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## Let's Make a Deal: The New Fall Schedule

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Coming soon to a television channel near you: the best shows the networks can find -- as long as the deal is right.

The new fall television season was announced last week in four hectic days of presentations by four networks and two would-be networks. And amid all the promises of fresh, exciting programs was one truly new development: Never before have prime-time network schedules been so dependent on what deal a network was able to strike to maximize its potential profit.

And never before have networks gone to such lengths to squeeze program suppliers to get what they wanted.

Making offers no production company could refuse, NBC renewed a comedy it would otherwise have canceled after the producer gave up a piece of the action; Fox leaned on an independent production company to make 20th Century Fox Television a partner so as to beat out a competing comedy for the last spot on Fox's schedule, and ABC forced every program supplier to accept a lower price for their shows than the one originally agreed upon.

"This week was all about deal-making," the head of a Hollywood television studio said during one of the many receptions that came after a network schedule announcement. "If you had a show that somebody liked, you'd better also be willing to make a deal to get it on the air."

Network programmers clearly made their show selections this year with one eye on pilot episodes and the other on a balance sheet. With three networks -- Fox, CBS and ABC -- all committed to paying enormously higher prices for National Football League games next fall, and with hit shows like "E.R." setting records for the licensing fees the networks must pay, the pressure to find new ways to take in revenue and cut costs is all consuming.

Executives from Hollywood production companies said in interviews over the last week that the networks decided to extract concessions from program suppliers using the most effective leverage they have: space on their prime-time schedules.

"Leverage counts for everything now," said Tony Jonas, head of the Warner Brothers Television studio. He noted that Warner Brothers sent a shock wave through the industry in January when it concluded its new deal for "E.R."

NBC, acutely aware that it would lose its biggest comedy program, "Seinfeld," next season, could not face the threat that its biggest drama, "E.R.," might also disappear by jumping to another network after a four-year run. NBC agreed to raise the fee it pays to Warner Brothers for the show to a staggering \$13 million an episode from \$2 million.

"Our deal for 'E.R.' got everybody's attention," Jonas said. "So this spring the leverage is going back the other way."

The leverage is a byproduct of the still unmatched value of being on a network prime-time schedule.

Even though much is made of the diminished power of the networks, they are still perceived as virtually the only place to introduce a national hit television series. And hit television series are highly prized assets whose reruns can be sold for tens of millions of dollars.

In putting together their new schedules, the networks were also looking to take as much advantage as possible of their freedom from the old financial-interest and syndication rules that limited the number of programs in which they could take an ownership position.

Taken together, these factors resulted in moves intended to drive as much money as possible to the networks' bottom lines.

Programs made it onto network schedules at the last minute when their production studios agreed to cut networks in on the shows' future profits. At NBC, the comedy "News Radio" was facing cancellation until its production company agreed to give NBC a stake in future syndication revenue. That got the series back onto Wednesday night at 9:30.

At CBS, "Martial Law," a new program about a Hong Kong police officer kicking his way through Los Angeles crime, unexpectedly won a place on Saturday night at 9; it is a co-production of 20th Century Fox Television and CBS Productions.

And at Fox, a comedy called "Living in Captivity" won a showdown with another series, "The Dave Chappelle Show," for the last spot on the network's schedule when the former's production company, Shukovky-English Entertainment, agreed to a last-minute union with the network's production studio.

The new schedules are dominated by programs at least partly owned by the network that is broadcasting them. CBS, whose entertainment chief, Leslie Moonves, formerly ran the production studio at Warner Brothers, put a heavy emphasis on generating programs from its own production team and came up with six new entries among the seven the network will put on in the fall. NBC added eight shows and owns part of five of them.

That kind of arithmetic is causing studio chiefs and independent producers to fear that getting on a network's schedule will more and more depend on letting the network get a piece of the future syndication revenue. "If you have a marginal show," Jonas said, "they're going to get a piece."

The networks cut the prices they would pay to studios for some programs by threatening not to run them. ABC went back to producers just before announcing its schedule, saying that programs would not win a spot on the schedule unless the license fee that was previously agreed to was cut. Production companies were furious, but all agreed. (A senior executive from a competing network said ABC was only getting out from under foolishly large fees it had originally agreed to pay.)

Extra years were added to network contracts on some programs so the networks could at least delay the renewal deal-making that resulted in the escalation of costs for "E.R." Again, ABC pushed this issue, stretching what had been the usual four-year licensing deals to five and even six years in some cases.

And networks filled their schedules with more nonentertainment programming -- mostly news magazines and so-called reality shows -- than ever before. NBC has five hours of news magazines and one hour of unspecified reality specials. Fox devotes Friday night to reality

shows, headed by "Cops," and is still providing an hour each week of compilations of video footage in the "World's Wildest Police Videos." These programs are cheaper to produce than others and are usually owned by the networks.

Beyond all the other worries about profit, some industry executives also expressed concern that the advertising marketplace for fall programs could tighten up this year under a relentless assault from cable channels, which have been trying to capture some portion of the network advertising budgets.

The concern over this possible drain to cable was obvious in the presentations at NBC, ABC and CBS, all of which used the same pitch to advertising executives: Cable still means low-rent programming, symbolized by the heavy quotient of wrestling shows among their most popular programs. NBC told advertisers not to buy cable time unless they wanted to see their products identified with "the Gorgeous George network."

The networks' attempt to denigrate cable for its paucity of successful entertainment programs was one more indication that the broadcasters are bent on protecting their territory. That was essentially the theme of the week's prime-time schedule announcements.

"We've got networks trying to find revenue streams everywhere," said Alan Berger, executive vice president of ICM talent agency. "They're talking to advertisers, to studios, to their affiliates, anywhere they can, to try to find a partner on shows because the costs keep going up and up. What's going to be next? Product placement? I can just see it: 'It's Alaskan Airways Frasier. Fly to Seattle this weekend.' Maybe that's the next step."