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Is TV station on the block?

Job cuts at WTEN have some speculating about possible sale, but owner says no

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ALBANY -- Is Young Broadcasting preparing to sell WTEN, the ABC affiliate in Albany?

That's the suggestion from some observers after the New York City-based media company decided last week to cut 14 jobs at WTEN and eliminate the station's weekend morning news program, just before the start of a crucial ratings-measurement period.

Ratings during the so-called sweeps period affect the advertising rates a station can charge during subsequent months. So if last week's cuts depress Ch. 10's ratings during the four-week February sweeps, that could reduce the station's long-term profitability.

"That assumes that Young has long-term goals for its properties, and it might not," said Paul Conti, a communications professor at The College of Saint Rose and a former news director at WNYT in Menands.

Conti said media companies often are more desirable to potential buyers if they lower expenses.

He added: "Is there ever really a good time to lay anybody off? If you need the money, the sooner you do it, the more you're going to save."

There is evidence Young Broadcasting does really need the money: The company said it lost about \$70 million during the first nine months of 2007.

Last week, the company announced job cuts at many of the 10 stations it owns. A report in *Broadcasting and Cable*, an industry publication, said the moves came after Young officials demanded a \$20 million reduction in expenses companywide, with higher-priced personnel made the primary targets.

Don Ciaramella, a spokesperson for Young, disputed the *Broadcasting and Cable* report, but declined to provide specifics on last week's cuts. He also rejected suggestions that the cuts indicate the company is looking to sell WTEN.

"The timing is irrelevant," Ciaramella said. "The group remains fully committed to the station for the long term."

Most observers link Young's financial difficulties to its 1999 purchase of KRON in San Francisco. Young paid \$823 million -- at the time, the most ever paid for a television station.

KRON had been an NBC affiliate, but the network, upset that Young's last-minute bid prevented it from buying the station, pulled its affiliation after the purchase.

That left Young with a devalued station -- and ongoing financial difficulties.

"They've been having some serious problems," said Edward Atorino, a New York-based media analyst with the Benchmark Co. investment firm.

And for a media company in that position, Atorino said, the February sweeps period is not a primary concern. "You're not going to see any (financial) impact from sweeps for months," he said, adding that banks and other investors might be pressuring Young for immediate cost savings.

Young has cut WTEN jobs before. In 1989, shortly after it bought the station, it eliminated 10 jobs. There was another wave of departures in 2005.

Last week, the company laid off 10 workers and decided to leave four positions unfilled, according to a source with knowledge of the cuts.

Nearly everyone interviewed agreed Young's recent difficulties are exacerbated by ongoing problems being experienced in the Internet age by all traditional media, including daily newspapers. Advertising revenues are down for most media companies.

That has observers such as Ed Dague, a former anchor at WNYT Ch. 13, worried the WTEN job cuts could be the first step toward something more dramatic: the elimination of all news programming.

Dague said consultants have long predicted the Capital Region could not support four nightly news broadcasts, not with advertising dollars splintering among an increased number of media options.

"Maybe we're seeing the beginning of that," Dague said. "At the least, we're seeing a scaling back."

Conti, the Saint Rose professor, heard the same consultants during his tenure at WNYT. But he believes a station eliminating news would be taking a risky step.

"Local television news is the economic engine of local television," he said. News programming, he said, not only provides significant advertising revenue, but also provides an identity that keeps viewers watching during other parts of the day.

Most television stations are still profitable for their owners, he noted.

"But they're not making money at the rate they once were," Conti said. "And that scares them."

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