

Business Day

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Fox to Begin a 'More Business Friendly' News Channel

By EDWARD WYATT

No one has ever accused CNBC, the cable TV home of Jim Cramer, Larry Kudlow and Maria Bartiromo, of being antibusiness. Until now.

Yesterday, Rupert Murdoch confirmed one of the worst kept secrets in the media industry, that the **News Corporation** will start a long-awaited business news channel in the fourth quarter of this year. In doing so, he also took a shot at CNBC, the leading television business news outlet, vowing that the new channel would be friendlier to corporations.

The new service, currently named Fox Business Channel, will be developed and overseen by Roger Ailes, the chairman and chief executive of Fox News, with Neil Cavuto, the managing editor for business news for Fox, anchoring and overseeing the channel's content.

The announcement, which was not expected until next week, was made in part because Mr. Murdoch himself discussed the new channel during a conference call with analysts on Wednesday.

At a media conference in New York yesterday, Mr. Murdoch said the Fox Business Channel would be "more business friendly than CNBC," which he said was quick to "leap on every scandal," according to a report on his remarks by BusinessWeek.com, whose parent, McGraw-Hill, sponsored the conference.

In a separate interview, Mr. Ailes elaborated. "Many times I've seen things on CNBC where they are not as friendly to corporations and profits as they should be."

He added: "We don't get up every morning



Fred Prouser/Reuters

Roger Ailes, the chief executive of Fox News.

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thinking business is bad."

The quick strikes by Mr. Murdoch and Mr. Ailes at their largest competitor suggest that the News Corporation will use the same take-no-prisoners tactics in the business area that Fox News Channel used in going after its biggest rival, CNN.

Asked whether that meant that Fox would go easy on its reporting of the type of corporate scandals like Enron and WorldCom that cost individual investors millions of dollars when those companies collapsed, Mr. Ailes replied: "We will be as ruthless in our coverage of business scandals as we have always been." He said that while thousands of companies have publicly traded securities, "only 9 or 10 are in trouble" at a given time.

Kevin Goldman, a spokesman for CNBC, which is part of General Electric's NBC Universal division, said the network welcomed the new competition and dismissed the comments from Fox executives about its coverage of business news.

Fox is stepping into an arena where other broadcasters have struggled. At least two financial news networks, FNN and CNNfn, have faltered in the last 20 years. But while the overall number of viewers for business television is small, it is a lucrative business because those watching tend to be attractive to advertisers.

CNBC has bounced back after a long advertising drought to post a 65 percent increase in daytime ratings during the last quarter. The company has also said that last year was CNBC's best in terms of revenue, even counting the late 1990s stock market boom.

But the channel has taken a public relations hit recently after Citigroup

Geraldine Fabrikant contributed reporting.



Photographs by Peter Kramer/Getty Images

Alexis Glick will be director of business news for the fledgling Fox Business Channel and Neil Cavuto will anchor and oversee content.

fired a senior executive in part because of his professional and personal relationship with Maria Bartiromo, CNBC's most popular anchor.

Mr. Ailes said that Fox hoped to begin broadcasts early in the fourth quarter, but that the timing would depend on the hiring of reporters and editors as well as the construction of studios. Mr. Ailes said the channel already had 30 million subscribers under contract through distribution agreements with cable operators. CNBC is currently offered to 90 million cable subscribers, according to a spokesman for the network. Bloomberg TV can reach 43 million viewers through its 24-hour business channel.

Fox has already struck deals with two major cable operators: **Comcast** and **Time Warner**. Comcast, the nation's largest cable operator, will offer the Fox Business Channel to roughly half of its 24 million cable subscribers who have digital cable.

Time Warner is offering it to about 7.6 million households, including 7.3 million cable homes that have digital cable, and to 300,000 subscribers in

the New York market who do not have digital cable but will see the channel on their analog service. Fox also has an agreement with Charter Communications, which is based in St. Louis.

Cablevision Systems, the Long Island operator, has yet to strike a deal with Fox, although DirecTV, the satellite television service controlled by the News Corporation, has agreed to carry it.

Fox did not disclose what cable operators are paying for the service, although several cable executives, who did not want to be identified because the negotiations were private, said the figure was 10 cents to 15 cents a subscriber.

In addition to Mr. Ailes and Mr. Cavuto, Fox said yesterday that Kevin Magee, an executive vice president for Fox News and a former producer at CNBC and ABC, would be responsible for daily operations and Alexis Glick, formerly of NBC's "Today" show, would serve as director of business news and appear on camera in some segments.