BEVERLY HILLS, Calif. -- One roof, hundreds of millions of Internet viewers.

In a glass-and-stone building on a leafy side street, media giant News Corp. has consolidated some of the hottest trend-setting properties of the online world.

The third floor is where 300 employees of MySpace.com help some 100 million young people post profiles on the Internet's most popular Web site, creating a prized advertiser demographic. One floor below is the home of AmericanIdol.com, which shares space with FoxSports.com and Fox Mobile Entertainment. On the ground floor are Fox's digital labs, where new ideas are dreamed up, implemented or discarded.

In all, this building of 700 employees is the hub of Fox Interactive Media, the year-old digital division of parent company News Corp., created with last summer's purchase of MySpace. Its job: Figure out a way to make serious money from delivering mobile and Internet content and wring advertising revenue from MySpace. Chief executive Rupert Murdoch has projected that Fox Interactive's revenue will top $660 million by the end of next year.

But serious money is still a ways off -- this month, the News Corp. division that includes all digital assets reported $1.4 billion in revenue for the past 12 months. (The company does not break out Fox Interactive revenue.) The figure is one-quarter what the company's movie studio made over the same period and makes Fox Interactive part of News Corp.'s second-smallest division. Indeed, the division lost $150 million in operating income over the past year, the only News Corp. division to dip into the red.

Each of the major media companies has a similar division or divisions focusing on digital content and distribution, but none of the others has herded its major players into one building and tried to create an integrated unit from the ground up, as News Corp. has.

In an e-mail, Murdoch called Fox Interactive "vital to the long-term future of the company" and proclaimed its first year "a great start but, of course, I'm not content."

Many media mergers of the past few years can be found buried under a tombstone inscribed with the word "synergy." America Online and Time Warner Inc. were supposed to have content synergy, with Warner Bros. television shows and movies shown over the Internet via AOL. Never happened. News Corp. swerved perilously close to its own first-gen Internet debacle in 1997, offering $450 million for PointCast Inc., a start-up that "pushed" content to users, before the deal fell apart and the company failed in 2000.

In Beverly Hills, Fox Interactive Media employees half-jokingly talk about "FIMergy."

"So much more gets done when you're face to face," said Fox Interactive president Ross Levinsohn,
noting that the physical proximity of key players helped quickly close a recent $900 million deal with Google Inc. to handle search on MySpace.

News Corp. acquired MySpace when it bought parent company Intermix Media Inc. Murdoch's company got more than just the world's biggest Internet hangout -- it got social-networking software that can be applied across several Web sites. AmericanIdol.com, for instance, "took the tool set" from Intermix to create MyIdol, said AmericanIdol.com Vice President Jeff King. MyIdol is a membership-based, ad-supported spinoff site that lets fans blog about the show, post profiles, message one another, listen to music, and even submit their own songs to be played on the site and voted on by other fans.

But being under the same corporate parent does not necessarily ensure seamless cooperation among siblings.

Every company wants multiple platforms for delivering content -- television, cellphones, movie screens, the Internet -- but much of that content must be created by writers and producers, each of whom expects a piece of the new digital pie.

Fox Interactive recently signed a deal with News Corp.'s 20th Century Fox to sell downloads of the studio's movies, such as "The Omen," and television shows, such as "24," on Fox Interactive Web sites. But Fox Interactive has run into roadblocks elsewhere in News Corp.

Last December, Fox Interactive asked the producers of "The Family Guy" -- the animated show made at 20th Century Fox Television -- to create some promotional videos for a Fox Interactive site.

"Family Guy" producers complied. But shortly after, they read quotes from Levinsohn in the trade papers saying there would be more "Family Guy" content up on the Web soon and that it would be for sale. Whoa, the producers said-- that's a compensation issue.

"We asked them not to treat [the new material] as a promotion, but as a pilot," said "Family Guy" executive producer David Goodman. "Since I said that, we haven't heard from [Fox Interactive]. And we never produced it."

Goodman said Fox is "enormously supportive" of the show. Nevertheless, compensation issues -- payment for extra work, residuals -- must be hammered out for all work created by writers and animators.

"I think there are business rules that are in an evolutionary period where content-producers are finding out there are truly new and exciting ways to distribute, and distribution outlets are finding out there's no free lunch," Levinsohn said.

One upside for a corporate parent, Levinsohn said, is that much of this generation's Web content is user-generated (see: YouTube.com), meaning payments to its creators are not required. For instance, in May, News Corp. bought online karaoke site kSolo.com, which lets users record their own versions of hit songs. The company will apply kSolo's technology to Fox Interactive sites, allowing users to create free content for News Corp. that the company can use to sell advertising.

As Fox Interactive works to get its internal cogs aligned, the company's crown jewel is feeling heat from the outside -- Capitol Hill.

Teens and adults use MySpace to create personal pages and talk to, share pictures with and date one another; companies post profile pages for their brands; bands use MySpace to promote themselves and politicians use it to reach young voters.

But at least one politician is not so enamored of MySpace. In May, Rep. Michael G. Fitzpatrick (R-Pa.)
introduced a bill that would cordon off MySpace and other social-network sites from school and library computers, following concerns that pedophiles and stalkers have used the sites to hunt children. The bill passed the House, 410 to 15, on the last day of the session and will be taken up by the Senate Commerce Committee when Congress resumes after Labor Day.

Such a law would prevent access to MySpace from one of its key user demographics, potentially slowing growth, much like putting new building restrictions on a piece of land after a developer takes ownership. In this case, a $650 million piece of property -- the price News Corp. paid for MySpace.

"There are definitely dangers out there for kids on the Internet," said Rick Lane, News Corp. vice president of government relations. "The question is how do we work with members of Congress to try to provide the safety mechanisms that kids and teens and parents need to better protect themselves online?"

Meanwhile, back on the second floor in Beverly Hills, the company is still unpacking the big MySpace box, figuring out what works with the rest of Fox Interactive and what doesn't. And they are hoping that MySpace -- for all of its eye-popping growth and potential upside -- does not turn out to be a fad.

"That was one of the things Rupert said early on," Levinsohn said, referring to the 2005 MySpace acquisition. "He didn't think it was too late."

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