

# CableFAX Daily™

Friday — January 30, 2009

What the Industry Reads First

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## DTV '09: Cable's \$20m Call Center Offering Ready to Help

Eventually, there will be a digital TV transition. And when it does happen, cable will be there providing some \$20m to fund call centers to help consumers during the switch. It's a move that may have raised some eyebrows. After all, this is the broadcaster's digital transition—so why is cable footing most of the bill for a national hotline? "I suppose it's a question that could have been asked a number of times," NCTA pres/CEO *Kyle McSarrow* told *Cfax*. "People forget that we were the 1st industry to announce and actually launch a consumer education campaign nationally. We launched English and Spanish ads—not just on cable networks, but on broadcast TV—in Sept '06." What's more, he said, there's the issue of practicality since cable is the largest purveyor of television in the country. When the Obama team expressed frustration at the lack of national call center plans at the FCC or anywhere else, "we felt like we do have an expertise here. We know how to do this, they're asking for our help and we should do it," said McSarrow, adding that a smoother transition helps cable's customers too. There wasn't an NCTA board vote on the matter, but McSarrow said he worked with NCTA's exec committee and briefed the board. NCTA put up some of the front money to get the ball rolling, with MSOs kicking in more of the funding, he said. "It was unanimous. They all agreed we should do this," he said, crediting **Time Warner Cable** chief marketing officer *Sam Howe* and NCTA's *Rob Stoddard* with helping pull together industry stakeholders. NAB, broadcasters, state broadcasting associations and DBS are helping with the initiative. Right now, everyone is proceeding as if Feb 17 will be the date of the transition, but flexibility has been built into contracts if the date is pushed back. Cable won't use the hotline to sell its wares to callers as scripting is being designed to be as neutral as possible, McSarrow said. Of course, if a caller indicates an interest in cable, there will be the ability to hand them off to a cable rep. The call centers will be outsourced domestically, feature an interactive voice response system provided by NAB, and have the capacity for 7K-8K operators during the peak period around the transition. But is cable really the right group to spearhead a call center initiative considering the criticism it has faced over the years for customer service? McSarrow's take: Absolutely, since cable is one of the few industries that touch people's lives 24/7 on 3 important services (video, voice, broadband). "What people miss is the vast majority [of calls] are handled quickly and well," he said. But if the bad experiences are what make headlines, is cable making itself vulnerable by volunteering for a transition that some have called a potential train wreck? "I fully acknowledge that it's a risk. If someone can help, it has to be us," McSarrow said. "All we can do is go out there and do the best damn job we possibly can. Rather than plan for failure, our job is to plan for success."

**DTV Doings:** Uncertainty remains about just what will happen with the DTV transition date. Expectations are that House leadership on Wed will bring up the bill delaying the analog cutoff until June 12 for a vote. The House may pass a rule on Tues requiring a simple majority to avoid the problem it had Wed when the legislation failed to achieve a two-thirds majority. The House is in recess Thurs and Fri for the Republicans' annual retreat. -- Thurs marks the 1st open meeting under acting FCC chmn *Michael Copps*. The agenda will be entirely focused on DTV.

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The purpose is to educate the Commission and public on the status and issues involved in the transition.

**Fierce Winds: Disney-ABC Television** is laying off approximately 200 and opting not to fill another 200 positions. "After months of making hard decisions across our businesses to help us adjust to a weakening economy, we're now faced with the harsh reality of having to eliminate jobs in some areas," group pres *Anne Sweeney* wrote in an internal memo Thurs. Even major sports entities are being sucked into the economic maelstrom. Following ad troubles that surfaced late last year, **ESPN** has instituted a hiring freeze and expects to cut 200 jobs over the next year, according to staffers' confirmation of an in-house announcement Wed by **ESPN/ABC Sports** chief *George Bodenheimer* 1st reported by *AP*. It's important to note that most of the planned cuts primarily affect unfilled positions, although the sports giant hasn't ruled out broader moves.

**Her OWN:** Former **MTVN** exec *Christina Norman* has been chosen to oversee **The Oprah Winfrey Network** as CEO, effective Feb 17. The Oprah- and **Discovery Comm**-backed channel's slated to launch later this year or early next. Norman, who vacated her post as **MTV** pres early last year, will be responsible for all of the channel's business and creative areas. "This is the job I've been working toward my entire career," said Norman in a release. "To be building a new channel inspired by *Oprah Winfrey* and backed by Discovery Communications is a challenge I welcome, and I am thrilled to bring their vision for OWN to life." Other recent channel appointments include *Brent Willman* as CFO, *Liz Dolan* as CMO and *Timothy Kuryak* and *Jill Dickerson*, vp, programming.

**Show Me the Money:** Perhaps it's not surprising amid all the digital chaos and economic troubles that TV execs were largely focused on content monetization during **NATPE**. "Everybody's just scrambling right now," said **FX** pres/gm *John Landgraf*, noting that nets focused on scripted content face some of the biggest challenges as advertisers cut back. "Scripted content is by definition very expensive," he said. "I don't think you can make an hour of quality scripted programming for less than two million dollars." Meanwhile, the pressure for producers to devise new funding methods has created much frustration, noted producer *Michael Davies*, pres of **Embassy Row**. "I think this is the thing that's freaking people out," he said. "Not only has the business model changed, but no one can even tell you what the business model is." He said producers and nets must "come up with new models" within the next 6 months to a year while figuring out "how to massively lower costs" of productions. He said brands will have even more leverage over TV going forward.

**Carriage: Charter** has launched **AmericanLife TV** in its LA region. -- **Comporium** will add **Lifetime HD** on Sun.

**NATPE Notebook:** TV nets must face the new reality that advertisers want more precision, **Disney/ABC** evp, digital media *Albert Cheng* said at **NATPE**. "We all have to challenge ourselves to be more accountable for what we're delivering," he said. Meanwhile, he said putting content online isn't an attempt to disaggregate cable/satellite distributors. "We actually use it to drive more interest in our television programs," he said, arguing that distributors "are partners that we walk hand-in-hand with." But **Lionsgate** pres, digital media *Curt Marvis* said some content owners will indeed go that route. "I don't think that's something that's around the corner," he said, "but there will be certain people who elect to do that going forward." -- **Google's** TV Ads business will soon add ways to buy both TV and Web ads at the same time, said *Michael Steib*, Google's dir, TV Ads. On the TV side, he said mid-level cable nets with 80% sold inventory and unrated cable nets "are our sweet spot" because Google can help fill those inventory gaps through its auction process. And he said Google's



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# BUSINESS & FINANCE

recent decision to shutter its print ad business doesn't bode ill for the TV side, noting that much of that staff has been shifted to TV Ads to expand the business. "We're super excited about TV," he said. -- The bad economy lives despite a number of excellent NATPE panels and speakers this week. NATPE doesn't release official attendance numbers, but pres/CEO *Rick Feldman* told us he estimates attendance was down 20-25%.

**Competition:** **FiOS TV** has added 16 new channels in Seattle, 14 in Western NY and 12 in Portland, OR. All 3 markets launched **Chiller**, **Golf Channel HD** and **CBS College Sports**, and now feature at least 103 HD nets.

**Cable Cares:** "CableCares" will return to the **Cable Show** this year, with the community service project focusing on DC schools. The industry will be asked to donate time, materials and financial support to improving the District's schools during the show, which runs from Apr 1-3 in DC. The book drive and **NCTA's** Battle of the Bands will also return.

**People:** *Greg Bicket* has been named pres, **Cox Target Media**, provider of the blue **Valpak** savings envelope. Before joining the **Cox Ent's** direct marketing subsidiary, he was svp, region manager for **Cox Comm's** New Orleans metro cable system. -- **CTHRA's** board elected 2 additional members, **Cablevision** svp, compensation and benefits *Michael Butler* and **Harpo** vp, human resources *Tenia Davis*.

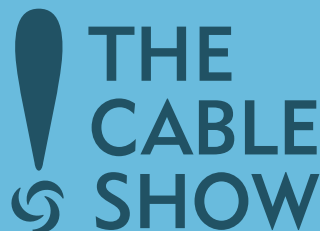
## CableFAX Daily Stockwatch

Company	01/29 Close	1-Day Ch	Company	01/29 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	28.27	0.37	AMPHENOL:	26.66	(1.04)
DIRECTV:	22.26	(0.53)	APPLE:	93.00	(1.2)
DISH:	13.07	(0.15)	ARRIS GROUP:	7.47	(0.37)
DISNEY:	21.25	(1.03)	AVID TECH:	10.75	(0.38)
GE:	12.72	(0.78)	BIGBAND:	5.50	(0.25)
HEARST-ARGYLE:	4.00	(0.26)	BLNDER TONGUE:	0.97	0.04
NEWS CORP:	7.62	(0.61)	BROADCOM:	17.43	(0.88)
<b>MSOS</b>					
CABLEVISION:	16.52	(0.83)	CISCO:	15.93	(0.95)
CHARTER:	0.09	0.01	CLEARWIRE:	3.97	(0.07)
COMCAST:	15.33	(0.63)	COMMSCOPE:	14.81	(0.81)
COMCAST SPCL:	14.63	(0.51)	CONCURRENT:	3.95	0.00
GCI:	6.55	(0.58)	CONVERGYS:	8.16	(0.16)
KNOLOGY:	4.77	(0.3)	CSG SYSTEMS:	14.52	(0.21)
LIBERTY CAPITAL:	5.48	(0.14)	ECHOSTAR:	14.91	0.11
LIBERTY ENT:	18.78	(0.32)	GOOGLE:	343.32	(5.35)
LIBERTY GLOBAL:	15.33	(0.76)	HARMONIC:	5.02	(0.23)
LIBERTY INT:	3.37	(0.21)	INTEL:	13.37	(0.64)
MEDIACOM:	5.85	(0.13)	JDSU:	4.01	(0.06)
SHAW COMM:	16.63	(0.23)	LEVEL 3:	1.18	0.02
TIME WARNER CABLE:	19.32	(0.21)	MICROSOFT:	17.59	(0.45)
VIRGIN MEDIA:	4.77	(0.18)	MOTOROLA:	4.66	(0.27)
WASH POST:	410.30	(10.69)	NDS:	61.50	0.50
<b>PROGRAMMING</b>					
CBS:	6.02	(0.49)	OPENTV:	1.25	0.00
CROWN:	1.68	(0.09)	PHILIPS:	18.54	(1.61)
DISCOVERY:	14.40	(0.56)	RENTRAK:	12.34	(0.19)
EW SCRIPPS:	1.77	(0.03)	SEACHANGE:	5.92	(0.34)
GRUPO TELEVISA:	14.36	(0.62)	SONY:	20.27	(0.66)
HSN:	4.81	(0.44)	SPRINT NEXTEL:	2.57	(0.11)
INTERACTIVE CORP:	14.96	(0.14)	THOMAS & BETTS:	22.39	(1.14)
LIBERTY:	24.53	(1.69)	TIVO:	7.24	(0.33)
LODGENET:	0.97	(0.01)	TOLLGRADE:	5.94	(0.61)
NEW FRONTIER:	1.64	(0.04)	UNIVERSAL ELEC:	11.77	(0.89)
OUTDOOR:	5.98	(0.39)	VONAGE:	0.59	0.00
PLAYBOY:	1.89	(0.18)	YAHOO:	11.74	(0.5)
RHI:	4.74	(0.53)	<b>TCLCOS</b>		
SCRIPPS INT:	23.32	(0.48)	AT&T:	24.71	(1.2)
TIME WARNER:	9.90	(0.12)	QWEST:	3.30	(0.25)
VALUEVISION:	0.26	(0.03)	VERIZON:	30.23	(0.69)
VIACOM:	16.94	(0.42)	<b>MARKET INDICES</b>		
WWE:	9.92	(0.28)	DOW:	8149.01	(226.44)
<b>TECHNOLOGY</b>					
3COM:	2.41	0.00	NASDAQ:	1507.84	(50.5)
ADC:	5.14	(0.16)			
ALCATEL LUCENT:	1.97	(0.14)			
AMDOCS:	16.81	(0.65)			

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**PROGRAMMER'S PAGE** with Chad Heiges and Seth Arenstein

**Cross-Channel Combat**

Forget cable versus broadcast. In my eyes there's a compelling intra-industry rivalry percolating between **USA** and the fraternal Turner twins, **TNT** and **TBS**. The former remains the biggest, baddest adult-focused ent net on cable by constantly beating down rivals for viewership, if not lunch money. Week-to-week, Q-to-Q and year-to-year, USA is seated in or near the prime ratings throne, only occasionally sent to the bench by sports content, outvoted by political coverage or overrun by a rabid teenybopper audience. Like taxes, American greed and hope, it's always hanging around. It won '08 in prime by more than 300K viewers. TNT, meanwhile, took 3rd last year while TBS notched 6th. But even as USA exhibits no signs of softening, its spinach compelling originals and popular broadcast retreads, TNT and TBS are no wimps either when it comes to show quality or quantity. The 2 camps are chiefly engaged in original series warfare, with the siblings having recently added some potent firepower. As the very entertaining "Burn Notice" (3.9/3.83mln) strongly returned to USA last week, TNT rolled out last month "Leverage"—a show my esteemed colleague SA gushes over—and followed up Mon with "Trust Me" (2.7 HH rating), a sharply-conceived and well-acted series. Preceding Trust was a new ep of "The Closer" (no comment necessary), and don't forget about "Raising the Bar," also a winner. As for TBS, it bowed this month *Tyler Perry's "Meet the Browns,"* worth a look for a few guffaws and the main character's sartorial splendor. The net just ordered 80 additional eps of the series, yet another nod to Perry's comedic aplomb that includes "House of Payne." And TNT, remember, is aiming to have prime-time originals Mon-Wed by next year. Add to the ring USA's "Monk," "Psych" and **WWE**, plus Turner sports, and the makings of an epic battle royale are complete. CH

**Worth a Look:** "Brilliant Green," Fri, 8pm, **Ovation**. Interesting look at friends of the environment, including zero-landfiller **Subaru**, whose sponsorship of this special could raise an ethical eyebrow. -- "The Note II," Sat, 9pm, **Hallmark**. Five mins in to this sequel to Hallmark's top-rated original of '07 (3.4 HH, 12/08), a journalist (*Ted McGinley*) playfully suggests to colleague Peyton (*Genie Francis*) they clear off her desk so they can, ahem, collaborate. Gosh, is that hot. SA

**Notable:** "Q&A," Sun, 8pm, **C-SPAN**. Yes, the **Super Bowl** won't be over, but if it's a Steelers' rout by this point why not listen to an interview with one of DC's most thoughtful foreign policy minds, *Dr Eliot Cohen*, who was plucked from academia to become *Condoleeza Rice's* counselor at State. Speaking of C-SPAN, with \$900bln up for grabs (roughly what **NBC** charges for Super Bowl ads), next week's Senate floor action should make very good TV. SA

**More Bowling:** "Puppy Bowl V," Sun, 3pm, **Animal Planet**. Adorable shelter hounds scramble for a small football and really play for the love of the game. -- "Golf Central," 7:30pm ET (Thurs, Fri), 6pm ET (Sat, Sun), **Golf**. Golf during the Super Bowl? Yes, special correspondent/old Bears' QB *Jim McMahon* reports on celeb tourneys in Tampa. SA

Basic Cable Rankings (1/19/08-1/25/08) Mon-Sun Prime			
1	USA	2.4	2370
2	FOXN	2.1	1963
3	TNT	1.7	1689
3	DSNY	1.7	1664
5	NAN	1.6	1540
6	CNN	1.5	1522
7	TBSC	1.4	1401
8	HIST	1.3	1236
9	LIFE	1.2	1200
9	A&E	1.2	1194
9	TOON	1.2	1167
12	HALL	1.1	975
13	TLC	1	1001
13	MSNB	1	955
13	ESPN	1	954
13	DISC	1	948
13	FX	1	941
18	HGTV	0.9	925
18	CMDY	0.9	908
18	SPK	0.9	876
18	FAM	0.9	869
18	TRU	0.9	859
18	AMC	0.9	832
24	SCIF	0.8	800
24	FOOD	0.8	744
24	LMN	0.8	517
27	TVLD	0.7	699
27	MTV	0.7	661
27	BET	0.7	576
27	NGC	0.7	515
27	NOGG	0.7	456
32	VH1	0.6	618
32	HLN	0.6	557
32	BRAV	0.6	508
35	APL	0.5	505
35	ESP2	0.5	456
35	OXYG	0.5	382
38	EN	0.4	425
38	TRAV	0.4	392
38	TDSN	0.4	297
38	WGNA	0.4	270
38	SOAP	0.4	257
38	NKTN	0.4	186
44	CMT	0.3	294
44	CNBC	0.3	266
44	VS	0.3	235

\*Nielsen data supplied by ABC/Disney

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