

CableFAX Daily™

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What the Industry Reads First

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Bravo to Cable: Industry Key Oxygen Source for NBCU

NBCU pres/CEO *Jeff Zucker* views the writer's strike as a catalyst for change—especially within NBCU's cable arm, which now represents more than 50% of the company's bottom line. "More than anything, we're a cable network company," said Zucker during his keynote at NATPE in Vegas Tues. Using properties including **USA** and **Sci Fi** as "guides," Zucker said NBC will henceforth produce fewer pilots, deliver more series direct to broadcast and focus more on year-round programming over the typical TV seasons. The takeaway: lean and lithe will rule in today's multiplatform world—not bulky and expensive. Cable's programming success already stems from "far more discipline and a greater reliance on gut [instincts]," said Zucker. And although content remains critical to success across all platforms, he said of major concerns is the forthcoming digital transition and how to monetize that content online and via VOD. (Monetization of digital platforms is, of course, a key factor in the writer's strike). "We can't trade analog dollars for digital pennies," said Zucker. "The market for video is getting bigger and bigger, [but] viewers have made the shift of habit to choice." To this end, he said NBC's May upfront will become a "non-traditional bringing together of all [NBCU] businesses," although he stressed that NBCU won't neglect its traditional broadcast business. Other highlights: Zucker wants the **FCC** to review all regulatory policies governing TV media, and seeks standardized oversight of broadcast and cable. Of the persistent rumors that **GE** plans to unload NBCU at some point, Zucker said NBCU's performance will determine any future decision but characterized the company's last couple of Qs as solid. With no small amount of help from cable.

On the Hill: The takeaway from Tues' House Telecom hearing on PEG channels may be that members of Congress are closely watching what cable does as it migrates from analog to digital. The issue that sparked the hearing—**Comcast's** plans to move PEG channels to digital in MI—had died down, with the MSO apologizing for "failing to adequately communicate" its goals. By the sound of things, Comcast seems likely to work out an arrangement with MI cities. "We're in friendly negotiations with the cities in MI and are highly confident there will be an agreement," Comcast evp *David Cohen* told members. Comcast's plans sparked multiple lawsuits in MI and drew the attention of MI-based House Commerce Chmn *John Dingell* (D). Dingell seemed appeased, commending the MSO for making "a good faith effort" to work out a settlement. "I am optimistic that these discussions will lead to a result that leaves all parties better off," he said. Other digital moves also got attention Tues. House Telecom chmn *Ed Markey* (D-MA) questioned why Comcast moved **C-SPAN 2** to digital from analog in MA. "There is no science to answer the questions you raise," Cohen said. "As we look at bandwidth... we try to make judgments and assessments based on overall customer demand." He added that C-SPAN 2 is one of "several dozen" nets that Comcast has begun migrating, with some of Comcast's own channels being moved or terminated.

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NATPE Notebook: Panelists including **Lifetime** Nets pres/CEO **Andrea Wong**, **Universal TV Group** pres/COO **Jeff Gaspin** and **BBC Worldwide America** pres **Garth Ancier** agreed that the writer's strike has helped cable on some fronts. "Cable is seeing a tremendous, tremendous benefit," said Gaspin. "We're seeing scatter pricing, frankly, that I haven't seen in 10 years." But there are deleterious effects too: BBC America's studio has a number of scripted programs on hold, said Ancier, and the return of Lifetime's popular series "Army Wives" will be delayed, said Wong. Meanwhile, Wong said her primary goal this year is "ensuring Lifetime as a brand in the digital space." -- To those who think online video and DVR usage greatly affects traditional TV viewing, research guru **Bruce Leichtman** says not so fast. Although he projects DVRs will be in 50mln US households by '10 compared to 27mln last year, he said 63% of current DVR owners use the device only when there's no interesting programming scheduled. In short, DVR users "generally still go to TV first," said Leichtman. Similarly, he said online viewing isn't significantly rising; it just seems to be because online video is "being pushed into the home." Online viewing currently averages 6.5min/user/day, he said, compared to 3.3hrs of TV viewing. As for VOD, 36% of all cable subs have used the service, with premium VOD now "the killer app," he said. Also of note: 76% of mobile users with video-enabled handsets don't ever watch mobile video. -- So when will consumers be able to revel in a digital HH hub managing content from multiple platforms? Well, anywhere from 18 months out to more than 3 years, according to several panelists. One hurdle is the prohibitive pricing, said **TiVo** dir, broadband services **Evan Young**. Another is the lack of standards for integrating devices and services, many agreed. But the overriding reason relates to consumer preferences. Simply "delivering content the way consumers want it ain't so easy," said **Blair Westlake**, corp vp, **Microsoft's** Media & Ent Group.

In the States: MI may have a new statewide franchising law, but law firm **Howard & Howard** estimated that fewer than 110 of MI's 2K communities have wireline cable competition. "That means that the vast majority of our state's residents will probably be waiting for cable competition for a very long time," said atty **Jon Kreucher**.

Malone vs Diller: In case you haven't been following the **Liberty-IAC** drama, here's the latest summary: IAC fired back Tues at Liberty after it sued Mon to try and claim control of the voting power of IAC and replace a majority of its directors. It all stems from a dispute over IAC's plans to break into 5 companies, which Liberty said would strip it of half its voting rights. "This action is a desperate sideshow designed to exert pressure on the board and management of IAC as they attempt to responsibly act in the best interest of their stockholders," **Barry Diller's** IAC said. Pop some popcorn.

VOD: **Rentrak** netted 8 new operators for its VOD platform measurement system: **Bendbroadband**, **Blue Ridge Cable**, **Buckeye Cablevision**, **EATEL**, **Entouch Comm**, **GVTC**, **Massillon Cable** and **Metrocast**. Rentrak now reps all but 4 of the **NCTA's** Top 25 operators that have VOD offerings.

Retrans: **Cable One** and **LIN TV** worked out their differences and inked a retrans pact covering analog and HD signals. The deal comes in time for Cable One subs in Albuquerque to watch the Super Bowl in HD.

Ratings: USA won the prime race for the 1st month of the new year, averaging a 2.2 HH rating/2.16mln HH delivery. **Disney** finished Jan in 2nd place (2.0/1.9mln), followed by **TNT** (1.6/1.57mln), **TBS** (1.5/1.44mln) and **Fox News** (1.5/1.37mln). The month's highest-rated program was **ESPN's** Clemson-Auburn Chick-Fil-A bowl matchup (5.1), with series final of **Nick's** "Zoey 101" following close behind (4.9). -- Sun's SAG Awards on **TBS** and **TNT** averaged 6.13mln

On Healthcare:

"To be perfectly frank, I'm tired of freeloaders. If people can't afford healthcare, then they shouldn't get sick."

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BUSINESS & FINANCE

viewers, a 4% gain on last year's 5.9mln viewers. -- Miss America delivered its largest audience since moving to cable, pulling in 3.6mln viewers on **TLC Sat**. That's 52% better than last year and 18% better than '06. It got a 2.3 HH rating.

Editor's Note: Don't forget to strut your PR and marketing stuff in the **CableFAXIES Awards**. Deadline for entry is Feb 20 (www.cablefaxiesawards.com).

Advertising: **CAB** and **NCC** have created the 1st industry-wide standard framework for posting local cable TV. The document was developed in partnership with the **AAAA Local TV Committee**. It should help create a standard set of practices across the national cable footprint, making the buying process more streamlined. -- Ad spending targeting African Americans exceeded \$2.3bln for Oct '06 through Sept '07, according to **Nielsen**. Of the 5 media tracked, national cable reported the largest ad growth (14.5% to \$593.1mln). Y-over-Y growth for **BET**, the addition of **TV One** in the Nielsen Monitor-Plus service and high profile shows such as **TBS'** "House of Payne" and **Bravo's** "Being Bobby Brown" contributed to the increase, according to Nielsen.

Business/Finance: **Adelphia** announced subsequent distributions of \$216mln in cash and 737,476 shares of TWC Class A Common Stock to claimholders.

CableFAX Daily Stockwatch

Company	01/29 Close	1-Day Ch	Company	01/29 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	43.70	1.26	AMDOCS:	32.93	(0.19)
DIRECTV:	22.86	0.08	AMPHENOL:	39.02	(0.39)
DISNEY:	28.80	(0.57)	APPLE:	131.54	1.53
ECHOSTAR:	28.94	0.15	ARRIS GROUP:	8.33	0.45
GE:	34.76	0.04	AVID TECH:	26.90	0.75
HEARST-ARGYLE:	21.23	0.11	BIGBAND:	5.23	0.08
ION MEDIA:	1.40	0.00	BLNDER TONGUE:	1.50	(0.06)
NEWS CORP:	19.81	0.22	BROADCOM:	22.26	(0.53)
MSOS					
CABLEVISION:	23.53	1.83	C-COR:	11.00	0.00
CHARTER:	1.18	0.00	CISCO:	24.06	(0.04)
COMCAST:	17.96	0.27	COMMSCOPE:	43.94	0.99
COMCAST SPCL:	17.84	0.32	CONCURRENT:	0.76	0.01
GCI:	7.76	(0.01)	CONVERGYS:	15.22	0.92
KNOLOGY:	10.98	0.24	CSG SYSTEMS:	13.43	0.49
LIBERTY CAPITAL:	107.54	(0.32)	ECHOSTAR HOLDING:	28.27	(0.78)
LIBERTY GLOBAL:	39.50	0.71	GEMSTAR TVG:	4.38	0.00
LIBERTY INTERACTIVE:	15.67	0.25	GOOGLE:	550.52	(5.46)
MEDIACOM:	4.89	0.10	HARMONIC:	9.57	(0.03)
NTL:	28.22	0.00	JDSU:	10.50	0.15
ROGERS COMM:	42.97	0.00	LEVEL 3:	3.37	0.13
SHAW COMM:	19.66	0.44	MICROSOFT:	32.60	(0.12)
TELEWEST:	24.20	0.00	MOTOROLA:	11.31	0.07
TIME WARNER CABLE:	25.03	0.10	NDS:	54.99	6.20
WASH POST:	746.60	8.30	NORTEL:	12.72	0.00
PROGRAMMING					
CBS:	25.03	0.31	OPENTV:	1.19	(0.03)
CROWN:	5.84	(0.16)	PATH 1:	1.34	0.00
DISCOVERY:	23.96	(0.4)	PHILIPS:	39.26	0.72
EW SCRIPPS:	40.72	0.64	RENTRAK:	10.90	(0.1)
GRUPO TELEVISA:	22.15	0.40	SEACHANGE:	6.86	(0.07)
INTERACTIVE CORP:	25.65	0.48	SONY:	48.28	1.33
LIBERTY:	8.63	(0.07)	SPRINT NEXTEL:	10.80	0.83
LODGENET:	15.21	0.26	THOMAS & BETTS:	44.39	1.65
NEW FRONTIER:	4.68	(0.1)	TIVO:	6.93	(0.07)
OUTDOOR:	7.16	0.30	TOLLGRADE:	6.54	0.09
PLAYBOY:	8.53	0.12	UNIVERSAL ELEC:	23.66	(0.24)
TIME WARNER:	15.23	(0.02)	VONAGE:	1.99	(0.01)
UNIVISION:	36.23	0.00	VYYO:	2.42	(0.02)
VALUEVISION:	6.11	0.30	WEBB SYS:	0.08	0.02
VIACOM:	38.22	0.10	WORLDGATE:	0.30	0.00
WWE:	14.75	0.40	YAHOO:	20.81	0.03
TECHNOLOGY					
3COM:	4.20	(0.01)	TELCOS		
ADC:	14.22	0.53	AT&T:	37.89	1.49
ADDVANTAGE:	4.95	0.14	QWEST:	5.92	0.24
ALCATEL LUCENT:	6.54	0.17	VERIZON:	38.71	0.60
MARKET INDICES					
			DOW:	12480.30	96.41
			NASDAQ:	2358.06	8.15

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CATEGORIES:

CAMPAIGN: (Where applicable, separate awards are given for National and Regional programs and for Programmer, Operator and Vendor)

Advertising Campaign for a Single Program	Media Event
Advertising Campaign for a Network	Media Relations Campaign
Annual Report	Mobile Marketing Campaign
Corporate Social Responsibility/ Green Campaign	Multicultural Marketing
Community Relations	Press Kit
Crisis Management	Programming Stunt
Direct Response Marketing	PR Stunt
Integrated Marketing Campaign	Public Affairs Campaign
Marketing Campaign	Trade Show Booth
Marketing of a New Series or Show	Trade Show Event or Stunt
Marketing of a Continuing Series	Tchotchkey
Marketing of a Special or Documentary/ Documentary Series	Video: use of video or moving image
	Viral Marketing Campaign

PEOPLE: (Awards given at 5 levels: Programmer, National; Programmer, Regional/Local; Operator, MSO; Operator, Local System; and Vendor)

Marketer of the Year, VP Level and above
PR Executive of the Year, VP Level and above
Public Affairs Executive of the Year
Publicist of the Year

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Please contact Debbie Vodenos at (240) 753-5696, or email dvodenos@accessintel.com

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