

CableFAX Daily™

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What the Industry Reads First

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Shake the Tree: Zaslav Ushers In Big Changes at Discovery

One thing's clear in Silver Spring today. Change is here. Just one month on the job, **Discovery Comm** pres/CEO *David Zaslav* gathered his sr managers together Mon to inform them of a series of big changes—chief among them the ouster of **Discovery Nets US** pres *Billy Campbell*, who was at one time a candidate for Zaslav's job. The theme to the restructuring seems to be less micromanaging and more accountability further down as Discovery works to become a "lean and aggressive" organization. "The media business is changing," Zaslav said in an interview Mon. "We need to refresh our organization and take money out of some of the old places that we were spending that aren't garnering real return and value, and put more money against programming, marketing and new businesses and new media." As part of the restructuring, HR sr evp *Pandit Wright* is being shown the door. **NBC TV Ent**, News HR head *Adria Alpert-Romm*, who has worked with Zaslav for years, will take the post. The role of **Animal Planet** gm was eliminated with *Maureen Smith* leaving the company. **Discovery Nets Intl** pres *Dawn McCall*—a 20-year vet—is out, with Zaslav bringing in ex-**MTV Intl** exec *Greg Ricca* as pres/CEO of intl. Zaslav called the decisions "very tough." Next step will be to meet with the sr mgmt team and further drill down into this new philosophy (in other words, expect more changes). *Tom Wolzien*, formerly of *Sanford Bernstein*, is being hired as a consultant to work with sr mgmt on Discovery's overall global growth strategy. And Zaslav appears ready to borrow from **NBCU's** syndication strategy, hiring *Joel Berman* to develop an aggressive syndie strategy. Zaslav has created 5 network brand groups that will report to him: • **Discovery Channel**: Will continue to be headed by *Jane Root* (she also oversees **Science Channel**). • **TLC**: GM *David Abraham* is leaving the company at the end of March. He will lead English cable network group **UKTV**. A search will begin immediately for a new TLC gm. • **Discovery Travel Media**: GM *Pat Younge* will lead. • **Family-Focused Networks**: These nets will be grouped together, with *Marjorie Kaplan* being promoted to pres, gm **Animal Planet Media** and **Discovery Kids Media**. • **Discovery Health Media Ent**: Led by pres *Len Tacconi*. -- Among other changes, ad sales and affiliate sales chiefs *Joe Abruzzese* and *Bill Goodwyn* will now report directly to Zaslav. Goodwyn is being promoted to president, domestic distribution and enterprises, with **Discovery Education** pres *Steve Sidel* reporting to him. Zaslav is also creating a sr business mgr post, similar to a COO, for each network brand group. They will oversee all business operations and administration. An internal and external search will begin to fill these spots. Zaslav said he expects to have positions filled over the next 3-6 months.

Now What? Sinclair-Mediacom Sets 'New Standard'

What does **Mediacom** and **Sinclair's** deal mean for the industry? Trouble looks to be the short answer. "They are going to use the Mediacom deal as the new standard for which they are going to ask other cable companies to submit to unless somebody steps in and immediately changes the law," Mediacom CEO *Rocco Commisso* said Mon. With neither side talking, just how much the MSO is paying is unclear (estimates have ranged from 25 cents to 50 cents a sub). The

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Source: Nielsen MultiTrak, M-Su 8-11pm, 9/25/06-12/31/06, 9/26/05-12/25/05; '94-'06 full years; 1/94-1/07 monthly. Most current data, A18-49 (000).

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retrans deal came late last week as reports emerged that **FCC** chmn *Kevin Martin* was circulating a staff order that said the Commission doesn't have the authority to intervene in the dispute—despite Sens *Daniel Inouye* (D-HI) and *Ted Stevens* (R-AK) urging the agency to do so. “Leaks coming out of the FCC certainly had an impact on giving Sinclair the additional leverage of attracting more money from Mediacom and dampening the chances in Mediacom's view that the full commission would ever be given the opportunity to vote on the merits of our good faith complaint,” Comisso said. The Mediacom chief made it clear that he will keep pushing for changes to the law, believing that smaller operators are being unfairly targeted. Said **ACA** pres/CEO *Matt Polka*: “If [Mediacom-Sinclair] sets any precedent, it's that it is another strong example of how badly the system is broken.” Polka, who will be on Capitol Hill Tues calling for retrans reform, said the FCC is “cable bashing... I think this is a Commission that is anti-cable and openly so.” He criticized Martin for calling for more rural broadband deployment without acknowledging that these type of programming costs make it difficult for providers to offer new services. **Comcast** seems to be taking the Sinclair threat seriously, having already ordered antennas should the broadcaster pull its signals. The 2 continue to talk, recently reaching an extension that keeps the stations on the air through Mar 1. One cable exec opined Mon that Mediacom-Sinclair is yet another example of programming cost run amuck. “When Mediacom customers see their cable bills increasing in the coming years to cover these costs, it should be no mystery now to customers, Congress, and chairman Martin at the FCC why their bills are increasing,” the exec said. The exec added that bcst net groups that own cable channels and have been short-changing their TV station affiliates “are now driving stations to more aggressively extract more money from consumers through their cable bills.”

Spat Settled: **EchoStar** and **HBO** have reached a long-term deal for distribution of HBO and **Cinemax** on DISH Network. In turn, HBO dropped its lawsuit against EchoStar for \$90mln in unpaid licensing fees (**Cfax**, 1/24) and DISH dropped its program access complaint filed against HBO at the FCC. Terms weren't disclosed.

In the Courts: A NY judge enjoined **DirectTV** Mon from using in any **Time Warner Cable** market certain linear and online ads alleging its HD picture quality beats TWC's. The judge sided with TWC, which had asserted false advertising, deceptive business practices and breach of contract claims against the satcaster, on specific ads featuring *Jessica Simpson* and *William Shatner*; it will still allow DirectTV ads purporting better overall picture quality.

Making Amends: **Turner** and marketing firm **Interference** agreed Mon to dole out \$2mln in compensation to Boston-area authorities for last week's **Comedy Central** ad campaign that triggered a bomb scare. Half of the monies are earmarked for the reimbursement of emergency response expenses, while the balance will be used to fund homeland security programs. Turner and Interference will not face any civil or criminal penalties.

Take Two: The ad industry's self-regulatory forum took issue with **Cablevision**'s recent declaration that some of **NFL Net**'s advertising was deemed “misleading” by the group (**Cfax**, 1/30). The National Advertising Div of the **Council of Better Business Bureaus** said in a statement that it “did not specifically find that NFL's advertising was ‘misleading’,” only “that additional qualifying information provided in [NFL Net's] newspaper print advertisements was necessary to prevent the communication of an overstated or exaggerated message.” Cablevision declined further comment on the matter.

People: The shuffling continues at **NBCU**, with *Jeff Zucker* reportedly to be named CEO this week, replacing 20-year vet *Bob Wright*. -- **A&E** appointed former **Lifetime** exec *Mark Garner* vp, affil distribution and business

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development. -- Jodi Brenner was promoted to svp, business and legal affairs, **NBCU TV Nets Distribution**. -- **Nat Geo** tapped former **AOL** exec **Paul Brake** as controller, and promoted **David Mitchell** to finance manager. -- **Julie Goldstein** joined **HBO** as svp, **HBO Films**, where she'll oversee the development of films for theatrical release.

Business/Finance: Nielsen agreed to acquire the remaining 40% of **NetRatings** it doesn't own for \$21/share in cash, or roughly \$327mln, representing a 16% premium over Fri's closing price. The NetRatings board approved the merger following the unanimous recommendation and approval of an independent special committee. The merger is expected to be completed in 2Q, with the timing dependent on the review and clearance of necessary filings with the **SEC**. Shares of NetRatings rocketed to \$20.59 (+14.1%) at Mon's close. -- **News Corp** filed Mon with the **SEC** a notice of a special stockholder meeting to consider and vote on the proposed swapping of **Liberty's** 16.3% stake in News Corp for News' 38.5% stake in **DirectTV**. A meeting date was not included in the filing's proposed letter to stockholders, in which News Corp's board recommends a "for" vote. -- **Prudential Financial** raised **Comcast's** price target to \$57 from \$48 and reiterated its "overweight" rating.

CableFAX Daily Stockwatch

Company	02/05 Close	1-Day Ch	Company	02/05 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/MMDS			AVID TECH:	32.90	(2.09)
BRITISH SKY:	44.00	(0.64)	BROADCOM:	32.14	(0.21)
DIRECTV:	23.98	0.01	C-COR:	13.45	0.22
DISNEY:	35.26	0.08	CISCO:	27.51	0.37
ECHOSTAR:	41.00	0.62	COMMSCOPE:	32.67	0.11
GE:	36.37	0.10	CONCURRENT:	1.35	(0.08)
HEARST-ARGYLE:	26.06	0.03	CONVERGYS:	26.16	(0.08)
ION MEDIA:	1.18	(0.06)	CSG SYSTEMS:	24.50	(0.65)
NEWS CORP:	24.21	(0.23)	GEMSTAR TVG:	4.18	(0.02)
TRIBUNE:	30.71	0.09	GOOGLE:	467.16	(14.34)
MSOS					
CABLEVISION:	29.31	(0.28)	HARMONIC:	9.23	0.05
CHARTER:	3.39	0.03	JDSU:	16.16	(0.33)
COMCAST:	42.63	(0.44)	LEVEL 3:	6.27	0.18
COMCAST SPCL:	41.98	(0.35)	LUCENT:	2.55	(0.02)
GCI:	15.41	(0.09)	MICROSOFT:	29.61	(0.58)
KNOLOGY:	13.27	0.17	MOTOROLA:	19.87	0.02
LIBERTY CAPITAL:	103.17	(1.24)	NDS:	46.57	(0.33)
LIBERTY GLOBAL:	30.07	0.21	NORTEL:	26.48	(0.5)
LIBERTY INTERACTIVE:	24.25	(0.14)	OPENTV:	2.58	0.05
MEDIACOM:	7.79	(0.25)	PHILIPS:	38.48	(0.34)
NTL:	27.69	0.70	RENTRAK:	16.36	0.07
ROGERS COMM:	30.88	0.20	SEACHANGE:	10.17	(0.23)
SHAW COMM:	35.94	(0.03)	SONY:	47.63	0.02
TIME WARNER:	21.55	(0.2)	SPRINT NEXTEL:	17.77	0.05
WASH POST:	751.25	0.85	THOMAS & BETTS:	49.01	(0.15)
PROGRAMMING					
CBS:	31.56	0.21	TIVO:	5.52	(0.16)
CROWN:	4.20	0.00	TOLLGRADE:	11.90	0.21
DISCOVERY:	16.43	(0.15)	UNIVERSAL ELEC:	20.99	(0.01)
EW SCRIPPS:	49.09	(0.01)	VONAGE:	5.52	0.14
GRUPO TELEVISA:	28.90	(0.46)	VVYO:	4.38	0.05
INTERACTIVE CORP:	39.27	0.64	WEBB SYS:	0.04	0.00
LODGENET:	27.95	(0.11)	WORLDGATE:	1.27	0.01
NEW FRONTIER:	9.42	0.01	YAHOO:	28.56	(0.21)
OUTDOOR:	13.35	(0.44)	TELCOS		
PLAYBOY:	10.71	(0.26)	AT&T:	37.79	(0.33)
UNIVISION:	35.85	(0.03)	QWEST:	8.13	(0.05)
VALUEVISION:	12.12	(0.29)	VERIZON:	38.09	(0.08)
VIACOM:	40.98	(0.1)	MARKET INDICES		
WWE:	16.02	(0.17)	DOW:	12661.74	8.25
TECHNOLOGY					
3COM:	3.99	0.08	NASDAQ:	2470.60	(5.28)
ADC:	16.48	(0.17)			
ADDVANTAGE:	3.00	0.01			
AMDOCS:	34.52	(0.28)			
AMPHENOL:	67.76	0.02			
ARRIS GROUP:	14.30	(0.05)			

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Symonds Says...

Sometimes I'm so proud of what I see on cable I could cry; I mean it; flat out cry. Then, at other times, I'm so embarrassed I could, well... cry. Let me explain.

This past week ESPN told me about Genarlow Wilson, a 20-year old African American and former football player who once rode busses with his teammates but who now rides busses with murderers, rapists and men for whom a good day is one in which they are not stabbed.

Genarlow used to wear #4 for Douglas High; he was once recruited by Columbia and Brown, and once praised for being a scholar-athlete. He now wears #1187055 for the Burruss Correctional Facility, where he is serving a ten year sentence without the possibility of parole.

Three years ago, Genarlow received oral sex from a girl two years his junior; a young lady who admits she initiated the exchange.

But because, unlike some of his teammates who were also arrested, Genarlow would not take the prosecutor's plea bargain offer—believing in his heart that he was not a child molester—he is now in prison,

branded as one. What made me proud is that ESPN gave Genarlow's plight a national platform; took it from being a story very few people heard, one struggling to survive and gasping for air, and breathed life into it. I'm proud too that it came to ESPN's attention though Mark Cuban's HDNet. That's the kind of thing that warms my heart, both as an African American and a cable veteran.

But then there's the other side. This past week Democrat Joe Biden, a good Senator and apparently decent man, announced his candidacy for the presidency. Asked about Hillary Clinton and John Edwards, he blasted both over their stance on Iraq. Then he was asked about Barak Obama. In glowing terms he talked about Obama meteoric rise. But rather than going so far as to say Obama might actually win—after all, Biden was announcing his own candidacy—he called him “the first mainstream African-American who is articulate and bright and clean and a nice-looking guy,” adding later, “I mean, that's a storybook, man.”

Now even though in my heart I believe it was more a poor choice of words on Biden's part than an actual indictment of former black candidates, the press went wild. It was a virtual media feeding frenzy. And for what? Look, I'm African American, and I

wasn't offended. I believe, as both Obama and Jesse Jackson said, the guy made a mistake; it was not a slur on people like Jackson, Shirley Chisholm or Eleanor Holmes Norton.

You know what I think? I think the problem is shelf space. I truly believe with all these 24-hour networks cable has far too much shelf space to fill, and as a result, we'll blow any incident vastly out of proportion; followed, of course, by countless hours of analysis, then, occasionally, a few hours of soul searching about why we continue to blow things out of proportion.

And all the while, a young man's life rots away in a Georgia prison.

I don't know what the answer is. I know that when in doubt, follow the money; and that there is more money in covering the flameout of a puffed up national politician—whether deserved or not—than in exposing a miscarriage of justice against a small boy in a small town.

Symonds says all I can do is sigh and keep banging away at these keys, thankful for moments when our news people choose to use this amazing medium as an agent for change, and desperately hopeful that those other times—the ones of less nobility.... of bloodlust and knee-jerk journalism—don't ultimately define who they are; or by extension, who we are.

Curtis Symonds can be reached at curtissymonds@yahoo.com.



Curtis Symonds

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