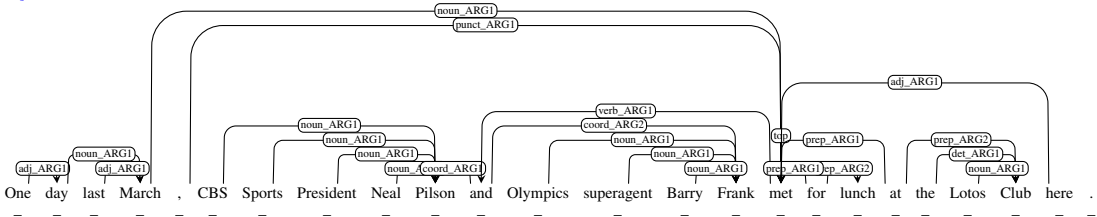
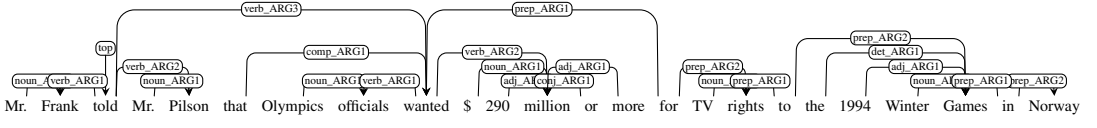


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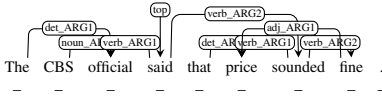
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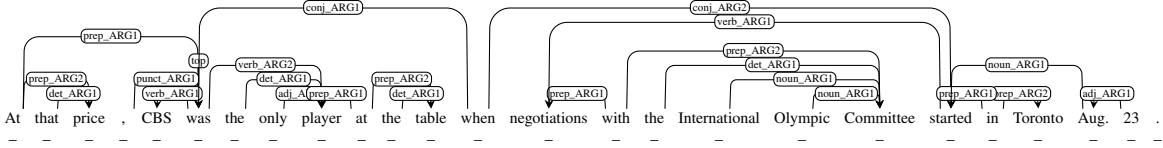
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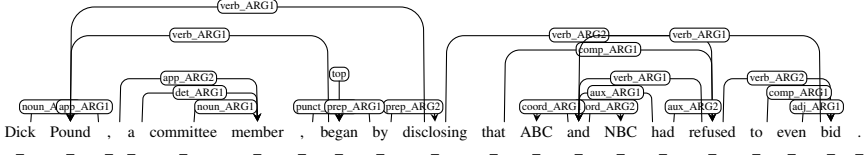
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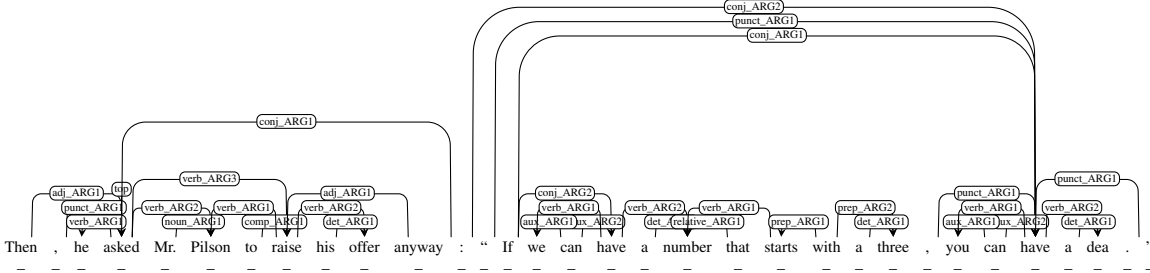
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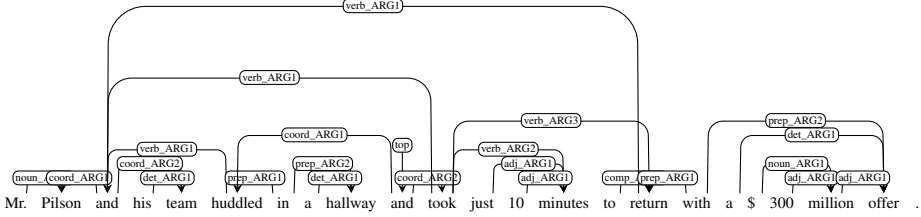
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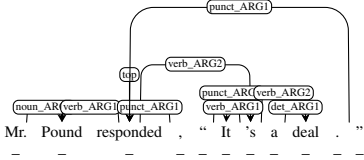
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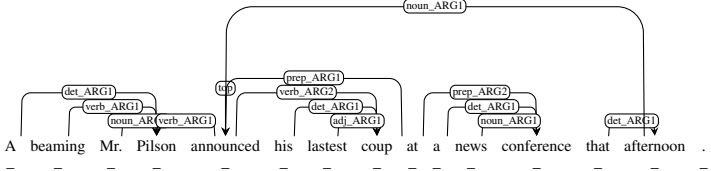
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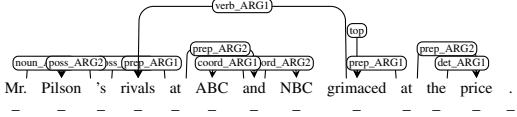
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[21057009]



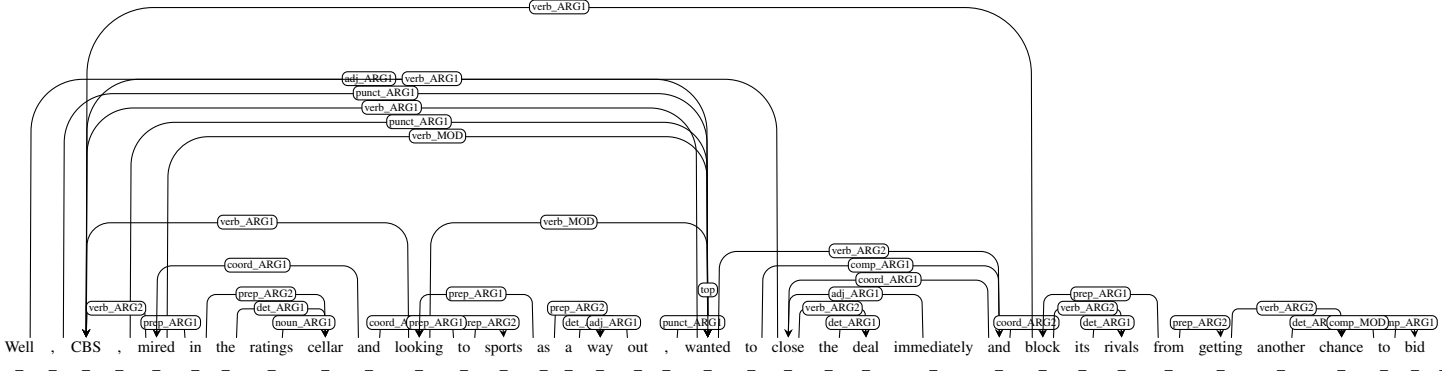
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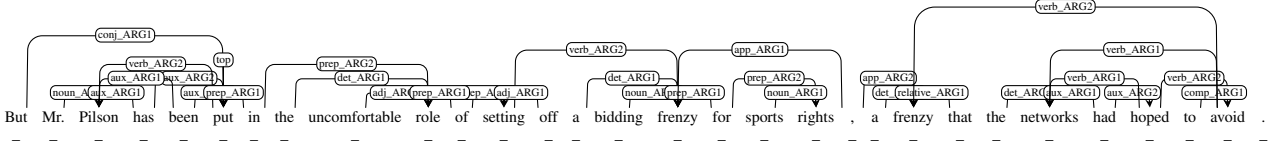
[21057011]



[21057012]



[21057013]



[21057014]

"The price of poker has gone up," crows Charles M. Neinas, the College Football Association's executive director.

With CBS Inc. on a spending spree that may top \$ 2.5 billion for four years of major sports events, the new bout of hyperinflation could jolt the entire broadcast business.

CBS itself could run up losses of a few hundred million dollars on four years of various sports if its big gamble goes wrong.

ABC, a unit of Capital Cities/ABC Inc., and General Electric Co.'s National Broadcasting Co. also risk losses if they outbid CBS for other contracts.

While rights fees head skyward, ad rates won't.

Advertisers already are balking at higher prices.

"The networks are paying too much for rights," warns adman Paul Isaccson of Young & Rubicam.

"If they ask advertisers to absorb the costs, they're likely to lose all but a few who need sports, above all."

Viewers may not be cheering, either.

Soaring rights fees will lead to an even greater clutter of commercials.

At the same time, some sports events will move off "free" television and onto cable or pay-cable, where half the nation's TV homes can't see them.

CBS has changed the rules by throwing out the old basis for sports bids -- that is, can the network alone make a profit on it?

Mr. Pilson emphasizes the ancillary benefits of positive press, contented affiliate stations, enthusiastic advertisers and huge audiences that might stick around to watch other CBS programs when the game is over.

[21057027]

The billion-dollar question is , How much are those benefits worth ?

[21057028]

Some TV people doubt they will materialize and argue that even if they do , they wo n't offset the multimillion-dollar deficits that CBS could run up .

[21057029]

" As we 've seen in the '80s , " says Roger Werner , the president of the ESPN sports channel , " those deals can turn sour if the numbers do n't work .

[21057030]

And three years later , in a sea of red ink , the heroes can find themselves with a lot of explaining to do . "

[21057031]

CBS pursues top sports " to belie the fact that they are n't supporting affiliates , viewers and advertisers , " charges Thomas H. Wyman , who was ousted as chairman of CBS Inc. after Laurence A. Tisch bought a 24.9 % stake in the company and took over three years ago .

[21057032]

" They lost the entertainment crown , and they needed one .

[21057033]

And they 've bought one . "

[21057034]

On just three big deals - for four years of baseball and for the Olympic Winter Games in both 1992 and 1994 - Pilson bid a total of \$ 1.64 billion .

[21057035]

That 's well over half a billion dollars more than ABC and NBC were willing to pay .

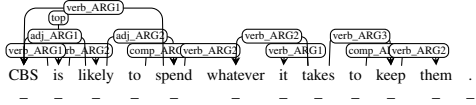
[21057036]

(After 1992 , the winter and summer Olympics will be held two years apart , with the revised schedule beginning with the winter games in 1994 and the summer games in 1996 .)

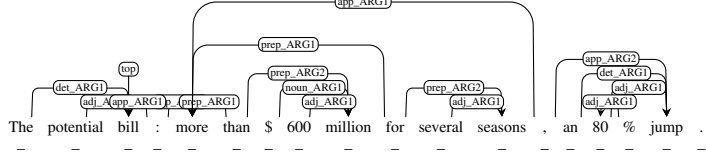
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Next month , talks will begin on two coveted CBS contracts , for the pro and college basketball finals .

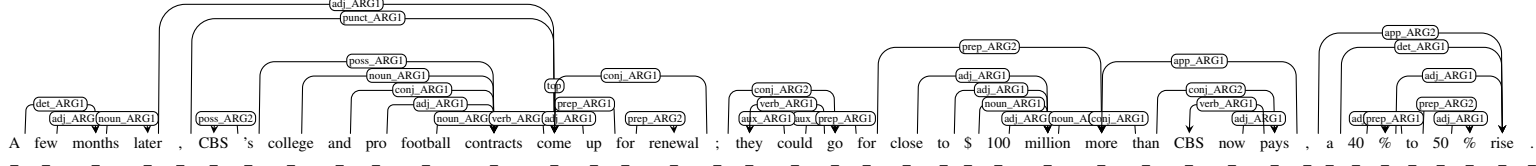
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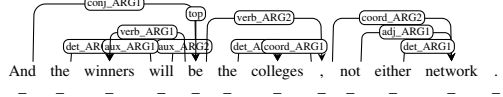
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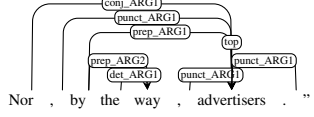
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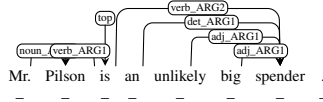
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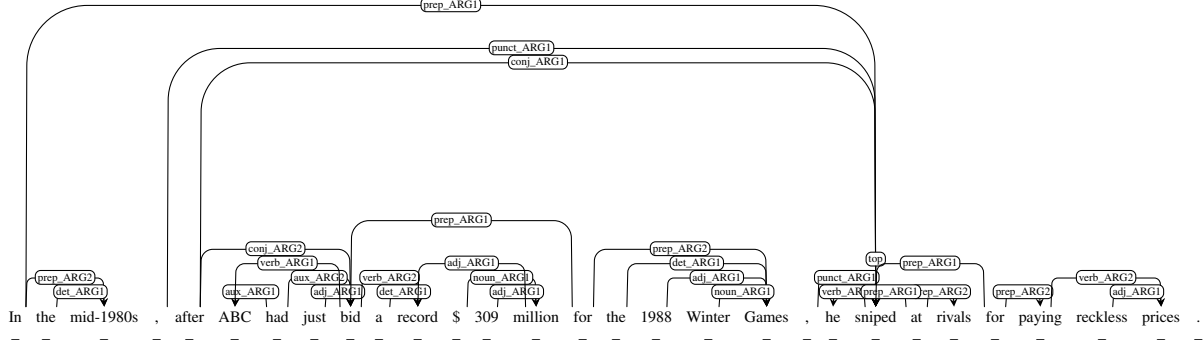
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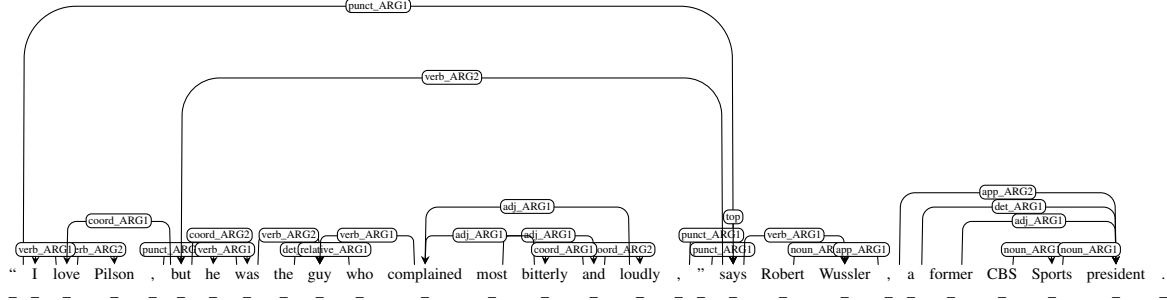
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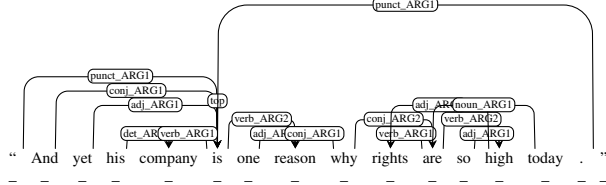
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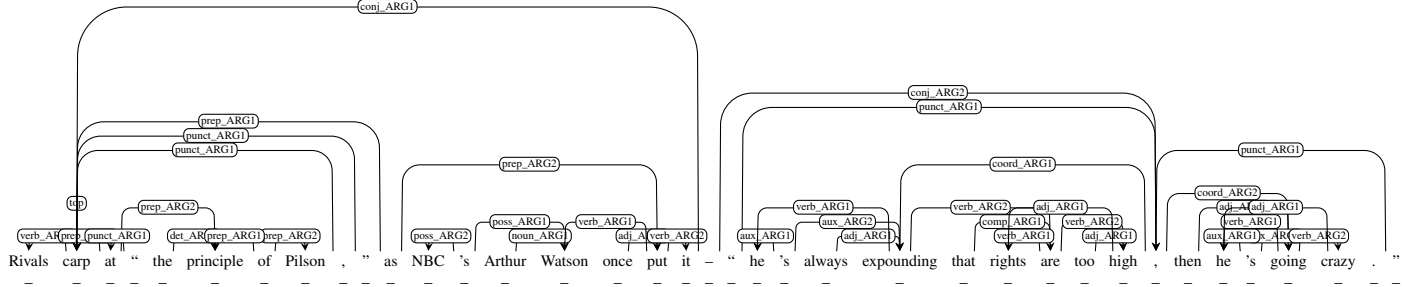
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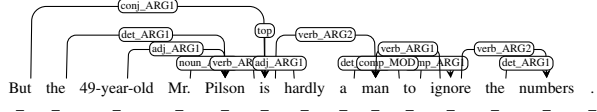
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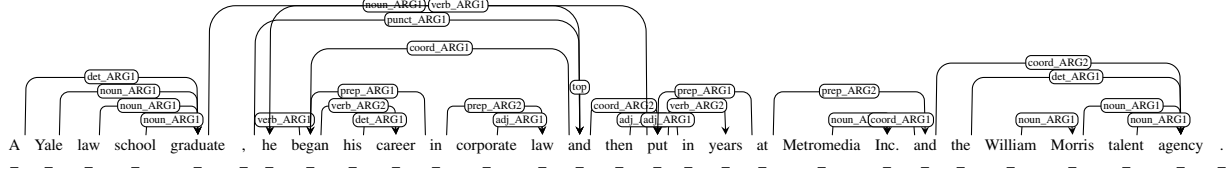
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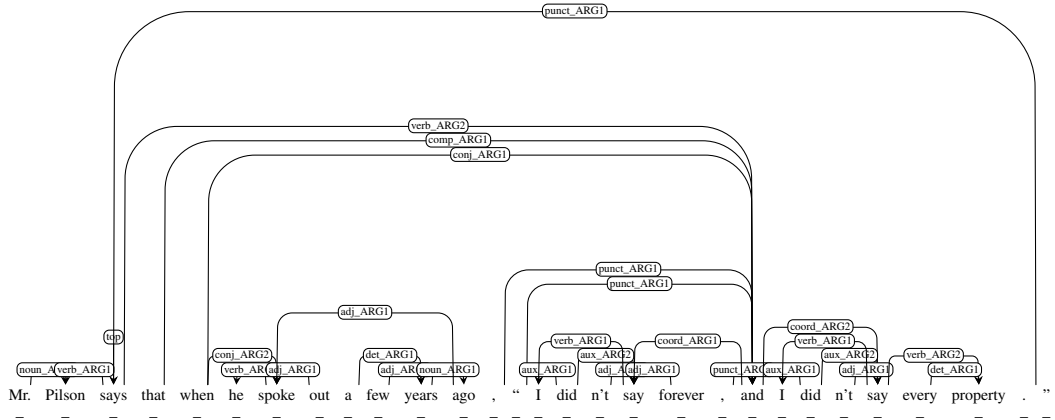
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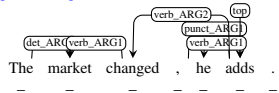
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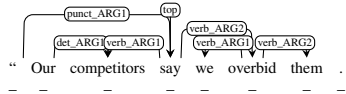
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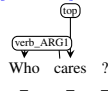
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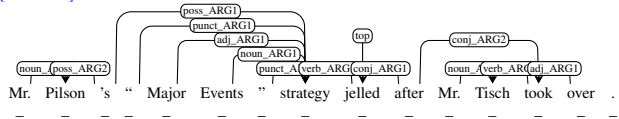
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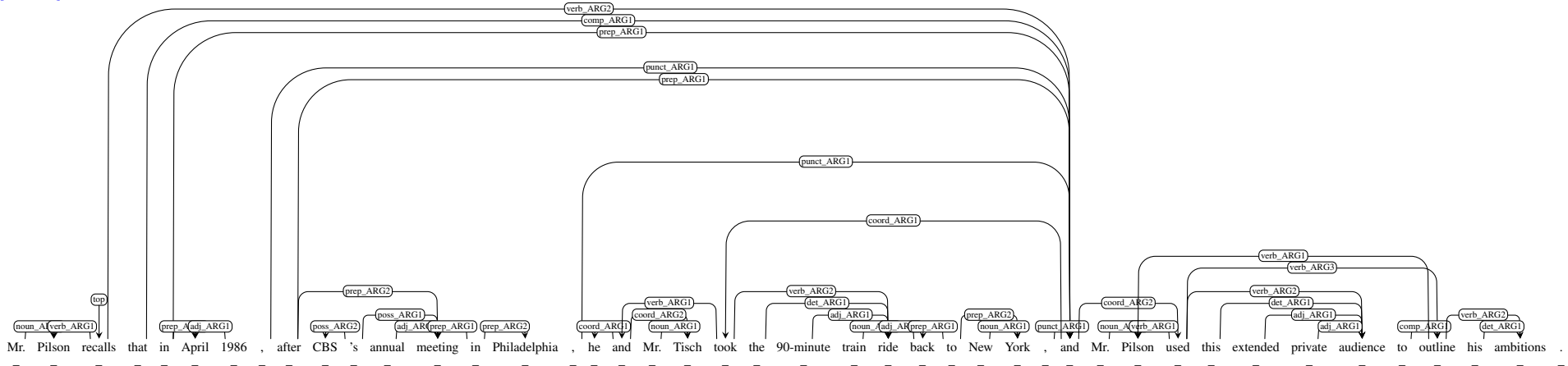
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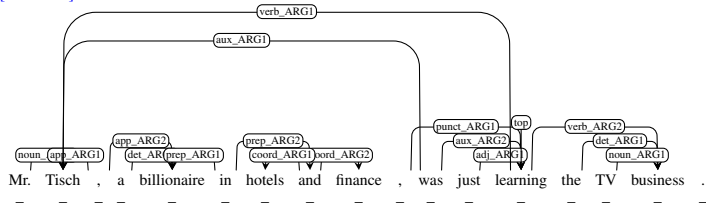
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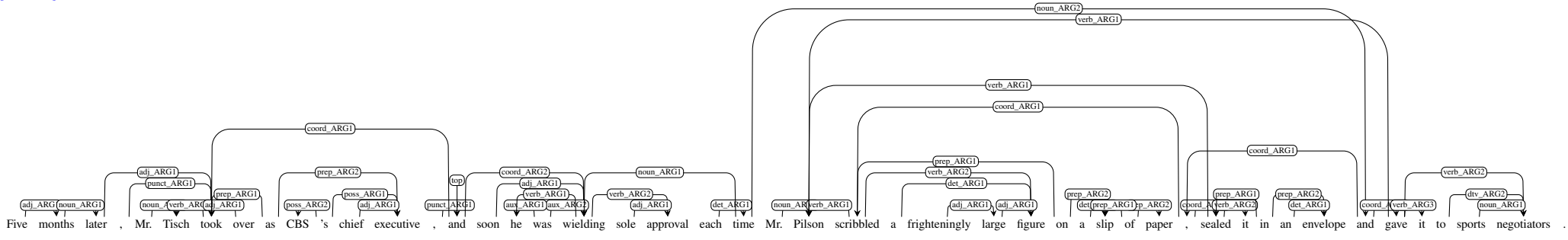
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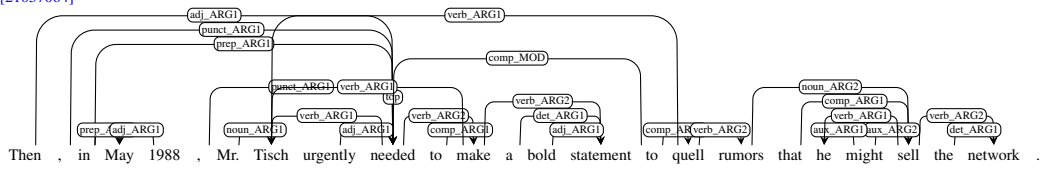
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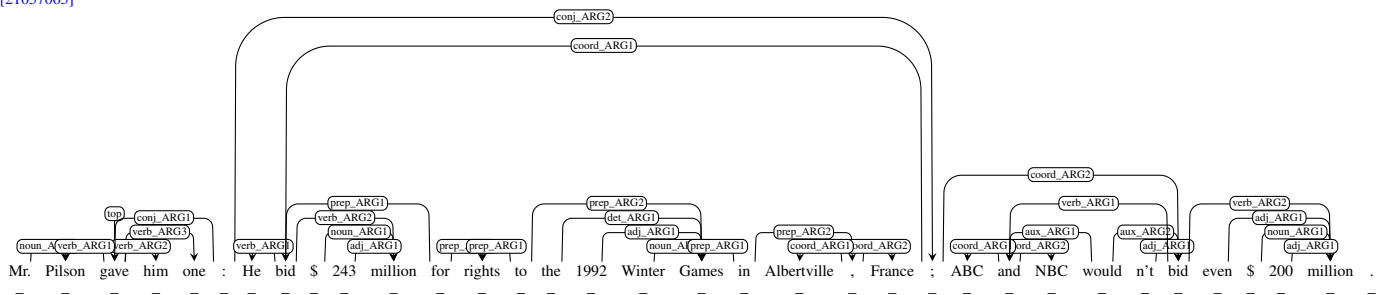
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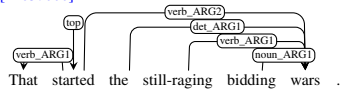
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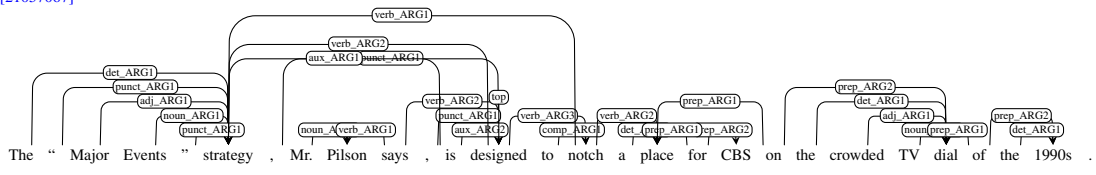
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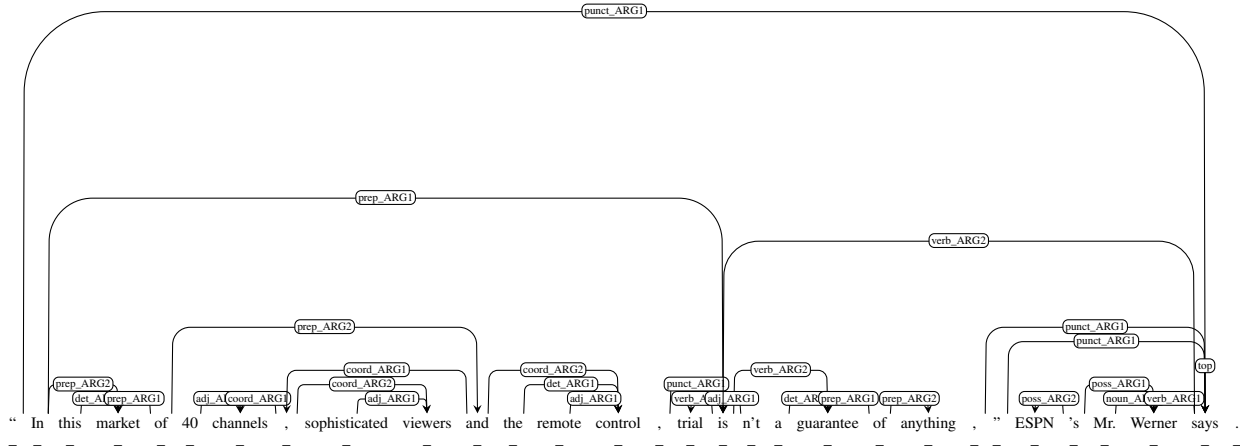


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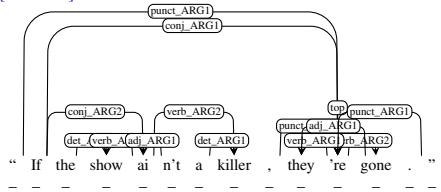


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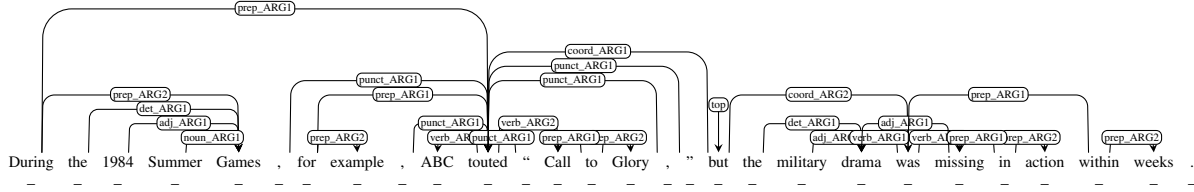




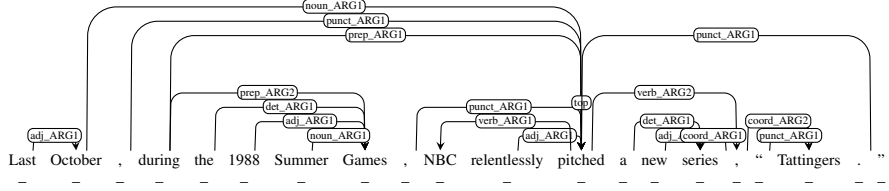
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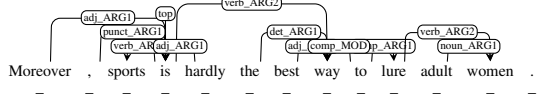
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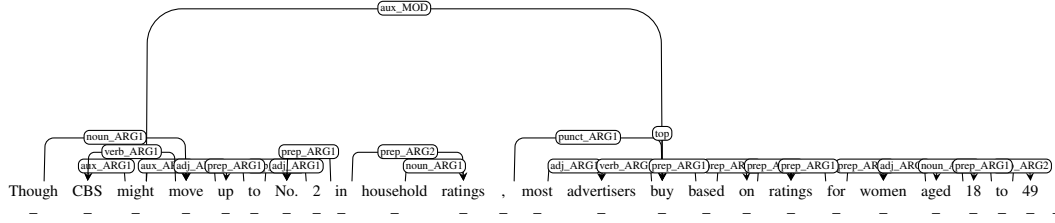
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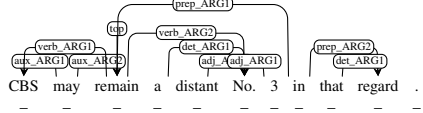
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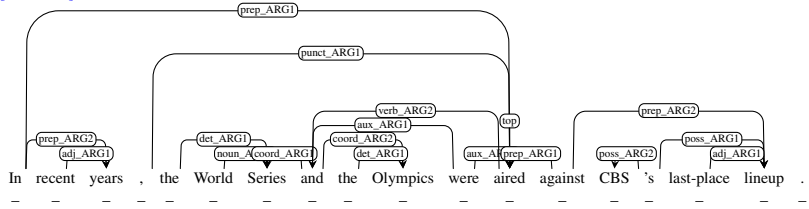
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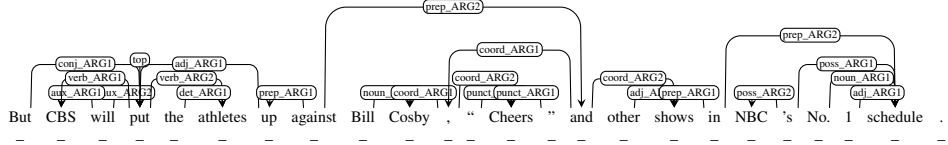
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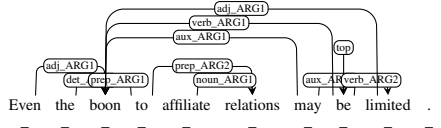
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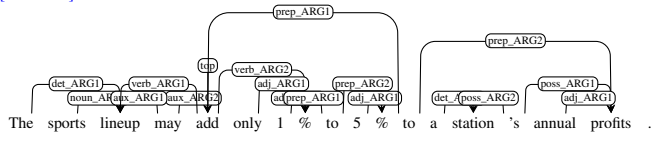
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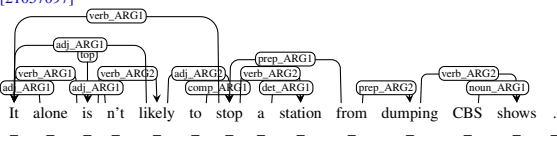
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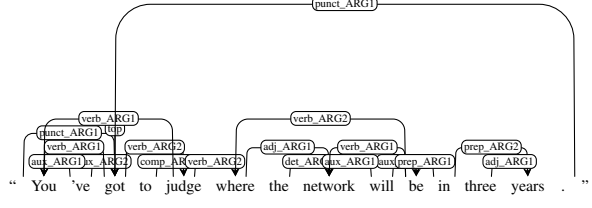
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[21057097]



[21057099]



[21057100]

The intangible benefits may prove extremely costly if CBS ca n't avoid big losses on the sports coverage itself .

[21057101]

And avoiding such losses will take a monumental effort .

[21057103]

Nevertheless he deems the deal " plain smart " for its huge promotional value .

[21057104]

Mr. Pilson calls that loss estimate " wildly inaccurate , " conceding only that CBS will lose money on baseball in the first year .

[21057106]

But Mr. Tisch expects losses in all four years of the contract , he told U.S. senators last June .

[21057107]

CBS will pay an average of \$ 82 million more each year than ABC and NBC had paid together - and those two networks expect losses on baseball this season .

[21057108]

Yet CBS will air only 12 regular-season games , 26 fewer than ABC and NBC .

[21057110]

It also indicates a \$ 50 million drop in ad sales for regular-season games - a risk CBS took to get an unprecedented lock on all playoff games .

[21057111]

If the playoffs end in four-game sweeps , losses could sour .

[21057112]

Advertisers are resisting higher prices , which would help close the gap .

[21057113]

CBS signed General Motors and Toyota to be the only auto-maker sponsors in baseball for four years .

[21057114]

Price : \$ 265 million .

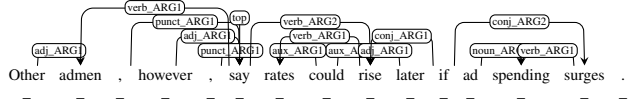
[21057115]

But ad executives who negotiated the deal say that works out to only \$ 275,000 for a 30-second ad in the World Series through 1993 - 17 % less than what ABC is charging for the Series this month .

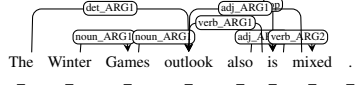
[21057116]

Moreover , " there 's no question ad rates will come down considerably " from the GM-Toyota price , says Arnold Chase of Bozell Inc .

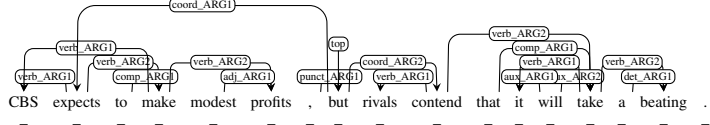
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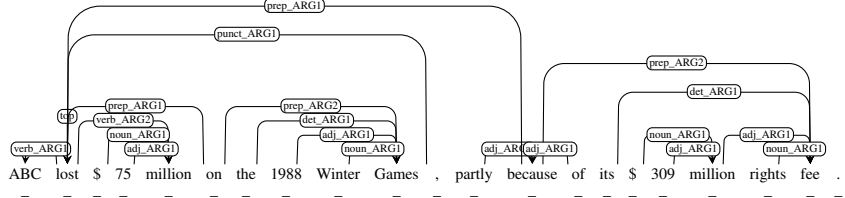
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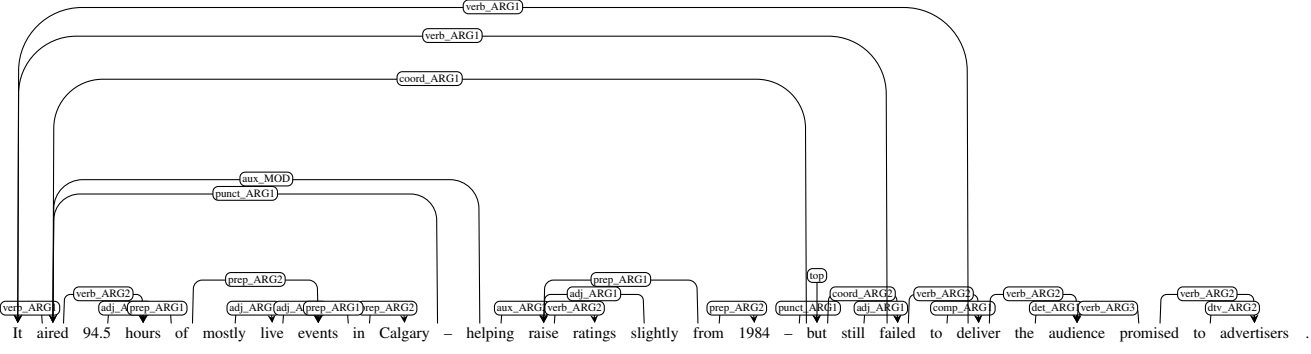
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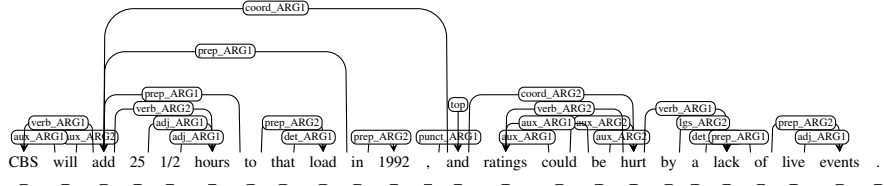
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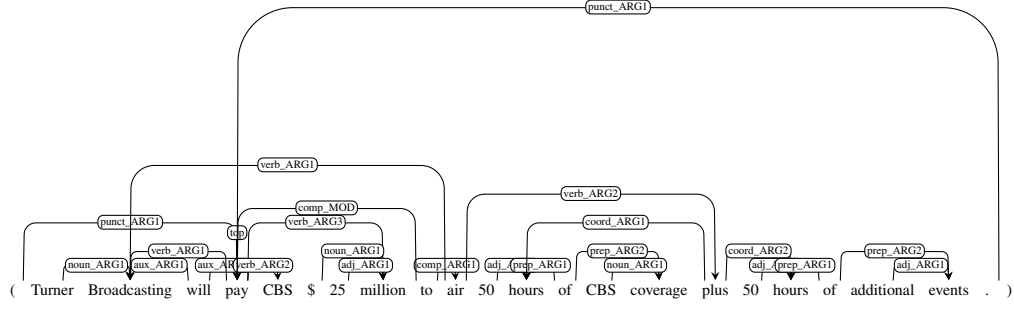
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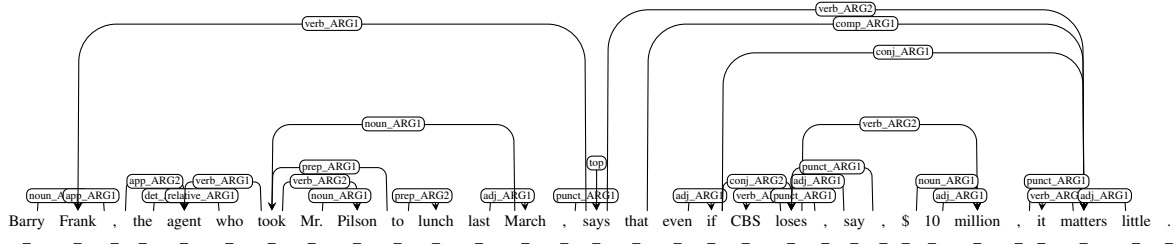
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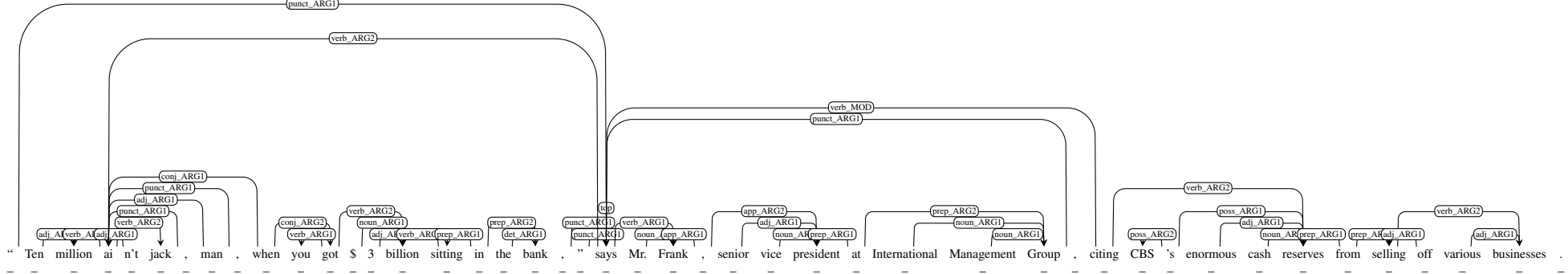
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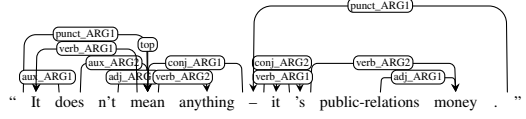
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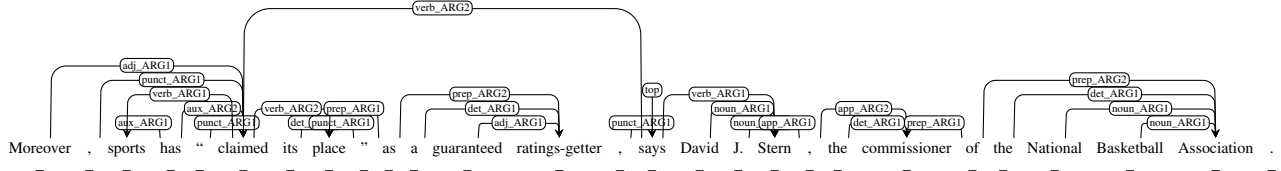
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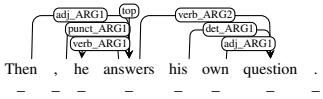
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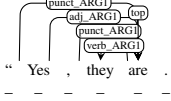
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[21057129]



[21057146]



[21057147]

