Pan-Arab News Service Al Jazeera Hopes to Turn New Fame Into Financial Success
By Daniel Pearl

While videotaped messages by suspected terrorist Osama bin Laden and his followers generate controversy in the U.S., the station that first broadcast them is busy trying to parlay its exclusive coverage into commercial success.

Al Jazeera, the pan-Arab satellite news service based in the Persian Gulf emirate Qatar, is enjoying increased revenue from subscriptions and footage fees, and entering agreements allowing it to share resources with Western broadcasters. Thursday, Walt Disney Co.'s ABC News reached a nonexclusive agreement with Al Jazeera that entitles each to use the other's facilities and footage while covering the war on terrorism.

Such arrangements are common in the broadcast-news business as large organizations try to cut costs, but the courting of Al Jazeera has been intense. A CBS spokeswoman confirmed the Viacom Inc. network is talking with Al Jazeera, though no agreement has been reached.

General Electric Co.'s NBC had an informal footage-sharing relationship with Al Jazeera, but that ended when AOL Time Warner Inc.'s CNN signed up Al Jazeera as an affiliate shortly after the Sept. 11 terrorist attacks on the U.S. That gave CNN a six-hour exclusive window. When other networks used Al Jazeera's footage Sunday of U.S. bombing raids on Afghanistan, Al Jazeera sent out letters threatening legal action, but CNN later decided not to enforce the six-hour exclusivity after loud complaints from rival networks.

From other organizations, Al Jazeera has received fees amounting to "several thousand" dollars a minute, according to an industry executive. British Broadcasting Corp. paid Al Jazeera directly for footage it used on Sunday, the day that U.S. air strikes in Afghanistan began, but since then has been receiving Al Jazeera footage from news agencies.

State-subsidized Al Jazeera, started in 1996, is under pressure to increase its revenues. Its start-up funding of $30 million a year is set to expire in November, and though the government will almost certainly renew if necessary, endless government funding would make it hard for Al Jazeera to keep claiming that it is not affiliated with Qatar's government.

Qatar gives the station free rein journalistically, and politics probably had little to do with Al Jazeera's decisions to air a videotaped message from Mr. bin Laden Sunday that justified the Sept. 11 destruction of the World Trade Center and warned of more attacks, and a subsequent videotape from a bin Laden spokesman.

"It's commercial," asserts a U.S. official, saying Al Jazeera is being sensationalistic to increase viewership and revenues. "Arab sensationalism is inflammatory, while American sensationalism is just crass." The official and some insiders at Al Jazeera, citing evidence in the bin Laden tape, question whether the station procured it days in advance and broadcast it after U.S. strikes in Afghanistan began.
Station officials won't say how the videotape came to Al Jazeera. But they defend the broadcasting of the messages as legitimate journalism. Said Sheikh Hamad Bin Thamer Al-Thani, chairman of Al Jazeera's board: "We try to have, as any other media would, a scoop."

Now, Al Jazeera faces the challenge of converting its increase in audience into a sustained increase in viewership and revenue. Al Jazeera says it has had an "exponential increase" in subscription orders for its cable-based service in the U.S. and Australia, and is now considering encrypting its satellite-based service in the United Kingdom so that it can charge fees.