Two more join superstation ranks

Eastern Microwave puts WSBK-TV Boston and KTLA Los Angeles on bird

Home dish owners and cable operators throughout the country have two more broadcast signals they can pull down off a satellite: Gillette Broadcasting's WSBK-TV Boston and Tribune Broadcasting's KTLA(TV) Los Angeles.

Eastern Microwave Inc. announced last week it will begin distributing today (Feb. 15) the two high-profile independent stations via GE Americom's Satcom I-R for the home satellite and cable markets.

According to Gil Korta, EMI national marketing director, EMI has been considering turning the stations into superstations for several months, but made its final decision to go ahead just six weeks ago. The general managers of the two stations were informed Feb. 1, he said.

According to Korta, WSBK-TV and KTLA were tapped because of their first-rate programming schedules. In addition to top movies and syndicated programming, he said, the stations broadcast professional sports. WSBK-TV airs the Boston Bruins (National Hockey League) and the Boston Red Sox (Major League Baseball), while KTLA airs the Los Angeles Clippers (National Basketball Association) and the California Angels (MLB).

Regional appeal of the signals is already well established, Korta said. EMI has been distributing WSBK-TV to cable systems throughout New England for 20 years via microwave, he said. And those cable systems now reach some two million homes, he said. KTLA is distributing by other microwave carriers in the Southwest—as far north as San Francisco and as far east as Tucson, Ariz., he said. EMI has not forced cable systems that now receive WSBK-TV by microwave to shift to satellite reception, Korta said, but it will encourage them to do so.

1) the two high-profile independent stations, Arbitron for Broadcasting, WSBK-TV and KTLA are among the top 10 stations in attracting a significant audience outside their markets (ADL).

"We obviously are not thrilled," said Michael Eigner, vice president-station manager, KTLA. "They informed us they were going to take it. We told them we were not happy because it would cause us contractual problems with some of our suppliers. They said they understood, but that they were going to do it again anyway."

The station just signed a new five-year deal with the California Angels, giving the station the rights to broadcast 60 games a year, Eigner said. "This could have ramifications for the deal," he said.

EMI, which distributes WWOR-TV New York to cable systems serving 12 million cable homes via satellite (Galaxy I) and microwave, has wanted to put WSBK-TV on the satellite for a long time, but it was not until the home satellite market opened up that it became economical to do so, Korta said. EMI is counting on revenues from both cable and home satellite to make satellite distribution of signals profitable, he said. Cable alone could not support the venture because operators, faced with dwindling channel capacity and high compulsory license fees on new distant signals, are reluctant to add new signals, he said.

Korta also acknowledged that the economics of the business have been improved by the availability of low-cost satellite transponders. Korta would not say what EMI is paying for the Satcom I-R slots, but GE's Kurt Thoss said that transponders can be leased on the bird for $55,000 per month. Under GE's "four-year grow with" plan the monthly lease payments grow from $44,000 the first year to $80,000 in the fourth year. Although its far western orbital slot (139 degrees west longitude) makes it difficult for dishes on the East Coast to "see," Satcom I-R has emerged as a superstation bird. In addition to the two EMI signals, the satellite now carries six Denver stations (KCNC-TV, KUSA-TV, KMGH-TV, KRMA, KDVR and KTVN-TV) for Network USA and KVTI(TV) Dallas for United Video. According to a Broadcasting survey, 20 broadcast signals are now available by satellite, counting the new EMI signals.

For cable systems, WSBK-TV and KTLA will be priced the same as WWOR-TV New York: 10 cents per subscriber per month with a $3,000 monthly cap and discounts for operators that take more than one of the company's signals.

EMI plans to market the signals to the dish owners through third parties such as Home Box Office and Tempo Enterprises. Korta said he understands HBO will offer all three EMI signals (including WWOR-TV) for $36 a year, and that Tempo plans to offer the package for $39 a year by itself and for $49 a year with Tempo's own superstation, Turner Broadcasting System's WTBS(TV) Atlanta.

Korta said there are about two million homes with dishes, but that only about 400,000 with the descramblers necessary to receive the EMI superstations and other cable programming. "We would like to be in half of the [400,000] homes within 18 months," he said.

To prevent piracy, WSBK-TV and KTLA will be scrambled from the outset, using the industry standard Videocipher II system. WWOR-TV has been scrambled since March 1986.

Although EMI and others are selling broadcast signals directly to consumers with home earth stations, the legality of the practice is not clear. Indeed, the broadcast networks have sued Satellite Broadcast Network for distributing the satellite signals on three network affiliates in the home satellite market.

Legislation is now pending in the House Copyright Subcommittee that would clarify that distributing at least the signals of independent stations to the home is legal and would establish a mechanism for sharing revenues from the new market with the programming's copyright holders. Korta said EMI is "neutral" about the bill. As it now stands, the bill covers only superstations or the satellite prior to June 1987. Unless the grandfathering clause is changed, Korta said, EMI would be forced to "pull down" WSBK-TV and KTLA.

KTLA becomes the fourth Tribune station to go on the satellite. United Video distributes WGN-TV Chicago and WPIX(TV) New York, and Netlink distributes KWGN-TV Denver.

Although Tribune for years has railed against satellite distribution of its stations over which it has no control, it has softened its stand over the past year. Most significant it has come out strongly against the reimposition of the syndicated exclusivity rules by the FCC, which could lead to cable system being forced to delete from superstation syndicated programs that are aired by local stations.

Superstation universe

WTBS(TV) Atlanta
WGN-TV Chicago
WWOR-TV New York
WPIX(TV) New York
KVTI(TV) Dallas
WXIA(TV) (NBC) Atlanta
WBBM-TV (CBS) Chicago
WABC-TV (ABC) New York
KCNC-TV (NBC) Denver
KUSA-TV (ABC) Denver
KMGH-TV (CBS) Denver
KRMA(TV) (CBS) Denver
KDVR(TV) (FOX) Denver
KWGN-TV (Ind) Denver
WDIV(TV) (NBC) Detroit
WJBK (CBS) Detroit
WXYZ-TV (ABC) Detroit
WTVS(TV) (PBS) Detroit
KTLA(TV) (Ind) Los Angeles
WSBK-TV (Ind) Boston