

Sports-TV Firms may form team

Liberty, Raycom match up well

By ERIC CONRAD
Business Writer

Two sports-television powerhouses with South Florida offshoots could merge by the end of this month, creating one of the largest programming and syndication companies in the \$200 billion-a-year sports industry.

Talks between Liberty Sports in Dallas and Raycom in Charlotte, N.C., began several months ago and intensified last month, executives with both companies say. Terms of the deal, so far, are not being disclosed. However, Liberty Sports is expected to obtain controlling interest.

"The whole thing started because we were already in a seven-year partnership with Liberty and we were looking to broaden that relationship," said Rick Ray, chief executive and founder of Raycom.

The merger has implications for South Florida. Liberty Sports controls Sunshine Network, Florida's preeminent sports-cable channel, with offices in Orlando and Fort Lauderdale. Raycom owns and manages the Fort Lauderdale-based Carquest Bowl, played each year at Joe Robbie Stadium. Fifteen people work at the two Fort Lauderdale offices.

However, sports fans won't see much change. Dave Almstead, vice president of Liberty Sports, said any impact on Sunshine or the Carquest Bowl would be to make them better and bigger.

"Anything that could happen would only enhance things," Almstead said.

The merger talk also is significant because it illustrates a trend: The line between sporting events and television entertainment gets more blurred by the month.

For example, Disney Co. last month bought a 25 percent stake in the California Angels baseball team, with an option to buy the rest of the team in coming years. Disney already owns the Mighty Ducks of Anaheim, a hockey team.

Comsat Video Enterprises of Denver, a satellite and direct-TV company, owns the Denver Nuggets basketball team and wants to buy a hockey team. Comsat executives say they want to stockpile programming for the day when at-home sports fans will get their games directly from programmers, instead of through cable-TV companies.

Television industry analysts say a Liberty-Raycom merger looks good on paper. Raycom primarily is a college-sports syndicator, with exclusive rights to Atlantic Coast Conference men's basketball and sales rights to three major football bowl games — the Cotton, Fiesta and Gator bowls.

Raycom already works with Liberty Sports on televising the Cotton Bowl, PAC-10 college football and Big 12 Conference football.

Liberty Sports, a subsidiary of cable giant Tele-Communications, offers unmatched distribution capability for Raycom's programming, through TCI's extensive cable-TV holdings and regional sports-cable networks.

Robert Wussler, a former CBS and CNN executive who works as a sports and entertainment consultant, said communications giants like TCI are actively buying up programming.

They are doing so in anticipation of an explosion in the number of channels and programs that consumers soon will be able to watch at home, Wussler said.

"You see Time-Warner, a lot of major companies like that, really out there scrambling for programming right now," he said.

Ray, who founded Raycom with his wife, Dee, in 1979, said television now considers sports and entertainment to be one and the same.

"We're going beyond sports," Ray said, referring to the future of Raycom. "We look at sports as just another entertainment medium. The lines between the two are evaporating."

That is because sports provides programming for television, just like TV shows and movies. In fact, sporting events are in some ways more desirable, because they typically cost less to produce.

The Liberty-Raycom merger provides further proof that the days of companies that specialize in sports television — like Raycom once did — may be over.

A little-known fact is that ESPN, the first national all-sports cable channel, is now owned by Capital Cities, the same company that owns the ABC network. ESPN, in turn, acquired Creative Sports last year. Creative Sports, like Raycom, is a leading sports syndicator. Another is Jefferson-Pilot Sports.

Ray, however, said Raycom already does more than syndicate sports programs and sell their advertising. Raycom is actually part of Ellis Communications, which also owns radio and television stations.

Ellis Communications, based in Atlanta, is also involved in the Liberty-Raycom merger talks and must approve the transaction before it can occur.

POSSIBLE MERGER

Liberty Sports and Raycom are talking merger. Here is a look at the companies.

Liberty Sports

- Based in Dallas.
- Owned by cable-television giant Tele-Communications.
- Significant Florida holding: Sunshine Network, which carries Marlins, Panthers, Heat and other South Florida sporting events.
- South Florida office: in New River Center on Las Olas Boulevard in Fort Lauderdale.
- Key executive: Dave Almstead, vice president of Liberty and general manager of Sunshine.

Raycom

- Based in Charlotte, N.C.
- Owned by Ellis Communications of Atlanta.
- Significant Florida holding: Carquest Bowl.
- Bowl offices are on Middle River Drive in Fort Lauderdale.
- Key executive: Rick Ray, chief executive and founder.

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