

# CableFAX Daily™

Wednesday — September 6, 2006

What the Industry Reads First

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## Viacom Shakeup: Labor Day Gone, But Sumner Isn't

So, what will **Viacom** look like now? That was the biggest question in cable circles following the ouster of cable vet *Tom Freston*. Will many of his sr managers follow him out the door? Probably. Will digital trump cable in the business plan? Possibly. Is there no end to *Sumner Redstone's* power? Apparently not. *Gary Klein*, a partner for NY-based exec search firm *Christian & Timbers* suggested the shakeup harkens back to the split of **CBS** and Viacom. "The strategic purpose behind the split was for Viacom to grow aggressively," he said. "That simply has not happened. Redstone moves very quickly. He has expectations—either you meet them or you're out." On a call with analysts, Redstone said the board felt Viacom lacked momentum and that communication with Wall St had become "deficient." Freston put a "cable guy" stamp on Viacom, having served as chmn/CEO of **MTV Networks** since 1987 and as one of the founding members that launched MTV (he was inducted into the **Cable Center's** Hall of Fame last year). Reaction to the news Tues was surprise, from investors to fellow programmers, with not even a whisper of the shakeup hitting the cocktail circuit. **Merrill Lynch** promptly downgraded Viacom to "neutral" from "buy," calling Freston "a key figure in building [MTV] into one of the premier entertainment franchises globally." Merrill's note to clients went on to question newly named pres/CEO *Philippe Dauman* and chief admin officer *Thomas Dooley's* lack of experience in running a major entertainment company. Dauman and Dooley are both members of Viacom's board and head **DND Capital Partners**, a private equity firm specializing in media and telecom. **UBS's** *Aryeh Bourkoff* called the changes a near-term negative, saying Viacom "loses a creative force in Freston who has been instrumental in building the company's assets, brands and talent." However, Bourkoff said the change could be positive longer term if it improves financial discipline. **Citigroup** was perhaps the most optimistic, calling the shakeup a "mild positive" and Freston's track record "mixed." **Did We Miss the Sign?** Tom's move out of Viacom—probably reluctant but with a sense of relief—truly ends an era that he helped start. But unlike *Mel Karmazin's* 2004 departure, which spurred speculation for years, Freston's resignation was a surprise. In hindsight, perhaps there was a tiny clue. Last week, during the noisy brouhaha between Redstone and Tom Cruise forces, Freston's absence from statements issued every which way almost went un-noticed. We'll miss Tom... one of the best. - PSM

**AMC Chief:** As expected, former **Court TV** ad sales honcho *Charlie Collier* will fill the long-vacant **AMC** gm post on Mon. Sort of reminded us of the weeks of speculation that came before *Evan Shapiro* made the leap from Court to **Rainbow's IFC** in '04. No one has taken the AMC reins since *Katie McEnroe* was fired in 2003 (along with 13 other Rainbow execs) amid accounting irregularities. Why the wait? "There wasn't the urgency," says **Rainbow Ent Services** pres *Ed Carroll*, to whom Collier will report. "The network is at an all time high ... it really gave me the luxury to bring someone in who will be additive." It's great timing for Collier, with AMC's 1st original film "Broken Trail" pulling phenomenal ratings and the net's 1st original drama series, "Mad Men," gearing up for production. Collier sees room for

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more original fare, and he's bullish on current AMC "Ocean's 11"-like series "Hustle." "We're looking forward to a new season," he said. "In fact, the [British-based] cast is in [NY] doing episodes that take place in the US." Critics praise Hustle but also note the British-based series is neither American, a movie or a classic. "But we think the series is highly cinematic," Collier says, adding that movie fans love the mystery genre. AMC co-produces the series with the **BBC**.

**Discovery's Loss:** The flag was at half-staff outside **Discovery's** Silver Spring, MD, HQ yesterday in remembrance of one of its biggest stars, Crocodile Hunter *Steve Irwin*. "People are walking around, and you can just see the sense of sadness and loss," **Animal Planet** evp, gm *Maureen Smith* said Tues. The outpouring of Discovery employees started Mon when news of Irwin's fatal stingray accident broke (a Discovery phone tree began just after 1am). About 100 employees, including vps and svps, came into the office on Labor Day. "There was lots of hugging and comforting of people," Smith said. "It was like losing a member of the family." She and a contingent of Discovery execs, including *John Hendricks*, plan to attend Irwin's funeral pending word from his family. Discovery's internal message board invites employees to share their thoughts and includes video footage of Irwin's surprise appearance at Discovery's 20th anniversary celebration last year. A similar message board at Animal Planet's public Website was so flooded that we were unable to log on yesterday. While Animal Planet quickly turned around special tribute programming Mon night, it's working on an entire "Tribute Day" for Irwin to air later. Discovery plans to rename the garden outside its HQ the "Steve Irwin Memorial Garden" and will create the Steve Irwin Crocodile Hunter Fund. **Video Footage:** Irwin was on an Animal Planet filming expedition when the accident happened. His last few moments were caught on tape, prompting speculation that the film might be leaked. "We've been very aggressive in that area," Smith said. "The police dept there assures us that they have it under lock and key. It's a little out of our hands. We have no intention of airing it."

**Another Court Return:** *Bob Rose* has re-emerged as evp, distribution at **CSTV**. Rose lost his gig as evp, affil relations at **Court TV** following **Turner's** acquisition of the net. "The opportunity to lead the distribution of this inventive organization represents an exceptional fit for me," Rose said.

**Competition:** **ABC** will promote fall series "Desperate Housewives" and "Ugly Betty" to Latinos using Spanish-language spots on **Transit TV**, which has video screens on transit vehicles in markets including L.A. and Chicago. -- **AT&T** and **The International Music Feed** struck a distribution agreement to include IMF's linear music channel and on-demand music videos in the telco's "U-verse TV" lineup. -- **TiVo** subs will get a sneak peek of **CBS'** new series "The Class" up to a full week prior to its Sept 18 premiere.

**Mobile:** **Sprint** on Tues launched "Sprint Movies," a mobile PPV service that initially streams roughly 45 full-length movies from partners **Buena Vista VOD**, **Lionsgate**, **Sony Pictures** and **Universal Pictures**. Available on select handsets, the service offers individual movies for \$3.99-\$5.99. Customers can view films in their entirety all at once or divided into chapters over time.

**Carriage:** **NBCU** sold the broadcast syndication rights for **USA's** "Monk" to TV stations covering more than 80% of the US. Stations owned by **NBC**, **ABC**, and **CBS**, among others, may begin weekend runs of the show in late '08.

**In the States:** **Playboy** nemesis **New Frontier Media** announced a strategic relationship with adult-themed studio **Digital Playground**. The pact gives NFM subsidiary **The Erotic Nets** access to DP stars for promotions and



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# BUSINESS & FINANCE

events, and paves the way for future joint projects. -- **RCN** rolled out Latino-targeted programming, packaging options and services in Boston, Chicago, NY, eastern PA and D.C. Included is "MiVision," offering more than 30 Spanish-language channels, 13 of which are new to RCN viewers.

**Programming:** **MSNBC** on Wed launches its '06 election coverage with programming campaign "Decision 2006: Battleground America" (9am-6pm ET).

**People:** **AETN** upped *Steve Ronson* to evp, enterprises. -- **Sundance Channel** named **Comedy Central** vet *Kimberly Gabelmann* vp, branded entertainment and sponsorship. -- **Concrete Pictures** named *Rodman Gregg* vp, content. Former **Sony Pictures** exec *Lee Dollar* was named **ReelzChannel's** vp, programming, studio and content development.

**Business/Finance:** **EchoStar** subsidiary **EchoStar DBS** on Fri redeemed all outstanding Floating Rate Senior Notes due '08. In accordance with governing indenture terms, the \$500mln principal amount will redeem effective Oct. 1 for a total of \$505mln. -- **Tivo** announced Thurs a public offering of more than 8.26mln shares (**Citigroup** will be the sole book runner). TiVo, with roughly 87mln shares outstanding, plans to use proceeds for general corporate purposes.

## CableFAX Daily Stockwatch

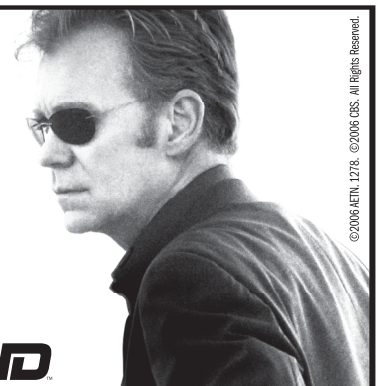
Company	09/05 Close	1-Day Ch	Company	09/05 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
AVID TECH:	40.34	0.38	BLNDER TONGUE:	1.42	0.10
BRITISH SKY:	42.68	(0.93)	BROADCOM:	29.06	1.11
DIRECTV:	19.35	0.15	C-COR:	8.00	0.00
DISNEY:	29.85	(0.04)	CISCO:	22.09	(0.18)
ECHOSTAR:	33.05	0.75	COMMSCOPE:	30.82	1.39
GE:	33.97	(0.17)	CONCURRENT:	1.77	0.11
HEARST-ARGYLE:	23.34	0.14	CONVERGYS:	20.69	(0.4)
ION MEDIA:	0.90	0.00	CSG SYSTEMS:	27.27	0.39
NEWS CORP:	19.75	(0.31)	GEMSTAR TVG:	3.30	0.08
TRIBUNE:	30.92	(0.33)	GOOGLE:	384.36	5.76
<b>MSOS</b>					
CABLEVISION:	23.40	(0.13)	HARMONIC:	6.71	0.30
CHARTER:	1.45	(0.01)	JDSU:	2.21	(0.06)
COMCAST:	35.04	(0.22)	LEVEL 3:	4.30	(0.01)
COMCAST SPCL:	34.96	(0.19)	LUCENT:	2.35	0.01
GCI:	12.99	0.33	MICROSOFT:	25.61	(0.23)
KNOLOGY:	10.25	0.08	MOTOROLA:	23.50	0.09
LIBERTY CAPITAL:	86.76	0.16	NDS:	45.70	(0.41)
LIBERTY GLOBAL:	24.10	0.26	NORTEL:	2.16	0.02
LIBERTY INTERACTIVE:	19.18	0.03	OPENTV:	3.02	0.03
MEDIACOM:	7.03	(0.02)	PATH 1:	0.63	0.00
NTL:	26.39	(0.11)	PHILIPS:	34.58	0.15
ROGERS COMM:	51.61	(0.9)	RENTRAK:	11.50	0.04
SHAW COMM:	30.10	(0.13)	SEACHANGE:	9.03	0.46
TIME WARNER:	16.80	0.04	SONY:	43.87	0.02
WASH POST:	760.41	(9.59)	SPRINT NEXTEL:	17.19	0.10
<b>PROGRAMMING</b>					
CBS:	28.60	(0.26)	THOMAS & BETTS:	45.84	(0.03)
CROWN:	4.10	0.20	TIVO:	8.15	0.25
DISCOVERY:	13.75	(0.27)	TOLLGRADE:	9.18	(0.08)
EW SCRIPPS:	46.66	(0.35)	UNIVERSAL ELEC:	17.92	(0.05)
GRUPO TELEVISIA:	19.45	0.26	VONAGE:	8.24	(0.66)
INTERACTIVE CORP:	28.51	(0.01)	VYYO:	5.36	(0.03)
LODGENET:	18.97	(0.09)	WEBB SYS:	0.06	(0.01)
NEW FRONTIER:	8.48	0.01	WORLDGATE:	1.75	(0.03)
OUTDOOR:	10.91	0.00	YAHOO:	29.06	(0.43)
PLAYBOY:	9.31	0.04	<b>TELCOS</b>		
UNIVISION:	34.75	(0.07)	AT&T:	31.71	0.10
VALUEVISION:	11.33	0.10	BELLSOUTH:	41.44	0.08
VIACOM:	34.97	(1.99)	QWEST:	8.81	0.13
WWE:	17.01	0.01	VERIZON:	35.50	(0.07)
<b>TECHNOLOGY</b>					
3COM:	4.45	0.02	<b>MARKET INDICES</b>		
ADC:	13.70	0.04	DOW:	11469.28	5.13
ADDVANTAGE:	4.02	0.01	NASDAQ:	2205.70	12.54
AMDOCS:	38.95	0.48			
AMPHENOL:	58.60	1.31			
ARRIS GROUP:	12.04	0.24			



# CSI: MIAMI

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## Symonds Says...

For those of you who read the word “diversity” and are inclined to move on to the rest of your in-box, I hope you’ll reconsider.

Look, I know I sound like a broken record at times, ranting about cable’s often feeble attempts to embrace diversity, but this time I think I have the answer.



**Curtis Symonds**

It came to me the other day as I was talking to a friend.

This person works in cable, is white and has spent the last 2 years volunteering as an inner city Little League coach. My friend and I were talking about coaching – I have coached a number of my son’s teams over the years – and he told me it has changed his life. Not just the volunteering, which has allowed him to give back to a world that has so richly rewarded him, but the getting to know his players and their families.

My friend’s Little League, which is about 98% African American, started in one of the most infamous housing projects in the country and exists solely through volunteers and corporate sponsors. As he told me once, “I’d bet I’m the only coach in my neighborhood whose outfield is 2/3 crack babies.”

But after two years, he told me, he’s hooked. The first thing he thinks

about each morning is his team – especially the most at risk kids. One of them – I’ll call him Ray – is a 9-year-old right fielder. Ray isn’t much of a player, but in two years he’s fallen in love with baseball. And in no small way, my friend has come to think of Ray as a son. But Ray has issues. His mother is a crack-head who wanders the streets and barely acknowledges her boy. (Ray lives with his aunt and, occasionally, his grandmother).

Ray also has an hair-trigger temper and can explode over such things as a called third strike. During one practice Ray threw a bat at the bench, scattering his teammates.

My friend told me it was another in a long line of incidents with Ray. Because he had earlier warned him about such outbursts, my friend immediately called off practice and drove Ray to his aunt’s house (something he regularly did since she took Ray in last summer).

As they drove in silence Ray tried to make conversation, but my friend said, “Ray, I’m mad at you. I don’t want to talk right now.”

When they got to their destination, Ray said sheepishly “Coach, we got practice tomorrow?” My friend said he didn’t know; he’d call Ray if they did. “Well,” said Ray, “you gotta call everyone on the team.”

“I know,” said my friend.

As my friend drove away, Ray ran after him, his arms waving frantically. He stopped and rolled down the window. Ray, trying to catch his breath, leaned on the door and panted, “Coach, if you gonna call everybody, don’t use your cell phone. You’ll use too many minutes.”

My friend didn’t know whether to laugh or cry. “Thanks, Ray. I won’t”

Later he told me, “Curtis, I always thought I stood for certain things, but until I rolled up my sleeves and started to get to know these people as people, I wasn’t part of the solution. I was part of the problem.”

And so this is my idea. You want to know how this industry can, once and for all, achieve diversity? By doing what my cable colleague is doing; by volunteering; but getting out of the safety of our routines and the comfort of our homes and dealing one-on-one with those most in need of what we have.

Because, believe me, we can’t change the world from 30,000 feet or a corner office. If cable wants to move the needle and create a truly diverse workplace, we cannot do it one company at a time or even one division at a time. Symonds says, like my friend the Little League coach, we must dole out opportunity one heart at a time.

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