

## CW Plus: Digital for the Little Guy

**| Stations |** New Network to Offer Alternative for Markets 100 and Up

**By Jay Sherman**

Russ Myerson is on a mission, and if he's successful it could help small-market television stations more effectively digest the costs associated with the federally mandated conversion to digital broadcasting.

As executive VP of The CW Plus, Mr. Myerson is responsible for lining up affiliates in smaller television markets to carry The CW, the new broadcast network launching in September with TV shows from the soon-to-be-shuttered WB Network and UPN.

With a specific focus on TV markets No. 100 and above, Mr. Myerson is taking advantage of the investment local TV stations are required to make to meet a February 2009 deadline, at which time they must broadcast using only their digital signals.

His pitch: Stations looking to recoup some of their digital broadcasting investment can use a portion of their digital spectrum to broadcast The CW, which, for a fee, will provide the station with prime-time programming, syndicated TV shows and marketing services. The stations also get the chance to broaden their advertiser base and, given that The CW is targeting adults 18 to 34, perhaps tap

into new advertisers.

"In the economics of the television business, the cost to go digital multicast is the same in market 175 as it is in market 35, but market 35 has more revenue than 175," said Mr. Myerson, who previously launched and ran the WB 100+, the cable-based distribution network that brought The WB to the nation's smaller TV markets. "In our presentation [to stations] we said, 'Here is a way to make the multicast invest-

ment pay for itself earlier.'" that is compounded by the challenges broadcasters in general face from an uneven advertising market, the Internet and portable media players.

"Economics are probably one of the major holdups [to stations fully embracing digital], so things like The CW Network launching provide an opportunity for one more catalyst," said Steve Ridge, executive VP of Frank N. Magid Associates, a Marion, Iowa-based TV station consulting group.

The CW so far has 66 digital channels lined up to carry its programming when the network launches this fall. Station groups participating in The CW Plus include larger operations such as Media General, Granite Broadcasting, Clear Channel Television and Gray Television, as well as smaller groups such as Smith Media, Quincy Newspapers and Bluestone Television. The CW has a total of 195 affiliates.

The CW is not the only digital channel option available to TV stations. News Corp.'s MyNetworkTV, which is launching Sept. 5, has also spent the past few months signing up digital channels as affiliates. A MyTV spokeswoman said 49 of the network's 139 affiliates are digital. *continued on page 36*



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Mr. Myerson's efforts come at a time when many TV station owners are grappling with questions about how to recover the costs associated with making the digital conversion, which can carry a price tag of \$1 million to \$10 million per station. For smaller-market stations, the costs are particularly high given they generally have fewer revenue-generating opportunities because of smaller pools of advertising dollars, a situation

## CW PLUS

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tal channels.

Several niche digital channels have also cropped up, including NBC Weather Plus, The Tube music video channel and I-Health, a health- and wellness-themed channel being launched this summer by Ion Media Networks, formerly known as Paxson Communications.

Mr. Myerson said that while a lot of programming ideas are out

there, he sees The CW as providing stations with a quicker path to making money because it's a broad-based network that caters to highly defined audiences.

"In the 100-plus CW environment, we have the ability to receive 24 hours a day of content," said Mike Granados, CEO of Smith Media and Television Station Group, two station groups that combined own five CW digital affiliates.

Ralph Oakley, VP and chief operating officer of Quincy

Newspapers, which owns seven digital channels that will carry The CW this fall, said he likes the new digital multicast strategy better because it enables his stations to reach more viewers than the WB 100+, which in his company's case could be distributed only on cable systems with at least 1,000 subscribers.

"We are all treading into water that we've never treaded into before," Mr. Oakley said. "This is clearly a way to attempt to monetize the bandwidth and get additional advertising revenue." ■