

AMERICAST

- **\$9.95 for Basic Service. \$26.95 for Expanded Basic Service.**
Premium channel packages vary in price.
- **New technologies typical of the industry.**
Set-top terminal required for premium channels and pay-per-view. Service is available with or without set-top terminal.
- **60 channels on Expanded Basic Service.**
- **No proven track record of cable service in Columbus. Customer service center located out-of-state.**



Comparison above conducted for our customers in November, 1997

TIME WARNER COMMUNICATIONS

- ⊙ **\$9.95 for Basic Service. \$26.95 for Standard Service.**
Premium channel packages vary in price.
- ⊙ **Personal Command® technology, available only through Time Warner.**
Personal Command delivers a crystal clear picture, an interactive on-screen program guide, and enhanced parental control. Service is also available with or without set-top terminal.
- ⊙ **60 channels on our Standard Package,** along with many choices exclusive to Time Warner, including Animal Planet, TV Land, and WUAB. Plus, 36 digital audio channels on Music Choice.
- ⊙ **Customers like you rate us "excellent." Our service is provided locally. You also enjoy our "on-time guarantee."**
If we're late for a service appointment you get a \$20 credit, and exclusive of custom wiring, we also reconnect you for free when you relocate within our service area.

 **TIME WARNER**
COMMUNICATIONS

CLTV carves niche in local news

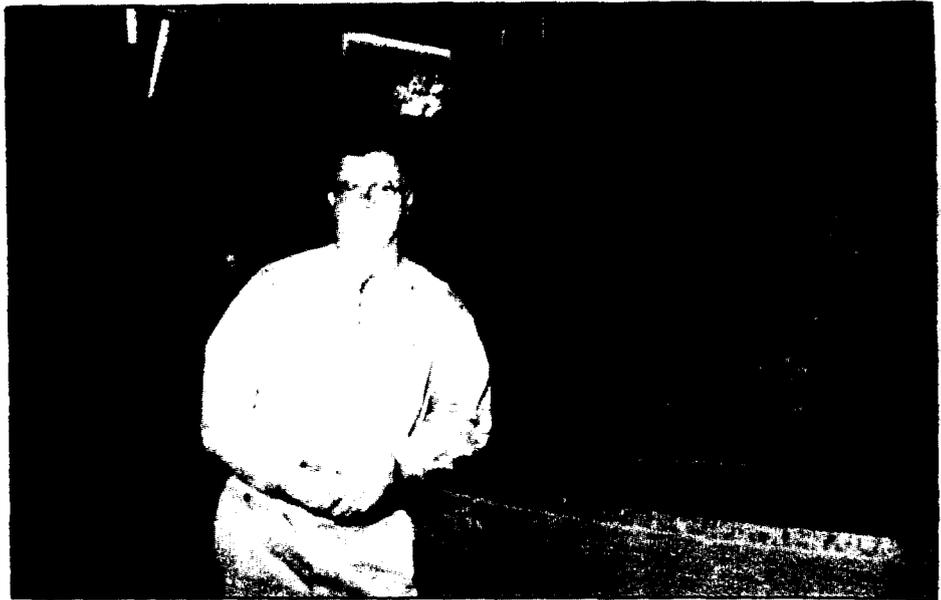
by Laura Zahn Pohl

When Frank and Shirley Capaci of Streamwood won the largest lottery payout ever, CLTV News beat the competition with news coverage, hands down.

The news desk at the Oak Brook headquarters received a tip that the winning family was at their favorite local bar. Off went a second news truck, while the competition and other CLTV staff sat at Pell Lake, Wis., where the ticket was purchased.

"We went on the air with a live interview with the family a good two hours before anyone else," said Carrie King, spokesperson for CLTV. "And we were inundated with requests from the national news networks to obtain a feed."

Those victories in the competitive news business are helping to drive the success of CLTV, a relative new-



Jim Disch, news and programming director at CLTV, stands on the news set as Melissa Ross prepares to go on air. (Photo by Dietrich Wolframm)

comer to the Chicago broadcast news scene. Based in Oak Brook and owned by the Tribune

See **CLTV**
page 35

The Business Ledger, July 1998

p-1

CLTV

Continued from page 1

Company, CLTV has become one of the largest 24-hour news channels in the country.

From its launch on New Year's Day in 1993 with 600,000 viewers, the station today reaches 1.7 million cable subscribers in the Chicago metropolitan area and northwest Indiana. That represents 100 percent of the region's cable market.

With 24-hour news programming, discussions of whether to break into a network's regular schedule are unnecessary, said Jim Disch, news director.

"There are so many events that are important to local viewers, but not the type of thing whereby the networks would break into their regular programming," said Disch. "Our sole mission is to report local news."

Events that get higher priority from CLTV might include a press conference from O'Hare International Airport or perhaps a big trade by a local sports franchise.

Disch also emphasizes the station's dedication to reporting more suburban news. "We're in Chicago every day," he said. "But there are neighborhood issues and a lot of good human interest stories in 200 suburban communities. We make an effort to get out there."

"Our sole mission is to report local news."

And if those stories need three to four minutes of time, "we allow that to happen," he continued. By comparison, a feature story will rarely command more than 90 seconds on a network or affiliate news broadcast.

However, working in an all-news environment has its challenging side for broadcast journalists, said Barbara Weeks, president and general manager of CLTV.

"It's more intense, with constant deadlines," she explained. "There are newscasts every two and a half to three hours. We produce seven newscasts a day."

The station also prides itself on local sports coverage and is building on that reputation through expanded telecasts of Chicago Cubs baseball games. Last year, CLTV broadcast 10 games; this year, it has added 52 games that WGN decided not to televise.

"The Cubs are about Chicago and

people find us and sample us, then it's worthwhile."

Some Cubs games have produced the highest ratings ever for the station, providing a solid lead-in audience for newscasts that follow.

Weeks came to the station as business manager during its first year of operation and served in that capacity until last year, when she became president. She's focusing on further strengthening the relationship between the Tribune and CLTV. The station draws on the resources of the print journalists for coverage and Tribune writers appear on broadcasts "because they add depth to what we have," said

Weeks.

CLTV employs about 140 people while the Tribune has about 150 employees based in Oak Brook, the largest suburban bureau.

Other advantages of the relationship are the programs that spin-off from Chicago Tribune sections. There's a "Jobs Plus" program on Sundays that packages career information and news from the Chicago area job market.

Among the most successful collaborations is a program called "The Good Eating Show," which has three consecutive times won a James Beard Award as the best locally produced food show. This recognition is

the industry equivalent to the motion pictures' Academy Awards.

Joint programming represents an industry trend, Weeks explained. "It's a national trend for newspapers and television to partner," she said. "There are many other examples around the country, like the Orlando Sentinel's venture with a Times Warner news channel."

These partnerships are succeeding because television viewers want more localized coverage of sports, weather, traffic and regional events.

"We touch on the national news, but we don't cover it," Weeks added. "We concentrate on more local everything."

Daily Herald

RADDOCK PUBLICATIONS

126th Year, No. 186

Saturday, April 18, 1998

10 Sections 50 Cents

TCI takes over in local cable market

Purchase gives firm 93% of Chicago market

By LORELYN RACKL
Daily Herald Staff Writer

If there was any doubt that TCI was the dominant player in the lucrative Chicago-area cable TV market, it ended Friday.

That's when Tele-Communications Inc. announced plans to take over Jones Intercable's share of cable TV franchises spanning the suburbs from Grayslake to Naperville.

Jones was the last suburban stronghold to be snapped up by Denver-based TCI, which would not disclose how much it will pay

for the dozens of Jones' franchises.

The deal should be finalized early next year, according to TCI and Jones officials.

TCI's latest move turns what used to be a Balkanized local cable market into a virtual empire, where TCI will reign supreme, but not unchallenged, thanks to competitors such as Ameritech.

TCI's blitzkrieg through the suburban landscape started just last year, when the cable giant took over U.S. Cable in the far North suburbs.

Time-Warner was next on the list,

followed by MediaOne and Multimedia in December.

When all the impending takeovers are finalized, TCI will cover an estimated 93 percent of the local cable market, with Prime Cable holding on to the remaining 7 percent in parts of Chicago.

Those numbers don't include the relatively small — but growing — portion of the cable market that belongs to Ameritech and 21st Century, which provide service in a handful of communities where customers have a choice in cable

Tracing the takeovers

In little more than a year, TCI has positioned itself to control more than 90 percent of the existing local cable TV market. Here's how it happened:

Cable company	How many customers TCI gets	When takeover announced	Scheduled completion date
U.S. Cable	75,000	April 1996	July 1997
Time-Warner	113,000	Sept. 1997	Third quarter of '98
MediaOne	360,000	Dec. 1997	Third quarter of '98
Multimedia	93,000	Dec. 1997	Third quarter of '98
Jones	255,000	Friday	Early 1999

Source: TCI



Daily Herald Graph

See CABLE on Page 7

CABLE: Jones officials say changes won't affect service

Continued from Page 1

companies.

Before TCI began its quest to consolidate the local market, it laid claim to about 495,000 customers in Chicago and the suburbs.

The cable TV heavyweight's bold series of takeovers will bolster that customer base to roughly 1.4 million subscribers, making TCI the undisputed king of the local cable market.

"Obviously the powers that be mean business in the Chicagoland market," TCI spokeswoman Terry Pfister said.

TCI's moves in this area mirror what it's been doing in other markets such as San Francisco and Seattle.

It's called "clustering," and it's become the modus operandi for cable TV companies across the country in the last two years.

"A general trend among all cable operators is consolidation," said Douglas Shapiro, analyst for Deutsche Morgan Grenfell in New York City. "TCI has sent a clear sign in the past that Chicago is a key cluster."

Consolidation makes sense for cable companies. Focusing on a few major areas rather than a slew of scattered ones makes operating and advertising easier.

Pricy upgrades on equipment to offer additional services such as high-speed Internet access and digital TV are worth it if you can sell those services to a larger audience, for example.

"And there are tremendous advertising dollars to be made by having a regional market," said Stuart Chapman, a Hoffman Estates cable consultant. "You don't have four or five operators to split those advertising dollars with anymore."

However, if there is money to be

saved and made through clustering, don't expect to see it returned to customers in the form of lower cable bills, experts warn.

"You might see a more aggressive approach in rolling out digital TV and @Home (TCI's high-speed data service)," Shapiro said. "As far as seeing a reduction in cable bills, that probably isn't very likely."

Jones General Manager Jim Hires said customers shouldn't worry that the change of hands will compromise service.

"I don't think it will at all," Hires said. "Progress will move forward regardless of who's operating it."

Indeed, Jones hasn't made much progress in beefing up its local cable systems since it put the "for sale" sign out in July 1996.

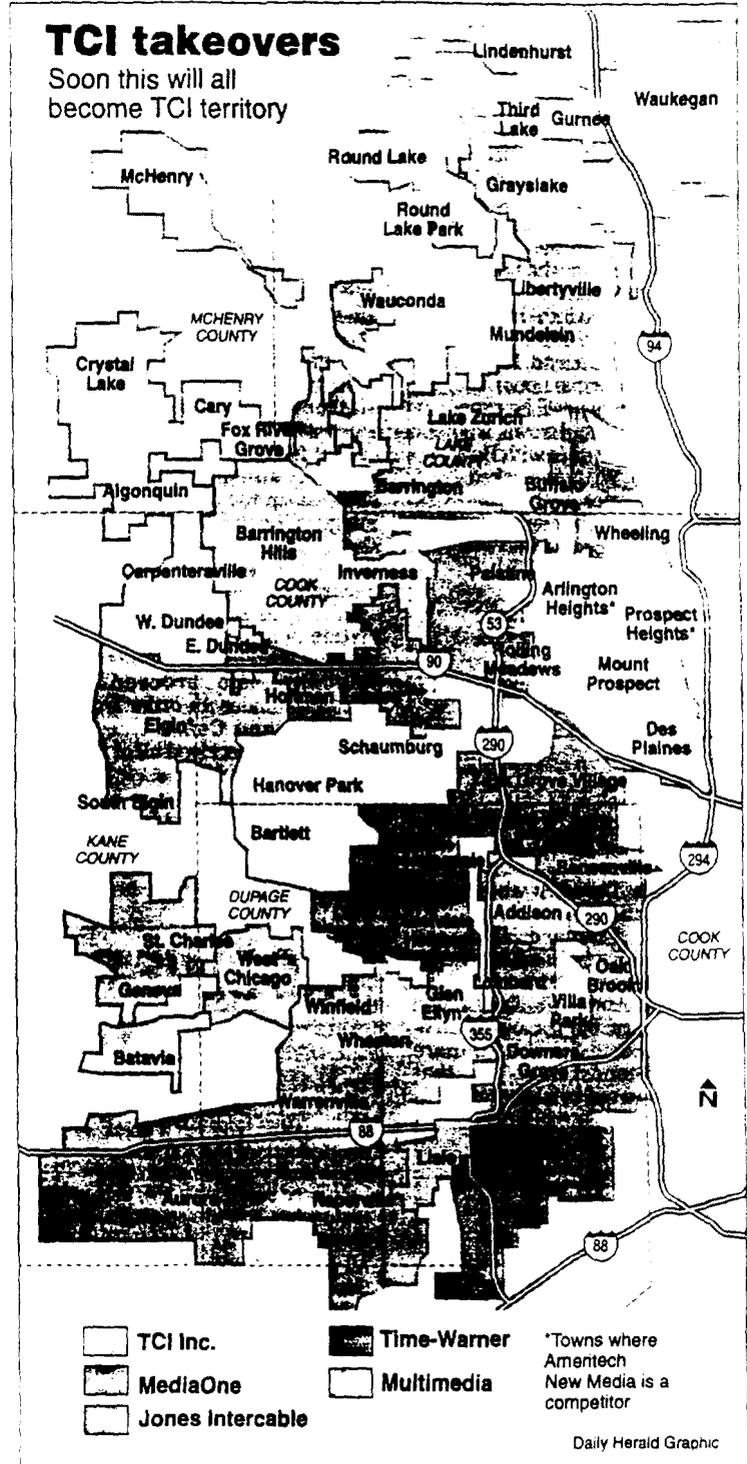
Jones has wanted to sell its local cable franchises, which are owned by partnerships Jones manages, to focus on the assets it owns and hopefully give its stock a boost.

Even though Jones hasn't been rebuilding its systems to offer more channels and services at the speed other cable companies have, its customers are generally satisfied with the status quo, say city officials in several towns which Jones now serves.

Rumblings of TCI's spotty service record in the past no doubt will leave some Jones customers worried about the future, speculated Ameritech spokesman Geoff Potter.

"Frankly, the MediaOne swap hasn't met with a lot of enthusiasm by MediaOne customers," Potter said. "This may accelerate (Jones customers') search for an alternative."

Officials in Naperville and Elgin, currently served by Jones and Ameritech, say they're will-

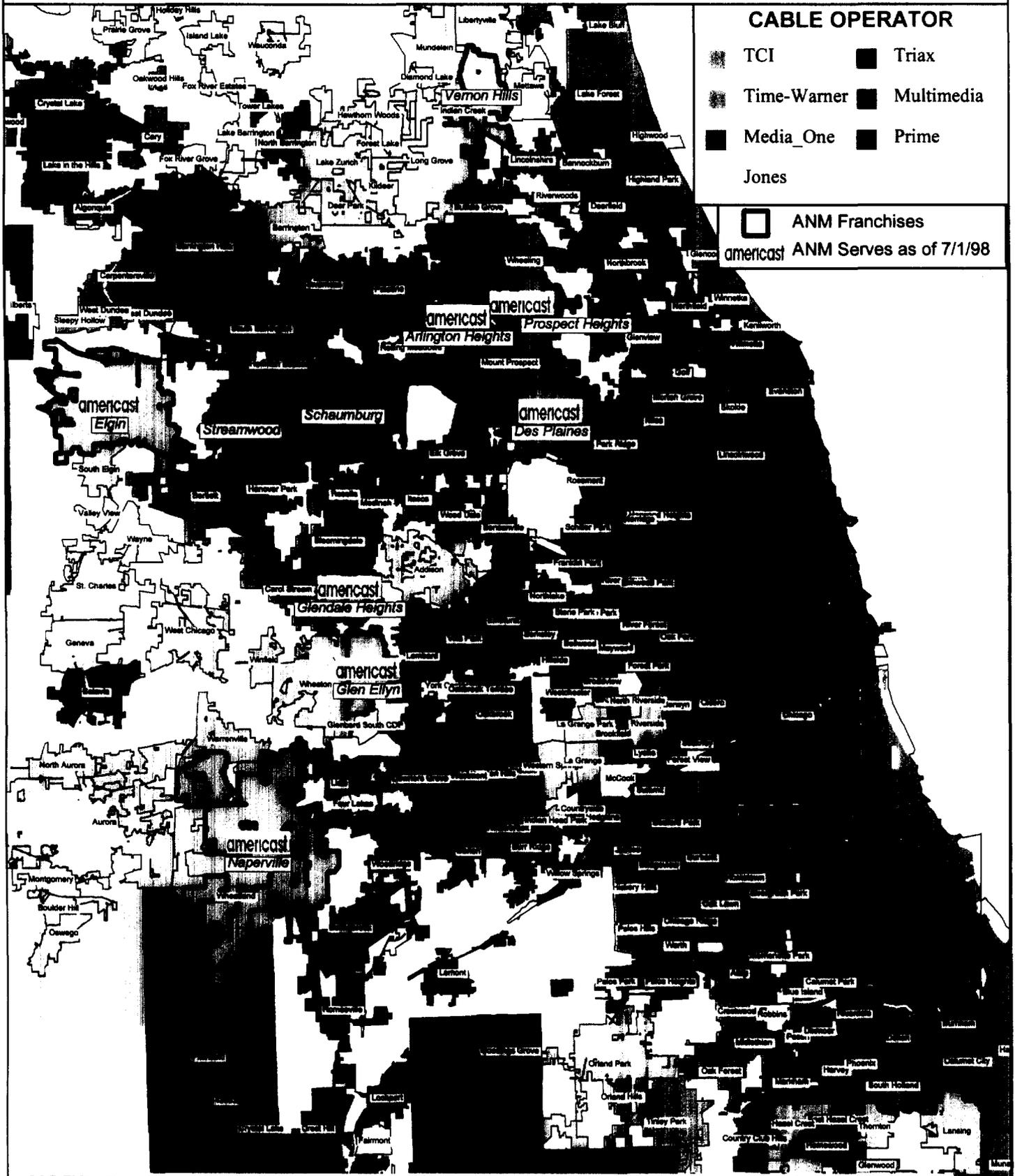


ing to keep an open mind about TCI.

"Jones has done a fairly good job — we hope TCI is as good or

better," said Eric Stuckey, who oversees Elgin's cable TV franchises. "I want to give them a chance to do the job."

Cable Competition Chicago Area



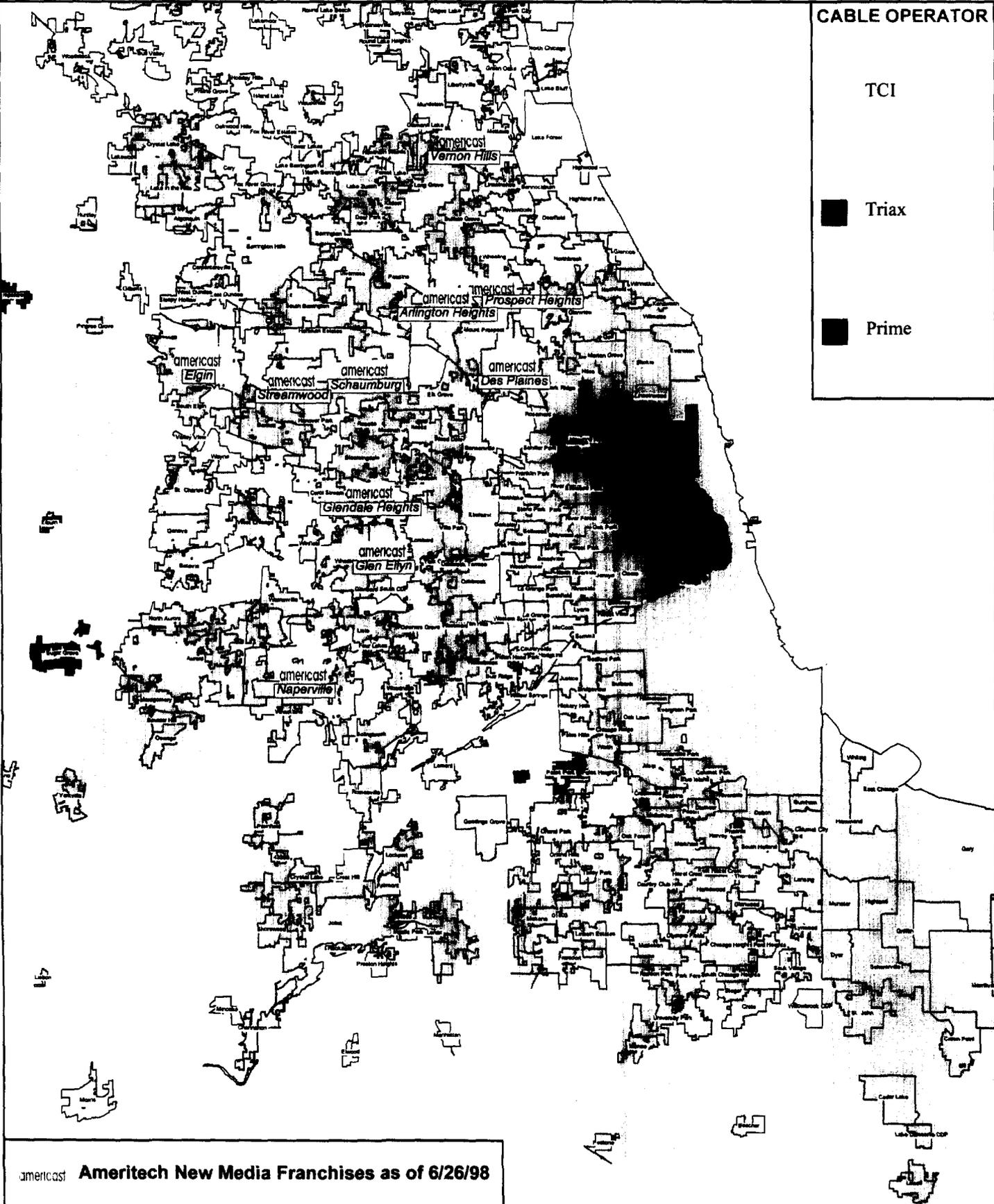
CABLE OPERATOR

-  TCI
-  Time-Warner
-  Media_One
-  Jones
-  Triax
-  Multimedia
-  Prime

 ANM Franchises
 americast ANM Serves as of 7/1/98

NOTE: Due to swaps and purchases, all Time-Warner, Media One, Jones and Multimedia systems will become TCI by 2nd Q. '99

TCI Areas in Chicago DMA After swaps/purchases with Time-Warner, Media One, Multimedia, Jones, and US Cable



americast **Ameritech New Media Franchises as of 6/26/98**

Parma Sun Post

PARMA • PARMA HEIGHTS • SEVEN HILLS

THURSDAY, JULY 23, 1998

Cable negotiations yet to start

Competition between Ameritech New Media and Cox Communications appears unlikely to begin till 2000

By **DEBBIE PALMER**
Staff Writer

PARMA — Don't look for a second cable television firm here until after the turn of the century.

Four months after officials here authorized negotiations with Ameritech New Media, those talks have yet to get under way.

And that means construction of a new cable system is — optimistically — a year away from starting.

"If we reach an agreement promptly with Parma, I would think it would be possible to begin construction in 1999," said M. Lee Graft, attorney for Ameritech.

But that would mean hammering out the agreement by fall, which some officials say is unlikely.

Parma officials said the complex nature of the talks call for the city to tread care-

fully.

"Once we set this, it will determine how they operate for the next 10 years," Assistant Law Director Robert Coury said.

Coury said the Law Department is in the process of hiring an expert consultant to help guide the talks and draft a franchise agreement.

"We can't do this without having help on board," he said.

City Council in March authorized the negotiations with Ameritech New Media, which has sought to build a cable TV system here to compete with Cox Communications.

But Coury said Parma has yet to iron out dozens of details. A piece of legislation now in committee sets a standard cable TV agreement, but Coury said council has to modify the agreement to fit the specifics of Parma — including making sure the playing field is level for Ameritech and Cox.

Council this week started a six-week summer break. Regular meetings will not resume until September.

Graft said engineering for a cable system generally takes six or eight months after a contract is awarded. That means that even if a deal is hashed out by the end of the year, cable would not be strung until at least next summer and the first homes wouldn't go on line until about 2000.

Ward 7 Councilman John Stover said the result will be worth the wait.

"Cox has told us they want a level playing field, but we also need a level playing field for consumers to give them a viable alternative," Stover said.

New Media is marketing a state-of-the-art cable system in Cleveland's suburbs, offering an alternative to Cox Communications and Cablevision. The company, a subsidiary of Ameritech, is offering a basic package of about 62 channels, an express-movie option and the potential for two-way interactive services.

New Media has systems already running in Berea, North Olmsted and Fairview Park. Construction is under way in Middleburg Heights and Westlake, and ready to start in North Royalton, Graft said.

The company is currently in negotiations with several other Cleveland area communities, including Parma Heights.

But Graft said the company isn't too busy to talk to Parma.

"We're ready, willing and able to start," he said.

Parma was among the first Cleveland-area cities wooed by New Media in 1996, but council halted talks because of a dispute with parent company Ameritech over area codes. Parma officials, irate over plans to split the city between 440 and 216 area codes, refused to do cable business with the company, which took its offer to other communities.

Parma officials earlier this year swallowed their grievances and authorized new talks with New Media, saying they believe cable subscribers will benefit from competition.

But Cox General Manager Ron Hammaker has said any benefits — those include price breaks and special discounts — would be temporary. He said it is unlikely any community can support two cable firms, which generally need to sign up 60 percent of the households to stay afloat.

Instead, only one of the firms will survive, and only the services required in that firm's franchise agreement will be offered to residents, he said.

Hammaker has said he believes Cox, which currently serves about 72 percent of Parma households, can withstand the competition as long as New Media is not given a competitive edge. He has urged city officials to require New Media to provide the same services as Cox.

Cox, for example, is required to have a business office and production studio in Parma and to provide a free institutional network for the schools.