

KING WORLD'S LEVERAGE

Top 50 Markets

As previously documented, three companies (King World, Paramount, and Fox) control 93% of all syndicated time periods in access on Top 50 market affiliates -- King World alone grabs 49%.

A closer look at King World reveals the staggering amount of leverage they are able to exert on Top 50 market affiliates.

- Why does King World care so much about the Top 50 affiliates?
 - They have virtually shut Indie/Fox stations out of their product.
 - Of King World's total clearances in the Top 50 markets, 98% are on affiliate stations. Wheel, Jeopardy, and Oprah air exclusively on affiliates. Inside Edition airs on four Indie/Fox stations -- the highest of any King World program.
- How does King World utilize their leverage?
 - Cleared solely on Top 50 market affiliates, King World's successful mainstays -- Wheel, Jeopardy, and Oprah -- help obtain clearances for King World's less successful programs.
 - In the past five years, King World has launched six first-run programs. No fewer than half and as much as 79% of their clearances were on stations which already owned either Wheel, Jeopardy, or Oprah. Three shows never made it past one season and a fourth is currently on the brink of cancellation.

With muscle like this ... it's no wonder King World wants PTAR to remain *status quo*.

KING WORLD'S LEVERAGE

Top 50 Markets

<u>King World First-Run Programs In Top 50 Markets</u>	<u># of Markets Cleared</u>	<u>% of Affiliates</u>	<u># of Indie/Fox</u>
Wheel of Fortune	50	100%	0
Jeopardy	50	100%	0
Oprah	50	100%	0
Inside Edition	48	92%	4
Rolonda	45	96%	2
American Journal	41	95%	2
Average	47	98%	2%

Source: Nov. 93; Rolonda, Feb. 94.

<u>King World First-Run Programs Launched In Last Five Years 1989 - 1993</u>	<u>% of Top 50 Affiliate Clearances On Stations Which Also Air Wheel, Jeopardy, or Oprah</u>
--	--

American Journal	59%
Rolonda	79%
Les Brown (cancelled)	76%
Candid Camera (cancelled)	58%
Instant Recall (cancelled)	52%
Inside Edition	61%
Average	64%

Source: All programs' first sweep; American Journal (Nov. 93), Rolonda (Feb. 94), Les Brown (Nov. 93), Candid Camera (Nov. 91), Instant Recall (Nov. 90), Inside Edition (Feb. 89).

OFF-NET WON'T CONTROL ACCESS

Original Intent: PTAR eliminates the fear that independent stations will be shut out of the off-net market.

Outcome: First-run, not off-net, dominates on affiliates even without the PTAR access exclusion.

In markets 51-100, affiliates are freely able to schedule off-net in access. An examination of the programming in these time periods confirms the dominance of first-run, not off-net.

- All off-net accounts for only 29% of all syndicated time periods on affiliates in markets 51-100. **And these stations can purchase any show they choose.**
- Conversely, first-run programming controls the lion's share at 69%.
 - King World, Paramount, and Fox programs total 152 of the 157 (97%) first-run programs aired on 51-100 market affiliates. Ironically, even with PTAR, in the Top 50 markets these three companies control even less of the first-run arena -- 88%.
- Recall that Married w/ Children was bought by only four Top 50 market affiliates.

AFFILIATE ACCESS PROGRAMMING IN SYNDICATED TIME PERIODS

Markets 51-100

	<u># of Half Hours</u>	<u>% of Total</u>	<u>All Program(s)</u>
First-Run Programming	157	69%	Wheel, E.T., Jeopardy, Inside Edition, Current Affair, Hard Copy, American Journal, Family Feud, Love Connection, Highway Patrol
Off-Net Sitcoms	46	20%	Roseanne, Cheers, Empty Nest, Coach, Murphy Brown, Golden Girls, Cosby, MASH, Full House
Off-Fox Programming	17	8%	Married w/Children, Cops
Off-Net (Other)	3	1%	Rescue 911
Off-Syndication	5	2%	Star Trek TNG, Mamma's Family
Total	228	100%	

Source: Nov. 93. All 51-100 market affiliates, M-F 700-800P (E.S.T.).

OFF-NET WON'T THREATEN FIRST-RUN

In Access Time Periods

Concern: If off-net is allowed to run in access on Top 50 market affiliates, then first-run product will suffer.

Response: This has been proven untrue.

- There is virtually no difference in the deliveries of first-run programming in the Top 50 markets (where off-net is virtually excluded) versus markets 51-100 (where off-net is given free reign). In fact, King World, Paramount, and Fox each have first-run shows that average higher deliveries in markets 51-100 where they face off-net competition.
 - Similarly, in the Top 50 versus markets 51-100, there is no difference in the deliveries of off-net programs exempt from PTAR (Cops, Married w/Children, and Rescue 911).
- Even King World agrees that if PTAR were to change, the first-run marketplace would not suffer.
 - King World's Executive Vice President/COO Steve Palley said in 1992 (Oppenheimer's Media and Entertainment Conference transcript): "If [PTAR] were to change, we don't think there will be any significant impact on our shows".
 - In anticipation of a change in the PTAR rules, recent reports indicate that renewals of Wheel and Jeopardy have been extended through the year 2000.

**PEOPLE WATCH GOOD SHOWS,
NO MATTER WHICH STATION AIRS THEM.**

PERFORMANCE COMPARISON: MARKETS #1-50 VS. #51-100

Affiliate Programming In Access

5.

	----- (HH Rating/Share) -----	
	<u>Top 50</u>	<u>Markets</u>
	<u>Markets</u>	<u>51-100</u>
First-Run Strips		
Wheel Of Fortune	16/27	20/34
Jeopardy	15/26	17/30
Inside Edition	10/18	9/16
Current Affair	9/16	10/17
Entertainment Tonight	9/16	9/16
Hard Copy	9/15	10/17
American Journal	8/14	8/14
Average	11/19	12/21
PTAR Exemptions		
Cops	7/14	7/13
Married w/Children	8/12	7/13
Rescue 911	6/10	7/11
Average	7/12	7/12

Source: NSI Nov. 93. All affiliate access occurrences, weighted average rating.

OFF-NET WON'T THREATEN FIRST-RUN

Access Time Periods Case Study Examples

Currently, two Top 50 markets (West Palm Beach and Wilkes Barre) air off-net sitcoms in access. (They previously ranked below market #50 and are protected by the Grandfather clause.)

Note that in both markets, first-run programming dominates the off-net. Additionally, the off-net fails to improve prior time period first-run programming in three of the four cases.

West Palm Beach, Nov. 93

- Cheers @ 700P
 - Plummets from news lead-in and loses badly to Wheel of Fortune. It premiered in Nov. 87 with a 11/17 -- then and now, it is only two share points above its first-run predecessor, Hollywood Squares' 10/15 in Nov. 86.
- Coach @ 730P
 - Falls sharply from its first-run lead-in (Current Affair) and ranks #4 in the time period -- well behind Jeopardy and E.T. on affiliates and Married w/Children on Fox. Additionally, Coach is down two share points from a failed first-run program last year, You Bet Your Life (5/8 in Nov. 92).

Wilkes Barre, Nov. 93

- Roseanne @ 700P
 - Plummets from news lead-in and loses badly to Wheel of Fortune. It takes the time period down two share points from year-ago Current Affair (12/21 in Nov. 92).
- Golden Girls @ 730P
 - Loses badly to Jeopardy. Its performance pales in comparison to the last first-run program that aired in the time period -- Win, Lose, or Draw (15/24 in Nov. 87).

FIRST-RUN VS. OFF-NET

Top 50 Market Case Studies

<u>West Palm Beach</u>		<u>Sign-On/Sign-Off</u>	
		<u>NSI HH</u>	<u>NSI HH</u>
		<u>Rtg./Shr.</u>	<u>Rtg./Shr.</u>
<u>M-F 700P</u>			
Lead-in: NBC News (17/32)	WPEC-C Wheel of Fortune	16/28	5/16
	WPTV-N Cheers (#2)	8/14	7/23
	WFLX-F Roseanne	6/11	3/8
	WPBF-A Current Affair	6/10	3/10
	WTVX-I Highway Patrol	1/2	1/2
<u>M-F 730P</u>			
Lead-in: Current Affair (6/10)	WPTV-N Jeopardy	15/27	7/23
	WPEC-C Ent. Tonight	9/16	5/16
	WFLX-F Married w/ Children	6/11	3/8
	WPBF-A Coach (#4)	3/6	3/10
	WTVX-I Empty Nest	1/3	1/2

<u>Wilkes Barre</u>		<u>Sign-On/Sign-Off</u>	
		<u>NSI HH</u>	<u>NSI HH</u>
		<u>Rtg./Shr.</u>	<u>Rtg./Shr.</u>
<u>M-F 700P</u>			
Lead-in: ABC News (24/41)	WBRE-N Wheel of Fortune	19/30	6/15
	WNEP-A Roseanne (#2)	12/19	8/25
	WYOU-C Current Affair	8/13	5/13
	WOLF-F Coach	2/3	2/5
<u>M-F 730P</u>			
Lead-in: Roseanne (12/19)	WBRE-N Jeopardy	18/29	6/15
	WNEP-A Golden Girls (#2)	10/16	8/25
	WYOU-C Ent. Tonight	7/12	5/13
	WOLF-F Cops	3/5	2/5

OFF-NET SITCOM DOLLARS ARE DECLINING

- Revenues from off-net programming have declined sharply in recent years -- from an average of \$1.3 million per episode in 1989 to \$675,000 in 1994.
 - In 1995, Disney and Columbia will be the only syndicators premiering off-net sitcoms. Excluding Home Improvement and Seinfeld which are financial aberrations in off-net -- Blossom and Dinosaurs will average about \$500,000 per episode.
- Note the difference in pricing an off-net sitcom can achieve if it is allowed to attain affiliate access clearances.
 - Married w/ Children, a 20 share show on Fox commanded \$2.4 million per episode. That same year, Full House -- a show eight share points higher -- took in \$750,000 an episode. And just a year later, Roseanne -- also a 28 share show on ABC netted \$1.8 million per episode.
 - Simpsons, a 21 share show on Fox garnered \$1.2 million an episode. That same year, Fresh Prince -- a 23 share show on NBC -- brought in \$700,000 an episode.
 - Even though any station in the Top 50 markets could purchase Married w/ Children -- only four affiliates did. **The independents did not get hurt.**
- The collapse of the back-end exacerbates the economic "squeeze" on both network producers and off-net distributors. Without regulatory relief, the future of high-quality broadcast programming is in jeopardy.
 - Therefore, ultimately, not only will broadcast television stations suffer the consequences ... the viewing public will, too.

OFF-NETWORK SITCOMS

Broadcast Pricing Trends: 1989-1994

<u>1989</u>	<u>\$ Per Episode (000)</u>	<u>1990</u>	<u>\$ Per Episode (000)</u>
Growing Pains (21.5/33)	\$ 1,000	Alf (17.7/27)	\$ 1,000
Mr. Belvedere (11.5/19)	\$ 400	Amen (16.0/28)	\$ 700
Who's The Boss (21.2/33)	\$ 2,500	Golden Girls (21.2/37)	\$ 1,500
.		Head of the Class (16.7/26)	\$ 1,000
.		Perfect Strangers (13.5/24)	\$ 800
.		Hogan Family (16.5/25)	\$ 500
.		227 (14.6/26)	\$ 600
.		.	
Average	\$ 1,300	Average	\$ 886
<u>1991</u>	<u>\$ Per Episode (000)</u>	<u>1992</u>	<u>\$ Per Episode (000)</u>
Different World (21.1/34)	\$ 400	Dear John (11.4/19)	\$ 500
Full House (15.4/28)	\$ 750	Designing Women (16.7/26)	\$ 500
MARRIED/CHILD (12.9/20)	\$ 2,400	Murphy Brown (16.9/26)	\$ 800
.		Roseanne (18.2/28)	\$ 1,800
.		Wonder Years (14.2/23)	\$ 500
.		.	
Average - All	\$ 1,183	Average	\$ 820
Average - excl. Married	\$ 545		
<u>1993</u>	<u>\$ Per Episode (000)</u>	<u>1994</u>	<u>\$ Per Episode (000)</u>
Coach (17.2/27)	\$ 1,100	Doogie Howser (10.2/16)	\$ 400
Empty Nest (14.3/25)	\$ 900	Fresh Prince (14.6/23)	\$ 700
Family Matters (13.5/24)	\$ 500	Evening Shade (14.5/22)	\$ 400
.		SIMPSONS (12.9/21)	\$ 1,200
.		.	
Average	\$ 883	Average - All	\$ 675
		Average - excl. Simpsons	\$ 500

(.) denotes NTI HH Rtg./Shr. two seasons prior to syndication debut, Sept.-April season.

THE PTAR TOP 50 OFF-NET EXEMPTION

No Longer Relevant In Today's Broadcast Environment

Enacted nearly 25 years ago (at the same time as the Financial Interest and Syndication Rules), the PTAR exclusion which prohibits Top 50 market affiliates from airing off-network programs in access is archaic in today's multi-channel telecommunications highway. The same reasoning used to eliminate FISR should be applied here.

- **PTAR's objective to increase diversity in access has not been accomplished – from neither a programming nor distributor standpoint.** Ten first-run entertainment programs account for 71% of the 300 affiliate access time periods in the Top 50 markets. What's more, only three companies distribute 93% of all syndicated programming on Top 50 affiliates in access.
- **Independent television stations are no longer struggling.** They are owned by major broadcasting companies. Fox has banded the strongest of them into a fourth network – Paramount and Warner Bros. are fighting over the remaining independents in a race to form the fifth network.
- **The new Paramount and Warner Bros. networks will create a much larger supply of potential off-net programming.** Concurrently, the conversion of independent stations into new network affiliates will substantially reduce available shelf-space and drive down the demand for programming. Simply put, when supply increases (more programs) and demand decreases (less shelf space) – prices fall.
- **Off-network programs do not pose a threat to overtake access time periods.** In the smaller markets where PTAR is not a factor, first-run shows and news are programmed in 76% of the 300 affiliate access half hours.
- **Because PTAR restricts free market competition in the top markets, off-network program dollars have already declined precipitously.** Without relief, network producers and off-net distributors cannot continue to provide high-quality broadcast programming to the viewing public. With higher network deficits and lower back-end potential revenue, this will further reduce diversity as less producers will be able to afford the risks of working in primetime.

**The PTAR Top 50 Off-Net Exemption.
Its cancellation is in the best interest of the viewing public.**



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LIN TELEVISION CORPORATION
4 RICHMOND SQUARE
PROVIDENCE, RI 02906

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OCT 25 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

PHONE: (401) 454-2880

FAX: (401) 454-2817

TO:

Hon. Reed E. Hundt, Chairman

Federal Communications Commission

FROM: Gary Chapman

DATE: 10/10/94

PAGES TO FOLLOW THIS SHEET: 1

MESSAGE:

Please see attached letter.

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LIN TELEVISION
CORPORATION

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY
Gary R. Chapman
President and CEO

Via Facsimile and Federal Express

October 10, 1994

Hon. Reed E. Hundt, Chairman
Federal Communications Commission
1919 M Street, N.W., Room 814
Washington, D. C. 20554

Dear Chairman Hundt:

On behalf of LIN Television Corporation, licensee of television stations affiliated with the ABC, NBC and CBS networks, I write to urge you to move promptly to issue a notice of proposed rulemaking -- rather than a notice of inquiry -- proposing to repeal the "off-network" provision of the prime time access rule, 47 C.F.R. § 73.658(k) (1993).

The off-network provision is anachronistic and counterproductive. It simply makes no sense for the competing Fox affiliates in our markets to be able to run off-network programming from the other three networks in prime time when the affiliates of those networks cannot do so. It is equally arbitrary to have our direct competitors at the Fox Network be able to sell for use in the access period highly successful off-Fox shows such as the Simpsons and Married With Children when the other networks are prohibited from making comparable sales. By artificially reducing the backend return on ABC, NBC and CBS programming, the rule clearly reduces the investment in, and quality of, the programming on the three major networks.

This modest change has been the subject of extensive inquiry and comment, with a complete round of comments dealing with the state of the industry filed just over three months ago. There is no conceivable reason why the Commission cannot and should not proceed directly to rulemaking. I urge you in the strongest possible terms to reject calls for further delay.

Sincerely yours,



Gary R. Chapman
President and CEO

GRC/kgj

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Facsimile Cover Sheet

**To: Merrill Spiegel, Esquire
Special Assistant/Mass
Media
Office of Chairman Hundt
Company: Federal Communications
Commission
Phone: (202) 418-1000
Fax: (202) 632-0163**

**From: Ellen J. Schned, Esq.
Director,
Government Affairs
Company: Viacom International/DC
Phone: (202) 785-7300
Fax: (202) 785-6360**

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Supplemental PTAR Question

FEDERAL COMMUNICATIONS COMMISSION
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What practical transition mechanisms should be adopted in terms of any rule phase out so as to mitigate market dislocation or disruption, to maintain a competitive television broadcasting environment and to encourage the development of new or emerging broadcast networks?

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OCT 25 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

October 4, 1994

The Honorable Reed E. Hundt
Chairman
Federal Communications Commission
Room 814
1919 M Street, N.W.
Washington, D.C. 20554

Dear Mr. Chairman:

As independent producers of first-run syndicated television programs, we are alarmed at reports that the Commission is about to begin a rulemaking to change or eliminate the Prime Time Access Rule without following the essential initial step of issuing a notice of inquiry in a matter which raises such enormous public policy and public interest issues.

A notice of proposed rulemaking suggests a tentative conclusion that a change needs to be made. Such a presumption should follow a neutral, in-depth study of the subject via a notice of inquiry that would draw substantive comments to give the Commission detailed information it needs before deciding whether to proceed further.

The fact that a few anti-PTAR petitions have been on file at the Commission for several years does not mean that the Commission has conducted a serious and searching examination of how the Rule has worked or of the likely effects on all interested parties--including programming choices for viewers of free, over-the-air television--if the Rule were altered or killed. There is, in fact, no up-to-date, detailed study of the marketplace in which the PTAR operates.

The Rule was created almost 25 years ago to stimulate diversity in programming by opening up one hour of television's prime time on the most-watched stations so that independent producers could offer programs without going through the network filter. In fact, the PTAR gave birth to a whole new industry--first-run production and syndication. There was a handful of independent producers before the Rule. There are HUNDREDS now.

Without the PTAR in its present form, opportunity for independent, first-run producers would disappear, along with thousands of jobs in their companies.

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October 4, 1994

Page Two

Yes, the growth of cable systems has created another market for program producers. However, network-owned and affiliated television stations remain, overwhelmingly, the primary buyers of highly produced, quality programming and the most effective avenue for a producer to reach the mass video audience.

Eliminating the off-network portion of the PTAR would create a two-class system of allowing the networks and companies that produce for them to expand their domination of the most desirable marketplace, prime time, while relegating independent producers, especially small, minority and women-owned companies, to second-class marketplaces.

The revised Financial Interest and Syndication Rules allow a network to take an ownership role in programming aired on the network. If the Commission ends the PTAR's ban on the airing of off-network shows on network owned-and-operated stations and network-affiliated stations in the top 50 markets during the Access hour, many of these stations would likely carry those off-network programs in which the parent network holds a financial interest.

Without access to these leading stations in the crucial, top 50 markets, independent producers would find it difficult if not impossible to launch first-run shows in that hour. While many network affiliates below the top 50 markets now carry first-run programs, those first-run programs would not have been available in any size market without the Rule.

If there were any doubt that the networks intend to take over the production market, the newly elected president of Capital Cities/ABC told Variety in the issue of September 21, 1994, that ABC will own almost 40 percent of the prime time schedule this Fall.

We believe the Commission should wait to see the results of the projected ending next Fall of the remaining Financial Interest and Syndication Rules before considering alteration or elimination of the PTAR. This Rule is the last barrier to total vertical integration of the production and distribution industries which supply the programs that a majority of Americans watch.

October 4, 1994
Page Three

If waiting that long is TOO long for the Commission, at least we urge you to proceed carefully, deliberately, traditionally, by starting with a notice of inquiry. If the FCC opens with a notice of proposed rulemaking, that alone will start to close the Access marketplace as network affiliates begin acquiring off-network shows to have them available for when the Rule would officially be changed.

We are independent producers who wish to create and offer first-run programming for Access time. We aspire to the success achieved there by others, thanks to the PTAR which opened--and keeps open--at least that one hour of prime time so that companies, large and small, can compete. Please proceed with great care in considering any change in this Rule. It has allowed us to dream and to pursue our dreams.

Thank you for hearing us.

ACI
All American Television, Inc.
Central City Productions, Inc.
Claster Television Incorporated
Crescent Entertainment, Inc.
Mark Goodson Productions LP
Kushner-Locke Company
Lee Miller Productions
Loreen Arbus Productions, Inc.
Muller Media, Inc.
Ralph Edwards/Stu Billett Productions
S.I. Communications, Inc.
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OCT 25 1994

September 15, 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

SEP 19 3 03 PM '94

Chairman Reed Hundt
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Chairman Hundt,

It has come to my attention that the Federal Communications Commission may initiate discussions or proceedings to relax or eliminate the Prime Time Access Rule (PTAR). Why? It's working. The off-network portion has accomplished exactly what it intended to do when it was enacted.

If any revision of this rule is considered, expanding the off-network portion to the top 100 markets would better serve the public interest.

The original goal of the Prime Time Access Rule - to increase the amount of independent producers and not allow the three major networks to squeeze out this competition - has brought the American public a choice of original programming they would not have been able to enjoy. It has also given independent television stations the opportunity to compete and survive in their markets because they have been able to secure competitive programming and give the American public more choice.

I doubt sincerely if our station would have been able to survive its first three years of operation if the PTAR and the off-network portion had not been in effect.

I urge you to carefully weigh the effects that any relaxation of PTAR will have on Independent producers and stations.

Sincerely,

Tom Watson
General Manager
WTTA-TV

cc: Merrill Spiegel

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September 14, 1994

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Edward G. Aiken

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street NW Room 814
Washington, DC 20554

President/
General Manager

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OCT 25 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Commissioner Hundt:

It is my understanding the Federal Communications Commission may initiate a proceeding looking to relax the Prime Time Access Rule. On behalf of WTOG-TV, I strongly urge you to retain the "off-network" portion of the rule.

The off-network rule is vitally important to WTOG-TV and is absolutely necessary to promote diversity and competition in local television markets. In fact, the off-network portion of the Prime Time Access Rule has been instrumental in creating a competitive independent television industry. It is also an essential element in the Commission's long held goal of creating new off-air television networks.

Without the off-network rule, independent stations such as WTOG-TV will have a difficult time securing the rights to top quality off-network programming to air during the access period. This in turn will have a negative impact on WTOG-TV's ability to finance programming for other dayparts, including local news and public affairs programming.

It is no secret that major changes are taking place in the broadcast industry. Mega mergers between the big three networks and major program producers appear to be on the horizon. With the big three networks poised to enter the off-network and first-run syndication market, WTOG-TV will have a difficult time obtaining the rights to programming. Eliminating the off-network rule may make it impossible. Without PTAR and the off-network portion of the rule, the American public will receive all of its programming from a few telecommunications giants. This is not in the public interest.

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Proposals to eliminate the off-network provision of PTAR will return us to a system where the three major networks can squeeze out independent producers and stifle competition from stations not affiliated with the big three networks. The Commission should not abdicate its responsibility to promote competition. Stations such as WTOG-TV deserve a chance to compete. I urge you to proceed with extreme care and retain the off-network rule.

If the FCC intends to examine this issue, it should do so in the context of a neutral Notice of Inquiry. The FCC should not proceed directly to rule making. There are too many unresolved and complex issues which have not been discussed on the record.

Sincerely,

A handwritten signature in cursive script that reads "Edward G. Aiken". The signature is written in black ink and is positioned above the printed name.

Edward G. Aiken

EGA:cja

cc: Merrill Spiegel

POST-NEWSWEEK

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G. WILLIAM RYAN
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

October 12, 1994

*Hon. Reed E. Hundt, Chairman
Federal Communications Commission
1919 M. St., N.W., Room 814
Washington, D.C. 20554*

Dear Chairman Hundt:

On behalf of Post-Newsweek Stations, Inc., I write to urge you to repeal the "off-network" provision of the prime time access rule, 47 C.F.R. § 73.658(k), and to do so promptly.

Post-Newsweek is the licensee of six network affiliated stations (ABC, CBS and NBC networks). All six of these affiliated stations are subjected to vigorous competition from affiliates of the Fox network. Those stations differ from Post-Newsweek's in only one respect: they can carry in prime time successful off-network programming from any of the three networks with which we are affiliated, while we cannot. As I am sure you are aware, there are now many markets, most notably Detroit, where Post-Newsweek has stations, where the Fox affiliate is a far stronger station than at least one or two of the other network affiliates. To continue to stack the deck in favor of these stations would clearly be arbitrary and capricious.

Compounding this injury is the fact that off-Fox network programs can be run in prime time on any station. By enhancing the market for Fox reruns, the off-network provision depresses the relative return on ABC, CBS and NBC programming, again arbitrarily injuring those networks and their affiliates.

I also urge you to reject the entreaties of others to delay this proceeding by issuing a notice of inquiry. I believe the Commission should proceed directly to a notice of proposed rulemaking. By accepting comments on the three pending petitions seeking repeal of the off-network provision (MMB File Nos. 870622A, 900418A, and 9200117A), the Commission has already compiled a record fully equivalent in scope to that which would be generated by

Hon. Reed E. Hundt, Chairman

October 12, 1994

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a notice of inquiry. At the same time, it would require the Commission (and the parties) to endure at least two full rounds of comment and lobbying at a time when both Commission and industry resources would be better devoted elsewhere. A rapid definitive resolution of this issue, by contrast, will facilitate industry planning and investment.

Thank you for your consideration.

Sincerely,



G. William Ryan

*cc: Commissioner James H. Quello
Commissioner Andrew C. Barrett
Commissioner Susan Ness
Commissioner Rachelle B. Chong
Roy J. Stewart, Chief, Mass Media Bureau
William E. Kennard, General Counsel*



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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

1001 WOOD RIDGE CENTER DRIVE
CHARLOTTE, NC 28217-1901

FAX

TO: The Honorable Reed E. Hundt DATE: 10/4/94

FROM: John M. Llewellyn RE: Prime Time Access Rule

We are transmitting a total of 2 pages, including this cover sheet. If you do not receive all pages, please call (704) 329-3650. Our fax number is (704) 357-4985.

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