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Business News

New Urban Entertainment Shuts Doors

Black-oriented cable TV station fails to land critical funding

By Aisha I. Jefferson

New Urban Entertainment TV (NUE-TV), the fledgling African American-focused cable network, will cease operations permanently now that the cash-strapped venture failed to land critical financing.

The cable network, which offered programming aimed at African Americans, found it difficult to gain its desired stronghold among African American viewers nationwide. Making its debut on July 17, 2000, NUE-TV reached close to 3 million subscribers before it shut down on Oct. 31, 2002, says the network's founder and CEO Dennis Brownlee. Plans were made to re-launch NUE-TV, but the financing they needed never materialized. "Unfortunately, we fell victim to the severe market downturn of the past two years and could not complete the final stages of the \$100 million financing NUE-TV needed," Brownlee said in a written statement. Alfred Liggins III, CEO of Radio One, which was among NUE-TV's initial investors, would not return phone calls.

Brownlee believes that NUE-TV's presence, although short-lived, increased "awareness of the industry's urgent need for a new urban network." Aside from Brownlee, veteran cable executive Leo J. Hindery Jr., music mogul Quincy Jones, Clear Channel Worldwide, and Prudential Insurance were among NUE-TV's initial investors. Unlike Black Entertainment Television (BET), which focuses on the 18-to-25-year-old demographic, NUE-TV had hoped to attract a more sophisticated audience with a mix of news, comedy, feature films, and inspirational programming.

Among the programming was News in 30, a nightly 30-minute broadcast similar to ABC's World News Tonight with Mark R. Griffith, a former CBS News executive as managing editor. Hindery says lack of support by cable operators may have played a part in NUE-TV's demise -- not enough of them opted to carry the network on their systems. "The cable industry is more interested in channels it has an economic interest in rather than independent programming like NUE-TV. There was roughly a four-year period where a lot of people could've and should've stepped up to help get this thing launched and it never happened. I think it's a travesty and I think it's sad," he says.

Radio One rescinding an investment offer was the final nail in NUE-TV's coffin. "It would have taken about \$100 million to develop the channel into a national service. "Radio One was going to become one of the substantial investors [but] obviously changed its mind and decided not to go forward," says Hindery, who believes Radio One "lost its energy on the project after roughly four years" and "couldn't hang on any longer."

Both Hindery and Brownlee haven't ruled out getting involved in another cable television venture. Brownlee is "evaluating a number of different options right now." He feels there is a strong need for a network oriented to the programming preferences of the African American audience.

Many of the key personnel at NUE-TV formerly worked with BET. Among them was Cindy L. Mahmoud, executive vice president and chief programming officer, who was BET's vice president of development. NUE-TV was not the only challenger to BET's dominance in the urban cable programming niche. Atlanta-based Major Broadcasting Cable Network (MBC Network) -- whose principals include attorney Willie Gary, the network's chairman and CEO; retired Detroit Tiger slugger Cecil Fielder; boxer Evander Holyfield; and entertainer Marlon Jackson -- is billed as the "only African American-owned and operated cable network in America."

MBC Network reaches 11 million homes, but that pales in comparison to BET's 74 million. And while it remains to be seen whether any other contender can remain in the ring with BET, with one less participant in the game, it's the viewer who loses out.