

CableFAX Daily™

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What the Industry Reads First

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Ch-Ch-Ch.. Changes: MTVN Streamlining Takes Aim at Digital Future

Viacom's MTVN on Mon became the latest content company to streamline operations while renewing its focus on digital platforms. Some 250 US staffers will lose their jobs while MTVN tweaks operations across its business groups to "allow us to better share resources across our brands, and to invest in our linear channels and other key growth areas," explained chmn/CEO *Judy McGrath* in an emailed memo Mon morning. "In the U.S., we will build resources against some new businesses—our interactive properties and some of our new networks—and we will make reductions in others... Our industry is at an inflection point, and many companies are going through the process of adapting their business models and organizations to the new realities." MTVN follows **NBCU** in instituting major restructuring plans related to the emergence of a multi-platform world (*Cfax*, 12/5). **Sanford Bernstein's** *Michael Nathanson* noted that "top-line has slowed at Viacom, and the new management has inherited a cost structure that needs to be pared down," calling the restructuring "nothing too sinister." On the new-platform front, MTVN's nets have made big bets in the last 2 years such as the 2005 broadband-service launches of **MTV's** "Overdrive" and **Comedy Central's** "MotherLoad." In Dec '06, MTV also unveiled a standalone mobile service called "Bananas." It's unclear whether cross platform and Web-based advertising models are ready for primetime, but media bigwigs remain beguiled by the potential. Case in point: **News Corp** chmn *Rupert Murdoch* said last week that within 5 years more than 10% (up from a current 1%) of the firm's revenue will stem from Internet-related content. He also noted that few nets launch new series today without online components. -- Amid all the news of the restructuring on Mon, MTVN also named *Denise Dahldorf* as its top distribution executive. Dahldorf, who was promoted from svp, affiliate sales and marketing, national accounts, takes over the top spot from *Nicole Browning*, MTVN's former pres, affiliate sales and marketing, and *Peter Low*, MTVN's former evp in charge of U.S. cable distribution, who left in a Viacom-triggered shake-up on Jan 11 that also saw COO *Michael Wolf* exit. And, of course, all of those changes came after the surprise departure of Viacom chief *Tom Freston* in Sept (*Cfax*, 9/6).

Cable Show Update: **NCTA** announced a heavy-hitting lineup for Tues' General Session at The Cable Show '07 in Las Vegas May 7-9: **News Corp** pres/COO *Peter Chernin*, **The Walt Disney Co** pres/CEO *Robert Iger*, **Time Warner** chmn/CEO *Richard Parsons* and **Comcast** chmn/CEO *Brian Roberts*.

Burgeoning Brightcove: **Time Inc** partnered with IPTV provider **Brightcove** to launch ad-supported Internet video channels on the websites of some of its 130 pubs. The Time Warner subsidiary will produce original content for several of its sites, including **Time.com** and the portals of *Fortune*, *Money*, *Sports Illustrated* and *Entertainment Weekly*. -- **TV Guide Broadband** also aligned with Brightcove to publish and manage online video for syndication to website affiliates across the Internet. In addition, TV Guide's video channel at Brightcove.com added content such as celebrity interviews and highlights from **TV Guide Channel's** live programming.

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THE CLOSER



Source: Turner Research from Nielsen Media Research data. Among Households and Total Viewers. Averages include original first run episodes only for each season of the program. Averages based on final Live +7 data (12/26/05-8/27/06), Live + Same Day (8/28/06-9/10/06) and Live (prior to 12/26/05).

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Competition: AT&T and Microsoft unveiled "AT&T Live Meeting," a hosted webconferencing service that allows users real time communicate with a PC, an Internet connection and a telephone. -- AT&T's wireless unit inked a deal with MediaFLO USA for the delivery of mobile content. Availability is slated for late '07. -- AT&T launched at att.com/smartlimits an information source for parents on how to use parental controls for its wireless, Internet, video and phone services.

Technology: Conexant unveiled a new family of DOCSIS 2.0+ cable modem integrated circuits. Key features include 3 demodulators with downstream channel bonding capability designed to increase bandwidth capacity.

Public Affairs: Cartoon Net and the FDA are partnering for "Spot the Block," a public education campaign that starting Wed will use on-air spots featuring Cartoon characters to promote portion control and a healthy eating lifestyle. The initiative will also feature a micro site at cartoonnetwork.com offering tools for a better understanding of nutrition labels.

ESPN At Bat: The net said that its online fantasy baseball offering, sponsored by Dick's Sporting Goods, will be free this season for the 1st time in its 12-year career. The sports media giant also acquired fantasy sports site Talented Mr. Roto, and hired the site's creator Matthew Berry as sr dir, fantasy games. The purchase also gives ESPN access to a roster of 50+ fantasy sports columnists, reporters and scouts, who will now contribute to ESPN.com. Also announced was the site's hiring of former Olympic softball player Jennie Finch as a fantasy sports columnist and analyst.

MaxFAX Retraction: Yesterday, in my column, I misused the word "extortion" in writing about the retransmission consent negotiations between Sinclair Broadcasting and Mediacom (Cfax, 2/12). I hereby fully retract that description of Sinclair's behavior. The company and its counsel certainly did nothing illegal or unlawful in any way, shape or form. I apologize. - Paul Maxwell

Privateers: NBCU and Fox are among those participating in MySpace's pilot program to battle content piracy. The video filtering system uses digital fingerprinting tech to block videos containing unauthorized copyrighted content from being posted in its community and is free to copyright holders.

Online: Digital Music Group inked a deal allowing YouTube to use some of its library content, including classic TV eps from "Gumby" and "My Favorite Martian." YouTube also received permission to use certain DMG-owned music in uploaded U-G videos. -- Lionsgate films such as "Terminator 2" and "Basic Instinct" are now available on iTunes. -- Azureus and Starz Media struck a deal to offer Starz content such as "Street Fighter Alpha" and the 1st season of series "Masters of Horror" at zudeo.com.

Ratings: Nielsen introduced "Nielsen DigitalPlus," a new service aimed at integrating TV measurement services from Nielsen Media Research, commercial activity data from Nielsen Monitor Plus, retail and scanning information from A.C. Nielsen, and the modeling and forecasting capabilities of Claritas, Spectra and BASES. Among the service's initiatives is the measurement of advanced advertising apps such as interactive, targeted advertising.

Programming: SOAPnet greenlit 13 eps of its 1st original scripted drama "General Hospital: Night Shift," providing a storyline extension about the lives of some the eponymous soap's characters. -- NFL Net debuted Mon (6:30pm ET)

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BUSINESS & FINANCE

"Path to the Draft," a 50 ep series airing nightly, and leading up to Apr's NFL Draft. -- **TLC** green lit the "Petra Nemcova Project," in which aspiring models audition in NY for contracts with NEXT Model Management.

On The Circuit: Hope **Lifetime's** ratings guru *Tim Brooks* has a large trophy shelf, as the honors keep coming. A disc that accompanies Brooks' massive '04 book, "Lost Sounds: Blacks and the Birth of the Recording Industry 1891-1922," took home a Grammy Sun for "best historical album."

People: **ESPN** promoted *Marie Donoghue* svp, strategy and development, content and enterprises; *Carol Fraleigh* to svp, technology operations; and *Aaron LaBerge* to svp, technology and product development. -- *Rebecca O'Sullivan-Schulte* was named svp/gm of **Comcast SportsNet Mid-Atlantic**, effective Mar 12. -- **MobiTV** appointed former **Pixar** and **Fox** exec *Simon Bax* a board member. -- **Comcast** tapped *Mark O'Leary* as regional vp, business services, central CA.

Business/Finance: **Atlantic Broadband** intends to increase its outstanding Term Loan B Senior Credit borrowings by \$110mln, and to reprice downward its existing Term Loan B. **Merrill Lynch** and **Credit Suisse** are arranging the transaction, the proceeds from which will be used to repay all of Atlantic's Term Loan A borrowings and to reduce a portion of its revolving credit borrowings.

CableFAX Daily Stockwatch

| Company | 02/12 Close | 1-Day Ch | Company | 02/12 Close | 1-Day Ch |
|------------------------------|----------------|-------------|-----------------------|----------------|-------------|
| BROADCASTERS/DBS/MMDS | | | | | |
| BRITISH SKY: | 44.31 | 0.38 | ARRIS GROUP: | 14.35 | (0.28) |
| DIRECTV: | 24.13 | (0.69) | AVID TECH: | 32.28 | 0.01 |
| DISNEY: | 33.92 | (0.44) | BLNDER TONGUE: | 1.84 | 0.01 |
| ECHOSTAR: | 41.70 | 0.12 | BROADCOM: | 33.20 | (1.02) |
| GE: | 35.64 | 0.11 | C-COR: | 13.66 | (0.26) |
| HEARST-ARGYLE: | 26.06 | 0.00 | CISCO: | 27.54 | (0.17) |
| ION MEDIA: | 1.19 | 0.00 | COMMScope: | 33.31 | (0.2) |
| NEWS CORP: | 24.65 | (0.33) | CONCURRENT: | 1.36 | (0.06) |
| TRIBUNE: | 30.29 | (0.2) | CONVERGYS: | 25.91 | (0.28) |
| MSOS | | | | | |
| CABLEVISION: | 28.76 | (0.42) | CSG SYSTEMS: | 24.72 | 0.00 |
| CHARTER: | 3.10 | (0.25) | GEMSTAR TVG: | 4.10 | (0.04) |
| COMCAST: | 39.98 | (0.84) | GOOGLE: | 458.29 | (3.6) |
| COMCAST SPCL: | 39.65 | (0.77) | HARMONIC: | 8.86 | (0.25) |
| GCI: | 15.28 | (0.01) | JDSU: | 15.78 | (0.39) |
| KNOLOGY: | 13.57 | (0.13) | LEVEL 3: | 6.04 | (0.14) |
| LIBERTY CAPITAL: | 103.99 | (2.95) | MICROSOFT: | 28.94 | (0.04) |
| LIBERTY GLOBAL: | 29.31 | (0.24) | MOTOROLA: | 19.14 | (0.43) |
| LIBERTY INTERACTIVE: | 23.33 | (0.14) | NDS: | 48.60 | 0.08 |
| MEDIACOM: | 7.81 | (0.01) | NORTEL: | 29.07 | 0.11 |
| NTL: | 28.22 | 0.00 | OPENTV: | 2.66 | 0.01 |
| ROGERS COMM: | 30.78 | (0.38) | PHILIPS: | 38.18 | (0.25) |
| SHAW COMM: | 35.23 | (0.2) | RENTRAK: | 14.20 | (0.82) |
| TIME WARNER: | 21.17 | (0.11) | SEACHANGE: | 10.57 | (0.23) |
| WASH POST: | 773.59 | 2.29 | SONY: | 48.84 | (0.26) |
| PROGRAMMING | | | | | |
| CBS: | 31.31 | (0.37) | SPRINT NEXTEL: | 17.90 | (0.1) |
| CROWN: | 3.93 | 0.01 | THOMAS & BETTS: | 50.13 | 0.34 |
| DISCOVERY: | 16.16 | 0.11 | TIVO: | 5.88 | 0.11 |
| EW SCRIPPS: | 48.01 | (0.79) | TOLLGRADE: | 11.90 | (0.11) |
| GRUPO TELEvisa: | 28.50 | 0.31 | UNIVERSAL ELEC: | 21.16 | 0.21 |
| INTERACTIVE CORP: | 39.42 | (0.2) | VONAGE: | 5.88 | (0.03) |
| LODGENET: | 26.70 | 0.11 | VYYO: | 4.24 | (0.05) |
| NEW FRONTIER: | 9.27 | 0.02 | WEBB SYS: | 0.04 | 0.00 |
| OUTDOOR: | 12.01 | (0.7) | WORLDGATE: | 1.19 | (0.05) |
| PLAYBOY: | 10.87 | 0.24 | YAHOO: | 29.17 | (0.57) |
| UNIVISION: | 35.89 | 0.07 | TELCOS | | |
| VALUEVISION: | 12.50 | 0.26 | AT&T: | 36.96 | 0.06 |
| VIACOM: | 39.56 | (0.82) | QWEST: | 8.07 | (0.13) |
| WWE: | 16.40 | 0.26 | VERIZON: | 37.57 | (0.13) |
| TECHNOLOGY | | | | | |
| 3COM: | 3.93 | (0.03) | MARKET INDICES | | |
| ADC: | 16.61 | (0.19) | DOW: | 12552.55 | (28.28) |
| ADDVANTAGE: | 3.16 | 0.05 | NASDAQ: | 2450.38 | (9.44) |
| ALCATEL LUCENT: | 13.06 | (0.24) | | | |
| AMDOCS: | 33.63 | (0.44) | | | |
| AMPHENOL: | 67.24 | (0.28) | | | |

OPERATION V-DAY

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M.C. Antil's CableFolks

Turner's Week That Wasn't

To say last week was not a great one for Turner Broadcasting or their PR person, Shirley Powell, is like saying time has not been kind to the leisure suit, New Coke or the AMC Pacer.

Like many of you, I sat last week and watched with bemusement as a harmless stunt went horribly awry and ended up getting two people thrown in jail and a third fired. As you may know, early last week Boston officials became unraveled thinking that terrorists had planted bombs in their city. The box-like structures, of course, were not bombs at all, but high tech-looking art designed to promote the Cartoon Network.

The fallout in Boston was staggering. Traffic got snarled, mass transit halted, and local politicians held press conferences, at which they sternly demanded a full inquiry into how such a horrible thing was allowed to happen.

As I read the stories of the event, and watched the reports from around the globe, there was poor Shirley defending her seemingly defenseless company, appearing contrite and eternally sorry.

But as this was happening two things began to fester in me; my sympathy for a colleague in an untenable situation; and my frustration with the over-reaction of Boston's public officials and its press corps.

But that was not the worst of it. Not by a long shot.

Later in the week, news of the death of former Texas roadhouse queen Anna Nicole Smith hit the air. However, as I went to CNN (another Turner network) to follow the Boston fallout, all I got was Anna Nicole this and Anna Nicole that. There was Wolf Blitzer reporting, Anderson Cooper commenting, and of course, Larry King offering his two cents.

Meanwhile, the entire CNN.com splash page was wall-to-wall Anna Nicole. I was stunned. After all, when economist Milton Friedman died a while back, I had to dig to find multiple stories about, perhaps, the most influential thinker of the 20th Century. But when a soci-



M.C. Antil

etal train wreck like Ms. Smith went to that big strip joint in the sky, the world's leading news organization somehow found it within itself to clear page one.

Then, when I got a press release late Friday announcing the "resignation" of Cartoon GM Jim Samples, I had to call Shirley. She, of course, said all the right things; that "some good" had come of this; and that it had exposed "some internal processes that needed to be fixed."

But Shirley was also at her wit's end and I could sense she felt, as I did, the Boston situation had been ridiculously overblown. After all, the devices were placed in nine other cities and, to my knowledge, none of those cities had melted down. But to Shirley's credit, she stayed in character. She didn't bite, even as I vented my frustration over Samples being turned into a sacrificial lamb while CNN was allowed to gamble its reputation in high stakes game of celebrity poker.

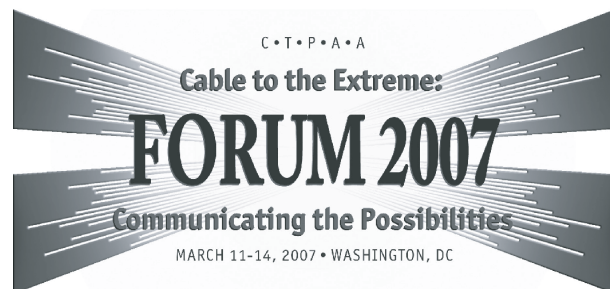
At the end of our conversation Shirley simply said it was nice catching up, and that she hoped I'd have a great weekend.

But I didn't. I had a horrible weekend. I couldn't let go of what happened. I couldn't help but feel that journalism, this industry and society as a whole took a step backward.

We made a network executive walk the plank for doing his job, and we allowed our stunning fascination with celebrity to fog our vision and cloud our judgment.

As I thought about it, I only wished the bosses at Turner had acted a little more like one of their employees did earlier in the week. When told that former NBA player John Amaechi had just announced he was gay, TNT basketball analyst Charles Barkley, one of the bravest and most refreshingly honest people on television, looked directly into the eyes of the person who asked him the question and responded simply, "So?"

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