

Despite dinos, May B.O. dips

HOLLYWOOD May's domestic box office weighed in with a hefty \$502.2 million, but it wasn't quite enough to topple the 1996 record of \$517 million.

Despite "The Lost World: Jurassic Park's" raging dinos, May business dipped by 3% and admissions ebbed 4.5% from last year. However, through the end of the month, the year-to-date box office was running 12% ahead of record '96; the year's cume so far has hit \$2.45 billion.

The "Jurassic Park" sequel was the saving grace of a month dotted with midrange performers. The industry decision to steer clear of "Lost" pre-hysteria contributed to soft overall performance, compared with last year's massive expansion when "Twister" and "Mission: Impossible" were ringing up sales.

Universal led the frame with a gross of \$165.5 million, which translated into 33% of the marketplace. The company also had the best individual performer in "Lost World." Bridesmaid Sony trailed significantly with a \$72.6 million monthly cume and 14.5% of the big picture.

An estimated 92 million tickets were sold last month, down approximately 4 million from 1996.

— Leonard Klady

VARIETY (ISSN 0042-2738) (GST#123244865) is published weekly, except one week in July and one week in December, by Cahners Publishing Co., 245 W. 17 St., New York, NY 10011; a division of Reed Elsevier Inc., 275 Washington St., Newton, MA 02458-1630. Bruce A. Barnett, President and Chief Executive Officer; Jackie A. Daya, Vice President and Chief Financial Officer. Periodicals postage paid at New York, NY 10016 and additional mailing offices. Postmaster send address changes to VARIETY, P.O. Box 6400, Torrance, CA 90504-0400. Variety copyright 1997 by Reed Elsevier Inc. Annual subscription rates: USA, \$199; Canada, \$219 (includes GST); Europe, \$339; Asia/Pacific, \$539; rest of the world, \$439; surface delivery worldwide, \$279. Single copies are available for \$4.95; back issues \$10 U.S., \$15 foreign. Special issues are available for \$6.95. A reasonable fee shall be assessed to cover handling costs in the event of cancellation of a subscription. Canada Post International Publications Mail Product (Canadian Distribution) Sales Agreement No. 0607525. Please address all subscription mail to: VARIETY, P.O. Box 6400, Torrance, CA 90504-0400. VARIETY is a registered trademark of Reed Properties Inc., used under license. Printed in the USA.

Package deals call for joint custody

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— are payment for bringing key elements of a series together. Networks and studios have shown a willingness, albeit reluctantly, to grant agency packages for fear that talent will simply walk down the street and sign somewhere else.

Strange bedfellows

TV packaging has become one of the most lucrative revenue streams for the agencies, and even some of the most ardent rivals have found themselves doing business together and splitting the rewards.

Creative Artists Agency and William Morris split the package on "Michael Hayes," the new David Caruso series from Columbia/TriStar. CAA repped Thomas Carter, Nick Pilleggi and John Romano, three of the series' executive producers; Morris repped Caruso.

"Agencies never used to split packages," one network business and legal affairs exec said. Even the strongest holdouts such as William Morris, says the exec, are caving in.

Some of the biggest shows with split packages are "Cracker," which William Morris is sharing with ICM; "The Gregory Hines Show," United Talent Agency and Endeavor; "Fired Up," ICM and Broder Kurland Webb Uffner; "The Tony Danza Show," ICM and Broder; and "Union Square," which the Rothman Agency is splitting with ICM.

According to *Variety's* own poll of the fall lineup, compiled from network, studio and agency sources, CAA came out on top, with 24 packages, five of which are split with other agencies.

William Morris had 14, including six splits; UTA 12, with five splits; ICM 11, with seven splits; Broder 10, with five splits; Endeavor nine, with two splits.

Variety's figures do not include midseason shows, and none of the major agencies would comment on, or confirm, any of these figures. There are also two caveats: Not all fees are equal, and not all splits are 50-50.

The numbers are a political hot potato, especially with changes at the top of certain agencies. Almost two years ago, William Morris' TV topper Bob Crestani was succeeded by Sam Haskell. CAA lost Bill Haber, to be succeeded by Lee Gabler. Last year it was UTA's turn: It lost Gavin Polone, with Jay Sures, 30, and Chris Harbert, 33, taking the reigns as TV heads.

Unanimous approval

Naturally, in each case, competitors predict that the reconfigured agency will be weakened by the changes. But the fact is, all are still major players in the TV biz. And virtually every agency has the same response when it comes to describing how they did with packaging shows: "We had a great year."

Agencies shy away from publicly toting their packaging scores. Less important than the number of their shows on the fall sked, they say, are the number of returning shows, which ultimately have a better chance of reaping a hefty backend.

The sheer number of failures last year denied many tempercenters a big payoff. Take "Ink," which was recently canceled. It was a high-profile split package last year, with Endeavor repping pro-

ducer Jeffrey Lane and CAA repping the show's star, Ted Danson.

Says Gary Cosay of UTA: "Getting a show on the air is like hitting a single. Getting a show on the air that stays on the air is like hitting a home run."

In terms of packages on returning shows, *Variety* estimates that CAA has 19; William Morris has 17, UTA has nine, ICM and Broder have five and Endeavor has four.

While agencies waive their commissions on their clients when taking a package fee, they can command 3% to 5% of a program's license fee, and up to 10% on the backend.

William Morris, which wrote the book on TV deals by packaging shows like "The Andy Griffith Show" and "Gomer Pyle USMC," has long had a reputation for commanding higher packaging fees — as much as 5% of the license fee, while others hover around 3%.

So if a studio gets an \$800,000 per episode license fee, the agency collects \$24,000. And if that series is a success in syndication, the agency gets a share of the gross profits.

With shows like "Friends" selling for \$4 million an episode in syndication, it is not difficult to see why agents would forego client commissions for a share of the backend riches.

For boutique firms that in the past 15 years have made their mark

appear on screen.

"It's tough. There was a time when agents had to do some work to get a package," said one top studio executive. "Now it's just leverage. It's not my favorite part of the business, but it's a reality."

Some execs point to cases of abuse in which agents at the last minute have refused to send their client to work unless the agency received a package on the show — a move that could bust a deal entirely. On the flip side, some top producers like Steven Bochco will not let their series be packaged, even when there is a tenpercentury that does rep many of the elements.

UTA, for instance, reps two stars on Bochco's new CBS series "Brooklyn South," but the agency receives no package fee.

Added burden on hours

For the studios, the costs of giving a packaging fee are particularly acute for one-hour dramas, where the backend syndication profits are lower, and producers often barely recoup their costs without aggressive international sales. Agencies taking off the top only adds to their worries.

"Most studios are not that crazy about it because who wants to give up a chunk?" said one indie production company exec.

Par and Universal take a hard line on the issue of packaging, almost never giving drama packages. (Endeavor, according to sources, received a "very small package" on U's upcoming fall drama "Timecop.")

"You can't afford it," says one studio source. "The one-hour business is a break-even business."

But such a holdout stance also risks alienating the agent community — and in return their talent roster.

Some agents suggest that the austere mentality at U may have had something to do with the studio's development difficulties. U TV president Tom Thayer, one of those adamantly opposed to packaging fees, recently found himself on the short end of the fall season's hot projects. Last week, he resigned from his post and signed a production deal there.

If one studio refuses to pay a package fee, agents can always take the material elsewhere.

"It is a constant push and pull of what is right and what is fair," said one production exec. In fact, packaging had become somewhat of a dirty word in years past. In 1992, Roseanne sued her agent Triad and sought to end the practice, asking that payment to agents be limited to only 10% of their clients' income when they initially represented only one artist on a project. She lost.

But even wary studio execs have come to accept packaging, even praising tempercenteries for their help in servicing the show once its on the air — when it is earned. And agencies have been willing to defer their fees in the name of curbing costs and getting a show on the air, studios execs note.

Added incentive

When packages are involved, some agents actually have more of an incentive to make sure a show gets on the air and stays on the air in the right timeslot.

Studio execs say Endeavor, for



SPLIT-FEE SOUP: "Cracker," which will air on ABC this fall, is among the high-profile shows with a split package. William Morris is sharing with ICM.

instance, has been extremely aggressive in dealing directly with the networks and performing many studio-like functions.

"We earn our package fee," says one Endeavor agent. "We service the shows. We put writers on the shows. We argue with network presidents. In a couple of situations, studios would not have had shows on the air had we not smoothed things over."

When it works, an agency is there to supply the show with new writers and guest stars, or to help negotiate license fees in future seasons. (ICM client Julia Roberts shows up on "Friends.") Or they are involved in the inception of the idea, truly linking talent with writing staffs.

"If we are not scrupulous about servicing our packages it will give packages a bad name," said Nancy Josephson of ICM.

Says Peter Benedek of UTA: "If you do your job, you earn your package."

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