INSIDE

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Contents

To John Lack—the "Father of MTV"

Great Discoveries so often result from a curious combination of ignorance and insight, persistence and pure luck.

—Professor Richard Skolnik

Seldom have (crystal balls) been more clouded and misleading than when they were used to predict what cable TV would be like. Name the forecast, and it was wrong.

—Al Knight, newspaper editor

When you think of music video, the first thing that comes into your mind is not "Friday Night Videos" or "Night Tracks," it's MTV. It's a generic name, and a unique success story in an industry that's been up and down the last three years.

—Anonymous advertising executive

Foreword

This work is a study in the production of culture. It is as much about media economics and politics as about the product itself. MTV is the third major breakthrough in music broadcasting, the first being when Todd Storz gave birth to "Top Forty" radio in 1955 and the second being the advent of "free form" or "progressive" rock at KMPX in San Francisco in 1967. The early broadcasting innovations molded the state of rock music exposure for nearly twenty years. Then came MTV. MTV began as the third of four Warner-Amex Satellite Entertainment Company (WASEC) channels. The channels were created by two of America's largest conglomerates—American Express and Warner Communications Inc.

When this book was conceived MTV found Madison Avenue and cable operators in a state of uncertainty. The relationship between television and rock music was weak, at best. As the story began to unfold this new partnership became a stroke of genius luck and discrimination. One's American Express card paid for most of the creation of MTV. MTV is a corporate innovation of major proportions and a psychodemographic success.

Few would dispute the significance of MTV in resurrecting the music industry from the throes of the "great depression" of 1979 or its impact on contemporary film, fashion, and radio. In a mere five years, MTV has become the most profitable twenty-four–hour cable outlet beamed from a satellite. It reaches 30.8 million households.

This book examines the world of cablecasting, the evolution of WASEC, MTV, VH-1, and some of their competitors. The strategies, personalities, promotions, and the content that placed MTV on the road to prominence are chronicled. The controversies surrounding the channel and MTVN are thoroughly detailed and an attempt is made to correct a good deal of disinformation on the subject.

Acknowledgements

This work is a spin-off from *Tarnished Gold*. In writing the chapter on music videos, the printed material frequently raised more questions than answers. Consequently, once the previous volume was completed the author's focus turned to the then neophyte channel. In short time it became overtly apparent that cablecasting was a brand new game. Roger Wise, then of Wood Cable, taught me a great deal about the machinations of the infant industry. He also provided ingress to the then WASEC world. Slowly I was able to penetrate the corporate world of MTV and other cablecasters.

A methodological note: Quotes in this book came from direct interviews unless otherwise noted. Some of the "on the record" interviewees included:

Robin Beman
Jo Bergman
Marshall Cohen
Bill Chapmen
Pam Fekett
Cynthia Friedman
Pat Gorman
James Gary
Nancy Henry
Robert Hilburn
Robert Johnson
Barry Kluger
John Lack
Doreen Lauer
Jennifer Lerner
Eric McLamb
Randy Owen
Dale Pon
Hilary Schacter
John Schneider
Ann Schartz
Fred Seibert
Carol Hibbs Stevenson
John Sykes
Roger Wise
Connie Wodlinger

Many "off the record" sources contributed equally. Publicity departments proved invaluable.

As always, the secretarial staff at Bowling Green State University's Sociology Department provided invaluable assistance. Mrs. Pat Kane, particularly, performed a herculean task in typing and retyping a massive manuscript. Mrs. Kathy Hill equally helped. Bill Schurk of the Audio Center at the BGSU Library was an essential resource for this

effort. Unfortunately he didn't have time to contribute to the manuscript directly. Bill Romanowski's contribution to the manuscript is equally appreciated.

February 1987

1

"Heartbreak Hotel"

This kid is a guitar-playing Marlon Brando.

Jack Philbin, executive producer, "Stage Show"

A New York City weatherman staring at the teleprompter read, "Increasing cloudiness and not so cold tonight. Lowest temperature 25 with a high of 30 degrees. Gentle, variable winds from the northwesterly direction." The WNBC-TV weatherman went on to rattle off predictions for the remaining part of the weekend.

As with many elements of the Elvis legend, even the weather on the night of January 28, 1956 has been exaggerated. The liner notes to *Elvis,* written by an anonymous artist of puffery at the RCA publicity office, read:

> Presley was facing a majority of viewers as cold and unprepared as the citizens of Siberia.
>
> In New York very few had braved the storm. The theatre was sparsely filled with shivering servicemen and Saturday nighters, mostly eager for the refuge from the weather. Outside, groups of teenagers rushed past the marquee to a roller-skating rink nearby. Just before show time, a weary promoter returned to the box office with dozens of tickets, unable to even give them away on the streets of Times Square.

The historic night was not quite as climatically melodramatic as biographers and publicists insinuate. "Stage Show" aired at 8:00 P.M. (EST) with a temperature of 29 degrees, dropping one thermometer point an hour. However, a Siberian chill may have existed between Jackie Gleason and the CBS brass at the time. The day prior to the transformation of the "Hillbilly Cat" into "Elvis, the Pelvis," the comedian railed at Black Rock executives about the Dorsey Brothers' "Stage Show" time slot. Perry Como was beating this variety show lead-in to the "Honeymooners." Como enjoyed a comfortable 32 audience share to the meager 14.9 of "Stage Show."

Midway into the show, Elvis stood in the middle of the stage on the assigned chalk mark. Sporting an ill-fitting, off-white jacket with dark trousers, he spread his legs, shrugged the padded coat shoulders, and

rotated the right knee: "Wellll . . . since mah baby left me, ah've found a new place to dwell. . . ." The audience not tuned to Como couldn't believe their undersized black-and-white screen. "Heartbreak Hotel" continued. Presley's well-rehearsed Howlin' Wolf bump and grind, now second nature, intensified. "As Scotty came in on guitar," recalled Jerry Hopkins, "Elvis' legs jerked and twisted. He thumped his own guitar on the afterbeat beat, using it as a prop and almost never playing it now. He bumped his hips. He moved his legs in something that seemed a cross between a fast shuffle and a Charleston step." The now familiar sneer at the left corner of his mouth appeared. The dark eyelids seductively began to close. Television met rock and roll and the man about to be crowned its monarch: "The King."

Phone lines resembled Christmas Day. Teens rushed to call their friends: "Turn on . . . you won't believe it!" For a fee of approximately $1,250 the faltering "Stage Show" outrated Perry Como for the first time. In a frequently cited quote Gleason merely said, "It was and is our opinion that Elvis would appeal to the majority of the people."[1]

Whatever the magic, it shocked and ignited those watching. Television executives, particularly at CBS, read the numbers. Gleason was pacified for a while. The media and public reactions were mixed. The handful of written accounts were negative; few critics had seen the controversial performance. Adolescents loved it, while their parents scowled. The middle-aged titans of the Golden Age of Television—Bill Paley, Frank Stanton, David Sarnoff—didn't understand the phenomenon, but could read the "overnights." The musical genie was out of the bottle.

Elvis and the band climbed into their ever-present Cadillac, followed by Red West and Scotty Moore, and they were *allegedly* greeted by unpredicted snow flurries. Symbolically the chill augured the history of a new irreverent presence on television. Some twenty-five years later, John Lack would introduce a new satellite-delivered Music Television (MTV) network uttering one sentence: "Ladies and Gentlemen! Rock and Roll!"

Note

1. Hopkins, 122, 124

2

"We Are Family"

The announcement of the merger did not surprise many financial insiders on Wall Street. The September 14, 1979 press conference only served to confirm the rumors. American Express announced its intention to purchase 50 percent of the Warner Cable Corporation (WCC) for $175 million. The choice of companies may have startled some, but in light of its unsuccessful bids for Walt Disney Productions, McGraw-Hill, and others over a two-year span, the cash-heavy traveler's-check and credit-card corporation finally was able to expand into the communications field.

The joint venture would be named Warner Amex Cable Communications (WACC). It was hoped that a $250 million credit line could be established for the new enterprise.

Cable television (CATV) since the mid-1970s and early 1980s was economically perceived as one of *the* growth industries—a megatrend. Warner Cable Corporation was a leader in this field. Even with competition from Group W, Cox, and American Television and Communications (ATC), the Warners subsidiary appeared filled with promise, especially the interactive QUBE hookup.

WCC surfaced in 1972 as the result of the merger of Continental, Television Communications, and the Cyprus operation. The newly formed cable chain began to expand with the acquisition local cable companies and new franchises. One of the first was a Columbus, Ohio, company that would in 1977 come to be known as the Warner QUBE two-way or "interactive system." It received a vast amount of attention because of its ability to actually involve viewers, who could respond to what was on the screen by squeezing a button. The technology enthralled people. A more important ingredient of the Ohio cable company was its ability to produce original programs, such as "Pinwheel," which would anchor the Nickelodeon Network.

The Star Channel, a pay-TV movie network introduced in February 1973, was part of the package. Star was different from other all-film networks in format, as it provided late-night films. Research indicated that blue-collar workers in industrial areas were very supportive of movies screened in the early hours of the morning. For decades people

on the swing shift had been an ignored segment of the population when it came to television. VCRs were then in their high-priced infancy.

Originally confined to CATV operations under the WCC logo, Nickelodeon and Star were on RCAs "Cable Bird" (satellite) by April 1979—five months prior to the revelation of the proposed joint venture. WCC, at the time, had amassed some 140 MSO (Multiple Systems Operator) franchises with satellite access and production capabilities. Optimists predicted in the early 1980s that at least half of America would be "wired" by the end of the decade. Gustave M. Hauser, then chief executive officer of Warner Cable, noted: "Looking down ten years out, or five years out we see a tremendous opportunity and a great requirement for capital—as the industry goes on—to wire America."

The chairperson of American Express, James D. Robinson, III, viewed the cable industry as being "on the leading edge of a major communications revolution in the United States. . . . [It's] a compatible extension of our travel and entertainment-related services and gives us entry into the fast-growing, at home consumer and entertainment industry."

Steven J. Ross, the stormy head of Warner Communications Inc. (WCI), which owned the cable division, applauded the additional capital.

The venture needed and received the approval of the Federal Communications Commission (FCC). In a period of merger mania, few doubted the stated intentions of the collaborators. One analyst voiced reservations to *Business Week*. In light of WCI's status in the corporate community, the observer suggested that Warners was gaining "respectability." "Some fiduciaries wouldn't let their clients touch the company [WCI]. But now, it's partnered with American Express, and the link will open doors to institutions that were closed before."

Prior to this venture the business press had been unkind to Steven Ross and the Kinney Corporation, which merged with Seven Arts to become WCI in 1969. *Forbes, Fortune,* and others printed rumors of organized crime connections and "squirreling away $170,000 when it had a net income . . . of $51 million in 1973."

The Justice Department had charged that Sol Weiss had accepted $70,000 to sell stocks to Warners that contributed to the "slush fund." A Wall Street insider noted in defense: "At the time, everyone was setting up slush funds. I don't think there was anything done not in the interest of the stockholders." This may have been correct, but WCI had other ghosts to tend with.

Reprise Records, part of WCI, was cofounded by Frank Sinatra, a

musical phenomenon who is frequently rumored to have "mob" connections.

Alleged scandals plagued the Kinney Corporation. Ross, the president, at one time controlled a number of parking lots in the Bronx that were Kinney holdings. Steve Chapple and Reebee Garofalo in a muckraking volume suggest: "Since the Mafia has been heavily involved in New York City parking lots . . . *Forbes* magazine and others have *speculated* that Kinney and through them Warner have also been involved with organized crime."

The frequently cited *Forbes* story of June 1970 supposedly implied organized crime connections; however, the business magazine actually stated: "Rumors have long circulated linking Kinney with the Mafia. *Forbes* has been *unable* to find a shred of solid evidence to support them. . . ." Caesar P. Kimmel, executive vice president of Kinney Corporation, whose family ties fueled the rumor, noted: "I've lived with this over the years—the charge that we are run by the Mafia. It just isn't true. We don't wear shoulder holsters. We've never been under the influence of any underworld group."

On Wall Street, as elsewhere, the perception frequently *is* the reality. This joint enterprise of WCI and American Express put most of the innuendos to rest. Several years after the coupling, Lee Isgur of Paine Webber would tell *Newsweek* that WCI was "beginning to emerge as one of the major companies in America, bar none."

Programs, "Teenvideo," and Satellites

J. Dalton Knievel started a cable operation in Columbus, Ohio. Five hundred households originally signed up for the service in December 1971. Warner Cable then brought the system. Unlike the standard twelve-channel CATVs developed to import clear television pictures into suburban and rural regions, the Warner operation produced some of its own local pay programming. American Express' James Robinson pointed to the QUBE system as a consideration for the joint venture: "We looked at cable for a long time and decided that a company that could generate its own programming had definite advantages over others." Columbus, at that time, was Madison Avenue's demographic all-American test market. The innovative cable system was touted as the wave of the future, even by PBS's "Nova" series. This became a major selling point for WCC.

In 1976 Dr. Vivian Horner, formerly of PBS' "Electric Company," and producer Sandy Kavanaugh embarked on a project with a shoestring budget for the Columbus Warner cable system aimed at pre-

schoolers. Sandy Kavanaugh said, "We had a theory but we didn't know how we'd pull the concept together. Then we had an adrenaline day, and created 'Pinwheel.' " On December 1, 1977 a new cable offering, C-3, began airing from 7:00 A.M. to 7:00 P.M., seven days a week. "Pinwheel House" was, according to producer Kavanaugh, "the only complete television channel in the world geared to the diverse interests of the very young child . . . entertainment, learning, and fantasy." "Pinwheel" included educational fare, animated films provided by the Canadian Film Board, and features from all over the globe.

"Pinwheel House" appeared to be in the "Sesame Street" genre, featuring puppets and adults focusing their activities around a mobile vegetable cart. Bradford Cody Williams, once with "Kukla, Fran, and Ollie," created the puppets. Like its PBS counterpart, the program included music, art, and mime. The "Sesame Street" comparison was difficult to shake. "Although we've always carried entertainment," Geraldine Laybourne, vice president of programming, told the *New York Times,* "when we first came on we were heavily oriented toward educational shows. Our initial success was with preschoolers, where the adults control the dial."

QUBE's two-way or interactive operation went into effect the same time as "Pinwheel" debuted, with 20,000 households connected to the cable. The *Columbus Dispatch* heralded the new concept of "participatory programming" as changing the face of cable and "all of television." Pollsters and merchandisers were excited as subscribers could merely press a button to register a social or political opinion, and in the future subscribers would be able to make bank transfers and directly order goods advertised on the television screen. The media coverage and plaudits were appreciated, but the operation was costing Warner Cable some $20 million in red ink.

"Pinwheel" was doing quite well in other WCC markets and became part of Nickelodeon when it expanded into a "satellite network for young people, preschoolers to early teens." Nickelodeon went into orbit March 26, 1979. Warner Cable would continue as the "major production facility for the network," said then general manager Columbus Nyhl Henson, supplying 20 percent of the programming.

Nickelodeon featured five programs: "Pinwheel," "Video Comic Book," "Nickel Flicks," "By the Way," and "Bananaz," a live talk show later renamed "Livewire." Several weeks after the initial airing, United Cable became the first non-Warners company to buy the satellite-fed service.

Vivian Horner became Warner Cable's vice president for educa-

tional programming and Sandy Kavanaugh was named director of programming for the channel. Their new boss was John A. Lack, who had just come from CBS.

At the time of his departure Lack was slated to run WCBS-TV in New York. Several friends of Gus Hauser recommended him as a "bright young" marketing executive. WCC made him a very lucrative offer. Lack saw this as an opportunity "that was a lot bigger than I could have had at CBS at the time."

John A. Lack joined Warner Cable on January 10, 1979 as executive vice president of programming and marketing. He would be responsible for the QUBE operation, the satellite services, Nickelodeon, Star Channel, and supervision of WCC's 140 systems nationally.

Lack's academic broadcasting and sales credentials are impressive. The then thirty-four-year-old native New Yorker had graduated from Boston University and earned a masters degree in broadcast journalism at Northwestern University. He studied for a doctorate at the prestigious Department of Communications at the University of Pennsylvania, but did not complete it. He became a producer-director at Westinghouse Broadcasting's KYW-TV in Philadelphia, working with the temperamental Tom Snyder on the evening "Eyewitness News" and other projects. Group W involved Lack in the cable activities as well. Leaving Philadelphia, he assumed the position of program director of the Reeves Telecom Communications radio stations in Baltimore.

From August 28, 1970 to January 5, 1979, he was employed by CBS in various capacities, ranging from account executive (particularly radio spot sales) to vice president and general manager of WCBS (New York), an all-news station. The New York station was the most profitable of the fourteen CBS-owned radio stations. When announcing the appointment Gustave M. Hauser told *Variety* that one of Lack's prime responsibilities would be to develop new directions for QUBE, Star Channel, and Nickelodeon. Jim Gray, president of Warner Amex Cable, said, "What they did was stress development." In light of his experience, Lack was to observe, evaluate, and formulate blueprints for the future. Sales and programming were his strongest attributes. Lack, according to one former executive at 75 Rockefeller Plaza, was a conceptualizer—a man most comfortable behind a desk or in a board room. Another recalled that "he knew what he wanted, but usually got someone else to do it."

The formal ELF biography in the media marketplace does not indicate his true interest. Fred Seibert notes: "John Lack loves music. He learned to love rock and roll growing up around the streets of New

York." Lack was part of a growing legion of white kids turned on to rhythm and blues before Presley, Domino, and Haley came to dominate the charts. Seeing Louis Lymon and the Teen Chords perform "Too Young" and "I Found Out Why" was impressive. Lack remembers: "I used to play games when I was a kid, you heard the first two seconds of a song, you had to guess the artists, the writer, the flip side, the company and the color." Alan Freed's four-hour "Rock 'n' Roll Party" on WINS, later WABC, was must listening. He attended the Newark, Brooklyn, and Broadway record hops sponsored by Freed and friends. To this day Lack can describe the four color changes on the obscure Fire Records label. Lack was, and is, a music aficionado. This affinity for music would shortly surface at WCC.

Lack's original task was to try to stem the flow of WCC's river of red ink. The Nickelodeon Channel was attracting considerable attention, in Jim Gray's words, as "something that's different." Star Channel's film fare and scheduling were competitive in some markets with HBO, Showtime, and others. The market share, however, was a mere 170,000 hookups. The key was to expand the audience and the households serviced. Sat Com I's transponders made Nickelodeon and the Star Channel available to a much broader market transcending the WCC affiliates. Lack commuted to Columbus three times weekly. The operation became more innovative. Jim Cazazzini was brought in as vice president of programming. Pay-per-view first-run movies and championship fights were one ploy. Boxing could be scored by the viewers by round and the results flashed on the screen. WCC also tried interactive high school football with the subscribers calling the plays. However, the armchair coaches did poorly, garnering national media coverage. The outcome of a locally produced Warner's soap opera was to be decided by the viewers.

Nickelodeon in its "Pinwheel" phase served preschoolers. Lack extended the programming to appeal to people in their early teens. The formula worked. An older teen base could be reached, he thought. Up to this point, only "Saturday Night Live" had succeeded in attracting this audience. Network executives generally dismissed adolescents as "low users." This view was a self-fulfilling prophecy. Only on the weekends, after the 11:00 P.M. news, was any attempt made to attract young people. "The kids who watch shows," said Burt Sugarman, producer of "The Midnight Special," "come home around 12:30 or 1:30, so we pick them up."

Lack, with "Saturday Night Live's" vertical demographics in mind, attempted to broaden Nickelodeon's audience. Visual rock would be the vehicle. WCC commissioned "Pop Clips" from ex-Monkee Mike

Nesmith's production company. Pacific Arts Corp., based in the scenic ocean-side Carmel area, was to produce fifty or more half-hour shows. "I think we delivered something like 52 programs," said Ann Schwartz, Pacific's general manager. The half-hour programs went into production in the summer of 1979. Mike Nesmith, the pioneer American video clip maker, told *Billboard:*

> To me it's the single most important event in the history of the rock and roll music industry—bigger than the Sun Recordings of Elvis Presley. And there is only one segment of the entertainment business that will understand what a video record is, the record business. The record business understands retail sales and that's where all this is going.

Nesmith, like Lack, viewed video clips as promotional tools. His now classic "Rio" was made as a marketing vehicle for the European market in 1977. Lack secured most of the clips. Jo Bergman of Warner Records recalls that "John Lack got together with Michael Nesmith, and they did the show, the "Pop Clips" show." This was months before Lack hired Robert Pittman to head the pay-TV division. Bergman, a part of the WCI team, supplied Nickelodeon with the clips.

> Lack was really the one who asked us if there were enough clips to make something work. Since we were probably the first group of people to actually put a catalog together of what we had, we were pretty sure there was enough material, and that if someone was going to show them then chances were good that we'd make more.

By October Lack had Nickelodeon in over one million cable-wired homes, but the highly acclaimed "kidvid" network still was not making money. Nickelodeon was being used as a "loss leader" to stimulate cable operators to take the Star Channel. MSOs were offered the children's signal free with the tiered or the pay-movie channel. Otherwise, Nickelodeon was in the "basic service" or lower tier reserved for advertiser-supported satellite networks, such as Turner's all-news Cable News Network (CNN) or ESPN, the sports outlet. The Warner's cable charge was ten cents per subscriber per month as a "basic," fifty cents if shown on the more costly "pay tier." Richard P. Simon, a media and cable analyst at Goldman, Sachs & Co., was a lone voice to suggest that Warner-Amex "are on the road to becoming a full-fledged network."

That fall Lack received an invitation to participate in *Billboard*'s first International Video Music Conference to be held at the Sheraton-Universal Hotel in Los Angeles. He would be one of three speakers at the opening session, which would be chaired by the trade publication's

respected publisher Lee Zhito. The other tentative participants were to be Andrew Kohut of the Gallup Organization and MCA's president Sidney Sheinberg. The initial session was titled "Video Music—Tomorrow is Here Today." The title, alone, was seductive.

WCC would soon split into two entities, or divisions. Warner Cable Communications would continue as a distributor—or the "hardware" division, as Gray calls it. Warner-Amex Satellite Entertainment Company (WASEC) would be the "program development" arm of the parent corporation. The November 9, 1979 hiring of John A. (Jack) Schneider was a signal. Warner-Amex was to do more than merely wire America, especially in the climate of franchise disputes and ever-escalating costs.

Schneider, the subsidiary president and chief operating officer, had little experience in the conflict-ridden world of cable hardware. His reputation was as the abrasive former president of CBS-TV who had lost in one of Black Rock's recurrent power struggles. His philosophy was aggressive. He told reporter Robert Metz:

> Your hands got just as bloody if you were last as they did if you came in first. . . . If you are going to come to work every day, be involved in things, that is a seven-day effort. It is better to work at coming in first—to win.

This world view got Schneider into a considerable amount of trouble throughout his broadcasting career.[2] Ironically, Schneider learned this philosophy in yacht racing, as did Ted Turner, who would in time become a noisy but temporary player in the music video network game.

Born in the Chicago area, Schneider attended one of the more prestigious universities close to home, Notre Dame. Here his views were reinforced. His media career was launched at WGN-TV (Chicago) as a time seller.

CBS employed him in 1950 in the Chicago area. A brief stint in New York followed. In 1958 CBS appointed him vice president and general manager of WCAU-TV in Philadelphia. Within a year he was vice president of the entire CBS-TV affiliates division. He was confident and the strategy was working.

In 1964 he took control of WCBS-TV in New York, the nation's largest market. From the flagship station, he made the leap to Black Rock, displacing James Aubrey as the president of the CBS Television Network. Schneider's ascendancy in the CBS network, due primarily

to attitude and self-motivation, would quickly put him in the power maze of Bill Paley, Frank Stanton, and Clive Davis. In 1969, he was raised to executive vice-president of the entire CBS Group, including the music division.

Two years later, the anticipated successor to Bill Paley had lost favor in the upper echelons of Black Rock. Charles T. Ireland from ITT was brought in to usurp the man who claimed he "could" fire Walter Cronkite.[3]

Schneider faced many conflicts in the corporate boardrooms. One chief adversary was Clive Davis, head of the music division.

According to Davis, Schneider felt that "television had carried records for *many* years." Then there was the matter of money. Davis was offered a position at WCI. This was to become a bargaining clip with Schneider. Davis was offered an additional $25,000 and an option of 10,000 shares of corporate stock. He stayed. He recalled, "I liked it there. I really didn't want to leave." Schneider, at the time of Davis' firing in 1974, was earning nearly $300,000 with the normal corporate perks. Davis seemed resentful. His treatment at Black Rock during the "drugola" investigations only made matters worse.

Davis' firing amidst the heat of CBS News' treatment of Watergate and the Jack Anderson columns has never been sufficiently explained. It was rumored that Davis spent $94,000 of CBS's funds for "personal use." Most industry observers concurred with a Warner Records' executive that "a company like CBS is idiotic to bust a president of one of the major profit-making divisions for a mere hundred Gs. They're affecting their stock and the entire record business." Davis' autobiography never fully dealt with the dismissal nor did subsequent interviews.

Schneider's remark that "I used to be a worker bee, but now I reign" was becoming hot air at CBS. In 1977, he was "kicked upstairs." He resigned six months later.

He was a firm believer in the delegation of responsibility while reserving the ultimate power. The technique worked, for a time, at Black Rock with its myriad targeted and specialized programs and audiences.

Extrapolating his CBS experience into the world of cable had its shortcomings. He maintained his status with creative underlinings. Never giving individual credit, he championed the group decision. He was the ideal organization man, but insisted on a leadership role. As Peter Drucker has noted, being a team player and a leader in corporate life is almost an impossible role. A WASEC executive noted:

> Jack was not, at least in the eyes of the younger people, the most understanding of today's management, but he served a role. He played grandfather for a while, and gave credibility to a flegling organization that needed that reputation.

Schneider is not quite the ogre portrayed by Metz. While the corporate executive side of Schneider may appear remote and sometimes arrogant, on a personal level he has few detractors.

> If you're going to be up front with a lot of things, frequently which you don't always enjoy, there are a lot of people that want to take stabs at you, and sometimes you have to make hard decisions. . . . I've always tried to say "please" and "thank you." I've always tried to explain to people why we're doing things and I've always tried to attain a high level of respect of individuals. I've never shredded someone of his or her dignity because that's really all we have. I think the clerks, secretaries, and middle boys always thought I was good for them. They always had my respect and I think I've got theirs.

After several years of consulting work, mostly for WCI, he moved to the presidency of the newly formed WASEC. In quick order with Schneider at the helm, the *Wall Street Journal* announced Star Channel would become a twenty-four-hour motion picture outlet to be called The Movie Channel (TMC). The wheels were slowly turning as WASEC had more transponders thousands of miles in the sky. "We are the only company [with a leased satellite]," he mused. "And you can only be credible if you have transponders to back up your claim."

Todd Rundgren, an American video music maven, had plans for a music network emanating from the singer's Bearsville, New York, studio. Manager Eric Gardner acknowledged defeat on the transponder issue. He noted: "We own a transponder on Sat Com III, which will be launched later this year [1981]. We had one on Sat Com II, but that's the one that disappeared. We *were* going to be the first twenty-four-hour video music channel, but since the satellite got lost Warner-Amex will beat us to it." The Rundgren plan never got beyond the production stage.

Schneider inherited more than just scarce transponders. Lack had ideas and plans. In October Lack hired Robert Warren Pittman, one of the most highly acclaimed operationalizers in broadcasting. Pittman became director of Warner-Amex's pay-TV division. This move surprised the rock radio community, as the twenty-six-year-old "psychographic boy wonder" was assured a successful career in broadcasting. His knack for market research and "number crunching" research was

legendary. Lack's explanation was that "I wanted Bob to program movies the way he did records."

Robert Pittman is a product of Brookhaven, Mississippi, population 10,000. Born several days after Christmas in 1953, he began his broadcasting career while in his teens, not uncommon practice in rural areas of America. Country music star Waylon Jennings, media consultant Kent Burkhart, and many others began their rise in the same manner. At fifteen, Bob wanted to take flying lessons. He went to Jack's Shop, a local haberdashery, and applied for a job. Pittman was refused. He walked several stores down the block to WCHJ-FM. They hired him. Now he could pay for the aviation instructions. By the age of seventeen he was employed by WJDX-FM as a deejay in Jackson, Mississippi. While working at the station he attended Millsaps College, majoring in sociology. He remained at the station until moving northward to Milwaukee as the research director at WRIT. After a brief stint at the Wisconsin outlet, Pittman migrated to Detroit's WDRQ as program director. He continued his formal education at Oakland University in northern Michigan. In a year he moved to WPEZ in Pittsburgh and attended the University of Pittsburgh. In 1974 he ended his academic endeavors without a diploma. His broadcasting career became paramount. He joined the NBC radio system in Chicago, programming the network-owned and operated AM and FM stations in Chicago, where he established himself as a media wizard. The format of WKQX-FM was changed from all news to the top-rated album-oriented rock (AOR) station in the Windy City. At WMAX-AM Pittman fashioned the number one country station in the United States.[4] These feats did not go unnoticed by NBC executives. Success in one of America's major markets usually guarantees a crack at the largest—New York City. After three years in Chicago Pittman became program director at WNBC-AM in New York, the most competitive radio environment in the country.

Charlie Warner, WNBC-AM (New York) general manager, recruited Pittman to the network flagship station in August 1977. Warner had worked with Bob in the Pittsburgh and Chicago markets. As the new program director, he shook up the station. The studio was remodeled. Star personalities such as Cousin Bruce Morrow and Don Imus were let go. Imus' firing was controversial. His chemical dependency was unknown to the public. "I was pretty irresponsible," he admitted to *US*. "They couldn't have done anything else." An entirely new staff of people outside of New York were hired. Pittman announced a total format change as of September. One WNBC staffer said, "He literally gutted the station."

Like the top-rated WABC, the NBC station would be straight-ahead rock. Pittman considered three "different programming slants: AOR, urban contemporary, and Rick Sklar's proven approach at ABC.

The format decision would be based on psychographic call-out research. The sample would go beyond the usual "heavy users." Pittman told *Billboard* he was "surveying the total audience rather than just the 5 percent who buy records." "We researched the universe," he reiterated. One thousand records were tested via the call-out method. The responses were fed into a computer, which Pittman described as "an indicator" of audience preferences and a tool to build the "image" of the station. The sample would determine the format. The original verdict was album-oriented rock. This structure lasted exactly six weeks.

In late October 1977, Pittman refined his programming strategy. WNBC would fragment into "the best of AOR, the best of black music, and the best of Top Forty," he said. Pittman made no secret of the fact that he was "stealing" from his competitors. "The market is so fractionalized that we hope to pick up a certain portion of each of these listening groups and maintain them." The target audience was in the eighteen to forty-nine age group. Forty percent of it was black. Pittman stated:

> My rotation is not like the old-fashioned male singer followed by female singer followed by group formula. It's a unique balance derived from listeners' likes and dislikes. We track their tolerance.

The approach seemed to be working, as *Radio Index* and *Media Trends* reported a rapid 50 percent increase in listeners. "We play a song often enough to please people who want to hear it all the time, but not enough to annoy those of you who don't want to hear it at all," he would tell the WNBC audience.

Promotions were an important aspect of the Pittman game plan. Besides the usual free album giveaways and concert tickets, a $50,000 "we'll-call-you" cash prize was an effective audience-building gimmick. Even with this fairly traditional marketing technique, used very successfully at WABC, there was a motive. The "free" concert tickets were for acts featured on competitive AOR stations. This was a ploy to garner defections, especially from WPLJ-FM.

Pittman denied confronting WABC or any other station. He said, "I'm not underestimating them at all and I'm not attacking anyone, just trying to improve our own position in the market." He did. In 1978 he received *Hall Radio Reports'* Program Director of the Year Award.

While at the radio operation, he became executive producer of "Album Tracks," an NBC-TV offering to its local affiliates. Pittman's research orientation would be one of the key aspects of the MTV operation. His television experience would be equally useful.

A year later WABC was knocked out of its usual number-one ARB (Arbitron rating) position by WKTV, a disco-oriented FM station created by Kent Burkhart, an Atlanta consultant. WABC dropped nearly two share points.

At the same time Fred Silverman, the flamboyant head of NBC, began major changes in the parent radio division. Jack Thayer, president of the section, was moved to executive vice president in charge of "special projects." Robert Mounty took over NBC's AM operations, while Walt Sabo, Jr. was placed at the helm of the FM network. Pittman was not immediately affected by the shakeup, as he continued his various roles in AM and its New York counterpart WYNY-FM.

In January 1979 Silverman issued a directive stressing personality radio as a means of broadening the audience for NBC's eight radio stations. Mounty was put in charge of the "expansion" program.

Mounty, an executive vice president, especially expressed dissatisfaction with WNBC. He told Doug Hall: "Of course it's not successful. It's been changed too often. It doesn't have any identity. In the past seven or eight years it's been talk, MOR personality, and no personality." He further complained about the flagship's ratings. Silverman and Mounty's comments were merely "suggestions." Charlie Warner headed the WNBC management team. Bob Pittman was equally independent. A former vice president of the NBC radio network indicates that "at no point did Fred Silverman, and never did Bob Mounty, run that management team." He maintained: "I don't think they saw anything, always the same way. . . . But in terms of respect, being able to get along, they certainly did. They respected each other." At WNBC-AM there existed a considerable amount of command autonomy with accountability. Bob Pittman was entrusted with an enormous amount of responsibility and freedom because of the trust management had in him. Reportedly Pittman was the "highest paid program director in America."

The January Arbitron ratings were very discouraging for WNBC-AM management and staff, showing the New York market share at a lowly 2.6. The all-important drive-time period was in a mess. The prior year Lee Masters entertained the commuter audience. He enjoyed a somewhat respectable 3.5 number. Scotty Brink succeeded Masters in August 1978, joined by Richard Belzer as cohost. They would not survive the autumn of 1979.

General Manager Charlie Warner, Pittman's mentor, was removed on the basis of the ARBs. Bob Sherman replaced Warner in July. He and Pittman worked well together. "They were the team that brought Imus back from Cleveland," says Dom Giofre of WNBC. "They actually flew to Cleveland and literally sat in a motel room. He was doing afternoons on a Cleveland station [WHK-AM]. . . . They listened to him and thought he'd really gotten his act together, and decided they'd bring him back."

Dale Pon was appointed manager of advertising and promotion. He joined Pittman and Sherman on the management team at WNBC. Don Imus would resume his morning on-air antics as of September 3. Pittman's other NBC projects were going fairly well. He was, however, officially the program director of WNBC—a precarious position. A month after Imus' reappearance, Pittman was at Warner Cable with an untarnished reputation. "He left of his own volition," recalled Giofre. The reason for the departure allegedly was the insistent New York music market ratings wars.[5]

He had revived the AM station with a contemporary AOR format. With his input, the number of listeners to WYNY-FM had increased.

Pittman, sans long hair and handlebar mustache, joined Warner-Amex as director of pay-TV for the Warner Cable Corporation. One month later the "Wamex" (*Variety*'s jargon) venture was officially proposed. Pittman's move came as a total surprise in light of his phenomenal broadcasting career. "I never thought it would happen," said an associate. "I remember him and in those days he didn't seem to be the type." Jim L. Gray emphasized:

> From the very beginning, when he came in he had very much to do with the way the movies on The Movie Channel [then called Star] were scheduled . . . so whatever they saw in him, they [Lack and Hauser] were right.

According to one insider in the pay-TV division, Pittman was employed for his programming and research abilities, as demonstrated in Chicago and New York. She noted that John Lack was already thinking about "doing music," and Pittman fit perfectly into the scheme of things. He would be, by December, a founding member of the executive team at WASEC in charge of programming the twenty-four-hour movie channel.

On November 15, Lack found himself a voice crying in the wilderness of some 400 people assembled for the first International Video Music Conference. Most of the attendees were concerned with the merchandising and licensing of a visual "product."

Lack's early morning session, while well attended, was unproductive. Andrew Kohut stressed the viability of video cassettes and disks. He did add a caveat that Gallup's data showed a potential market comprised of the affluent and well educated. In Lack's mind that finding easily fit cable demographics.

As a number of record company executives were present, Lack asserted that an exposure vehicle for video music would be needed. He compared cable television to radio. "We want to promote software. We want to be your radio stations," he exhorted.

The Warner Cable vice president then announced plans for a twenty-four-hour video music network. The Nickelodeon service would increasingly be using music-oriented programming. "Pop Clips," he knew, was scheduled for a late March premiere. The problem, Lack told the audience, was the *availability* of video clips to be aired.

Sidney Sheinberg, engrossed in the Sony VCR home-taping suit, immediately retorted, "If we give it away free, who will buy it?" Lee Zhito, a veteran industry observer, must have felt a sense of déjà vu. An identical charge had been hurled at broadcasters prior to World War II. Lack was in the position of restating the arguments of some half a century ago. Several record company observers were quite aware of this comparison. One privately thought, "What does a film mogul know about marketing music?" The overseer of Universal Pictures went on to suggest that video software sales drop when cable is available—another not-so-subtle reference to the *Universal* v. *Sony* case. After the session Lack called New York and said, "I just got beaten up so bad I'm bleeding."

As the Video Music Conference progressed the producers of music videos became increasingly agitated with record companies. An exchange occurred between Seth Willenson of RCA's VideoDisc division and Todd Rundgren. Willenson took a highly pragmatic approach, stating: "What determines what sells is the taste of the American public." Rundgren disagreed: "No artist, given the flexibility of the medium, is going to consider first the amount of compromise necessary." The recording artist/producer went on to characterize most videos as merely "promotional devices." Todd had other plans.

Michael Nesmith, at another session, commented: "As a trusty scout, I bring back news. What's beyond the mountains? More mountains." These remarks from the president of Pacific Arts confused some in the audience. Was he referring to the Monkees' experience, marketing *Elephant Parts,* or producing "Pop Clips?" Nesmith's main concern was with *Elephant Parts.*

Lack returned to New York convinced that record companies were

natural allies. The confused film makers were another matter. The fundamental goal of record companies was to sell records and prerecorded cassettes. Video clips were, as Rundgren suggested, "promotional devices." Video software manufacturers were primarily concerned with the potential aesthetics and profits of video clips. Many of their aims at this time were in the "blue sky" stage.

Record companies had other problems. The disco disaster of 1979 was beginning to take shape. While the official Record Industry Association of America (RIAA) figures would not appear until the next spring, many insiders felt a sharp sales drop was in the offing. Record executives would soon have a reason to look at alternative means of exposure, especially for new artists.

The *Billboard* conference taught Warner-Amex Cable an important lesson: Let the record companies act as the video brokers. Lack had impressed some of the power brokers. "John Lack was really the executive in charge of all this," says Warner Records' Jo Bergman. The video director also added that Lack was in control of an operational transponder that beamed Nickelodeon into over a million households, thereby exposing them to this music.

Jack Schneider, a television man, invested most of WASEC's original energies on The Movie Channel. Lack and four other executives formed a committee to select an advertising agency that would enhance the visibility of their satellite feeds, especially TMC.

Eight agencies were chosen to compete for the account. Presentations and interviews were planned for all, followed by a primary selection of three finalists. A winner would emerge from the three. Kenneth Roman, president of Ogilvy and Mather (O&M), reportedly halted the process prematurely, however, with an impressive display of understanding WASEC's specific goals and problems. O&M received the $3 million 1980 allotment for advertising. John Lack predicted the amount would grow to $5 million the following year. He also mentioned the possibility of the parent company's coming on board.

The selection committee was especially impressed with two aspects of O&M: their work for other clients, such as Mattel; and the agency's direct response program. Lack told the *New York Times* that "direct marketing is 30 to 40 percent of our business."

Lack denied that the selection was based on American Express' use of the Madison Avenue firm. The discarded bidders were skeptical—a reaction that in time would hurt WASEC's campaign to attract time buyers for the music channel.

Inside WASEC the general reaction was that "they had become the agency over the objections of almost everyone who was there."

Furthermore, the American Express connection *was* a major consideration.[6] In 1985, Lack still denies the accusation:

> It had nothing to do with that. We hired Ogilvy and Mather because we believe they could do a good job with all of our services. They were pretty good with developing distribution accounts. They were great with TWA. They could do lots of things locally in all these cities, which we needed because of the cable business. Unfortunately they were a disappointment creatively. And we didn't get the first team at Ogilvy and Mather. The secret of the advertising business is getting the great creative directors and the great account people.

Jack Schneider stressed that O&M's top priority would be promoting the twenty-four-hour film network. The advertising assault was scheduled to begin in May at the Dallas convention of the National Cable Television Association (NCTA). TMC had only 240,000 households, as contrasted to Nickelodeon's 2.3 million. The name change and the expansion to an all-night service raised the number of subscribers by only 60,000 to 70,000 viewers, much to WASEC's displeasure.

Pacific Arts delivered "Pop Clips" to the Nickelodeon Network in March. The format was a half-hour Top Forty show with animations, video clips, and comedians serving as the veejays. The program would be a "wraparound," aired two or three times a day. Nesmith described the project as a "visual record—it was the same thing that had happened on radio, a Top Forty TV show." The show had a mad cap quality reminiscent of the Monkees series. Howie Mandel, a Los Angeles stand-up comedian, was employed as the announcer. "We had Howie acting maniacal," director Bill Dear told an interviewer. "We wanted the veejay segments to be as crazy as the clips we were showing." Nesmith commented: "They tend to be more exciting."

Nesmith justified the concept to *Billboard* as a counter to the disco disaster:

> The sales slump is due to the change in the perceived value of an audio record. The public no longer perceives the value of an audio record because of TV. The visual dynamic of TV has impressed itself on the psychology of the American public to such a degree that sound without pictures is no longer acceptable.
>
> We're going to see a very quick dissemination of the notion of programmable TV sets, and it's probably a good bet to assume that the early programming will be movies. But programming will ultimately fall into the lap of what we now know as the record business.
>
> The record companies must address themselves to providing programming material for television sets. And that programming material must

> be available at the retail level. The record business is the only arm of the entertainment business that knows retail sales. It knows merchandising and distribution. The television industry can't do it.

The role of "Pop Clips" in the evolution of MTV is a highly controversial one. Nesmith, no stranger to media polemics, claimed that the half-hour vehicle sired the music channel: "Without sounding too arrogant, I created MTV when I did 'Pop Clips.' " Director Bill Dear told Mike Shore:

> *"Pop Clips"* was basically MTV before there was an MTV." "Anyway," he continued, Warner Cable wanted to buy the name and idea of the show from us and develop it into what has now become MTV. When Mike Nesmith and I heard what they wanted to do with it, we nearly had heart attacks. . . . So they just watered down the idea and came up with MTV. Still, in a way, I'm glad they did it, because MTV certainly has validated the form.

WASEC spokespersons totally dispute this interpretation. Nickelodeon publicity manager Jennifer Lerner dismisses the short-lived show as affecting the MTV concept. John Sykes, MTV promotion director, stated: " 'Pop Clips' was something that we ran on Nickelodeon, and didn't last that long, I forget how many episodes. . . . It didn't have any real connection with MTV at that time. But it wasn't something that came as a result of MTV." Fred Seibert, an MTV executive, is even more emphatic:

> Mike Nesmith can go and jump in a lake. . . . I think Nesmith was a huge influence on everything I had ever done, but he had absolutely *nothing* to do with MTV. He can tell you about meetings he had with John Lack up the nose, but . . . the idea for MTV really came about at Warner-Amex in 1980 as it was being developed, and I'm sure a lot of people would like to take credit for the idea.

Lack's version of "Pop Clips" is a mix: "Michael had sent me a program concept which I reworked and that's what 'Pop Clips' became." Lack commissioned the standard thirteen episodes for the QUBE system, and these were repeated at least fifty-five times in six months on Nickelodeon. There were problems. Nesmith agreed to a twenty-four-hour format, but Lack did not like the use of the comedic announcer: "He took away from the music too much."

There were more significant difficulties. Pacific Arts wanted to use their own studios, and Bob Pittman didn't like Nesmith. Lack concurred. The result was that after "Pop Clips" had its run, "We didn't

go back to Michael anymore," reminisces Lack. "We parted company, not terribly amicably, but he has a lot to do with being the father of the [American] music video. . . . The bottom line was, of course, we didn't need Michael anymore. . . . Bob did it without Michael."

In a historical perspective, Nesmith was a pioneer of American video clips. The original idea for an MTV-type network was Lack's. "Pop Clips" was used as a pilot for a concept, but rejected, as Lack, Pittman, and others had different ideas. Jack Schneider's observation is quite valid in this case: "There's a great deal of revisionary history going on right now."

In April 1980 WASEC purchased the rights to a Com-Star D-2 transponder from Total Communication Systems in Pittsburgh, bringing its total to four. Nickelodeon, The Movie Channel, and "superstation" KTVU (Oakland-San Francisco) were already on RCA's Sat Com I transponders. Schneider "indicated" that he had no plans to actually use the new acquisition. The Bay Area superstation was not in his future plans. He was quite cool to the channel as it negatively resembled Ted Turner's Atlanta outlet. He told *Advertising Age* that "one or two of them may make it," but he thought Turner would win the "shakeout." He openly admitted that a commitment to Satellite Communications Systems, a common carrier, kept it in the Warner's offerings to cable operators.

Industry watchers suggested that even the costly service fee for access to the unused Com-Star D-2, which would begin in June, was worth the investment by WASEC. It guaranteed a transponder on RCA's Sat Com III and promised to be operational by November 1981.

KTVU's days were numbered in the Warner-Amex structure, leaving the organization with two transponders to develop new programming. "I didn't think there was a future in that, and they were using up a transponder. . . . the retransmission of another television station is not what the company responded to, was not going to be all about," recollects Schneider.

Under the auspices of TMC, Lack and Pittman began assembling a staff of essentially record and radio people. Most were originally hired to work for TMC in various capacities. One of the first was Fred Seibert, largely credited with the development of the animated MTV logo. Seibert's experience was illustrative of some of the machinations taking place in the employment sector. "I made a choice to go into cable television," he candidly states, "*not* because I had any interest at all in television, but because I wanted to work with Bob Pittman."

Seibert was employed at WHN (New York) as director of promotion and creative services. His chief was Dale Pon, a friend of Pittman's.

Prior to that Seibert had been a professional musician and an independent jazz producer. Pon left WHN for WNBC. In April 1980, Pittman was looking for somebody to work on air promotion for TMC. Pon recommended Seibert. He went to work for TMC in May explaining, "Pittman had as little TV experience as I did, so I'm sure it felt comfortable for both of us to be not knowing what we were doing together."

One Movie Channel executive said that Lack reintroduced the concept at the National Cable Television Association meetings held in Dallas. The NCTA meetings, which lasted May 18-21, were overshadowed, however, by the Getty Oil Company's proposed Premier all-movie network. This was strongly opposed by all the possible competitors. TMC—in the midst of waging an industry blitz with full-page trade ads, various promotions, and a direct-mail campaign orchestrated by Ogilvy and Mather advertising agency—was especially opposed.

The Premier Network failed before it started. Several governmental regulatory commissions stepped in and spoiled Getty's plans.

Lack's original mandate from WCC chairman Hauser to develop new programming and broaden the market share led eventually to the concept of an all-music network designed to appeal to a twelve and older audience. His experience with Nickelodeon proved that youngsters would watch television. He saw a big demographic hole. "There's a real place for us," he asserted. "The networks are still programming for people who have never seen TV before. That worked in 1955, but it doesn't work today." WASEC had two entertainment vehicles—one seen as "kidvid" and the other as the all-day, all-night Movie Channel with an adult demographic. The "seam" was in the teen and young adult aggregate.

Lack's rationale for a music channel was based on three fundamental assumptions, most of which would be employed to eventually promote the concept of MTV. He explained: "MTV was founded for a couple of reasons, not just because it was a gleam in my eye, and because it was something that I wanted to do. It made good economic sense." He had witnessed the use of video clips while living in Europe.

Lack recognized that the record industry was in the throes of the Great Depression of 1979. New music and artists were not being exposed on radio.

Advertisers, the lifeblood of broadcasting, were not reaching the "under 34" demographic on television. "So if you were Beech Nut Chewing Gum, or selling pimple cream, or Coca Cola and you wanted

to reach twelve to thirty-four year olds, television was not an efficient buy."

Finally, the cable market in the early 1980s was stagnant, dominated by all-news, sports, and "super" stations mired in old films and syndicated commercial network shows. In Lack's mind, the opportunity was there.

Lack took his idea to John Schneider. Reportedly, the WASEC chief operating officer agreed there was a neglected "window" out there in the narrowcast world of cablevision. "We were looking for opportunities, windows, blank spots on the spectrum. We had other things in mind, including a shopping service and a games channel," Schneider told Bob Hilburn. "But MTV was the easiest to do because it was the cheapest [using promotional video clips] and we could get it going quicker."

According to Lack, convincing Schneider was no simple task.

> Well, he was a fifty-five-year-old man in the rock-and-roll world. His biggest problem was how will people watch things. . . . So the music, the program was regenerative. . . . That's a nice way of saying inexpensive, but you realize the product was going to be inexpensive from a network standpoint because we weren't going to have to make it. . . . Jack had no idea, and until this thing was on the air for six months, hated every minute."

Responding to Lack's comments, the ex-WASEC president critically replied, "Oh, it isn't important whether one likes it or not . . . I was engaged in commerce, I was not engaged in high art form." Schneider indicated that his role was to program, not appreciate the product.

A telephone survey was authorized. Marshall Cohen, the original head of research for MTV but at this time with the Opinion Research Council (ORC), supervised the initial survey. The results supported Lack's thesis, and the findings were dramatic. This was the highest rated concept project undertaken by the ORC, outstripping the VCR study. "So we knew right then and there that we were on the right track," said Lack. "If we delivered on the promotional concept, of course that's the key, then we had a winner on our hands conceptually. And that gave us some security that we were on the right track. It wasn't just a great idea, but when it was explained to people it made a lot of sense."

Pittman continued to build the "visual FM" infrastructure. He met with John L. Sykes. Sykes, a graduate of the S. I. Newhouse School of Public Communications at Syracuse University, was the promotion

director at CBS Records in Chicago. A half-hour interview was arranged by mutual friends in the Chicago market. Sykes recalls the original encounter.

> I had the bug to get involved in video music, anything, whether it was working for some of these new video music software divisions opening up as corporations, CBS had opened up a video music division. . . . I just wanted to get my feet into the business early, and I had heard from some friends of Bob in Chicago that he developed this concept for Warner-Amex, along with John Lack, and one of his friends mentioned to Bob that he and I should meet each other. So I flew in one day [to New York], met with Bob, and talked to him for about half an hour, and at that point we immediately hit it off. He gave me the job [promotion director], and I went home to Chicago, resigned from CBS, and three weeks later I was in New York.

He was on the payroll as of December 1, 1980. Pittman then flew to Universal City, where he participated in the second *Billboard* Video Music Conference. Speaking on the "Broadcast Video Music: A Cable/Pay-TV/Satellite Overview" panel, he argued that "radio stations' objectives are not the same as record companies' objectives." Given his broadcasting background, few were willing to dissent. He went on to blame broadcaster conservatism for the decline in record industry profits and contended that narrowcast, targeted cable satellite programming would be a much more effective marketing tool for the music business.[7] Not all the panelists concurred. Andrew Wald of ON-TV, a pay service, cautioned: "What's successful on video disk may not be what's successful on pay-TV." He maintained that "networks will not give up and they have unlimited development budgets." His point was only partially correct, as the three main commercial networks had soured on all-rock music shows. PBS continued to air "Soundtrack." Having rock stars on "Saturday Night Live" was one thing, but in the wake of the low rated "In Concert" and the "Midnight Special," they were not terribly interested.

Pittman's argument was lost in the glare of Stan Cornyn's keynote speech. Cornyn, the intellectual guru of the record industry, was highly critical of the trends in video.

> I don't yet understand what to say when a punk rock band comes up to me and exclaims, "Whee! Let's make a video disk!" . . . when I know they can't tell the difference between a video disk and a television special. When I know what they mean by video art is high school expressionism . . . all of this gives the phrase "state-of-the-art" a rather poor connotation.

While Cornyn's remarks were basically aimed at RCA's monovisual disks, he did paint a dark picture for music videos.

The MTV Productions hospitality suite at the Universal-Sheraton had partially filled seats, people watching a giant television screen featuring video clips, many of which came from Warner Records, in full stereo. Among those present were Lack and Schneider. Lack, called the "Father of MTV," was the major "imagineer" or intellectual architect of "visual radio." He coined the acronym "MTV" for music television. Jack Schneider had approved the concept and would attempt to convince others of the viability of the idea. Sipping his double-strength Twinings tea and puffing on an expensive cigar, he told the *Los Angeles Times:* "There were videos available in a body of work that had never been exploited. We had to do something different to reach an untapped audience."

"Although the target audience will be the twelve to thirty-four age group . . . the bulk of that audience—those twelve to twenty-four—aren't being served well by either radio or television," he repeatedly told interviewers. "Young record buyers have no place to sample their music. You don't reach young America with print ads. A generation raised by the glowing home screen and rock music would watch a combination of the two." WASEC conveniently owned a vacant transponder after disposing of the Cox-owned Bay Area "superstation." Once the collective decision had been made, they were faced with the formidable task of obtaining the funding.

In early January 1981, a directional meeting was held. The bottom line was funding the project. The participants included the command structure of WCI, American Express, and WASEC. Steve Ross, David Horowitz, Stan Cornyn, and Norman Senica comprised the WCI team. American Express was represented by James Robinson III, Sanda Meyer, Louis Gursner, and several others. The WASEC team included Schneider, Lack, Pittman, and Robert McGroarty. Several music videos were displayed. The most memorable was Dire Straits' "Stake Away." The British group, coincidentally, was signed to the Warner's label. "We want to do this twenty-four hours a day in stereo," said Schneider.

Robinson watched and listened to the presentation with his leg perched on the executive conference room table. It was in a white cast due to a skiing accident.

The American Express executives raised the opening demographic and cost effectiveness questions. Robinson queried the WASEC president, "Would he spend that amount of his own money?" The answer was an affirmative "Yeah." As to audience size and capability, Pittman

predicted a "potential to reach 20 percent of the homes every week." European promotional clips were already available, the questioners were told. At that point the answer was overly optimistic. Robinson, in obvious physical discomfort, said, "Okay, you have my vote, you got the American Express vote." "We thought," said Lack, "well the worst is over." Steven Ross, weighed down by a myriad of economic difficulties, proved otherwise.

Ross' skepticism surprised the presenters. The WCI president battered them with his concerns. The WASEC brass was somewhat mystified, as WCI's record divisions were suffering from the recession plaguing the music industry. A participant characterized the flavor of the exchange thusly: "It was not an easy sale to make." Ross said, "I'm not sure, I don't know if there's a life in these video clips, I don't know whether people will watch them regularly, I don't know if there are enough clips, I don't know if you will be able to get them free. . . ." Several WASEC people wondered if Ross knew what his record people were doing. They were drilled for nearly thirty minutes. Then, according to one account, "Steve told a story about how the night before or a couple of nights before . . . he had a conversation with his daughter. . . . He was convinced by her that this is clearly the thing to do." His stepchildren and friends thought "video radio" was the wave of the future. Another observer sarcastically compared Ross' approval to the 1980 Jimmy Carter statement, during a presidential debate, about his daughter's fears of nuclear war.

According to the *Los Angeles Times,* Schneider was the key in the multimillion dollar startup. He was not some wild-eyed visionary raised on rock and roll. "There were a lot of people in the room who were over fifty," recalled Schneider, "and they looked at me like I was insane, but fortunately I was over fifty, too. They asked if I really understood the appeal of the channel and I said 'Yeah I do.' " After two and a half hours the new channel and the required $20 million were approved. The "Wamex" committee had decided to finance the music channel that Lack called MTV.

Lack, Pittman, engineer Andy Setos, and Sykes were assigned the task of operationalizing the project "as quickly as possible." "We had a half of a floor," remembers John Sykes, "or two halves of two floors [no window and a couple of phones] up at 1211 Avenue of the Americas, the Ceylonese Building, and that was MTV." Schneider would later tell journalist Bob Hilburn, "It's an easier story to write if you have a human interest peg—one brilliant person put his career on the line and sacrificed his second house in the Hamptons and mortgaged the farm to make this whole thing happen. But it didn't happen