

Why it didn't work

1. "It"

- Original plan
- Transition team report
- Transition
- Timing

2. Political

- had to deal w/ Congress w/ other signs etc
- don't shift until you know what you're shifting to
- uncertain in words & actions about Bush's political direction

3. Organizational

- inheriting a staff
- rising of power / will in the organization
- lack of a highly intellectual / talented core of people

4. Psychological / Personal

- Fear about being II
- Competitiveness

TV stations (1972)

	VHF	UHF	Σ
commercial	461	163	624
public	130	91	221
	<u>620</u>	<u>264</u>	<u>884</u>

(1972) Finances (millions)

	Exp	Rev	profit
3 Nets	1385	1598	214
Other	1242	1581	338
	<u>2627</u>	<u>3179</u>	<u>552</u>

(1971) Adver spend.

	# bil	1972
TV	3.6	4.1
Newsp	6.2	7.0
Mag	1.4	1.5
Radio	1.4	1.5
Direct mail	3.0	3.4
Other	5.0	5.6
	<u>20.6</u>	<u>23.1</u>

Households 68 million total } 66 million w/TV
 96% w/TV } 40 million w/ 200 more.

III Audiences

- some more valuable than others
- demographics & pref for ~~potential~~ ^{potential} consumers of mass products.
- 18-49 ^{middle class} ~~middle class~~ ^{early adv on TV}
- product differentiations + brand identity
- ~~cars, cars, cigarettes, gasoline~~
- ~~alcohol, cereals, coffee~~
- ~~tennis rackets~~
- ~~brief cases~~
- ~~luggage~~
- ~~furniture~~
- intensity of pref for show not very important
- e.g. Lawrence Welk + ABC
- could have gotten Geritol etc sponsors but hurts overall sched
- Emphasis on what people will watch; not what want
- Watched choice, 2 factors {
 - least objectionable program
 - overall sched not drive people away

1.7

66 million $\frac{1}{2}$ on = 33 million
 @ 30% avg per net = 10 million homes/net

10m + 6m premium = 16m total and

$$\frac{\$95K + 15K \text{ rev}}{16 \text{ mill}} = \frac{\$110}{16} = \frac{\$6.875}{\text{house/half hr.}}$$

1.5¢/home/hr.
 + admin costs

rev: \$2/~~hour~~ M for 30 sec commercial
 12 comm/ hr.
 2.4¢ rev/hr. ^{+ also comm.}
 less fees to affil, ~~to~~ @ 0.7¢
 leaves 1.7¢/hr.
 less admin cost .2¢
 leaves 1.5¢ per hour/hr cost.

Mkt size	% TV households	cum	NYC
1-10	34	34	Pittsburgh
11-20	12	46	Tampa/St. Petersburg
21-30	9	55	Nashville
31-40	7	62	Greenville/Spartanburg
41-50	6	68	San Antonio Asheville

Advertisers 1972	millions	network ad
P&G	116	
Amer Home Prod	61	
Stirling Drug	56	
Bruid - Myers	56	
General Foods	51	
Ford	50	
GM	39	
Wm W Lambert	37	
Seam	36	
Gillette	36	
	<u>538</u>	or 13% of total TV ads

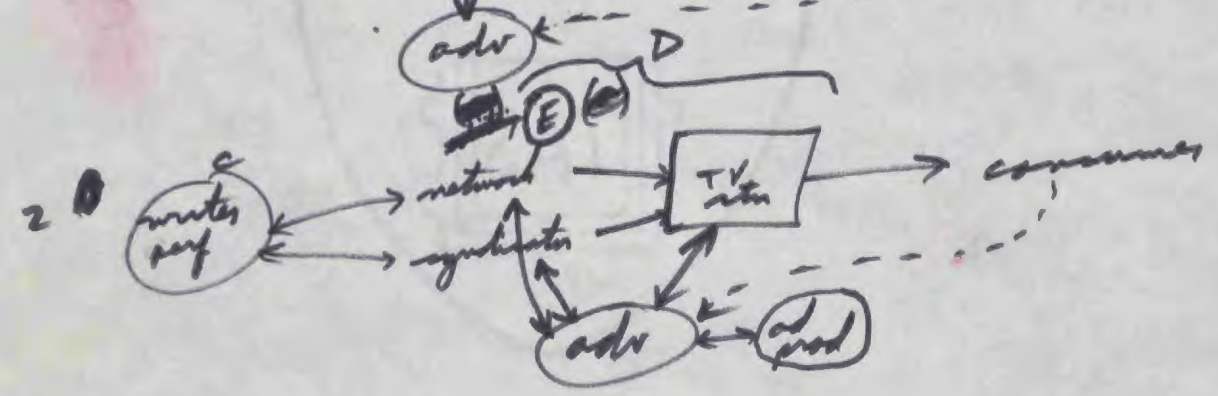
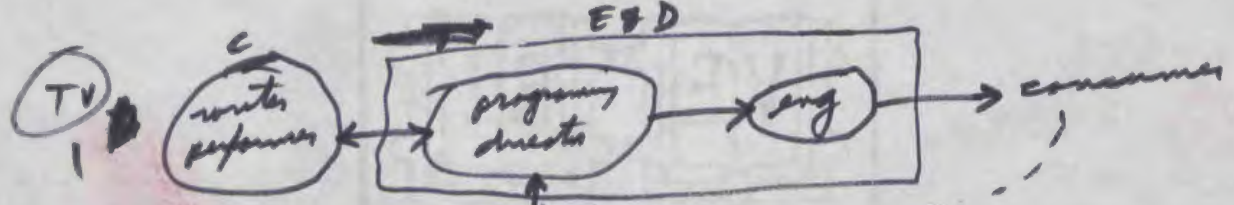
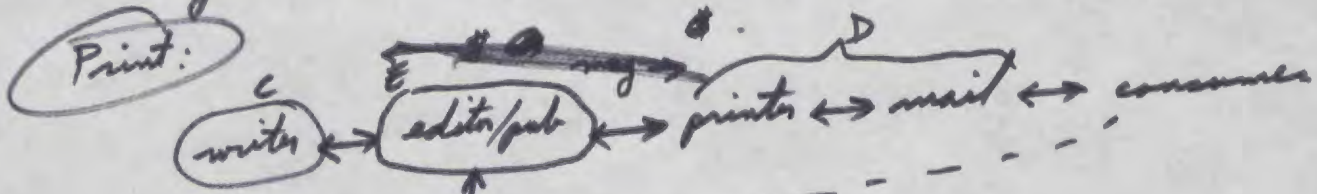
1973 Ad agencies	\$ million
J. Walter Thompson	197
Lee Burnett	180
BBDO	160
Young & Rubicam	153
Ted Bates	146

TV as a business

I. The functions of the mass media

Services: Entertainment, ~~info~~ ^{news etc}, advertising; messages
~~Structure: creat~~
 Messages: creation, editing, distribution

forum if you can get success.



II. What is bought & sold?

- shows?
- ads?
- time?
- audiences?

→ audiences assembled by net/TV stn + sold to ads.
 currency is cost/per thousand
 [popular shows ⇒ higher ad cost ⇒ more \$/prod]
 Broadcasters max LR profit = rev less cost
 Show (shed) is ~~cost on~~ ^{made} for ad pitch
 serves to attract audience ⇒ importance of ratings!
 Some audiences more valuable than others

1973-74

Producers

— % prime time series sales

Universal	22	(NBC)
Warner Bros	6	
Paramount	10	
Genie Martin	5	(ABC)
Screen Gems	5	(NBC)
MGM	4	(ABC)
20th Cent Fox		

CBS → small
indy,
packages.

Program costs

pilot 1/2 hr

New Equipment 1/2 hr.

1960

72K

49K

1968

200K

87K

Notes: typically \$1.5 million prodn cost
 rental for \$350K — \$750K for 2 showings
 replace 2 hrs of series @ \$400K
 usually better talent, better anchoring pull

~~Casts~~
~~Audience~~

Why only 3 nets ?

VI etc.



Public trustee, periodic license review,
"public interest" standard

1. Preferred programming & percentages
2. Fairness obligation a. ^{affirmative} requirement b. reasonable balance & equity
3. Prime time rule
4. Raised eyebrows { ^{telem radio} _{children violence}
5. Renewal standard a. performance b. ascertainment
6. Petitions to deny - schick for excess.
7. Outlets a. limit to annual profit for 1, 2, b. open up on general principle

Thesis: more regulation for public's benefit
produces more govt control of
programming.

Thesis: the broadcast industry, particularly
the networks control the FCC

Options

Fairness Doctrine

1. Continued case-by-case enforcement
2. Poling
- ✓ 3. Pattern enforcement at LR time
- * 4. Abolish
5. Access

Preferred programming

1. Continued pressure & proliferation
2. Percentages
3. Geller-like percentages { ^{local} ~~news~~ _{public service}
- * ✓ 4. Abandon

Renewal standard

1. Continued vague
2. Percentages
- ✓ 3. Fairness pattern
- * ✓ 4. Ascertainment
5. All of the above

Outlets

1. Limit as present
2. VHF drop-ins

Networking

1. Privois rule
2. Prohibit ownership of production facilities
3. Prohibit exclusive affiliation agreements
4. Limit hours per day or week or month
5. Make network interconnect common carriers
6. No restrictions

- ✓ 1. General discussion of history
- (4*) ✓ 2. TV industry structure: functions, orgn, econ, politics
- ✓ ^{clear} → 3. How program decisions are made ^{25%}
- x → 4. The character of the industry ²¹
5. Sources of discontent + challenges to the industry
6. TV regulation today + how it evolved
7. Is it press?
8. Alternatives: cable, satellites, + public broadcasting
9. The public policy options
10. The public policy choices
11. Phil: Govt, media, + public in electronic society.

Michael Parkyn
 7:00 Tues.

1. { General
History of FA; radio reg; advent of TV or radio w/ picture
2. Industry structure: ~~theory~~ ^{concepts} & fact

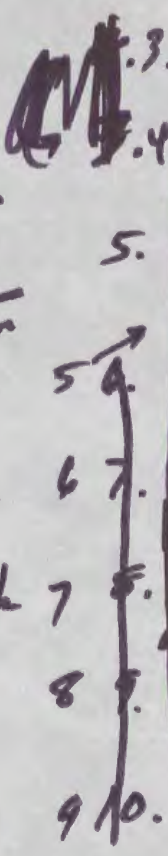
Blair
Goldberg
Guth
Robinson

Cyolop
Lee Brown
Guth

Cyolop
Goldman

HRSmith
Goldberg

Moynihan



3. How program drama are made - the economics & politics
4. TV reg policy today & how it evolved; other countries
5. ~~The character of the industry~~
The character of the industry
~~in other countries; public broadcasting~~
6. Sources of discontent & challenges
7. Cable & other new technologies; public broadcasting
8. ~~Is it press?~~ Is it press?
9. The components of public policy choices ^{options}
10. ~~TV regulation & democracy~~ Public policy choices
11. Govt, radio, public in electronic society.

Moynihan
Farrandly

1. General comments

- Format: $\frac{1}{2}$ hr presentation
+ ~~topic~~ $\frac{1}{2}$ hr quest
~~topic~~ 1- $\frac{1}{2}$ hr discussion

- CTW as resource, chairman

- informal but structured

- emphasis on understanding industry + governmental processes - why they do what they do.

- reading list from time - time or handouts (optional)

2. Office hours Tuesdays 1-3:30 (probably)

3. Optional discussion session

- limited to 10-12

- ~~topic~~ reading req'd.

- time to be set

4. General outline & sequence

Gen
off-meeting

1. The First Amendment

17th Milton ^{17th century} et al: freedom to inquire etc as
concomitant of self-govt

18th England: licensing of ^{printing presses} newspapers & sedition
press free, but not too free as press prolifer.
Blackstone's quote:

US: John Peter Zenger & the Gov of NY
"Seditious libel" < Kings or Governors
off on a technicality

US 18th Press freedom often won in public opinion not phil or law.
{ need for rationale for what they were doing
-> phil of free press & outlet of ideas

1798 Sedition Act - convictions, pardon by Jefferson, repeal.
Madison: concept: post facto prosecution makes
mockery of law or prior restraint

Free press: partly selfish, partly for people's protection

Radio broadcasting: AT&T as common carrier; public service w/
occasional ads.

1927 Radio Act } debates : public ownership of spectrum
1934 Comm Act } "setting prior rights: no ownership"
common carrier
prohibition on ads
public int, court & need
affirm determ of other
affirm
Congress determ of ownership