted by journalist Maria Laria, with Spain's TVE, in what McBride has described as a multi-million dollar co-production. The show is produced at TVE's Madrid studios with show ideas and content coming mostly from Gems.

On U.S. soil, Gems is co-producing a comedy skit show with Puerto Rico-based Elin Ortiz Productions, set to begin airing in May. The show, *Charytin, Siquiatra de Mujeres* (*Charytin, Psychiatrist for Women*), is being taped and edited at Hero Productions' Miami studios. As with *Sin Fronteras*, Gems is providing show ideas and content.

Although Gems has studios in Miami, it has no plans to produce strictly on its own due to the high cost. "Our philosophy is: We don't want to get into the production business and start doing everything ourselves," McBride said. "We put in our star, our expertise, our concept, and they put in the daily production."

Gems' move into co-production is also rooted in the simple lack of available product. "You can buy anything you want in terms of telenovelas, and there are a lot of talk shows out there, but they're not produced for an international market and they

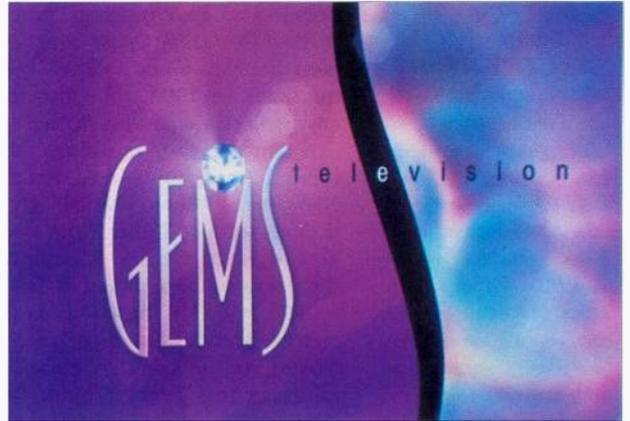
don't deal exclusively with women's issues. When we want a program we think is critical to the positioning of the network and can't find it, we produce it."

Program purchases will remain important, and the network expects to acquire more first-run shows — mainly telenovelas, which it has no plans to produce, marketing director Pepe Etchegaray said.

Gems is the only international Spanish-language women's network, but future competition from local women's networks throughout the region may be another factor in its aggressive move into co-production and first-run acquisitions.

"There's a sense of competition (between Gems and local channels) but I think they have their niche within their own countries," Etchegaray said. "The tough competition will be if they make huge investments and want to go to an international scope, but that takes a lot of money."

by Mike Galetto — BUENOS AIRES



POLAND

New Bidding Set For Regional Stations

30 channels could follow the three already approved by regulators

Poland's National Broadcasting Council (KRRiT) has set May 26 as the deadline for bids in the latest round of regional commercial tv license awards. Amounting to 30 different frequencies, the new stations will cover Warsaw and around five million people in northern and central parts of the country.

These new stations will join national station

FININVEST SELL-OFF NEARS

Silvio Berlusconi's Fininvest group is working toward selling a 30-35% stake in its television interests to "international operators" some time around June. The disposal of a stake in Mediaset, the wholly-owned unit of Fininvest through which it controls its broadcasting, program sales and advertising sales operations, will be followed later in the year by the flotation of an additional 30-35% stake in Milan and on stock markets abroad. Among potential international partners, only Germany's Kirch Group has openly declared an interest in buying into Mediaset, which analysts value at around \$7-8 billion. Fininvest said it wants to sell to three or four strategic partners with interests in programming or expertise in complementary areas like cable tv and multimedia. Under growing pressure to sell his tv interests since he entered politics in January 1994, Berlusconi faces a referendum – planned for June 11 – and a reform of national media law – by mid-1996 – with his company's ownership of three national tv networks a key issue in each case.

Polsat and two regional channels – Telewizja Wisla (TW) and Canal Plus Polska – that have won licenses since Poland began awarding frequencies in 1994. (See the following story for coverage of Canal Plus Polska's plans.)

A third regional station, to be operated by Central European Media Enterprises (CME) and Niezalezna Telewizja Polska (NTP), failed to get a license because it didn't put up sufficient funding, according to Cezary Mroczkowski, the head of the licensing department at the KRRiT.

TW, which is based in Kraków, received terrestrial licences for most of southern Poland in November 1994 and is expected to begin transmissions this June. Wojtek Szczerba, CEO and joint owner, said the service will cost more than \$25 million to set up over the next six years. The station plans to broadcast 18 hours a day of entertainment, sport and community-based programming. TW, required to carry 30% local programming, has recently purchased shows from several sources, including Paramount, Kirch and the BBC, and will initially show mostly foreign material. Moreover, Szczerba said, the station "will be much more commercial than TVP (the national public broadcaster), being better targeted at viewers who are not well served at the moment, namely families and young people."

It will also, along with CME, Canal Plus Polska and Polsat, undoubtedly be keen to secure some of the regional licences still to be allocated.

Polsat, formerly a satellite-delivered channel owned by the Polish entrepreneur Zygmunt Solorz, won a 10-year national terrestrial licence in early 1994. It covers around half of Poland and is received by more than 60% of the population. The station hopes eventually to win the right to transmit to some 80% of the territory and – should a must-carry rule receive final presidential approval – be carried by all legal cable systems in the country.

According to Boguslaw Chrabota, Polsat's program director, the channel's primetime ratings currently exceed those of TVP's two national networks in Warsaw on two days a week. Furthermore, its national audience rating stands at around 15% and it has a still higher share of the tv ad market.

Polsat's financial situation, which was last year believed to be precarious, is now "very good" thanks to higher than expected ad revenues and the acquisition of a 20% stake in the channel by the Polish trading company Uniwersal.

Chrabota said though Polsat has begun producing its own telenovelas and is undertaking co-productions with local partners – including the recently launched Canal Plus Polska – it is still too early for the channel to enter into production agreements with foreign parties. These, along with the search for other investors for the channel, have effectively been put on hold until Polsat completes the construction of new studios and production facilities in Warsaw in June.

by Chris Dziadul — WARSAW

Canal Plus Polska Sets Hard Targets

The new channel hopes to sign a half million subs in five years

Canal Plus has extended its operations to eastern Europe with the launch of Polish pay service Canal Plus Polska, to 11,000 homes. But that's only the beginning. The aggressive French pay-tv company says it plans to sign up half a million subscribers in Poland in the next five years.

The French broadcaster's involvement in the country dates back to late 1993, when, as part of the Franco-Polish Polska Korporacja Telewizyjna (PKT) consortium, it unsuccessfully bid for the national terrestrial licence. Although it was subsequently awarded regional licences for 14 cities by the national broadcasting council (KRRiT), months of political wrangling over their validity meant it was not able to start test transmissions until this past December.

According to Janusz Romanowski, Canal Plus Polska's president, the pay service – which has to date cost \$11.6 million to set up – is now likely to become available terrestrially in all 14 cities by the summer. Furthermore, it will also be accessible to some 400,000 direct-to-home (DTH) households capable of receiving the channel on Eutelsat and at least 31,000 subscribers to cable systems with which it has signed agreements.

The channel's programming, which is effectively round-the-clock and includes a daily 3.5 hour window in the clear, is being made available to viewers for a deposit of \$84.70 followed by monthly subscription fees ranging from \$12.10 to \$15.70. Decoders required to receive Canal Plus Polska can be obtained from a network of over 300 dealers and all prices are likely to be frozen until this November.

Marc Olivier, the general manager of Canal



Canal Polska is targeting 500,000 subs



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YELTSIN TV CLAMPDOWN

A presidential decree on encryption in Russia, ostensibly a measure in the fight against crime, could pose problems for pay-tv broadcasters and satellite channels. Decree 334 came into force on April 6 under the awkward title "On Measures to Observe Legality in the Area of Development, Production, Implementation and Operation of Encryption Facilities, as well as Provision of Services in the Area of Data Encryption." The decree explicitly prohibits use of any encryption technology not certified by FAPSI (Federal Agency of State Communications and Information) and only sparse information about encryption technology designed or certified by FAPSI is being made available. The decree prohibits imports on non-certified encryption tools, reasoning that this is an important step in "fighting organized crime." Conversely, the decree does not contain provisions regulating decryption by law-enforcement agencies. Any decryption method but the one offered by FAPSI is illegal and organizations as well as individuals can be subject to criminal prosecutions.

Plus Polska, believes the potential for subscription services in Poland is similar to that in Spain, where Canal Plus already operates one of the most successful pay-tv operations in Europe. He said Canal Plus Polska's advantages over the rival FilmNet/MultiChoice package – which has been available in Poland since late last year – lie principally in its programming and marketing strategies. Offered a mixture of programs that will include blockbuster movies, art house films and live sports events, its viewers will be able to take advantage of a six-month or one-year contract after which they can have their deposit returned if not satisfied.

Canal Plus Polska is committed to financing up to 15% of all feature films produced in Poland and – somewhat unusually for a new service entering one of the region's most highly competitive markets – co-operating with both the public broadcaster Telewizja Polska (TVP) and national commercial channel Polsat. In Polsat's case, this will amount to sharing coverage of speedway (one of the most popular spectator sports in reaching Poland) and co-producing films, while with TVP – alongside the National Committee of Cinematography and Heritage Films – Canal Plus will initially produce two feature films, the 90-minute drama *Tato* and *Wirus*, a thriller.

by Chris Dziadul — WARSAW

GERMANY

Rush To Digital Prompts Pilot Fever

Host of regions and cities now plan to test digital cable services

A spate of digital cable pilot projects and full-blown service launches have been announced in Germany in recent weeks, as activity here begins to mirror the dizzying explosion of full-service cable experiments that began in the U.S. more than two years ago.

Early in 1996, digital television is to be introduced on Berlin's cable system of 1.1 million households, Europe's biggest cable network, making Germany's new capital a forerunner for nationwide digital broadcasting. Berlin cable started the ball rolling in February when it launched a digital pilot project involving 50 tv households with Telekom, the technical arm of the Bundespost. Over the next few months, similar projects will be launched in Stuttgart, Munich, Nuremberg, Hamburg, Cologne and Gelesenkichen. Digital technology will open the way for à la carte services pay-per-view and near video-on-demand, as

well as on-demand services like tele-shopping, home banking and electronic programming.

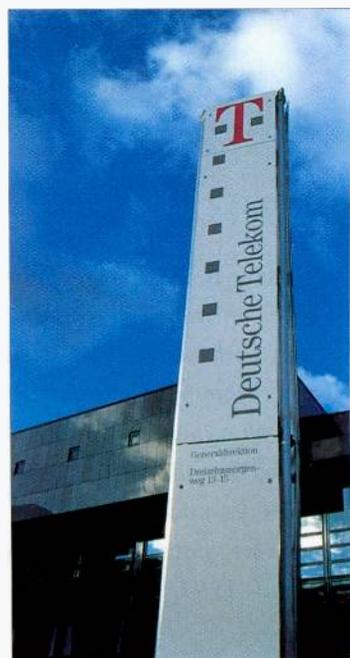
According to Berlin/Brandenburg's media authority (MABB), more than 100,000 households in Berlin are to be equipped with digital set-top boxes enabling them to receive digital services, thus turning the area into the ideal new media test market. And Germany's only pay-tv service, Premiere, will be able to supply its 50,000 Berlin subscribers with a decoder enabling them to receive interactive services.

In Bavaria, the media authorities have formed a company to operate the area's digital television and multimedia pilot project. The DVB Multimedia Bayern Projekt GmbH will have its headquarters in Nuremberg with a branch office in Munich.

Participants include the Bavaria State Authority for New Media (BLM), two cable companies and the cities of Munich and Nuremberg. Partners include the LfA, a state office for reconstruction financing, and the Bavarian state government, which is prepared to pump about \$11 million into the interactive project. Further financing is to come from the 27 companies brought into the project under the LfA umbrella. Among them are media concerns Bertelsmann, Burda New Media and Beta-Technik (Kirch Group), public broadcasters Bavarian Rundfunk and ZDF, private channels Pro 7, RTL2 and Sat1, as well as Siemens, the Bavarian Vereinsbank and a number of electronic hardware manufacturers and publishers. August has been mentioned as a possible launch date.

The Kirch Group has already planned a number of services for the project, including channels for children, documentaries, music and features, as well as sports and special events. Viewers will need to buy an additional device for their sets, an integrated receiver decoder.

In the state of Baden Wurttemberg, Deutsche Telekom and the Stuttgart Economics Ministry are seeking partners for a multimedia project involving 4,000 tv households and companies. The three-year project's expenditures may run as high as \$58 million, with the costs to be shared by the state, which will ante up the biggest chunk, and the project's technical partners, including a consortium headed by Alcatel-



Telekom: piloting digital

NORDIC SCREENING

The annual presentation of the best television programmes and feature films from the five Nordic countries - Denmark, Finland, Iceland, Norway and Sweden.

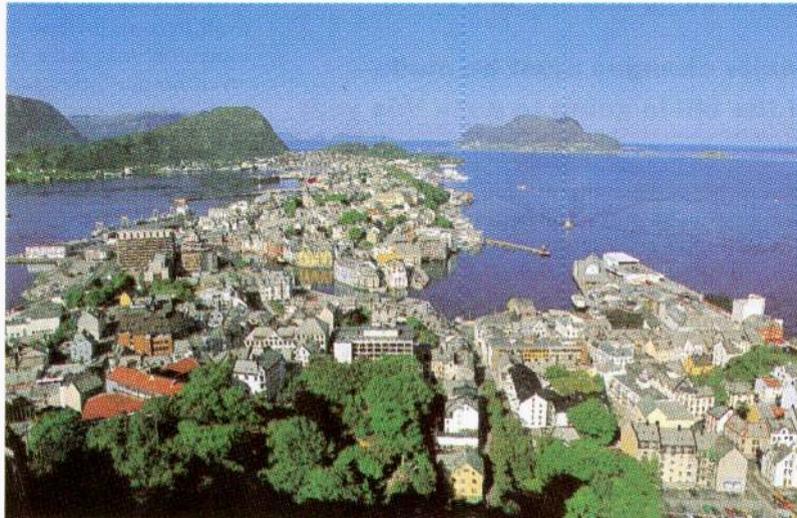
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Each year Nordic Screening takes place in a new town in Scandinavia. This year the 21st Nordic Screening is held in Ebeltoft/Denmark, May 28 - June 1.

WELCOME TO THE 22ND NORDIC SCREENING ÅLESUND/NORWAY, June 9 - 13, 1996.

Ålesund is situated on the west coast of Norway between Bergen and Trondheim. The screening hotel, the Scandic Hotel, is pleasantly situated, overlooking the sea, the fishing boats and the „Alps“ of Sunnmøre.



The 22nd Nordic Screening is hosted by NRK.
For further information please contact:
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Fax: + 47 22 45 73 10 Tel: + 47 22 45 73 83

INDIAN COMPANY OFFERS UPGRADE

Delhi-based company Srishti is offering 5,000 satellite dishes and digital decompression boxes free to Indian cable operators to enable them to pick up its newly-launched tv channel, Youth Entertainment Service (Yes!). Test transmissions of the channel, which will broadcast an eight hour a day mix of Hindi and English-language programs, started in March. Vinay Kumar Jain, a director of Srishti, said it would offer capacity on its Intelsat transponder to other program channels. Srishti is getting around the country's uplinking restrictions by bouncing signals via a joint venture partner in Nepal. Most Indian cable operators cannot currently afford to upgrade their transmitting equipment to offer consumers more of the dozens of channels available, and local industry executives reluctantly admit that 70% of India's current 45 million tv households have meagre sets with the capacity to receive perhaps a handful of channels at best. They believe that imported cable, as well as a greater penetration of more sophisticated tv sets or wider installation of set-top converters - a cheaper option for Indian consumers - that will end up driving growth.

SEL, Bosch Telecom, Hewlett-Packard and Deutsche Telekom. In this project, video-on-demand and other services will be delivered over a fiber-optic system.

One of the most ambitious projects is currently getting underway in North Rhine-Westphalia, where Premier Johannes Rau has launched a "State Initiative Media NRW." The Rhine and Ruhr cities of Duisburg, Essen, Dortmund, Wuppertal, Cologne and Dusseldorf are in the process of being linked with a fiber-optic ring that will connect 10,000 companies, institutes and households for a massive test of multimedia services on demand.

In the city-state Hamburg, the publishers Bauer, Gruner + Jahr and Axel Springer have joined forces in the media company DiTV, which from July 1 is to check out interactive services, pay-per-view and video-on-demand in a two-year pilot project involving 1,000 homes. And finally, the industrial center Leipzig in the former East Germany is planning to launch an 18-month pilot project in mid-1995 with 50 tv households wired with fiber-optics. It will be a key test of demand in the east of the country for the new digital services.

by Jack Kindred — MUNICH

SPAIN

Catalans Oppose Draft Cable Bill

**Major changes must be made
if the bill is going to pass this year**

Even the parliamentary allies of Spain's governing Socialist Party are beginning to doubt the government's willingness to agree on a cable law. With foreign investors like U.S. West and Time Warner and an array of Spanish banks and media groups awaiting the green light for what promises to be a very attractive market, the Socialist Party is still dragging its feet over the details of the final draft of the law.

"It was totally irresponsible of them to introduce a bill without previous discussions to assure a majority," said Lluís Recoder, telecommunications spokesman for the Catalan nationalist party, Convergència i Unió (CiU). The Socialist government relies on CiU's support to govern, as it does not command an absolute majority in the parliament. But CiU is alive to the possibilities of cable - Catalonia's captial Barcelona being the city where so far U.S. West and Time Warner have focused their attention - and will not let the law pass in its present form.

The only chance for Spain to get a cable law in the near future is for the Socialists to concede to the Catalans on several points. The CiU wants the Catalan regional government to have a real say in cable development. As the law stands, each city or town has the right to start cable development, with the approval of the central government, and the power to award one of the two licenses on offer to the highest bidder.

Further, there is no provision for the regional government to have a say in program content, touching on the delicate issue of regional languages, like Catalan. Even foreign investors will have become aware that the control of television in Spain is an intensely political affair. Without allowing for the powerful Catalan regional government, cable legislation will remain in limbo.

The final problem with the bill is more commercial than political. The Catalans are opposed to the privileged role granted to Telefónica, the state-controlled telephone operator, in the present draft because they claim it will deter essential foreign investment. Under the draft, Telefónica would automatically get one of the two licenses in all the new cable zones, the other being open to bidding. "The dominant role of Telefónica could discourage the second operators," said Recoder.

One solution may be to lengthen the proposed moratorium on Telefonica activating its cable franchises from what Recoder called the "absolutely laughable" period of six months, to two or three years, to give the other operator a chance to get established.

The Catalans have presented their amendments, but the Socialists don't seem in a hurry to respond. If they meet the fast-approaching May deadline for the amended bill's approval, the bill could pass into law in the autumn. If not, cable operators may have to wait even longer, possibly even for the beleaguered Socialist government to call general elections. Then, this thorny matter will be in the hands of the next government.

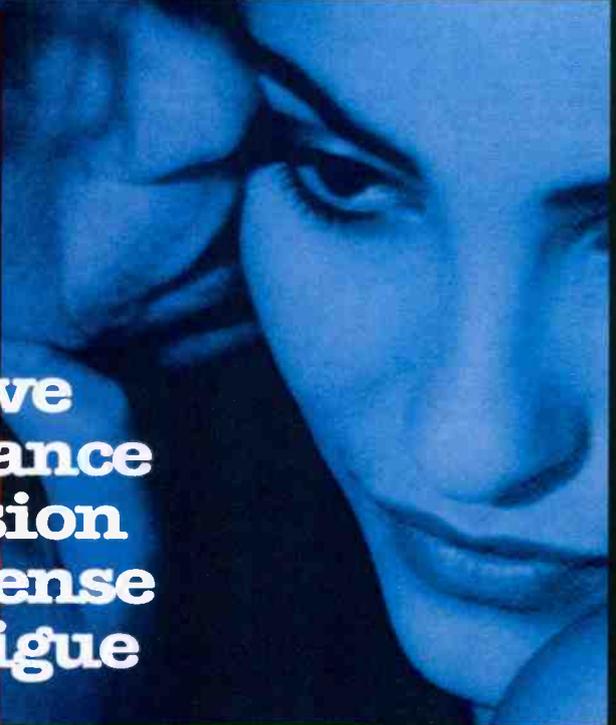
by Justin Webster — BARCELONA

JAPAN

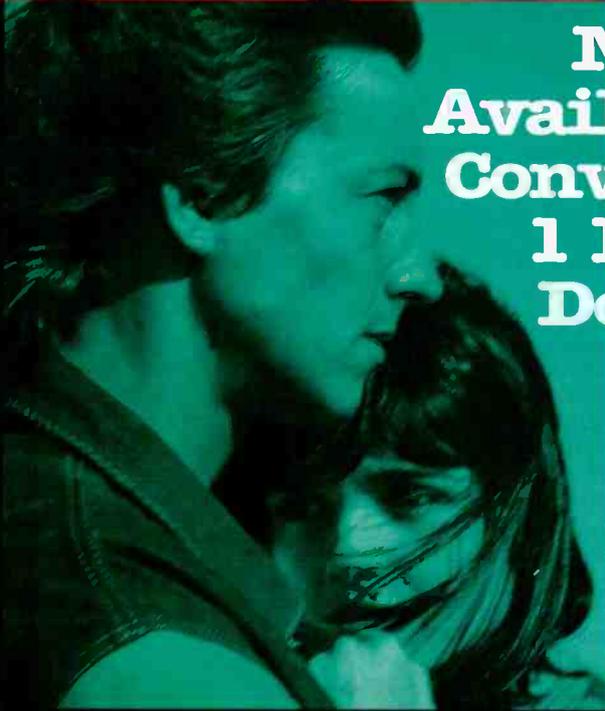
NHK Launches New Asian Channel

**The 12-hour service is the start of
a planned world news network**

Following the relaxation of government restrictions on cross-border broadcasts, NHK last month launched a 12-hour daily broadcast service aimed at cable operators in the Asia-Pacific



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CLT, CANAL PLUS IN DEALTALKS

Compagnie Luxembourgeoise de Télédiffusion (CLT) is in talks with Canal Plus about using the pay-tv company's encryption and subscriber management systems to launch its package of digitally-compressed channels in the French market. CLT is planning to launch its French package, expected to include 24 channels including eight PPV channels, either by the end of this year or early in 1996. Canal Plus has reserved four transponders on Astra 1E and has set October as the target launch date for its package of 18 channels. The talks, which may result in both packages being carried on the same decoder but using different smart cards, are understood to have been prompted by Havas, the French media group which is a major shareholder in both CLT and Canal Plus. A deal could also have ramifications in Germany, which CLT has also targeted for the launch of a digital package.

region. At the same time, it started unscrambled broadcasts targeted at Japanese expats and Japanophiles in Europe and North America. Nearly four years after NHK abandoned former president Keiji Shima's plan for a Global News Network, the giant public broadcaster has finally taken a major step forward in the international broadcasting arena.

According to its recently released mid-to-long-term plan, NHK plans to gradually expand its international tv broadcasting hours through fiscal 1997. Also, in the same period, NHK intends to increase its program sales to tv and cable broadcasters in the Asia-Pacific region and establish regional bases for cross-border broadcasts. Although the Asia-Pacific region will remain the main focus of the international broadcasting efforts, NHK plans to study the establishment of a worldwide network, beginning in Asia, Europe and North America. "We have not yet decided a timetable, but this is the direction we hope to head," said NHK spokesman Koichiro Shoda.

Using the PAS-2 satellite, NHK began its new service to 36 cable broadcasters in 18 Asian countries and regions on April 3 and is currently negotiating with 11 others. Some of the broadcasters are paying for the service, while others are getting it as part of a co-operative agreement that calls for exchanges of programming and newsgathering resources. Previously, NHK broadcast to the region only 1 hour and 45 minutes a day.

Most programs on the service will be Japanese-language news and news commentary from the pubcaster's general channel. The service is offering two and a half hours of foreign-language programs from Broadcast Satellite Channel One, including the English-language *Today's Japan* and *Asia Now*. In addition to news, NHK is also supplying dramas, children's shows, cooking programs and shows about traditional arts and crafts.

Since 1991, NHK has been transmitting encrypted programs to local broadcasters in Europe and North America via its TV Japan service. In North America, New York-based NHK subsidiary JNG (Japan Network Group) uses the Satcom K-1 satellite to beam 19.5 hours of programming a day to contracted cable operators. In Europe, London-based NHK subsidiary JSTV broadcasts 9.5 hours of programming daily via the Astra 1B satellite.

But with the move in April, NHK began using TV Japan to beam five hours of unscrambled programming daily to viewers in North America and three hours to viewers in Europe. About 35% of the North American and 40% of the European programming is bilingual. Said Shoda: "We plan to gradually expand our broadcasts in North America and Europe, and together with Asia, develop them as the nuclei of a global news network."

by Mark Schilling — TOKYO

TANZANIA

Three Channels Vie For Dar es Salaam

**DTV is targeting the middle-class
with Anglo programming strategy**

East Africa now has three new broadcasters based in Dar es Salaam, the capital of Tanzania. Prior to 1994, the only television service available in Tanzania was delivered from the island of Zanzibar to just 15,000 homes. Licences were then issued for three stations: Dar es Salaam (DTV), which targets English-speakers and Asian middle class families; Independent Television (ITV), aimed at the Kiswahili-speaking population, and Coastal Television Network (CTN), a movie channel.

DTV test launched at the end of 1994, having overcome intense local rivalries described by the normally reticent Economist Intelligence Unit as "threatening to be literally murderous."

DTV brings to the screen a schedule of BBC and Thames Television product assembled by program director Barry Wood, former film buyer for Britain's ITV network. International news is supplied by Sky News. Programs include live English Premier League football, Formula One motor racing, well known sitcoms, high-quality factual programs such as *Survival*, and a slate of feature films from the Hollywood studios.

ITV's programming tends to originate from Kenya, and is broadcast mainly in the local language. The third broadcaster - CTN - is currently transmitting many of the latest blockbuster movies. These are thought to come from dubious local sources lacking appropriate paperwork.

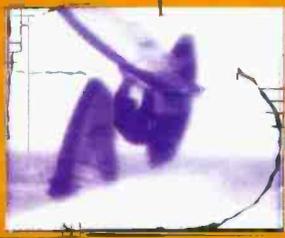
Franco Tramontano, commercial director of DTV, believes his station will be in a tight race with ITV. "They're slightly better technically, but we have far better programs," he said. "The service has been well received."

Since test transmissions began in December, climatic problems have restricted electricity supply, but despite this, DTV is already doing well with the middle class audience. Following its "debut free on DTV" advertiser promotion during the test period, paying customers are now buying spots.

DTV broadcasts only to Dar es Salaam (population 2.5 million), but plans a roll out to other major centers in the next months. The station's owners (a local conglomerate called the Tasia Group) have interests in the motor trade, but none previously in broadcasting.

by Michael Barrett — LONDON

THE LAWLS OF GRAVITY ARE ABOUT TO BE REWRITTEN



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MAD ABOUT MED TV

Turkish government authorities have asked the UK's licensing body, the Independent Television Commission (ITC), to monitor broadcasts by a channel alleged to be linked with the separatist Kurdistan Workers Party (PKK). The channel, Med TV, is broadcast by satellite from London in the Kurdish and Turkish languages and picked up in south-eastern Turkey, the PKK's main area of activity. It is also reported to be broadcasting from the region via a transmitter mounted on the back of a truck. Turkish sources allege it is broadcasting pro-PKK material and is backed by PKK sympathisers. Ali Baransel, head of the Turkish Supreme Broadcasting Board, declined to comment on the channel but said that it was technically impossible to stop its broadcasts. A spokeswoman for the ITC confirmed it had awarded a license to Med Broadcasting last year for a generalist service including news, current affairs, films and entertainment and that Med TV had started transmissions in February. She said the ITC had no reason to believe Med TV was linked to any political organization and said that the ITC was monitoring the channel's output "as a matter of course" to ensure that it met licence requirements to provide impartial news coverage.

BROADCASTING

Can West Leads The C5 Field



Can West chairman Izzy Asper

A consortium led by Can West Global Communications made the highest bid for the licence to operate a fifth national commercial tv network in the UK. UK TV Development, backed by the Winnipeg-based company, was one of four companies to submit bids to the Independent Television Commission (ITC) on the May 2 deadline, offering \$58 million a year for the 10-year licence. Two consortia offered \$35 million – Channel 5 broadcasting, backed by Pearson, CLT and MAI Broadcasting, and a consortium led by Virgin Communications which includes Associated Newspapers, Paramount Television and Philips. New Century TV, backed by BSkyB, the Granada Group, Kinnevik and TCI, bid only \$3 million. Although UK TV Development's bid is comfortably the largest, to win the licence the ITC would have to decide its program proposals pass quality thresholds and that it would be able to sustain the channel financially. A decision is expected by the end of November.

Chinese Station Talks In Foreign Tongues

Shanghai Television is set to launch China's first foreign-language channel this summer. Broadcasting four hours a day initially in English, the service will be aimed primarily at foreign visitors and Shanghai residents and will carry ads. Programming will primarily be made up of news, documentaries and films. The channel will initially broadcast on one of Shanghai TV's two existing channels but hopes to have its own dedicated channel in the future. Additional languages such as Japanese and French will also be added.

ABS-CBN Ploughs Profits Into Expansion

ABS-CBN Broadcasting Corporation, the largest of the Philippines' six terrestrial broadcasters, is to spend \$21 million this year to fund expansion and diversification in both the local and foreign entertainment industry. ABS-CBN, which is available to 90% of the country's 7.2 million tv homes, posted a net income of \$39 million last year – 62.5% more than 1993 – and took 47% of the tv ad market. Plans for this year include the production of 15-20 movies and an increase in satellite

coverage to the west coast of America, where it is currently distributed to about 300,000 cable homes. An exclusive licensing and distribution agreement for the Philippines has also been signed with MCA.

CHANNELS

Disney Switches On In Taiwan And Germany

Walt Disney Television And Telecommunications opened its first international broadcast uplink center in Singapore at the end of March. The center is transmitting the Mandarin-language Disney Channel Taiwan, which launched on March 29 and is Disney's first broadcast venture outside the U.S. "This is only the beginning. We are actively pursuing opportunities to bring Disney channels to other markets in the region," said Dennis Hightower, president of the Walt Disney Co. unit. Elsewhere, Super RTL, the joint venture between Disney and CLT, started transmissions in Germany on April 28.

Dream Team Seek Backers

Telesogno (Dream TV), the brainchild of tv personalities Michele Santoro and Maurizio Costanzo, is the latest attempt to crack Fininvest's grip on private tv in Italy. Santoro and Costanzo said the channel would be politically independent and upmarket in tone. They added that with a reform of Italy's media and anti-trust legislation pending, the time was ripe for the launch of a long-heralded "third pole" in tv.

MTV Links With PolyGram in Asia

Music and entertainment company PolyGram has taken a 50% stake in MTV's two Asian channels: MTV Asia and MTV Mandarin. The two companies will co-own and operate both channels, although MTV has said it will retain overall editorial control. The cost of launching the two is expected to be in the region of \$100 million. Said MTV Asia president Peter Jamieson: "The number of partnerships in the entertainment business is increasing constantly and we were facing a consortium of expertise at Channel V." The Channel V consortium in question, comprised of Star TV and four record companies – Sony, Time Warner Music, EMI and Bertelsmann – was announced earlier this year.

Network Group Takes Wings

Rockville, Maryland producer The Network Group, which claims to possess the world's largest archive of aviation programming, said it plans to launch a tv channel dedicated to the subject. Called Wingspan, the channel will start broadcasting at the end of this year, wroking up to 18 hours a day. Wingspan will carry documentaries, debates, career information, educational

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FOREIGN TVS GREENLIGHTED

Continuing its program of cable tv deregulation, the Japanese government has officially relaxed the rules allowing the country's cable operators to redistribute foreign-language channels to the country's eight million cabled homes. Although the Ministry of Post and Telecommunications (MPT) indicated last June the rules would be relaxed, the exact position since then has been unclear. In a statement released in April, the government said it had approved two broadcasters – Star TV and Turner Broadcasting's TNT/Cartoon Network – for carriage in Japan. Other channel endorsements are expected to follow. The relaxing of the rules will enable Japan's 156 local cable operators to cut deals directly with programmers and access channels straight from satellite, instead of having to deal through a local distributor first. Cable growth is expected to be in the region of 12% to 15% this year; the MPT projects that up to 60% of Japan's viewing households, or 30 million homes, will become cable subscribers by the year 2010.

and consumer programs. Philip Osborn, president of Wingspan, said it "hopes to be able to cater for more than U.S. audiences in the future."

BUSINESS

All American Gets More Credit

All American Communications Inc. has agreed a four-year \$110 million credit facility with a group of lenders headed by Chemical Bank. The facility replaces a previous arrangement worth \$62.5 million with a Chemical Bank syndicate, and will be used, according to the New York-based producer, to refinance the debt it incurred in its acquisition of Fremantle International assets last year, to fund more television production and to increase working capital.

Nova TV Shows A Profit In First Year

Nova TV, the Czech commercial tv station, produced a profit in its first year in operation, according to accounts published by majority owner Central European Media Enterprises (CME). The U.S.-backed company, which owns a 66% stake in Nova TV, said it made an operating profit for 1994 of \$957,000, compared to a loss of \$5.3 million in 1993, "attributable to the impact of profitable operations at Nova TV." With the addition of losses associated with German local tv stations in Berlin and Nuremberg, however, CME recorded a net loss of \$20.5 million on net revenues of \$53.6 million.

PEOPLE

Grindon Moved Up To Head CTIT

Sony Television Entertainment has promoted Michael Grindon to head its tv sales and marketing and pay-tv division, Columbia Tristar International Television (CTIT). Grindon, previously executive vp at CTIT, reports to Mel Harris, president, and Nicholas Bingham, president - international at Sony Television Entertainment. Grindon will manage Sony's investments in channel ventures including and help develop and manage future initiatives around the world, said Harris.

Astra Operator Elects New Chief

Shareholders of Astra satellite operator Société Européenne des Satellites (SES) have approved the appointment of Romain Bausch as the company's new director-general. Bausch, already on the board as a representative of a Luxembourg shareholder, was also until recently on the board of commercial tv operator CLT. SES has been without a director-general since the departure of Pierre Meyrat last year. SES made profits of \$125 million on turnover of \$282 million last year.

Leavitt To Head Alliance Intl Sales

Todd P Leavitt, formerly executive vice president of NBC Productions, has joined Alliance Communications as head of its international sales operation. As chairman of Alliance International, Leavitt will supervise all of the company's non-Canadian sales operations and its theatrical joint venture with Mark Damon Pictures. Leavitt will be based at Alliance's offices in Beverly Hills, California.

PRODUCTION

RTL Cuts Bought-In Programs



Germany's RTL Television, now Europe's biggest private tv station, said it would invest DM990 million (\$707 million) in original programming this year, an increase of \$29 million. RTL's budget for acquired programming will be reduced for the second successive year, falling by \$19 million to \$150 million. Chief executive Helmut Thoma said RTL's output deals with MCA, Columbia Tristar and Walt Disney Co. now supplied the bulk of its acquired program needs. RTL's net revenues last year were \$2 billion compared to \$1.3 billion in 1993.

Channel 12 Buys The Lot From Time Life

Television Tokyo Channel 12 has acquired a multimedia package of rights to Time Life Video and Television's ten-part documentary series *Lost Civilizations*. In a deal inked at April's Mip TV and over a year in the works, Channel 12 acquired the rights to both the tv series, which launches on NBC in June, and the book series, which has been published by Time Life books over the last four years. Time Life said it would also supply ancillary products such as CD Roms.

Team Raises Additional \$10m

Team, the UK-based consortium of independent producers, has raised an additional \$10 million to invest in production finance, catalog and other rights acquisitions worldwide. The money, which doubles the original Team fund, has been raised from existing backers Fleming and Rockefeller and three new institutional investors. Team director Jan Sawkins said Team also invests \$3.5 million a year from existing cashflow. Team distributor Primetime has already spent over \$4 million this year on acquiring rights to Australian programs including ABC dramas series *Sweat and Corelli* and Nine Network series *Cockatoo*, according to managing director Simon Willock.

According to Jacques Toubon, June 21, 1995, spells drama fit for prime-time tv. On that day, says the French minister of culture, nothing less than "the cultural suicide of Europe" will be on the agenda when European ministers responsible for broadcasting meet.

Unless, that is, the ghastly act of self-destruction can be avoided by adopting European quotas, forbidding tv channels to air more than 50% non-European films and series. The current loophole phrase in the Television Without Frontiers directive prescribing the quota "where practicable" is to be deleted.

Anybody more frank than franco-phone has learned by now that the French term "la culture" spells "cash", or more precisely: other people's money. The urge to put their hands into European taxpayers' pockets has long been behind what Toubon and his ilk promote as "European industrial policy." Remember the D2 Mac débâcle, when by following this recipe Europe wasted hundreds of millions of dollars and almost missed the train to the digital future.

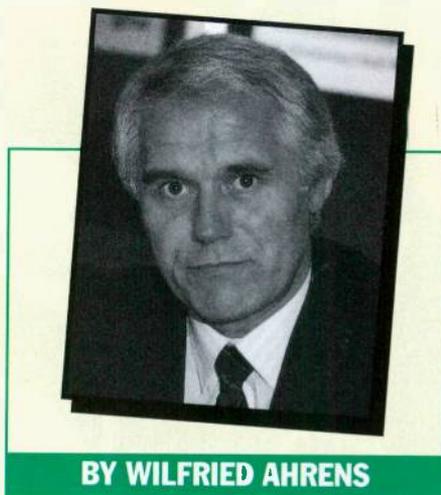
At that, France itself again and again has demonstrated the economic effects caused by the mixture of dirigisme and dilletantism promulgated by state interventionists. State-owned bank Crédit Lyonnais is, by all objective criteria, broke, not least because of the financing made available to dubious figures for investments in Hollywood.

The French film industry has been subsidized to the tune of \$600 million, more than three times the amount handed to German film makers. With equally pitiful results.

French, German and other European moviegoers just prefer Hollywood over local films. The relationship is 80:20. The point simply is that audiences do appreciate the difference between professionalism and protectionism.

The quota would make established tv channels lose audiences and money and to this extent prove counterproductive to the alleged idea that inspired the quota in the first place. The money not earned by airing cheaper imported programs cannot be spent on more expensive domestic productions. New channels which are even more dependent on Hol-

Fatal Weakness Of Financial Support



BY WILFRIED AHRENS

lywood imports would be hampered for many more years, if not killed outright.

Last year, the consulting company London Economics wrote the following in a study commissioned by Sony Entertainment: "(Quotas) may have also a damaging effect on investment and employment in the provision of cable and satellite infrastructure since the new channels have been the main stimulus to the purchase by consumers of services via the new outlets." The cost of quotas was estimated the at between \$4.5 billion and \$23 billion, depending on the rate and number of quota-caused audience losses, channel delays and bankruptcies.

Economics aside, what is so irksome about the French quota propaganda is its unabashed anti-Americanism. There was a rare French voice of moderation when René Bonnell, Canal Plus director of film programming last year told a quota hear-

ing of the European Commission in Brussels: "It is time for a change in the political dialog with America. We must stop complaining." Not only stop complaining, added Gaumont SA president Nicolas Seydoux at the same hearing, "but make better films. Unfortunately we have stopped producing high-quality European movies. Not because we lack talent; there are successors of our great cinéastes of former years." What he did not say was the probable reason: the lavishly handed-out subsidies.

Take the socialist element out of the industry, make producers mind the laws of market and heed the wishes and tastes of their potential audiences, and you will reap success.

Testifying to this simple truth has been the way Hollywood has functioned – or at the other side of the coin, the film industries of most European countries. Germany, for instance, has been wasting \$120 million a year on film production, most of which is applauded by critics and juries but never sees the dimmed light of a movie theatre.

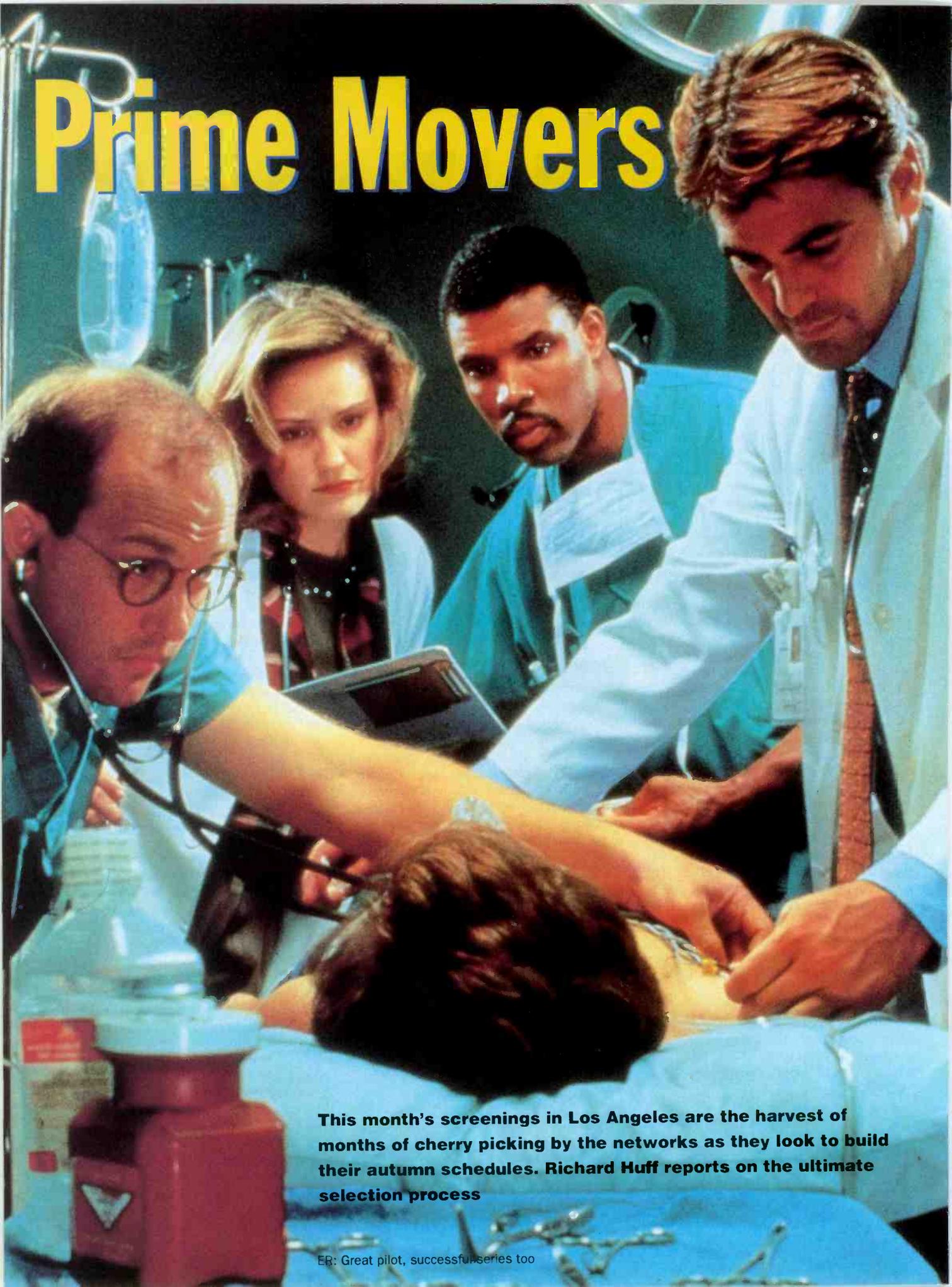
As things stand, on that June 21, 1995 the situation will probably remain as it is. The quota freaks in Paris will retain their plaything plus the safeguard clause "where practicable." The rest, including a hopefully further booming tv industry will ignore the quota when necessary. Necessary it will be, even for established general entertainment channels, during pre-primetime. New channels will need it during peak hours as well.

And, of course, there will also be "culture" in the sense of cash, not in the form of quotas but in the homely shape of undisguised production subsidies. \$550 million is being called for the next five years of the Media II program.

In the eyes of Monsieur Toubon, that may not be a happy end. We European taxpayers may console ourselves that while we have pay for all that, too, at least we are spared having to view what some greedy lunatics deem airable. [E]

The money not earned by airing cheaper imported programs cannot be spent on more expensive domestic productions

Prime Movers



This month's screenings in Los Angeles are the harvest of months of cherry picking by the networks as they look to build their autumn schedules. Richard Huff reports on the ultimate selection process

ER: Great pilot, successful series too

There's a good chance that as you read this, somewhere in an office in New York or Los Angeles, the harried program executives who run the U.S. broadcast networks are shifting small cards with the names of new tv shows around boards representing their schedules.

These meetings, which in the final days leading to the setting of a network's prime-time schedule are often all-nighters, are the last step in the broadcast television development season. When they are done and the schedules are set, some Hollywood producers will be very happy, and others will be devastated, their dreams of landing a network tv series dashed.

Next to making big-budget theatrical films, developing network television programming may be Hollywood's biggest gamble. The odds are clearly not in the producer's favor. And a failure can be costly.

"You get better odds in Las Vegas," said veteran producer Dick Wolf, who has brought tv audiences such series as NBC's *Law & Order* and Fox's *Uptown Undercover*.

According to industry estimates, roughly 1,000 ideas are pitched each year to ABC, CBS, Fox and NBC. That number is sure to increase with the inclusion of the upstart Warner Bros. Network and the United Paramount Network.

Of those 1,000 suggestions, each network may develop about 40 projects, with two-thirds being sitcoms. If a network is having a good year, it may only pick up six or seven series. Typically, only half of those will be on the air a year later.

"Only 10% of the shows go five years," Wolf said. "If that happens you get down on your knees and genuflect."

Typically, the production cycle begins 14 months before the program is set to hit the airwaves. A month after the network's set their schedules for the following season, the development starts on the season after that. Starting in mid-June, studio executives start entertaining story and subject suggestions for new hour-long drama series. After July 4, the focus turns to sitcoms.

Those projects that get past the first round of cuts are then developed further. Scripts and storylines are fleshed out and potential casting is discussed. Then in January, the networks decide which programs they want to see more of. Those then go to the pilot phase where a sample show is produced. And then they wait until May for the net-

works to either pick up the series or not.

The decision on which network to pitch a specific program is often predicated on the needs of that network and its overall programming philosophy, according to program suppliers.

For example, Steven Bochco, producer of such hit series as *L.A. Law* for NBC and the current ABC hit *NYPD Blue*, is nearing the end of a 10-series production deal with ABC. Instead of remaining with the now-No. 1 network, Bochco chose to align with CBS, which after three seasons as the top-rated network has fallen to No. 3. His reason? CBS needed his kind of programming.

"It's a constant reassessment of where a network is," said Leslie Moonves, head of Warner Bros. Television. "We said at the beginning of the development season that CBS was going to have a lot of needs. You go through your development and try to decide which network (a show) belongs at."

However, such a system can work against a network. Last spring there was a perception that ABC didn't have much room for new shows and that it was willing to stick with its own fare. As a result, producers went elsewhere.

"We had a problem last season," said Ted Harbert, president of ABC Entertainment. "A year ago it was 'ABC was going to be No. 1' so people were not bringing us shows. I had to go out and say, 'hey, this is not true, come bring us stuff.'"

Likewise, Harbert said, there is "nothing like a little bit of an off year to bring Hollywood to your doors."

ABC was the top-rated U.S. network during the 30-week-long 1994-95 television season. It was the network's first win in 15 years. NBC, third for the past three seasons, was second and CBS, which had been first for the past three, dropped to third.

By all estimations, CBS could be looking at adding 10 new shows this season to its 22 hours of primetime. ABC, NBC and Fox each seem to be looking at changing five shows.

After a few seasons of declining pilot production, the four U.S. primary networks combined have increased their output by between 5% and 10%. ABC is producing 36 pilots, up from 22 a year ago, with 17 being family-driven sitcoms, according to Harbert.

Fox Entertainment president John Matoian, a former CBS

executive, is overseeing the production of 27 pilots, including 15 comedies, 10 dramas and two reality-based series. Matoian said his production budget is up 10% when compared to a season ago.

CBS Entertainment president Peter Tortorici has commissioned 31 pilots, including 18 sitcoms and 13 dramas. And NBC's entertainment president, Warren Littlefield, is overseeing the development of 19 pilots, of which 12 are comedies and seven are dramas.

As could be expected, many of those offerings feature big-name television and movie stars in the cast. But having big names attached to a series concept or pilot is no guarantee that a show will make the schedule. Indeed, there are many programs featuring some of Hollywood's biggest stars that have never aired (see story on page 26).

Between April and when the fall schedules are set in mid-May, network executives and researchers will evaluate the offerings and test them before focus groups. From there they'll decide which programs can make the schedules, which can make the schedule with changes, and which will never make it on the air.

With a combined total of 113 pilots between ABC, CBS, NBC and Fox — and then throw in perhaps 10 others for the fledgling WB and UPN networks — it's clear that the odds are against producers. Of those 123 projects, 15-20 at most may make the cut. Some will get six-episode orders, a few rare others will get half-

Continued on page 24



T Harbert: ABC still open to new ideas

Auto Pilot

Like it or not, the network television pilot process is here to stay. The big-budget, super-risky development process is part of the television landscape.

It wasn't always that way. Creating pilots, or sample shows before they are aired nationally, only really came into effect in the late-1950s. Before then, programming options were limited and often controlled by the advertisers that purchased time on the networks. Typically, a major advertiser produced the program it sponsored.

However, in 1958, a participant in the advertiser-controlled gameshow *Twenty-One* revealed that the show was fixed. That revelation led to a government investigation and a black eye for producers of the advertiser-backed gameshow.

The result of the quiz show scandals was a promise on the part of network executives to take control of their airwaves. Sponsors would no longer control time periods and the programming. Instead, programming would be the responsibility of the network chiefs. Advertisers would then be able to buy time within the shows.

Greater control by the networks also led to more savvy scheduling. Counter-programming the other networks became a reality, and series became a staple of their diet.

The piloting process was launched to give the networks a sample of a series before they committed to buying it. Industry estimates indicate that just one pilot in six ever airs; even fewer last a full season. Networks partly fund the development of the pilots, although the costs to the producers are staggering.

Producers must have sets built and lock in talent should a pilot go to series. The networks typically pick up 80% of the production costs, though it could cost the studio making the show hundreds of thousands of dollars. Because



Cheating on gameshow *Twenty-One* changed network tv forever

the show is new, there is no way to amortize the costs.

According to producer Dick Wolf, the pilot process may be the one area that has changed least in television over the years. "It has evolved much less than other areas of television," Wolf said. "Very few shows get on and very few survive. There is a very small funnel which a show has to get through to get even one airing. In some cases it's a lot of wasted time and money."

Network executives and producers like Wolf have each tried to cut costs. After freewheeling program development in the mid-1980s, pilot production plummeted.

However, production volume has rebounded in the last couple of years. ABC, NBC, CBS and Fox will account for 113 or more pilots this season and a handful more will be produced for the Warner Bros. Network and United Paramount Network. And cable has even gotten into the mix. For the first time in

years, cable's USA Network has created a slate of projects for development and commissioned pilots.

Instead of having producers create costly single programs, networks have been commissioning drama pilots in the form of two-hour movies. The resulting product makes it possible for producers to recoup some costs through repeated airings and international sales.

Others, typically sitcoms, are created as short-flight series of three to six episodes in length. Their futures are decided, for better or worse, on air.

To offset the high production costs, some studios have turned to shorter presentation tapes. Instead of creating full sets and locking in the casts of an entire series, producers use minimal casts and existing sets to create the equivalent of a sales tape. This presentation tape process is reminiscent of a 1960s attempt by ABC to produce sample shows of five or ten minutes in length. The results were mixed.

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season orders of 13 episodes. One might get a 22-episode order, although those projects usually come attached with a name of the magnitude of Steven Spielberg. And a couple of others will be picked up as mid-season replacements to be there in case one of the first string offerings fails.

For a producer this whittling down from concept to series order can be painstaking.

"I don't even want to describe it," Wolf said of the emotional rollercoaster. "It's not a healthy process in terms of physical health. It's a form of stress that's rarefied. And the difference between total success and total failure is razor-thin."

However, he does admit that working under the banner of Universal Television and having calling cards like *Law & Order* certainly makes his work easier. Universal recently upped its deal with Wolf to keep him under the roof till the year 2000. No longer does he have to go through the piloting turmoil. Instead, he's able to develop projects for specific networks and do that with commitments for a pilot and four scripts.

"It's a much saner process," Wolf said.

According to Wolf, there have "been a lot of great pilots that have made bad series." The pilot, Wolf said, often isn't a true picture of what a series will offer.

"People go out and spend a lot of money to make a great piece of film which is really not representable of the actual series. But it's the best process they've come up with and out of that process came (NBC's hit medical drama, now doing well internationally) *ER*."

The expense of producing a pilot can be staggering for producers and studios playing in network television's pilot roulette. Typically, a network will pay 80% of the costs associated with the development of a pilot. Yet for producers and studios, the financial exposure on a half-hour sitcom can run to \$200,000. For dramas the part not picked up by the network can skirt the \$1 million mark.

But, as Warner Bros.' Leslie Moonves said, "the victories can be in the tens of millions."

Producers and studios are willing to take the risk because if a series makes it on the air, there is a chance that a deficit could be made up down the road. A show that stays on the air for five years and is a hit in syndication can make up a sizable chunk of any deficit suffered during the first five years. But only 10% of shows on the air ever make it that long.

"The worst thing that can happen is



Hangin' With Mr. Cooper: hit the target as a presentation tape

13 (episodes on the air) and out," said Moonves.

Networks have been conscious of the costs themselves and in recent years altered the process slightly. A considerable portion of the drama pilots are shot as two-hour movies, which serve to introduce characters and set up story lines should the program go to series. But should the program not make the grade, the two-hour length usually means it will pop up in one of the network movie nights during a dull portion of the season.

Wolf's own action-adventure cop series *Nasty Boys* started as a two-hour pilot and even beat the season premiere of *Dallas* when it debuted five years ago. However, the series didn't survive the season.

Occasionally, a network will order a pilot and the development of a few series scripts. Doing so allows network programming executives to see the direction the program may take. Conversely, the process also provides a glimpse past the pilot that may unveil some other deadly faults not seen in the pilot.

The latest push, however, appears to be in the direction of shorter, and less expensive, presentation tapes. These presentations use fewer key characters, are typically shot on an existing set and last about 20 minutes.

Warner Bros. current series *Hangin' With Mr. Cooper* (ABC) and *Living Single* (Fox) were both bought on the basis of presentation tapes, according to Moonves.

Of the Hollywood offerings this year,

the trend seems to be going toward adult, family-oriented sitcoms. *Roseanne*-like programs are winning out over series such as *Full House*, which was targeted squarely at the younger audiences. Instead of focusing on the kids' relationships as much, the current crop is putting a little more emphasis on the adult relationships in the family.

"We're doing zero kid-driving comedies," ABC's Harbert said. "A vast majority of those we are doing are for all-family viewing."

For the past five years, ABC has dominated the 8 p.m. time period – the cornerstone of building ratings on any night – with kid-driven shows. But those programs have started to fade. Harbert attributes some of the drop off to the growth of two-tv set households. With more sets, said Harbert, families split their viewing, thereby driving ratings down.

When it comes to show ideas, Wolf said producers have simply been rejiggering the same topics for the past four decades.

"It's all rethinking with genres that have come before and finding a unique way of presenting them," Wolf said. "Most shows, for better or for worse, are reminiscent of the shows that have gone before. Shows are always pitched by saying; 'It's a cross between...'"

Adopting a sporting metaphor, Moonves calls the television pilot process "a home run business. A show like (NBC hit) *Friends* or *ER* makes up for 20 failures. In this business, if you're a 200 hitter you are doing well." [E]

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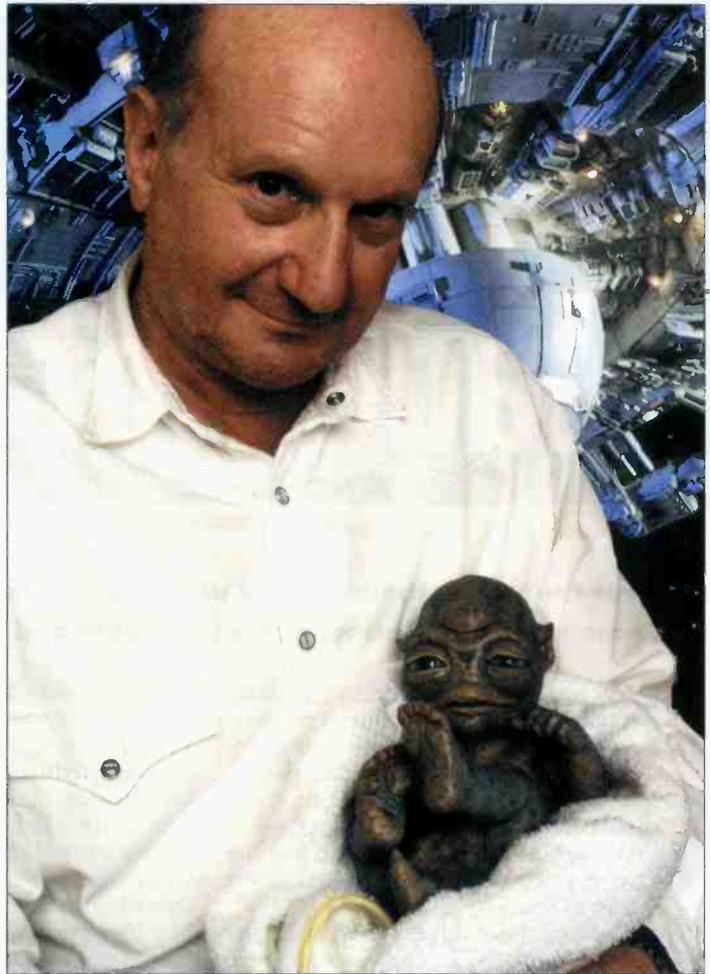
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Engineering with Vision



ABC decided a U.S. remake of the BBC's sitcom *Dad's Army* wasn't its cup of tea for the 1975/76 season

Over the years, thousands of pilots have missed out on being picked up by the networks. Some were interesting, some laughable and some run-of-the-mill

Few systems are designed to produce failure on such a gigantic scale. Network series development in the U.S. requires that production companies spend millions developing, casting and shooting dozens and dozens of pilots each year, all in the knowledge that the vast majority of those pilots will never see air as series.

The numbers have varied over the years, but it's fair to say the Big Three networks each order 30 to 45 pilots per year and then greenlight six or seven series from what they see. The numbers for Fox and the fifth network wannabes are somewhat lower. But the whole system deals in failure. And that's before the winning pilots get to air as series in the Fall, when the rate of attrition is just as high.

Over the years, the process has seen the development of thousands and thousands of ideas that were good enough to shoot as pilots, but not good enough to get on the air. More than 2,000 – 2,269 to be exact – are chronicled in the book *Unsold Television Pilots: 1955 through 1988* by Lee Goldberg. This reference work is an amazing catalog of what the networks sniffed at, but then decided wouldn't work. Some of the ideas are laughable, some quite interesting, many

run-of-the mill – and none of them made it on to a network as a series.

Names jump off the page. There are projects featuring the work of well-known producers, writers and actors: film stars Alec Baldwin and Sharon Stone's early shots at network television, Orson Welles' single attempt at a tv pilot (over-budget and "too sophisticated"), *Star Trek* creator Gene Roddenberry's 11 unsold projects and disaster-master Irwin Allen's five failures.

They say every story has already been written. A flip through Goldberg's book demonstrates it's at least true that every idea featuring a cop, private eye or doctor has probably been pitched to a network. Still, as the following selections from the book demonstrate, Hollywood has looked just about everywhere and come up with just about any concept in the search for the next hit series. With more than 2,000 unsold pilots listed in the book, the excerpt below represents only a small selection, chosen, in the main, because the entries illustrate interesting ideas that didn't get anywhere, represent Hollywood's thoughts on producing "international series" or were ideas that became quite successful in guises at a later time. (Each listing gives the title of the pilot, its running time, the

producer or production company, a plot description, and, in parenthesis, the season and network for which it was produced.)

Amazon Trader. Warner Bros. John Sutton would star as the title character in the proposed series, which would be shot on location in Uruguay (1956-57/ABC).

Adventures of a Model. 60 minutes. Desilu Productions. Creator/producer: Sidney Sheldon. Joanne Dru starred as a professional model in this busted pilot that was made in 1956, aired as an episode of *Colgate Theater* in 1958 (NBC) and then offered again on CBS (1956-57/NBC, then CBS).

Time Out for Ginger. 60 minutes. The misadventures of Ginger, a head-strong teenage girl who joins the high school football team to the consternation of everybody but her father, who was played by Jack Benny in the pilot. The play this pilot was based on would later serve as the basis for the 1965 comedy *Billie*, starring Patty Duke (1956-57/CBS).

The Orson Welles Show. 30 minutes. Desilu Productions. Producer, writer, director:

Orson Welles. The series would have been comprised of dramatizations of classic tales, including books by Kipling and H.G. Wells, as well as episodes dedicated to magic, interviews, readings and whatever else Welles wanted to do. For the pilot, Welles directed and narrated an adaptation of John Collier's *Fountain of Youth*, about a scientist who invents a secret elixir that keeps people young. Before the pilot was completed, the proposed series was doomed. Welles went over budget, took four weeks instead of the allotted ten days to shoot it, and threw an expensive wrap party that he billed to Desilu. The pilot, though hailed by critics for its inventive directing and honored with the Peabody, was rejected by the networks because they felt it was too sophisticated (1956-57/NBC).

Life Guard. Producer: Vernon Clark. A Santa Monica lifeguard doubles as a private eye (1960-61/ABC).

American in Paris (aka *At Your Service*). 30 minutes. MCA. Directed and written by Gene Kelly and with music by George Gershwin, this comedy adventure starred Van Johnson as a young American who owns a travel agency in France and helps tourists in trouble. The pilot, shot on location and based on the 1951 movie starring Kelly, sat on the shelf for four years before being aired (1960-61/CBS).

Walter of the Jungle. 15 minutes. Universal. A Tarzan spoof starring Jonathan Daly as an American adventurer living in a jungle tree-house with his mother (Rose Marie) (1967-68/independent).

United States — It Can't Happen Here (aka *Shadow Over The Land*). 2 hours. Screen Gems and Columbia Television. A science fiction drama with Mark Strange and Michael Margotta as two resistance fighters trying to overthrow the totalitarian government that now controls the United States and return the land to democracy. John Forsythe played the dictator, Jackie Cooper was slated for a recurring role and Gene Hackman had a part in the pilot (1968-69/ABC).

The Muppet Show. 30 minutes. IFA. Mia Farrow guest-hosted this pilot featuring the Muppets, the puppet characters created by Jim Henson that won fame on *Sesame Street*. The comedy anthology/variety show would tackle and satirize a different aspect of American life each week. ABC passed on this pilot and another produced a year later. But the network's

mistake was first-run syndication's gain. In 1976, a slightly different series, produced in England and bearing the same name as the first pilot, premiered in syndication. It featured the Muppets in a variety show hosted by a different guest star each week. The series ran until 1981 (1974-75/ABC).

Dad's Army. Herman

Rush Associates and David Wolper Productions. An Americanized version of a hit BBC sitcom about civilians protecting the home front during World War II. In this version, the locale is Long Island, the year is 1942, and these hapless folks are certain espionage is afoot and an enemy attack is imminent (1975-76/ABC).

Royal Match. 60 minutes. Many Films and MGM/UA Television. An American woman (Haviland Morris) just out of college travels across Europe and falls in love with a handsome young man (John Moulder Brown) in the tiny kingdom of Cresenda, only to discover he's the king. They get married, captivating the imagination of the country and aggravating the king's mother (Tammy Grimes), who will do anything to sabotage the marriage and return things to the way they once were. Shot in the Biltmore Estates, Asheville, North Carolina (1985-86/CBS).

D5B — Steel Collar Man. 60 minutes. Columbia Pictures Television and Cypress Point Productions. Like ABC's *J.O.E. & The Colonel*, this is the story of a government-created robot soldier (Charles Rocket) which can think for itself — not exactly what the government ordered when it financed the experiments. The government wants it destroyed. The scientist (Dorian LoPinto) who created D5B helps the robot escape and they hook up with a truck driver (Hoyt Axton). Together, robot, trucker and scientist roam the country, helping people and running from an obsessed government agent (Chuck Connors). The proposed series would mix adventure with comedy (1985-86/CBS).

Bates Motel. 2 hours. Universal Television. A sequel to the classic 1960 thriller Psy-



The Muppet Show came back from pilot limbo

cho that ignores events portrayed in the two theatrical sequels (released in 1983 and 1986, respectively). Bud Cort is a mental patient who inherits murderer Norman Bates' crumbling (and haunted) motel and reopens it, with the help of a runaway girl (Lori Petty) he finds living in the place. The proposed anthology would follow the guests who stay at the motel and their supernatural experiences. The NBC campaign proclaimed: "Norman Bates may be gone, but the motel lives on!" (1987-88/NBC).

Mars: Base One. 30 minutes. Mebzor Productions. Written and created by Dan Aykroyd. The misadventures, à la *The Jetsons*, of a family adjusting to life on Mars, where they live next door to a Soviet technician and his American stripper wife (1988-89/CBS).

Satin's Touch. 60 minutes. NBC Productions and Edgar J. Scherick Associates. Satin Carlyle (Lise Cutter) is a retired Interpol agent who marries an internationally known auctioneer (Martyn Stanbridge) and all is well — until her former partner shows up (Tim Carhart) and enlists them as Interpol agents to track down an art thief. The proposed series would follow this unusual threesome as they fight crime across Europe (1988-89/NBC).

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Squeezed - By Compression

GLOBAL REPORT: Satellite television has always been a futuristic technology. Now, satellite operators around the world are leading the charge into the digital era with the launch of the first digitally-compressed services aimed at the consumer. In the U.S., direct-to-home (DTH) packages are challenging the hegemony of cable tv operators over multichannel tv. In Europe, digital packages of hundreds of channels are being lined up by the biggest pay-tv companies, while Latin America and Asia are leapfrogging straight into digital cable and satellite. Satellite operating is already (for most) a highly profitable business, and companies are even reporting full order-books for digital birds that are yet to launch. Tim Westcott begins TBI's focus on satellite with a look at Europe, where programmers fear that both the Astra and Eutelsat systems are too closely aligned with the pay-tv giants

EUROPE

For broadcasters aiming to take the fast track to pan-European distribution, the choice boils down to two satellite operators: Société Européenne des Satellites (SES) and Eutelsat. So far it is SES, a privately-held Luxembourg company, which has had much of the running while Eutelsat, owned by Europe's national telephone companies (PTTs), has struggled to make a significant impression in the market.

Last month, Eutelsat brought its newest and most powerful satellite into operation. The so-called "Hot Bird 1," launched earlier this year, will transmit a signal strong enough to be picked up on 70cm (28-inch) dishes from northern Scotland to Tunisia, and from Alicante to Kiev. Programmers using the satellite will include USA Networks' Sci-Fi Channel and some of the first digital transmissions to Europe, by MTV Europe and the Dow Jones/Flextech-owned European Business News.

The new satellite is in the same orbital position - 13° East - occupied by the first-generation hot bird, which carries

16 transponders. For the first time, the company will be adopting the SES strategy of launching a number of satellites in the same position, which will enable viewers on the ground to receive extra tv channels without changing their reception equipment.

Two more Hot Bird satellites have already been ordered, so that by mid-1997, commercial director Giuliano Beretta expects Eutelsat to offer 72 transponders at 13° East.

Beretta admitted that Eutelsat had been slow to respond to the commercial challenge of SES, which has launched all of its satellites in the same 19.2° East slot. According to SES estimates, the 64 Astra channels can be received in 57 million homes via cable, direct-to-home (DTH) or communal "smatv" systems. Eutelsat's own estimates (which SES claims are inaccurate) are that 49 million homes can receive the 16 channels currently at 13° East.

With more channels in the same position, Eutelsat will become a more attractive proposition for the DTH market, in which Astra's lead is strongest. According to SES figures, 20 million homes receive

its signal via DTH or Smatv, with Germany (8 million) and the UK (3.4 million) the biggest national markets, followed by Poland (2.3 million). DTH reception of Eutelsat is claimed to be just over four million.

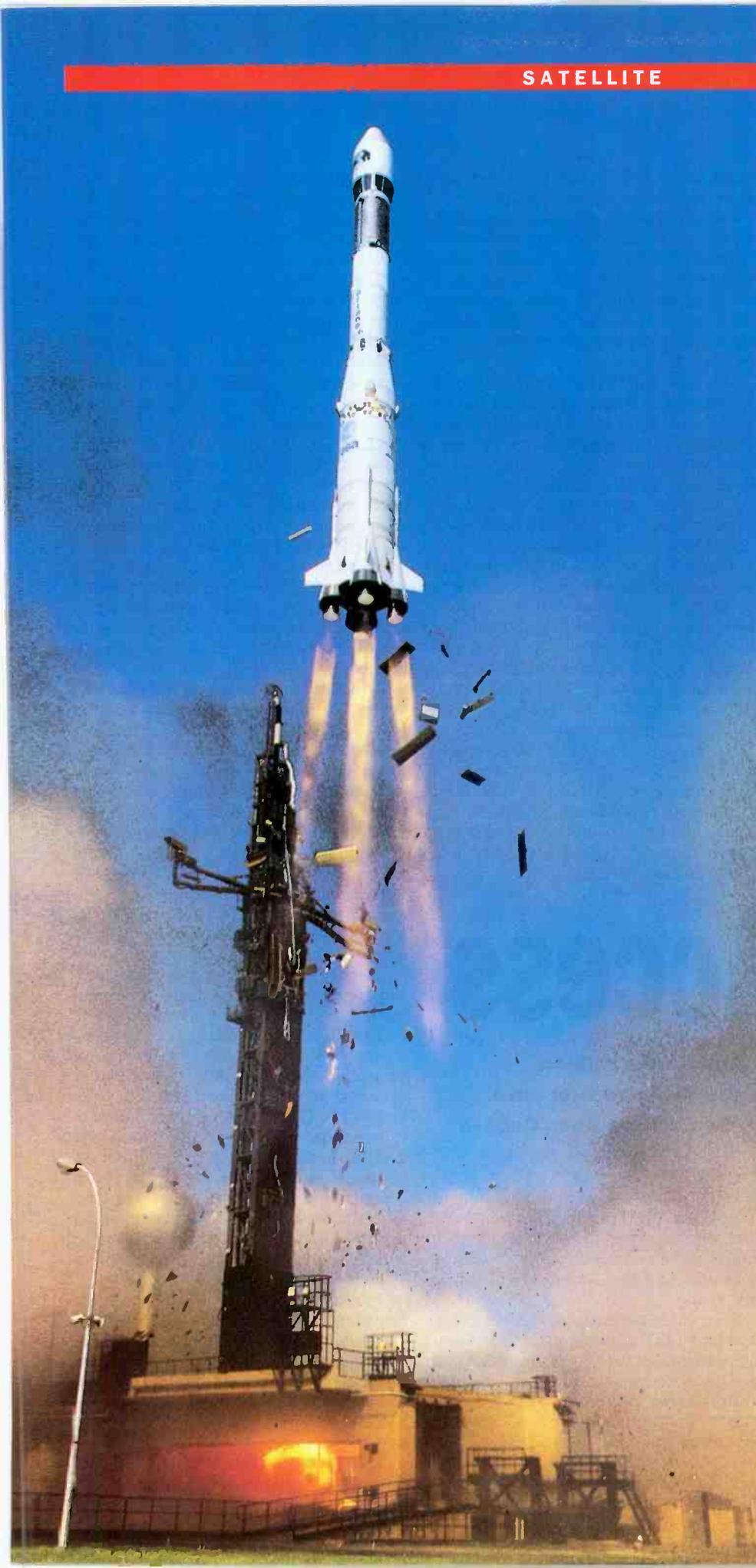
Strong sales of cheap dish systems have made Astra the satellite of choice for programmers targeting the UK market. Rupert Murdoch, one of the first programmers to sign up for the first Astra before its launch in 1988, has been crucial to the success of the system. SES also targeted Germany as another promising market, and it now carries almost every free-to-air German tv channel.

Beretta is convinced that Eutelsat's

Satellite TV Reception (million tv Households)

	Astra	Eutelsat 13°E
Cable	36.6	41.0
DTH & smatv	19.99	8.2
Total	56.59	49.2

Source: SES, Eutelsat estimates



commercial strategy will enable it to close the gap on its private rival. "A few years ago it was Astra, Astra, Astra," he said. "Now the situation will be changing." Eutelsat is funding a Europe-wide consumer campaign to promote new receiver systems which can receive both satellites, since the vast majority of Astra systems are fixed.

SES, however, is unshaken by the challenge. "We're trying to move ahead faster than our competitors," said SES spokesman Yves Feltes. "We intend to safeguard our advantage." Neither is exactly struggling to make ends meet: SES made a profit of \$125 million last year on turnover of \$282 million, while Eutelsat made \$37 million on \$190 million.

SES plans to invest \$960 million over the next three years, launching three new, all-digital satellites which will add a further 56 transponders to the 19.2°E slot. The first satellite, Astra 1E, is due to come into service in October. Astra 1F is due for launch in March 1996, 1G in the first half of 1997. The four spare transponders on Astra 1D are being used for digital test transmissions.

The new Astras will be receiveable throughout Europe on a 60cm (24-inch) dish. The government of Luxembourg has applied for additional orbital positions and frequencies to enable SES to launch more satellites targeting geographic areas within Europe.

In theory, the debut of digital satellite transmissions should be good news for new entrants to the market: SES is talking about compression rates of ten to one which would mean that there could be 500 channels beaming down from Astra alone by 1997. Both SES and Eutelsat are planning new and even more powerful satellites. In reality, however, capacity is in short supply.

SES has announced two bookings: six transponders by Canal Plus, and eight by Nethold. Feltes said that SES is in "very advanced negotiation" for all of the remaining capacity and added that there would not be enough capacity on the three new satellites to meet demand.

According to Beretta, all 20 transponders on Hot Bird 2, due for launch in August 1996, are booked, and 12-year contracts have been signed for more than half of Hot Bird 3, due to launch in February or March 1997. Rai has leased two transponders on Hot Bird 2 for the launch of thematic channels in Italy. Beretta would not say who the other customers are, but indicated that "with Hot Bird 2, we are not talking about individual channels any more, but pack-



Beretta: Eutelsat is closing the gap on SES

ages." New services like pay-per-view and near video-on-demand will also take up considerable amounts of bandwidth.

For would-be newcomers to the European market, the lack of capacity is disturbing. Citing industry sources, TBI's sister title Cable and Satellite Express reported that only five of the 56 digital transponders on the new Astras will be available for new entrants, with most of the capacity swallowed up by Europe's major pay-tv companies. It is unlikely that Eutelsat, given the oversubscription

for its space, will be any more welcoming to single-transponder customers.

It is also claimed that major customers of SES can obtain discounts of 50% on the price of a digital transponder (analog transponders go for about \$4 million a year, compared to \$2-3 million a year for a Eutelsat transponder). The Cable and Satellite Express reports were not confirmed by SES.

Although single-channel players will be able to buy digital capacity by the bit direct from SES, many fear that they will be obliged to negotiate with the program packagers. Most of the leading pay-tv players also own the standard encryption and subscriber management technology, leading to fears of a stranglehold being exerted by a few gatekeepers.

"Our objective is quite clearly, with the most important players, to kick-start the market for digital tv," said Feltes, unapologetic about SES's close alignment with some pay-tv groups, which has been the root of a difference of opinion over strategy between SES and its founding director-general Pierre Meyrat, who left the company last year.

"To make it a success, the programmer has to have experience, access to programming, know-how in subscriber management and financial resources."

New entrants to the market will just have to hope that the big players take them along for the ride.

Digital DTH now boasts nearly two-thirds of a million viewing homes in the states. DirecTv, backed by aerospace company Hughes Communications Inc (HCI), had 365,000 subscribers at the end of last year, and claims to be adding 3,500 new customers per day. Primestar, which launched last March, three months ahead of DirecTv and USSB, boasted 252,000 subscribers at the end of the year. Primestar president John Cuisick said it expected to reach its break-even target of one million by the end of 1995.

DirecTV, which shares the high-power DBS satellite platform with USSB, needs three million homes to be in profit and, according to spokesman Tom Bracken, the target will be halfway reached by the end of the year.

DirecTV/USSB will soon be able to offer 150 channels – 50 of them devoted to PPV – when a third satellite goes into orbit, while Primestar increased its number of channels to 67 earlier this year (10 of them PPV).

The status quo promises to be rocked when Echostar enters the fray with its two satellite, 110-channel venture, which is slated for launch this Fall. With Echostar seeking only 750,000 subscribers to break even, these ~DTH ventures would be the right side of the balance sheet on a combined penetration of six million. That's not a difficult target given that there are 40 million U.S. households not subscribing to cable, a significant number of cable customers are unhappy, and operators are deliberating whether or not to offer upgrades.

DirecTV is one of three ventures aiming for a share of the Latin American market, estimated to be a potential five to 20 million households.

The company has lined up three local partners – Mexico's MMDS and cable operator MVS Multivision, Brazil's Televisão Abril (TVA), and Cisneros, the pay-tv operator which owns Venevision and a stake in Univision, the U.S. Spanish-language network. Called Galaxy Latin America, the service will beam 144 digital tv channels and 60 "CD-quality" audio services. Galaxy Latin America is set to launch some time in the first quarter of 1996.

PanAmSat, another satellite service provider, is also planning a DTH launch. At first, PanAmSat's Galavision service will offer 20-30 channels, but with additional satellite launches, the service will expand to 500, of which 120 channels will be available to a subscriber in any part of the region.

Like Galaxy, transmissions will be in Spanish and Portuguese. PanAmSat has

Direct Access

As digital direct-to-home services notch one million subscribers in the United States, satellite operators are turning their attention southward. By Barbara Bliss Osborn

THE AMERICAS

The Americas divide into two where multichannel television is concerned. Thanks to cable tv, the United States and Canada are the most developed multichannel tv markets in the world, while Mexico and Latin America are for the most part just starting to see the widespread construction of cable systems and the launch of program channels to feed them.

Where direct-to-home (DTH) satellite broadcasts are concerned, the gap is not

so wide. The U.S. saw the launch of three digital DTH services last year, and three operators are scrambling to launch similar services targeting the 77 million tv homes in Latin America within the next year.

Even cable doyen John Malone, president and CEO of cable giant Tele-Communications Inc (TCI), has conceded that the U.S. systems mean business. DirecTv, United States Satellite Broadcasting (USSB) and Primestar were all offering consumers the wide channel choice and noise-free reception that many MSOs and their customers dream about, he said.

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Multichannel TV In Latin America (000s)

Country	TV Homes	Cable Homes	DTH Homes	Pay-TV subs(*)	Max. Pot. Pay-TV subs
Argentina	9,050	6,500	1,750	4,900	6,500
Brazil	32,500	1,500	1,850	520	8,000
Bolivia	1,000	400	>1	25	170
Chile	3,500	800	30	320	1,200
Colombia	7,100	2,000	30	80	3,500
Costa Rica	500	120	15	50	300
Cuba	2,000	-	n/a	-	-
Dom. Rep	500	200	15	120	250
Ecuador	600	120	1	40	350
El Salvador	500	75	>1	25	150
Guatemala	1,200	220	2	100	250
Honduras	300	130	1.5	50	120
Mexico	15,100	3,000	1,600	2,000	5,000
Nicaragua	200	15	7	5	200
Panama	600	80	4	30	150
Paraguay	700	200	>1	130	250
Peru	3,100	200	2	40	1,000
Uruguay	800	150(4)	5	50	250
Venezuela	3,900	120	75	220	1,000

Notes: *) Pay tv subscribers include cable, wireless, DTH (excluding broadcast reception) and catv.

Most dishes in Brazil are for satellite reception of free broadcast channels. There are 40,000 pay-tv DTH subscribers; Cable homes in Colombia includes households connected to illegal catv systems; Mexico DTH homes includes restaurants and hotels offering spillover satellite signals to patrons; Cabling in Montevideo City, accounting for half of Uruguay's population, has not been started yet.

Source: Private Advisor April 1995

also lined up a deal with a heavyweight program source, the Mexican tv giant Televisa, which owns a 50% stake in the satellite operator.

Televisa will provide about 10% of Galavision's programming and handle all additional acquisition of programming, which is expected to include first-run movies, sports events, and local programs.

The third entrant in the DTH fray is Amigo Satellite Television which is being put together by the Sur Net-

work, a Miami-based corporation that retransmits Latin American programming, primarily news, to U.S. cable systems. Amigo Satellite Television will launch December 1 with transponder space leased from Intelsat. The service will include 80 channels, of which 66 will be available in any one region, said Luis Guerra, Sur Network president.

Amigo Satellite Television will start out with eight new networks, including two movie channels, a shopping channel, three regional sports services, a soap opera channel and a weather channel, and will also broadcast some of the services already included on the Sur Network.

Neither PanAmSat nor Amigo has announced firm hardware costs or monthly changes, but they are likely to be comparable to DirecTv's prices. DirecTv expects consumer units to cost \$700 with an additional monthly fee of \$28, similar to the cost of DirecTV in the U.S.

Amigo's Guerra acknowledged that the costs are considerable by Latin American standards, and he also noted that Amigo's monthly charge will be higher than current charges for cable. "We're not going after the existing cable market," he said.

Safety In Numbers

The mystery of the East: There will be hundreds of transponders beaming into Asia by next year, and digital compression will multiply capacity tenfold. So how come capacity is in short supply? Sarah Walker investigates

ASIA

Some estimates suggest there will be 750 satellite transponders beaming into Asia from a plethora of regional and national operators by the end of 1996. No need for international broadcasters to worry about a capacity shortage, you would think. The reality is, however, that not all are equally accessi-

ble to foreign companies and capacity is, in fact, limited.

Although individual Asian countries have either launched or have aspirations to launch their own satellites, the main operators - Asiasat, Apstar and PanAmSat - are all regional and, for the most part, dominate the Asian skies.

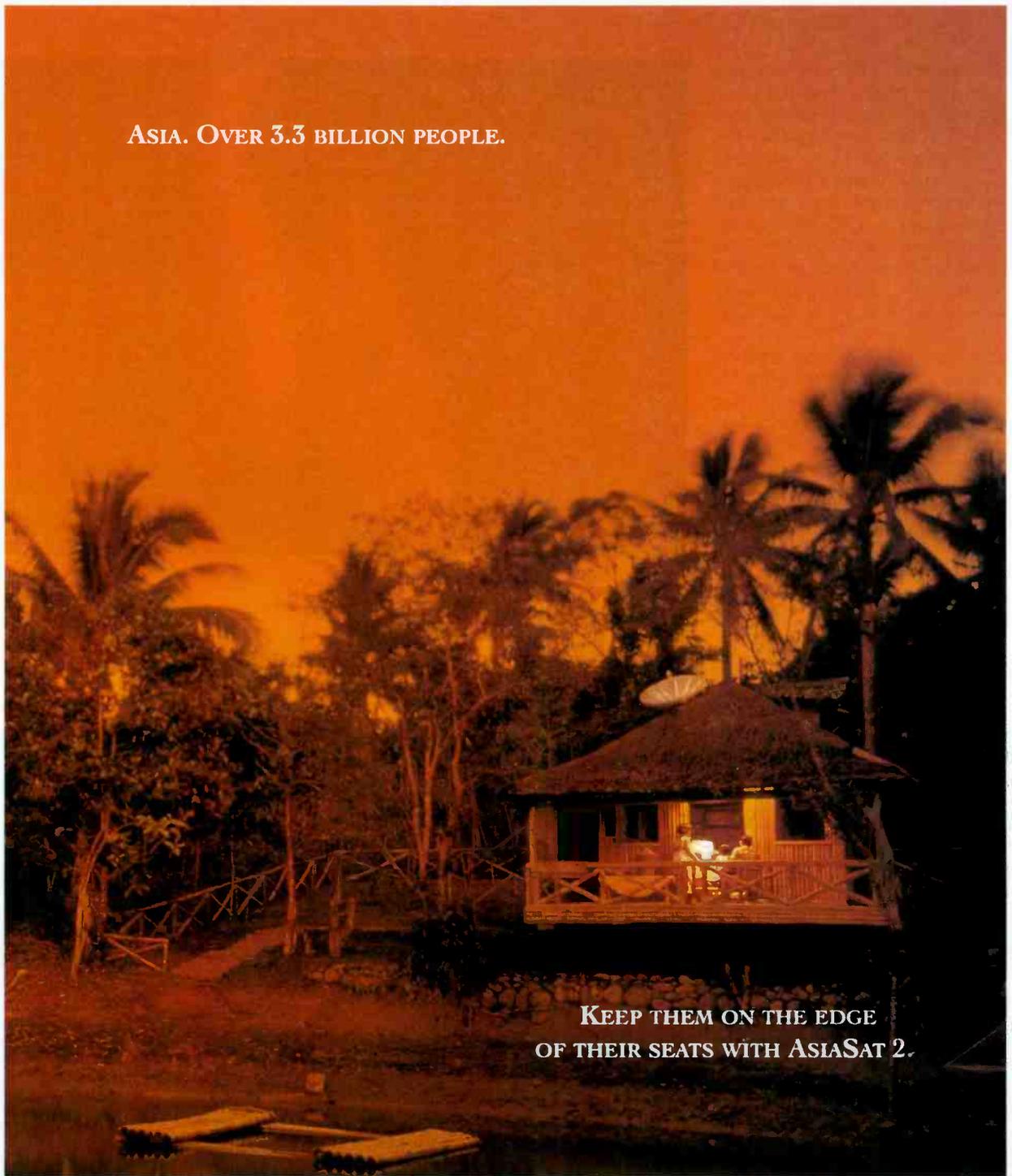
Of the three, Asia Satellite Telecommunications Co. Ltd (Asiasat), owned by British telecoms company Cable and Wireless, the Chinese-backed China International Trust and Investment Corp. and Hong Kong's Hutchinson Whampoa, offers the best coverage. Its first satellite, Asiasat 1, which launched in 1990, uses two beams to cover an area stretching as far west as the Middle East and as far east as Japan. However, Asiasat's exclusive deal with Rupert Murdoch's Star TV, which not only uses most of Asiasat 1's transponder space, but also has the right to veto any other users, effectively wipes out Asiasat as a vehicle for would-be Star

TV competitors. For foreign programmers, Apstar 1 and PAS-2 offer the best alternatives.

Apstar 1 is owned by APT Satellite Co which is in turn owned by three Chinese companies and Thai conglomerate the CP Group. Apstar 1 carries, among others, the Mandarin-language Disney Channel, CNNI, TNT/Cartoon Network, HBO Asia, the Discovery channel and ESPN, and offers coverage to Greater China and south-east Asia, reaching west as far as Bangladesh. PAS-2, with a channel lineup that includes ANBC, CNNI, MTV and ESPN, has similar coverage, extending further south to cover parts of northern Australia.

Although the next generation of satellites, including Asiasat 2 and PanAmSat's PAS-4, both due up this year, will offer extensive pan-Asian coverage, the loss of Apstar 2 on launch in January proved true the premise that safety is to be had in numbers. The Apstar

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Satellites Serving Asia.

loss left many broadcasters without adequate coverage of the Asian region. Those left sitting pretty were those such as ESPN and Turner Broadcasting who had taken transponders on multiple satellites, a relatively small investment. "Delivery synergies reduce costs," said Kevin-John McIntyre, general manager and vice president, The Discovery Channel Asia, "but as a percentage of the total costs of running a channel, uplinking and transponder leasing is relatively small."

Apstar's loss didn't just have ramifications for those who had leased transponder space. Asiasat was planning to use the same vehicle to launch Asiasat 2 in June, and it now faces a delay. "We still have a window for the third quarter, but we won't have a definite date until we hear the outcome of the Hughes (satellite manufacturer) and the China Great Wall investigation," said Asiasat deputy chief executive Bill Wade.

With Apstar 2 out of the picture, PanAmSat's PAS-4 service, due to launch in July with a footprint covering the Indian subcontinent, Japan, south-east Asia, China and Australia, has emerged as the hot bird for the region, with most foreign



Popperfoto/Reuters

Programmers' plans went up in smoke with the loss of Apstar 2

broadcasters either already signed up or in negotiation.

With transponder capacity such an issue, the development of technology in Asia has not followed the same pattern

as in Europe. For the most part, analog technology has been leapfrogged by a move straight to digital, as illustrated by PanAmSat's plans for PAS-4. The operator is currently putting together a 120-

GO WEST - 1° WEST

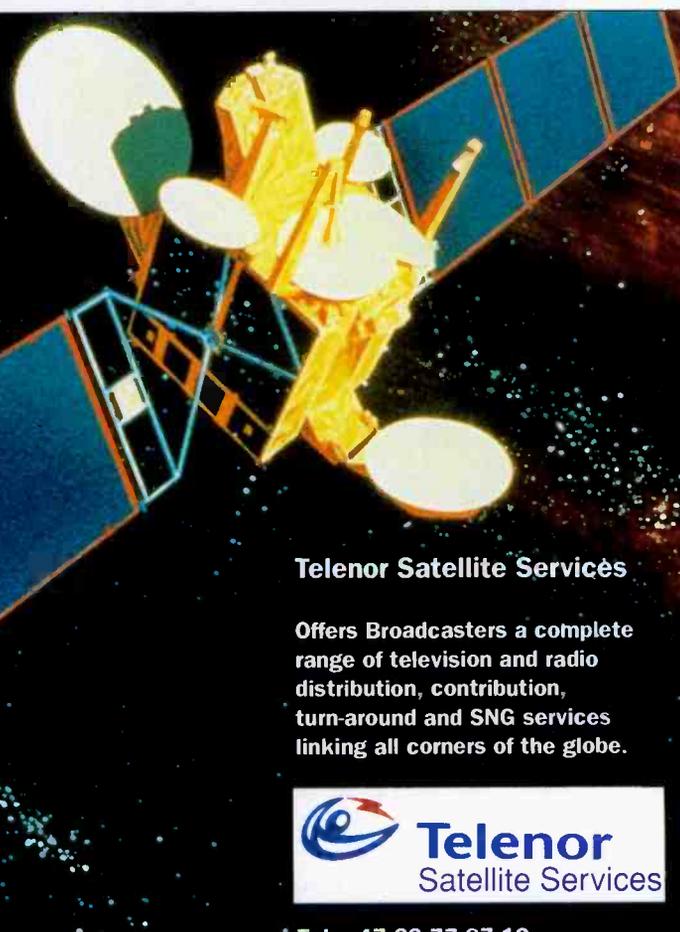
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Bangladesh	204
Brunei	30
Hong Kong	284
India	10,158
Israel	784
Korea	270
Kuwait	76
Pakistan	174
Philippines	248
Saudi Arabia	388
UAE	289
Taiwan	3,418
Thailand	393
Indonesia	50
Total	47,297

Source: Star TV

channel DTH digital package for India, that will broadcast from 12 PAS-4 transponders, each compressed eight to 10 times.

"Programmers like compression because it reduces their entry costs and reduces the cost of increasing their service. It also allows new players to enter the market and gives consumers choice," explained Andrew Jordan, PanAmSat's regional vice president, Asia. Star TV is planning a 120-channel pay-tv package off Asiasat 2, which Bill Wade said would be a fully digital satellite.

With the exception of Indonesia, home to a large DTH population, the Asian market is still largely dominated by cable. A shift to digital technology should be relatively easy for channels to administer as only cable headends will be required to purchase or be supplied with new decoders, not the consumer.

In India the plan, said PanAmSat's Jordan, is to "grow the market from scratch." For those few DTH households forced to upgrade their equipment, the "cost of the equipment will come down and (the consumer) will be spurred on by the programming, much of which won't be available in analog because the capacity won't be available."

Compression will also make possible another important requirement for broadcasters serving the Asian region: localization. A transponder could be compressed to provide six different channels, each of which could be reversioned and targeted at a different market.

Local satellite operators could act as possible alternative carriers. India and China have had their own domestic services, Insat and Chinasat, for several years, and virtually every other Asian country - including Thailand, Malaysia, Korea, the Philippines and Singapore - has either launched or is planning to launch its own service. However, the only local operator that to date has made itself completely accessible to overseas programmers has been Palapa. Owned by Indonesian company Satelindo, Palapa B2P and its successor C1, due to launch later this year, have provided alternative coverage for almost all the foreign broadcasters targeting south-east Asia. No doubt part of Palapa's attraction has been its footprint, which extends well beyond its domestic market. This is likely to become a trend followed by other domestic operators. The coverage of Malaysia's two-satellite Measat service, due to launch by the middle of next year, will extend beyond its domestic market, while Thaicom, Thailand's domestic service owned by the Thai conglomerate Shinawatra Group, has made no secret of its regional aspirations.

Governments in Asia, realizing that they are unlikely to be able to restrict the flow of entertainment coming into their own country, are changing tact and offering domestic alternatives. The question is, will they offer foreign networks carriage as well? [E]

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TBI's Guide To Satellites Worldwide

Satellite	Operator	Location	Service Area	Transponder Capacity	Launch Date
ASIA					
AsiaSat 1	Asia Satellite Telecomms.	105.5° East	Asia/Middle East	24 C-Band	April 1990
Insat 1D	Indian Space Research Org.	83.0° East	India	12 C-Band	June 1990
Insat 2A	Indian Space Research Org.	74.0° East	India	18 C-Band	July 1992
Insat 2C	Indian Space Research Org.	74.0° East	India	18 C-Band, 3 Ku-Band	1995/96
Intelsat 503	Intelsat	183.0° East	Pacific Ocean Region	16 C-Band, 4 Ku-Band	December 1981
Intelsat 508	Intelsat	180.0° East	Pacific Ocean Region	16 C-Band, 4 Ku-Band	March 1984
PAS 2	PanAmSat	168.0° East	Asia Pacific Region	16 C-Band + 4 Back-up 16 Ku-Band + 4 Back-up	July 1994
PAS 4	PanAmSat	72.0° East	Indian Ocean Region	14 C-Band, 14 Ku-Band	May 1995
AUSTRALASIA					
Optus A2	Optus Communications	164.0° East	Australia, Papua New Guinea, New Zealand, SW Pacific	11 Ku-Band	November 1985
Optus A3	Optus Communications	156.0° East	Australia, Papua New Guinea, New Zealand, SW Pacific	15 Ku-Band	September 1987
Optus B1	Optus Communications	160.0° East	Australia, New Zealand	15 Ku-Band	August 1992
EUROPE					
Astra 1A	SES	19.2° East	Europe	1A,1B,1C,1D Total 64	December 1998
Astra 1B	SES	19.2° East	Europe		March 1991
Astra 1C	SES	19.2° East	Europe		May 1993
Astra 1D	SES	19.2° East	Europe		September 1994
Astra 1E	SES	19.2° East	Europe	1E, 1F, 1G Total 56	Autumn 1995
Astra 1F	SES	19.2° East	Europe		Mid-Late 1996
Astra 1G	SES	19.2° East	Europe		1997
Eutelsat II F1	Eutelsat	13.0° East	Europe		August 1990
Eutelsat II F3	Eutelsat	16.0° East	Europe	16 Ku-Band + 8 Back-up	December 1991
Hot Bird 1	Eutelsat	13.0° East	Europe	16 Ku-Band	March 1995
Hot Bird 2	Eutelsat	13.0° East	Europe	20 Ku-Band	August 1996
Hot Bird 3	Eutelsat	13.0° East	Europe	20 Ku-Band	1997
Intelsat 601	Intelsat	27.5° West	Atlantic Ocean Region	38 C-Band, 10 Ku-Band	October 1991
Intelsat 602	Intelsat	63.0° East	Europe/Indian Ocean Region	38 C-Band, 10 Ku-Band	October 1989
Intelsat 702	Intelsat	1.0° West	Atlantic Ocean Region, Europe, Africa, Middle East	16 C-Band, 6 Ku-Band	February 1994
Intelsat 704	Intelsat	66.0° East	Europe/Indian Ocean Region	16 C-Band, 6 Ku-Band	December 1994
LATIN AMERICA					
Brazilsat B1	Embratel	65.0° West	Brazil	24 C-Band	November 1995
Brazilsat B2	Embratel	65.0° West	Brazil, Argentina, Chile	24 C-Band	March 1995
Intelsat 513	Intelsat	53° West	Paraguay, Uruguay N&S America, Europe, Africa	28-34 C-Band, 6 Ku-Band	May 1988
Morelos 1	Telecomunicaciones De Mexico	113.5° West	Mexico	12 C-Band, 4 Ku-Band	June 1985
Morelos 2	Telecomunicaciones De Mexico	116.8° West	Mexico	12 C-Band, 4 Ku-Band	November 1985
PAS 1	PanAmSat	45.0° West	N&S America, Western Europe, Caribbean Basin	12 C-Band, 6 Ku-Band	June 1988
MIDDLE EAST					
Amos-1	Israel Aircraft Industries	4.0° West	Middle East, Central Europe	7 Ku-Band	January 1996
Arabsat 1C	Arabsat	31.0° East	Arab Countries	25 C-Band	February 1993
AsiaSat 2	Asia Satellite Telecomms.	110.5 East	Middle East, CIS, Asia, Australia	24 C-Band, 9 Ku-Band	Early 1995
Turksat 1B	Turkish PTT	42.0° East	Turkey, Europe	16 Ku-Band	June 1994
Turksat 1C	Turkish PTT	50.0° East	Turkey, Central Europe, Central Asia	16 Ku-Band	1996

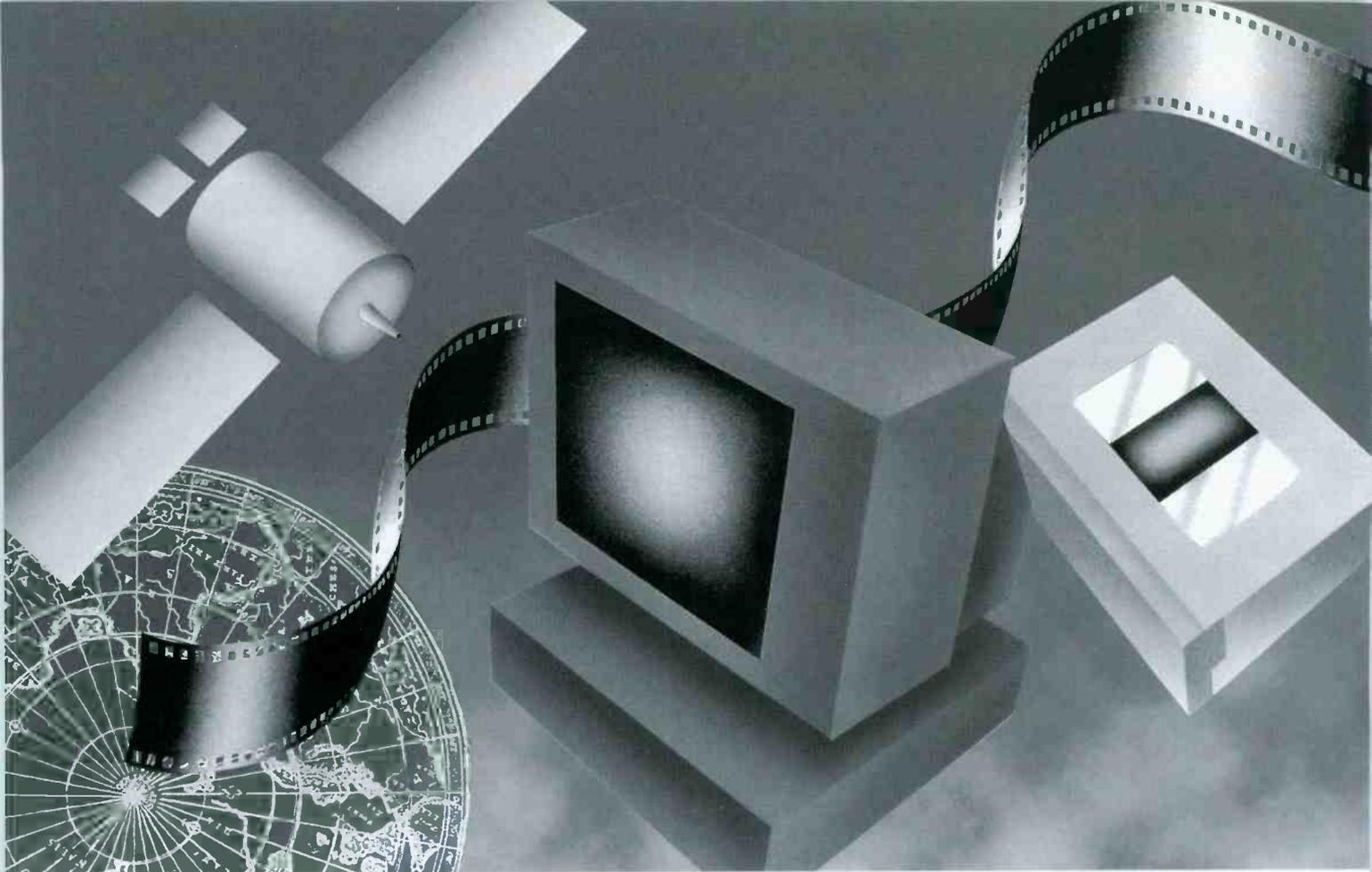
SATELLITE

Satellite	Operator	Location	Service Area	Transponder Capacity	Launch Date
NORTH AMERICA					
Anik E1	Telesat Canada	111.1° West	Canada	24 C-Band, 16 Ku-Band	September 1991
Anik E2	Telesat Canada	107.3° West	Canada	24 C-Band, 16 Ku-Band	April 1991
DBS1	Hughes Communications	101° West	Continental U.S.	16 Ku-Band	December 1993
DBS2	Hughes Communications	101° West	Continental U.S.	16 Ku-Band	July 1994
DBS3	Hughes Communications	101° West	Continental U.S.	16 Ku-Band	1995
Echostar 1	EchoStar Satellite Corp.	119° West	Continental U.S.	16 Ku-Band	October 1995
Echostar 2	EchoStar Satellite Corp.	119° West	Continental U.S.	16 Ku-Band	Mid 1996
Galaxy 1-R	Hughes Communications	133° East	Continental U.S., Alaska, Hawaii, Puerto Rico	24 Ku-Band	February 1994
Galaxy III	Hughes Communications	93.5° West	Continental U.S., Alaska, Hawaii, Puerto Rico	24 C-Band	September 1984
Galaxy IV	Hughes Communications	99° West	Continental U.S., Alaska, Hawaii, Puerto Rico	24 C-Band	October 1990
Galaxy V	Hughes Communications	125° West	Continental U.S., Alaska, Hawaii, Puerto Rico	24 C-Band	March 1992
Galaxy VII	Hughes Communications	91° West	Continental U.S., Alaska, Hawaii, Puerto Rico	24 C-Band, 24 Ku-Band	October 1992
Orion F-1	Orion Network Systems	37.5° West	U.S., Europe	34 Ku-Band	November 1994
PAS 5	PanAmSat	45° West	Atlantic Ocean Region		1996
SBS 4	Hughes Communications	77° West	Continental U.S.	10 Ku-Band	August 1984
SBS 5	Hughes Communications	123° West	Continental U.S., Alaska, Hawaii	14 Ku-Band	September 1988
SBS 6	Hughes Communications	83° West	Continental U.S., Alaska, Hawaii	19 Ku-Band	October 1990

Global Satellite-Delivered Networks

Network	US	Europe	Asia	Latin America	Middle East	Others
BBC World						Africa, Japan
Cartoon Network						
CMT						
NBC*						
CNNI						Africa, Australia
Discovery						
Disney Channel†						
ESPN						Brazil
HBO						Brazil
MTV						
Nickelodeon						Australia
Prime Sport						Australia
TNT						

* Includes NBC Super Channel In Europe
 † Includes Super RTL (joint venture with CLT) in Germany and Disney Channel, Taiwan
 Source: TBI



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SCREENINGS NEWS

The May Pilgrimage

If it's May then it is L.A. for the world's television program buyers. The May Screenings is of pivotal importance for buyers, particularly of hour and half hour drama series. Looking to spend last year's advertising dollars on the freshest product that the studios have to offer, buyers are given their first opportunity to pick up the series that have just been greenlighted by the U.S. networks for their Fall schedules.

In the past the screenings have been dominated by the big commercial and public broadcasters battling for the hot product. This has often lead to bidding wars, with networks unafraid to promise large sums for untested shows.

But the May Screenings is not just about pilots and gambling by international buyers on what will work in their home markets. There is an increasing crowd of sellers who either journey to L.A. or camp out in a handful of hotels with the intention of catching their major clients in buying mood.

And there is an increasing number of stations worldwide sending buyers in a bid to come up with the bargain or blockbuster that will push them ahead in the race for prime-time audiences. Although the Screenings do not really amount to a market in the recognized sense of the word, there is an ad hoc schedule mainly dictated by the majors which determines when buyers get on the plane and where they spend their time in L.A.

Warners Builds A Co-production Base

WHEN Cathy Malatesta joined Warner Brothers International Television Distribution as vice president, international television sales, just before Christmas, an unpublicised part of her brief was to develop international co-production. Five months into the job and she is now in negotiation on the first co-production projects which will focus on programming in the children's and family entertainment area.

As well as looking at inter-company projects, Malatesta has spent time evaluating pro-

This includes dictating the times that buyers from different regions fly in. The Canadians are the first to fly in, this year around May 21. The week after that, it's the turn of the Latin Americans, then finally the Europeans.

This year, the big three networks will announce their schedules first. By May 16, it should be known which series have been picked up by ABC, CBS and NBC. Fox is expected to wait until the first week of the Screenings before making its plans known.

The two upstart networks Warner Bros (May 22) and United Paramount (May 25) are last in line.

There is more to the Screenings than the pilots, of course, and TBI's preview concentrates on the programs whose screenings don't depend on network pick-ups. Rysher has two series already picked up by CBS and United Paramount. New Line's *Dumb and Dumber* and *The Mask*, and Saban's *Masked Rider*, *VR Troopers* and *Tenko*, have been greenlighted ahead of time because of the nature of production of animated series. And MGM/UA has elected to go ahead with the tv version of *Poltergeist* without waiting for a network pick-up.

Other screeners like *All American* and *Alliance* are giving product launched at Mip TV a second run to target buyers – such as the Latin Americans – who didn't make the journey to Cannes.

jects and alliances from outside the company. "Mip tv opened the floodgates which we weren't prepared for," said Malatesta.

Warners are looking for co-production projects that fulfil a number of criteria. These include: European content; the ability to travel internationally; supplementing the existing library; and the ability to utilize the programs for the roll out of thematic Warner channels. Key to the deals will be the quality of the programs and the alliances they build.

Hopeful Gaumont

If neither of Gaumont Television's two pilots are picked up, executive producer Marla Ginsburg (below) won't be too despondent. She will be able to go home to Paris after five months on the road, nurturing *Beck* and *Club Paradise* toward possible pick-ups from CBS and



NBC respectively. And at least Gaumont will have notched an extremely rare success for a European company in successfully pitching two series to networks based on little more than pilot scripts.

Just getting the pilots ordered, said the American-born Ginsburg, "sends a message back to our co-production partners that we really do have a chance to sell to the U.S. market."

Action series *Highlander*, co-produced with Rysher and sold into syndication, was the French company's first break in the U.S. This time Gaumont pitched the networks on its own. The pilots for both *Beck* and *Club Paradise* (which has been through two development seasons) were co-produced with the networks in-house.

Fox Lorber Goes Technical

International distributor Fox Lorber Associates is taking five products to the L.A. screenings. Debuting this time around are *Life on the Digital Edge* (below), a series about life in a technical



world, and *Indochine*, a 6X1 hour series on south-east Asia. Fox Lorber said it had also generated considerable interest with *The World's Weirdest Places*, a show which looks at some of the stranger sights on earth, such as a swimming pool for horses in Abu Dhabi.

A treatment and screenplay of embryonic sitcom *Harry's Bar*, for which Fox Lorber will be touting for co-producers, also figures on the slate, as do second seasons of both *Planet Fashion* and *Good Galaxy's* Tiit 23 1/2.

Poltergeist Likely To Scare Up A Deal

SINCE Mip, MGM/UA has been fielding offers from U.S. networks looking to buy *Poltergeist: The Series*, a planned one-hour drama about ghost chasers that MGM/UA Telecommunications Group president Gary Marenzi hopes will follow in the footsteps of international sales success *The Outer Limits*.

"We're trying to figure out how to put the model together to bring it to market," Marenzi told TBI in advance of the L.A. Screenings. "We definitely will have a promo reel to show people at the May Screenings."

The Outer Limits signalled MGM/UA's return to series production, and MGM/UA executives clearly want to use it as a model for creating new series while avoiding the financial trap of network pilot development and deficit financing. With *Outer Limits*, MGM/UA secured a 22-episode order from pay-channel Showtime, at the same time agreeing to a reduced license fee so it could take the series into U.S. first-run syndication earlier than would usually be allowed. The bonus was strong international interest in the sci-fi anthology series.

If MGM/UA can cut a similar deal for *Poltergeist*, Marenzi said he will again be in the strong position of being able to wait until he's got quality material before having to push the series on international buyers. "When we do *Poltergeist*, it's likely we'll do it with the same producers who did *Outer Limits*. My first step will be to go back to the people who licensed *Outer Limits* and offer (*Poltergeist*) to them as well." And, though in no rush on the new series, he is open to talks with broadcasters interested in coming in as co-production partners.

MGM/UA is also in separate and active negotiations with a

network for another proposed series, this one also based on a title in the company's 1,400-title film library. Marenzi wouldn't say which film may soon get the series treatment, but at Mip he had mentioned *Running Scared*, *Highway Patrol*, *To Live and Die in L.A.* and *Undercover Blues* as library titles the company would like to turn into series.

MGM/UA, adverse to getting back into the network production rat race, is so far a beneficiary of the new competition in American broadcasting; the fact that the Fox, UPN and WB tv networks are competing along side ABC, CBS and NBC has created a seller's market. "The buyers are interested now that we're up and running on the production side. We're a new supplier and that's creating lots of attention."

Overall, Marenzi wants it made clear that MGM/UA – the subject of such negative headlines for so long because of the studio's financial collapse – is back and ready to do business. "We have plenty of money to run our business. We have plenty of money to invest in certain ventures if we want to."



Closure Crisis

CANADA'S Alliance Communications Corp will be pitching the latest series of *Taking the Falls* as well as ten new episodes of the computer-animated series *Reboot* (right) at the screenings. Its major focus will be on Latin American buyers.

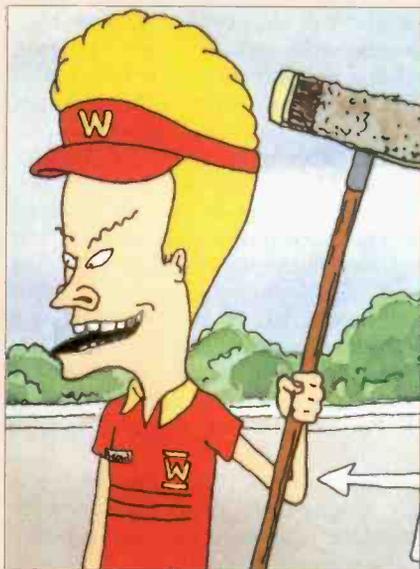
Michelle Kearney, responsible for sales to Latin America and Asia, said that the event can be problematic. "I have more time for them but they have less time for me." The majors screen all day so it can be hard for independents like Alliance to get access to clients.

Kearney has been building up to the screenings all year: "I went to Latin America and Natpe before Mip and now is the time to close those deals."

Kearney's main clients in the region are Mexico, Argentina, Chile and Colombia. Mexico remains important because "I closed my deals before the (peso devaluation) crisis," she said.



Beavis Y Butthead



MTV Networks will be represented by a team headed by Olivia King Canter, vice president, international program sales, at the screenings.

As well as new Spanish-language soundtracks for the animated youth series *Beavis and Butthead* and MTV's first drama series, *Dead At 21*, Canter said she would be talking to buyers about animated series launched at Mip TV and program formats.

Although this will be the first year the youth network has been linked to Paramount via its parent group Viacom, instead of tagging along with the studio's screenings MTV will be booked into a suite at the Century Plaza. "(The screenings) are a chance to meet fiction buyers we might not normally meet, and to have programs evaluated alongside high-quality product," said Canter.

As well as presenting the new soundtracks to buyers who haven't already committed to the series, MTV would, said Canter, be offering programs from MTV Latino, launched last October, as well as MTV Brazil.

Building affiliate sales remains the core of MTV's international business, and the nature of MTV's programming means it doesn't always fit easily into generalist schedules, said Canter. There are additional "idiosyncracies" such as artist approvals and rights restrictions. However, with two new networks about to launch in Asia, MTV is rapidly becoming a global provider of youth programming.



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Great Women From SIE

Solomon International Enterprises will have miniseries *Liz: The Elizabeth Taylor Story* and *Catherine The Great* (below) heading its list of product at the screenings. *Liz*, based on the unauthorized biography by C Heyman, stars Sherilyn Fenn and is due to air on NBC later this month.

SIE will also be exploiting the Latin American rights to Cinar's *Million Dollar Babies* and French channel M6's tv movie series *Women's Battles*.

Executives attending include Trish Gardner, vice president, acquisitions and SIE's sales team, headed by Belinda Menendez. SIE's screenings will be held at the Century Plaza Hotel from May 29 through to June 9.

**Buying Club**

Warner Bros. International Television Distribution (WBITD) has created the Warner Bros. Concierge Club to cater for the needs of accredited international program-buyers during the 1995 L.A. Screenings. Membership to the service entitles Warner Bros. clients to special rates at selected hotels, car rental services and more.

New Line Smart About Feature Tie-Ins

WITH two animated series due to premiere on networks in the Fall season, a new reality series and two Court TV shows to launch on the international market, this promises to be the busiest year yet for New Line Cinema.

CBS is due to start airing the first of 26 episodes of animated series *The Mask*, co-produced by New Line with Sunbow and Film Roman, this Fall. The series has already sold or is under offer in most of the major markets worldwide. It will air on TNT/Cartoon Network in Europe as well as the BBC, and France's Canal Plus and M6.

Dumb and Dumber, to which ABC has committed for 13 episodes, is following hard on the heels of the live action feature's global roll-out, and was originally slated for a Fall '96 debut.

Bob Friedman, president of television at New Line, said it was following through a strategy "to create product based on other

franchises that will already be highly visible." Both animated series will also boast significant merchandising opportunities. New Line is also seeing the benefit in direct sales from its takeover by Turner last year, and will be part of the Turner screenings at the JW Marriott and Westwood Marquis hotels.

Friedman and executive vp, international television Diane Keating expect to be at the Screenings May 30 through the end of the first week.

New Line will also be showing *Lost And Found*, produced for Fox's F/X cable network, a reality format which reunites relatives, ex-lovers, and even cell-mates, and the weekly and daily Court TV shows, *Inside America's Courts*.

In development for Home Box Office is *Fear Itself*, a long-form anthology series for which New Line has signed up director Renny Harlin and screen star Geena Davis.



Dumb & Dumber: TV series originally slated for 1996

Two Pick Ups For Rysher



Live Shot: Tv on tv

THIS is the second L.A. screenings for Rysher Entertainment. Meggan Kimberley, senior vice president, international sales, says that "the screenings are an integral part of the circuit to us. At Mip we announce shows and generate interest and at the screenings we do pilots, screen the shows and close our deals."

This year two networks have already picked up two Rysher shows, well ahead of the end of May deadlines.

CBS has taken the Don Johnson detective series, *Off Duty*, currently

shooting so only footage will be available at L.A. The series, in 22 one-hour episodes, features Johnson as a detective forced to take on odd jobs to keep up with the alimony payments for his two ex-wives.

United Paramount Network has taken *Live Shot*, a fast-paced drama set in an L.A. tv station,

for which there is a completed pilot. The series format is 13 one-hour episodes.

Unlike the film market, tv projects demand a large amount of negotiation, said Kimberley. "Deals are not instantaneous, so this event is a perfect follow-up to Mip. Plus it is good for companies to see us in our environment, to see our operation."

As well as the new shows, there are still a couple of territories available for last year's series *VR*, namely France and Italy, which Kimberley plans to fill.

Real Kids, Cartoon Turtle

4KIDS Productions, present for the first time at the screenings, is debuting two shows: *Real Kids*, an infotainment program originally launched on video by Warner Vision, and kids' animation *Shelly T. Turtle*, which is set to air on PBS in June.

Brain Lacey, head of international marketing, said he is already in the final negotiation stage for pre-sales for *Real Kids*, while *Shelly T. Turtle* has pre-sold to Beta Taurus in Germany and pay-tv channels FilmNet in Scandinavia and MNet and BopTv in South Africa.

Lacey is another independent who says that he's attending the screenings because of the strong Latin American contingent. He's even changed 4Kids' strategy to capitalize on the region's potential.



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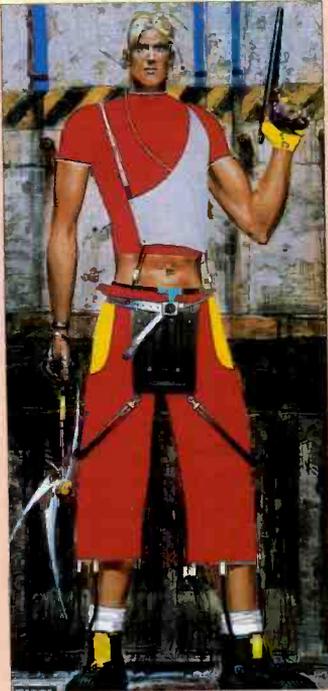
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TV Movies And Toons From Hearst

Hearst Entertainment is debuting two tv movies at the L.A. screenings as well as pitching most of its Mip slate.

The new tv movies are *The Unspoken Truth* – the story of a woman imprisoned for a murder she didn't commit, and *Closer*, in which a writer's first thriller unleashes a spate of copycat murders. Hearst will also be rolling animated series *The Magical Adventures of Quasimodo*, *Phantom 2040*, and *The New Adventures of Flash Gordon* (below), which is currently in production and will be available by the Fall of 1996.



Baywatch Nights Tops Bill For All American

BAYWATCH Nights, the spin-off of the worldwide drama hit, is heading the list of product All American Fremantle International will be offering at the Screenings. The series was launched at Mip by Beta TV, which holds the European rights, and All American will be looking to close further sales to Latin America and Asia.

According to Jennifer Chrein, head of international sales, the series has already sold to several territories, including Televisa in Mexico, Venevision in Venezuela, and Malaysia, Indonesia and South Korea.

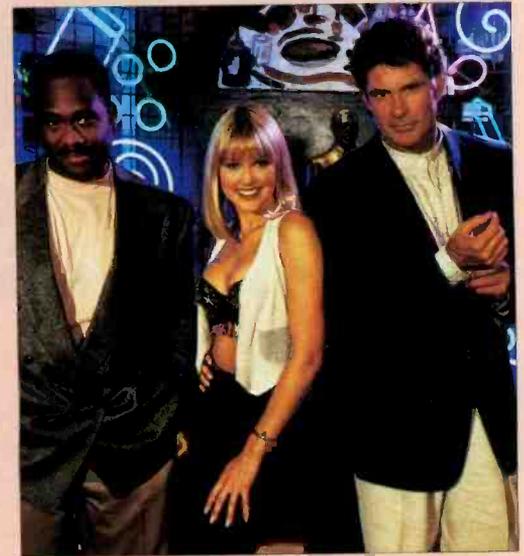
Telenovela *74.5 A New Wave*, made by Brazilian network TV Manchete, which follows the adventures of a group of young people running a radio station, is another drama on show. Already airing to impressive ratings on RTP in Portugal, the series is now available with a Spanish-language soundtrack.

Chrein said All American would also be talking to Latin American stations about its gameshow and drama formats, including *Supermarket Sweep* and *Divorce Court*. With greater competition, said Chrein, "it's become necessary for stations to give their viewers own production. They're all different territories. It's not just Spanish any more, each country's language is different."

All American has also made a two-hour pilot for the ABC network. Called *Malibu Branch*, the putative series was produced by

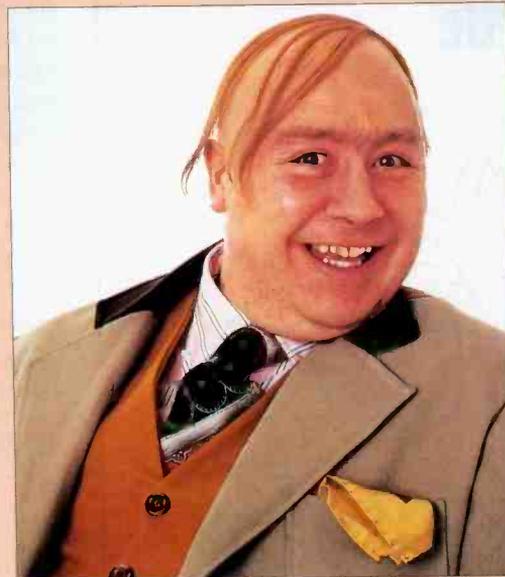
Richard and Esther Shapiro, creators of *Dynasty*, and is a primetime evening soap set in a well-heeled California beach community. The pilot stars Michael Pare, Jennifer Guthrie and Michael Woods.

International sales executive Jean Huang will also be at the screenings targeting Asian clients. All American is booking a suite at the Century Plaza from June 1 to June 9.



Baywatch Nights: Hotter and hotter

Coming Together



The Baldy Man: Action speaks louder than words

POLYGRAM Television International, the UK-based distributor, will be at the Screenings primarily to target Latin American buyers, according to senior vice president, David Ellender. The L.A. Screenings is the first time Polygram and ITC, which it acquired last year, have participated in an international market as one organization.

Armando Nunez Snr, head of Polygram's Latin American sales, will be attending along with Ellender and a possible third member of the team. The location will be a suite at the Century Plaza Hotel where Polygram will be from May 28 to June 5.

Programs on show reflect the U.S. and British provenance of the group's various production and distribution operations. They include ITC's miniseries *A Woman Of Independent Means*, documentary series *Battlefield*, produced for the ITV network, and *The Baldy Man*, a wordless comedy series from Working Title which launched on the ITV network in April.

Kids Trilogy From Saban



VR Troopers: Storming onwards at pace

U.S. independent producer/distributor Saban Entertainment is one of the few companies able to avoid a last minute scramble to compile sales and promotion material, as it generally knows what it will be taking to the May Screenings well in advance. This is because much of Saban's library and catalogue is animation based. A programming genre whose financing and production process needs to be prepared several months before most. "Because we are in the animation business and not the primetime business we won't have product available at the May Screenings that hasn't already been seen at other markets like MipTV," said Saban International president Stan Golden. "Animation needs a longer lead-time than a primetime drama or action series. As the studios have to be able to deliver a series to a broadcaster in time for Fall, by the time MipTV comes around we already know which of our product has been picked up by the networks for the fall period."

One of Saban's newest series, *Masked Rider*, is the third in a trilogy of children's action series which also includes *Mighty Mor-*

phin Power Rangers and *VR Troopers*. It tells the story of Dex, an teenage alien superhero sent by a far away planet to save the earth from the forces of evil. Given shelter by a suburban family, he has to keep his true identity a secret. Although *Masked Rider*, available as 26 half-hours is a live action kids show, as opposed to animation, it has already been picked up by the Fox Children's Network for this Fall.

New Saban animation series *Eagle Riders* and *Tenko and the Guardians of the Magic* will also be available at the May Screenings and both will be debuting in first-run syndication during the Fall. Saban is offering 65 half-hour episodes of *Eagle Riders*, about five teenage secret agents who are trained to fly like birds, and 26 half-hour episodes of *Tenko and the Guardians of Magic*. Telling the story of Princess Tenko, a young Japanese woman who, in addition to her martial arts expertise, is a powerful magician, Tenko has already been licensed to 83 stations, representing 70% of the country.

The fact that most of the product has already been seen by buyers before means Saban can use the Screenings for follow up discussions from MipTV and Natpe, said Golden. It also offers opportunities to concentrate on particular countries, the May Screenings is always well attended by the Latin American countries, for instance.

"The attendance at the Screenings has increased dramatically of recent years," said Golden. "And it is always good to see buyers on your home turf."

Staying Home

LARRY Gershman, president of World International Network, won't be setting up scheduled screenings for buyers during the May screenings. "People don't usually come to the screenings to see movies," he said. "They want series."

If buyers want to see WIN's latest MOWs and mini-series, Gershman will screen them as needed in the company's Beverly Hills head-

quarters. WIN's recent productions set to air on networks this Fall include *Unforgivable*, a drama about domestic violence (CBS), *In The blink of An Eye*, the story of a woman wrongfully imprisoned for the murder of two police officers (ABC), and two new *In The Line Of Duty* stories for NBC.

Harmony Gold will also be staying home, at its offices at 7655 Sunset Boulevard.

Flipper Friendly

THE Samuel Goldwyn Company, which will be screening at the Westwood Marquis Hotel, will be showcasing its update of the classic *Flipper* series as well as documentary *Liberation 1945* (below) and action gameshows *American Gladiators* and *Gladiators 2000*.



Following Super Dave

Unapix will be offering the cult CBS series *Super Dave*, reality entertainment series *Tales From The Lottery* and *The Unexplained* and the English-language reformatted of the French actor documentary show *Ushuaia*.

According to the company's L.A. based managing director, international, Scott Hanock, *Super Dave* has already sold into Australasia, the Middle East, Singapore, and Indonesia. Unapix acquired the international rights to the show just prior to Mip.

Seeking Soap Presales

Animation will feature on the slate of Florida-based Venevision for the first time at this year's screenings. The company will be looking for sales for its Japanese-produced animated series: *Kyashan*, *Superman*, *Calendar Men*; and *Judo Boy*.

Venevision will also be debuting and looking for presales for its latest soap, *Dulce Enigma* (*My Sweet Enemy*), which is currently in pre-production. The story of a bitter feud between former best friends, it is the latest in a long line of telenovelas that, for 1995, includes *Kaina*, *Peligrosa* (*Dangerous Trap*), *Maria Celeste* and *Como Tu Ninguna* (*No One Like You*.)

Channel Switching

The growth of commercial satellite operations and the comparative lack of tv choice make for optimistic projections for cable and satellite in the Asia Pacific market. But CIT's latest survey says programmers will need be flexible about methods of delivery, writes Jean Luc Renaud

The Asia-Pacific is the world's most diverse and dynamic economic region. Many of its less developed economies are expanding very fast, and consumer spending power and expectations are burgeoning in the markets concerned. The use of satellite for communications is following the trends.

London-based communication research firm CIT Research started tracking these developments four years ago. Its latest report, *Satellite Communications in Asia & the Pacific 1995*, is a goldmine for the media players interested in this part of the world.

The use of satellite for tv broadcasting over the Asia-Pacific region is developing fast. The main pan-regional service, Star TV, has been broadcasting for nearly three years, and has met with some success in penetrating into various cable tv and communal dish reception (smatv) markets in the region. Commercial direct-to-home (DTH) services exist in

Japan, and DTH is also used to provide additional coverage in Indonesia and Australia.

Other countries have some limited satellite tv take-up of overspill of other national services. This is seen in South Korea, which receives programming from the Japanese satellites. Over the next few years a number of countries – including Thailand, Malaysia and South Korea – are planning broadcast satellite tv on their domestic systems, and capacity has been set aside for tv distribution to cable tv headends on these systems, as well as frequencies dedicated to satellite transmission intended primarily for DTH reception.

The installed base of DTH antennas in the 13-country Asia-Pacific region was estimated at 10.2 million at the end of 1994, of which 8.1 million (79%) were in Japan. Other significant markets were Indonesia with 600,000 (5.9%), South Korea with 550,000 (5.4%) and India

with 500,000. For the region as a whole, CIT projects nearly 31 million DTH antennas will be installed by 2004. Japan should be the largest market with approaching 10 million, or 32% of the total installed, while the next two largest markets are expected to be India with eight million installed (25%) and China with six million (19%).

Other significant markets are likely to be Australia, South Korea and Taiwan – each with over one million DTH antennas installed. CIT has assumed that the recent crackdown on DTH in China will be relaxed during the period, but the researchers have been cautious about their DTH projections, which represent a very small proportion of a massive market dominated by cable systems and terrestrial redistribution.

For the region as a whole, CIT projects a penetration level of DTH homes rising from 3% of total tv households in 1994 to over 6% in 2004. CIT expects annual sales of DTH antennas to peak in 2002 at 5.7 million as domestic satellite systems become established, with enforced transmission of domestic and new pay-tv services on these platforms. By 2004, CIT forecasts annual sales of 5.4 million kits.

Cable tv, though an emerging market throughout Asia and the Pacific, cannot be heavily implemented in some countries in the region due to lack of urban concentration and available finance for building the necessary infrastructure.

In cable tv/smatv markets, CIT expects gradual growth in the developed nations in the first half of the decade and the emergence of smaller networks, mainly in the capital cities of other countries, toward the second half of the decade.

Antennas installed at smatv and cable tv headends totalled around 59,000 across the Asia-Pacific region in 1994. India was the largest market with 23,000 (39%), while China and Japan had some 15,000 antennas installed each (25%). By 2004, CIT projects some 127,000 smatv/cable tv antennas will be installed in the region, with 33,000 (26%) in Japan, 30,000 (24%) in China and 35,000

Market Projections For DTH Antennas

Installed Base (000s)	1994	1996	1998	2000	2002	2004
Australia	20	210	441	774	1022	1124
China	70	113	1021	2613	4389	6000
Hong Kong	5	6	7	14	18	21
India	500	1275	2410	4066	6354	8000
Indonesia	600	850	1000	1100	1200	1300
Japan	8100	9801	11011	11456	10103	10002
Malaysia	40	79	338	570	720	860
New Zealand	neg	23	49	86	114	125
Philippines	30	55	90	160	240	320
Singapore	0	1	2	5	6	7
South Korea	550	780	1275	1475	1575	1625
Taiwan	230	450	625	750	880	1065
Thailand	30	94	153	272	408	544
Total	10175	13738	18422	23341	27028	30993

Source: CIT

(28%) in India. However, there is a possibility that the Japanese figure may not be as large as indicated, if small community systems get amalgamated into the large new broadband networks.

Annual sales of smatv/cable tv antennas were some 11,000 units worth \$22 million in 1994 with projection of a regional market for smatv/cable tv antennas peaking at 29,000 units in 1998, worth \$29 million in that year. As the market reaches saturation, annual sales fall to 11,700 antennas in 2004 worth \$23 million.

Smatv development follows a natural upgrade of communal terrestrial systems into "community cable systems." The penetration of wide-area broadband cable tv systems is not expected to be a major influence for many of these markets.

DTH proposals and cable tv developments should fuel the demand for satellite tv capacity across the region. New services are likely to emerge in Korea, Thailand, Australia and possibly Malaysia, while revenue from the carriage of tv services is projected almost to double over the next 10 years.

Digitally-compressed tv is expected on future systems including AsiaSat, Apstar and the Optus B series. However, CIT believes compression will not lead to actual reductions in the use of satellite capacity for tv – it should, instead, mean more demand. Nor is it likely to reduce the value of the available capacity. In South-East Asia there appears to be an enormous demand for tv (as indeed there is for mobile telephony, and other communications services). Pan-regional broadcasters will need to reach audiences in different transmission standards, either digitally compressed or uncompressed. This will almost certainly lead to a large measure of simulcasting in the short to medium term. So, the effects of compression will be partially offset by these extra bandwidth demands.

Transponder leases for tv and radio broadcasting in the Asia-Pacific account for 46% of total carriage revenues. In 1994 this was estimated to represent \$340 million. CIT projects that annual revenues from the carriage of broadcast tv will rise to \$563 million in 2004. That year, this will be the same share of total carriage revenues as in 1994. CIT expects the number of broadcast channels, or more correctly, the number of transponders being used on full-time lease, will increase from around 160 in 1994 to over 320 in 2004.

Future growth in capacity for broadcast tv services will come primarily from

Market Projections For Catv/Smatv Antennas

Installed Base (000s)	1994	1996	1998	2000	2002	2004
Australia	-	1.0	3.0	4.0	4.5	5.0
China	15.0	19.0	23.0	26.0	28.0	30.0
Hong Kong	0.7	1.0	1.0	1.0	1.1	1.1
India	23.0	28.0	31.0	33.0	34.0	35.0
Indonesia	-	1.0	4.0	5.5	6.5	7.0
Japan	15.0	21.0	26.0	29.0	31.0	33.0
Malaysia	0.0	0.2	0.7	0.9	1.1	1.3
New Zealand	-	0.1	0.3	0.5	0.6	0.7
Philippines	1.0	2.0	2.8	3.2	3.4	3.5
Singapore	-	-	0.2	0.4	0.5	0.5
South Korea	2.5	4.0	5.0	5.5	6.0	6.0
Taiwan	1.3	1.7	1.9	2.0	2.0	2.1
Thailand	0.5	1.0	1.5	1.8	2.0	2.0
Total	59.0	80.0	100.4	112.8	120.7	127.2

Source: CIT

the licensing of national satellite channels and the growth in cable systems requiring satellite distribution of programming to cable tv headends. New services in South Korea, Thailand, Australia and possibly Malaysia are expected to emerge, while other existing cable markets will expand the range of satellite programming available.

Despite the growth of Star TV, CIT assumes that the Asia-Pacific region remains underdeveloped in terms of choice for commercial tv, as it is in satellite broadcasting. Although many languages permeate the region, English is considered acceptable, especially for U.S. films and series. Other languages may

eventually dominate, however.

Many countries have tough censorship legislation on religious grounds. Muslim countries such as Malaysia, whilst obvious markets for foreign programming material, may find that strict censorship laws stifle, if not kill, the new markets for programme distribution. Hence a few countries forbid the reception of foreign programming. These markets will only open up if domestic DTH transmissions start (allowing censorship) or the governments concerned become more liberal in their attitudes to the content of foreign programming. To date, Malaysia and China appear not ready to make this step. 

Projected Satellite Operator TV Revenues (\$ Mill)

	1994	1996	1998	2000	2002	2004
Intelsat	24	31	30	24	24	24
Palapa/Indostar	27	28	32	37	41	43
Insat	14	22	26	29	29	29
AsiaSat	21	56	56	70	70	70
APT	7	65	84	84	84	84
Optus	68	73	68	62	62	62
SCC	54	50	57	63	63	63
TAO	24	14	19	22	22	22
JC-Sat	70	68	62	62	47	47
PanAmSat	2	40	40	34	22	22
Chinese MPT	7	11	18	23	26	26
RimSat	3	8	11	13	15	17
Koreasat	0	0	11	13	13	13
Measat	0	0	7	7	7	7
Thaicom	7	20	22	24	24	24
Others	12	15	15	14	13	13
Total	340	498	556	579	560	563

Source: CIT

Not Drowning But Waving ...

Could MPEG have met its match? The Houston Advanced Research Centre (HARC) has just unveiled a revolutionary new form of digital compression based on a mathematical technique known as wavelet analysis. If HARC's claims for the technology turn out to be true, digital broadcasters could be forced to revise their assumptions about spectrum capacity, image quality, and the price of encoding and decoding equipment.

HARC-C, as it is called, is said to exceed the current industry standards, JPEG and MPEG, in performance and quality for both still and motion pictures. It can compress still images by up to 300:1, and can deliver a VHS-quality signal at 200Kbit/s (the MPEG-1 standard delivers a VHS-quality moving picture at around 1.5Mbit/s). Significantly, decompression of images encoded in HARC-C can be carried out in real-time using software only. Conventional MPEG-based decoders require extra hardware (video modules or cards) to carry out the task, because the standard requires such high levels of processing-power.

Hard Tech doesn't pretend to understand how HARC-C delivers so much with so little. Suffice it to say that wavelet analysis, an extremely obscure branch of mathematical theory, achieves its compression performance by describing the features of a moving

picture as a set of simple and elegant equations – rather than throwing redundant information away, as MPEG does.

The implications of the HARC-C technology are – if proven to work in practice – wide-ranging. In theory, digital broadcasters should be able to squeeze more (nearly eight times more) channels into the amount of spectrum currently taken up by MPEG-1 standard channels. This would mean that satellite broadcasters would require much less transponder capacity for near-video-on-demand services. It would also mean that cable operators might not have to spend as much on upgrading their existing copper coaxial infrastructures to cope with broadband multimedia services as they had previously thought. And the cost to telephony operators of providing video-on-demand would probably also decrease, since they would no longer require expensive ADSL (Asymmetric Digital Subscriber Line) technology to do it.

But what is theoretically possible is a long way from what the market might accept in practice. Might MPEG not be so entrenched as a global standard in the broadcasting domain, with so many manufacturers now committed to producing MPEG-compliant equipment, that the MPEG juggernaut is now unstoppable – even if scientists are able to come up with a product with a vastly superior

**New digital standard could compress channels even smaller (theoretically)...
Hyundai motors into tv hardware**

price/performance ratio?

HARC-C's Achilles heel is that a digital decoder able to process HARC-C signals would, despite not requiring expensive decompression chips, nevertheless have to possess the processing-power of a reasonably advanced multimedia computer. Currently, a 486/66MHz laptop works out considerably more expensive than the projected price of a consumer digital decoder (although this differential may admittedly disappear in a year or two as the price of computer processing-power continues to fall).

For these reasons, Hard Tech's guess is that HARC-C is probably more likely to be taken up in the short term by the offline multimedia industry – that is, the PC/CD Rom-centred one – where there is no commonly-agreed video compression standard, and where the requirement for expensive add-in PC boards to process video images is acting as a brake on the digital video market.

Hyundai Launches MPEG-2 Decoder

As if to prove the point that, despite HARC-C, the broadcast future is probably an MPEG-based one, Hyundai Digital Media (HDM), a unit of Korean chip-manufacturer Hyundai Electronics Industries, has launched a fully-integrated MPEG-2 decoder to the global digital broadcasting market. The company says that the

HDM8211M (dubbed the SAVi) will begin volume production in August – in time to address the launch of new satellite-delivered digital services to Europe this Fall.

The SAVi is aimed initially at the emerging digital set-top decoder market, but is also designed to fit digital multimedia systems such as Video CD, CD Rom players, high-end karaoke machines and similar applications. HDM says that its MPEG-2 chipsets will initially be cheaper than anyone else's at under \$75 in large volumes (i.e. 1,000 units): eventually this will fall to under \$60. If HDM is right, MPEG-2 decoders could turn out to be much cheaper than anyone had anticipated.

Vahé Akay, director of marketing and sales for HDM, is bullish about the market for MPEG-2. "There will be over 650 million tvs in use in 1996," he predicted. "If only one per cent have digital set-top decoder boxes connected to them, it will mean 6.5 million set-top boxes. This is only for the 1996 tv market and could easily double when other applications such as CD Rom, Digital Video Disc players and Karaoke machines are included. This adds up to millions of chips, and tens of millions of dollars. According to our market research, the market for MPEG-2-based systems is estimated to be over 12 million units by the end of 1997." ■



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