Turner to head TW cable interests

McGuirk, Bewkes and Johnson will report to him as vice chairman

By Steve McClellan

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As Time Warner prepares to absorb Turner Broadcasting System, it’s become clear that Ted Turner is getting much of what he wants in the new management structure for the company’s cable network assets and other corporate affairs.

Last week, Time Warner confirmed that Turner will oversee a new cable network group comprising the Turner news and entertainment networks as well as the Home Box Office division that includes HBO, Cinemax and partial interests in The Comedy Channel and E! Entertainment Channel.

Sources say Turner and his long-time number-two executive, Terence F. McGuirk, will keep the TBS division on the same entrepreneurial track it’s been on for the past 20-plus years as an independent company. A top priority, those sources say, is to create new cable networks. The short-term focus will be to build those networks in the international arena, then add new domestic channels as cable system capacity expands.

McGuirk will become chairman, president and chief operating officer of subsidiary TBS Inc. when the merger is completed, perhaps as early as Oct. 10. Home Box Office President/CEO Jeffrey Bewkes and Cable News Network President/CEO Tom Johnson will retain their current duties. All three executives will report directly to Turner, who becomes vice chairman of Time Warner. McGuirk retains his previous corporate responsibilities (wtbs [tv] Atlanta, the sports properties, sales and marketing) and adds direct oversight of the Turner Entertainment channels, replacing Scott Sassa, who resigned to pursue other opportunities.

McGuirk said that it was premature to comment on TBS’s plans, but confirmed through a spokesperson that the operating heads of the Turner entertainment channels—Betty Cohen (Cartoon Network), Brad Siegel (TNT) and Bill Burke (wtbs)—will remain in place.

Meanwhile, at the HBO division, analysts say that the company may rid itself of its interests in Comedy Channel (co-owned with Viacom) and E! Entertainment (co-owned with several MSOs). Bewkes wasn’t reachable at deadline.

Analysts and Time Warner insiders also say that the major obstacle to growing the company’s stock remains Time Warner Entertainment, the contentious joint venture with US West that includes interests in Home Box Office, Warner Bros., and the company’s extensive holdings. “It’s a critical issue,” says Smith Barney analyst Jill Krutick. “Investors are looking for segregation of the content and distribution assets.”

Turner’s influence also is extending to areas outside the cable networks. Sources say he is “emotionally attached” to the New Line studio, which Time Warner hoped to sell. Now the company is looking for a way to retain most of the studio, or at least some, while spinning off a piece.