

## **BET Founder Johnson Sees Online Forcing Cable to Unbundle**

By Christopher Palmeri, Jonathan Erlichman and Edmund Lee on July 10, 2012

Robert Johnson, the founder of BET, said online viewing options will force the pay-TV industry to unbundle its channel choices within two years.

Seventeen channels account for 85 percent of cable television viewers, Johnson said today at the Allen & Co. media conference in Sun Valley, Idaho.

“Something’s got to give,” Johnson said as he arrived at the resort.

Online services such as Hulu LLC and Netflix Inc. (NFLX) (NFLX) that don’t force consumers to buy channels they don’t watch will pressure cable operators to offer individual networks at lower prices, Johnson said. Smaller channels may have to merge, he said.

Surging prices for sports and other cable TV content are being passed along to consumers in higher monthly bills, according to Johnson.

“They can’t keep passing on to consumers 10 percent increases,” Johnson said. “At some point consumers are going to say, ‘Enough is enough.’”

Johnson, 66, became the first black billionaire in the U.S., and the first African American to list a company on the New York Stock Exchange. He sold BET Holdings Inc., named for Black Entertainment Television, to Viacom Inc. (VIAB) (VIAB) in 2001.

Johnson said he has raised \$144 million through RLJ Acquisition Inc. (RLJA) (RLJA), a publicly traded vehicle that is acquiring two content companies, Image Entertainment and Acorn Media Group Inc., to sell digital versions of programs to a black, urban audience -- the same target as BET.

“If you’ve got content, you’re in a great position,” Johnson said.

To contact the reporters on this story: Edmund Lee in New York at [elee310@bloomberg.net](mailto:elee310@bloomberg.net); Christopher Palmeri in Los Angeles at [cpalmer1@bloomberg.net](mailto:cpalmer1@bloomberg.net); Jonathan Erlichman in New York at [jerlichman1@bloomberg.net](mailto:jerlichman1@bloomberg.net)

To contact the editor responsible for this story: Anthony Palazzo at [apalazzo@bloomberg.net](mailto:apalazzo@bloomberg.net)