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SOURCE: NSI FEB. '86

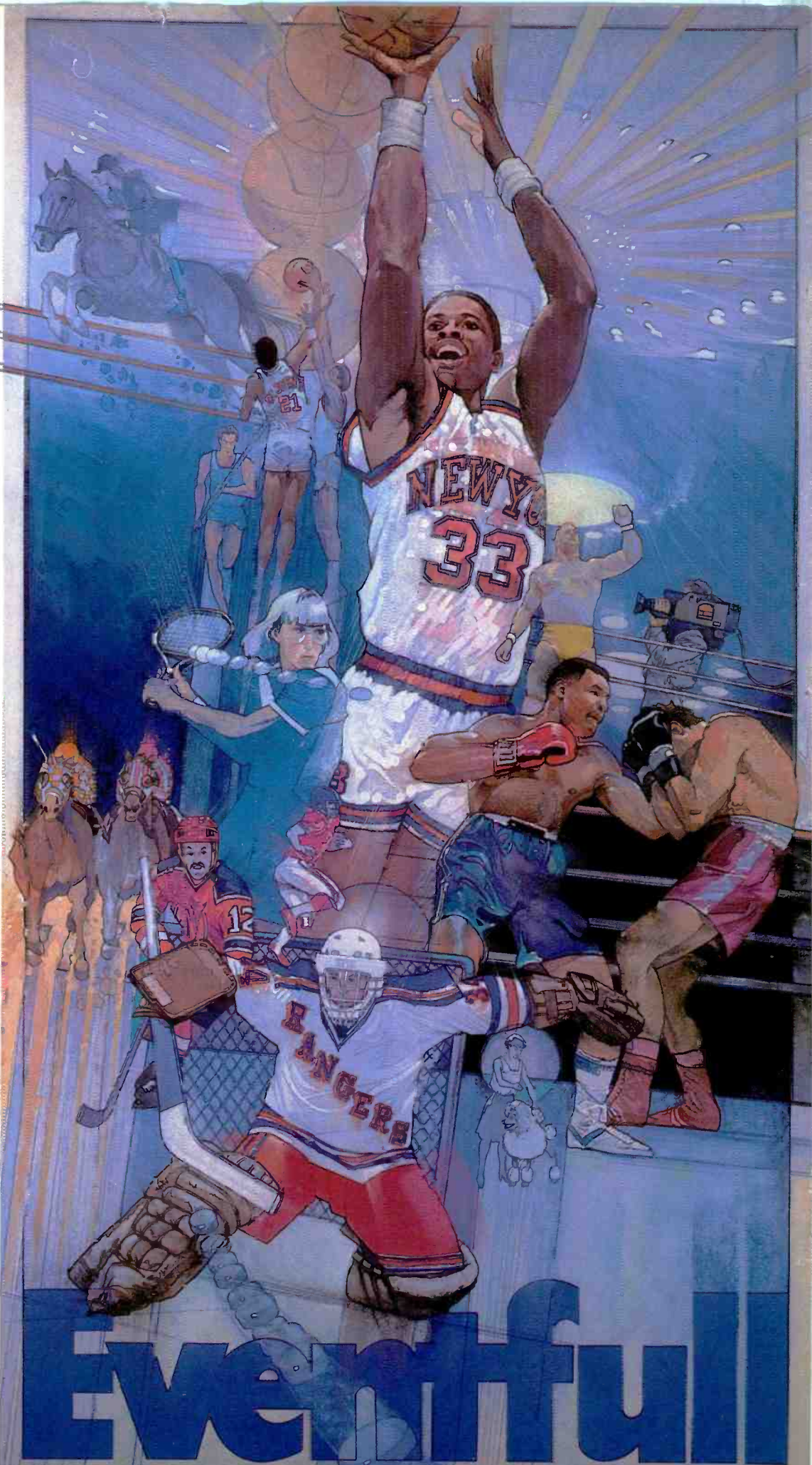
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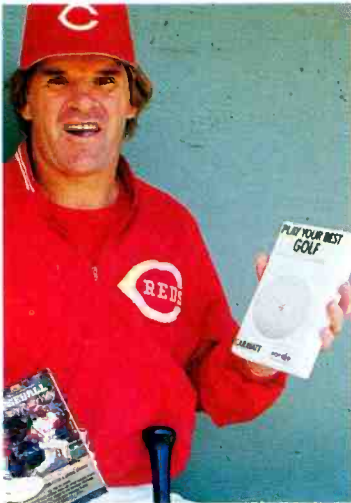
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# CHANNELS

OF COMMUNICATIONS

VOL. 6, NO. 2 MAY 1986



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## REPORTS

New and noteworthy in the electronic environment: the satellite senator . . . the hand in the electronic mailbox . . . talent by videodisc . . . and more.

## THE EMPIRE BUILDERS

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BY RINKER BUCK

## HITTING HOME

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BY MARTIN KOUGHAN

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## Only fair

**C**ommendations for the excellent review of the Fairness Doctrine by David Bollier, "The Strange Politics of Fairness" [January/February]. But there is a point he didn't cover.

The main reason for having different rules for broadcast follows from the nature of radio and television. A newspaper offers a reader a choice of many items simultaneously; a station presents only one at a time.

Seated before a receiver, a viewer or listener has a choice of only one item in one program from each station at any moment. If he doesn't care to watch or listen, he must tune to another station or turn off the set.

Consequently, in their never-ending quest for larger—and younger—audiences, broadcasters are always tempted to dispense with material of limited appeal—including balanced coverage of controversial issues.

**Burton Paulu**  
Professor and Director Emeritus  
University of Minnesota

## Soft sell

**I** commend you on "Tiptoeing Through the Halls of Power" [March], a critical look at a problem I have long noticed on the "MacNeil/Lehrer NewsHour."

May I suggest you also examine why otherwise competent newsmen tend toward "soft" interviews when confronted with a live subject in a studio? I'm also very pleased with the "new" *Channels*. But why did you drop the section on international programming?

**Peter B. Weller**  
New York, N.Y.

*The disappearance of a section called "Distant Signals" may have given you the impression that Channels is reducing its foreign coverage. On the contrary, we'll be increasing our attention to developments abroad—as the cover story this month indicates. Rather than set overseas coverage apart, we are integrating it with domestic coverage, the better to portray the global character of the media today. —Ed.*

## Revisionist history

**I**wish to take issue with a statement Daniel Schorr made in "Harvest of Sham" [March]. He wrote: "And some docudramas have distorted what journalists and historians were honestly able to discern and write about real events. ABC's *Attica*, in 1980, altered Tom Wicker's ambiguous account of a prison uprising to suggest that the authorities attacked the prisoners after, not before, the prisoners threatened the lives of hostages they were holding—a key element in judging the case."

In fact, as I said to Peter Funt in *The New York Times* in 1980, we agonized over the scenes in *Attica* which Schorr suggested altered Wicker's account. It was our conclusion that it would be unfair and improper, based on the documentation we had, to infer that the final decision to proceed with the attack was made without representing that to some participants there was cause.

We did not feel there was ambiguity in Wicker's book, as Schorr perceived. On page 276 of *A Time to Die*, Wicker writes: "But [State Corrections Commissioner] Oswald could not know that the hostages displayed on the walkways were a 'counterbluff,' particularly since he was not really bluffing himself. Instead, he was sure he had a final, defiant answer from D-Yard, and he wearily told Maj. Monahan to get set for attack."

Our goal in presenting docudramas is to make them verifiable—to speak the truth—but also to permit the flavor of the dramatic, which is what theater and literature are about.

**Alfred R. Schneider**  
Vice President, Policy and  
Standards  
ABC

*Daniel Schorr responds: The New York Times article Mr. Schneider refers to comes close to making the point I made. Wicker avoided "direct sequencing of these events because their proper chronology is not known." (I said that he was "ambiguous" on that point and, I believe, deliberately so.) A choice had to be made, because of dramatic requirements, and Mr. Schneider made his choice. Wicker chose to leave the questions open, and the TV version could not—which is all I really wanted to say in my brief reference to Attica.*

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ABC membership applied for January 1986.

**Q: What do these  
program formats  
have in common?**

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SITCOM  
DAYTIME DRAMA  
TV MOVIES  
DRAMATIC SERIES  
DOCUMENTARY  
GAME SHOWS  
PUBLIC AFFAIRS  
CHILDREN'S SHOWS  
MINI-SERIES  
SPORTS  
TALK SHOWS

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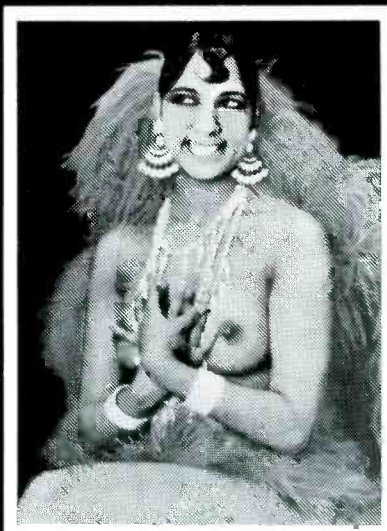
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# TV 4 INTERNATIONAL

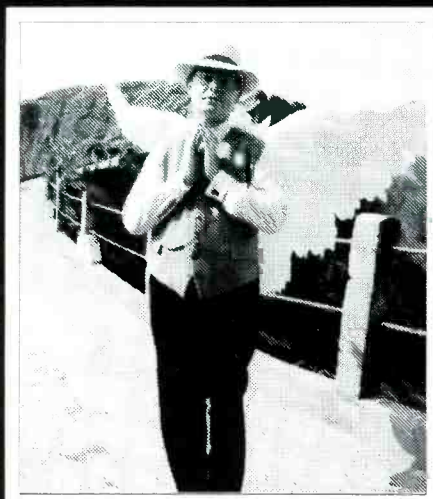
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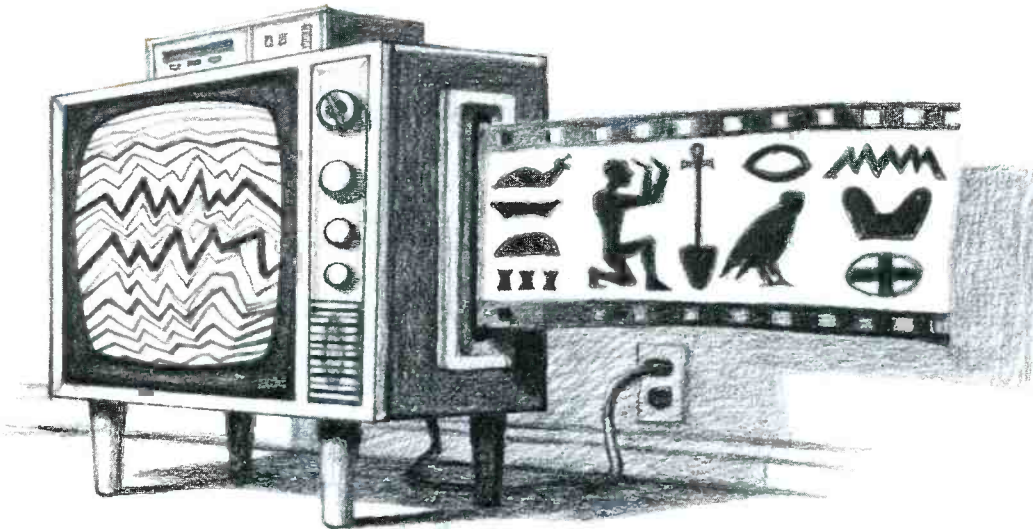
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# TALK SHOW



## HOLLYWOOD'S SCRAMBLED SIGNALS

**T**here's a curious bit of posturing going on in the wake of The Movie Channel's recent announcement that, beginning next month, it is reprogramming and remarketing itself as the VCR owners' dream channel. Officials at Showtime, which owns the channel, say they'll change their movies weekly rather than monthly and play a different one every night at 9 P.M. and at 3 A.M.—so videotapers can set their machines once and count on an endless supply of films. But no sooner had Showtime outlined its plans than the Motion Picture Association of America's Jack Valenti began huffing and puffing.

Valenti, who wants Congress to impose a royalty on the sale of VCRs and blank videotapes unless he can stop video piracy from prerecorded tapes and from pay cable, expressed outrage that "quality companies like HBO and Showtime are publicly suggesting that people do something that may very well be illegal." With regard to pay cable, Valenti hangs his argument by a slender thread indeed, his rationale being that the Supreme Court, in deciding the Betamax suit (by

a 3-2 margin, Valenti is fond of pointing out) in favor of home taping of broadcast TV, never mentioned pay cable.

But the more interesting point is that if Valenti and the movie companies were seriously perturbed about home taping, they could do something about it. The truth is that the technology already exists that allows pay TV movies to be seen but not taped. Scientists at MIT's Media Lab and at Bell Northern Telephone labs in Ottawa have developed a signal-distortion technique that, although correctable by a TV set, manages to baffle the fussier electronics of a VCR.

Why then have the Hollywood studios not embraced the new technology? Because they're not nearly as sure as Valenti would have us believe that they really want it. Take Mel Harris, for example, who heads both the home video and pay TV divisions at Paramount Pictures. "We have interests on both sides of this issue," says Harris, who points out that every time The Movie Channel adds new subscribers, Paramount's licensing fees go up. Meanwhile, Harris

says, "we will be making sure that home video exploitation will be given its full complement of time for revenue purposes before a film runs on pay TV."

There's also the fact that Hollywood has become dependent on the millions it makes on pay TV. "Both HBO and Showtime are big customers," notes Coca-Cola Entertainment executive vice president Frank Biondi, "and you just can't impose your will on their business." Biondi nevertheless has put together a joint venture among Coke's Columbia Pictures and other major studios to renew funding—to the tune of several million dollars—of MIT's encryption research, which was abandoned more than two years ago when a Columbia Pictures grant expired. "The practical reality of it is, when you're already in a long-term licensing agreement with them, how do you make a network adopt a technology?"

HBO Chairman and CEO Michael Fuchs had a ready answer for that one recently: "We'll show movies in an encrypted format when Hollywood gives us the films at the same time home video gets them."

PETER AINSLIE

# TALK SHOW

## VIDEOTAPE BIRTHDAY

**T**hirty years ago last April 14, a handful of nervous engineers waited in a back room in a Las Vegas hotel while “all these hung over CBS affiliates,” as one of them remembers, took their seats in a meeting room decorated with a television camera and monitors. The affiliates watched CBS vice president Bill Lodge speak on recent network developments while the camera showed him on the monitors. At a designated moment Lodge stopped speaking and stepped back, and the monitors showed his speech—again. For a few seconds the affiliates were confused. Then, as they realized what they were watching, they cheered and applauded. “Television tape recording” was at last a reality, and a small company called Ampex had beaten out the huge staff at RCA in delivering it.

It is a testimony to the pervasive impact of videotape in the three decades since then that the mere replay of something on tape seems so unremarkable to us today. And yet this invention is probably more responsible for television’s look than any other.

Charles P. Ginsburg was the head organizer of the Ampex team, formed in 1951 by the company’s founder, Russian-born Alexander Poniatoff. “We gave our first demonstration in 1952,” recalls Ginsburg from his home in Menlo Park, California. “We showed a recording of a western to Poniatoff. ‘Wonderful,’ he said, and clapped his hands. ‘Now, is that the horse or the cowboy?’” The image improved by 1955, when others were added to the team; and a year later the Ampex was ready for its fateful demonstration.

JULIE TALEN

## BLIND TRUST

**W**hat a fine state of affairs we’ve reached, now that the process of buying and selling TV stations has become as mundane a financial matter as a real-estate transaction and as dry and simple as an oil-and-gas investment trust.

That’s what the new, red-hot “blind pool” funds are all about. In truth, what’s disturbing about these funds,

including the most notable one—put together by former top ABC officials Elton Rule and Martin Pompadur—is not that they are designed to gather investor resources to purchase media properties but that their only goal is selling those properties after price run-ups.

The Rule-Pompadur effort, which is being offered in conjunction with Merrill Lynch Capital Markets and known as ML Media Partners, has a goal of raising \$100 million to \$250 million from investors in \$1,000 blocks.



The investors will not know which properties are being bought, only that they are likely to be in the television station business or, perhaps less likely, the cable television and publishing fields.

Investors putting money into other entertainment and communications investment vehicles, such as the unprecedented and highly successful fund that Jones Intercable has used to create a powerful cable business, are at least being offered the skills of proven managers, skills that go beyond their ability to “flip”—or turn over quickly—such properties. But the only profits the investors will see from ML Media Partners are to come from the eventual sale of the acquisitions, piece by piece, some five to eight years after they have been purchased.

What people really ought to be concerned about is whether this is any way to serve the viewing audience, let alone the investing public. Surely, no one in the communications world expects the television station business to collapse in the manner that real-estate trusts have in the past, or go the way of other scams like penny stocks or bogus tax shelters.

One can only hope that these traders

will recognize that at least one way to improve station profitability and market value is by developing quality news organizations and creating a public-service sensibility that makes community involvement a vital part of a station’s fundamental operating mission. There are many other less benevolent approaches to investment strategy and management that players like the ML group could take to increase the value of their properties. They might, for instance, buy property near the station’s facilities to insure

that the station’s price on the block will escalate. Such a strategy could well be at the expense of community needs. Merely a cursory look at how some raiders have pulled apart acquired businesses gives pause to anyone concerned about the future of local television.

MERRILL BROWN

## MONKEE BUSINESS

**A** friend recently told me about taking his precocious 15-year-old nephew to see *Help* and *A Hard Day’s Night*, the two Beatles films that Richard Lester directed. The teenager was a big fan of Davy Jones, Mickey Dolenz, Mike Nesmith, and Peter Tork—the masterly 1960s merchandising concept better known as the Monkees. As the two made their way up the aisle afterward, the 15-year-old muttered, “Pretty good, but derivative.” It is with just this brand of reverse logic that the relentlessly cheery on-air personalities at MTV proclaim *The Monkees* father of the rock video. This appraisal preceded a twenty-two-and-a-half-hour “Monkee-thon,” consisting

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**CARD SHARKS**  
1<sup>ST</sup> Yr. Strip

# TALK SHOW



of 45 episodes of the “legendary series,” that MTV aired in February. I sat through 12 hours of the Monkee-thon and found the shows a pop-art paradox—compelling, yet repellent.

*The Monkees* was the creation of Bert Schneider and Bob Rafelson, who wanted a bubble-gum version of the Beatles for American television. The four guys chosen gleamed like the finest virgin polyester. Two of them—Tork and Nesmith—were

actually competent musicians, but that didn't get in the way of their becoming part of the group. (Like the actors Jones and Dolenz, they were chosen for their white-bread charm.) But the Monkees' success gave Schneider and Rafelson the capital to make the biggest *Zeitgeist* kiss-off of the '60s, *Easy Rider*. And Paul Mazursky and Larry Tucker, the writing team responsible for developing the show, went on to *Bob and Carol and Ted and Alice*. So maybe the Monkees did indirectly leave a mark on the culture.

And in another sense it's accurate to tout the Monkees' influence on music video clips. Most of the segments showcasing their songs were kinetic and empty. These segments, filled with speeded-up passages and artificially chaotic movement, are similar to the most recklessly shallow rock videos. Considering that rock videos are, as an artistic endeavor, roughly a centimeter

deep anyway, it's fitting that the old *Monkees* shows should be treated as meaningful cultural artifacts.

In fact the show sold “safe” eccentricity, anarchy from an aerosol can. *The Monkees* wasn't even as honest a subversion of TV values as the surrealist vaudeville of *Green Acres*.

But *The Monkees* as the father of rock video? Even granting the show some impact, it was still lifted from Lester's movies. A former commercial director, Lester employed a ruthlessly inventive directorial style. His playful editing splintered conventional narrative and rushed the action along pell-mell. Lester's clever use of imagery was probably the preeminent influence on pop-art film technique.

If *The Monkees* is the father of anything, it's a self-promotion so assiduous that one almost stops noticing it. This is something that MTV has wholly embraced. Next, the network will be assuring us of the cultural importance of *77 Sunset Strip*.

ELVIS MITCHELL

## TODAY'S STAR: FAMOUS, BEAUTIFUL, CONCERNED

**B**ecoming an expert usually requires hard work. You've got to spend a lot of time in libraries reading difficult books and to think deeply about subjects that other people consider boring. Unless, of course, you're a star. Today's stars need only a prominent role in one of the “issue-of-the-week” movies or television shows that Hollywood steadily extrudes in order to begin speaking with authority on matters of public policy.

Here's Aidan Quinn, star of the NBC movie *An Early Frost*, discussing medical research on AIDS with Jane Pauley on *The Today Show*. There's Robert Blake of the defunct street-priest series *Helltown* delving into morality, sin, and death on

*Entertainment Tonight*. Bigger stars get even bigger stages. Sissy Spacek, Jessica Lange, and Jane Fonda recently addressed a Congressional task force on agriculture.

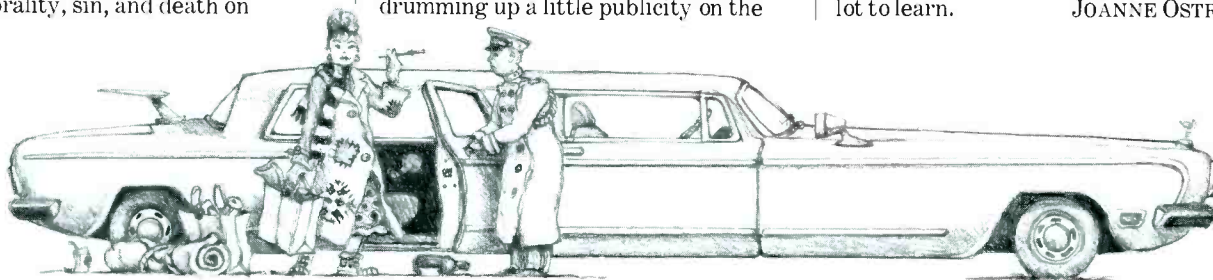
“The reason we are here,” Fonda declared, “is to underscore the gravity of the crisis that is leading to the bankruptcy, humiliation, and banishment of farmers from their lands at a rate not seen since my father made *The Grapes of Wrath*.” Here was not only a farm wife but a farm daughter!

Jane Fonda wants to have an impact; and she can. She and her colleagues are serious, they're recognizable, and they look great in street clothes. TV talk shows offer the ideal opportunity to display their commitment while drumming up a little publicity on the

side. You just have to wonder whether their confidence is backed by knowledge.

A few of the old-time stars have not yet gotten the hang of instant expertise. When Lucille Ball played a bag lady in last year's CBS movie *Stone Pillow*, she insisted that she was simply playing a character, not broadcasting a message. In the course of making the film, she freely admitted, she hadn't even spoken to a homeless person. The scriptwriter “showed us the research on the—whaddaya call the places—the shelters,” Lucy told a throng of TV critics gathered at New York City's Four Seasons. “There are 90,000 homeless in New York City alone, they tell me.” Lucy, you've got a lot to learn.

JOANNE OSTROW



# TALK SHOW

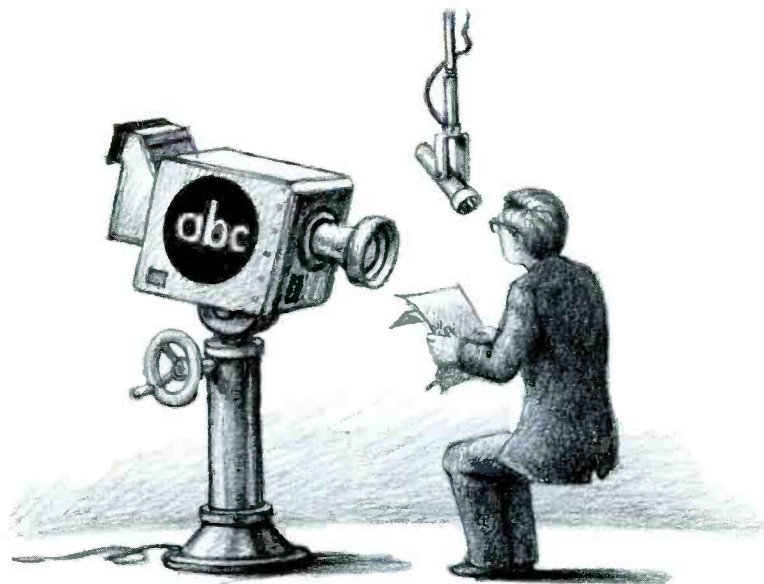
## ABC = Adopting Big Cutbacks

**T**he veteran ABC News producer had come back from vacation the week before, just in time to be fired—along with about 75 others in the news division. But instead of anger over what many of his colleagues were calling ruthless layoffs, he was feeling, at least for the moment, somewhat relieved: “It’s a kick in the head, but you know, I’m glad to be getting out. This place has changed since Cap Cities took over.”

Few would question the notion that there was room for reductions in the lavish spending at the network. The Cap Cities difference was immediately evident to top ABC executives at a January meeting of the new team in Phoenix. A few minutes after the ABC corporate jet touched down, according to one ABC vice president, the Cap Cities plane rolled up nearby. As Cap Cities executives retrieved their luggage and headed for the taxi stand, ABC officials rushed to search out their own bags and hurry after their new bosses—before the squadron of limousines they had ordered arrived. At the Arizona Biltmore, word spread that Capital Cities Chairman Tom Murphy and his crew had picked up keys for ordinary rooms. Soon the switchboard lit up with calls from ABC executives, eager to turn in their suites for similar accommodations. Shortly thereafter, new Cap Cities/ABC travel guidelines made the change of style official.

While the network’s news executives say that the spending reductions will not adversely affect operations, those further down the ladder say the trimming has already stretched some departments thin, meaning that some staffers are doing two jobs and even working without pay on off days. Field producers are taking time out of the editing room to do the jobs formerly done by production associates whose jobs have been eliminated.

When *Nightline* switched stories early one afternoon not long ago and ordered up some news tape from ABC archives, the tape did not arrive until 9:30 P.M., leaving little time to cut a four-minute background piece for that night’s show. Reason: Because of



layoffs among the couriers, who are responsible for delivering the tape, nothing could be done for *Nightline* until they’d finished that evening’s work for *World News Tonight*.

Under regulations recently imposed, producers must submit a “preshoot” trip budget for approval, laying out exactly what they expect to spend before they leave. And they are forbidden to incur any overtime for news crews. “I’m flying all over the country in different time zones on short notice,” says one producer. “How am I supposed to guarantee that news developments will cooperate with our new rules.”

Amid rumors that at least 100 more news-engineering employees will be eliminated in the coming months, there are signs that management is willing to go to unusual lengths to establish the new cost-consciousness, even making the rigors of the new regime retroactive. Senior producers have been told that business-office beagles are going through phone bills for the past few months, looking for suspicious calls. Employees will be charged for any call management decides was not business related.

Meanwhile, new ABC broadcast group chief John Sias has been wandering through the news departments alone, poking around and asking the kinds of questions that jangle nerves. When he turned up at

the assignment desk one morning at 8 A.M., he wanted to know why the editors, who work until about 7 P.M., were not there yet. Appearing in a tape room during crunch time, minutes before *World News Tonight* was going on the air, Sias wondered aloud: “Do we really need all these people?”

Some ABC News veterans remember when the upstart network used seat-of-the-pants financing to keep up with the news. In 1963, in fact, ABC had no cash reserves on hand for its crews when President Kennedy was assassinated. It was a Friday afternoon and the banks were closed. Cashier Mary Gonzales put on her coat and went up the street to McGlade’s Bar, still an ABC News hangout today, and explained the problem. Proprietor Paddy McGlade went to his safe down in the basement and put \$3,000 in a brown paper bag. And ABC crews were able to fly to Dallas and Washington that afternoon.

A few weeks ago, the company cashier’s office was closed down as part of the cost-saving plan. Employees now either finance their own reporting and travel with personal credit cards, or get cash advances through the employee credit union and are reimbursed through their paychecks. And if the news doesn’t cooperate with this arrangement? Paddy McGlade, unfortunately, has retired.

Janice Castro

# REPORTS

## ELECTRONIC MAIL

### For Your Eyes Only?



Privacy of the mails—along with some of the other fringe benefits of democracy—is often taken for granted. But what happens when your missives move from mailbox to computer terminal? Will some of the implied Fourth Amendment protections against unreasonable search and seizure be lost?

That's the question Congress is wrestling with now, as it tries to write the Electronic Communications Privacy Act. Groups as diverse as the American Civil Liberties Union, the Reagan Justice Department, and the electronic mail industry want a say in the bill's final form.

If this seems an arcane dispute affecting only a handful of high-tech hackers, think again. Five hundred million pieces of electronic "mail" fly from terminal to terminal every year—from company systems to home computers and from station to station within corporations. According to industry sources, an estimated five million Americans now send and receive information via computer. Most of it—about 95 percent—is business related, but some involves personal credit, insurance, and banking data. And therein lies the squabble.

The Justice Department argues that electronic mail is different from paper and shouldn't be granted the same protections. For one thing, service compa-

nies (such as MCI, Western Union, and Federal Express) keep "copies" of transmissions in case a system crashes. Justice doesn't think it should need a search warrant to get at these copies; an administrative subpoena signed by a prosecutor should do. No way, say the industry and the ACLU.

"Right now there are no standards whatever," says Michael F. Cavanagh, executive director of the Electronic Mail Association. "Something needs to be done."

Something is being done now in a House subcommittee, with the bill scheduled to go to the full House by June 1. Who'll win? "Justice has come a long way," says one source. "In the beginning, they saw no need for any bill. Now they're making compromises."

The final House version will increase safeguards, according to the source, but will probably electronic mail the status of a first-class letter. "But there'll certainly be many more protections than exist now," he said. **JOSEPH VITALE**

## PHONES

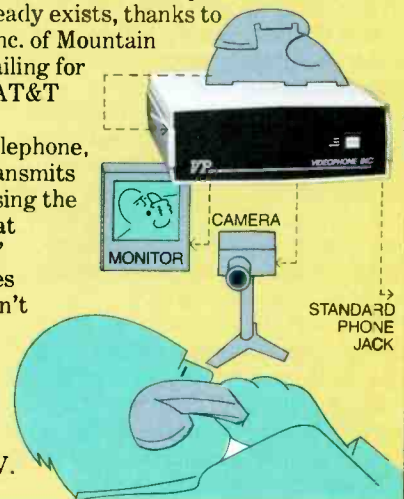
### Reach Out and See Someone

Schoolchildren first heard about it 20 years ago in their *Weekly Readers*. Movies like *2001* showed scientists using it when they phoned home from space: a telephone that transmitted picture and voice. The year 2001 will be here in 15 years, but the Videophone already exists, thanks to Jerry Seehof, president of Videophone Inc. of Mountain View, California. With his hardware retailing for less than \$1,000, Seehof has trod where AT&T has been reluctant to go.

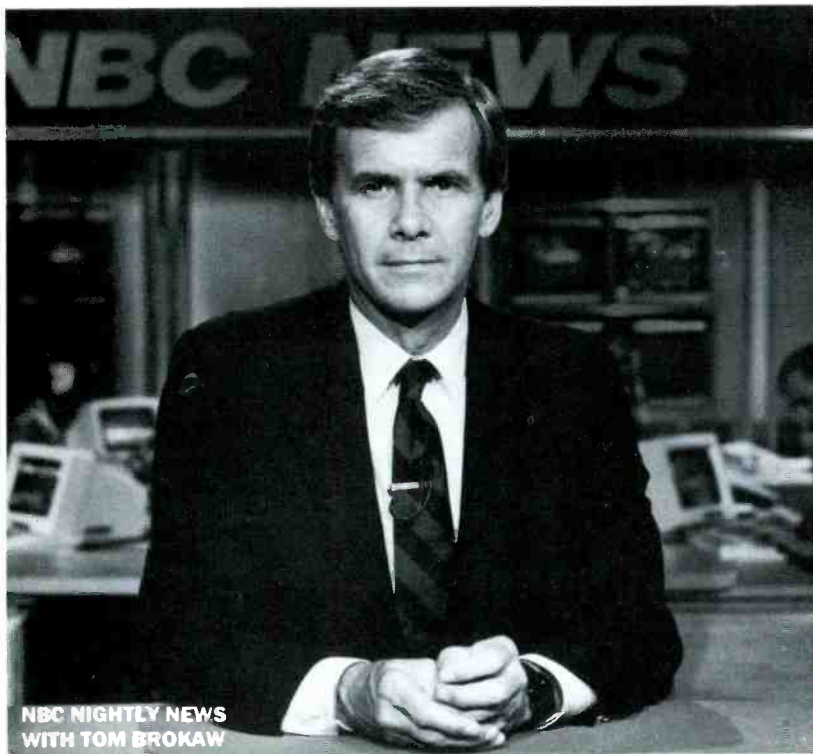
The gadget, a computer into which a telephone, minicamera, and TV set are plugged—transmits pictures over standard telephone lines using the lowest form of transmission, sending what amounts to black-and-white "snapshots."

The one drawback: It can't carry images and sound at the same time. But that hasn't dampened Silicon Valley's enthusiasm. "I'm sure you'll see a bunch of others at next winter's Consumer Electronics Show," says Elliot Gold, publisher of the teleconferencing newsletter, *TeleSpan*.

J.V.







NBC NIGHTLY NEWS  
WITH TOM BROKAW

# Why More Americans Watch NBC News' Three Daily Programs

Each network news department produces three Monday-through-Friday programs. More people, a total of over 30 million a day, watch NBC's three — NBC Nightly News with Tom Brokaw, Today and NBC News at Sunrise — than watch those of the other networks.

With good reason. 1986 has been a remarkable news year, and no one has covered it as well as NBC. Here's what knowledgeable observers say:

## **NBC Nightly News with Tom Brokaw:**

"Brokaw likes to be where the action is; he is at his best with breaking stories . . . More than the other two, he projects a sense of involvement, the possibility that he shares his viewers' values."

— *Esquire Magazine*

**Space Shuttle:** "All three networks performed with admirable sensitivity. . . NBC's Brokaw was the coolest and most lucid of the three."

— *Time Magazine*

**Philippines:** "NBC's Tom Brokaw was the most visible of the network anchor men for coverage of Marcos' final fall . . ."

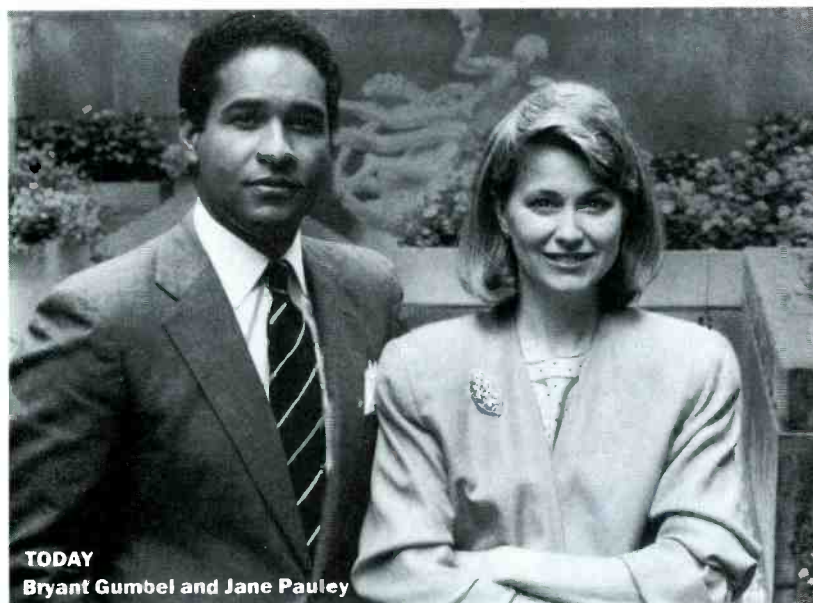
— *New York Daily News*

**Today:** "NBC's 'Today' show attracted the largest audience ever for a morning news and informational program last week when it was broadcast from South America."

— *Associated Press*

**NBC News at Sunrise:** "'Today' isn't the only morning star shining in the ratings . . . 'NBC News at Sunrise,' the newscast for early risers, has landed first-place honors."

— *USA Today*



TODAY  
Bryant Gumbel and Jane Pauley



NBC NEWS AT SUNRISE  
Connie Chung and Bob Jamieson

Audience data: Nielsen Television Index. Season to date through March 21, 1986 (total persons).

# NBC NEWS

TUNED IN TO THE WORLD

# REPORTS

## POLITICS

### The Satellite Senate

Television's power to build or bankrupt a political career is well documented. More than one local pol has become a national figure overnight thanks to a few scintillating committee performances.

But why should such delicate business be left in the hands of networks and news agencies? If you're a senator, why not package your own clips and make them available free to stations around the country? And if those stations forget to indicate the source of the freebie, so much the better.

That's exactly what's happening. Over the past year, the GOP Conference and its counterpart, the Democratic Policy Committee, have been acting as unofficial news bureaus for stations without Washington bureaus.

By simply aiming a dish at a particular satellite during a prearranged time slot, a station can pick up everything from a timely committee hearing to self-serving political blather from individual senators. Never mind that the feeds are produced, edited, and distributed by partisan groups and their senators.

Both the GOP Conference and Democratic Committee get \$500,000 a year in taxpayer funds for operating expenses. Out of that comes money for crews, cameras, and editing equipment. The Republicans have two two-person crews, the Democrats one crew.

By all accounts, the uncrowned queen of the electronic news release ("the satellite senator," as one news executive has dubbed her) is Paula Hawkins, who faces a tough reelection fight this year. In late February, after weeks of stories and editorials questioning her health and her veracity, the Florida Republican struck back. At a Washington hearing on federal drug and alcohol programs, Hawkins gave her critics a taste of their own medicine—suggesting that a coughing colleague check into Duke University Hospital, which she had secretly entered under an alias two weeks earlier.

Unfortunately for Hawkins, the GOP TV crew missed her performance—a phone survey of six Miami stations by a Hawkins press aide the day before had elicited no interest. But the following week, four Florida stations said they



Paula Hawkins:  
uncrowned queen  
of the electronic  
news release.

wanted footage from her Head Start hearing, so the cameras rolled again, and viewers continue to foot part of the bill for the nightly news. ANNE GROER

## VIDEODISCS

### Disc-overing Talent

The laser videodisc is alive and well, and although it has yet to flourish as a mass-market product (except in Japan), entrepreneurs continue to come up with new applications for the amazing, instant-random-access video technology. The latest twist on the laser disc comes from a New York company called Starkives, which has created a dream machine for casting directors: a computerized depository of available show-business talent. TV producer Aaron Spelling was one of the first to sign up for the service, which contains detailed résumés and samples of the work of more than 6,000 actresses, actors, writers, and directors. The artists pay \$150 a year for a basic listing and photo, and \$500 a year for the inclusion of a 15-second videotaped "screen test," on the disc.

Jeff Troncone, the company's president and chairman, hopes to draw his clientele not only from Hollywood but from ad agencies, networks, private casting directors, and large corpora-

No more  
cattle calls?  
Directors  
can now  
scan  
computerized  
videodiscs  
for show biz  
talent.



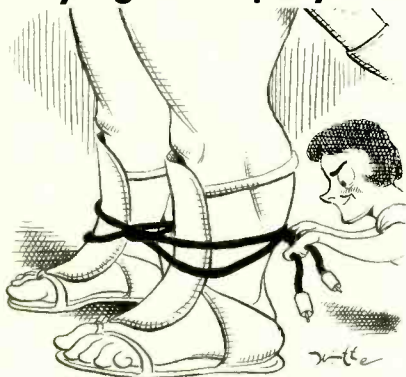
# REPORTS

tions that, from time to time, are looking for a pretty—or an ugly—face.

A Starkives setup includes disc player, computer, TV monitor, and two printers, one to produce hard copies of résumés and the other to print pictures from the discs. Clients rent the hardware from Starkives for \$1,500 a month, a price that includes updated discs on a quarterly basis. "This won't replace casting directors," says Troncone, "but it does promise lots of exposure to aspiring talent." RICHARD BARBIERI

## CABLE

### Playing Monopoly



Tired of watching the little fish being gobbled up, one small-fry has decided to bite back. Satcom Inc., a Montana cable operator serving about 5,000 subscribers in big sky country, has asked the Federal Communications Commission to bar multiple system operators (MSOs) from owning or running systems that serve more than 50 percent of the customers in a state or more than 25 percent nationwide. Satcom has one particular MSO in mind: Tele-Communications Inc. (TCI), the nation's largest. And now the tiny cable operator has found a champion on Capitol Hill.

Senator Max Baucus, a Montana Democrat, has asked the Justice Department to look into the sale of Group W to a consortium headed by TCI and American Television & Communications. If the deal goes through as planned next month, TCI could end up with 88 percent of Montana's cable subscribers. That's what Satcom fears.

TCI, with more than 3.7 million customers around the country, now has about 51 percent of Montana's sub-

scribers. The Group W sale "could create a monopoly in Montana and other states," Baucus argued in a March letter to Attorney General Edwin Meese.

John Sie, TCI's senior vice president, says he's puzzled about the Satcom and Baucus actions. "We think we can offer more diversity to an underserved state and more outlets to the creative community," Sie says. JOSEPH VITALE

## VCRs

### Prices Going Up

Led by the VCR, the first widespread wave of price increases in the recent history of video is here.

One factor is the chronic inability of the few remaining U.S.-based consumer-electronics manufacturers to make satisfactory profits. Another is the Reagan-engineered increase in the value of the the Japanese yen versus the dollar. The dollar lost 28 percent of its value against the yen in the six months from mid-September to mid-March.

So look for color TV prices to go up in small (2 to 3 percent) increments at wholesale, though several such increases through the year are likely.

For VCRs, 95 percent of which are made in Japan, the problem is a bit stickier. They're not expected to rise the full 28 percent but they are going up. VCRs that sold for \$1,000 and up in 1978 and that bottomed out below \$200 last Christmas are being priced \$20 to \$40 more than corresponding models last year.

With both color TV sets and VCRs, the industry will no doubt prove adept at making increases look like decreases. Manufacturers are justifying price hikes by adding new standard features that cost pennies extra, such as cable-channel tuning and input-output jacks that qualify a set to be called a "monitor."

DAVID LACHENBRUCH



# BRUCE SCHWOEGLER

## For The Record

"I've been at WBZ-TV since 1968, the longest running weather anchor in Boston. I love it. This is a very dynamic area. New England's climate is very exciting. Because of the ocean and the mountains we get many changes within a small area. That's why I do a complete weather story. We have access to the most sophisticated analysis computer in the country. I use it, along with weather maps, satellite pictures, radar scopes and other computer information to put together forecasts. That's especially important when the weather is changing - when a heavy storm system is coming in. By doing my own forecasting I can be on the air as things are breaking."

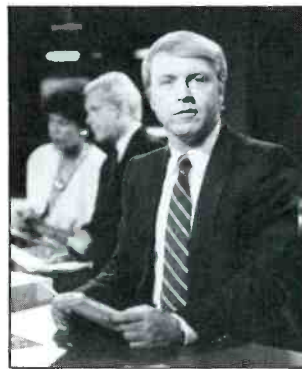


"It's important for me to be a communicator as well as a scientist. I enjoy teaching. That's why I do the **Weatherwise And Otherwhys** family lecture series at the Museum of Science, why I'm the environmental correspondent for UPI, and why I've written a reference book on renewable energy. I like helping people discover something new."

"In New England the weather can often be the



most important news of the day. When a major weather story breaks, everyone here at Eyewitness News pitches in. There's a lot of camaraderie at the station between the people on the air and the people behind the scenes. We work as a



team, especially in a time of crisis. Making it all come together ... that's exciting."

"Because New England is so vast - Cape Cod to Vermont - it's difficult to report exactly where every weather front is. That's why education is so important. I present New Englanders with information that helps them understand why things happen ... how the weather effects not only their plans to go shopping downtown, but their health and the rest of their environment."



# EYEWITNESS NEWS

**WBZ-TV**  
**BOSTON**

# 4

The Station New England Turns To.

# THE PUBLIC EYE

## THE RELUCTANT MARK FOWLER



by Les Brown

Can it be that Mark S. Fowler, after more than five years in office, still doesn't understand the media he's supposed to regulate, or the rules in his charge, or even the nature of his job as chairman of the Federal Communications Commission?

Astonishingly, that seems to be the case. An article by Fowler that appeared on the *Washington Post's* Op-Ed page several weeks ago, entitled "The Fairness Doctrine Can Hurt," was far more interesting for what it revealed about the writer than for the argument it advanced.

Having spent his years at the FCC deregulating the broadcasting industry, Fowler is now trying to persuade Congress to abolish the law that requires broadcasters to present contrasting viewpoints on controversial issues. He calls the Fairness Doctrine "an aberration in our tradition of free expression," and the gist of his argument in the *Post* is that "the marketplace of ideas is too important to be subject to the blue grease pencil of a censor."

In what strikes me as an extravagant view of his duties as a relatively minor bureaucrat, Fowler represents himself as the reluctant "government censor" required to approve or reject the presentation of any broadcast and the "reasonableness" of its producer. He likens himself to the censor of a newspaper, if there were one, who must put his initials in the corner of every page. No other FCC chairman in history has suffered such delusions of grandeur.

The FCC has never engaged in program censorship and has always taken pains to avoid the merest hint of it; commissioners traditionally have declined to comment publicly on their preferences in programming for fear that their remarks might be misconstrued.

Fowler maintains that the existence of the Fairness Doctrine makes him a censor; but in fact, in matters involving the doctrine the commission only acts as a court, never as a draconian blue-penciler. Moreover, the fairness cases don't originate at the agency but are brought to it by parties who feel they have been wronged by a particular broadcast.

Of the hundreds of fairness complaints made to the FCC each year, only a handful qualify for serious review at the staff level, with a very small number ever going before the commissioners en banc. In fact, in Fowler's entire five-year tenure at the FCC he and his four colleagues have had to rule on only a single fairness case, that one against a Syracuse TV station

that carried pro-nuke commercials for a local power plant. Hardly an oppressive case load. The offending station has taken its case to the Supreme Court, and is being cheered on by other broadcasters.

But the vital point is that Fowler has never, even metaphorically, put his approving initials on a single American broadcast. So what are we to make of his claim of being our national censor? Does he have some screwy notion of what his job is, or is he trying to deceive the public and those members of Congress who don't know any better? For a moment I gave him the benefit of the doubt and figured he was just indulging in outlandish hyperbole.

But then, reading on in the *Post* article, I changed my mind. He writes that the commission last year made a "comprehensive study of the history and effects of the Fairness Doctrine" and concluded that it "chills" speech. He says:

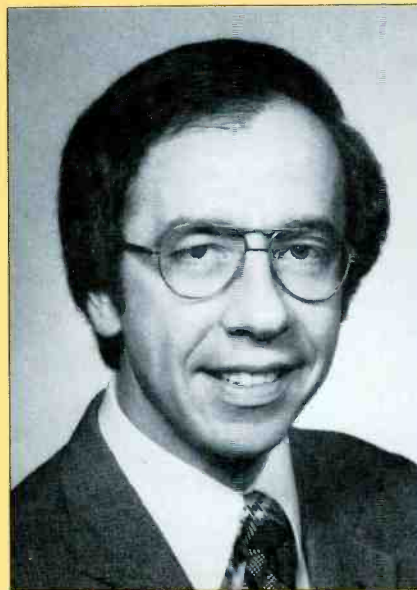
Our record is replete with examples from stations, large and small, that told of their fear of government punishment if their coverage of a controversial issue missed the FCC's mark for fairness. Broadcasters decided it was 'safer' not to carry programs on controversial issues. Why cover the nuclear arms race, religious cults, municipal salaries or other matters of concern, and risk losing your license?"

If Fowler and his fellow commissioners really believe that broadcasters who duck the controversial issues will rush to cover them when the Fairness Doctrine is dumped, they also believe in the tooth fairy. A great many stations, possibly even the majority of them, have no problem dealing with controversial issues; the FCC has only

to look at the number of annual submissions for the Peabody awards to see that there is no "chilling effect" worth mentioning. The reluctant stations, I would bet, aren't covering the issues because they don't want to spend the money for public affairs programming or give away a nickel's worth of commercial air time.

But Fowler's statement is shocking for other reasons. He portrays a federal government that watches over stations large and small like a cruel father, ready to pounce on any that fail to meet the "FCC's mark" so that it may deal out its harsh sanctions—the harshest being to take away the broadcast license. Wait till they pass around that horror story about us in the Soviet Union, straight from the horse's mouth.

This portrayal of the situation bears as much resemblance to reality as Fowler's depiction of himself as



Fowler: Rebutted by a news event

No other FCC chairman in history has suffered such delusions of grandeur.

continued on page 60



## **ATTITUDE MAKES BLAIR NUMBER ONE.**

If you're looking for the top dog in spot television, it's Blair. Only Blair. Where you'll find the sales attitude that makes us the toughest competition you can come up against, and the most aggressive ally you can ask for. Build savvy sales strategies. Deliver honest schedules. With fast turnaround, all around. Be smart, fight, win. That attitude made Blair number one. And has kept us there for 38 years.

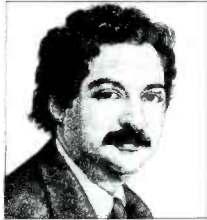
**BLAIR. ONLY BLAIR.**

Television



# THE BUSINESS SIDE

## CABLE'S LATEST CRAPSHOOT



by Merrill Brown

Enthusiasm for pay-per-view is nothing new at annual gatherings of the National Cable TV Association. Advocates of the technology, which allows cable subscribers the added option of paying for TV programs—usually recent movies—on an individual basis, have become a regular feature of conversations and seminars at the NCTA convention for the past several years, and its recent parley in Dallas was no exception. But if you listened to much of the talk there you might have gotten the impression that consumers have unlimited resources to spend on their television habits. The rejection of that questionable notion is but one of the factors that could deflate the cable industry's growing enthusiasm for pay-per-view, an enthusiasm that reached new heights this year.

A half-dozen companies at the convention were pushing their own pay-per-view services, and a growing number of cable operators, including the people at Denver's United Cable, were buying in the hope that PPV will be the panacea for many of cable's ills. United will roll out the service this year in about 200,000 homes and has announced that it will offer systemwide pay-per-view service by 1990.

Cable operators are looking at pay-per-view as a way to build incremental revenues and return a degree of excitement to the cable business. But perhaps the major reason for the increased interest in PPV is the strong bid the home-video industry is making for pay and basic cable subscribers.

As the critical mass of VCR owners has ballooned to nearly a third of TV households, there has been a growing perception among consumers that cassette rentals offer a better value than pay television. For one thing, subscribers can get recent films much sooner on tape—some six months sooner—than they can on pay TV. In a 1983 survey, pay subscribers, by a 41-to-31-percent margin, said they thought pay TV was a better value than cassette rentals. That sentiment was reversed just two years later, when pay-TV consumers, by a striking 47 to 27 tally, said they thought cassettes represented a better value.

Thus the long-ballyhooed pay-per-view extravaganza is getting more serious attention in 1986 than ever before. The addressable technology that makes it possible for consumers to order individual programs is, after several false starts, widely judged to be efficient. Never before have so many committed so much to developing PPV networks, which were among the most visible of the convention's attractions.

Meanwhile, the prospect of rate deregulation for the industry on January 1 has helped renew Wall Street's confidence in cable's prospects. With financial and stock performance at record levels, system operators are in better shape than ever to take on the risk and investment of adapting to an addressable world. The conventional wisdom says pay-per-view on some scale, at some point, is going to be a great success.

Cable operators like United are to be lauded for

their willingness to take chances and invest in a new cable business. The question is whether operators, at a time when they face the delicate task of deciding how high to raise basic rates, ought to be contemplating what it means to confront subscribers with yet another complex revenue-raising mechanism.

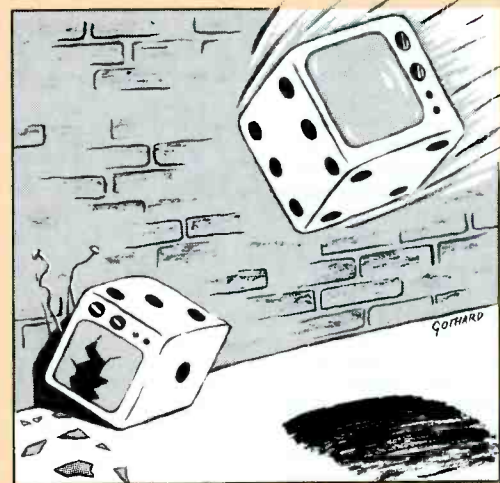
There are no accepted studies of cable's rate elasticity—that is, the threshold of rate increases at which subscribers would abandon their service. Operators are shooting for increases of from 3 to 5 percent for the cautious, to as high as 50 percent over several years for companies whose franchise agreements have strangled their ability to raise rates.

**A**lthough the industry may have every right to feel better about itself in light of its improved finances, the public couldn't care less. Subscribers are generally down on the service they get from their systems, even when operator time and effort have, in fact, improved cable's service problems.

Moreover, cable's own critics say that over the next several years the industry must tie its identity to the unique-to-cable programming it is selling: the basic and pay services ranging from Cable News Network to Showtime (which has, incidentally, just added a second PPV feature). The enthusiasts' view is that if pay-per-view services can offer films to audiences as quickly as the video rental store, which increasingly is the case, and if PPV can come up with original events—sports or entertainment specials—then consumers ought to fall right in line.

The issue is one of timing. Is it possible that cable is doing itself more harm than good in encouraging further increases in the monthly subscriber bill? Is it also possible that cable systems, with important rate quandaries ahead and with a new vigor in marketing and service just emerging, might be better off attacking the incredible statistic that just over half the people who can get cable are choosing to subscribe?

It's time to ask whether another major technological and marketing challenge is what cable television needs right now. And, whether subscribers really want any part of it.



DAVID GOTHARD

Pay-per-view technology has arrived. Cable operators better think twice before rushing in.

# The Empire Builders

## A Dossier on TV's International Wheeler-Dealers

by Rinker Buck

**T**hey come from Rio, Perth, London, and Milan, but they're all headed in the same direction. Over the last few years a handful of intensely driven, hugely successful entrepreneurs has burst onto the international scene, and they are radically altering the world's television landscape. Unlike an earlier generation of network founders, who restricted their holdings to a single country, the empire builders of the 1980s regard the whole planet their domain. They are starting up new commercial networks in countries where none existed, buying production studios in several nations at once, invading continents and hemispheres with satellite program services. They are a new breed of television tycoon, and together they are propelling television into the Global Age.

In national origin and temperament, it's hard to imagine a more diverse group. Two of their number, Ted Turner and Rupert Murdoch, are already familiar to Americans, while the rest—Silvio Berlusconi of Italy and Robert Maxwell of Great Britain, Roberto Marinho and Emilio Azcarraga of Latin America, and Australians Kerry Packer and Robert Holmes à Court—are still relatively unknown. Yet they all share unbounded ambition and a disregard for the cultural sovereignty of national borders.

During television's first 40 years, the medium everywhere grew under the protective shadow of close government supervision. In the United States, a few visionary capitalists created the networks and operated them under federal license, while broadcasting elsewhere was primarily a state-owned enterprise, run by civil servants who rarely worried about competition or thought beyond their own national borders. During the early 1980s, however, the old monopolistic systems began to wither under the changes wrought by technology—satellites, cable, and the VCR—and new government policies in Europe that opened electronic media to private investment.

Some of the media imperialists began their careers in publishing, and for them the new opportunities in television are a continuation of old tabloid wars. Rupert Murdoch, whose brassy London *Sun* has competed for years against Robert Maxwell's *Daily Mirror*, launched his European Sky Channel in 1982, only to be followed into Europe last fall by Maxwell, who won the rights to operate the English-language channel on France's direct broadcasting (DBS) satel-

lites, TDF 1 and 2. Others, such as Silvio Berlusconi and Robert Holmes à Court, are lawyers who amassed their fortunes in other businesses before finding television too lucrative to resist. Holmes à Court, for example, is a South African native who emigrated to New Zealand and then western Australia by the time he was 25, graduating from mining to textiles before selling a large share of Ansett Airways to the ubiquitous Murdoch. Then he took his profits and flew off to London, where he bought out Lord Lew Grade's Associated Communications.

Berlusconi is perhaps the new breed's most protean figure. One of Italy's most successful real estate developers, he entered television in 1978 with a small closed circuit channel in one of his housing projects. Two years later he launched his own national commercial network, Canale 5, and immediately caused a furor by outbidding the Italian government network, RAI-TV, for the rights to broadcast an international soccer match. Today Berlusconi is one of Europe's dominant broadcasters, owning three separate networks in Italy and 40 percent of France's first nongovernment commercial channel, La Cinq, and some 30 other holdings ranging from advertisement-placement firms to the largest production studio in Spain.

Berlusconi and Holmes à Court represent rugged individualism on a global scale. Their goal appears to be the Americanization of TV—so that it operates under free-market conditions with virtually unlimited potential for financial growth. They keep their corporate structures lean. They are highly capitalized. And, they usually act alone and move quickly.

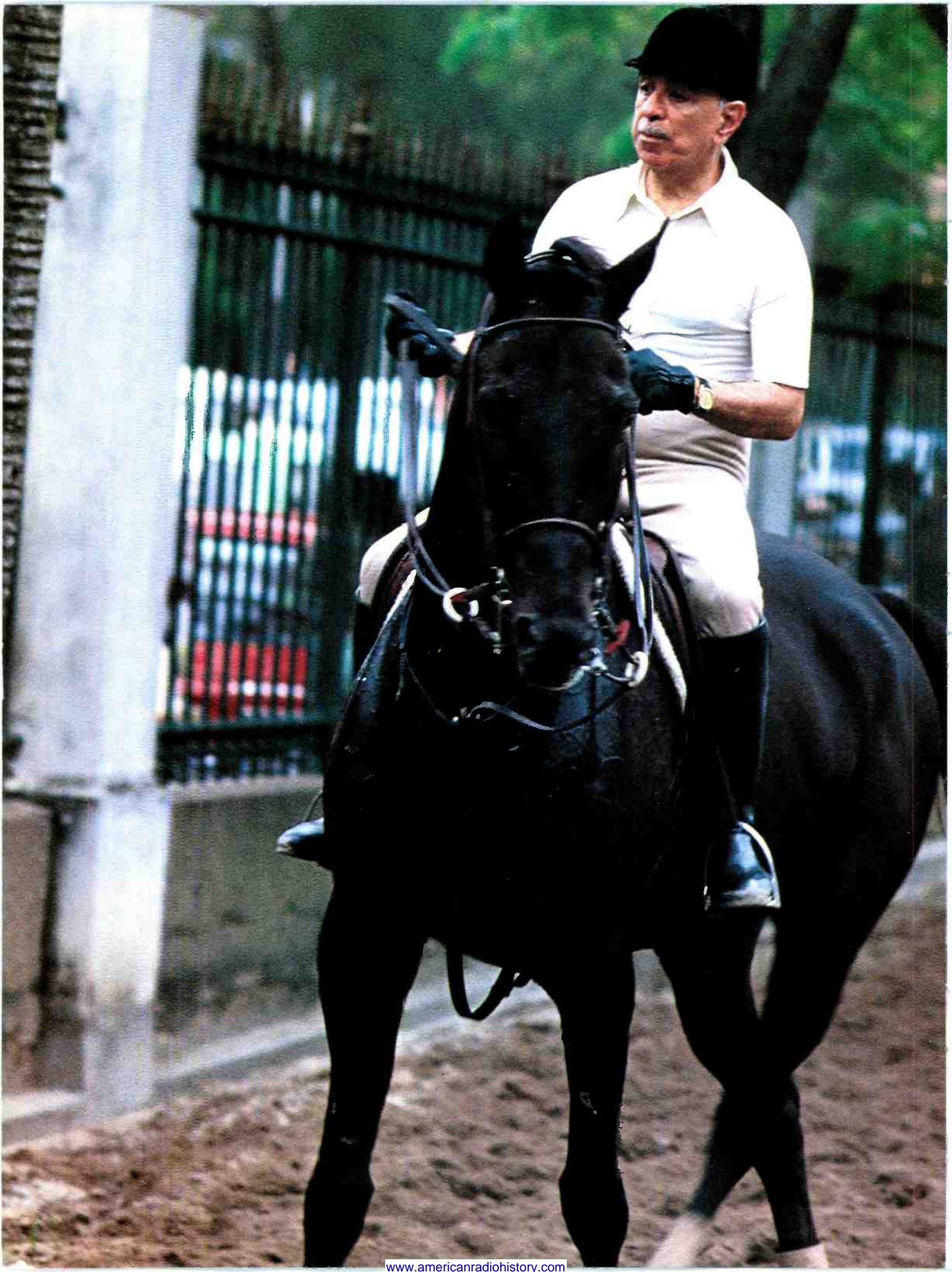
"It's no accident that Berlusconi and Murdoch are doing so well," says John Eger, senior vice president for worldwide enterprises at CBS. "American companies have enjoyed the biggest market so long they don't know how to compete in the world."

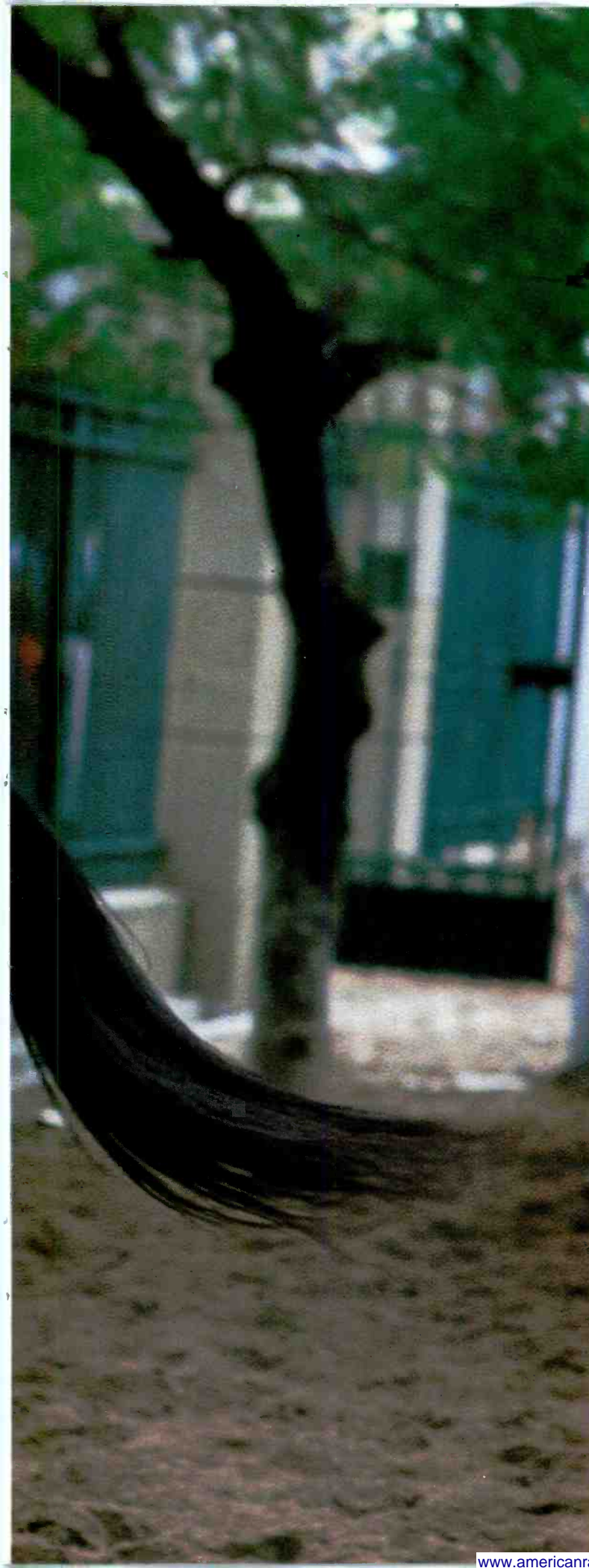
For the moment, all this foreign activity means a windfall for American producers. And like Murdoch, virtually all the empire builders are eyeing direct investments in production studios and cable outlets in America. The recent spate of corporate mergers has only whetted their appetites, and their involvement will doubtless drive up the prices of companies. Even the foreigners are complaining about the skyrocketing acquisition prices. Australian Kerry Packer, after a week of meetings in New York this spring, sighed: "America's become too rich a pie, even for us."

The day before **SILVIO BERLUSCONI**, 49 (right), appeared at the February debut of France's new network, La Cinq, European public broadcasters formed a consortium to compete against him when bidding on rights to foreign programs. That's how important—to some, threatening—Berlusconi has become since he entered television eight years ago. A real-estate promoter of breathtaking vision (he has built two new towns on the outskirts of Milan), his media empire is equally grand in design. Berlusconi's Fininvest owns three commercial networks in Italy, which will collect an estimated \$900 million in revenues this year. He controls more than a dozen production studios in Italy and Spain, which generate a third of his television programming, and one of his networks, Canale 5, coproduced 40 feature films last year.

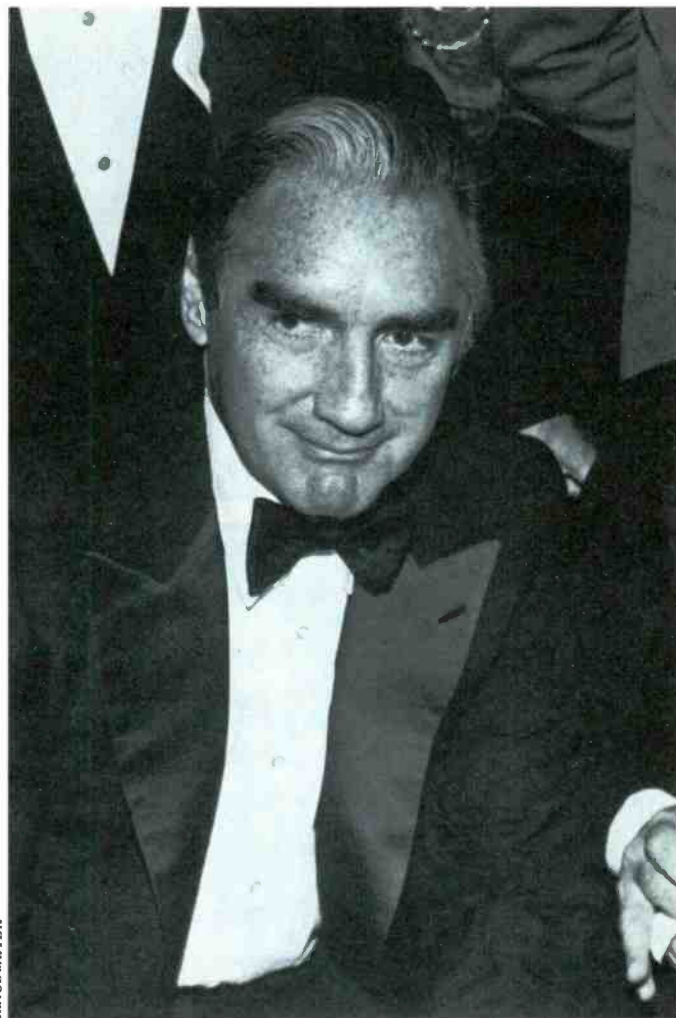








## THE EMPIRE BUILDERS



CLAUS MEYER

GWENDOLYN STEWART

### The Latins

In Latin America, where family dynasties often dominate politics and business, the Marinhos of Brazil and the Azcarragas of Mexico have long reigned in media. Sixty years ago **ROBERTO MARINHO SR.** (left) took over the newspaper his father founded, *O Globo*, and turned it into Brazil's largest daily. He moved into radio in 1944 and founded the TV operation Rede Globo in 1965. Now the world's fourth-largest TV network, Brazil's Rede Globo reaches audiences throughout Latin America via satellite and sells its popular "novela" soap operas in Europe. In Mexico, **EMILIO AZCARRAGA** (above) inherited from his father the country's monopoly network, Televisa, and built up the Spanish International Network, SIN, which is the largest Spanish-language network in the U.S. Azcarraga sells his programming throughout Latin America, the U.S., and Asia, and recently expanded his European operations through Univision, which will send programming to Spain and Portugal in exchange for advertising time. Azcarraga, however, is still reeling from two recent setbacks

that have raised questions about his future. The Mexico City earthquake last September destroyed Televisa's headquarters and, in January, the Federal Communications Commission proposed license revocation of SIN's seven American stations after finding that Azcarraga had violated U.S. alien-ownership laws.

## THE EMPIRE BUILDERS



BRW/AUSTRALIA



BRW/AUSTRALIA

### Out of Australia

Australia—large in open spaces but short on population—exports a bumper crop of media moguls.

Faced with limited opportunities at home and tax laws that discourage further expansion, two other Australians are following

**RUPERT MURDOCH** (top) overseas.

"Rupert was just the first," says **KERRY PACKER**, 48 (right, in New York's Central Park). Packer's Consolidated Press Ltd. recently unloaded its newspaper group to concentrate on television investments abroad but still owns stations in Sydney and Melbourne that reach half of Australia's 15 million people. Packer started the Australian version of "60 Minutes" and imports more American programming into his country than anyone else.

**ROBERT HOLMES À COURT** (above) is an enigmatic corporate raider who spends most of his time at his farmhouse outside Perth playing chess against a computer. His Bell Group runs stations in Adelaide and Perth and, through Associated Communications in England, controls ITC Productions in Hollywood and several London theaters.

ENRICO FERRELLI/IDOT





## THE EMPIRE BUILDERS

### Captains Courageous

**ROBERT MAXWELL** (top), a Czechoslovakian immigrant to England, bought the Mirror newspaper group and Britain's major cable operator, Rediffusion, in 1984, immediately establishing himself as a strong competitor to Rupert Murdoch in London. Like Murdoch, however, Maxwell's vision extends far beyond England and even Europe. His new English-language channel on France's DBS satellite, Maxwell predicts, may someday reach an audience of over 200 million, and he has also opened a subsidiary in New York to explore American properties. With his CNN selling throughout the world, and Atlanta superstation WTBS broadcasting nationwide, **TED TURNER** (bottom) is already a major force in international media. In March, Turner completed his \$1.4 billion purchase of MGM/UA Entertainment. This gave him a 3,600-film library for his superstation, and may tempt him to launch WTBS as an international entertainment network. Turner has also negotiated with the Soviet Union to broadcast quasi-Olympic "Goodwill Games" in 1986 and 1990, featuring athletes from around the world.



CAMERA PRESS/LONDON



SYGMA/AYVONNE GUNNER

# The Empires

**BERLUSCONI:** In addition to three commercial networks in Italy and 40 percent ownership of France's La Cinq network, Fininvest, Berlusconi's principal holding company, controls *Il Giornale*, the Italian national newspaper, and *Sorrize e Cantoni*, Italy's *TV-Guide*. Electronica Industriale is developing the decoder and manufacturing the earth dishes for France's new DBS satellite. Reteitalia, Fininvest's programming-acquisition arm, imports television shows and movies. Berlusconi's production company, Video Time, owns 13 studios in Italy and Estudios Roma in Spain. Reteitalia and Video Time generate programming for Berlusconi's existing networks and will supply the new pan-European DBS network.

**MARINHO:** Through its five main TV stations and 29 affiliates, Marinho's Rede Globo network reaches 99 percent of Brazil's television viewers. Rede Globo also owns 18 radio stations. Rede Globo produces most of its own TV programming and sells its shows to 90 countries. The network owns the operating rights to the Italian-language channel of the European network, Tele Monte Carlo. The Marinho family owns Brazil's largest daily, *O Globo*.

**AZCARRAGA:** Televisa, Mexico's monopoly network, owns five television stations, four radio stations, and Mexico City's cable system. The network generates most of its own programming and exports shows to 90 countries. Televisa's foreign broadcast group, the SIN Television Network (formerly the Spanish International Network) reaches 4.2 million Spanish-speaking homes in the U.S. and owns seven stations in such major markets as New York, Miami, and Los Angeles. SIN also owns Galavision, a national Spanish-language pay-cable service in the U.S. Televisa, with Bell & Howell/Columbia Pictures, owns Central de Video in Mexico, a videotape duplicating plant.

**PACKER:** Consolidated Press Holdings Ltd. owns the Nine Network in Australia, six Australian radio stations, and five national magazines, including *Australian Women's Weekly* and *The Bulletin with Newsweek*. Publishing and Broadcasting Ltd. (PBL) is Packer's television production company, supplying the Nine Network and also coproducing films abroad. Channel Nine produces the Australian *60 Minutes*, and through a 24-hour satellite link carries news, sports, and entertainment programming from the American networks.

**MURDOCH:** News Corporation Ltd., of which Murdoch owns 45 percent, controls 101 newspapers and magazines worldwide, including *The Times*, the *Sun*, and the *News of the World* in London, dailies in New York, Boston, and Chicago, the *National Star*, *New York* magazine, and, in a joint venture with its French owner, publishes the American edition of *Elle*. News Corporation's Fox Television (formerly Metromedia) operates independent television stations in New York, Washington, Los Angeles, Chicago, Dallas, and Houston. News Corporation also owns 20th Century Fox studios in Hollywood and 50 percent of CBS/Fox Home Video, the world's largest distributor of videocassettes. Murdoch's European Sky Channel, a satellite-to-cable network, reaches 5.5 million homes in 13 countries.

**HOLMES A COURT:** The Bell Group, of which Holmes a Court owns almost 50 percent, operates television stations in Adelaide and Perth, the Western Australia Newspaper Group, and small shares of Australia's Channel 7 network. Holmes a Court's Associated Communication Corporation of London operates several theaters in London, owns ITC Productions in Hollywood, and owns the rights to several hit feature films and television shows (*On Golden Pond*, *The Muppet Show*). Last fall, Holmes a Court sold the rights to 211 Beatles songs to singer Michael Jackson.

**MAXWELL:** Through Pergamon Holdings Ltd., his family's holding company, Maxwell owns the Mirror Newspaper Group and Rediffusion, Britain's largest cable operator. Maxwell owns exclusive English-language rights to the French DBS satellite, TDF 1 and 2. Pergamon Press publishes books on Eastern Europe; its subsidiary, British Printing & Communications Corporation (BPCC) publishes scientific and technical journals. Maxwell is the managing partner and owns 51 percent of Premiere (formerly Mirrorvision), an English pay-television service.

**TURNER:** He owns 81 percent of Turner Broadcasting System, which operates WTBS, the Atlanta superstation that reaches 36 million homes in the U.S. Turner's two all-news cable services, CNN and CNN Headline News, reach 40 million homes in the U.S. and to date more than 40 countries overseas. Turner Broadcasting owns Hollywood's MGM Entertainment Company, which gives it control of MGM's 3,700-film library.





Source: Nielsen NTI (SON), calendar year 1985  
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# Last year over 20 million Americans witnessed a modern miracle.

It was a unique event for a whole new generation of viewers. For the first time they enjoyed the merry red of Edmund Gwenn's Santa suit, the scarlet of Maureen O'Hara's hair and the vivid presence of Natalie Wood and John Payne, as America's favorite holiday movie was reborn in full color.

And then, in 182 markets across the land, something very special came to pass. A rating of 14.7, making the new colorized Miracle on 34th Street the top ranked syndicated feature of 1985.

With a ratings Miracle leading the way, Fox Hollywood Theatre '86/'87 also offers three other films that get people talking: The Stone Boy, Betrayal and A Night in Heaven.

In all, it's enough to make a true believer out of any advertiser.

*Next holiday season, give your viewers the gift of color.*

*Miracle on  
34th Street*



# Hitting Home

Rookie producers are scoring big with specialty tapes for the home market.

by Martin Koughan

S ometime early this year television crossed an important threshold. Until then it was usually tough, very tough, to make money while programming to a small audience of thousands or even a few millions around the country. Then, at some moment lost in the sales receipts of Circuit City or Radio Shack, the proportion of U.S. households with videocassette recorders passed 30 percent.

Bicoastal network moguls noted the event, but it was most eagerly awaited by video entrepreneurs in places like Indianapolis, Westport, and New Hope. Now the universe of VCR owners—27 million households and growing by 170,000 a week—was becoming large enough that new TV impresarios could turn a profit selling programs to just a fraction of the whole.

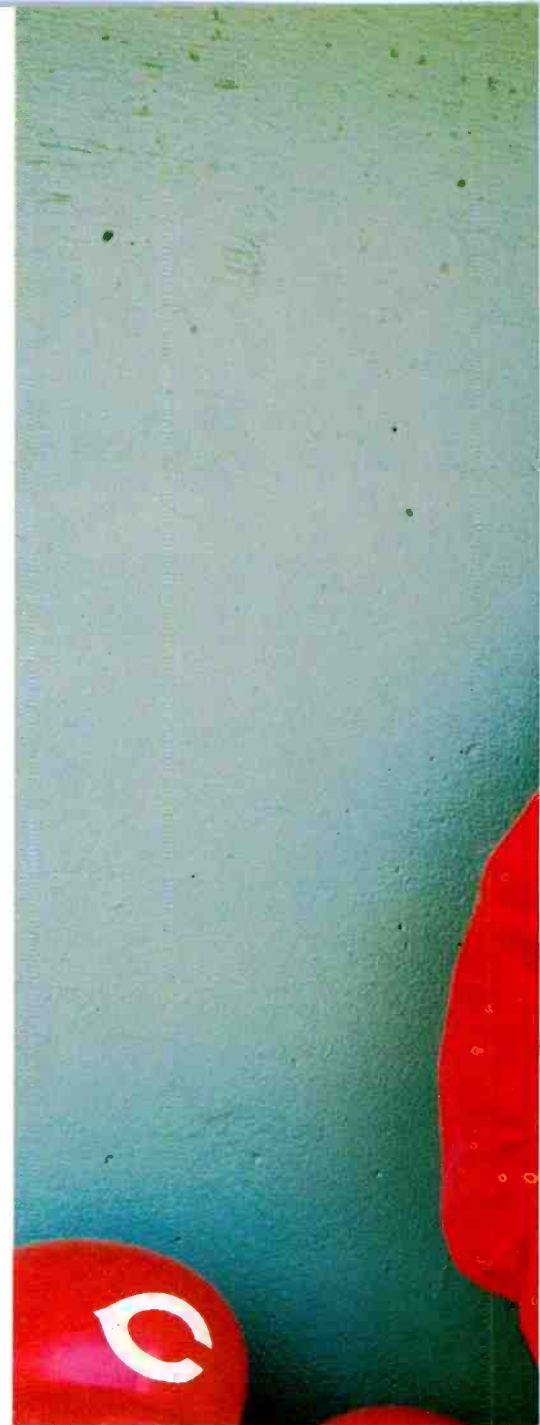
These videocassette pioneers have radically revised the arithmetic of television production and radically expanded its diversity. On any of the three networks, a production costing a million dollars is a failure without at least 20 million viewers. But the videocassette is a far more efficient means of collecting viewers'

*Martin Koughan is a Channels contributor and a network news producer.*

money, a much more direct link between producer and audience. On cassette, a million-dollar production, priced at \$39.95, could actually start turning a profit with as few as 40,000 sales.

In a business that was once the exclusive domain of corporate giants, one-man operations far from Manhattan's Sixth Avenue have blossomed into multimillion-dollar enterprises virtually overnight. In Stamford, Connecticut, it has taken Austin Furst only five years to build Vestron Inc. into a half-billion-dollar colossus, the largest independent distributor of prerecorded cassettes. In Newport Beach, California, Stuart Karl earned more than \$17 million from the Jane Fonda aerobics tapes, which prompted Karl Video's purchase by Lorimar last year.

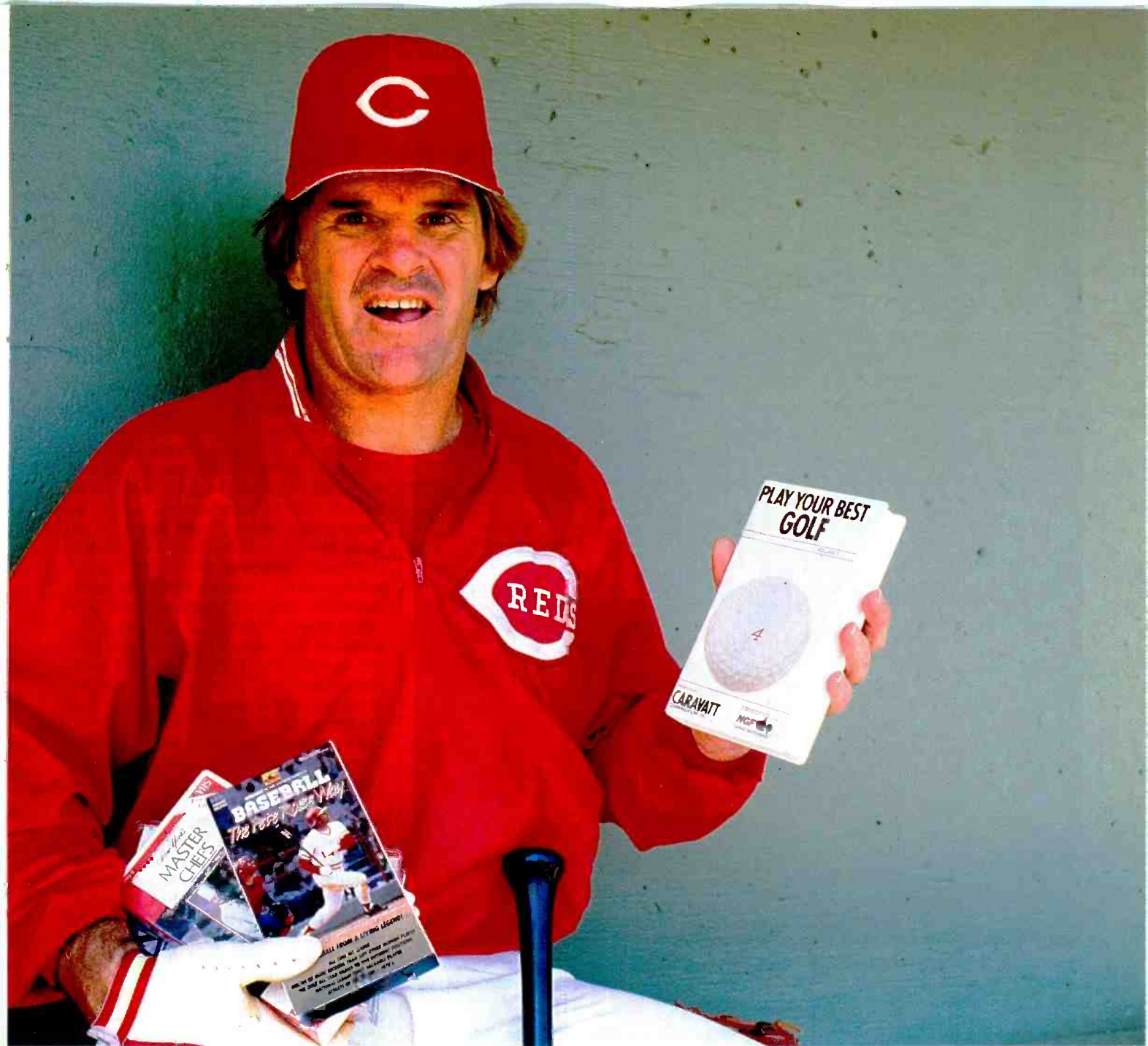
Of course, many of Vestron's and Karl's releases are directed at the mass audience as squarely as anything on network TV. Market analysts say that prerecorded cassettes, mostly movie cassettes, will soon (perhaps this year) earn greater revenues than the movie theater box office. But as cassette sales increase, most of the growth will go into nonmovie cassettes. The Fairfield Group market analysts project that nonmovie cassettes, which now account for 35 percent of retail sales, will make up 60 percent by 1990.



Get 'em while they're hot! Narrow-interest videos

The significant change for television is that TV can now make money *without* blockbusters. Says cassette producer Paul Caravatt, who has produced a series of sports how-to tapes, "The big entertainment companies would look at these and see no market, but 100 products that sell \$5,000 worth a month for five years are a better business than one blockbuster." Caravatt sells to intensely interested audiences of modest size, in much the way book publishers do, and entirely ignores television's old iron laws of the mass market.

Documentaries, to name a conspicuous example, have a long history of failure on commercial television, but consider that cassette producers John Nathan and Sam



such as sports how-to's featuring Pete Rose ("Learn baseball from a living legend!") will soon account for more than half of videocassette sales to consumers.

Tyler are well on their way to becoming millionaires on the strength of a documentary aired only on public television. Last year, the first tape from Nathan-Tyler Productions, a 90-minute adaptation of the best-selling book *In Search of Excellence*, generated \$2.6 million in cassette sales. The film's only promotion has come from two PBS airings (the effects of the second haven't been felt yet) plus 11 months' word of mouth. "This film has yet to see its best year," claims Tyler, the former chief fundraiser for WGBH, the Boston public TV station. "As soon as we get the pricing right and some marketing muscle, I expect we will double or triple those numbers very quickly."

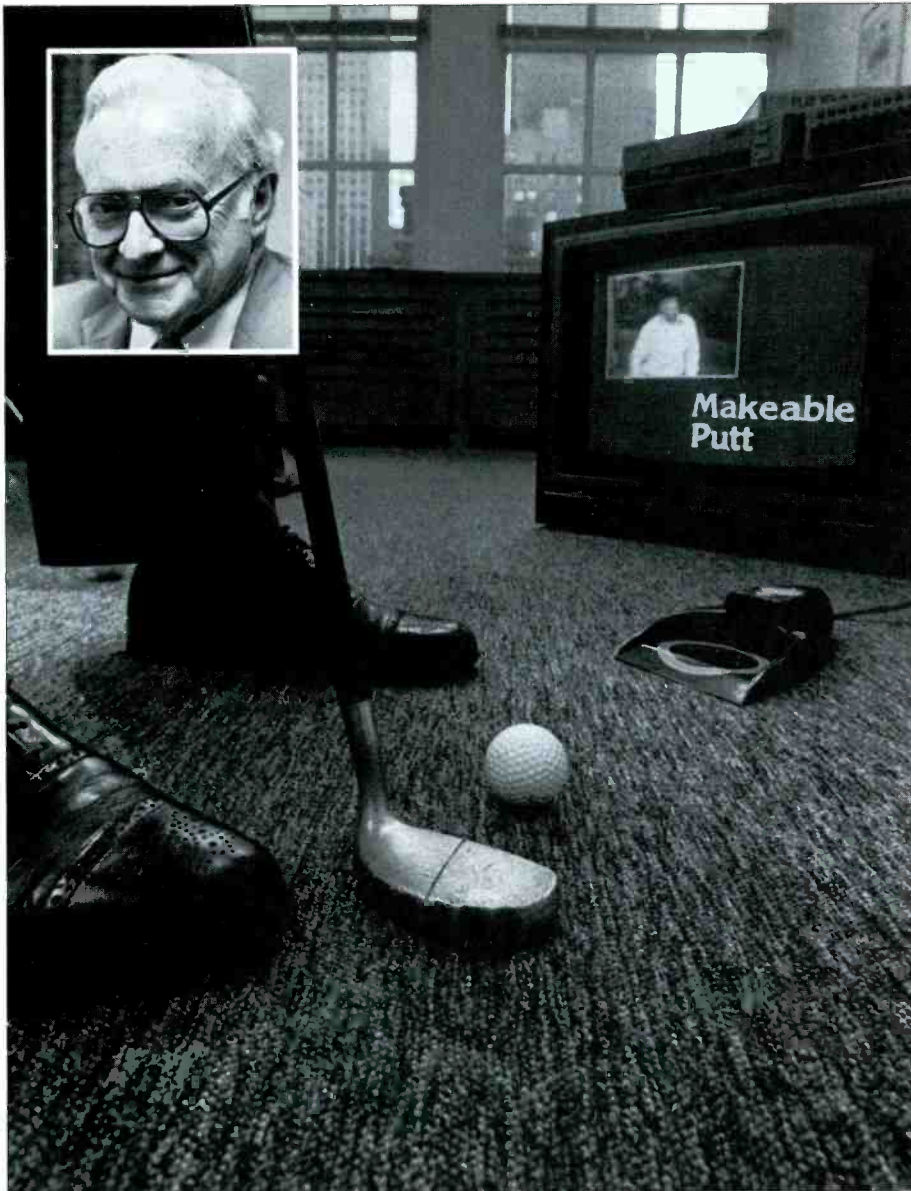
Nathan-Tyler spent \$500,000 to pro-

duce *Excellence*, an anthology of behind-the-scenes profiles of such successful companies as Disney, 3M, and IBM, but it was not until the film was completed that Tyler started to see its potential. "I began to see a tremendous aftermarket in the business community," says Tyler. Working with seven employees out of a small office in Waltham, Massachusetts, Nathan-Tyler invested \$200,000 in a direct-mail campaign. Whereas employee-training cassettes are generally priced at \$1,000 and sell between 500 and 1,000 copies, *Excellence*, by year end, had sold more than 7,000 copies at an average price of \$500, and orders continue to pour in at the rate of 100 tapes a week. Nathan-Tyler has tapped into an entirely new

niche in the TV aftermarket.

"I am inclined to look at specialized markets," explains Tyler. "PBS always thought of niches. With this film we uncovered a management market that is probably 20 times larger than the corporate-training market."

Not surprisingly, the producers are already completing a sequel, *In Search of Opportunity*, which, like the first cassette, is expected to have a shelf life of five to 10 years. "The pie is growing so huge, there is a slice for nearly everybody," says Tyler. "It's a simple equation. Find a hot author or expert with a devoted following, produce a network-quality program, and if you have a little knowledge of direct mail, you can be in



DON HOLWAY

Research told former adman Caravatt (inset) that golfers were the best specialty-cassette prospects. He bypassed video stores, selling "Play Your Best Golf" through pro shops and a toll-free number.

this business in a minute."

But the expense-account crowd is not the only market for documentaries. *Victory at Sea*, which originally aired 33 years ago on NBC, has sold more than \$2 million in home video. The British series, *World at War*, decked out as a collectible in boxed editions with gold embossed letters, has earned \$4.5 million in retail sales. "A lot of people can do the same thing in the future because the non-fiction television market is just about to explode," predicts Tyler. "The age of the well-rendered video book is at hand. If there is enough of a market for a book on French cooking, there is enough for a videocassette."

It seemed, for instance, that hundreds of thousands of Little Leaguers would be market enough for a serious how-to baseball tape, so producer Norman Baer and Embassy Home Entertainment signed the Cincinnati Reds player-manager Pete

Rose to host *Baseball: The Pete Rose Way* ("Learn baseball from a living legend!"). Embassy released the tape last month, with hopes that the low \$19.95 price would spur sales.

Virtually any well made program rejected by broadcasters because its potential audience is too small or too elite is ideally suited to publication on cassette. Fans of classical music, opera, and jazz, for example, constitute segments as small as five percent of the mass audience, but are proving to be steady customers of performances on cassette, especially as more of them buy VCRs with stereo sound.

"The smaller the audience, the better it is in many ways, because those people are willing to pay more to get the video they want," says Larry Adler, the former publisher of *Washingtonian* magazine, who is now applying his specialty publishing expertise to the quality TV market.

Adler Enterprises of McLean, Virginia, has been stockpiling performances by jazz greats like Alberta Hunter and Dizzy Gillespie in anticipation of a small but theoretically unending demand. "The great musicians of our time," says Adler with a smile, "will be great forever."

Over the years Peter Rosen, a performing arts producer in New York, has been forced to reject most production ideas because the only buyers were cash-poor PBS and foreign broadcasters. Home video has changed all that. "I don't even have to talk to broadcasters now to go ahead with a project," says Rosen. "Cassette revenues make projects possible that before last year you couldn't do. If you can sell between five and 10 thousand cassettes, and just about any well-produced program should, it justifies going ahead. In five years the number of VCRs will double, and 10,000 sales will seem like the low end." Rosen already has two cassettes on the market, *Toscanini: The Maestro* and *Godunov: The World to Dance In*, and many more are in the planning stages, including a children's educational series on the performing arts. "Without home video, I could hardly expect to recover the cost of production."

There's almost no market niche too small to support a specialty cassette that provides valuable information to a hungry audience. Take Terry Mort, for example. A financial consultant from New Hope, Pennsylvania, Mort is an avid fly fisherman who, like most, buys his lures pre-tied because trout are particularly discriminating fish. But a small fraction of fly fishermen—a niche within a niche—are rabid enough about their sport to want to fashion their own aquatic insects out of bits of fur, feathers, and string. It is a demanding art not easily described in a book or magazine, so Mort spent \$10,000 to produce *Tying Flies*, a less-than-gripping hour of television by most standards but an invaluable aid to his customers. He recovered his initial investment with the first retailer's order and continues to sell hundreds every year through catalogues. Each \$69.95 sale means a \$20 profit for Mort, who has already produced two other specialty tapes for outdoors types.

Paul Caravatt clearly enjoys hearing such success stories; it is more evidence that the latest video revolution is proceeding on schedule. His quiet office in Westport, Connecticut, is a far cry from the bustle of Madison Avenue where he first waved the home-video flag 14 years ago. Back then Caravatt was chairman of the Marschalk advertising agency—and

# VIRTUALLY ANY well-made program rejected by broadcasters because its potential audience is too small is ideally suited to publication on cassette.

VCRs were rarely found in homes. In his 1972 report on the VCR's future, Caravatt concluded that it would radically transform communications when home penetration reached 30 percent. The year, he predicted, would be 1985.

Caravatt says the advertising industry was just then beginning to think in terms of market segmentation, identifying smaller and smaller markets and how to get at them. "The potential of home video is enormous," he says, "and at this point it is strictly a marketing problem. Cassettes should be marketed with the same techniques one uses to market cold capsules and headache remedies."

**N**ew product introductions were a specialty of Caravatt the adman, who spearheaded the original campaigns for Dristan, Contac, and Tab. In his decade of trial, error, and red ink since setting up Caravatt Communications, he has built a library of 50 high-quality titles that, he expects, will soon start paying big dividends. Well-heeled investors apparently agree: An investment group is merging with the firm and plans to raise up to \$10 million to expand the business.

"We have discovered that a half-million dollars is all the creative and marketing money you need to make, say, six hours of programming that can run on cable and be adapted into two or three cassettes," says Caravatt.

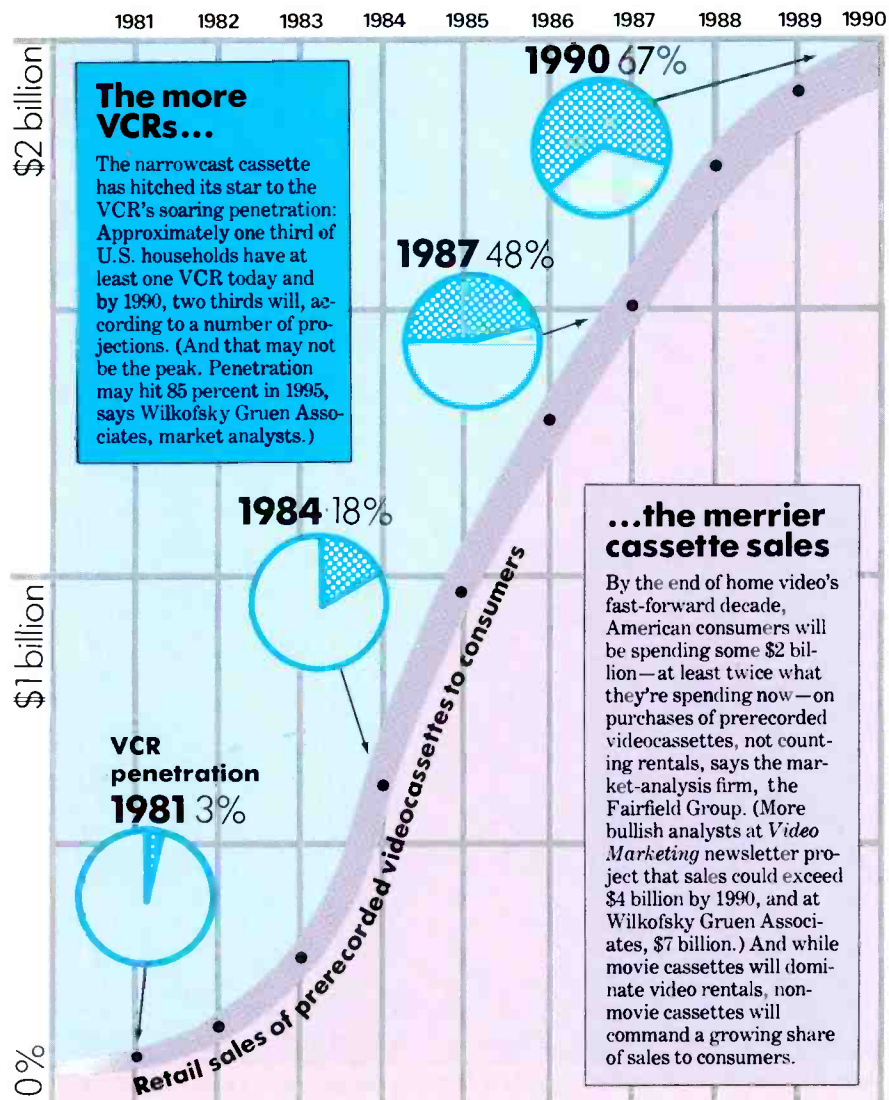
*How to Play Your Best Golf* typifies the Caravatt formula. He determined the target audience and how to reach it, and used his marketing plan as a sales tool to attract limited-partnership investors to foot the production bill. Research identified sports as the most promising category for specialty video and the nation's 14 million golfers as the best sales prospects. Caravatt enlisted the National Golf Foundation to help design the program, but more importantly, to lend both credibility and marketing opportunities within its membership.

Caravatt went to ESPN, the cable sports network, to give *Golf* its first promotional exposure and bartered the program for advertising time. He bypassed video stores because of their movie-rental orientation and used the ad time to generate direct sales through a toll-free number. He reinforced the TV campaign with ads in golf magazines and mailings to card-carrying golfers. Finally he enlisted sports equipment sales reps to distribute the cassette to sporting-goods stores.

The result: Caravatt sold nearly 75,000 copies of *Golf* at \$39.95 each, bringing in a total of \$3 million. He has completed similar tapes on tennis and skiing and is moving on to soccer and bowling.

Television made Jim Kartes (pronounced *Kart-ess*) a multimillionaire, but, slightly ruffled and overweight, he still looks every bit the cameraman he was 10 years ago. His counterparts at the networks in Manhattan may have difficulty accepting Kartes as the prototypical video publisher—and an even harder time believing that he runs his television empire from Indiana.

Kartes Video Communications, with 250 employees in two sprawling ultramodern buildings in suburban Indianapolis, is the only company in the specialty videocassette business that can research



Source: Fairfield Group

**"IT EXCITES** the hell out of me," says Jim Kartes, "that I can sell information product at \$6.99 and still make more money than on a movie."

a concept, produce a tape, and duplicate, package, and distribute the tape nationally without help from other companies. This surely yields Kartes some of the highest profit margins in the business. Last year, drawing on a 600-title library of classic movies as well as specialty tapes, Kartes shipped more than 4 million cassettes. Sources estimate his gross revenues \$25 million to \$40 million.

"I did a projection of home-video growth back in 1977, and the big companies thought I was a raving lunatic," says Kartes. "So little guys like me slipped through the back door. Now they're

beginning to realize the business is bigger than even I imagined."

Kartes now has two fully equipped remote trucks on the road at all times producing videos, and he is expanding his duplication facility to reach a capacity of 15 million cassettes a year. He observes that the company's isolation and autonomy have helped its spectacular growth. "If this were a big New York company," he says, "I would never have been able to get the approval to do this until there was evidence of a business. There, to develop a series, I'd need millions. Here, if I decide to do a show I just go and do it—for one third the cost."

Now the big companies come to him. *Esquire* magazine contracted with Kartes for production of a new cassette series, and MCA and Paramount signed the company to distribute classic films. Late last year, Scripps-Howard Broadcasting bought Kartes, providing cash for further growth, on the condition that Jim Kartes stays in charge. Among the other assets was perhaps the best data ever gathered on what sells in home video and how to sell it.

For six years Kartes has questioned focus groups in 40 markets to discover how he can make more videocassette renters into buyers. When asked where and at what price they would buy a non-fiction cassette, "they looked at us as if we were stupid for asking the question," says Kartes. "They said, 'The bookstore, where else?' And the price trigger was under \$20, roughly the cost of a hard-cover book."

The discovery prompted Kartes to make a major push into the book trade, and now his collection is available in more than 2,000 bookstores nationwide, as well as a variety of specialty retailers. And he has dropped prices to less than \$20 as materials costs have fallen. "When I started I was paying \$15 to \$18 for a blank tape. Now you can buy the same tape for \$3," says Kartes, who will cut his costs even further when he starts assembling his own blank cassettes in a new plant later this year. "It excites the hell out of me when I can sell information product at wholesale for \$6.99 and still make more money than I could on a movie, where the margins are very slim."

His next innovation aims to launch a new generation of video publishing. Kartes has long believed that consumers who buy magazines at supermarket check-outs would be just as willing to buy



DAVID SUTTON

Jim Kartes is expanding his duplicating capacity to 15 million videocassettes a year and starting to make his own blank cassettes.

# **KATZ COMMUNICATIONS** INC

People Make The Difference

## **KATZ RADIO GROUP**

CRYSTAL RADIO  
KATZ RADIO  
REPUBLIC RADIO

## **KATZ TELEVISION GROUP**

KATZ AMERICAN TELEVISION  
KATZ CONTINENTAL TELEVISION  
KATZ INDEPENDENT TELEVISION

## **KATZ MEDIA DATA**



Katz. The best.

**ROBIN OF SHERWOOD**

**THE MASTER OF BALLANTRAE**

**JENNY'S WAR**

**SEPARATE TABLES**

**JAMAICA INN**

**MR. HALPERN AND MR. JOHNSON**

**ARCH OF TRIUMPH**

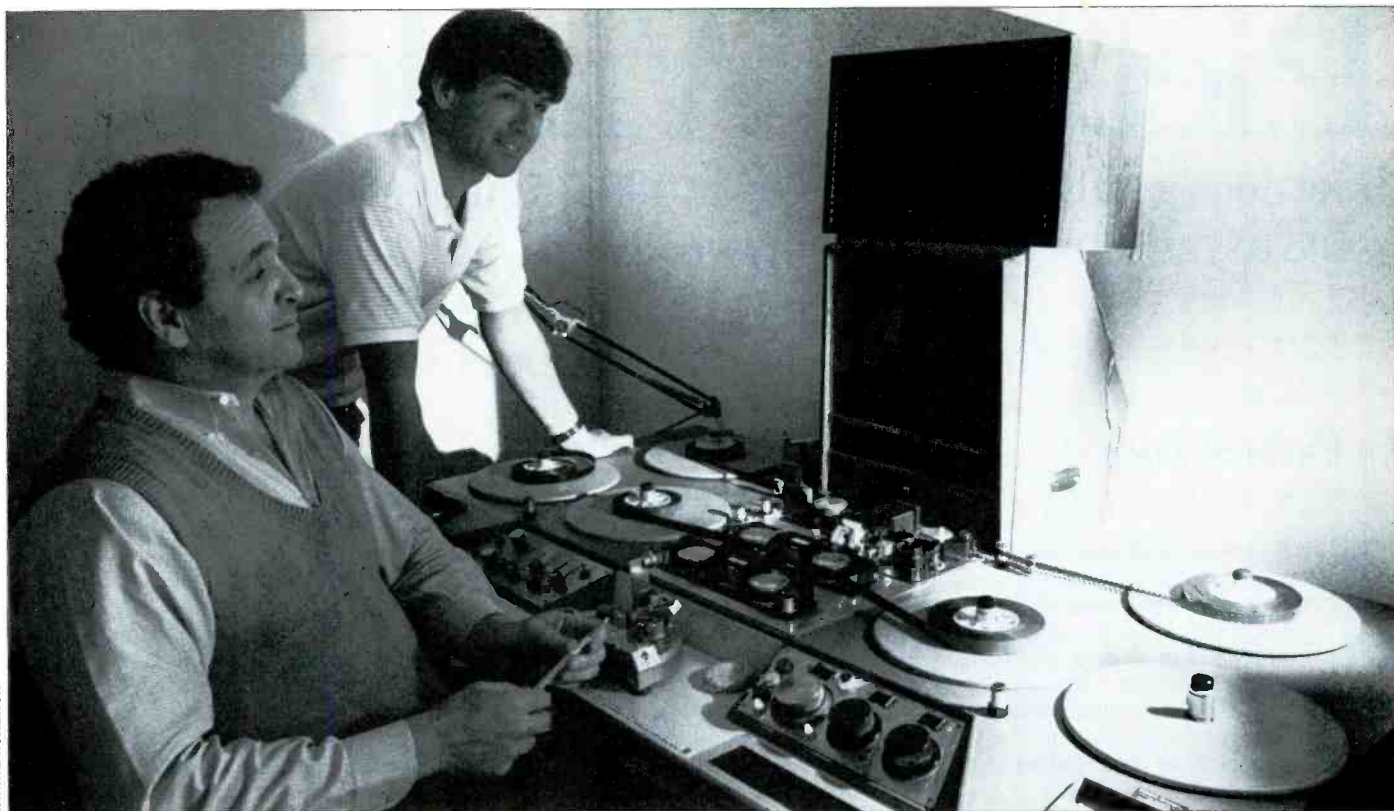
**DISPLACED PERSON**

**RETURN TO TREASURE ISLAND**

You remember  
the programmes . . .  
remember who made them!







Having sold \$2.6 million worth of their first business-oriented cassette, John Nathan (foreground) and Sam Tyler are editing a sequel.

their video equivalents. But the huge costs of a trial run required a partner with deeper pockets and a vested interest in testing his thesis. He found the deepest pockets in television.

Procter & Gamble, TV's heaviest advertiser, which has watched closely as the networks lost audience to cable and VCRs, is underwriting Kartes's market test of the first periodical videocassette, *American Woman Video Magazine*. The \$9.95 tape will have feature stories and product ads similar to those in print magazines like *Woman's Day*. If response proves positive in market tests, chunks of the \$20 billion spent annually on television advertising will become fair game for home video producers.

"The cassette jackets contain coupons for P&G products worth \$2," says Kartes, "and the cassette is still worth \$5—the video can be used as raw stock and recorded over. It is information as cheap as a magazine's, but more dynamic. I think the unit sales could be enormous."

"Jim Kartes has done more to advance the recognition of specialty video than anyone," says Paul Caravatt. "But the consumer, who still thinks of video as renting movies for \$2, is way behind. The public must catch up with us, and that will happen within the next 12 months." Consumers have been reluctant to buy TV in a box when they can rent it so cheaply or receive it at home, free of charge.

Barry Collier, the president of Prism Entertainment, knows how to break sales resistance. He spent 10 years as an executive at Ronco, known to late-night

television viewers for its high-energy gadget and record commercials. Big-volume merchandising is his game, "low price yields tonnage," his mantra.

Collier tested his methods last September in Britain, where VCR penetration exceeds 40 percent and consumers seldom purchase prerecorded cassettes. In Woolworth stores across the island, Prism offered 50 titles at \$10 each. In a business where a few thousand sales is generally rated a success, Prism moved 750,000 cassettes in just 90 days, two thirds of them sold to buyers who had never purchased a videocassette before.

"The most obvious conclusion is that video software can sell through [to consumers] at the right price," says Collier. "At \$10 it is not a major buying decision. These chains were never interested in video before because video was never priced for sales, but the margins are very attractive. A supermarket that makes 2 to 3 percent on food can make 30 percent on video without taking up a lot of space in the store." Having crossed the \$10 barrier, low-end prerecorded videos are priced cheaper than the average hardcover book or compact disc and equal to a newly released LP. When producers make the contents of cassettes as attractive as these prices, they may add TV to the family's weekly shopping list.

However, it won't be the same cassette title on each shopping list along with the coffee, orange juice, and Pampers. That's the point. True video narrowcasting is

available in cassette boxes, not by way of cable television as once expected.

"I never thought there would be a videocassette business," admits Paul Klein, who was once NBC's program chief, more recently president of the Playboy Channel, and now head of PKO Television Ltd. "To me, electronic delivery systems like cable make a lot more sense, but obviously I'm wrong. The small entrepreneur can get very big in this business by finding his audience and knowing where all the buttons are. Look at Harlequin. It was a small publishing house in a nothing business before it started dominating romance novels."

Klein does not choose the example casually. His company enjoys brisk mail-order sales of its Romance Video Novels—dramas produced on budgets of up to \$250,000, with much of the cost underwritten by First Choice, a Canadian pay-cable network, and with degrees of sexual explicitness adjusted for national tastes. "The Canadians want it soft," says Klein, "the Scandinavians want it hard as possible."

Whatever turns them on. Whether the audience has an interest in bare skin, corporate excellence, Dizzy Gillespie, Toscanini, or golf, videocassettes make feasible the most narrow of narrowcasting. That's no minor achievement for television. Because each person tends to place a high value on his own particular tastes, videocassettes may bring together the too often divergent notions of TV and high quality. Have you seen that *dynamite* tape on fly-tying? ●

# Picture Windows

How does a movie make money in 1986? Count the ways in this guide to the life cycle of a Hollywood film.

by Richard Zacks

In Hollywood, the kingdom of fantasy, it's not just sunshine that pours through windows—it's money. Vast amounts of it. Windows are opportunities. When NASA first used the term "window," it referred to the period during which a rocket could successfully blast off. Hollywood appropriated the jargon to refer to something much more mundane: a limited exposure in a given medium.

In the early 1970s, there were only a few windows. After making its debut in the theaters, a film that did well might be re-released some months later. By the second year of its life it would move into the "broadcast window." Networks paid top dollar for movies because popular pictures paid for themselves in higher ratings. Three or four years later the final rite of passage began—through the syndication window, which allowed for repeated screenings on independent television stations.

Those days are gone. Thanks to cable television and especially the videocassette recorder, a well-launched movie no longer flies straight out of the theaters and onto the networks. Instead, the trajectory takes it first on a detour through a multitude of new and immensely profitable windows that have opened in the 1980s. The most important are home video, pay-per-view, and pay cable. Together, they have not only transformed the viewing habits of audiences, but restructured the way movies make money.

**THEATRICAL:** Nothing has been more dramatic than the decline of the local movie theater—the first window through which all films pass. In 1978, according to investment bankers Goldman Sachs & Company, the theatrical window supplied 80 percent of a film's total earnings; by 1985, the box office take had plunged to 43 percent, an all-time low.

Even that was a struggle. Two years  
.....  
Richard Zacks is the home video columnist for the New York Daily News.

ago, studios typically released their movies to 900 theaters across the country. But when revenues declined, they adopted a new strategy, "bursting," under which films are distributed to more theaters (1,200) for shorter amounts of time. With marketing costs for a new film having jumped from \$4 million to nearly \$10 million since 1978, studios want to assure a high return. This sounds logical, only it isn't working: theaters sold 12 percent fewer tickets in 1985 than they did in 1984. One consequence of this saturation exposure has been the slow strangulation of second-run and drive-in theaters.

Nonetheless, when a movie does score, it can still score big (thanks largely to steady increases in the average price of a ticket): *Beverly Hills Cop*, for example, took in \$232 million at the box office. But successes like this are increasingly rare, and a major culprit is home video.

**HOME VIDEO:** The statistics are incontrovertible: In 1980, studios collected \$20 million from worldwide sales of videocassettes; in 1985, nearly \$2 billion—more than any other window except theatrical. The first figure represented one percent of a movie's total revenue; the latter, 34 percent.

Movies haven't lost their appeal, they've simply sailed through the home video window and into the 27 million homes with videocassette recorders. Films that perform poorly in the theaters enter the home video market as soon as three months after their release, but most are delayed at least six months. Big hits can take a year or more. A few, like *E.T.*, may never arrive at all.

Steven Spielberg's reluctance to release *E.T.* on videocassettes is one response to the central paradox of the home video window: Once a movie passes through this portal, the distributor cannot retrieve it. Purchasers of cassettes won't give them back. This reduces potential revenues from other windows, and makes theatrical re-release (once a source of great profits for companies like Disney, which dusted off its classic hits every seven years) almost impossible.

Spielberg's plans for *E.T.* are unknown. But Disney has diverged from its founder's policy of hoarding titles for

theatrical re-release. The company's new management is rushing its vast film library into home video, aiming to sell as many cassettes as possible before putting the titles into syndication.

Although the home video window has grown enormously over the past few years, it is likely to face increasing competition in the future. The seeds of this threat lie in the "First Sale" Doctrine, under which studios can only collect a fee when they sell a cassette. Many of the sales are to stores, which rent tapes to customers for a small fee. Studios see none of these revenues. Goldman Sachs estimates that 90 percent of all videocassette transactions are rentals rather than purchases, and predicts that this year, for the first time, people will spend more on videocassette rentals than they do at the box office—meaning that studios will get less and less of the money people spend on movies. As a result, the view through the pay-per-view window is looking brighter than ever before—at least from Hollywood's vantage.

**PAY-PER-VIEW:** Showtime launched Viewer's Choice, its pay-per-view service, in November 1985, narrowly beating Request Television's competing PPV system. Subscribers to Viewer's Choice pay \$4 or \$5 to watch a movie, which is available to them the same day it is released to the videocassette market. When it started, the service reached 140,000 cable subscribers; by mid-1986, it should have about 500,000 signed up.

The growth of pay-per-view has until recently been blocked by several obstacles: First, the failure to get movies before they pass through the home video window. Although most titles are released simultaneously in the home video and PPV windows, only Columbia, of all the studios, actually preempts home video by turning first to PPV. Second, only a limited number of homes are reached by pay-per-view. At the end of 1985, only eight million homes had addressable converters, which enable cable subscribers to receive and pay for programs.

These problems are likely to be resolved, because PPV offers studios something they don't get from videocas-

sette rentals: a share of the take (as high as 50 percent). Once enough homes (around 20 million) receive PPV, the film industry will increasingly seek profits from this window before putting its films into home video.

Responding to this prospect, the nation's largest video store chain, National Video, has voluntarily agreed to forsake the protection of the First Sale Doctrine. Under an experimental arrangement called pay-per-transaction, studios are supplying tapes to 10 National Video stores at \$6 apiece (enough to serve all customers who want to rent hit movies as soon as they're released); the stores will split rental revenues 50-50 with the studios.

**PAY CABLE:** As recently as 1983, pay cable—especially HBO—seemed on the verge of devouring Hollywood. The industry's overall revenues had increased elevenfold since 1978, when pay cable accounted for just 2 percent of a movie's total take. By 1983, the share of revenues from pay services had jumped to 12 percent, and HBO was virtually dictating what it would pay for Hollywood's movies.

Most films enter pay cable six months after home video and stay there for 12 to 18 months (during that time they can only be shown a total of 15 to 18 days). But in the past few years, the shutters on this window have begun to close. "If the studios are trying to retain value," complains Steve Scheffer, executive vice president of film programming at HBO, "they're certainly skinning the movie cat

too many times."

Translation: films are passing through too many other windows before they get to Scheffer's. By the time movies reach pay cable, many of the people who used to watch them on HBO, Showtime, or The Movie Channel have already rented the tape. As a result, the pay services are having trouble signing up new subscribers, and their share of a movie's total revenue is less now than it was in 1983. Goldman Sachs expects revenues to decline 4 percent in 1986.

**BROADCAST NETWORKS:** Not long ago, when the networks were buying almost any film produced by the major studios, every night was a night at the movies on broadcast television. No more. In 1979-80, NBC showed 35 theatrical films; in 1984-85, it aired only 13. Since 1978, the network window's share of revenues has fallen dramatically. The network window (which allows movies to be shown twice in three years or three times in four years) does not open until two and a half years after theatrical debut.

Instead of showing the studios' overexposed movies, the networks are commissioning more and more of their own. CBS plans to air 50 made-for-television movies this year. These cost only \$2 million each, and tend to get better ratings than rerun movies. Since the networks often retain distribution rights to the films they finance, they can get further profits from other windows, such as pay television and the international marketplace.

With the network window all but closed, studios are looking eagerly

toward the one that has taken its place: syndication.

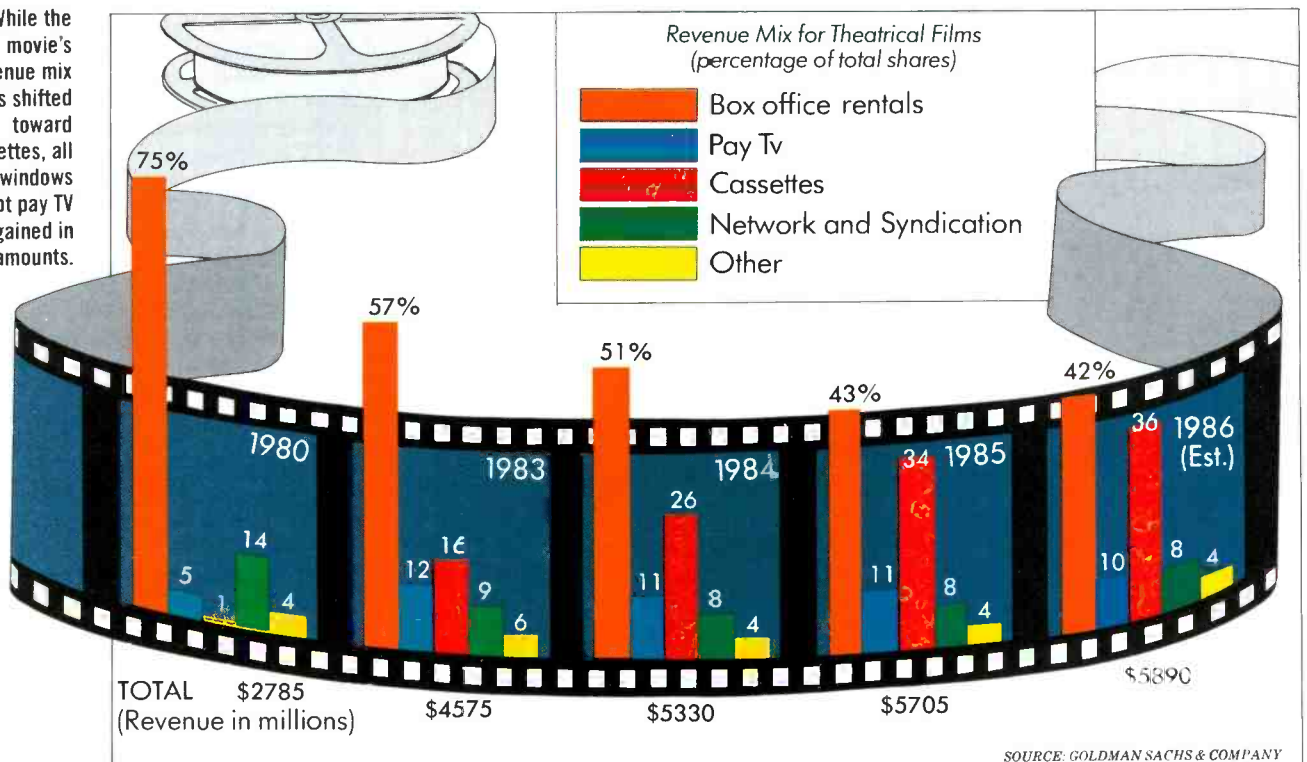
**SYNDICATION:** This market is booming: The number of independent stations has soared from less than 100 in 1978 to 225 this year. And they all need "product." Increasingly, they're buying theatrical film packages from studios.

"In syndication, you don't talk about runs," says Michael Gerber, senior vice president of Viacom International, which has accumulated 1,000 films for syndication. "I get unlimited usage; it's mine for 25 years." Films that don't go to the networks reach Gerber two and a half years after their release; those that do arrive an additional three or four years later.

**SECOND PAY:** The pick of Hollywood's litter sometimes enters a second-pay window after airing on broadcast television or in first-run syndication. This period lasts for six months and includes eight exhibition days, according to Showtime/The Movie Channel. After leaving this window, films go back into syndication.

In the risky movie business, where the cost of making and marketing films has tripled since 1978 and profitable ventures are an exception, studios need profits from every possible window. Yet for every new window that opens, another one shuts: just as pay television once reduced the value of the network window, home video is now hurting both the pay and the theatrical windows. The greater the number of windows, the more fiercely they will all compete.

While the average movie's revenue mix has shifted toward cassettes, all the windows except pay TV have gained in dollar amounts.



SOURCE: GOLDMAN SACHS & COMPANY

MOFFET CECIL

# The Fight for HIGH-DEF

by Steve Behrens

**THE PICTURE** is glorious, but will it ever catch on? A vote this month in Dubrovnik will test the world consensus—and measure how effectively CBS's Joe Flaherty has preached the gospel of high-definition TV.



**N**o matter how vast the screen on which its advocates are showing off high-definition television, it's the little things that people notice. These are the things that caught the eye of movie director Joe Dante when he glanced at an HDTV monitor between takes on a Hollywood set. A child actor was drinking a Coke in front of the camera, and there on a monitor was the list of ingredients printed on the can. Dante remarked to a colleague, "I think I understand what you've been saying about this high-definition."

In high-def, the eye goes to things never before seen on television—individual raindrops streaking down as geese skim low over a lake, or individual leaves on a tree a hundred yards away. A viewer standing two feet away could mistake the landscape on an HDTV screen for a Kodachrome slide; the scanning lines that have always characterized television seem to be gone.

They're not, of course. Beams of electrons paint this glorious picture line by line in television's usual way, but the number of lines has been doubled, the color reproduction improved, the subtleties of contrast enhanced, and the proportions of the screen changed to those of a wide-screen movie. These modifications in TV technology combine to make possible an even greater change in the way we regard TV. While HDTV's finer line structure lets viewers sit closer to the screen, the greater width grabs a larger portion of their field of vision. For its first 60 years television has been a lighted rectangle in a box across the room, its potential visual impact curtailed by its technological limitations. Now TV can gain the enthralling presence of the movie screen.

If HDTV is to take hold, it must prevail over tough competition, both from 35-mm film in the studio and from several less ambitious techniques for improving pictures on the home screen. But in a culmination of developments this spring, high-def has its best chance yet to escape the limbo-land category of Future Technologies.

An international congress meeting this month in Dubrovnik, Yugoslavia, will decide whether to adopt HDTV as a non-mandatory world standard for video pro-

STEVE FRIEDMAN



**The (Much) Sharper Image:** The 1,125-line high-definition picture (portion enlarged, above left) gains in resolution over the American 525-line TV picture (right) through the great increase in information transmitted. Advocates say the image equals a 35 mm film as seen by moviegoers. But high-def's hunger for bandwidth could be prohibitive unless it can be curbed by digital technology.

duction and program exchange. Yet even before the delegates vote, a number of producers in Canada, France, and Italy have already made up their minds and are shooting movies, a television miniseries, and commercials on high-def videotape.

That's just the studio side of the story. The greater change for television involves getting HDTV into the home. American broadcasters are already planning to test its transmission over regular television channels this year. And Japanese firms may very well start selling high-def videocassette recorders in the next three or four years.

**T**he foremost evangelist for the Japanese-developed HDTV system outside the Orient—Mr. High-Def of the Western world—is Joseph A. Flaherty, a 29-year veteran of CBS and engineering vice president of its Broadcast Group. Flaherty and other tenacious HDTV advocates have shortened the wait for the best thing to happen to television since color. Says Kerns Powers, a vice president at RCA Laboratories, “Joe has gotten the industry in the U.S. off its bottom and single-handedly forced things to happen.”

It's not the first time Flaherty has led a video vanguard. Visitors to his office encounter a glass case displaying a beat-

up Ikegami minicam, one that CBS deployed in 1974 when the network junked film cameras at its St. Louis station, KMOX-TV, and established the first electronic newsgathering (ENG) operation there. For his work in promoting ENG, Flaherty earned the quasi-official rank of “visionary” among his colleagues and won a couple of Emmys and a David Sarnoff Gold Medal for progress in TV engineering.

News footage today is generally shot on videotape, and most sitcoms have also forsaken film, he observes with satisfaction. Four out of every five prime-time hours are still shot on 35mm film, the substance that flows through Hollywood's veins and tugs at its heart. Flaherty contends that production would be faster and cheaper using HDTV videotape instead of film, without loss of quality—something he wouldn't be safe saying in a tavern full of West Coast cinematographers.

But Flaherty ordinarily moves in a different world, where video's manifest destiny can be discussed freely. He travels widely, lobbying his peers at networks overseas, joining their engineering societies, and letting the major electronics manufacturers know what new gizmos CBS would like to buy someday. His argument for a single world standard of television technology is persuasive among technical men. They disdain the disorderliness and illogic of the 13 vari-

eties of color TV now in use around the world. Flaherty's American peers have largely put aside their earlier quarrels with HDTV, but there are still major holdouts among his friends overseas. A quotation from Machiavelli, engraved on a wall plaque in Flaherty's office, acknowledges the problem: “There is nothing more difficult to initiate, more perilous to conduct, or more uncertain in its success than the introduction of a new order of things.”

It was the engineers at NHK, Japan's public broadcasting network, who actually decided to introduce a new order. In 1968 NHK began research on the high-def system it now calls Hi-Vision. Sony and other manufacturers began developing hardware for high-def in 1975.

Flaherty first saw HDTV in the early '70s on one of his frequent rounds of Japanese research labs. NHK hadn't yet built any of the extra-wide picture tubes capable of showing the HDTV picture, so it was displayed across three sets placed side by side. The image amazed Flaherty. “You see many inventions over the years, but spotting those with a potential for development is the critical thing. This clearly had it,” he says. As the technology was refined, CBS—at Flaherty's urging—became intensely interested in it.

HDTV has a serious practical problem still not resolved. While regular television has a gluttonous appetite for broad-



NHK

A dozen manufacturers have begun making such high-def equipment as wide-screen monitors (above), projectors, cameras, and recorders. The marketplace, and not solely the vote in Dubrovnik, will decide how many are bought.

**EVEN BEFORE**  
action on the  
proposed world  
standard, eager  
producers in  
Canada, Italy, and  
France have  
started making  
pictures in  
high-def.

cast frequencies, HDTV is the bandwidth superhog. Its signal, jammed with 10 times the picture information of ordinary color TV, requires an electrical pathway several times wider than an ordinary channel. Even after squeezing by a digital signal processor, HDTV needs the equivalent of one and a half or two broadcast channels. Where could CBS find enough idle channels to turn HDTV into a mass medium?

In the early '80s the company saw an opportunity for HDTV in the much-anticipated arrival of direct broadcast satellite television (DBS), and urged the FCC to reserve a new band of unused frequencies, the Ku-band, for high-definition broadcasts by satellite. "We felt that using that band to do more of the same old thing was wrong," Flaherty says. "We ought to take the opportunity to improve quality. Of course in the era of deregulation the FCC did not do that."

Skeptics suggested that CBS was really trying to keep DBS out of direct competition with its broadcast network and delay its development by tying it to HDTV. But such machinations were hardly necessary. Not one of the DBS projects announced, including a joint study by CBS and the Communications Satellite Corporation (Comsat), went anywhere. As a business, DBS was simply too risky.

But CBS kept its faith in high-def, organizing an ongoing series of demonstrations to broadcasters, engineers, regulators, and the press that were designed to whip up enthusiasm for the amazing new technology. Robert Redford and other filmmakers were given prototype equip-

ment to play with, and Francis Ford Coppola hailed the advent of "the electronic cinema."

Meanwhile, Flaherty and his counterparts from other American media and electronics firms set up the Advanced Television Systems Committee to build a consensus on schemes to improve video. Last March, after nearly two years of politicking and lab tests, ATSC unanimously recommended HDTV to the State Department for proposal as a world standard. Flaherty took to the convention circuit, warning that it was "now or never" for high-def. The plenary assembly of the International Radio Consultative Committee (CCIR), the world body in charge of broadcast standards, would meet in late 1986 and then not again for another four years. If there were no decision on HDTV in 1986, incompatible video systems would emerge, he predicted, and technological chaos would reign.

Not every engineer sees the urgency. William F. Schreiber, director of the industry-sponsored Center for Advanced Television Systems at the Massachusetts Institute of Technology, calls HDTV a "brute force" expansion of 1950s TV technology which relies simply on a vast increase in picture information. He expects further research to show a better way. But Flaherty argues that HDTV has been under development for more than 15 years; he'd rather not wait any longer in hopes of perfection.

Although ABC and RCA/NBC are now officially backing HDTV as a worldwide standard, they never joined Flaherty's parade. RCA was working on technical alternatives in its labs, and ABC was frankly skeptical. Flaherty's longtime rival and counterpart at ABC, Julius Barnathan, recoils at the hefty cost of switching to high-def production. Asked why Flaherty has pushed so hard for HDTV, Barnathan snipes, "If you want to know why, he wants to get another David Sarnoff award!"

The costs, especially for equipment that only recently left the prototype stage, are hefty indeed. Sony, so far the only maker of a full line of HDTV production gear, stands ready to sell a camera, digital image enhancer, and special one-inch videotape recorder for the sum of \$375,000—more than twice the price of equipment for regular television. Yet the price was not too high for David Niles, who last June became the first producer anywhere to buy a complete HDTV starter set, for about \$1 million.

"I've been waiting for this for 15 years," says Niles, an ex-New Yorker who runs the Captain Video and Voir production companies in Paris. "High-defini-

tion will never be broadcast," he predicts, "but as a production tool, it's really sublime." Niles's first HDTV jobs have been European commercials, but he's also using the equipment to shoot a movie for theatrical release. It will be transferred from HDTV videotape to 35 mm film for projection in theaters.

HDTV is equal in quality to 35mm, Niles points out, whether shown in theaters or on television. And the shooting goes 10 percent faster, saving 30 or 40 minutes a day. "When you have 50 technicians and actors on the set, that's a lot of money," says Niles.

**B**ut on that point and nearly every other comparison between HDTV and film—sharpness, color quality, light sensitivity, and so on—advocates of each medium will scarcely give an inch. Eastman Kodak, for example, says its 35-mm color negative film, the industry standard, captures a picture equal to that of 2,000-line video. But CBS says that HDTV, with 1,125

lines, gives viewers an equally sharp picture because the jitter of a projector and other factors degrade film's sharpness.

"Let's face it, he was correct in predicting the demise of film as a news-gathering medium," says Edmund DiGiulio, head of Cinema Products, a major film-equipment maker. But DiGiulio defends the use of film in other production, disputing the claim that video costs less. "It's the Joe Flaherty *mishegas*, the natural bias of a video man. He has a crusade to abolish film and go directly to video."

Hollywood film technicians disdain video because of the quicker and cheaper methods they associate with videotape production: the flat lighting that serves three cameras at once, and the loss of control to video engineers, who study the waveform monitor rather than the actors' faces. HDTV defenders say these prejudices won't deter the new generation of cinematographers, trained in video.

Flaherty skirts these matters of taste, saying he just wants HDTV to be available as an alternative to film. And that alternative looks good to David Niles, as

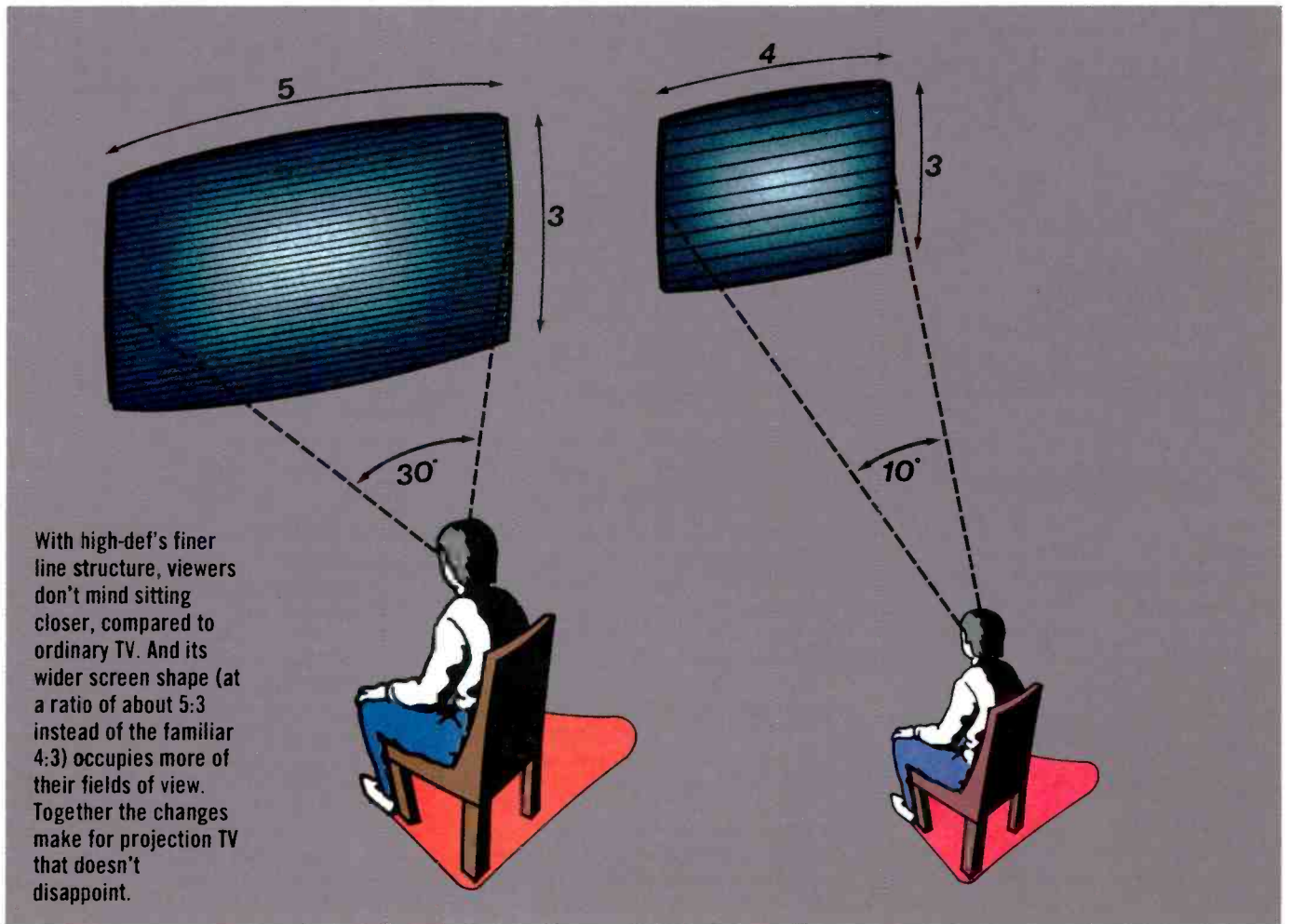
well as to RAI, the Italian network, which begins shooting an HDTV movie in July, and to the Toronto company Northernlight and Picture, which is making a miniseries in high-def for the Canadian Broadcasting Corporation.

"Even if high-definition never goes into the home," says Flaherty, "it still will be worth doing for production."

Indeed, because HDTV requires extra bandwidth, there's no ready way today to get it out of the studio and into the home. "So what is this great thing if you can't transmit it?" asks ABC's Barnathan. "All it does is add cost. We have enough costs as it is."

This is where HDTV again runs into competition. There are other, less costly approaches to improving the TV picture, methods that require less new equipment and less bandwidth for transmission. Charles Rhodes, principal engineer for the satellite-equipment firm Scientific-Atlanta, likes to rank the picture quality of the various approaches à la the Sears, Roebuck catalogue: "good," "better," and "best."

**Best.** If Sears were selling technical



BRENT PALLAS

## BROADCAST TV could lose its lead to other video media, just as AM radio fell behind FM, if it doesn't keep up its technical quality.

standards for the near future of television, most observers agree, NHK's high-definition system would be the top of its line. But its costs are high.

**Better.** The medium grade would be systems that the FCC categorizes as "Enhanced 525," because their signals can be viewed on standard North American 525-line TV sets equipped with adapters. These systems make their improvements through superior transmission. Several similar Multiplexed Analog Component (MAC) systems remove technical flaws in standard color TV by transmitting the picture's brightness and color components separately instead of combined. MAC systems are already in limited use in this country and Australia, for satellite transmission to relatively small numbers of dishes—basically, for teleconferencing—and others are planned for European DBS satellites.

**Good.** The "Improved NTSC" approach especially interests RCA and other set manufacturers because the picture improvement takes place inside the home TV set. Broadcasting would continue as usual for people with standard sets. ("NTSC" refers to the National Television Standards Committee, which settled on the American color-TV standard in 1953.) Buyers of new, premium-priced TV sets would see improved pictures because the sets would make the first significant use of computer technology in TV receivers. Digital chips store and process the picture, displaying twice the number of scanning lines actually transmitted. Engineers have done this with large racks of equipment, but digital processing in the TV set won't be economically feasible for several years, until reasonably priced, high-capacity memory chips that can store whole TV frames become available.

This technique may someday be added to HDTV to give it even better pictures, but for now, at least, the "good" and "better" technologies are developing separately from HDTV and may even foreclose its spread into broadcasting and other delivery media by getting to the customer first with a noticeably improved picture. For many viewers, better may be good enough.

Before HDTV can be delivered to the home, suitable memory chips must also be developed. The chips are required for NHK's prototype compression system, MUSE, which squeezes the HDTV signal into the equivalent of one and a half ordinary broadcast channels. Later this year, in an experiment that Flaherty says will be highly important for HDTV, broadcasters will try airing high-def using the MUSE technology. The National Associ-

ation of Broadcasters and the station owners' group Maximum Service Telecasters plan to try broadcasting an HDTV signal by pooling the frequencies of two UHF channels in the Washington, D.C., area. If TV broadcasters don't improve their pictures, warns the NAB's Thomas Keller, other delivery systems will take the lead, just as FM radio surpassed AM through better sound quality. Keller, Flaherty, and other engineers say the freewheeling videocassette medium is likely to be first to bring HDTV to viewers and that cable television can do the same if it risks trying.

**T**he market will ultimately decide whether HDTV is used in shooting and transmitting television. The vote this month at the CCIR assembly in Dubrovnik won't either elect or defeat HDTV, but it will signal loudly how much of a consensus Flaherty and other high-def advocates have been able to build. Flaherty expects an "overwhelming majority" of the CCIR to endorse HDTV as the first world standard for production and program exchange. The proposal has gotten farther through the committee's endorsement process than any television standard in history, he says. Other predictions are far less rosy for HDTV. Last November 1, CCIR's final study group adopted the recommendation, but with reservations noted by delegates from five important countries: West Germany, Britain, France, the Netherlands, and Australia. Even if the standard is adopted, the opposition of these holdouts augurs ill for any universal use of HDTV in the future. In fact, Europe may eventually establish its own separate HDTV standard, perpetuating the compatibility problems that plague video.

The holdouts, whose TV systems transmit 50 fields (half-frames) per second, have argued that the proposed HDTV standard would put them at a disadvantage because it has 60 fields per second, like American and Japanese television. To broadcast HDTV tapes back home, the Europeans would routinely have to put HDTV programs through electronic standards converters, at some expense and with some small loss of quality. The 50-60 rift goes back to the early days of electricity, when Europe began generating power at 50 cycles a second and the United States at 60. Though the power-line rate no longer dictates TV's frame rate, this quirk of electrical history may once again discourage attempts to put the world on a single television standard.

Getting in step with HDTV would not



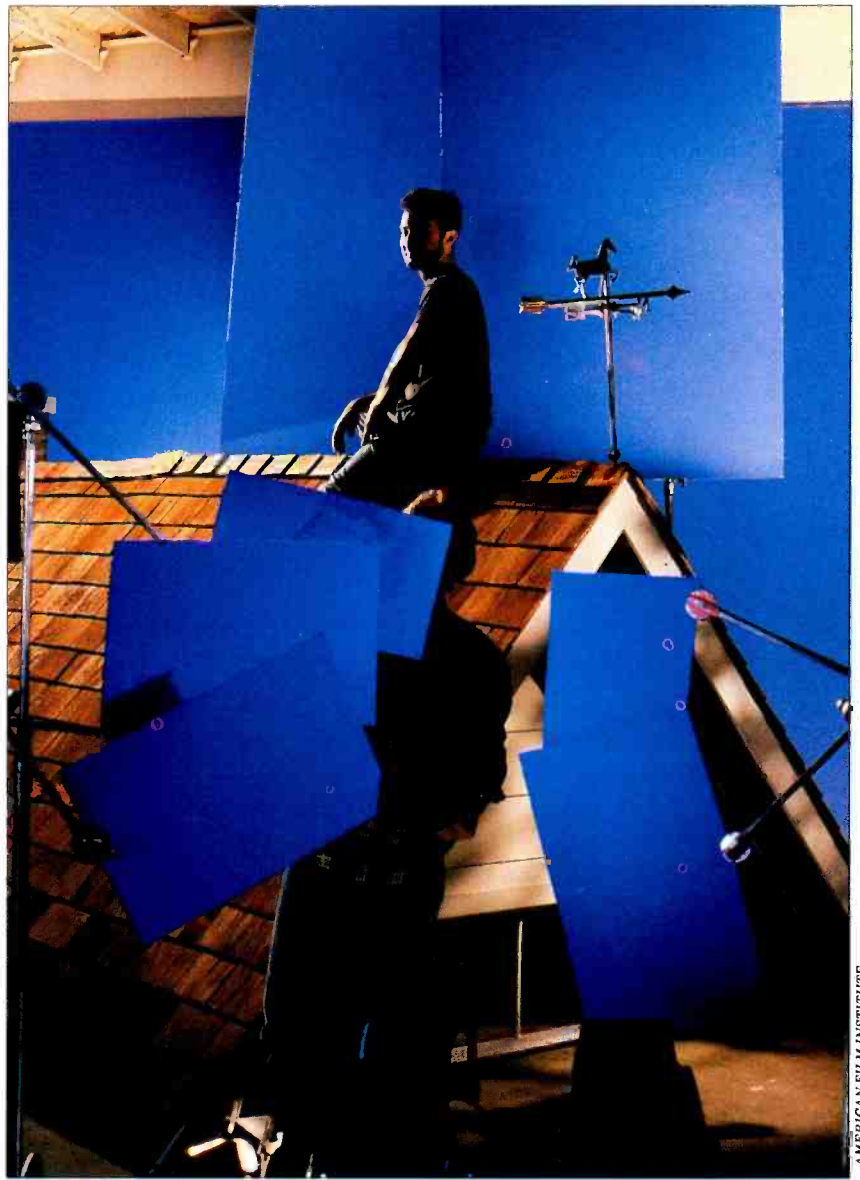
only burden the Europeans with conversion costs but would probably introduce a new wave of imported Japanese HDTV sets and VCRs to the home markets of European electronics firms, notably Philips, the company that, despite Japan's advances, makes more color-TV sets than any other worldwide. The European manufacturers have their own plans for television's near future: the MAC systems planned for Britain's, Germany's, and France's DBS broadcasting, as well as TV sets with digital image processing. At the same time, their governments are protecting domestic manufacturers from imports. The French, for instance, successfully pressured the Japanese to put quotas on VCRs brought into France by insisting that they go through the tiny customs office in the provincial town of Poitiers, which caused inordinate delays.

These countries have valid concerns but they are economic and political, not technological, says Ken Davies, director of technology planning at the Canadian Broadcasting Corporation. "The people who carry off the money are the program producers and the manufacturers. You can see that there is a strong relationship between these two groups."

The Japanese, on the one hand, make some 54 percent of the world's TV sets, VCRs, and stereo equipment and are aggressively taking what new markets they can. The Americans, on the other hand, dominate world trade in programming, exporting \$1.3 billion worth in 1984, according to CBS. Even in advanced European countries, one quarter of the broadcast programming comes from the United States. "American program exports will soar in upcoming years," Flaherty has predicted, "and HDTV videotape will be a major portion of them." With perhaps this point in mind the U.S. State Department has jumped with both feet into technodiplomacy. Before the CCIR meetings last fall, it rebuked RCA for several employees' remarks that appeared to favor alternatives to HDTV.

The HDTV question is too important to be left to engineers, Flaherty has said in speeches. But there is little danger that politicians will let that happen. Instead, the question of international agreement on a new technology has picked up all the protectionist fears and mercantile realpolitik of textile or steel trade disputes. The engineers in the CCIR meetings last fall tried and failed to find a technological compromise. Any real solution will have to be economic and political.

"The question could be resolved rather easily," Davies muses, "if Sony promised to build all the HDTV picture tubes in Poitiers."



AMERICAN FILM INSTITUTE

When "blue screen" special effects were completed on high-def videotape, the blue areas of this rooftop scene were electronically replaced with a night sky. The composite appears in the American Film Institute's short subject *Arrival*, perhaps the first ever shot in HDTV.

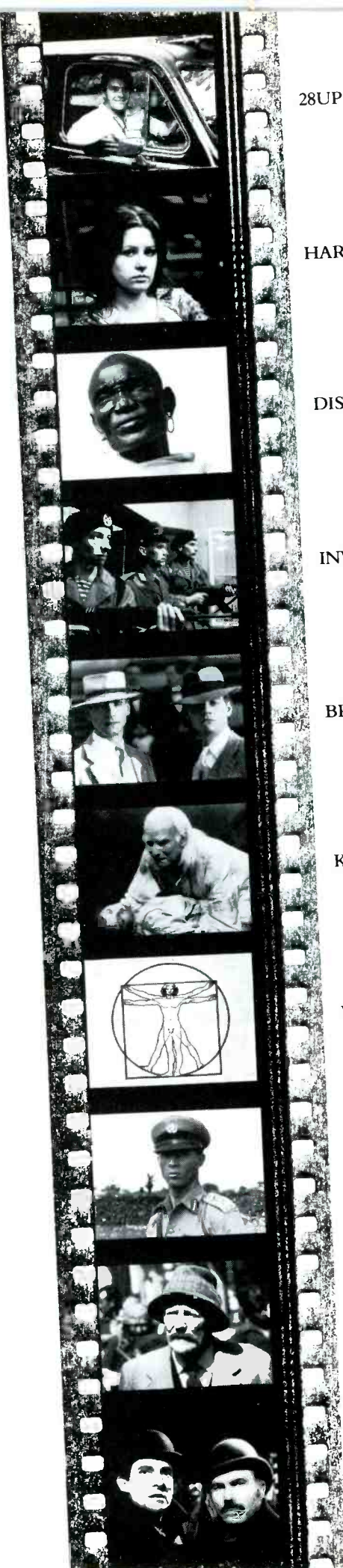
## HIGH-DEF'S FORTE

If HDTV is guaranteed any role in television and movie production, it's in producing special effects. Video partisans say it can make effects so stunningly convincing and so dependable—it's clear immediately whether they work—that producers will save money on location shooting, develop stories they otherwise couldn't afford to shoot, and come to rely on effects much more heavily than they do today. Special effects will become much less "special."

High-quality effects on film have been so expensive and at times so phony-looking (if the viewer is allowed a lingering inspection) that their use has been largely confined to fast-paced segments in science-fiction and other fantasy films.

The first miniseries shot in HDTV has better uses for special effects. A coproduction of the CBC and Northernlight and Picture Corporation, the 13-part drama with the working title *Hello Suckers* started shooting last month in Toronto. The limited-budget production saves money on sets and location shooting by making composites of background paintings and live action to recreate the Montreal of 1919. "I can't imagine being able to do this series in any other medium," says producer John Galt.

S.B.



28UP

HARD TIMES

DISAPPEARING WORLD

INVASION

BRIDESHEAD REVISITED

KING LEAR

WORLD IN ACTION

THE JEWEL IN THE CROWN

STAYING ON

THE ADVENTURES OF  
SHERLOCK HOLMES

GRANADA TELEVISION OF ENGLAND  
**30**  
years on the air  
\* 1956-1986 \*

*as seen in*

Abu Dhabi, Albania, Algeria, Angola, Antigua, Argentina, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belgium, Bermuda, Bolivia, Brazil, Brunei, Bulgaria, Canada, Chile, China, Colombia, Costa Rica, Cuba, Cyprus, Czechoslovakia, Denmark, Dominican Republic, Dubai, Ecuador, Egypt, Eire, El Salvador, Ethiopia, Finland, France, Gabon, Germany (east), Germany (west), Ghana, Gibraltar, Greece, Guatemala, Haiti, Honduras, Hong Kong, Hungary, Iceland, India, Iran, Iraq, Israel, Italy, Jamaica, Japan, Jordan, Kenya, S. Korea, Kuwait, Liberia, Luxembourg, Macau, Malaysia, Malta, Mauritius, Mexico, Monaco, Morocco, Netherlands, Netherlands Antilles, New Zealand, Nicaragua, Nigeria, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Puerto Rico, Qatar, Rumania, Saudi Arabia, Seychelles, Sierra Leone, Singapore, Spain, Sri Lanka, St Kitts, Sudan, Surinam, Swaziland, Sweden, Switzerland, Syria, Taiwan, Thailand, Trinidad, Tunisia, Turkey, Uganda, Uruguay, USA, USSR, Venezuela, Yugoslavia, Zaire, Zambia, Zimbabwe



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# THE NEW HOLLYWOODS

Who would have expected it to come to this? In March the city government put up a billboard above Sunset Strip touting Los Angeles as a fine place to make movies and television shows.

For years it had seemed there was no other place. Sixty years ago filmmakers built vast factories for mass production there. Now, as reported in this special section of *Channels*, the old Hollywood is abuzz with warnings that the business is leaving home. After all, the same thing happened to Detroit, Pittsburgh, and other centers that once dominated their industries: Manufacturing departs; companies extract tax concessions and subsidies from nations and states competing for plant sites. Is Hollywood in decline?

It's ominous to note, for example, that Lorne Greene and Margot Kidder were returning to their native Canada to shoot, respectively, a TV series in Ontario (*Lorne Greene's New Wilderness*) and a made-for-

television movie in Alberta (*Hoax*), both to be aired in the States. Canada, once simply a reliable market for Hollywood's products, is now a competitor as well. Europe, too, is boosting its production of multinational TV programming.

Pairs and trios of foreign broadcast networks are teaming up on productions whose plots have been jiggered to include characters of every nationality expected to be in the audience. Not one but two forthcoming multinational TV films have young English girls falling in with terrorists on the Continent. The Italians have even managed to make partners of American companies that are accustomed to being on the selling side of international deals.

But the demand for programming to fill all the new TV channels here and abroad is growing so fast that the programming market isn't a zero-sum game. When such New Hollywoods as Toronto and Rome boost their television production and exports, as they are doing, they don't necessarily take their gains out of the Old Hollywood's well-tanned hide.

## Leaving Home Is Hard to Do

Bureaucratic hassles notwithstanding, L.A.'s TV producers find that staying put has its own rewards. **BY ANDY MEISLER**

**N**O DOUBT ABOUT it, the brochures are slick and very pretty. They're from places like Nashville, Boston, Tallahassee, and Dallas; they're from film commissions, motion picture and television bureaus, and governors' offices. Inside, there are impressive annual-report-style photographs of pristine locations, famous actors on said locations, enthralled bystanders, gleaming post-production equipment.

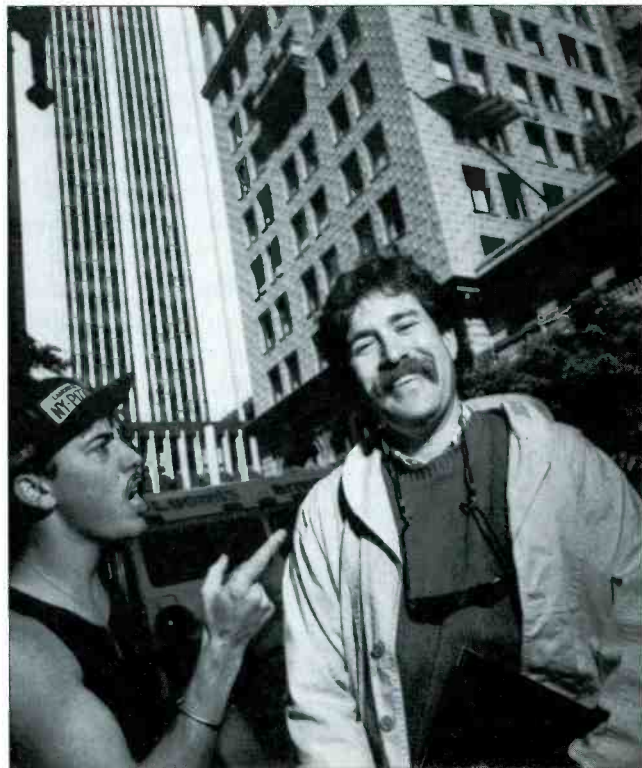
*Andy Meisler is a writer and television critic based in Los Angeles.*

And there are statistics: dozens of TV movies shot there; millions of dollars pumped into the local economies; thousands of workers paid at rates lower than Hollywood's.

Back behind the Great Smog Wall, Hollywood is in a panic. Only 29 percent of feature films are shot in the Los Angeles area—and isn't the television industry leaving for the hinterlands, too? After all, six prime-time network shows—*Kate & Allie*, *The Cosby Show*, *The Equalizer*, *Spenser: For Hire*, *Magnum, P.I.*, and *Miami Vice*—are shot entirely outside the L.A. basin, along with half of all miniseries and TV movies. Don't

regional film centers, air express, and satellites make it possible to shoot a series in some twangy right-to-work state and zap the completed tape back to network headquarters? Will the last gaffer to leave Television City please turn out the lights?

Not so fast. The statistics, so far, don't bear out the fears of Hollywood's Chicken Littles or the fantasies of yonder film commissions. "California's share of employment in motion pictures (and television) is rising," say urban planners Michael Storper and Susan Christopherson in last year's industry-funded UCLA study that assessed the extent of runaway



*Location manager Murray Miller finds San Francisco in the heart of Los Angeles. And a touch of Manhattan, too (right).*

# NEW HOLLYWOODS

production.

For the foreseeable future, a tightly spun web of financial, logistical, and personal imperatives ties most network-quality television production to the Los Angeles area. "There's a lot of convenience to being in L.A.," says Frank Cardilla, executive producer of the CBS series *Crazy Like a Fox*. "You've got the sound stages, the writers. Most producers I know don't want to go too far from town."

Some producers leave town for location shooting to give their programs a special look, but location work is on the rise even in Los Angeles. The board of public works reports that it issued 20 percent more street filming permits for television productions in 1984 than the year before.

Executive producer Barney Rosenzweig set CBS's *Cagney & Lacey* in New York City but shoots most of it in downtown L.A. "Shooting in New York would add verisimilitude and maybe get the actors' juices flowing," he says, "but I figured it

would cost 15 to 20 percent more per episode. It just isn't worth it."

Not when people like Murray Miller can make Los Angeles locations do the job. One of a hardy band of location managers, 36-year-old film school graduate Miller is working this season on Cardilla's series, *Crazy Like a Fox*. The show, about an eccentric detective played by Jack Warden, is set in San Francisco. "You want to see urban San Francisco?" asks Miller. "Then you've got to go to downtown Los Angeles. Grand Avenue is good." He can also point out local "New York" streets, "Midwest" suburbs—even, if pressed, "Parisian" *arrondissements*.

**T**hese days, though, Miller has gotten to know a lot of people in L.A.'s Los Feliz district by renting their houses as sets. Miller surveys the scene from a hill in Los Feliz: "The garages are down below. The houses are older—they're Tudorish, not too Spanish." He points to a house about a mile below the big HOLLYWOOD sign. "This," he says conclusively, "is San Francisco."

It isn't hard to see one major fact of life that keeps production in town. In the back seat of Miller's Toyota is a map of Los Angeles with a dot at the intersection of Beverly and La Cienega boulevards. A circle with a 30-mile radius is drawn around the dot. If Miller's program shoots inside the circle, the crew drives to work and clocks in at the location. If the location is outside the circle, union rules require bus transportation from the studio, and the workday begins when the bus rolls. "That's an extra \$1,000 to \$2,000 a day. It drives the production manager crazy," says Miller. If the show goes farther afield to an "overnight" location, there are added charges for hotels, meals, per-diem expenses, and in some cases, airfare. And for every day spent away from the rented sound stage in Burbank, the producer still has to pay a \$5,000 holding rate to keep the stage available. "It runs me \$15,000 to \$20,000 extra a day to shoot in San Francisco," says Cardilla.

On top of the costs, say producers,

the aggravations of location filming in Los Angeles are driving them out of town. "Outside of Los Angeles, you've got freedom of movement, no permit problems," says Dan Flusser, Universal Studios' vice president for production. "Here you've got to deal with city, county, and state agencies. In Florida you can shoot anywhere you want." The producers seize on the runaway scare so eagerly one suspects it's intended to convince California to lower tax rates and lay down a red carpet for location filming. Indeed, the state appropriated \$300,000 for that purpose last year in an anti-runaway bill.

But aren't there real examples of runaways in those highly publicized network series produced "entirely" outside southern California? "There isn't a block in Los Angeles that you can film and say it's Boston," says John Wilder, executive producer of ABC's *Spenser: For Hire*, inspired by Robert B. Parker's Boston-based detective novels. "When I was asked to produce, I was only interested if they agreed to film the series there."

All very nice. Only trouble is, Wilder is saying this in his sun-dappled office at the Burbank Studios. Like *Miami Vice* and *Magnum*—the other runaways shot outside of Los Angeles and New York—*Spenser* is anchored securely in Hollywood. "We do the beginning and the end here," says Wilder. Scripts are developed and edited in Los Angeles; exposed film is flown to Los Angeles for processing, editing, dubbing, and special effects. Of each episode's \$1.2 million budget, Wilder estimates \$500,000 is spent in Boston, \$700,000 back home.

"Do it all in Boston? I don't think it *should* be done that way. The writer pool is here, and the post-production facilities are the best. On the lot, it costs us \$100 a week for a 35mm editing room. There, we'd have to shoot in 16mm, transfer to tape, and edit on tape. That wouldn't make sense. We'll continue to do it here."

*Spenser* is nevertheless being touted by the Massachusetts Film Bureau as proof positive that network TV production is headed for Boston in a big way. "The unusual commitment to shoot every frame of an entire series

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## Leaving Home Is Hard to Do

here is a major vote of confidence that our reputation in the industry has now come full circle," proclaims Mary Lou Crane, director of the bureau, in one of her reams of press releases.

There may be a bit of a communication problem here. Talk to Dick Gallegly, the veteran line producer in charge of *Spenser* in Boston, and you're talking to a man who thinks he's roughing it. "Boston is not a movie town. There are no qualified editors, no labor pool. We've got about 10 people from L.A. in hotels here—me, the camera crew, assistant directors, a special-effects man, wardrobe people, electricians, and grips."

What about those two spanking-new sound stages funded by local entrepreneurs that opened with much hoopla when *Spenser* arrived? "Converted warehouses," growls Gallegly. Cooperation from local people and agencies? He says they're regarding the TV crews, more and more, as a nuisance. A helping hand from the local unions? "The unions will send you people, but they're not movie people. They're stagehands. I'm not here to run a school, so finally I said to hell with that. I got the people I needed from L.A."

Isn't he planting the seed for national TV production in Boston? "I don't see it in the cards," says Gallegly. "We're just here for the look of the place."

Indeed, the look of the place—not brand-new sound stages or lower labor costs—is why TV movies and miniseries are so frequently shot outside of Hollywood. "There are some things you just can't fake on the back lot," says Alan Sabinson, senior vice president of programming at Showtime. Compelled to make a visual splash the first time out and unrestricted by long-term contracts, weekly liaisons with the network, and quick turnaround schedules, nonseries producers are only too glad to shoot elsewhere in the U.S., Canada, or abroad. Hiring some of the lower-level workers elsewhere *does* cost less,

according to the UCLA study, and that just about offsets the cost of flying and housing the really essential personnel. "It's a wash," says producer Paul Freeman, who last year spent seven months on the road filming ABC's 13-hour *North and South*.

The typical TV movie, before returning to L.A. for editing, spends about half of its \$3 million budget on location. Like a traveling circus, a TV movie arrives in town with a splash, engages the population, then folds its tent and leaves. The shows bring a certain excitement to these

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I'M NOT HERE TO  
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communities, but it's wise not to hang around too long. The folks in Charleston, South Carolina, grew a bit testy after several nights of having their streets closed and covered with dirt by *North and South*—and the air filled with raucous sounds celebrating the South's secession.

In Texas, the site of much location shooting, costs are rising, says Lindsay Law, executive producer of public television's *American Playhouse* series. "We filmed movies there in '84 and '85. The first time, the location manager charged \$600 to \$700 a week. The second time around he was an experienced location manager—and his fee was \$1,000. The antique car cost \$100 to rent; then it went to \$250. Pretty soon it'll be as cheap to rent one in Los Angeles."

Unfortunately for the nation's budding film colonies, grabbing hold of the writing and editing ends of the TV-movie business is nearly impossible.

"Yes, we've gotten a few movie pitches from producers in places like Memphis and Chicago, but I can't recall filming any of the ideas," says Tom Masucci, NBC's Los Angeles-based director of movies and miniseries. "We develop all our movies here. If the producers aren't here, not a part of the community, it's very hard to know what they're capable of." Catch-22.

The lesser centers of video and film production will always make industrial films and commercials, and, increasingly, low-cost shows for national cable networks and public TV. But they're long shots to join Hollywood and New York as the real homes for long-term, crank-'em-out production for prime time.

A

look at the would-be usurpers bears this out: Summit International Studios, in Orem, Utah, was founded by the Osmond family (of

Donny and Marie fame) and sold to new owners three years ago; three quarters of its current output is commercials. Developer Trammie Crow's Dallas studio provides some space for *Dallas* when that show swings through once a year; at last report, though, Larry Hagman was still living comfortably in Malibu. Neither Dino de Laurentiis's North Carolina studio nor Earl Owensby's South Carolina facility, both pitched mainly for independent feature filming, has announced any TV series. George Lucas's plans for Skywalker Ranch in northern California are still up in the air. Walt Disney and MGM have only recently broken ground on their joint studio and studio-tour project near Orlando. And other big video facilities are tied to special-interest production on relatively low budgets, such as Pat Robertson's CBN studios in Virginia and the Nashville Network's in Tennessee.

Any of these cities would need to attract a "critical mass" of multiple productions to join the big leagues of Los Angeles, New York, and Toronto. And that's not likely, according to the UCLA study. "Success in attracting

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features and made-for-TV movies this year does not augur for success next year. Under these circumstances it is difficult to maintain a large skilled labor force and support additional full-time, full-service facilities."

Is Tennessee, advertised as "The Third Coast" by its film commission, really going to make the leap into producing a broad range of programming? Not yet, says Nashville Network general manager David Hall. "We're strictly a tape facility, no film work. We're not packagers. We're the backup. If a TV movie comes through here and loses its generator, we'll rent one to 'em. But we're not in the movie business. That's not what we're familiar with." And the chances of becoming an across-the-board competitor with Hollywood? "What Nashville needs is to have some credible production, a Stephen Cannell

or Aaron Spelling, decide that Nashville's the place."

That may well happen someday, though last year Cannell moved into a big building with his name on the side on Hollywood Boulevard. So far, Spelling has given no signs of leaving his Beverly Hills mansion for the amenities of the Southeast.

Which no doubt pleases *Crazy Like a Fox's* Murray Miller, who was recently making plans to build the set for a northern California pet cemetery in the middle of Los Angeles. And not just anywhere in Los Angeles, but in a location made famous by movie mogul Sam Goldwyn. Approached by a producer who wanted to film a biblical epic on far-flung locations, the studio chief replied with a classic Goldwynism: "A rock is a rock. A bush is a bush. Shoot it in Griffith Park." And they did. ●

THE FIRST TIME WE FILMED IN TEXAS, THE LOCATION MANAGER CHARGED \$600 A WEEK. THE SECOND TIME HE WAS EXPERIENCED AND HIS FEE WAS \$1,000.'



Shooting on location in Boston is no tea party for ABC's *Spenser: For Hire*, starring Robert Urich. But the Massachusetts Film Bureau touts the show's presence as proof of the state's standing in the Hollywood production community.

CAROL LEE

## Made in Canada

Yankee producers join Toronto's homegrown TV production boom, going north for the right look and the right price. **BY MARTIN KNELMAN**

**W**HEN FILMS are made in Canada for television audiences on both sides of the border,

the crafty producer avoids getting too specific about the setting. Viewers know it's a North American city, but

*Martin Knelman is a Toronto-based critic who writes regularly for Saturday Night and Toronto Life magazines.*

can't be sure whether it's Philadelphia or Boston or Chicago . . . or Toronto. The crunch comes when a filmmaker has to decide whether the paper money shown on camera will be Canadian (with the Queen's face on it) or American.

Andras Hamori, producer of CBS's surprise hit, the late-night cop show *Night Heat*, has come up with a classic compromise by inventing generic dollar bills. His actors flash the cash so fast the viewers can't be sure what they are seeing.

What they're seeing, increasingly, is

the result of a Canadian production boom that has made Toronto the third-most-prolific production center on the continent (after Los Angeles and New York City). Last year the 12 TV series, 29 TV movies, and 21 feature films that were shot entirely or partly in Toronto pumped \$70 million (U.S.) into the city's economy.

One day last October there were 20 different productions shooting at 40 locations in the city. And on one night the next month, Canadian TV viewers could choose among five Toronto-made productions, each on a different American or Canadian network.

If the core of television production is prime-time network series, programs made in Canada are quickly moving inward from the periphery: children's programs for PBS and the Disney Channel, a first-run syndicated sitcom (*Check It Out!*), a live-from-Toronto drama (*The Execution of Raymond Graham*), and, most prominently, original movies for the networks.

On the late fringe of prime time, for instance, Hamori's *Night Heat* has given the network a shot at the midnight audience long dominated by Johnny Carson on NBC. Since its January 1985 debut, *Night Heat* has pulled consistently higher ratings in its Thursday night slot than the American-made reruns CBS scheduled on other weeknights. In New York, Washington, Chicago, Houston, and other cities, the show often beats Carson.

CBS would never have gambled against Carson with new Hollywood productions made at typical costs of \$900,000 to \$1.1 million an episode. But *Night Heat* is produced in Toronto for less than \$500,000 an episode. Moreover, CBS puts up only one third of the cost; the producers raise the rest from the Canadian network CTV and



*It's shot in Toronto but Night Heat is warming up CBS's midnight ratings.*



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other buyers.

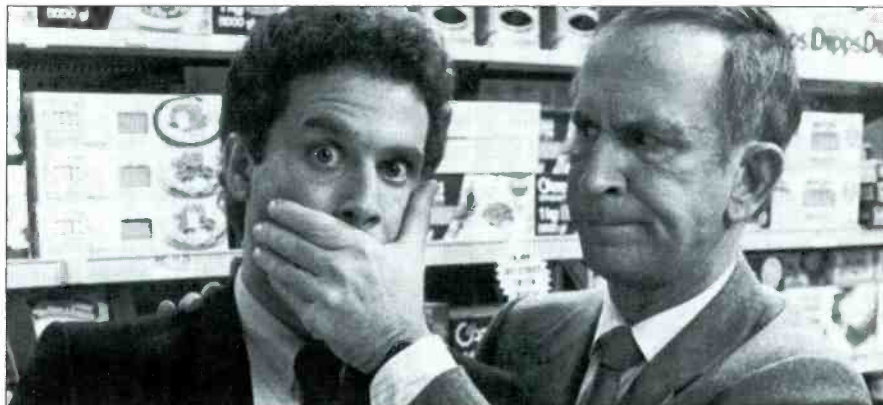
*Night Heat's* costs were pared in a number of ways: using 16mm instead of 35mm film; going for a gritty look that bypasses expensive sets and costumes; and doing the shooting at night, when there are few of daytime's impediments to slow things down. But the biggest cost saver was producing in Toronto, where top-notch crews work for lower wages than their counterparts in Los Angeles. The pay for a particular job may be \$15 an hour in both cities, according to Bill Owens, executive production manager at Hollywood-based Fries

Entertainment, but because of the exchange rate (\$1 U.S. equals \$1.40 Canadian), the Toronto technician is actually working for \$11 an hour. Though many other factors underlie the difference in wages, the exchange rate symbolizes the city's economic edge in attracting producers.

"Cost is the major factor, but not the only one," explains Dennis Brown, ITC's vice president in charge of production. "When I'm deciding where we'll make a film, I look at where the support is. Can I staff the project without bringing people in from out of town? I love Vancouver, which has the advantage of proximity to California. But Toronto has the largest talent pool. Putting all factors together leads me to Toronto if the visual parts work. And because of the lake, the weather, the architecture, and the whole feel of Toronto, it works very well if we're trying to suggest Chicago." ITC chose Toronto to double for Chicago in the TV movie *Unnatural Causes*, just as Group W did for its *Mafia Princess*.

**P**arts of Toronto can, with a few adjustments, stand in for New York, too. One producer found he had to dress up the sidewalks with extra litter and rubbish to get the right Manhattan effect. As the story is told, the cast and crew broke for lunch and when they returned found their set had been discovered by zealous street cleaners, who had tidied it all up again.

Western Canada, especially British Columbia, has also had an



*Familiar faces return to the screen in shows from Canada: Don Adams (top, right) in Check It Out!, Raymond Burr and Barbara Hale in Perry Mason Returns.*

unprecedented surge of production. Last year the film industry employed 3,200 people in B.C. and pumped \$50 million into the province's economy. Most of the production companies were U.S.; only two of the 30 films shot there were Canadian. In contrast, only a third of Toronto's feature films and half of its made-for-TV movies were U.S. productions.

The country isn't merely a bargain-basement back lot for Americans. Canada is enjoying its own homemade explosion. After a boom-and-bust cycle, its movie industry has metamorphosed into the Canadian TV industry. Four years ago, the government changed the name of its investment agency, the Canadian Film Development Corporation, to Telefilm Canada, and introduced a \$43-million-a-year broadcast fund, which touched off a wave of production.

Canadian producers who had been unable to get their movies into theaters

**T**WENTY DIFFERENT PRODUCTIONS WERE SHOOTING AT 40 LOCATIONS AROUND TORONTO ONE DAY LAST OCTOBER.

## Made in Canada

found no such problem making and selling shows for TV. Kevin Sullivan's miniseries on the Canadian Broadcasting Corporation, *Anne of Green Gables*, pulled the largest audience of any nonsports program in Canadian history and was hailed by U.S. critics when shown on PBS this winter. Les Harris produced the dazzling, award-winning musical *The King of Friday Night*, a story about the reunion of a Nova Scotia rock band, which was done with the look of a video game. In *Peter Ustinov's Russia*, the actor-writer-raconteur led viewers through his six-hour history of the enigmatic country. And broadcasters on both sides of the border aired such Canadian children's series as *Fraggle Rock*, *The Edison Twins*, *The Elephant Show*, and *Owl/TV*.

The catalyst for most of those shows is Telefilm Canada, which has become the equivalent of a major studio. It backs only productions that, among

other things, have at least six "Canadian content" points—a Canadian lead actress is worth two points, for example, and a Canadian director is worth two more. The agency has put up almost half the budget of some productions, though since so many producers have begun competing for its backing, it has lowered its participation to 20 or 30 percent.

Telefilm gave a hand to *Night Heat* at first, but is no longer involved, now that the series is firmly established. Now it's backing *Covert Action*, a \$1.1 million spy thriller set in Montreal that executive producer Barry Pearson and director Les Rose are making as a TV movie with hopes it will follow *Night Heat* into a U.S. series slot. The lead actor, Art Hindle, is one of the many Canadian film professionals drawn back to their home country by the growth in production.

Other new productions haven't needed Telefilm's help to start up. Jon Slan, producer of a new *Marlowe* detective series based on Raymond Chandler's stories, is proud of a complex funding deal involving HBO,

the two Canadian pay-cable services, First Choice and Superchannel, and Canada's broadcast network, Global.

Slan is happy to be filming in Toronto, but like other producers, he occasionally feels the pinch of the city's rapid rise as a production center. "There are world-class facilities and crews in Toronto," he says. "There aren't that many of them, but if you know who they are and have a chance to book in advance, you can get cameramen and editors as good as any in the world. But we had to cancel a picture for CBS because so many of the top technical people were tied up on other productions that we couldn't get crews up to our standards."

"What happens when you get a good location manager, say, is you're in danger of losing him to a U.S. production," says *Night Heat's* Hamori. "The Americans can simply offer more money. Maybe the location manager was getting \$1,200 Canadian a week from the Canadian show. The Americans can afford \$1,500 Canadian, knowing it's still the equivalent of only \$1,100 U.S., and for that they couldn't even get a good *assistant* in L.A. or New York. The next time I try to hire that location manager he wants \$1,500, and even at that he's doing me a favor. I wind up paying him more than I'm making."

Despite such increases, Toronto maintains a considerable cost advantage over Hollywood. Barney Rosenzweig, executive producer of *Cagney & Lacey* and *Fortune Dane*, recently remarked that if Congress eliminates the investment tax credits as proposed in the President's tax reform package, he's "off to Vancouver or Toronto." Rosenzweig had in fact made the *Cagney & Lacey* pilot in Toronto five years ago. Then he wasn't sure any Canadian city could support such a series. Now he's sure. The proposed tax change could make a difference of half a million dollars in the producer's pocket after six episodes and could tilt the balance between profit and loss. "The TV business is a volatile marketplace," says Rosenzweig, "and the economics are constantly changing. At the moment, Canada presents a very attractive alternative."

### THE CANADIAN INVASION

Canada still imports much more TV programming than it exports, but production is up among both U.S. and Canadian companies. Canadian producers' international sales last year exceeded \$9 million, up from \$3 million in 1984. A sample of made-in-Canada programs on U.S. screens:

Program	Producer	U.S. Outlet
Check It Out! (Series)	Taffner and Associates	Syndicated
The Hitchhiker (Series)	Quintina Productions	HBO
The Indestructible Man (TV movie)	Disney	ABC
The Execution of Raymond Graham (Live drama)	Alliance Entertainment	ABC
Perry Mason Returns (TV movie)	Viacom	NBC
Mafia Princess (TV movie)	Group W	NBC
Anne of Green Gables (Miniseries)	Sullivan Films	PBS
Kane & Abel (Miniseries)	Embassy TV	CBS
Night Heat (Series)	RSL Entertainment, Grosso-Jacobson Productions	CBS
The Hearst and Davies Affair (TV movie)	ABC Circle Films	ABC
The Last Polka (Comedy Special)	Schmenge Brothers Productions	HBO
Fraggle Rock (Children's series)	Jim Henson	HBO
Owl/TV (Children's series)	Young Naturalist Foundation National Audubon Society	PBS
The Edison Twins (Children's series)	Nelvana Ltd.	Disney Channel

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## There's No Place Like Rome

With fresh programming in demand around the world, Americans and Italians have become simpatico coproducers. **BY HARRY JAFFE**

**T**HE TELEVISION MOVIE *The Fifth Missile* began attracting unexpected attention while it was still being shot in the Mediterranean last August. To stand in for the Trident

submarine, the setting of the brink-of-apocalypse movie's high-tension scenes, the producers built a 90-foot partial mockup of a sub and floated it on barges at the Italian naval base at Taranto. The setbuilders' replica must have been a good one. Within a couple of days, says executive producer Eric Bercovici, a real Russian sub had arrived offshore to take a look. Naval authorities were hush-hush, Bercovici recalls, and "very happy when we finished shooting."

But the film's really extraordinary element hasn't attracted much attention, from the Russians or anyone else, according to Bercovici, the American writer/producer of *Shogun* and other TV movies. "The thing that nobody picked up on was that the story did not take place in Italy and we filmed it in Italy and Malta, yet it didn't look like it was filmed there." In fact, most of the action looked exactly like it was filmed in a Los Angeles studio.

*The Fifth Missile*, which NBC aired in February, was not the opening wedge of Italian-American coproductions made for international television; a half-dozen major miniseries and television films aired by U.S. networks have been made in Italy since 1980. But the movie was the first

*Harry Jaffe is a journalist who lectures on the media at the American University of Rome.*



*Few viewers of NBC's *The Fifth Missile* would guess it was made in Rome.*

to attempt a new theme in historical drama. Many more coproductions are expected to follow. "I believe there will be a great development in the number of production efforts between the U.S. and Italy," says Franco Cristaldi, a top Italian cinema impresario who is moving into TV coproduction. "To make images you need imagination, and that's what Italians have," says veteran director Giuliano Montaldo. "All we need is the money, and that can come from coproduction."

The U.S. and Italian partners save money not only by shooting in Italy, where production quality is high and costs are 40 percent below Hollywood's, but by splitting the costs. Both partners avoid the loans and risks they would have to carry if they went it alone before selling foreign broadcast

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## There's No Place Like Rome

rights. These advantages aren't new to European broadcasters, but Americans have only recently been willing to coproduce with foreign companies. U.S. producers are increasingly squeezed by the economics of selling to the networks. Also casting a roving eye are the networks—particularly ABC, whose new president, John B. Sias, talks about rebelling against Hollywood as his sole program source. At the same time, Italian broadcasters are being pushed further into cost sharing by the heightened competition between the state network and new commercial broadcasters, particularly Silvio Berlusconi.

In the case of *The Fifth Missile*, coproducing made possible a \$5.3 million film that its U.S. coproducer, MGM/UA, could not have made alone, according to Bercovici. "You can't go out and make a film like that for what the networks would pay." MGM and its partner, the big Roman studio Cinecitta, split the deficit 50-50 and will cover it by selling to broadcasters elsewhere. Will Bercovici deal with the Italians again? "I'm going back on Friday for discussions on more projects."

There's been a noticeable change in the international flow of programs. The Italians have led other European countries in coproductions with the U.S., mostly large-scale costume dramas such as *Moses the Lawgiver*, Franco Zefferelli's *Jesus of Nazareth*, and *Marco Polo*. Like most of the coproductions, these involved the Italian state network, RAI.

In most coproductions so far, the impetus has come from the American side, but now RAI is moving ahead on its own projects to sell to U.S. outlets. "We plan to move aggressively into the U.S. market," says Emmanuele Milano, head of RAI-1, the state network's number-one channel and Europe's most active coproducer. Milano, a high-strung man who straightens a half-dozen paper clips as he talks, says, "There are obvious motives for our emphasis on

coproduction, and for our success."

First, there's money. RAI couldn't recoup its expenses if it produced only for its domestic market. "In the last four years," says Milano, "80 percent of our films have been coproduced for European or worldwide distribution." Last year RAI's international sales subsidiary reported profits of \$21 million.

For another reason, American domination of the world trade in TV

WE COULDN'T  
HAVE FERRARIS  
RUNNING AROUND  
IN FIFTH GEAR  
IN FIFTH-CENTURY  
MONGOLIA.'

programming has grated on European pride. "We don't want to be simply importers of other people's images," says Milano. "We want to export our history, our images." But that pride does not discourage Italians from shooting films in English and, for their own broadcasts, dubbing them into Italian. While American audiences have a deep-seated prejudice against lip synch, Italians accept it. They've been watching dubbed American films so long that dubbing itself has become an art form. The actress who dubs a star like Meryl Streep gets prominent credits in the Italian version.

Moreover, there's an unmistakable, pervasive American influence on Italian culture. Unlike France, which takes pride in cultural superiority and integrity, Italy historically has welcomed an American presence in

media and fashion. Says Milano: "To the Italian audience, American actors like Kirk Douglas and Gregory Peck are part of our heritage. They are our cultural heroes, too."

An extra push toward coproduction has come from Silvio Berlusconi and his private broadcasting networks. In 1976 Italy became the first country on the European continent to permit privately owned commercial television, touching off a chaotic competitive period. By 1980 the competition had settled down to a head-to-head battle between RAI and Berlusconi, the Milanese financier who now controls Italy's three main private networks and France's first. Berlusconi has been buying anything American syndicators have to offer. For the first time, RAI has been forced to compete.

"We had to compete with American quality and we couldn't sit back and rely on domestic production," says RAI's Milano. "Berlusconi certainly had a strong role in pushing us into the market, and that led to coproductions."

RAI is involved in at least two coproductions with American partners this year: *American Dream*, a 12-part series of Italian-American immigrant success stories, coproduced with Cinecitta and MGM, and *Treasure Island*, a science-fiction miniseries inspired by Robert Louis Stevenson's classic, coproduced with other European producers and an unnamed U.S. partner. And Berlusconi is diving into the coproduction groundswell with a six-hour miniseries on Napoleon, which he says he'll make with an American backer. More projects will be announced this spring by the European Coproduction Group, a consortium of RAI and fellow public broadcasters from France, West Germany, Britain, Austria, and Switzerland.

Before these coventures get on the air, RAI has produced at least six films it hopes to sell in the United States and elsewhere. Among them, only *Garibaldi* has a historical theme. Others are about organized crime—*The Octopus II*, *Blood Ties*, and *Heart of Stone*—or have other contemporary themes, such as *The Plot to Kill the Pope*, about the 1981 attempt to assassinate Pope John Paul II.

There are hazards, however. These

# NEW HOLLYWOODS



The Italian-made Mussolini: *The Decline & Fall of Il Duce* showed up on HBO last year, and *Christopher Columbus* on CBS.

combinations of American and European ingredients can result in a tasty cake or a characterless stew, depending on the point of view. One critic who thinks the current round of coproductions are abysmal in quality is Riccardo Aragno, an Italian scriptwriter who teaches cinema in Rome. He maintains that Europeans will have to compromise their creativity to appeal to Americans' taste for action and violence. "America," he says, "has simply found a cheap back lot called Italy."

**T**homas Schuhly, a German producer who worked for years with Werner Fassbinder, also has great doubts about coproductions. "If you coproduce in Europe, you lose your nationality, and you come out offering a product with no identity. It's like putting wine and beer and whiskey in a glass. You get drunk, but it tastes terrible." (Schuhly is nevertheless about to embark on *Control Room*, which will be coproduced by Franco Cristaldi and Home Box Office.) Others involved in coproductions

AMERICA  
HAS SIMPLY FOUND  
A CHEAP BACK  
LOT CALLED ITALY.'

hold out more hope. "When you put a good group of artists and filmmakers together," says Milano, "you give birth to a totally new international product that can come about only through coproduction." Director Giuliano Montaldo says American viewers will take to television with a European flavor. "Shows like *Dallas* and *Falcon Crest* are all the same, like chewing

gum. I believe Americans want something more."

When Montaldo directed *Marco Polo*, the miniseries aired by NBC in 1982, he was aware of American viewers' tastes. "To keep the spectator, something must happen in the first 60 seconds—a killing or a car wreck. That represents a problem if one wants to do a story that has some subtlety. We couldn't have Ferraris running around in fifth gear in fifth-century Mongolia. We succeeded with *Marco Polo* because we presented something different. Rather than raw action or brute force we excited the viewers' curiosity with great detail in costume design and quality in cinematography."

"All over the world—in Europe, in the United States, in Japan—we need to have another possibility for television," says Cristaldi. "Not just things from the United States. And I think it's important for the United States to have another set of options, too. Otherwise it becomes boring, finally. You need change."

"We speak of cross-collateralization in the deals," he adds. "I think we have to talk about cross-collateralization of ideas." ●

the Reagan-anointed national censor. Throughout its history, the FCC has rubber-stamped virtually all license renewals and has paid almost no attention to what goes out over the air. If it has been criticized for anything, it was for not caring enough. Stations are not going broke because they have to provide opportunities for contrasting views on controversial issues; this is the small price they pay today—the only price—for the privilege of using and profiting from the limited public airwaves.

Over the years, the number of stations that have lost their licenses on Fairness Doctrine grounds can be counted on the fingers of both hands—and in every case the license was snatched not for a single fairness infraction but for a stubborn refusal to comply with the doctrine, which came down in the end to a stupid refusal to obey the law.

No commercial station in America lives in fear of anything but a soft advertising market. The government's a patsy. But even more shocking than Fowler's misrepresentation of the government's role in broadcasting is his tacit admission of dereliction of duty. If the FCC actually conducted a survey of stations on the Fairness Doctrine question, and if it did indeed find that many flatly refused to deal with controversial issues of public importance, then it should hold those stations in violation of the doctrine, rather than gushing in sympathy for them.

The current FCC may oppose the doc-

trine, but so long as it remains part of the Communications Act it is the law of the land, and the commission is responsible for upholding it. As any undergraduate in mass communications knows, the Fairness Doctrine has two parts, the first of them affirmative: Every station must, as a condition of holding a license, deal with controversial issues of public importance. The second part is the better-known one: When it deals with these issues the station should seek to present all contrasting views to the prevailing one, even if in another time period on another program.

Clearly Fowler knows of stations (he suggests a large number of them) that refuse to comply with the first requirement of the doctrine. According to the rules, a station that declines to examine controversial issues of public importance is as lawless as one that refuses to present the dissenting views on an issue. It is hard to believe that the chairman of the FCC, after all his years at the agency, doesn't know about that first requirement. If he refuses to act against stations that won't obey the law—stations that refuse to give even a few minutes in the middle of the night to examining some issues of local importance—then he is deliberately flouting the public trust in the interest of the broadcasters' profits, and deserves to be discharged.

Fowler's key point in his *Washington Post* article is that there are so many places for people to get information today that

broadcasting and print should be treated alike under the First Amendment. Newspapers don't have a fairness doctrine, and by Fowler's logic television and radio shouldn't either.

But Fowler's misfortune was in having his article appear on the same day, February 25, as the news reports that Ferdinand Marcos's defeat in the Philippines was clinched when the opposition gained control of the broadcast media. A front-page story in the *Post* that day, headlined "Revolution via the Airwaves," detailed how the supporters of Corazon Aquino captured the huge radio and television center in Quezon City, which Marcos had used to mold public opinion, and then pulled the plug on Marcos as he delivered a speech from his palace. When he lost control of the airwaves, Marcos lost all.

Fowler's thesis that television and radio are not much different from print seemed especially shallow that day. His refusal to recognize the extraordinary power of the electronic media was knocked for a loop by news events. When was the last time you heard of a revolution being won by the side that captured a newspaper?

The fact is, the same attributes that make television a powerful news medium can also make it the most powerful propaganda instrument in the country. It's to prevent that from happening that we have the Fairness Doctrine. If Mark Fowler thinks that's un-American, too bad for him. And I should say, too bad for us.

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# PRIVATE EYE

## BROADWAY LIMITED



by William A.  
Henry III

From Seurat to Sondheim to Showtime: The screen lost something in the translation.

Whenever program executives feel guilty about how much money they make or how little of their schedule they would actually like to watch, they talk about making television a showcase for higher culture. Pay-cable companies do the same thing to attract new customers for services otherwise made up of movies that people chose not to see when they were in the theaters. I can only conclude that none of the people who cheer on such program ideas have ever actually seen cultural programs on TV. Oh, museum-tour documentaries are okay for showing off places one cannot often visit or objects one cannot get near enough to examine when they actually go on display. Classical music is bearable if simulcast, so as to bypass the lousy speakers in most sets. Dance is not, because directors cannot bring themselves to forgo close-ups in favor of showing the performer's truly expressive features, his feet. Worst of all is televised theater. Far from serving as an advertisement for the real thing, theater on TV drives viewers away from both media.

This applies whether the show is produced live, as *Mister Roberts* and *The Oldest Living Graduate* were by commercial networks, or on tape, with the full resources of an editing room, the way the Royal Shakespeare Company's *Nicholas Nickleby* was. But unless you are stuck in the boondocks, unable ever to see first-rate stage efforts as they were meant to be seen, theater on television is almost invariably a disappointment. Why is this so? For one thing, TV and theater are not simply different media. They are different languages. In theater, you remain seated and things happen around you, but the real movement unfolds inside your head. In *Long Day's Journey into Night*, for example, the jolt of action comes as each successive scene causes you to shift allegiances, to blame first one family member and then another for the agony of the Tyrone household. In TV, movement is direct. If there is a shift in viewpoint, there is a corresponding shift in camera angle. The pictures tell you whom to believe, what to feel. Compounding this is a technical difficulty: Theater is illusion, but most plays are recorded for TV or videotape, the medium the eye associates with news. Metaphors and videotape do not mix easily. A set is not a house but the evocation of a house, yet the flat naturalism of tape only emphasizes the set's literal falseness without capturing its power to stimulate the imagination.

The other crucial

element of live theater missing on videotape is the audience. Televised theater gives almost no sense of gathering in an unfamiliar place for a communal event. Instead of a transporting aura of ritual, there is a pervasive awareness of mundane intrusion: the telephone, the doorbell, the dishwasher, the cat. The closest TV comes to a shared experience is the laugh track.

Television's physical size strips away much of a show's impact. The vastness of a theater can inspire awe. The audience feels it is seeing life on a larger-than-life scale, a feeling hard to derive from a 21-inch screen. The reverent distance can then be bridged by great actors, who radiate warmth and intensity so profound that a spectator has the astonishing sensation of moving closer. On television, the camera automatically provides close-ups, and there is no chance for the actor to exert such magic.

A case in point of all these deficiencies is *Sunday in the Park with George*, a recent product of *Broadway on Showtime*. The musical play, which won a 1985 Pulitzer Prize, speculates about how Georges Seurat came to paint his pointillist masterwork *A Sunday Afternoon on the Island of Grand Jatte*. The TV direction obscured the stage director's imagery—numerous simultaneous, minimally connected actions that somehow came together—which had in turn underscored composer Stephen Sondheim's deepest theme, the difficulty of harnessing elements, of imposing unity on life through art. The evocations of Seurat's assembling the painting were lost almost entirely. Scenes set behind scrims imprinted with portions of the canvas gave no sense of being made up of layers of images—they just seemed hazy; bits of costume and scenery that on stage reduced the actors to the two-dimensional proportions of the painting appeared on TV as isolated frou-frou, not part of a large and rich composition.

The breathtaking first-act finale, the moment when the performers, garb, and scenery suddenly merge into the image of the painting itself, was over in a twinkling because it was judged ineffective on TV.

The "chromolumines" of the second act—light and smoke machines coupled with a laser show—looked paltry because computer-generated graphics have accustomed us to gaudier displays. Anyone who had not seen the work on stage might enjoy the music. But he would likely ask what all the fuss was about.

Bernadette Peters in Showtime's *Sunday in the Park with George*.

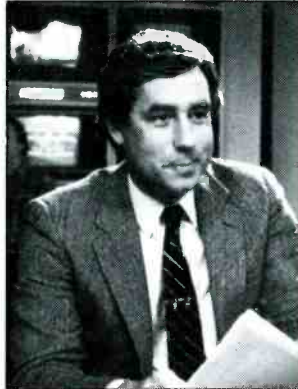


# BOB LOBEL

## For The Record

"A lot of people feel that sports is reserved only for those in the know. I just don't think that's true.

Sports can be fun for everybody. That's one of the reasons I do **Sports Spotlight**. I want viewers to feel that they can sit down, relax and let me do the work. When people watch a story I've brought them, I want them to feel that they really saw the best moments of the sport."

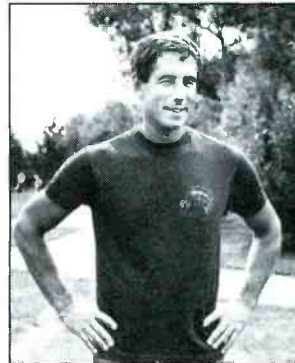
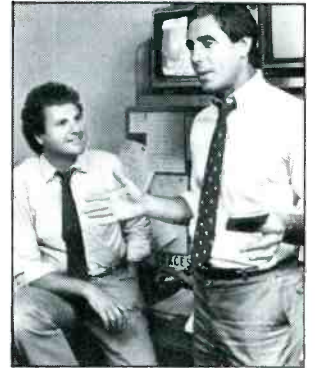


"There's no day I look forward to more than Marathon day. It's probably the greatest single event that I've ever been involved with. I ran it in '78. It's the total essence of sports in Boston - total community involvement, psychologically and physically. Everybody's there and in it and that's what makes it such a great event."

"Working at Channel 4 is great. The team is focused on the same goals. It's one for all and all for one. Whatever we put on the air is reflective of all of us. On the news set... well, I just don't know

where you'll ever find the kind of chemistry - between Jack, Liz, Bruce and myself - anywhere else. It's natural, unrehearsed. The more we work together, the better it gets. Because the flow is so natural, it makes doing your own job easier."

"I've stayed here because New England makes me happy. My soul is here and so is my heart. After spending 14 years here - in Vermont,



New Hampshire, and now Massachusetts - I've really become New England oriented. That's important. To be successful here as a sportscaster, you've got to put your roots down here. New Englanders will put you through every kind of test imaginable, but, in the end, you'll come out their friend. And that's terrific."



### EYEWITNESS NEWS

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# WASHINGTON

## THE FEDERAL CASE



by Joel Swerdlow

Despite deregulation, communications remains one of Washington's growth industries.

A lot of people in the capital are down on themselves these days. "We are so Copernican," pollster Pat Caddell recently wrote in *The Wall Street Journal*. "We think the world revolves around us . . . we think that what's going on here is important, and we think we're important people. The truth is, we're irrelevant to most people."

In an era of deregulation, budget cutting, and rise in power at the state and local levels, it is easy to see why many Washingtonians are increasingly insecure. One consequence of this insecurity is a unique self-deprecation, a phenomenon particularly rampant among Washington professionals in fields like communications, which are being rapidly deregulated.

A popular opinion along the Connecticut Avenue corridor—which houses more lawyers, lobbyists, and trade associations per square foot than any other place in America—is that many people are putting braces on their kids' teeth and getting the older kids through college by needlessly convincing clients that they should still be afraid of the Federal Communications Commission.

Such self-criticism reflects a realization that there's been a basic change in the role of government. But don't take too seriously the talk that Washington doesn't matter in the communications world anymore. It remains as important as ever, but in different ways.

For one thing, communications-deregulation battles are far from over and a Republican reelection in 1988 might signal a new wave of deregulation in the telephone and the broadcast ownership arenas, to name just a few. Efforts like the ongoing telephone-deregulation initiatives at the FCC result in conflicts that wind up requiring judicial or legislative resolution. These battles are usually fought on the familiar terrain of rule making, legislation, and court decisions.

Sooner or later reregulation is also sure to come. In recent months, questions about airline safety and about misleading ads for Ginnie Mae bonds have prompted many to wonder whether deregulation went too far too fast. Communications industries will experience the same countertrend if, for example, telephone service should deteriorate or if deregulation produces broadcasters who ignore local news. And, many communications companies who are more threatened than enriched by deregulation already seem anxious to embrace a reinvigorated FCC.

Moreover, communications, because of the unpredictable nature of its rapidly changing technology, generates issues that deregulation can neither define nor control in advance. Who can predict the regulatory problems that emerging technologies like low-power TV, cellular radio, and multichannel microwave service, might create in coming years?

For the constantly changing communications business, a whole new set of issues are suddenly significant. The merger wave of late has greatly changed the media's corporate-strategy agenda. Tax codes and

Federal Reserve Board rules have a new significance for media companies. A growing overseas market has also made trade policy vital to such companies.

Just as the issues are changing, so are the players. Although it is popular to complain that no one cares about the public anymore, there is a new, increasingly powerful "public-interest" movement. These groups are no longer limited to those who are working to identify problems caused or ignored by marketplace competition. Organizations like The Media Institute and Accuracy in Media specialize in challenging the status quo, but from an obviously different perspective than the activist groups of years past. Furthermore, the town is filled with people of considerable influence who define public interest as the promotion of vigorous competition. This newly evolving definition has triggered a misleading but exceedingly important struggle for the public-interest high ground.

**A**nother set of concerns deals with vital issues of governance. These issues include how and when broadcasters will be permitted to cover the U.S. Senate, media access to military operations, survival of the Freedom of Information Act, the broadcast of election returns, censorship, and international satellite spectrum allocation.

No matter how the changed environment shakes out, communications remains one of Washington's growth industries. The number of law firms specializing in communications has been steadily growing and now totals 120. At least sixteen congressional committees and subcommittees regularly conduct hearings into communications issues. Money distributed by communications-related political action committees rose from \$1.2 million in 1979-80 to \$2.9 million in 1983-84, according to Common Cause. It's difficult to walk along the Connecticut Avenue corridor without running into former FCC officials now succeeding as lawyers, lobbyists, and consultants.

Enjoy the self-deprecation. But also remember that behind it all, a new communications status quo is being shaped.



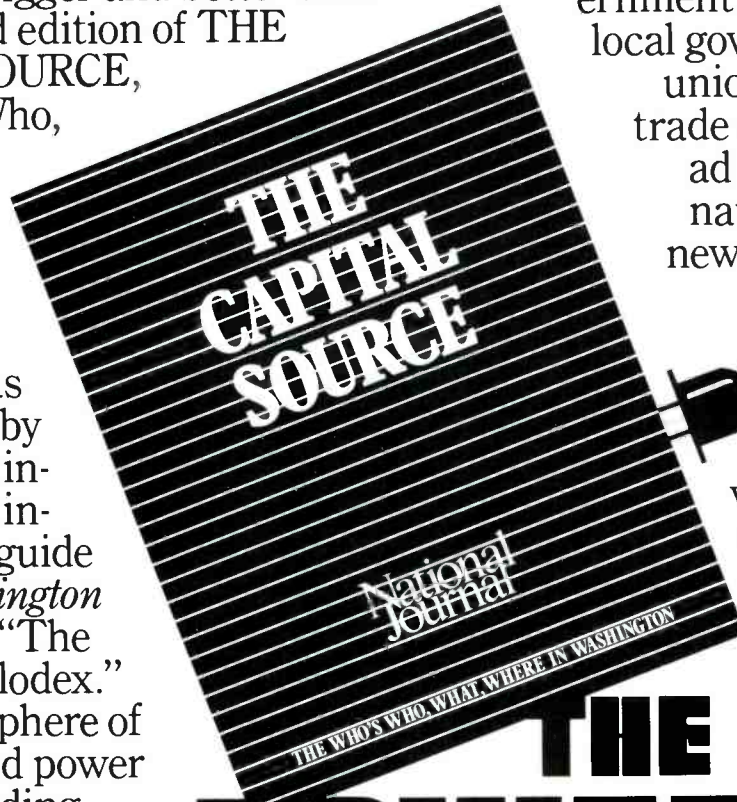
Joel Swerdlow has written extensively on communications issues, ranging from the use of computers in politics to the effects of television on American life. His Washington column will appear monthly in Channels.

JEFF MORRIS

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## National Journal

What the Leaders Read.

# HOLLYWOOD INC.



by Rick Du Brow

## THE PAPER ROUTE

*The Paper Chase* lasted exactly one season on CBS, from September 1978 to July 1979. Only 22 episodes had been aired when it was cancelled. But *The Paper Chase* is about to make TV history, partly through business acumen by the producing studio, 20th Century Fox; partly through the personal tenacity of its star, octogenarian John Houseman, and his partner, Lynn Roth; and partly through the unlikely occurrence of a quality venture's support by viewers and a variety of discerning television outlets. This summer it will broadcast the last of its original episodes on Showtime. Its precedent-setting journey of nearly a decade has taken it through network television, PBS, and pay TV—and has set it up for a possibly lucrative syndication run because of the 58 shows it has managed to crank out during its unlikely sojourn. Whether *The Paper Chase* cashes in with its tales of an Eastern law school remains to be seen. But the one-hour series, notoriously noncommercial by Hollywood standards, has delivered a potent commercial lesson: Alternative TV forms are fertile grounds for producing the episodes needed for syndicated sales to program-hungry major commercial stations.

By big-league network standards, the economics of *The Paper Chase* are modest. Roth, the show's executive producer, accepted \$5,000 an episode for the series' first season on Showtime in 1983; she now gets \$15,000 a show.

When *The Paper Chase*—which was rerun on PBS following its CBS cancellation—began turning out new episodes on Showtime in 1983, its budget per show was in the \$400,000 range, roughly half of what it would cost on a network, and since has gone up to slightly more than \$500,000. Steps were taken to keep costs down. Fox has never had to provide deficit financing for the show because it has always stayed within budget. The show saved about \$20,000 an episode, for example, by switching from 35-millimeter to 16-millimeter film and then editing on tape. Elaborate sets and locations were eliminated and the cast settled for smaller yearly pay increases. Roth notes that Houseman, who is now 83, could be earning as much as \$100,000 an episode in the fourth year of a network hit. It's understood he got about half that amount as the autocratic professor Charles W. Kingsfield Jr. of *The Paper Chase*.

The very idea that 20th Century Fox, which owns the rerun rights to the show, is even thinking of syndicating it would have been laughable a few years ago.

There were fewer independent stations that needed programs, and pay-cable offered little opportunity for original production. What's more, the short network history of *The Paper Chase* seemed to dictate a quick death. A "soft" show amid hard-edged TV programming, it made the CBS schedule in 1978 partly because the network's aging chairman, William Paley, personally liked it, reportedly identifying with the Kingsfield character. But the series was overwhelmed in the ratings by the two comedies ABC scheduled against it, *Happy Days* and *Laverne & Shirley*. Nonetheless, following its cancellation, *The Paper Chase* was picked up by PBS at the instigation of its Chicago station, WTTW, and with the help of a grant from the Atlantic Richfield Company.

This prestigious endorsement eventually translated into hard cash because the show's equity built as it persevered in an inflationary market. Lynn Roth says there was talk of doing new episodes for PBS, but the public-TV network just couldn't afford the cost. Enter Showtime. The pay-TV channel saw that *The Paper Chase* was doing well on PBS and also thought about picking it up for reruns—but then decided to opt

for new segments. *The Paper Chase* was back in business, and Fox was building a stockpile of episodes for syndication, ending with the two-hour graduation finale that Showtime plans to broadcast in August.

With Fox owning the syndication rights to *The Paper Chase*, Showtime will have no participation in any rerun profits, nor will Lynn Roth. By its very nature, *The Paper Chase* would never be a huge hit in syndication, although it has done well in England, Ire-

land, Israel, Japan, and Australia. But as a Fox executive says, even if the series brought in a total of \$300,000 per episode from stations buying the show—a pittance compared with the syndication heavyweights—that would still mean more than \$15 million in revenues.

Serious one-hour shows—*Lou Grant*, for example—do not do nearly as well in syndication as half-hour comedies like *Happy Days*. The successfully sold one-hour reruns tend more to such action series as *The Fall Guy*, which earned more than \$800,000 an episode. Nonetheless, Fox and Roth have tentatively penciled the syndication of *The Paper Chase* into their datebooks. Following the graduation finale, Showtime plans to rerun all 58 episodes of the series in order on a weekly basis, ending late next year. Then, in 1988, provided that the one-hour rerun market is not too competitive, Fox will go with *The Paper Chase*. Regardless of its own future, the series has opened a new pathway for unique and worthwhile shows to have a crack at syndication. ●



For Houseman and Roth, it's not the money.

By forging a new pathway from network TV to PBS to pay TV, *The Paper Chase* has managed to stay alive for nearly a decade. Next goal: syndication.

by Jay Rosen

# Mr. President, Still Beating Your Wife?

Presidential news conferences aren't about issues and answers anymore. They're televised dramas that glorify the press.

Twenty-five years ago John F. Kennedy gave the first televised Presidential press conference. Five Presidents and a few hundred press conferences later, it is time to ask: What, if anything, is the point of this ritual? Consider the following recent exchange between Ronald Reagan and Sam Donaldson, ABC's White House correspondent and chief tormentor of Presidents.

"Mr. President," began Donaldson at a press conference held earlier this year. "You signed a directive which would have required a great number of government employees to take lie-detector tests for security purposes. But when Secretary Shultz publicly complained, you changed your mind and cut back on that directive, and one of your aides said to reporters that you really hadn't understood what was in it when you signed it. My question is: Did you understand it when you signed it, and if so, why did you change your mind?"

Donaldson sat down, leaving the President the following choices: Admit that he failed to understand his own order, in which case he would look like a bumbling idiot who might sign away the nation's future, or the alternative, acknowledge that he changed his mind, which would make him appear weak and indecisive. And what of that White House aide, lurking namelessly about? Given this predicament, Reagan did the only thing he could do: He made a joke.

"If there was an aide that said anything of the kind, he wasn't an aide." The room

*Jay Rosen is a contributing editor of Channels.*



broke up. When the laughs subsided and Reagan began to explain the order, his answer was unintelligible. It involved nothing so coherent as a sentence. Part history, part hasty denial, the only sense that could be made out of his rejoinder was: "Whatever you were implying, Sam, it isn't true." And with that the President moved on to the next question.

What is interesting about this exchange is not that the President got away without giving Donaldson a straight answer—that has become the

rule at press conferences—but that the question was unanswerable from the beginning. A man who asks, "Have you stopped beating your wife lately, and, if you have, why did you stop?" is not looking for information. He is creating a form of theater usually associated with go-for-the-jugular lawyers. Reagan displayed his gifts as an actor by getting off a decent joke, but he did not have the daring to let his joke stand for an answer. Instead he tried to explain himself, and failed. And this was Donaldson's aim in the first



A firm voice, a steady gaze, and a dark suit are better than a cogent reply.

place: to make the President falter on nationwide television.

The reason Donaldson and his colleagues try to trap and embarrass the President is not that they are liberals at heart, as critics on the right would insist. Of course, the rationale the press gives will not do either. The correspondents are not on a quest for "the facts," because if they were, they would have abandoned the press conference long ago. Television allows the President to ignore those probing questions and speak directly to viewers, for whom a firm voice, a steady gaze, a dark suit, and the Presidential seal may be more important than a cogent reply. Knowing this, Presidents can simply maintain their composure under attack and let television do the rest. The more aggressive the questioning, the better the President looks when he does *not* respond in kind. The best possible answer is a joke that deflects the thrust of the question. If no joke comes to mind, the usual strategy is to review the history of the problem to remind everyone what the Administration has already done. Should the questioner persist, the President can always say, "We're looking at the problem and we're doing everything we can." He can then move on, leaving the press to ask another question.

The President thus gets to "face the nation" with relatively little risk. But why does the press cooperate in furnishing the means for its own domination? If the press conference uncovers no new information, what is its purpose, from the press's point of view?

In its televised form, the press conference is about withholding and demanding information: Donaldson demands, Reagan withholds. The conflict between a reluctant President and a prying press helps give the press its identity: government watchdog, resident critic, embattled defender of the "public's right to know." What appears, then, as a disfunction in the press conference is actually its primary function. The opposition between an inquisitive press and a deceitful politician is what is televised. The emptier and more evasive the President's replies, the fuller and more dramatic the conflict between the press and the President, and thus the more the press conference glorifies the role of the press. As the questions get tougher and tougher, the President flaunts his power to avoid them, and word drifts further from action. In short, the press conference now helps to degrade public discourse. And yet by the very logic of this degradation, the press builds itself up as a guardian of democracy.

To foreigners it has always been a strange ritual: a head of state allowing himself to be badgered. But the press conference may be even stranger than we thought. It succeeds for the press by failing for the rest of us. ●

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by Jonathan Lafronz

# Desperately Seeking Status

In the high-stakes world of the *Esquire Success* tapes, happiness is the right haircut, a tie with sheen and never having to wear a brown suit.

Near the beginning of *Esquire* magazine's "Professional Style" videocassette we see a nerd floundering at a job interview. "Mr. Jacobson thought about the clothes he would wear to his interview this morning," says the portly-but-dapper narrator, John Hart, while we absorb the full pathos of Jacobson's brown corduroy jacket, plaid shirt, and polka-dot tie. "He thought incorrectly."

There's a similar moment in the footwear department. Hart again: "Every shoe tells a story. If it's spiffy, attractive, and well kept, its tale is that of an owner who is likewise. If it's scuffed, run-down, or inappropriate, the song is a sad one, of a wearer woefully out of style."

As in bridal magazines, the primary tactic of both *Esquire*, the magazine, and *Esquire Success*, the six-cassette series, is selling through intimidation, and the trick is to capitalize on people's universal fear of wearing the wrong thing at an important time—thus becoming a dork in the eyes of man, God, or a prospective employer—with a good-guy pose that says, "We, and only we, can save you."

I realize this is a heavy charge but I'm tired of *Esquire* going on about its "tradition of editorial excellence" while it churns out issue after advertiser-worshipping issue. Aside from "video essays" by "that wry observer of human nature, Dick Cavett," the *Success* tapes have no such affectations of higher purpose. This is the new *Esquire* at its baldest: a video paean to everything obnoxious about the man of the '80s.

In "Professional Style" and its compan-

ion tapes, "Career Strategies" (parts one and two), "Persuasive Speaking," "The Wine Advisor," and "The Short-Order Gourmet," we hear from all the high priests of selfness-advancement, among them the ubiquitous Michael Korda; Letitia Baldrige, author of a recent guide to "executive manners"; and William Wilson, the foppy editor of *Esquire*'s "Man at His Best" section. Wilson, like a Siren tempting us to throw a brick through the screen, says, "One expects a certain amount of *sheen* in a tie, at least in business. It suggests wealth, power, maybe even competence. It's fine for a college professor to wear a wool, woven tie, but . . ." Even more enlightening, Isuzu executive Leon Rosen talks about the advantages of business travel by private jet: He can change into a jogging suit in flight and not wrinkle his suit.

**B**ut this, of course, is at the top. "The people at the top can wear anything they want to," Hart lectures. "Why? Because, well, they're at the top."

Over a sound track that resembles a computer-generated French disco, these gems are delivered in that so-special, so-now language that is the *lingua franca* of the info-saturated, fast-paced '80s: "Clothing salesmen should act as your personal consultants, helping *process* the information you've already given thought to." "We'll give you *total data* on everything in your wardrobe." "Use this tape as a *personal resource*."

Some will suspect that I'm belligerent because, as Hart might put it, my own image-projection semaphore flags are ruefully splotched. Which is true. Right now, looking at my left sock—the white one—I notice Roy Rogers barbecue-sauce stains. Not droplets. Smears. Like the ones you see on used napkins. So my detractors have a point. Perhaps, then, I should dispense with prejudice and objec-

tively evaluate these bad videos *qua* bad videos.

Okay, let's focus on the production values and content of the flagship *Esquire Success* tape, "Professional Style." Visually these tapes are about as inventive as the recently completed *Kelvinator 1986: The New Series*. Almost all the scenes are stationary; most are frontal talking-head shots of Hart or one of the "fashion experts." The tape is rounded out with many dull shots of well-dressed gents trying on suits, lolling about the office, getting haircuts, or grimly stalking Manhattan's power canyons. My favorite moment is the "cleaning out your closet" segment, which shows a young gent looking at his chaotic, overstuffed closet and . . . scratching his head.

The quality of advice is spotty. For example, designer Nick Hilton advises young people to buy two \$500 suits instead of five \$200 suits because, "The five suits altogether won't last a year." As is particularly true of "The Wine Advisor," you would be better off spending the tape's price, \$29.95, on the books plugged at the end.

So that you needn't buy it, here is a brief summary of everything that "Style" teaches: Don't wear a brown suit unless you're President Reagan. The "worn-outs and never-wears" will serve you much better as a tax deduction—get rid of them. Match your clothing needs to your checkbook. Money is not just *spent* on clothing, it's *invested*. "Communication between client and stylist is the key to sculpting a successful haircut." The image you project tells who you are and whether you're smart or what. *Esquire* editor Phillip Moffitt's haircut makes him look like a show poodle. If you "think of business as a club, your clothing is that special, secret handshake of recognition." Suits are "a uniform that identifies the wearer as one who works with his head rather than his hands." A suit is the



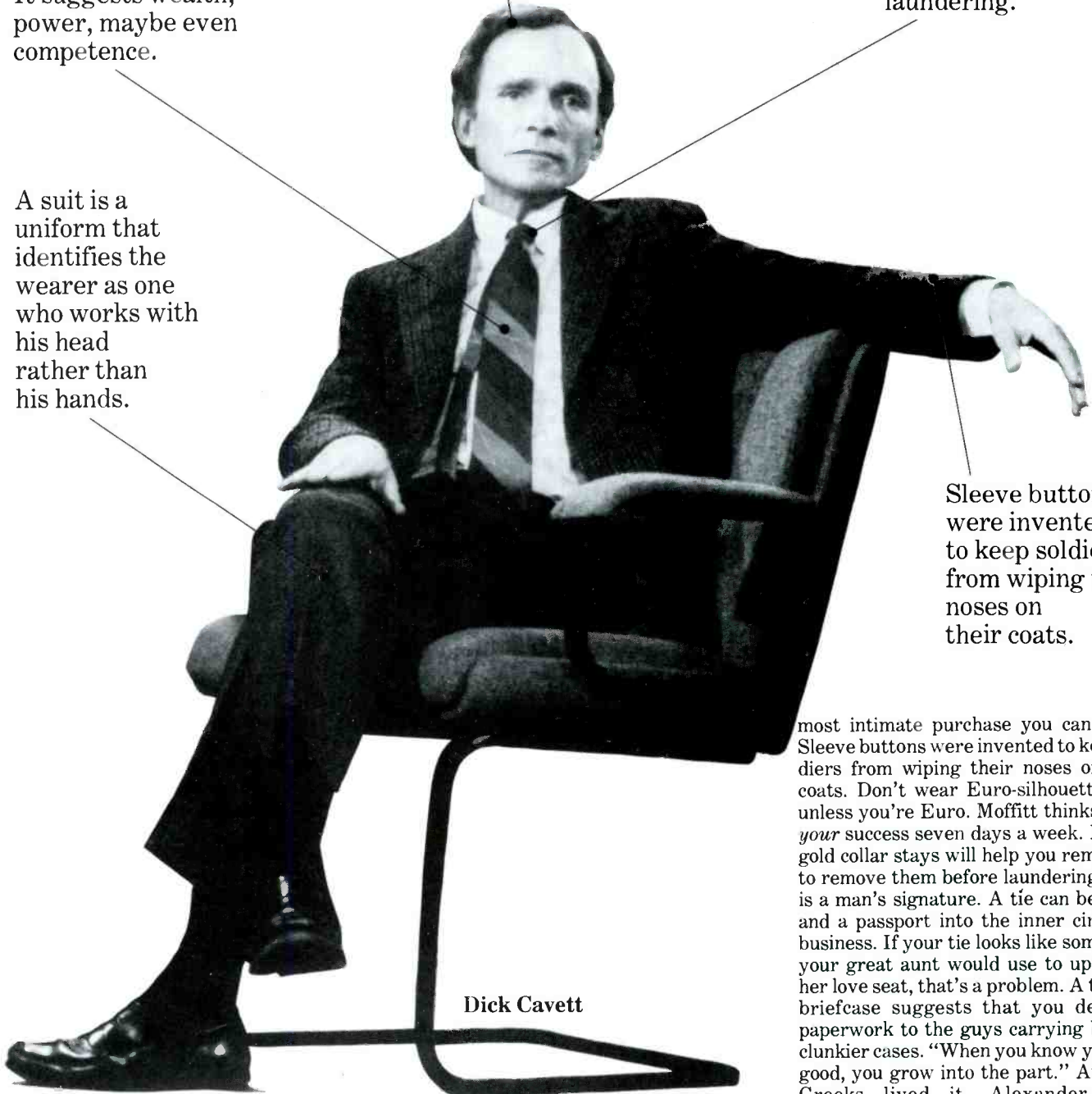
Communication between client and stylist is the key to sculpting a successful haircut.

One expects a certain amount of *sheen* in a tie. It suggests wealth, power, maybe even competence.

Buying gold collar stays will help you remember to remove them before laundering.

A suit is a uniform that identifies the wearer as one who works with his head rather than his hands.

Sleeve buttons were invented to keep soldiers from wiping their noses on their coats.



Dick Cavett

most intimate purchase you can make. Sleeve buttons were invented to keep soldiers from wiping their noses on their coats. Don't wear Euro-silhouette suits unless you're Euro. Moffitt thinks about *your* success seven days a week. Buying gold collar stays will help you remember to remove them before laundering. A tie is a man's signature. A tie can be a flag and a passport into the inner circles of business. If your tie looks like something your great aunt would use to upholster her love seat, that's a problem. A thinner briefcase suggests that you delegate paperwork to the guys carrying bigger, clunkier cases. "When you know you look good, you grow into the part." And (the Greeks lived it, Alexander Pope preached it, you should dress by it)—"Know yourself." ●

# From Wussler With Love

He works for  
Ted Turner  
and negotiates with  
the Russians.  
Only Robert  
Wussler knows  
which is tougher.

*As president of Superstation WTBS, executive vice president of Turner Broadcasting, and a former president of the CBS Television Network, Robert Wussler has performed some arduous duties. The most recent has involved helping Ted Turner negotiate the purchase of MGM/UA Entertainment and, at the same time, organizing the first annual Goodwill Games, a mini-Olympics that will take place July 5 to July 20 in Moscow with more than 55 countries participating. The Games will be carried on cable via WTBS and syndicated to broadcast stations around the country—and the world. Channels managing editor Peter Ainslie caught up with the overworked Wussler in his Atlanta office on the eve of his 72nd trip to Moscow. Following are excerpts from their conversation.*

## THE GENESIS OF THE GAMES

Turner was watching the '84 Olympics and he came wandering into my office and he said, "Wussler, it's terrible that the Russians aren't in Los An-

geles. We gotta do something. I want you to go to Moscow tomorrow. Let's buy the rights. Where are the next Olympic Games? Korea? Let's us and the Russians buy the rights to the Korean games. That way we can't boycott and the Soviets can't boycott."

Three days later I find myself in Moscow. The Russians didn't like the idea of them and us buying the rights—the international rights to the '88 Olympics. They said they didn't have that kind of cash. They also thought that would be too political a move. It bothered them. But they obviously had been looking for something because even though they thought what we were proposing was a bad idea, they thought that the concept of the Soviets and the Americans doing something together was a good idea. And they said, "Why don't we have our own sporting event?" So I came back and talked to Turner and he said, "Terrific. Let's do it in Moscow. We'll sell the advertising. They can feed the Games to Eastern Europe and we'll sell the rights around the world and that'll help defer the costs."

## REACHING AGREEMENT WITH THE SOVIETS

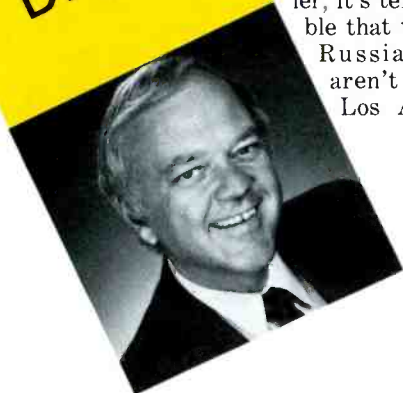
The last stumbling block was the fact that Turner said to me, "Look, I'm not in this for just once. I want to do these forever. And you've got to get the Russians to sign for 1990 or there's no deal." As tough as these bastards can be, it was evident that they were really interested in these things because we were having no problems getting visas to go back there and people were actually showing up for meetings. But when it came to 1990, that was a real stumbling block. They wanted to put all kinds of sweet, lovely language in there: There would be an *intent* for a 1990 Games, that they had every *desire* to

do a 1990 series of Games but they didn't want to commit themselves. And finally we said, "Look, if you want to join us in '86, you've got to be willing to join us in 1990." And it took about two weeks before they came back and said okay. So the deal, the 37-page document, includes provisions for a very specific set of Games in 1990. It also calls for arbitration in the event of an unresolvable dispute between the parties and goes to a mediation service in Helsinki, which, I think, is about as good as you can get. So, after I made four preliminary trips between August of '84 and February of '85, Turner and I went there in March of '85, and that's when we shook hands.

## ORGANIZING THE GAMES

The logistics of the event are frightening. Fortunately, for a little company we do a lot of sports here. Last year we did a thousand hours. Fortunately, there were some unemployed people coming out of the 1984 Olympics. Fortunately there had been some cutbacks at all three networks. But it's an awesome undertaking. The Soviets operate a system of television called 625 SECAM, which is a lot different from our 525 NTSC. There's a third system halfway between called 625 PAL, which is what most of the world works on. So we worked out a compromise. Gosteleradio [the Soviet state committee for radio and television] had gone out and spent \$10 million and put together a terrific 625 PAL system. And we're going to rent it from them for \$2.5 million. We'll do our coverage in the worldwide system of 625 PAL and when this event is over, the Soviets get a very neat postproduction facility in 625 PAL, which they've always wanted anyway. That system is being put together in Switzerland and Germany and will be

SOUND  
BITES







**"We have no desire to get into the business of corporate sponsorships. That's an Olympic thing. We're in the 30-second-unit business."**

trucked into Moscow around the 20th of April. We're going to move 165 people there during June, and we'll be using 250 people from Gosteleradio.

#### THE AMERICAN FEED

Our coverage will be 129 hours. We go on the air every day for the 16 days at noon eastern time. During the week, Monday through Friday, we run for three hours. Because of the time differences, that coverage will all be live. On the weekends we'll run until 6 P.M. and for all 16 nights, we'll be on basically from 8 to midnight. Some stations will take it 7 to 10 with an hour later on.

#### THE MONEY

This is a three-way deal between Turner Broadcasting, Gosteleradio, and the U.S.S.R. state committee for physical culture and sports. We're spending \$35 million of Ted Turner's hard-earned cold cash on this event. We originally said that we would each put up \$27 million. Already we're \$8 million over budget. We've given the Soviets \$7.5 million to defray costs, fix up the stadiums. I would imagine that they're over budget also. They told me recently that they expect to spend \$3 million to \$4 million on the opening ceremonies alone.

So, \$7.5 million goes to Soviet sports. About \$3.5 million goes to Soviet television for rights and for rental of equipment and manpower. And \$6 million goes to form the American team here. The other \$18 million is the cost of production, sales, marketing, public relations. A tremendous amount of money is being spent to get people back and forth from the Soviet Union. I would imagine that we are probably going to be responsible ultimately for between 3,500 and 5,000 individual

round trips between the United States and the Soviet Union.

#### RAISING THE IRE OF THE U.S. OLYMPIC COMMITTEE

There are some jealousies there. They think we're going to hurt their funding ability. I don't think we will. We have no desire to get into the business of corporate sponsorships. That's an Olympic thing. We're in the 30-second-unit business. All we are going to do is cause familiar '84 faces to be more familiar in '88. And we will serve the '88 Olympic movement because we're going to be introducing some new faces. Bob Helmick, who is president of the USOC, has been extremely supportive of our efforts. He sees the light on this. He sees that all we can do is help one another.

#### SYNDICATING THE GAMES AND ALSO CARRYING THEM ON WTBS

We don't compete in the local marketplace. WTBS will be in about 36.5 million homes when the Games are on. We get 5,000 viewers here, 4,000 there, 9,000 there, and we collect those viewers and we sell them as a national force and we do quite well with that. We feel that we can put these games out over WTBS and at the same time we can sell them to 60 television stations, and those stations can go out and sell the local banks, the local retailers, the local food stores—things that we can't sell at WTBS. So we bring the national sponsorship. We bring in the Pepsi, or this beer or that product. You combine those and we think that's a concept that works. You can't sell local ads on WTBS. We don't give local favors.

Certainly there's competition between the cable operator and the local station. The fact that there are two signals in

most markets—as a long-term concept, no, that doesn't work. But in the short run, it works. It has worked very well for us with our syndication of Jacques Cousteau and of college football.

#### TURNER'S MGM STRATEGY

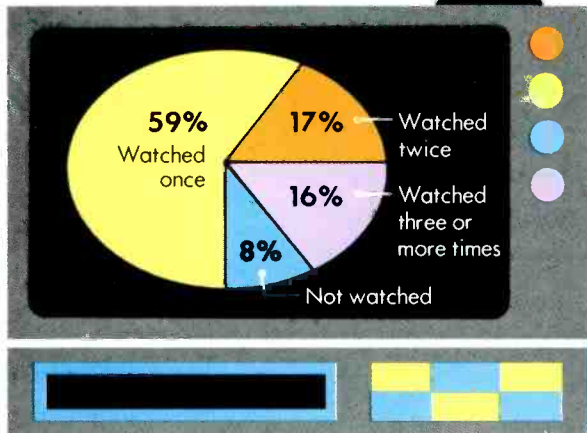
It's going to fix the cost of WTBS for years to come. And that's the simple, easy nub of it. When Ted bought the station long before I got here, we paid \$500 or \$1,000 a run for movies. Today we pay \$10,000 to \$15,000 a run. We are rapidly heading for the day when we would have been paying \$100,000 a run for one film. We couldn't stand that. This fixes our cost, says to other syndicators, hey, we're interested in doing business with you, but it's got to be at a price that you and we will negotiate.

And not only does it put a cap on WTBS's cost, but we still have room to maneuver. We can make some syndication deals. We can make some pay TV deals. No one outlet needs all those films all the time. There are 3,700 films in the library: 350 Warner's, 348 RKO's. It's a magnificent collection.

#### BREAKING UP MGM

Bill Bevins is our chief financial officer. Bevins is a good man—difficult, interesting, unique, strange. He and Turner don't really get along. Bevins has promised the financial world that by September, we will have sold the laboratory, the real estate, and the production company. Turner has said, "I don't know if I'm going to sell those things." There's going to be a tugging and a pulling. I think we have to sell. It's the only way we can pull this whole thing off so that we will wind up with the library, our share of the distribution company, and home video. ●

# RUNNING THE NUMBERS



## Fate of the home-taped cassette

Those obsessive "duty tapers," who supposedly never have time to watch all the videocassettes they record from television, actually do look at their tapes, on the average of 1.6 times per cassette, according to a survey last fall. (Source: Statistical Research Inc.)

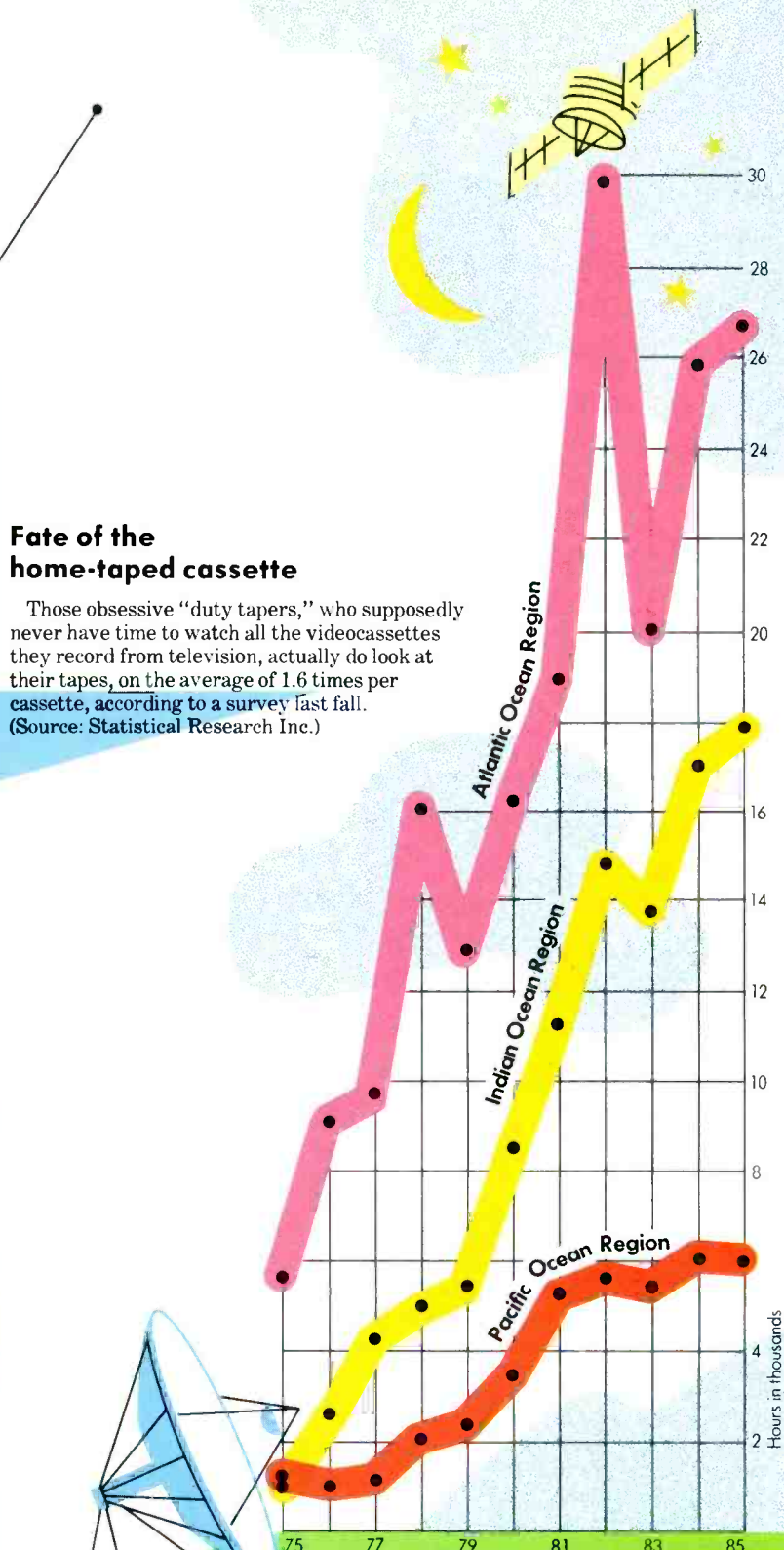
## Landmarks in syndie prices

Prices per episode of former network shows going into syndication have set new records every other year in the last decade, culminating in national syndication revenues of \$3 million per half hour expected from *The Cosby Show*. (Years cited are the start of syndication runs.) Stations altogether paid \$250,000 per episode for *M\*A\*S\*H* in the '70s, when it was first sold in syndication, and \$900,000 per episode the second time around in the '80s. (Source: *TV Program Investor*, published by Paul Kagan Associates.)

<b>1975</b>  <b>\$125,000</b>	<b>1977</b>  <b>\$200,000</b>	<b>1979</b>  <b>\$400,000</b>
<b>1981</b>  <b>\$650,000</b>	<b>1983</b>  <b>\$850,000</b>	<b>1983</b>  <b>\$850,000</b>
<b>1984-85</b>  <b>\$900,000</b>	<b>1986</b>  <b>\$1,750,000</b>	<b>1989</b>  <b>\$3,000,000*</b>

CHARTS BY RENÉE KLEIN

\*projected



## Feeding the world

Year by year, people around the world are seeing more and more TV from beyond their national borders. Enough television programming to fill five channels around the clock—3,560 hours—was transmitted internationally by satellite in January, setting a new monthly record for Intelsat, the predominant world satellite carrier. The record month followed a decade, 1975 through 1985, during which Intelsat's video traffic grew sixfold. Last year 50,756 hours of programs were relayed. Growth was fastest in Intelsat's Indian Ocean region, from East Africa to Southeast Asia. Some 70 percent of the world traffic is finished programs and the rest is raw feeds. (Source: Intelsat.)

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