

GEORGIA HISTORICAL SOCIETY



GEORGIA BUSINESS HISTORY INITIATIVE

Sharing the Stories of the Businesses that Built Georgia





Inside the CNN Center in Atlanta.



CABLE NEWS NETWORK

A PROFILE IN GEORGIA'S BUSINESS HISTORY

Cable News Network (CNN) is an international news outlet that is headquartered in Atlanta, Georgia. CNN broadcasts from several U.S. cities, has numerous affiliates, and reaches countries throughout the world.

CNN broke ground as the first 24-hour news channel. Around the clock, CNN gathers and delivers information to audiences in the United States and internationally. It began in the cable television market, and has grown to offer the latest news via the internet and multimedia technology. CNN has provided news coverage of important domestic and international events over the past four decades, winning awards and often being the first to uncover major stories.

CNN's exciting news revolution began in Atlanta and the company continues to have a significant impact on the state of Georgia.

THE FOUNDATION FOR CNN

You might imagine that the first 24-hour news network started in New York City or Washington, D.C., but the story of live news available around-the-clock started in Georgia. Headquartered in Atlanta, the Cable News Network (CNN) broadcasted live for the first time on June 1, 1980, but the journey to that point started decades earlier.

Robert Edward Turner III, better known as Ted Turner, inherited his father's outdoor advertisement business, Turner Advertising Company, in his twenties. As billboard advertisement became less popular, Ted Turner successfully expanded the empire by investing in radio and television. The first channel, WTCG, was an Atlanta-based UHF (Ultra-High Frequency) channel. UHF channels travel on higher frequency wavelengths but the wavelengths themselves are shorter than a lower frequency wave. They could only cover one city or region and required a special antenna, which made them harder to receive and more expensive to afford.

By 1968, only half of the television sets in homes could receive UHF channels. Instead of waiting for the number of UHF-ready homes to grow, the company switched to cable to broadcast WTCG. While initially costly, the investment proved worthwhile. CATV (Community Antenna Television, or cable television) services could reach most regions in Georgia, and parts of



Ted Turner while working for his father's business, Turner Advertising Company



Left: Ted Turner with WTCG camera . Right: TBS satellite dish.

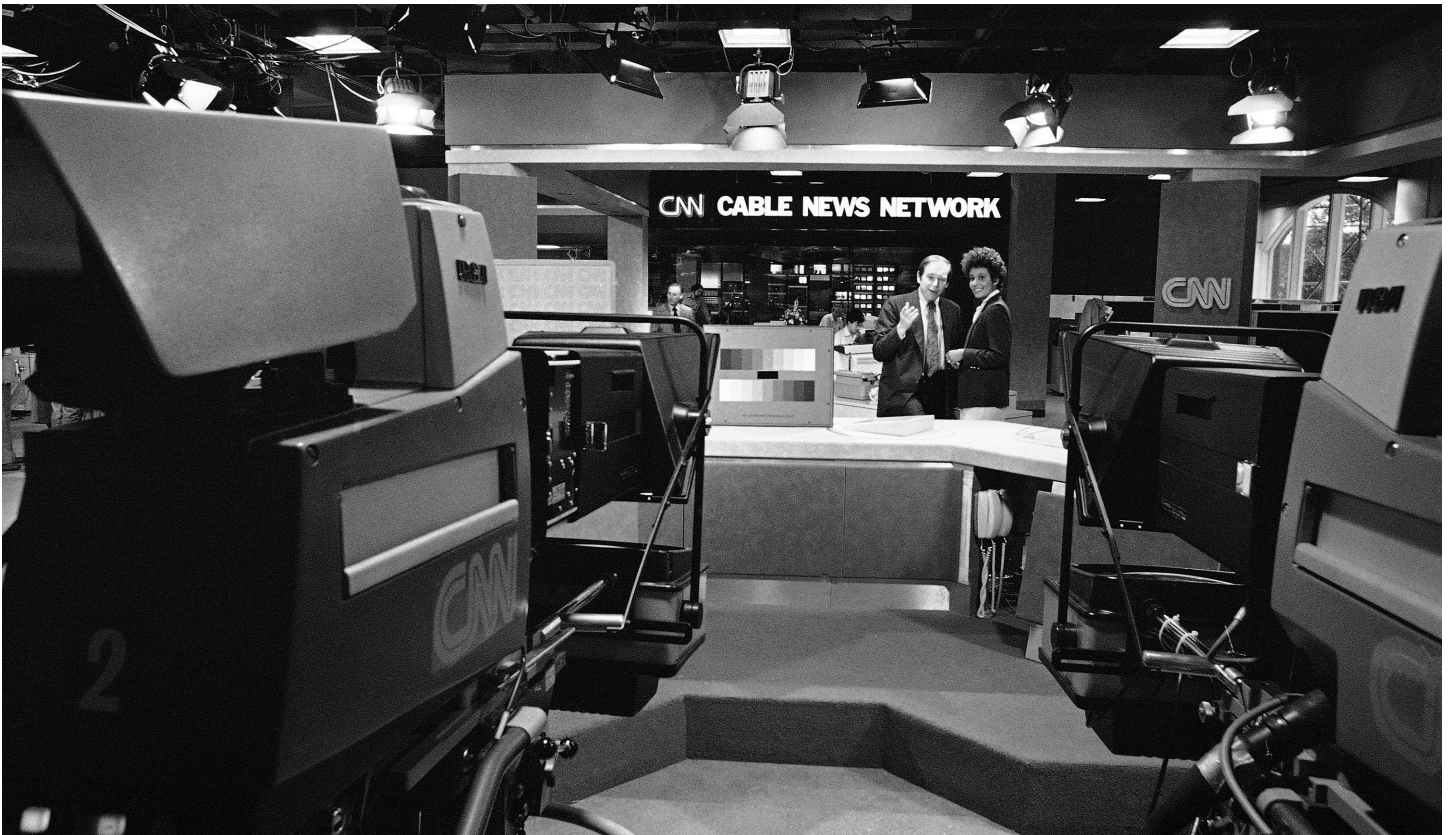
Alabama and Florida. New cable channels, as well as UHF channels, could come through the cable hookup and have equal picture quality. Most of Turner's competitors, such as ABC, NBC, and CBS, only used UHF, making them noticeably more expensive and less accessible, especially for more rural states such as Georgia.

In 1976, the cable industry evolved again, as Turner Communications Group employed satellites as the means of distribution for cable television. Satellite broadcasting gave subscribers a high-quality picture, regardless of weather and distance. A satellite could beam television to multiple providers across the U.S. Buying satellite access was expensive, but Turner took the risk. WTCG, renamed WTBS (Turner Broadcasting System or TBS), aired its first satellite transmission on December 17, 1976.

On June 1, 1980, Turner's most ambitious and transformative project aired. Cable News Network (CNN) was specifically named to advertise its use of cable and news. It was available to cable subscribers across the nation, unlike UHF channels. In establishing the world's first 24-hour, all-news channel, Ted Turner created his own niche in the television industry. News programs were highly profitable segments, but no other network made it their sole focus until then.

BUILDING CNN FROM THE BOTTOM UP

Launching CNN took over 11 months of grueling work. Turner bought the Progressive Club, a Jewish country club in midtown Atlanta. The space was renovated to provide studio and office space for CNN. In the meantime, Turner hired staff to run the new channel. This proved difficult because it was impossible to know whether cable news would be popular. To make the channel work on a budget, he hired college students as "veejays" who could work long hours to gain in-field experience for little pay, thus creating the position now known as Video Journalists.



CNN Cable News Studio, May 31, 1980

At first, CNN was not treated like a legitimate news outlet. It was not granted press access to the White House because it was not seen as worthy to cover Capitol news. In 1982, the Supreme Court of Georgia declared that excluding CNN from the White House was a violation of the first amendment, which protects freedom of the press. Being the underdogs, CNN looked for creative ways to gain new subscribers. For example, as a promotion, Turner offered the channel to cable distributors free for a 24-hour trial, which exposed cable subscribers to an all-news channel. Many viewers enjoyed CNN, and its subscription ratings gradually increased.

CNN developed CNN2 (later renamed Headline News), which first aired on January 1, 1982. Unlike CNN, it worked on a wheel system: news aired on a 30-minute cycle of headline stories, followed by 2 minutes of local news. Entertainment, sports, and weather were also announced at specific times in each cycle. Each cycle presented updated and revised information.

The system was fast, brief, and informative. Viewers could watch short segments and learn enough to stay up-to-date. If there was "breaking news," the cycle would be interrupted to let the headline story take center stage.

Other networks toyed with the idea of their own all-news stations, including Westinghouse Electric Corporation partnering with American Broadcasting Companies (ABC) to form Satellite News Channel. Turner bought their project, thereby eliminating CNN's main competitor. CNN would not face similar competition again until the establishment of MSNBC and Fox News in 1996.

As CNN grew, Turner acquired the Omni International Hotel in downtown Atlanta. He made it CNN's headquarters and renamed it the CNN Center in 1985. The move boosted Atlanta's downtown economy, and today the Center is a popular tourism spot where visitors can tour CNN's headquarters.



Left: CNN's live coverage of the Gulf War.
Right: President Ronald Reagan talks with CNN's Bernard Shaw and Ted Turner.



COVERING NEWS WORLDWIDE

A meeting in 1982 sparked Ted Turner's desire for CNN to be a worldwide news outlet. Fidel Castro, a huge fan of CNN, invited Turner to Cuba for a meet-and-greet in February. Castro became a fan of the channel when he bought a satellite dish and realized he could receive the network's satellite signal. After their meeting, Turner wanted to bring nations into dialogue with one another through television news. Once CNN accrued stable profitability, it established headquarters in several European nations. In 1985, CNN International launched, reporting live from foreign nations. By 2000, it expanded to Asia Pacific, Latin America, and South Asia.

In October of 1990, CNN interviewed Saddam Hussein, which attracted substantial criticism. CNN was criticized by some American viewers for giving Hussein a platform to share his views. However, CNN believed in reporting unbiased news. Preparing to conduct a second interview with Hussein, CNN reporters Bernard Shaw, John Holliman, and Peter Arnett were at CNN's Iraqi headquarters when Operation Desert Storm began. During the operation, the reporters covered the invasion live, giving a play-by-play of the attack for both Americans and Iraqis. The coverage caused a significant growth in CNN subscription. This was CNN's big break in worldwide news coverage.

CNN broke ground in news on the Internet as well. In 1995, CNN launched its website, CNN.com. At first, it was an experiment known as CNN Interactive. Since its launch, the website has come to incorporate American and international news, press releases, live television, and more.



In 1996, Turner Broadcasting System (TBS), CNN's parent company, merged with Time Warner, Inc., making it a subsidiary of Time Warner. Time Warner combined with America Online (AOL) in 2001, making CNN part of the world's largest multimedia conglomerate.

From an office building in Atlanta, Georgia, to an iconic headquarters in that city and 38 editorial stations worldwide, CNN rapidly grew under Ted Turner's leadership within only a few decades. CNN subscribers receive informative, live news coverage not only in America, but around the globe 24 hours a day. Because of CNN, the television and news industries have been dramatically transformed. The company continues to revolutionize news around the world.

The Time Warner Center houses CNN's New York studio. Today CNN primarily broadcasts from its studios in New York, Washington, D.C., and Los Angeles.

CNN'S ENTREPRENEURIAL FOUNDER: TED TURNER

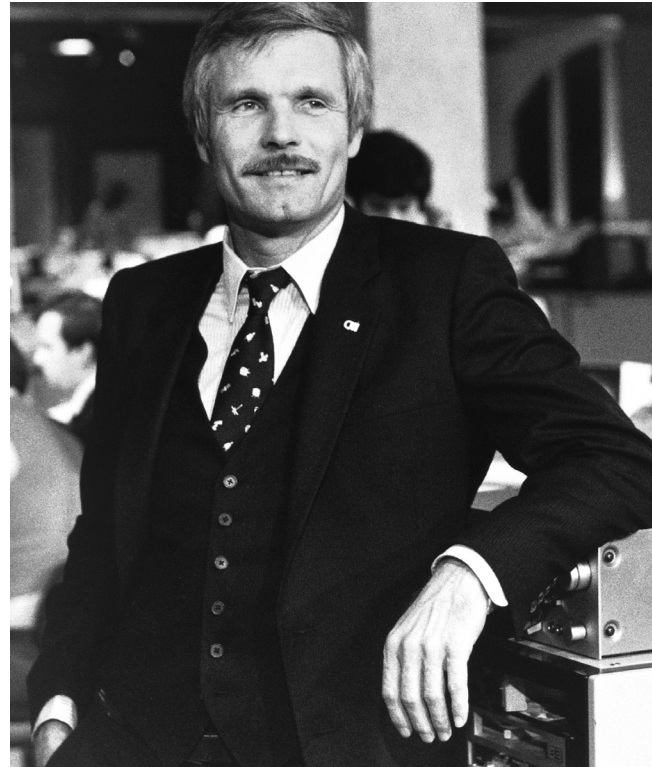
For Ted Turner, success seems to come naturally. However, he was not always so successful. Ted Turner has earned a legacy of accomplishment and philanthropy through dedication, innovation, and a willingness to take risks, which are qualities he developed through experiences from a young age and throughout his adult life.

As a teenager, Turner attended McCallie School, a Christian military academy. There, he excelled on the school's competitive debate team. Turner believed this experience taught him to seek unconventional approaches to problems, which he later used in his business challenges. Over his summer vacations, Turner's father employed him to work for Turner Advertising Company. He developed a strong work ethic and gained business experience while his classmates enjoyed their vacations.

His sense of adventure and competitive nature came from his years of sailing. As a child he accompanied his father to the marina where he learned the sport. He competed while in college at Brown University, and for decades after kept racing. In 1977, he competed and won the America's Cup, a prestigious, international yacht race. These experiences developed Turner into an adroit and driven entrepreneur.

Later, after a meeting with Fidel Castro in Cuba, Turner became passionate about creating communication between foreign nations. In 1985, Turner founded a non-profit, Better World Society, to increase awareness of global issues. Taking place during the Cold War rivalry with the Soviet Union, its biggest project, the Goodwill Games, was highly controversial. As a response to the American boycott of the 1980 Moscow Olympic Games, and the Soviet boycott of the 1984 Los Angeles Olympic Games, the Goodwill Games provided an opportunity for athletes to compete without pressure from the Cold War. They were hosted in the Soviet Union, where American and Russian athletes peacefully participated. In the end, Turner lost \$25 million over the venture, but the games had helped in mending the relationships between the nations and their athletes.

Since stepping down as vice chair of Time Warner in 2003 and the board of directors in 2006, Turner has immersed himself in philanthropic work. With his private business, Turner Enterprises, Inc., he works to restore ecological sustainability on his ranches, including its wildlife. The buffalo population has especially grown, as the private land protects them from hunters. Turner Foundation, Inc. likewise seeks





Ted Turner and Hank Aaron were featured on the cover of *Georgia Trend* magazine in February 2010 for their induction as Georgia Trustees..

to revive natural ecosystems. In 2010, Ted Turner was named a Georgia Trustee by the Georgia Historical Society for his work in media and philanthropy. Turner received a News & Documentary Emmy® Award for Lifetime Achievement in 2015 because of his lasting impact on the industry.

Turner believes the founding of CNN was an important accomplishment because of its immense impact on discussions of global news. There is no doubt that without his leadership, CNN would not be the same company, Georgia would not be the same state, and the world would not communicate the way it does today.

GIVING CNN THE CHANCE IT DESERVED

A CASE STUDY IN GEORGIA'S BUSINESS HISTORY

To create a successful business, Ted Turner made many profitable decisions, but some decisions were mistakes, too. Being an entrepreneur is not easy: It requires risk, courage, and determination, as well as leadership abilities and business skills. Turner Broadcasting System, Inc. under Ted Turner's leadership persevered through decades of financial losses and successes as it revolutionized the television market.

Many were skeptical of Turner's idea for a specialized television channel. The public asked: Was there a viable, profitable market for such a channel? Could it compete with competitors like ABC, CBS and NBC? Could it compete on a budget that was only a fragment of its competitors? Turner believed that many Americans did not want to wait until the evening to receive news and were interested in specialized networks, so he was willing to take the risk to try.



Entrance to the CNN Center in Atlanta.

Once CNN aired in 1980, many mockingly called it the "Chicken Noodle Network" because of its small financial resources, and many believed it would not last. At first, the fees from CNN's 1.7 million subscribers could not cover the channel's operating costs. While Turner promoted CNN as a channel, cable television itself grew in popularity. Many television companies like HBO and CBS followed Turner and began to provide satellite cable services and stopped providing UHF and over-the-air services. As a result, more homes in America gained cable access and CNN drastically grew to 33 million by 1983.

As the channels CNN and TBS grew, Turner bought Metro-Goldwyn-Mayer Studios, Inc. (MGM), a film and television program company. With the 1985 purchase, Turner aimed to acquire its films to air on his channels. However, MGM was financially unstable, and Turner overlooked its long-term debts while evaluating MGM's financial statements, and he bought the business for more than it was worth. This negatively impacted Turner Broadcasting System, Inc.'s finances and he had to work overtime to recover. As a solution, Turner continued his trend of risk-taking, and Turner Broadcasting System founded a new channel, Turner Network Television (TNT) in 1988. Despite absorbing the loss from the MGM purchase, Turner spent more of Turner Broadcasting System's money to create TNT that many cable providers debated over carrying. This time, Turner focused on providing content with which viewers would be familiar, but to which they would not have otherwise had regular access. With TNT, Turner used the MGM library to play re-runs of old television shows and motion picture films, and occasional original films and programs. The channel followed the business models of CNN and CNN2 by generating its profits from advertisements and subscriber fees and likewise was a specialized channel for entertainment. Over time, it became highly profitable and increasingly generated its own programming rather than relying on the MGM archives, which eventually developed into Turner Classic Movies (TCM).

With determination, Turner courageously pursued his vision for the future of television. He pushed through many risky decisions to create a television empire from Turner Broadcasting System. Despite a small budget and competition, Turner optimized the television market for CNN early on by providing only cable services. He did not make cost-effective choices with each business decision, but continued to lead the company toward profits. Today, many of his channels remain successful and popular with a worldwide audience, despite meager beginnings in Georgia.



Ted Turner on horseback at his ranch.

INDEX OF ACRONYMS

ABC – American Broadcasting Company, a rival radio and television company to TBS.

AOL – America Online, an online service provider.

CATV – Community Antenna Television, also known as cable television.

CBS – Columbia Broadcasting System, a rival radio and television company to TBS.

CNN – Cable News Network, a cable television channel featuring news.

CNN2 – Cable News Network 2, later renamed Headline News.

HBO – Home Box Office, a cable and satellite television network.

MGM – Metro-Goldwyn-Mayer Studios, Inc., a film and television programming company.

MSNBC – Microsoft National Broadcasting Company, a rival cable news outlet to CNN.

NBC – National Broadcasting Company, a rival radio and television company to TBS.

TBS – Turner Broadcasting System, the company owned by Ted Turner, and later a cable television channel.

TCM – Turner Classic Movies, a film and television programming company.

TNT – Turner Network Television, a cable television channel owned by TBS.

UHF – Ultra-High Frequency, a form of television channel transmission.

WTBS – Turner Broadcasting System, television channel previously called WTCG and later renamed TBS.

WTCG – television channel meaning Turner Communications Group, also the name of Turner's business before it was renamed to TBS.

CNN FAST FACTS

» On CNN's kickoff in 1980, 1.7 million cable households could receive the channel.

» The first cable operators who bought CNN paid \$0.20 a month per subscriber, and \$0.15 if they also bought TBS SuperStation.

» CNN now reaches more than 96.2 million household in the U.S. alone.

» CNN's networks reach over 200 countries and territories and more than 2 billion people have access.

» Worldwide, CNN owns 38 editorial operations and over 1,000 affiliates to carry its coverage.

» As the number one online news site, CNN Digital receives over 1.5 billion page views every month.

GEORGIA STANDARDS FOR EXCELLENCE

SS8E2: Evaluate the influence of Georgia-based businesses on the State's economic growth and development.

a. Describe how profit is an incentive for entrepreneurs.

b. Explain how entrepreneurs take risks to develop new goods and services to start a business.

c. Evaluate the economic impact of various industries in Georgia including agricultural, entertainment, manufacturing, service, and technology.

CNN TIMELINE

1980: CNN launched on June 1st as the first 24-hour, all-news television channel.



1982: CNN launched a spinoff channel called CNN2, or Headline News on January 1st. It was the first news station to utilize the "wheel" schedule.

1983: Turner bought Satellite News Channel owned by ABC, eliminating CNN's main competitor.

1985: CNN International was launched.



Christiane Amanpour,
Chief International
Anchor for CNN



1987: CNN moved into the CNN Center in Atlanta.

1991: The Persian Gulf War helped CNN grow its audience with live coverage, airing events before other networks.

1995: On August 30th, CNN launched its website, CNN.com. At first, it was known as CNN Interactive.



1996: CNN merged with Time Warner.
CNN receives its first major competition with the launch of MSNBC and Fox News.



2001: Time Warner and CNN combined with America Online to create the world's largest media conglomerate.

2003: Ted Turner stepped down as Vice Chair of Time Warner.

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