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Raycom takes over Katz sports rights

Former Katz head, Fred Botwinik, forms own TV syndication firm

Raycom Sports has acquired the television rights to a number of sporting events formerly owned by Katz Sports, which has ceased to function as a sports syndicator. It was simultaneously announced that Fred Botwinik, former president and chief executive officer at Katz Sports, has formed Telstar Communications to syndicate television sports and entertainment.

In forming Telstar, Botwinik took with him three former Katz executives who will perform the same function for the new company that they did for the old. Pat Garvey will be senior vice president and general manager; Greg Gush will be executive vice president and director of sales, and Terry Reed will be vice president and director of creative services.

Reed said that Botwinik had entered a partnership in forming Telstar with "key people in broadcasting" she refused to name.

Telstar acquired the rights over two years to Notre Dame basketball and football, as well as Boston College, Pittsburgh and Syracuse football. Terms of distribution of the games are barter. Telstar refused to disclose the advertising split.

Said Lucille Luongo, a corporate spokesman for Katz, Katz Sports "was an experiment, and it didn't work." Reports that Katz left the sports business because of conflicts of interest between the Katz Communications, the rep firm, and the division selling sports programming, were confirmed by Katz.

According to one source familiar with the problem, conflicts developed when a Katz station turned down a program offering from Katz Sports, only to express indignation when the same program turned up on one of its competitors with higher ratings.

It was also reported that in the sports offerings, member stations were not signing

up for a large stock of the sport arm's offered games, leaving it with a number that were not distributed widely enough to turn a profit. Another conflict cited by one source familiar with sports syndication was the problem Katz Sports presented in offering programming that would require network affiliates to pre-empt their own network's sports programming, thus placing a station between a network and its rep firm.

All BROADCASTING contacts agreed that the abundance of college sports offerings last year brought down advertising prices in the marketplace. Katz Sports' decreasing profit margin was said to be an outgrowth of this.

Raycom has become the largest distributor of sports programming in the country now that it has acquired the Katz properties, according to Raycom vice president, Ken Haines. The properties acquired are the Kickoff Classic, Liberty Bowl, University of Miami football, Pacific Coast Athletic Association basketball and Big 8 basketball. In addition to already owning the rights to Atlantic Coast Conference basketball, Southwest Conference basketball and football and Big 8 football, Raycom recently acquired the rights to Metro Conference basketball in a five-year deal.

Haines said that following the Supreme Court decision that allows universities and colleges to negotiate television rights for themselves, syndicators often engaged in "upfront commitments that were difficult to fulfill." Previously, the NCAA and CFA negotiated the rights for members.

"A lot of people thought there was more money to be made than there is, and some companies made commitments that were difficult to fulfill," said Haines in reference to the number of sports syndicators that have gone out of business. Raycom commonly engages in "revenue-sharing" barter agreements instead of using upfront commitments in distributing games. □