ARIZONA CENTRAL

ONLINE INFORMATION

PRESENTED
AUGUST 15, 1996

Howard Finberg

Contents

Questions and Talking Points

I've taken some of Chip Weil's questions [the italics] and added some general answers and/or talking points that could be discussed at the meeting. Marilyn Tanious was helpful regarding some key points that should be discussed.

– Hif

Please be prepared to list what projects you are presently involved in, so we can get a sense of what each is doing.

This report has a complete list of major content and advertising areas under development or launching. Some key efforts recently have been the creation of the Home Buying Choices area, Open House area and employment in-column advertisements. In addition, there has been major efforts to build "news or news related" content areas, such as Elections '96.

The next major effort will be in the automotive area, especially with the AIG group, which wants a communications site to reach customers, and Bill Luke, which wants to put its used-car inventory online.

Where are we on both Real Estate and Employment?

There are on-going discussions with the area's multiple listings service [ARMLS] for complete property for sale data.

Work has started on getting employment display advertising online and there will be more "Virtual Job Fairs" starting in September.

Other areas for discussion:

- Display ads (especially employment)
- Expanded job fair packaging
- PAFET recruitment project implementation
- Working with outside company [Moore Data] on rentals database

What are we doing in the general news and information area and are there ways to share resources?

The Web edition is getting a major increase in news content during the this month. After that, both editions will have most of the news content from the newspaper[s]. There are a couple of examples of sharing resources:

- Elect to Connect [NIE / PAFET] project. Shared content and other resources
- SpeedNet. Since INI already prepares content for SpeedNet on the Web, it is not difficult to reformat the information for AOL. Revenue will be shared between PNI/INI.
- Personal News area which is being developed with InfoSeek as a result of our investment. This will be a shared development throughout PAFET members

What are our strategies looking forward the next 24 months?

Major strategic areas of interest will focus around these areas:

- Consumer acceptance – the development of a mass market for online
- Broadband delivery – the use of new technologies [cable, wireless]
- Directory publishing – new types of content / publishing
- Transactions – new methods of getting revenue

Some of the immediate key areas include:

- Marketing, sales, pricing
- Addressing the rest of classified
- Used car database
- Commercial relationships with government agencies [paying for the development of content from public databases]

Some of the longer-term areas include:

- Commerce systems [reservations for travel, sale of library information, subscriptions for "virtual worlds" / chat]
- Agency relationships – shared "ad space" with content partners

We're presently spending about $2.3 million CNI-wide. What are you anticipating for 1997?

- On the expense side, a 10% increase based on the 1996 budget
- On the revenue side, a stronger year than 1996
- Capital spending is estimated at $150,000
- One unknown factor is the PAFET recruitment project [mostly operating expense]

How does PAFET fit into our plans?

PAFET continues to provide access to information and experiences that would be hard to duplicate, especially with such projects as the recruitment project and the upcoming automotive project. Other key factors are strategic alliances [InfoSeek and Pointcast] and the additional content sharing, such as the NIE Election project.

What business strategies do we see outside the company that might be helpful to us?

We need to look how other companies have managed the process of transforming their business while avoiding damage to core products; developing new skills and understanding of the marketplace, such as InfoSeek, understanding the limits of technology as it fits within the consumer arena [as America Online is trying to accomplish].

One model that might be worth looking at is the Tribune Co.'s strategy.

What technical expertise or work could we share?

Some of the key areas include:

- Database of classified advertisers. We could probably share resources on the groundwork
- Image archiving, particularly homes, cars, apartment communities
- Auditing and tracking
- Storefronts, the use of one commerce server to handle credit card sales
- Development or purchase of online mapping software

ARIZONA CENTRAL OVERVIEW

What follows is a story that ran in the first edition of an in-house newsletter. It helps outline some of the overall direction given Arizona Central earlier. This was written for a general audience.

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Welcome to the first edition of the Arizona Central's Cyber Chronicles.

While using a 17th Century technology – ink on paper – to communicate what's happening with PNI's online efforts may seem strange, it helps make the point that the news**paper** isn't going away. Frankly, there are just some things you can do better on newsprint.

However, there are lots of new things that you can do better using an electronic medium. Helping everyone understand this new form of communication is the goal of the Cyber Chronicles. *[Cyber, by the way, has its roots in Greek and means steer, guide, govern. Cyberspace is defined as "a field of advanced computer technology wherein the user enters a virtual reality..."]*

Phoenix Newspapers launched its online efforts with two editions of Arizona Central late last year. The goals were modest:

- Learn what consumers want in the way of an online service
- Provide different and/or more complete information than we currently can via newsprint
- Learn the skills and tools necessary to compete in an interactive medium
- Position PNI as a leader in this new form of communication so it might serve its existing and future advertisers
- Bring in some money to offset some of the costs of the project

Because the online world is evolving and shifting faster than Bill Gates sells copies of Windows '95, it was important that PNI meet the needs of two types of consumers – the technically advanced and the technically evolving.

The technically advanced feel comfortable dealing with IP [Internet Protocol] addresses and spending lots of time finding information on the World Wide Web.

The technically evolving are less sure of themselves in the "free-for-all" Internet world and prefer the safer environment of commercial services, such as CompuServe and America Online [AOL].

PNI and AOL, the world's largest commercial online service with six million customers, formed an alliance to bring Arizona information to AOL's customers through Arizona Central. With the use of some technology introduced at the time of Arizona Central's launch, most of the customers within Arizona see a "hot" or linking button to Arizona Central on the Spotlight or main screen.

In addition, America Online shares its revenues from this market with PNI, including bounties for each customer PNI signs up using a special Arizona Central disk.

On AOL, we tried to provide a complete news and information service for those living in Phoenix and Arizona and those AOL customers interested in such topics. One of our more interesting experiences has been the number of electronic messages from customers outside Arizona who were planning to move here and wanted housing, job, and other information.

On the Web, Arizona Central started with some very tightly-focused niche products – Arizona travel, dining and golf. The goal here was to learn how to publish in a "database" format and serve the worldwide Internet customer that would be looking for Arizona-specific information.

As the Web grew so did Arizona Central's offerings. More and more content areas were added, with the goal of making the Web site parallel the AOL site. As AOL's tools improved, Arizona Central found it was occasionally easier to build on the Web and link from AOL directly onto our Web site. For the AOL customer, that meant a single click to get the information, regardless of where it resides. In the next release of the AOL client software [3.5 for Windows and 3.0 for Macintosh, which is in beta testing], the Web access will be even smoother.

We are often asked, "Why have any content on AOL?" The reason is simple: It reaches a different audience than the Internet. And since AOL points to Arizona Central and The Arizona Republic & Phoenix Gazette from various areas within their national service, it helps drive even more traffic to Arizona Central.

There is a rich mix of content on both editions of Arizona Central and every week there are new and even more exciting features.

- Hif 8.5.96

WHAT'S ON ARIZONA CENTRAL

	On the Web edition	*On the AOL edition*
News	Yes, digests and selected major Arizona stories, such as Symington and Militia stories	Yes, digests and selected stories from the newspapers as well as stories not published
Sports	Major areas for **Diamondbacks**, **Rattlers**. Also Cactus League when in season	Yes, selected stories, Diamondbacks area, links to Rattlers area
Business	Major area called **Workplace**, which has news from Republic, ABG and unique content for small business owners	Small business area, which includes content similar to Workplace on the Web and selected stories
Comics	Yes	Access via the Web
Travel	Yes	Yes and also access via the Web
Community news	Yes, selected highlights [will be expanded with the introduction of the Living Here database]	Yes, with stories from all zoned sections and digests from Tucson and Yuma
Hispanic News Center	tbd	Yes
Dining	Yes	Yes
Golf	Yes	Yes and links to Web
Calendars	Late September	Yes
ALT. [for teens]	tbd	Yes
Kids	Yes	tbd
Election '96	Yes	Yes
NIE Elect to Connect project	Coming in mid-August	Coming in mid-August
Movies	Coming	Yes, reviews and features. Show times coming via the Web

	On the Web edition	*On the AOL edition*
Classifieds		
Jobs	Yes	Yes via the Web
Home Buying Choices	Yes	Yes via the Web
Open houses	Yes	Yes via the Web
Automotive	tbd	tbd
Merchandise	tbd	tbd
Communications		
Message boards	Yes	Yes
Live Chat	tbd [technology issue]	Yes
Partners		
United Way	Yes	Yes
Editing program [EPMJ]	Yes	tbd

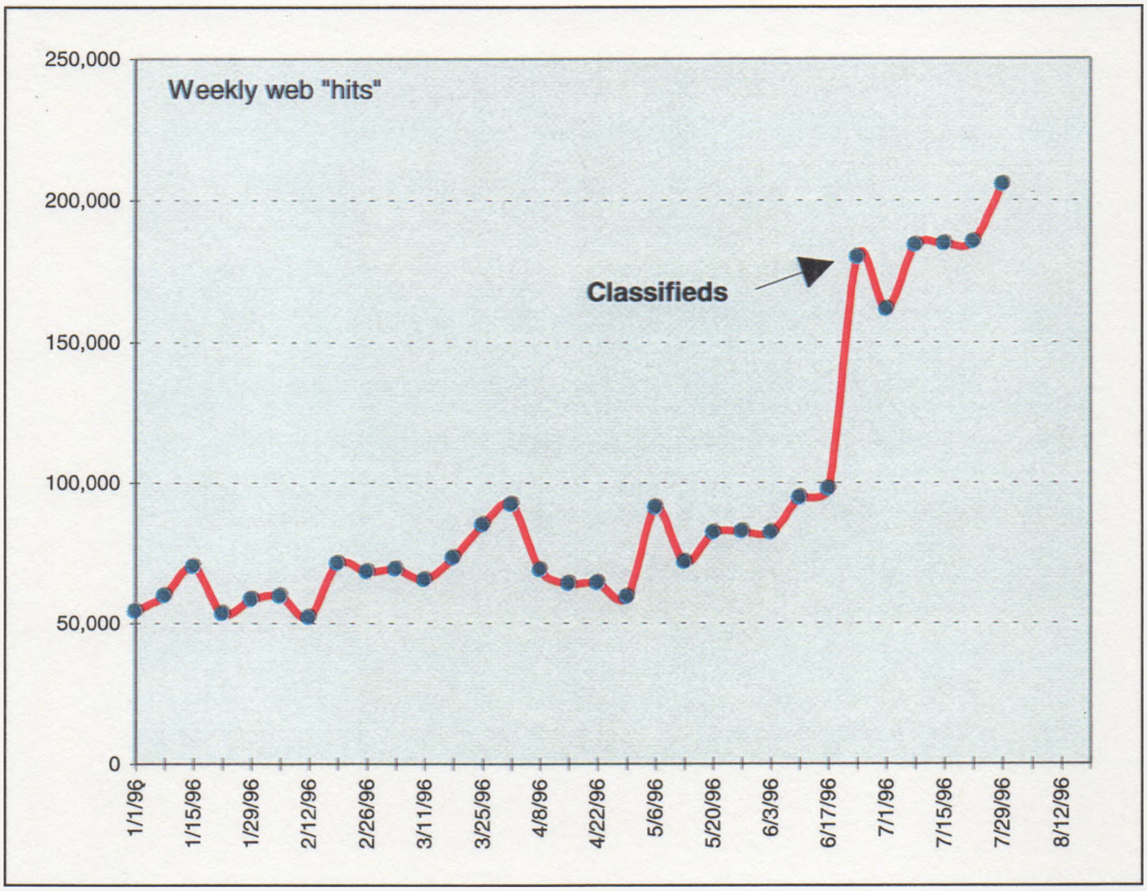
tbd= to be determined by either content or technical issues

TRAFFIC ON ARIZONA CENTRAL ON THE WEB

While this information is based on "hits" and hence is not an indication of actual visitors to the Web site, it is a good indication of traffic and activity on this edition of Arizona Central.

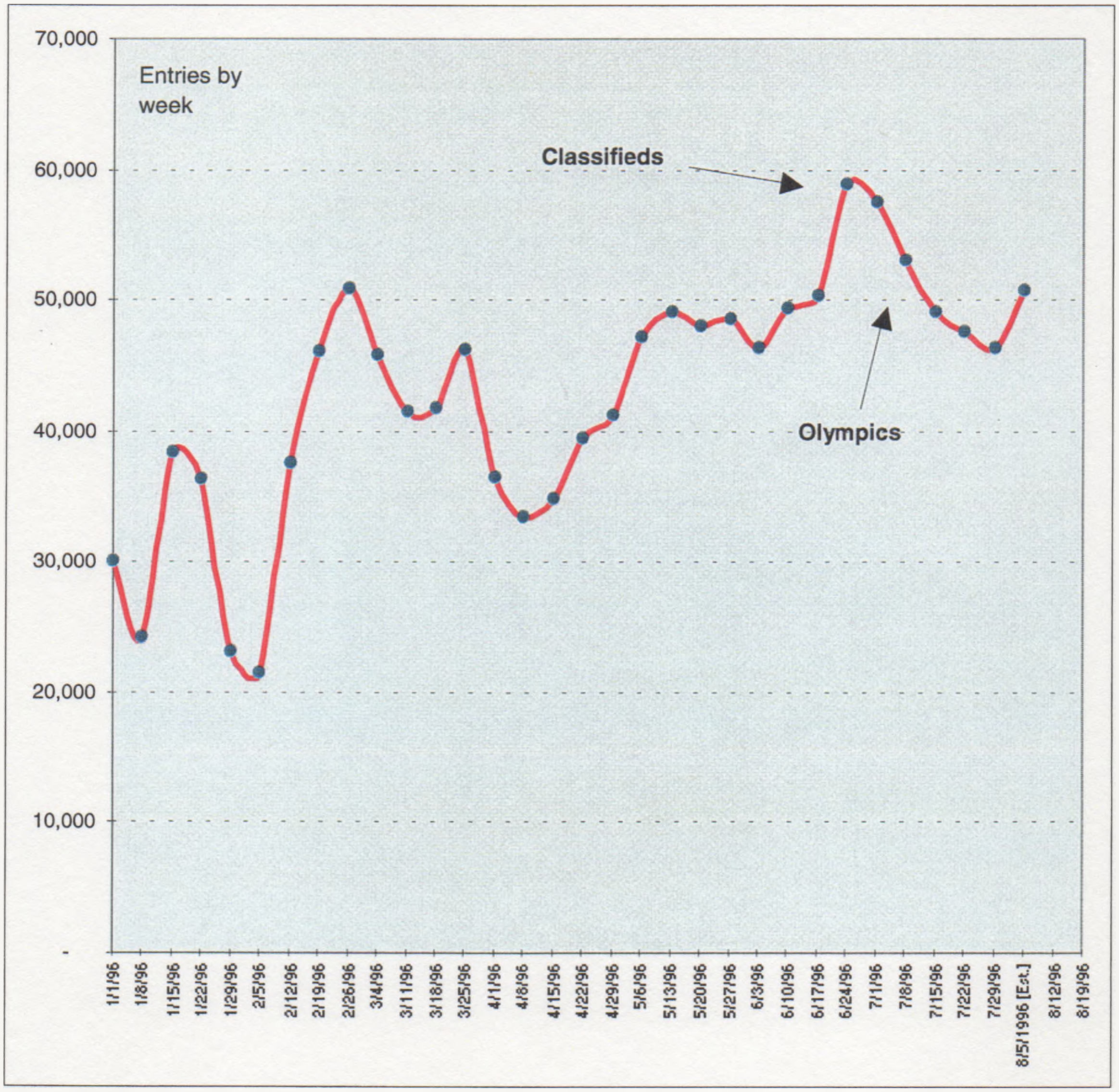
Because of the method we use in providing information and the limited use of image or picture files, Arizona Central Web hits are considerably less than at many other media sites. For example, *boston.com* uses 19 images files on their front or home page, which can count as 19 individual "hits." Arizona Central uses only three or four images files.

The major "spike" in traffic was caused by the introduction of employment classifieds [liners] in late June. The slowdown in growth can be attributed to the Olympic games.



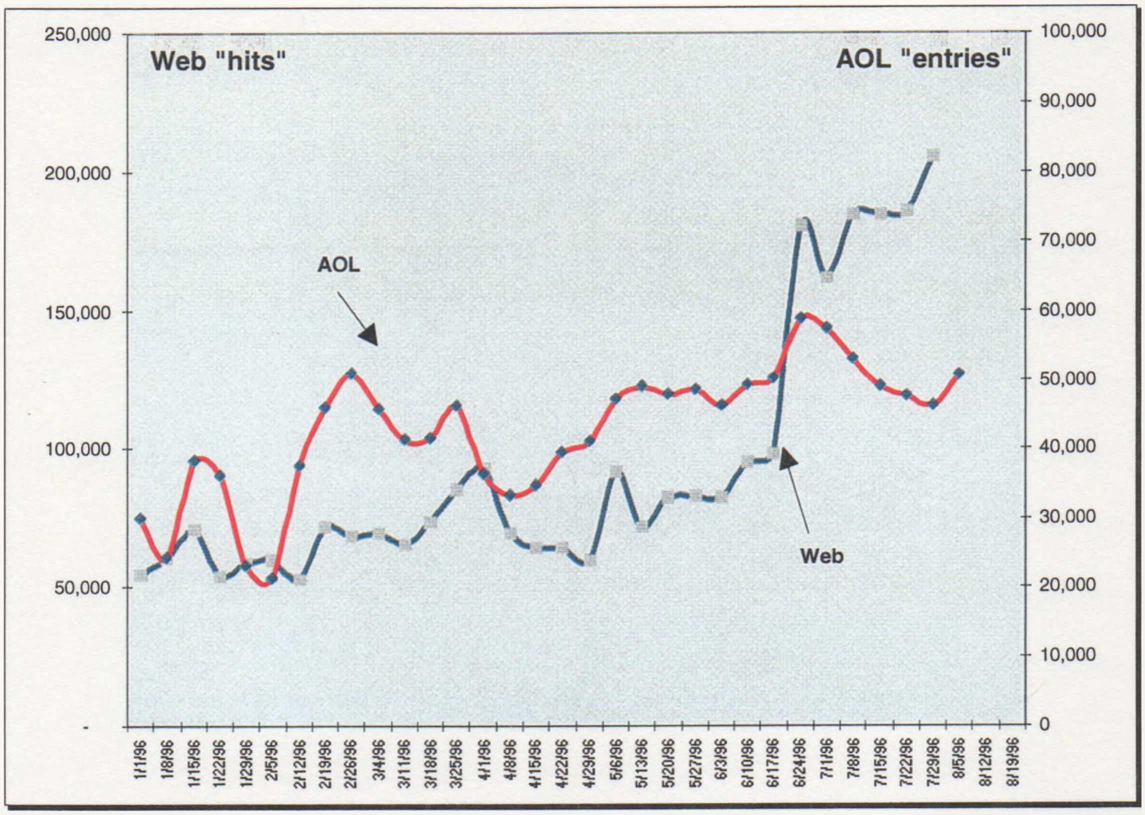
TRAFFIC ON ARIZONA CENTRAL ON AMERICA ONLINE

This information is based on actual paid entries into any area on Arizona Central. It is an indication of traffic on the AOL edition of Arizona Central. AOL has the ability to track actual entries into Arizona Central. The drop in online use during the Olympics was seen throughout AOL.



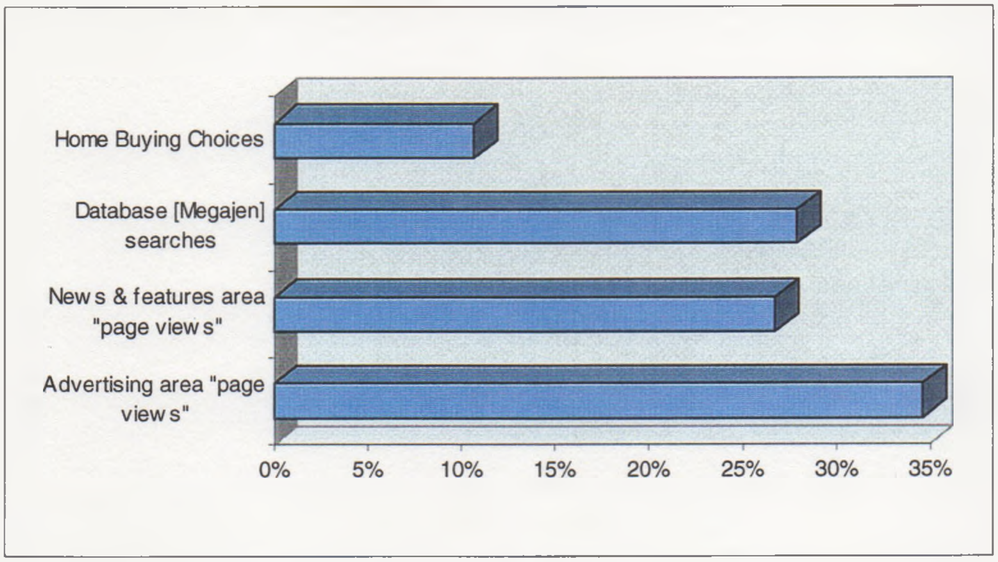
TRAFFIC ON BOTH EDITIONS OF ARIZONA CENTRAL

This compares traffic **patterns** on both editions. This chart is an *apples-oranges* indication of the two online editions



MAJOR SECTION VISITS ON THE WEB EDITION

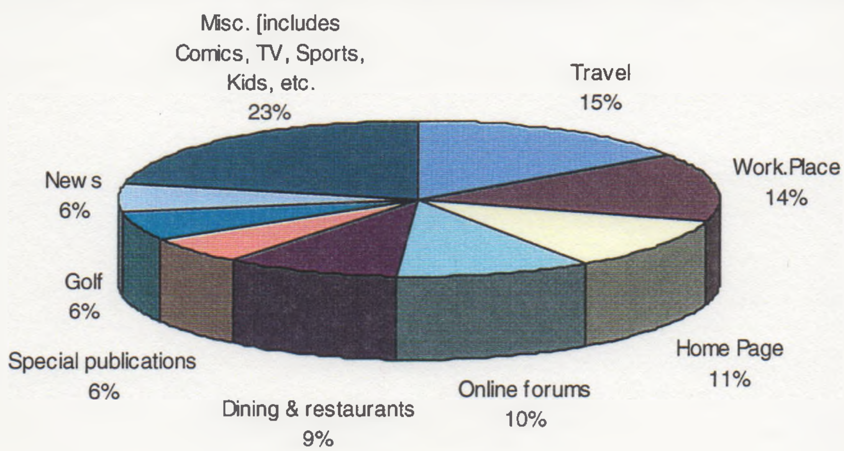
This is a breakdown of the major areas being visited on the Web based on "page views" rather than "hits" It is a better estimator of where customers are going.



Because of the nature of searching the online database – which is different than the Home Buying Choices database – visits to the employment listing area are included in the "Advertising area."

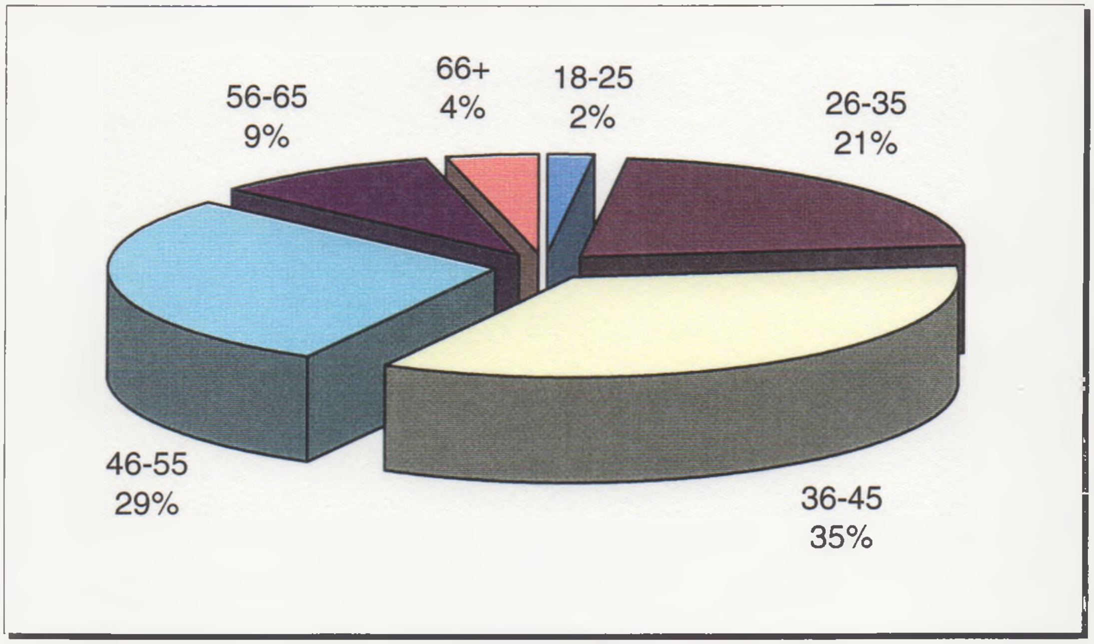
WHAT CONTENT IS BEING VIEWED ON THE WEB EDITION

Also based on requests from different "directories," this chart provides an indication of the content area visits. It is a guide to the topics that have the most hits/traffic and hence can be use to provide a general guide to which features are currently more popular. There is not a similar reporting feature on AOL at this time. However, some specific areas are now being tracked – Classifieds, for example – and that information will be available shortly.



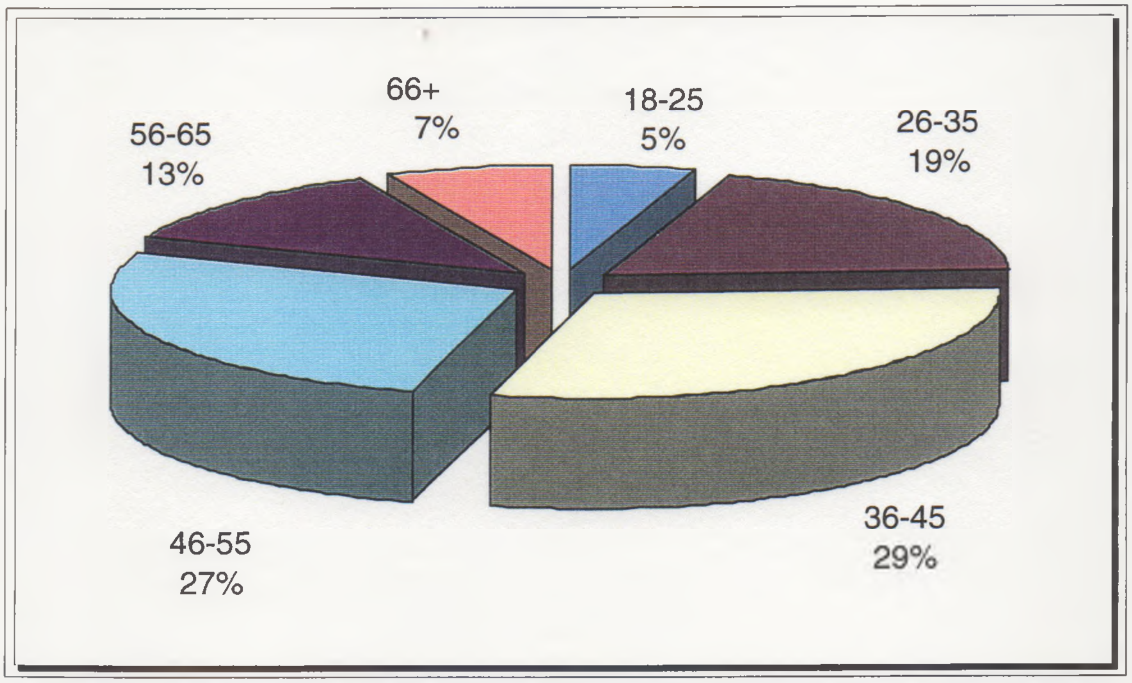
AGE OF VISITORS TO ARIZONA CENTRAL ON AMERICA ONLINE

This is a breakdown of visitors to Arizona Central on AOL by age. It is based on AOL's information about who uses their service and, hence who visits Arizona Central. The median age is 43.7. One interesting point in contrast with the Web is the larger number of users in the 36-45 group. This might be an indication of a larger "newbie" group of users.



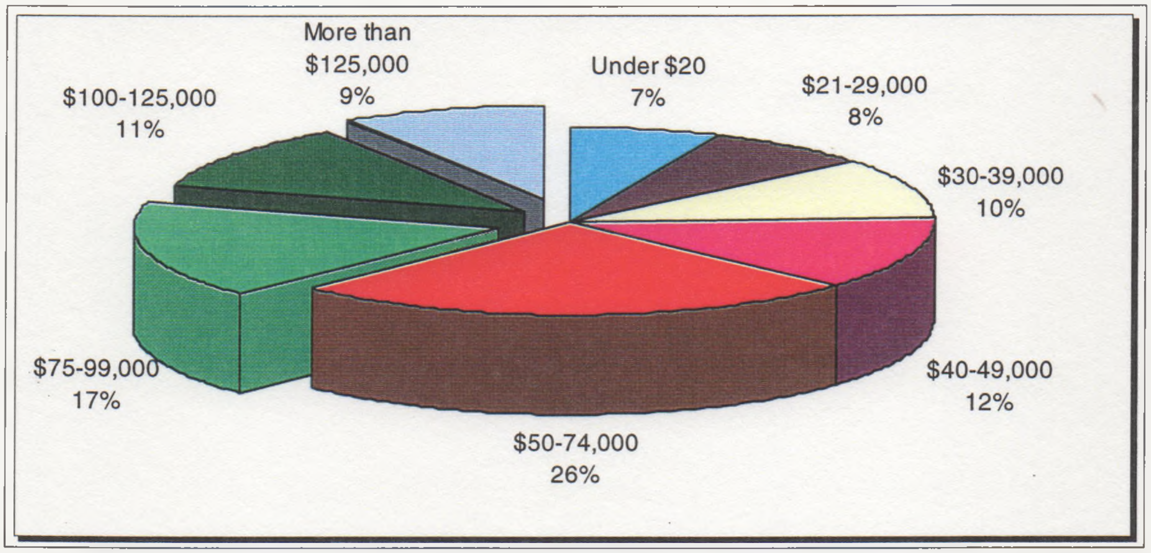
Age of visitors to Arizona Central on the Web

This breakdown is based on the ages reported by those visitors to our Web site who filled out a survey. The median age is 43.5. Another purpose of the survey was to ask visitors about the types of content and information they would like to see in the future on Arizona Central.



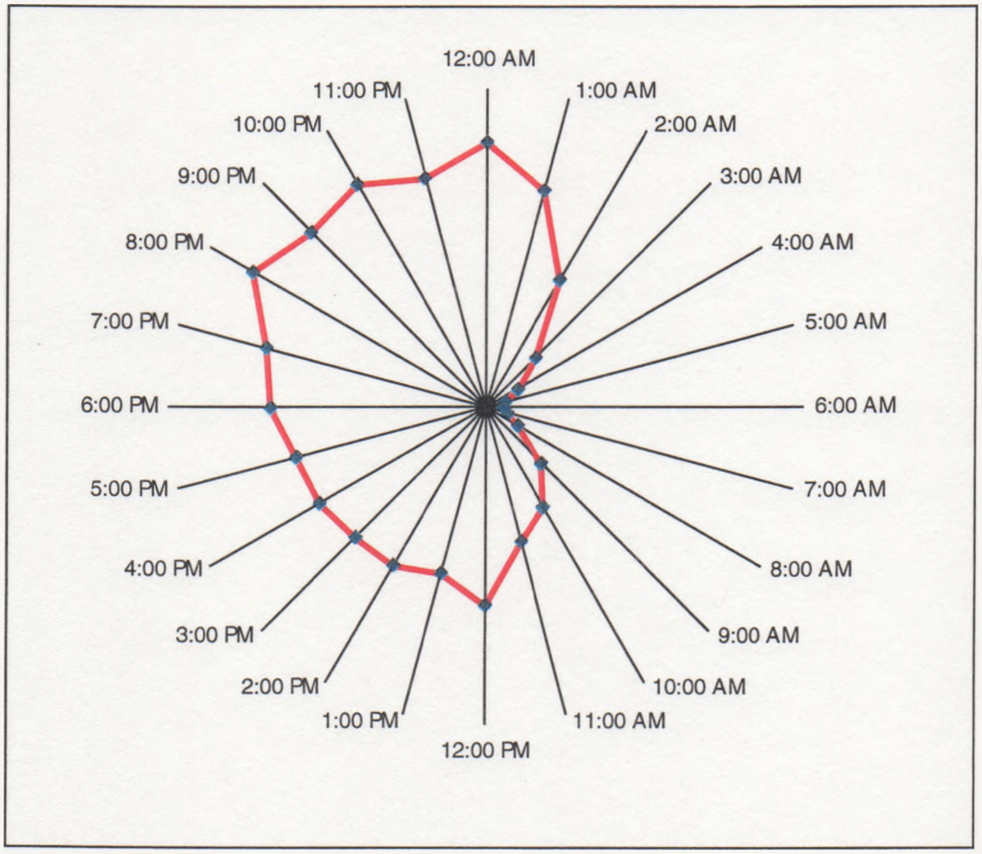
INCOME OF VISITORS TO ARIZONA CENTRAL ON AOL

This is a breakdown of visitors by income to Arizona Central on AOL. It is based on AOL's information about who uses their service and hence, who visits Arizona Central.



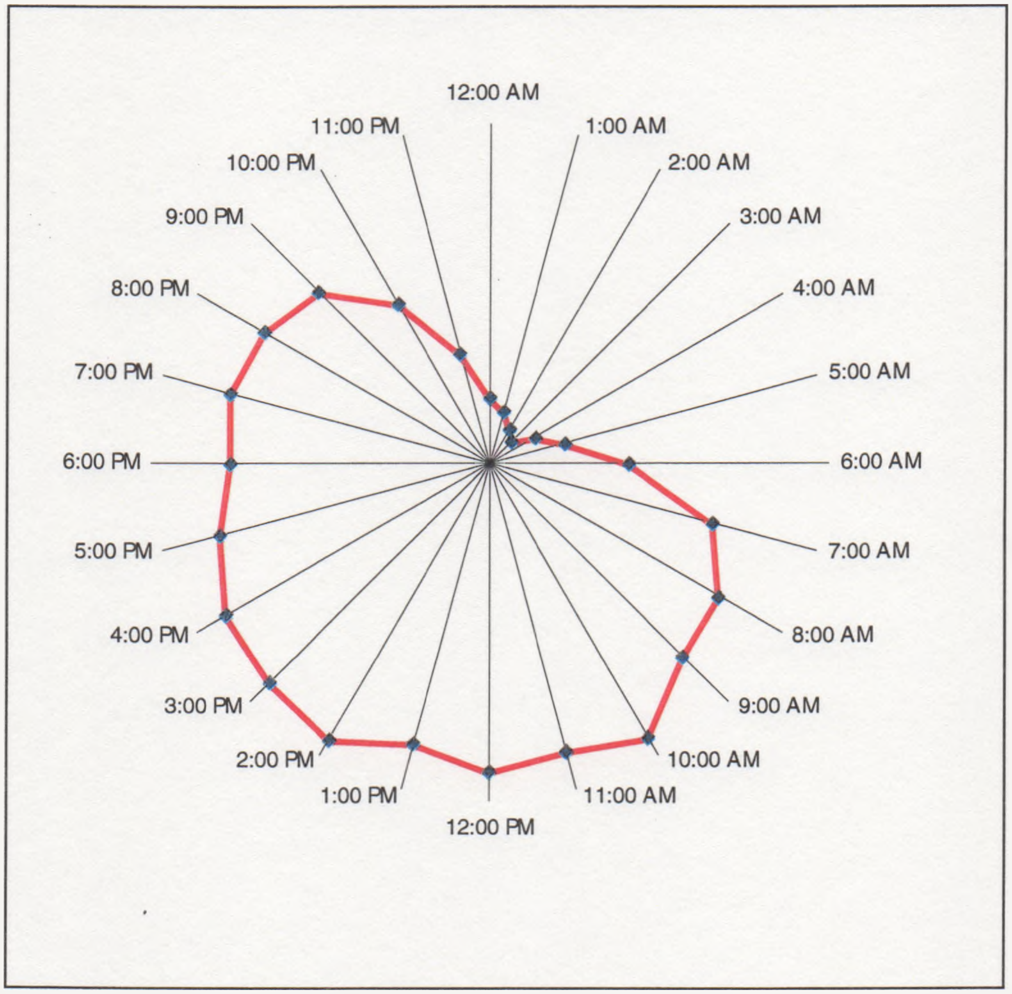
TRAFFIC PATTERN OF VISITORS TO ARIZONA CENTRAL ON AOL

This chart indicates the time of day when customers visit Arizona Central on AOL. It shows that more people visit our online edition during the evening hours, peaking at 8 p.m. The least visited time is very early in the morning.



TRAFFIC PATTERN TO ARIZONA CENTRAL ON THE WEB

This chart indicates the time of day when customers visit Arizona Central on the Web. In contrast to AOL, Web traffic patterns align more closely with general "working" hours. This is probably based on the strong traffic patterns coming from major employers within the Valley [Allied Signal and Motorola, for example] as well as corporate sites throughout the U.S. At night, traffic lessens and probably comes from private Internet accounts and commercial online services.



UPCOMING PROJECTS

There are a number of projects under development. Some of these projects are driven by editorial content needs, while others are advertising areas. The completion dates are estimates and subject to change as online development can be delayed by technical and other problems unforeseen.

Topic or area	*Descriptions*	*Estimated completion date*
News Digest on the Web	Move and expand AOL digest; access would be from both sites	Done; test mode
Heat Contest	Traffic builder for both Web [visit new areas] and AOL	Launch this week
Partners		
Desert Botanical Garden	Full content area on both AOL [lst phase] and the Web	
Movies	Movie times for all theaters and reviews and links to other movie sites	Aug. 23
News on the Web	More complete news offerings	Beta starts this week, with build-up toward Sept.
Elect to Connect	NIE/PAFET project to provide election information to schools	Aug. 15
Elections '96	Complete election coverage on both Web and AOL	Went live with start of GOP convention
Meet your Match	Singles-area [listings and content]	Sept. 11
Living Here	Newcomers guide; including 3-5,000 item database. Tied to section	Sept. 20

Phoenix Newspapers, Inc.

Topic or area	*Descriptions*	*Estimated completion date*
Calendars	Entertainment and other listings expanded and formatted for searching via database	Sept. 27
ALT. on Web	Key areas expanded from AOL to Web	tbd
Prep Stats	Complete listings from high school sports	tbd

Commerce areas

Pick the Pros		Demo Aug. 15. Live Aug. 30
I-Pro	Provide audit report for Web	mid-August.
Ad Reporting	Provide reporting to advertising for tracking ads	tbd
AZ Homes	New home builders area	

Other / partners

White Mountains	Selected content for Travel area and cross-linking	Aug. 23
AZ Forum	tbd	tbd
AZ-Mexico Comm.	Content area	Nov. 8
Scottsdale Center for the Arts	Content area	tbd
Holiday Lights	Working with Downtown Association	Nov. 15
SAVE System	Search past stories and purchase content/articles	tbd

tbd= to be determined by either content or technical issues

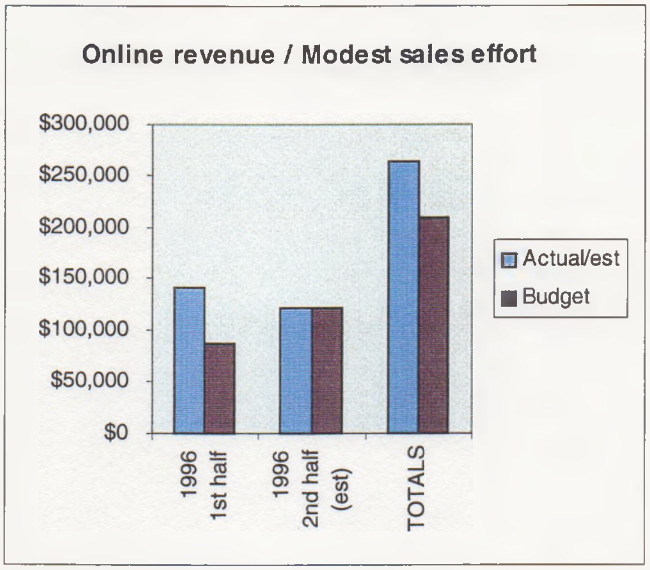
Revenue and Expense Projections

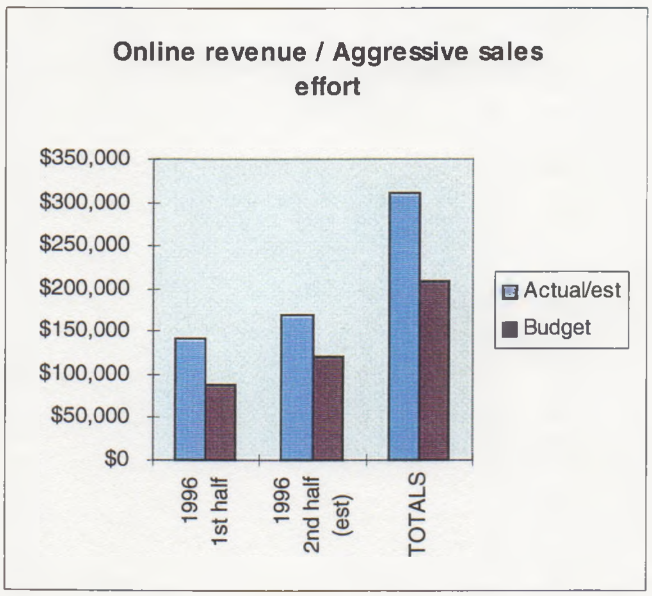
While it is unlikely that online will be profitable this or next year, revenue is running ahead of projections. Increase revenue is being driven by two factors – more awareness among advertisers as to the power of the online marketplace and a significant increase in the amount of revenue generated by AOL time charges [$100,000 estimated vs. $175,000 projected].

The following charts given an indication as to revenue projects for the rest of the year with two scenarios – a modest sales effort and an aggressive sales effort.

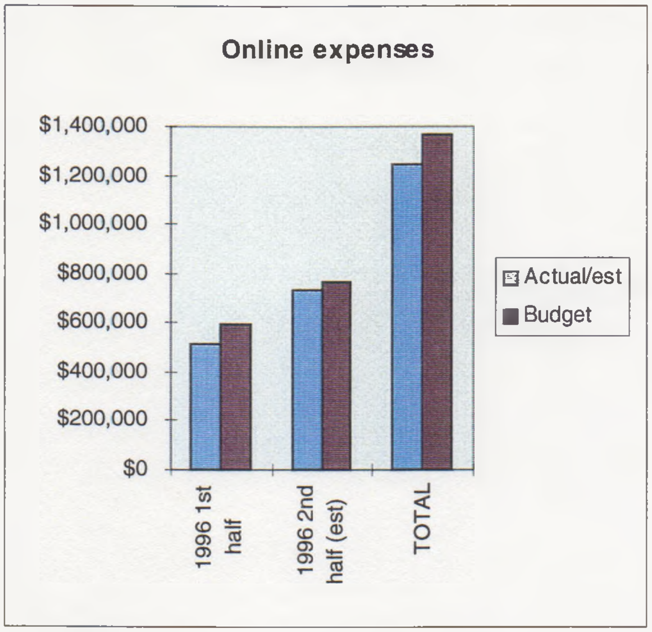
Not reflected in the revenue charts is an allocation of revenue from Classified regarding employment liners.

REVENUE AND EXPENSE PROJECTIONS [CONT'D]

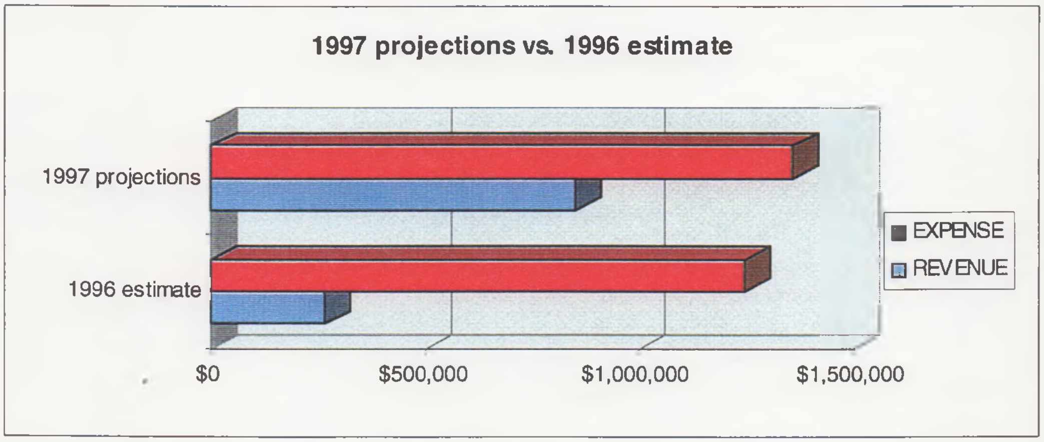




REVENUE AND EXPENSE PROJECTIONS [CONT'D]



The chart below is a very conservative projection. It includes display advertising [the majority of projected revenue] and AOL time revenues. Not shown are library sales [SAVE system], transactions [online "storefront"], Web development services and allocation from Classifieds. Discussions are underway regarding Classified allocations starting in 1996.



OTHER INFORMATION

Follow-Up Survey Reports Growth in Internet Users

Newcomers Are Older and Less Educated

By PETER H. LEWIS

The growth in the number of Internet users appears to be coming from newcomers who are older, have less money, are less educated and spend less time on line than long-term users of the global computer network, according to the most recent attempt to discern the size and habits of the Internet-user population in North America.

The new findings were disclosed yesterday by Nielsen Media Research and Commercenet, an Internet industry consortium, as part of a scheduled six-month follow-up on a demographic study commissioned by Commercenet last year.

Although the Nielsen report yesterday did not include many details or any hard numbers — rather, Internet accessibility and use were reported in percentages — Commercenet called the results encouraging.

For example, Nielsen concluded that 22 percent to 24 percent of all people ages 16 and older in the United States and Canada "had access" to the Internet as of March, compared with 17 percent in August 1995.

"This study has provided validation of the hyper-growth of the Internet," Asim Abdullah, executive director of Commercenet, said. "Clearly, a huge market exists for electronic commerce."

But the follow-up study also found that 20 percent of the people who said they had access to the Internet in the first survey said they no longer had access six months later. Of those who did visit the Internet, most did so through commercial on-line services like **America Online**, the study found. America Online promises to connect users with a minimum of technical difficulty, which attracts inexperienced computer users.

"It makes sense, because the usage of people who go on line through a commercial service tends to be more personal and more periodic," said Thomas E. Miller, publisher of Interactive Consumers, a monthly report from the research firm Find/SVP. "AOL has succeeded in penetrating a downscale audience and they are bringing those people to the Internet."

"Longtime users, in contrast, appear to use the Internet more frequently and more steadily, and that represents a plus over all for anyone who is pinning their hopes and dreams on electronic commerce," Mr. Miller said.

N. MacDonnell Ulsch, senior vice president of O'Reilly Online Research of Cambridge, Mass., agreed that the broadening of the Internet population was encouraging.

"Assuming that their data are correct, it shows the beginning of the democratization of the Internet," Mr. Ulsch said. "It is a tool that provides greater access to a greater range of services to a greater range of users."

The original random telephone survey by Nielsen, conducted in August 1995, was widely regarded as the most rigorous and ambitious attempt to date to measure the size of the Internet. The survey was commissioned by Commercenet, a Silicon Valley group whose member companies have an interest in the growth of electronic commerce.

The survey reached 4,200 households in the United States and Canada. Through the use of data weighting, a complex procedure whose goal is to reliably project the findings of the small sample audience onto the general population, Nielsen calculated that 37 million Americans and Canadians, ages 16 and older, had "access to the Internet" and that 24 million of them had used the Internet in the last three months.

A global computer network attracts more casual users.

The findings were immediately challenged by critics, including several of the academic researchers enlisted by Nielsen and Commercenet to help design the survey.

Donna L. Hoffman and Thomas P. Novak, professors at the Owen Graduate School of Management at Vanderbilt University, contended that Nielsen appeared to have overestimated total Internet use, exaggerated the household income and educational levels of Internet users, and otherwise "seriously inflated" the findings.

For its follow-up report, Nielsen got in touch with 2,800 of the original 4,200 households again, six months after the initial survey.

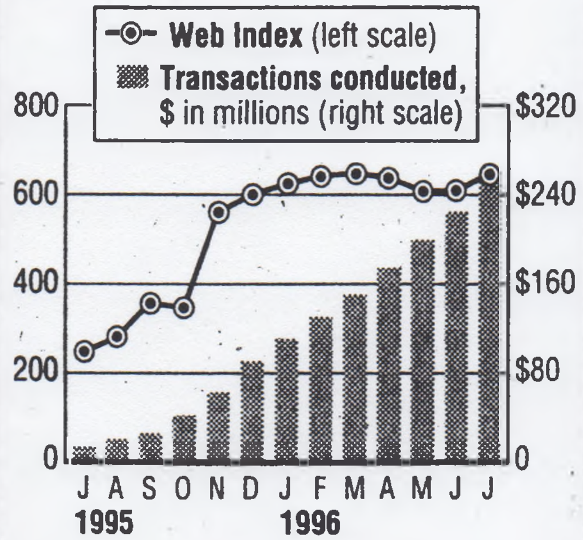
Professor Hoffman said yesterday that without knowing the responses of the missing households, it was impossible to draw any solid conclusions from the Nielsen report. But, she said, it appeared that Nielsen had taken the earlier criticism into account in preparing the follow-up data.

Nielsen itself seemed to acknowledge the earlier dispute. "The Internet is a very difficult medium to measure," yesterday's report said.

Nielsen Media Research is a division of the **Dun & Bradstreet** Corporation. An executive summary of the report is available from Commercenet's site on the World Wide Web at the address: www.commerce.net.

NET RESULTS

With a surge in the number of pages on the World Wide Web, the Web Index jumped 6% this month following a 0.2% increase in June. International Data Corp.'s estimate for the value of transactions conducted on the Web–excluding access charges and home-banking transactions–climbed 15% from June.



Note: International Data Corp.'s Web Index tracks the outlook for commerce on the World Wide Web by dividing users' time on-line by the number of Web pages competing for their attention, and then factoring in an estimate of the number and value of transactions taking place on the Web.

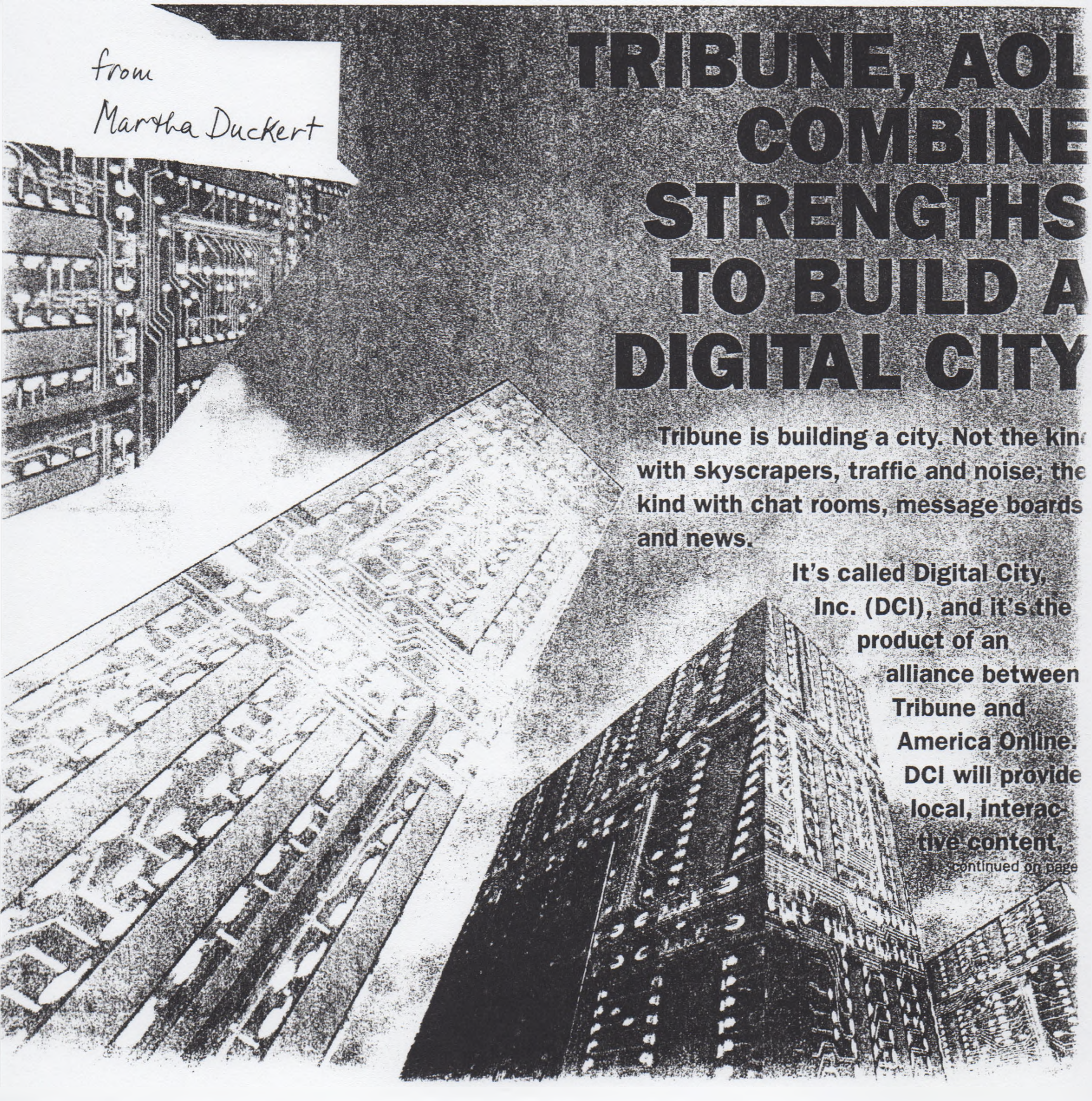
JULY 23, 1996

TRIBUNE NEWS

DEAS IN INFORMATION & ENTERTAINMENT

A PUBLICATION FOR EMPLOYEES

from
Martha Duckert



TRIBUNE, AOL COMBINE STRENGTHS TO BUILD A DIGITAL CITY

Tribune is building a city. Not the kin with skyscrapers, traffic and noise; the kind with chat rooms, message boards and news.

It's called Digital City, Inc. (DCI), and it's the product of an alliance between Tribune and America Online. DCI will provide local, interac tive content,

continued on page

DIGITAL CITY

continued from page 1

news and information in 88 North American markets. Tribune has a minority stake in the new company and will own and operate affiliates in the markets where it owns newspapers, as well as provide content through its television stations.

First launched in 1995, local DCI affiliates already are operating in Washington, D.C., Boston and San Francisco, providing AOL members instant access to information such as fast-breaking local news, weather, sports and traffic conditions. Other features include a calendar of local events, restaurant reviews and interactive classified ads, in addition to community services such as chat rooms and message boards that are the hallmarks of the AOL experience.

Access to all Digital City affiliates is available at no extra charge to America Online members. Additionally, Internet users worldwide will be able to access Digital City via the Internet, at http://www.digitalcity.com.

Tribune will own and operate the Digital City affiliate in Chicago (Chicago Tribune), South Florida (Sun-Sentinel), Orlando (Orlando Sentinel) and Hampton Roads, Va. (Daily Press). These sites are expected to launch by the end of the year. Other affiliates also are expected to come on board over the next several months.

Some of Tribune's existing interactive ventures will become part of DCI. For example, Chicago Online will be the core of Digital City Chicago, and The Orlando Sentinel Online will be the core of Digital City Orlando.

Tribune TV stations will serve as the preferred information providers for the affiliates in their markets. Also, companies in which Tribune has investments could help provide content and other services.

Each affiliate's site will have some elements that are common to the network so that it is easy to navigate from city to city. At the same time, each site will have a distinct, local feel appropriate to the market.

DCI will have its own management team and board of directors, chaired by David Cole, president of AOL New Enterprises. **Mike Silver**, Tribune Media Services vice president/electronic information services, will serve as general manager of Tribune's Digital City efforts and will direct the launch of services in Tribune's newspaper markets, in conjunction with local managers.

Silver says Tribune will make money from Digital City primarily through advertising and splitting usage revenue with AOL. Also, as DCI develops, transactions and specialty services such as reservations and archives will generate revenues. He says advertisers "are increasingly looking for a presence on the Internet.

"We are confident they will see the value in doing business with a clearly defined channel that has consistent quality."

"Tribune and America Online are driving an entirely new market," says **John Madigan**, Tribune chairman, president and CEO. "As the interactive world evolves, users are demanding more intensely local content and services. That's what we do best. Serving the local marketplace with a new medium is a huge opportunity."

"AOL's online consumer expertise, combined with Tribune's impressive publishing and broadcast assets and experience, will establish a new standard in local services for online subscribers and advertisers in North America," adds Steve Case, chairman and CEO of America Online. "As we continue to build this new medium and reach tens of millions of households, we believe that combining local communities with our national and international communities is the key to making online services a part of everyday life."

Madigan says Tribune benefits in many ways from the DCI arrangement. "This helps position us as the leading interactive service provider in our local affiliate markets and helps us extend our relationships with consumers and advertisers," he says. "DCI also leverages our investments and experience in interactive media, as well as creates broader distribution for our interactive content."

In addition, DCI increases the broadcast group's participation in interactive services, Madigan adds. This eventually will include involvement by the six Renaissance stations Tribune has agreed to acquire.

America Online is the largest and fastest-growing provider of online services in the world, with more than 6 million members worldwide. Tribune's successful partnership with the company dates back to 1991 when the two came together to launch the first local-market online initiative on AOL, Chicago Online. In 1993, Tribune launched Destination Florida, a travel and tourism service, and in 1995, Orlando Sentinel Online debuted.

Last spring, Tribune and AOL together invested in iVillage, an online content company developing sites that focus on family, work and health matters, and Excite, which provides navigation services that aim to make the Internet easier to use.

Tribune also is a founding partner of the New Century Network, an Internet network of newspaper-based interactive services.

NewsInc. via Individual Inc. : The latest online threat to local newspapers comes with a slightly surprising secondary partner, in a deal that has left newspaper industry insiders awed, miffed or just plain stunned.

In conjunction with America Online's announcement that it would spin off its local online initiative into a new company called Digital City Inc. Tribune is anteing up about $20 million in cash and promotional considerations for about a 20% stake in the venture. Total start-up funding for the project will be approximately $100 million, with America Online coughing up the remainder. Tribune, you may recall, was an early investor in America Online, and retains a 5% stake in the company.

Ultimately, according to the companies, Digital City will serve 88 U.S. markets, combining local and regional content with interactive communications in an attempt to localize AOL's successful national model.

Digital City is already taking on newspapers in Washington, Boston and San Francisco, and sites are planned for Atlanta, Philadelphia and Dallas, as well as in Tribune's newspaper markets of Chicago, Ft. Lauderdale, Orlando and Newport Beach, VA.

At once, the move gives Digital City a leg up in the burgeoning local online arena, coupling AOL's 6 million paying users with the content available through Tribune's newspapers and its expanding broadcast holdings (NewsInc., July 22).

But over on the content side, the deal is illustrative of how, in the online fray, an active company's moves to defend the local flank may make for a tangle of competing cross-alliances. By partnering in a local content venture with a national scope, for example, Tribune potentially puts itself in competition with its newspaper partners in New Century Network, whose networked approach to local online sites is slated for an early 1997 launch. NCN's initial funding of $9 million doesn't quite match that of Digital City.

Other observers see Tribune's move as casting a pall on some of its own ventures. Destination Florida, its online joint venture with Knight-Ridder, may now face new competitive pressures from the fall launch of the just-announced Digital City-South Florida, with content courtesy of Tribune's Ft. Lauderdale Sun-Sentinel.

In Orlando, the most accessed area on Destination Florida, "right now, there's a fairly prominent link to Destination Florida from Orlando Sentinel Online. And I see no reason for that to change," said Mike Bales, managing editor for electronic publishing at the Sentinel.

"Destination Florida will continue as it is," said Mike Silver, vice president of electronic information services for Tribune New Media. "Its mission is somewhat different from Digital City."

But it sounds like Tribune's still digesting the deal, and so the ultimate effect on Destination Florida remains unclear. As Bales put it, the company "is in the process of trying to figure out how Orlando Sentinel Online will be changed in the Digital City environment."

Tribune's three-year-old Chicago Online joint venture with AOL "will form the basis for what we do locally as Digital City Chicago," said Kelly Shannon, a Tribune spokesperson.

While the company will maintain the paper's Web site at chicagotribune.com, there's the "potential" for some of that content to be folded into Digital City-Chicago as well, she said.

"It's interesting to see what's happening with online newspapers today. Often the right hand doesn't know what the left hand is doing," said Rosalind Resnick, editor and publisher of Interactive Publishing Alert.

"On one hand they want to defend against CityScape; on the other, Tribune is partnering with Digital City in a way that would seem to compete against its own efforts on the Web." CityScape is Microsoft's planned local Web-based service (NewsInc., July 22, May 13).

As for the prospect of competing against New Century Network, former NCN interim chief executive Peter Winter, who now heads Cox Interactive Media (see story, page 3), sounded relatively unconcerned.

"The Tribune Company was a driving force behind the formation of NCN, and so I would be very surprised if my friends in Chicago would do anything counter to the interests of NCN," he said.

Either way, the dilemma of to partner or not gets to the crux of newspapers'

identities. In a perfect online world, newspapers would vault into the new medium solo, or with other newspaper partners, to better maintain and promote their brand names. Unfortunately, online content aggregators, be they CitySearch, CityScape, or Digital City, have gotten there first.

This leaves newspapers with the wrenching decision of whether to partially subsume brand identity in order to make it online quickly--or to go solo, possibly with a less-visible Web service, and risk losing a larger chunk of the local content franchise to a flashy aggregator drawing local content from other sources.

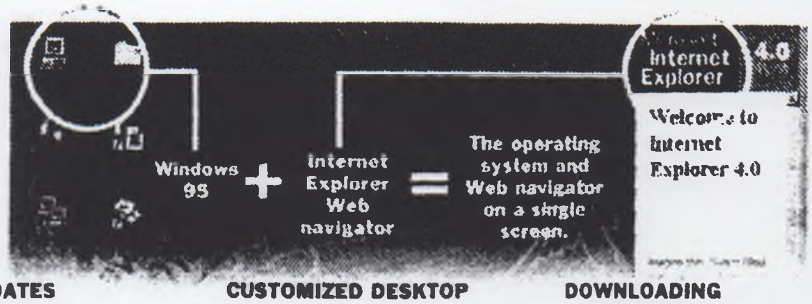
Some online content opportunities, in Resnick's words, may allow "newspapers to have it both ways," with both brand identity and a strong technological partner, but it's clear that the most visible online aggregators won't work that way.

Tribune has carved its niche online in a way to avoid losing brand identity. It's Tribune's partners in other ventures, now on the receiving end of competition from an online ally, that may fare less well.

<<NewsInc. -- 08-05-96>>

Weaving the Web Into the PC

Microsoft plans to introduce technology that would blend the Windows 95 PC operating system with software components of the Internet's World Wide Web. The goal is to make PC's more functional and easier to use by handling all material as if it were a Web page.



	SEARCHING	UPDATES	CUSTOMIZED DESKTOP	DOWNLOADING
OLD WAY	Information, which is stored as files within labeled folders, can be found only through a key-word search of the labels.	Files are displayed in static directories; it is difficult to know when information has been updated.	It is difficult for the user to change the way the computer screen displays information.	For the user, adding new capabilities to the PC's operating system can be difficult.
NEW WAY	A folder will be a Web page, which can be found either by the label or with Internet-search software that can examine the contents of the documents within the folder.	Directories can be annotated in various ways. A file located on a local or remote Web page, for example, will have a red bulb that lights up when it has been updated.	Putting the Web's Hypertext Markup Language into the operating system will make it easier to customize the screen — like adding a news-wire window.	It will be easier to download a capability from the Web — for fixing a software bug, for example — and add it to the operating system.

Source: Microsoft

The New York Times

Microsoft and the Web: Making Critical Mass Pay

By JOHN MARKOFF

News Analysis

SAN FRANCISCO, July 28 — The Microsoft Corporation's plan to fold World Wide Web capabilities into the company's Windows 95 PC operating system software is in many ways similar to technology under development by other companies, including Apple Computer Inc. and the Netscape Communications Corporation.

But the reason that many industry experts see Microsoft's move as a fundamental shift in personal computing — whether or not they consider it the most elegant approach technologically — is one undeniable fact: Because it is the company whose software controls the basic operations of 80 percent of the world's personal computers, when Microsoft strikes out for a new horizon, the industry marches along.

In simplest terms, Microsoft intends to overhaul the decades-old and often cumbersome "folder and file" system of organizing information on a PC. This hierarchical organizational scheme can make stored material hard to find. And it can make it difficult for all but the most sophisticated users to customize the way their PC's process and display information.

Folders and files served their purpose in the days when word processing and spreadsheets were the primary applications for PC's. But compared with the free-flowing World Wide Web — the multimedia Internet service in which even novices can find their way around the global network and download images, audio and video files with the click of a mouse — the inner workings of a Windows PC have remained inflexible, limiting and frustrating.

And so now, Microsoft intends to weave

Continued on Page C2

Microsoft's Latest Web Venture: Critical Mass Seems to Pay

Continued From First Business Page

the Web into the PC. By the end of the summer, the company will begin giving away test versions of its Web-browser software, Internet Explorer Version 4.0, which will become an integral part of Windows 95.

Why does this matter? If it works as promised, and as recently demonstrated to a reporter, the technology will mean a much richer world of computer data for the millions of people whose PC's use Windows 95. If the technology works, the PC is about to leave the epoch of desktop computing and enter a new era of television-like multimedia computing. And from the user's standpoint, it will make little difference whether information is on the computer's hard disk or on a Web server computer a hemisphere away.

"It's a very simple and elegant metaphor," said Alan Cooper, the founder of Cooper Software in Palo Alto, Calif., and the designer of an older Microsoft programming language, Visual Basic. "You can explore your local hard disk or you can explore the infinite disk of the Web."

The new approach incorporates the Web's hypertext markup language into the Windows 95 operating system. This promises a new era of personal computing in which users can much more easily embellish their creations with visual and aural flourishes — whether adding animation to E-mail, installing one's own stock-quote ticker as a permanent fixture on the computer screen, or adding video to a personal Web page.

"The job of creating Web pages is something everyone will do every day — instead of just the three pony-tailed kids in the back office," said Jerry Michalski, editor of Release 1.0, a computer industry newsletter. "This will change your relationships with other people, ranging from your stockbroker to your teacher."

Companies, meantime, would be able to organize corporate data bases so that all of the information a worker needs is built right in to the basic desktop display of his or her computer. And the on-screen information could be updated continuously and automatically.

Computer researchers say the new technology will not only make it far simpler to find information, by allowing users to employ powerful Internet "search engines" to track down material no matter where it resides. They say the new approach will also give new impetus to distributed computing technologies like Sun Microsystems's Java, which has been incorporated into Explorer 4.0 and will enable small programs to flit seamlessly back and forth across computer networks to perform functions for the user, like comparing air fares and booking flights.

The vision of a vast library of information — which Microsoft's chairman, William H. Gates, refers to as "information at your fingertips" — has long been a primary goal of computer researchers.

As early as July 1945, Vanevar Bush, Harry Truman's science adviser, wrote a magazine article entitled "As We May Think," in which he envisioned a memex — "a device in which an individual stores all his books, records and communications, and which is mechanized so that it may be consulted with exceeding speed and flexibility."

Microsoft's Explorer 4.0 is the company's effort to roll those elements, and more, into a single software technology. Because the company so dominates PC software, Microsoft's effort now to "embrace and extend" the Internet — another Gatesian phrase — raise concerns among competitors, many of which see instead an attempt by Mr. Gates's company to engulf and devour the Internet market.

Not that Microsoft's rivals are standing idly by.

Apple and I.B.M. have been developing technology similar to Microsoft's in recent years. And Netscape Communications, whose Navigator remains a more popular Web browser than Microsoft's Explorer, continues to roll out ever richer, more powerful versions of its software.

Microsoft's critics, of whom there are many, contend that the company is trying to impose technology on the industry that is inferior to that being developed by its rivals.

The company is basing its new approach on an existing Microsoft technology known as object linking and embedding, or OLE — a modular approach that assembles programs from building-block components.

For this new effort, Microsoft has revamped OLE and renamed it Active-X so that software components can be tailored for the Web.

Company officials say that Active-X will make it possible for a computer user to download all sorts of software components — including those written in Visual Basic programming language and Sun's Java — and have them interact accurately and automatically on each Web page. Other companies are already developing Active-X components for specific purposes, like electronic retailing transactions over the Internet.

Just last Friday, Microsoft announced that it would hand over development and oversight of Active-X technology to an independent industry group to insure widespread support in the software community.

It is a move to demonstrate that Microsoft intends to take a more open approach to Internet technical standards, compared with the chokehold the company has tended to use with PC technology. And yet, it is also a strategy meant to win Active-X adherents when other, arguably better alternatives are available.

Apple and I.B.M., for example, are jointly pursuing a competitor to Active-X, known as Open Doc. And Apple has developed its own Open Doc-based Internet retrieval program known as Cyberdog, which like Microsoft's Explorer 4.0 is designed to integrate desktop and Web functions. So far, Apple is giving away Cyberdog software free via the Web.

Many computer scientists say Active-X is less elegant and less powerful than Open Doc. But as is frequently the case with Microsoft, marketing prowess may ultimately overshadow technical shortcomings.

PC users go on line, but not for too long

By Leslie Miller
USA TODAY

The number of people going on-line is skyrocketing, but most still don't find cyberspace compelling, a study out Wednesday suggests.

About 35 million in the USA ages 16 and over said they used on-line services or the Internet in the first three months of 1996, according to a poll by technology research company IntelliQuest.

"The growth rate is tremendous," says IntelliQuest's Brian Sharples. He notes 26% — 9 million users — went on line this year.

Still, 40% of users (14 million) spend less than two hours a week on line; only 8% (2.6 million) spend more than 20.

"The industry has an obsession with the number of people coming on line, but they need to focus a lot more on satisfaction," Sharples says.

Growth in electronic commerce will depend on "converting people who already have access into medium or heavy users."

Compared with other recent Net studies, the numbers "make sense," says on-line marketing expert Donna Hoffman of Vanderbilt University.

She emphasizes that although 35 million may be on line, that's not the number marketers should be looking at: "What's important is how many people are actually getting on every day and using this thing. And it's small, that's the real story."

Intelliquest did random phone surveys in April and May with users and non-users in 4,750 U.S. households. Margin of error is plus or minus 3.5% or less.

Microsoft's thinker plays with future

Personal 'black box' is just the start

It's always a blast to have Nathan Myhrvold drop by, especially when he's in a mood to veer off into grand cosmic thoughts and jab at his own industry.

Myhrvold, 37, is one of the top officers at Microsoft, but his real job is CEO Bill Gates' Chief Thinker. He was a co-author of Gates' book *The Road Ahead*. More than anybody else, Myhrvold shapes Microsoft's long-term vision.

Technology
By Kevin Maney

He's also one of the most interesting guys in technology. Used to work for cosmologist Stephen Hawking. Drives a Humvee. Has taken up paleontology as a hobby and is working with scientists in his spare time — for fun! — to build computer models of dinosaurs. Buys $1,000 worth of books a month by ordering them on line through Amazon, an Internet bookstore. Loves to cook, which may explain why he asks for a Diet Coke as he slides into a chair.

Mostly, though, he's interesting for the tidbits he drops into a meandering conversation. There's no point or logic to the way he shifts subjects, especially when you don't demand he talk about Microsoft or operating systems. The best thing to do is just ride along.

For no apparent reason, Myhrvold immediately launches into the idea of a permanent wearable recording device, which would be turned on all the time and store every conversation you have. A decade from now, digital technology will make them practical, small and cheap, he says. By compressing audio information the way cellular phones do today, a year's worth of conversations could be stored on one tape. The tape could be automatically indexed so you could quickly find the moment when your wife promised you could go to baseball fantasy camp.

"It would be like a personal airline black box," Myhrvold says in his high-pitched voice, which makes its way out of an opening in his bushy beard. "In this litigious society, it could record every word and where you were so if you get sued, you could use it in court."

Someone could tell you a phone number or give you directions, and you wouldn't have to write it down. Familiar faces would never go without names. Subordinates could never claim you didn't tell them to do something. " 'I forgot' becomes obsolete," he says.

He shifts into something more immediate: How to make money providing entertainment or information content on the World Wide Web. Or, in Myhrvold's view, why nobody will make much money soon.

Some Web sites, like Mercury Center from the *San Jose Mercury News*, are charging subscription fees. But mostly, subscriptions aren't working, and they probably won't for a while.

"Trying to start a subscription service on the Web today is like trying to start HBO in 1950," Myhrvold says. "If you're just awestruck by the medium, as people were with TV then, you're not going to be saying, 'Oh s---, there's nothing on TV.' Now, with the Web, people are awed by what's on there. It really hasn't worn off yet. So, if people get to a pay site, they don't feel compelled to subscribe."

By Dave Weaver, AP

Myhrvold: The man who helps shape Microsoft's vision expects a multimedia explosion in the next 12 months.

And advertising will move to the Web slowly, Myhrvold predicts. Advertisers will have to be persuaded to take money away from some other medium to buy ads on the Web, and they probably won't do that in a significant way until the Web audience is massive. He says that could take 10 years. Others are more optimistic. Jupiter Communications predicts there will be $5 billion in advertising on the Web in four years.

On another note, Myhrvold is excited about what's around the corner for multimedia on computers. "The truth is, multimedia has been shorthand for multiple s----- media," he says. "The print is better on paper. The sound is better on a stereo system. The video is terrible compared to television. The only selling point for multimedia has been the magic of combining those media.

"Within the next 12 months, we'll go from that to exceeding what you're used to," he says.

DVD, digital video disks, will help make that happen. The new disks, a next-generation CD-ROM, will probably trickle into the market by Christmas. They'll offer video on PCs that looks better than on TVs and high quality sound and images. Then multimedia will catch on.

By the way, Myhrvold says that if you have a multimedia PC, it'll be able to handle DVD with a few upgrades. You don't have to buy a new system.

Myhrvold bounces through a few more thoughts. For instance, these days accepted wisdom is that any company that has an annual report should have a Web home page. Within a year or two, Myhrvold says, that will sift downward. Every person who has a business card will have to have a personal Web page. Yours might contain a bio, some photos, examples of your work and the names of your dogs and your favorite Beatle.

Myhrvold finishes off his Diet Coke and stands to leave. "It's a fascinating time," he says, smiling like a boy who can't wait to see what comes next.

DISTRIBUTED THINKING · STEWART ALSOP

WebTV's integration of television and the Web is clever and priced right

DID YOU NOTICE the announcement of WebTV last week? It's an important one.

WebTV, from WebTV Networks Inc., in Palo Alto, Calif., is one of many — more than a dozen that I've counted so far — so-called network computers or Internet terminals that have been or will be announced by the end of this year.

The $500 computer is a dumb concept, mainly because $500 is really, really expensive in the consumer electronics category and because it's not possible to build a functional, desirable computer for $500. (You can build a computer for $500, but nobody wants to actually buy it.)

More important, it's stupid to think that people will give up watching television — a medium with high production values that offers a group experience and requires almost no physical or psychic effort — and replace it with Web surfing, an individual experience that usually doesn't work too well and requires you to be ready to interact and constantly choose new options.

Those things said, WebTV is going to be a killer product, meaning that it will be purchased by lots of people to get the ability to view the World Wide Web from their television sets. The reason that WebTV is different from all the other products is that its designers (three guys who used to work at Apple and other companies) started with a different objective. Instead of saying that they would make a really cheap computer or that they would make a box to run Java and make Bill Gates poor, they asked themselves what customers would want to do with the Web on their televisions.

That led to the idea that the Web could complement the television experience rather than compete with it. Instead of designing a product that lets people pretend their television is a computer monitor, they designed a product that lets people integrate Web surfing with watching television. While you're watching the Chicago Bulls finally beat the tar out of the Seattle Sonics, you can switch to the Web and find out from ESPNet Sportszone exactly what Dennis Rodman's average baskets per game is and then switch back to watching.

As well, the WebTV people couldn't conceive of your average couch potato struggling with your average Internet service provider and modem configuration string. So the device comes with WebTV's own Internet service. All you need to do to get started is attach it to your television, plug it in, and turn it on to get to a screen that asks for your name and credit card number.

As part of that service, WebTV will offer you useful local information. I hope the service will provide you with a television guide that you can use to select channels and graze the television, but press materials didn't mention that.

The makers of WebTV have designed other cool features into the product, such as making it resolve the image of a Web page so that it's readable on a television. During a recent demo, I made them surf over to InfoWorld Electric, which has lots and lots of text on it, and I found it perfectly readable.

And the product comes with a remote control that's simpler than any of the remotes I currently have for my television, stereo, cable box, or VCR. The device comes with a slot for smart cards, so you can use your card to pay for things without having to worry about entering credit card numbers or other passwords through a keyboard.

Indeed, the designers of WebTV clearly believe that people will continue to use one or more personal computers in the same households where WebTVs have been attached to one or more televisions. But — and this is the most important aspect of the product — there is no way they could make a successful business if the product cost $500.

Many people pay between $300 and $700 for their primary television. They might pay $150 to $300 for their VCR. Maybe $200 to $400 for a stereo system. Maybe $300 or so for a video camera. And they pay another $20 to $40 per month for their cable service. They are not then going to go and pay $500 for a device that competes with all that other stuff and doesn't integrate well.

So WebTV has designed a product that can sell for $200 at retail and can eventually be integrated right into the television at a parts cost that will add about $150 to the net cost of the television. That's with a 28.8Kbps modem. It can also be designed with a cable modem or ADSL interface, although both of those devices independently still cost more than $500 — without the computer.

And that's the business model the WebTV people have chosen: The product will appear in retail stores this fall priced at around $200 and packaged in a way that you can buy the product, take it home, plug it in, and start using it immediately.

In other words, the designers of WebTV took a systems approach to solving the problem of using the Web as part of the television experience.

They designed a cheap terminal that still satisfies the user in performance and ease of use while at the same time designing an information system that would complement the device and integrate it with the Web. It almost sounds like these guys want to be the IS department for the world!

Stewart Alsop is a partner in New Enterprise Associates, a venture capital firm, and is the former editor in chief of InfoWorld. *He can be reached at stewart_alsop@ infoworld.com.*

Realtors Out $13 Million on Internet Gamble

By KAREN BLUMENTHAL
Staff Reporter of THE WALL STREET JOURNAL

The National Association of Realtors' widely publicized information network, created two years ago to provide extensive real-estate information on the World Wide Web, has run out of its $12.9 million in funding and is on the verge of collapse.

The association's nearly 700 board members are scheduled to vote Aug. 26 on whether to continue the Realtors Information Network or pull the plug, pushing the fledgling enterprise into bankruptcy proceedings.

Association officials and people in the industry say the network fell victim to overly ambitious goals, some free-spending ways and unexpected changes in technology that made it less attractive to its primary customers, real-estate agents. The debacle, one of the biggest known flops to date on the Internet, also highlights the risks trade groups take by venturing into fast-moving technology.

At the least, says Rick Snyder, president of the California Association of Realtors, groups tackling technology should learn to "do it in a way of not trying to reinvent the wheel." The real-estate network, among other things, developed a proprietary electronic mail system for agents, when off-the-shelf packages were better for the job.

In contrast, the California organization, through a for-profit subsidiary, says it spent in the "low six figures" to launch its own Web site, the California Living Network, which has about 75% of the state's homes for sale currently on-line. The venture is still losing money, but it receives revenue from agents who are willing to pay $99 a year for enhanced displays of their listings.

Funded from the national association's reserves, Realtors Information Network, or RIN, had lofty plans for keeping Realtors in control of real-estate transactions. The for-proft subsidiary would provide real-estate listings nationwide on the Web to consumers and would act as something of a proprietary America Online for real-estate agents. Agents who purchased the system would have access to information, chat rooms, real-estate vendors and e-mail.

One key feature, still under development, was a language translator that would allow an agent to communicate with lenders, title companies and any multiple-listing service in the U.S., even though they all use many different computer systems. Another feature would have provided school, tax and environmental information and maps of neighborhoods. Such a service, which also isn't complete, probably will be available first—and cheaper—from private ventures, people familiar with the system say.

Along the way, network officials misjudged their audience. Initially, the network tried charging $2 for each home listing on its Web site, which debuted last November (address: http://www.realtor.com). But when competition charged less, it cut the price until it stopped charging for listings at all. Meanwhile, advertising for the site, which now has about 350,000 listings, never materialized.

At the same time, the proprietary system for agents bombed. In New Jersey, a pilot state, fewer than 1,000 New Jersey Association of Realtors' 36,000 members chose to subscribe, says Michael Ford, the state group's president-elect and a national association director. Only four of the state's 18 multiple-listing services posted their listings on it. "It has not, by any stretch of the imagination, taken off in New Jersey," Mr. Ford says.

Realtors Information Network home page

Meanwhile, the network was gobbling up funds. After spending $10.8 million since its inception, it asked for an additional $2 million earlier this year. But by June, that money was gone, too. The network's nine-member board fired the chief executive officer, Edward J. Evans, and asked the association's top executive, Almon R. "Bud" Smith, to become acting CEO. Mr. Evans couldn't be reached for comment.

But Mr. Smith says he quickly discovered that the network had $300,000 to $400,000 more in bills than it had in funds, and he halted payments to contractors and others. Staff was cut to about 10 from 17. In an emergency vote on July 9, the Asscociation members approved another $950,000 to cover RIN's immediate needs until the decision is made in August.

Mr. Smith says the funds won't cover payments owed under numerous contracts with consultants and others, or allow the network to finish its projects. He says he has also asked the association's auditor, Ernst & Young, to conduct an audit to see whether any fraud occurred.

Mr. Smith and others are hopeful the Web site will be preserved, contracts can be restructured and that the network's best features will remain. The trade group is financially stable enough that the investment won't strain it, Mr. Smith says. But he adds, "If what RIN was created to do goes away, it will be devastating."

Selected Estimated Ad-Supported Web Sites In June 1996

Service	Average Monthly Rate	Number Of Advertisers	Estimated Revenue	Selected Sponsors
Yahoo!	$20,000	230	$1,091,333	American Express
InfoSeek	$20,000	154	$1,025,000	GTE, Starwave
ESPNET SportsZone	$33,333	27	$ 899,991	GTE, Taco Bell
Lycos	$20,000	130	$ 850,000	Honda
Excite	$20,000	56	$ 760,000	AT&T, CNET
ZD Net	$16,475	68	$ 757,850	Apple, AT&T
WebCrawler	$25,000	40	$ 650,000	ZD Net
CNET	$15,000	68(1)	$ 500,000	Corel, Microsoft
Pathfinder	$12,666	38	$ 481,308	BMW, Microsoft
Netscape	$14,000	24	$ 336,000	Infoseek, Honda
CNN	$25,000	14	$ 350,000	Sprint, IBM
Techweb	$ 7,000	44	$ 308,000	Compaq, NEC
PC World Online	$11,000	21	$ 231,000	3COM, Netcount
HotWired	$13,500	16	$ 216,000	Visa, Digital
Playboy	$13,500	16	$ 216,000	CNET, Magellan
GNN	$ 7,500	23	$ 172,500	AT&T, Prudential
iworld	$ 3,000	48(2)	$ 144,000	Gradient, Excite
Total		**924**	**$8,988,982**	

(1) CNET had 53 advertisers with 48 paid ads

(2) iworld reported 22 advertisers, but 48 paid ads. Total advertiser figure represents the 22 marketers.

* Ad revenue estimates for iworld and CNET are calculated according to the number of paid ads

Source: Electronic Marketplace Report. Copying prohibited.

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At the same time, the proprietary system for agents bombed. In New Jersey, a pilot state, fewer than 1,000 New Jersey Association of Realtors' 36,000 members chose to subscribe, says Michael Ford, the state group's president-elect and a national association director. Only four of the state's 18 multiple-listing services posted their listings on it. "It has not, by any stretch of the imagination, taken off in New Jersey," Mr. Ford says.

Realtors Information Network home page

Meanwhile, the network was gobbling up funds. After spending $10.8 million since its inception, it asked for an additional $2 million earlier this year. But by June, that money was gone, too. The network's nine-member board fired the chief executive officer, Edward J. Evans, and asked the association's top executive, Almon R. "Bud" Smith, to become acting CEO. Mr. Evans couldn't be reached for comment.

But Mr. Smith says he quickly discovered that the network had $300,000 to $400,000 more in bills than it had in funds, and he halted payments to contractors and others. Staff was cut to about 10 from 17. In an emergency vote on July 9, the Asscociation members approved another $950,000 to cover RIN's immediate needs until the decision is made in August.

Mr. Smith says the funds won't cover payments owed under numerous contracts with consultants and others, or allow the network to finish its projects. He says he has also asked the association's auditor, Ernst & Young, to conduct an audit to see whether any fraud occurred.

Mr. Smith and others are hopeful the Web site will be preserved, contracts can be restructured and that the network's best features will remain. The trade group is financially stable enough that the investment won't strain it, Mr. Smith says. But he adds, "If what RIN was created to do goes away, it will be devastating."

Contest	Start	Description	Entries (Approx.)	Prizes
Snow Bowl	Jaunary	Fill in the form	200	Passes to Snow Bowl ski resort
Quest for Gold	2/6/96	Trivia questions, area search	75	T-shirts, $100 cash, gift certificates to Coffee Plantation, Sports Authority, Wherehouse
Oscars Contest	3/13/96	Choose the films, actors you think will win	800	Movie passes to Harkins Theaters
The Tradition	3/20/96	Fill out the form	150	Passes to the golf tournament
Garth Brooks tickets giveaway	5/31/96	Fill out the form	2,000	10 pairs of concert tickets
Barkley contest	6/7/96	Vote stay or go; fill out the form	770	25 Casstevens books
Laurie Anderson contest	7/3/96	Fill out the form	279	2 pairs of concert tickets
Lollapalooza tickets contest	7/12/96	Fill out the form	437	Concerts tickets
Take the Heat contest	8/9-8/31	Win trip to or from Phoenix	1,500	Tickets, accommodations, etc.
Movie opening contest	8/7-8/14	Win tickets to new Disney movie		Tickets