

CableFAX Daily™

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What the Industry Reads First

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Open Door Policy? Media Ad Sales Ripe for More Diversity

Industry consolidation, busy schedules and simple inertia have conspired to set back efforts to increase diversity within the ad-sales community, argued panelists at **NAMIC's** morning session on Tues in NYC. "We call each other, and we poach from each other," said *Phillip Woodie*, dir of multicultural sales at **Comcast Spotlight**. "It takes effort on all of our parts to bring [new] people in." Woodie said the multi-platform world requires new skill sets that often come from outside the existing cable club. "There are lots of places we can look now," he said. "We just have to take the time and effort to do that." Panelists said a candidate's unique life experience and knowledge base should get more attention. "It's time for us to look beyond people with just the pre-formatted resume," said *Mark Walton*, evp, sponsorship and corporate development at **The Africa Channel**. "We need to open our doors a little more." Said *Vimal Verma*, chmn/CEO of **American Desi TV**: "Every time I hired a resume, I fell flat on my face." (Verma said he's actually looking to fill 6 ad-sales positions at Desi and urged audience-members to apply). *Wendell Scott*, vp, multimedia sales at **ESPN**, said senior execs must educate all employees on "why diversity is important" to ensure that new hiring attitudes permeate the ranks. But *Sean Cunningham*, pres/CEO of **CAB**, said firms should also develop better entry-level hiring pools by educating college sophomores and juniors about media ad-sales opportunities. Much depends on busy execs making time to expand hiring practices. "It's not just the right thing to do anymore," said Cunningham. "There's a business case for diversity as well."

On the Hill: Sen Commerce Chmn *Ted Stevens* (R-AK) said Tues that net neutrality "may well lead to [his telecom bill's] defeat after 19 months of work." He made the remark during **FCC** chmn *Kevin Martin's* renomination hearing. Stevens is trying to secure 60 votes to bring the bill to the floor. Responding to net neutrality questions by Stevens, Martin said he thought the FCC has the authority to act when there are net neutrality violations. Martin is expected to sail through committee approval, with a vote possibly coming next week. The FCC chmn said he doesn't expect to hold another multicast must-carry vote soon because he doesn't have the votes.

Points for Honesty: **NAMIC's** diversity study released this week may have disappointed some hoping for more progress, but **NCTA** pres *Kyle McSparrow* lauded cable for being "fairly soul searching" when it comes to diversity. "I'm proud of an industry that's honest about self-assessment and where we stand," he told **NAMIC** attendees Tues. He added that new **Kaiz Foundation** exec dir *David Porter* "is very interested in results and measuring results," even joking that Porter's 5 degrees could make him "too smart for the cable industry." McSparrow also called on audience members to help "put some flesh and blood on the bones of what this industry represents" by writing op-eds, making speeches and visiting Washington.

From the Street: Blame some of **DBS'** slowing sub growth on a decline in the housing market. That's the conclusion of **Sanford Bernstein's** *Craig Moffett*, who says the hot housing market of '04 and early '05 spurred rapid expansion of the overall multichannel market. Of course, cable and its bundle are also to blame for satellite's sharp 1st half sub decline.

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Citing recent trends, Moffett reduced his long-term share forecast for DBS to 33.9% from 35%. For '06, he estimates DBS industry sub growth of below 6% and just 3% growth in '07. Cable is seen posting 0.5-1% growth this year, and 0.4% growth in '07. Despite telco video entry, Moffett forecasts nominally positive sub growth every year though '10. -- In its own research note, **Merrill Lynch** called cable's impact from telco video "limited." Long term, it projects that telcos will gain about 5% of the multichannel market (5mln subs by 2010 or \$10bln in additional multichannel market share ceded). However, Merrill notes that tier 1 cable ops (**Comcast, Cablevision, Time Warner**) are likely to more than offset the cost by driving penetration of digital services into their existing sub base. Merrill also estimates that **Verizon** will invest about \$8,500 in capital per video sub. "We do not believe these economics will ultimately be sustainable," the note said.

MNF on ESPN: The debut of "Monday Night Football" on **ESPN** earned a 9.9 rating, averaging 9.2mln HHs. Not surprisingly, it was ESPN's biggest audience ever. MNF's Part 2, Chargers-Raiders, notched an 8.5/7.87mln at 10:15. For the usual MNF timeslot (8:30-11:45pm), ESPN averaged a 11.3. Last year's opening game on **ABC** earned a 13.

VOD: **Cox** became the 1st major MSO to agree to carry **Comcast's** "Select On Demand" VOD content, a competitor to **Rainbow's Mag Rack**. Select On Demand, headed by former Mag Rack exec *Matt Strauss*, will reach 11.5mln subs. Cox will rollout the service in mid-Sept, offering more than 100 hours from SOD categories such as "Dating On Demand" and "Guitar Lessons." The 1st markets include New England, San Diego, Omaha, OK City, Roanoke and N VA.

Competition: **The Big Ten Channel**, set to launch in Aug, has signed a national carriage deal with **AT&T**, *Sports Business Journal* reports, quoting unnamed sources. The jv between The Big Ten and **Fox Cable** has a deal with **DirecTV**.

Online: **AT&T** and **MobiTV** unveiled their broadband TV service, "AT&T Broadband TV" yesterday. The live TV subscription service is available to consumers through any broadband connection—including cable—for \$20/month (<http://att.mobitv.com/>). It will initially feature 20 channels of live and made-for-broadband TV content, including **Oxygen**, **Bloomberg**, **History** and **Weather Channel**. Signaling that AT&T will have exclusive content for its subs, **Fox News** will be available only to AT&T Yahoo! high-speed subs. -- **Turner Sports** and **PGA Tour** signed a multi-year Internet and mobile agreement. It's the 1st interactive sports deal with a partner in which Turner owns no portion of their TV rights. -- **NBC** announced **NBBC**, a broadband portal that will feature video from NBC and its 230 affils. -- **News Corp** is plunking down \$188mln for controlling interest in mobile video company **Jamba**, which it will incorporate with **Fox Mobile**.

Talking Business: Still no sign of **Fox News'** much-discussed business channel, but the net has hired *Alexis Glick* as dir, business news. "While we are not announcing the launch of such a channel, hiring Alexis enables us to be prepared if plans move forward," Fox News chmn/CEO *Roger Ailes* said. If Fox News secures the necessary distribution to launch a biz channel, former "Today Show" correspondent Glick would also serve on-air.

Ratings: "The Closer" and **Nascar** helped **TNT** easily take the primetime crown last week, averaging a 2.7 HH rating/2.84mln HH delivery, according to an **ABC Cable/Disney** analysis of **Nielsen** data. Ad-free Disney took 2nd place (2.2/1.98mln), followed by **USA** (2.0/1.82mln), **ESPN** (1.9/1.76mln) and **Lifetime** (1.5/1.4mln).

Targeting Latasians: Best practices for targeting the Latino and Asian marketplaces in the US greatly overlap, as evidenced by the common themes that surfaced Tues at 2 **NAMIC** sessions. Panelists cited the earmarking of budgets and the acquisition of true cultural understanding as critical to effective ethnic resonance. "There's a difference



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BUSINESS & FINANCE

between reach and influence, and it's time for cable to find products and services that make people loyal to us," said *Bill Georges*, svp for Asian net **AZN TV**. Both markets also require matching preferred languages to different generations, the use of culturally relevant programming and a corporate commitment to multicultural marketing. "Many times it's the intrinsic cultural understanding that's being missed," said **SiTV** svp *Edward Leon*.

In the States: TiVo is going after high-end users, with its 1st standalone HD-compatible DVR rolling out later this month. The "Series3 HD Digital Media Recorder" carries an \$800 price tag.

On the Circuit: Cable Positive demonstrated yet another aspect of **Diversity Week** Tues with a special screening at Time Warner Center of its "Positive Voices, Matthew Cusick," one of 3 videos the group is producing. The first video tells the story of *Cusick*, an acrobat Cirque du Soleil fired because he was HIV positive. Cusick took Cirque to court and won a large settlement. The well-done video augments Cusick's story with discussions of the misperceptions about AIDS, even 25 years after the disease was discovered. It's free to cable operators next week for any platform and will be at Cable Positive's Web site, organization chief *Steve Villano* says. "We've had several offers within cable to show this video," he adds. — SA

CableFAX Daily Stockwatch

Company	09/12 Close	1-Day Ch	Company	09/12 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	42.44	0.58	AMPHENOL:	58.50	0.64
DIRECTV:	19.77	0.16	ARRIS GROUP:	11.89	0.23
DISNEY:	30.21	0.44	AVID TECH:	41.15	1.15
ECHOSTAR:	34.22	0.60	BLNDER TONGUE:	1.16	(0.03)
GE:	34.67	0.24	BROADCOM:	28.38	1.90
HEARST-ARGYLE:	23.42	0.27	C-COR:	8.40	0.57
ION MEDIA:	0.87	0.00	CISCO:	22.65	0.69
NEWS CORP:	19.45	0.31	COMMSCOPE:	30.59	1.54
TRIBUNE:	30.77	0.65	CONCURRENT:	1.57	(0.02)
MSOS					
CABLEVISION:	24.09	0.62	CONVERGYS:	20.70	0.15
CHARTER:	1.47	(0.09)	CSG SYSTEMS:	26.89	0.49
COMCAST:	35.01	0.29	GEMSTAR TVG:	3.36	0.19
COMCAST SPCL:	34.87	0.17	GOOGLE:	391.90	7.81
GCI:	12.91	(0.02)	HARMONIC:	7.00	0.16
KNOLOGY:	10.15	0.04	JDSU:	2.18	0.10
LIBERTY CAPITAL:	86.55	1.27	LEVEL 3:	4.54	0.19
LIBERTY GLOBAL:	25.24	0.11	LUCENT:	2.36	0.07
LIBERTY INTERACTIVE:	19.80	0.27	MICROSOFT:	25.93	0.02
MEDIACOM:	7.05	0.19	MOTOROLA:	24.39	0.42
NTL:	26.55	(0.35)	NDS:	45.80	1.03
ROGERS COMM:	52.17	0.29	NORTEL:	2.32	0.06
SHAW COMM:	29.76	0.15	OPENTV:	2.88	0.03
TELEWEST:	24.20	0.00	PATH 1:	1.34	0.00
TIME WARNER:	17.04	0.14	PHILIPS:	34.77	0.94
WASH POST:	755.41	4.41	RENTRAK:	11.33	(0.05)
PROGRAMMING					
CBS:	29.35	0.09	SEACHANGE:	8.87	0.14
CROWN:	4.22	0.15	SONY:	42.09	0.19
DISCOVERY:	13.71	(0.01)	SPRINT NEXTEL:	16.73	0.25
EW SCRIPPS:	46.09	0.19	THOMAS & BETTS:	43.24	0.64
GRUPO TELEVISA:	18.80	(0.15)	TIVO:	7.93	0.14
INTERACTIVE CORP:	28.47	0.53	TOLLGRADE:	8.23	(0.14)
LIBERTY:	8.63	(0.07)	UNIVERSAL ELEC:	19.58	0.60
LODGENET:	18.24	0.22	VONAGE:	7.55	0.33
NEW FRONTIER:	8.73	0.13	VYYO:	4.53	(0.08)
OUTDOOR:	10.13	(0.02)	WEBB SYS:	0.06	0.00
PLAYBOY:	9.31	0.17	WORLDGATE:	1.69	0.13
UNIVISION:	35.40	0.55	YAHOO:	29.09	0.48
VALUEVISION:	11.66	0.49	TELCOS		
VIACOM:	35.63	0.50	AT&T:	31.90	0.30
WWE:	17.02	(0.08)	BELLSOUTH:	41.83	0.39
TECHNOLOGY					
3COM:	4.42	0.06	QWEST:	8.87	0.27
ADC:	14.15	0.25	VERIZON:	35.84	0.30
ADDVANTAGE:	3.80	0.03	MARKET INDICES		
AMDOCS:	39.80	0.79	DOW:	11498.09	101.25
			NASDAQ:	2215.82	42.57

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GUEST COLUMNIST

Don't Drink the Bathwater

By Maggie Bellville

A while back *Fortune* announced its "100 Best Companies to Work For" and I couldn't help but notice there wasn't a single cable company on the list. That got me thinking – what's *Fortune's* beef with the cable industry? To be fair, we as an industry are notorious for patting ourselves on the back and telling each other we're the greatest thing since Technicolor, but are we? The time has come for us to stop drinking our own bathwater and do a thorough self examination. But where to start?

The one-way mirror

It's been proven time and time again – diversity breeds success. But are we really practicing what we preach – especially when it comes to hiring women and minorities for senior executive positions – or are we just paying it lip service? Most companies treat diversity as a legal requirement, when they should view it as an instrument of innovation. A diverse organization brings different perspectives which leads to new ideas.

The 'Snowflake Rule'

We need to do a better job fostering a sense of purpose among employees at all levels. Everyone wants to feel like they are unique and doing something that is good and worthwhile. If your main goal is raising the stock price, then low employee morale and high turnover are sure to follow.

I used to work with a CEO who only talked about the stock price with direct reports. Instead, he communicated with his employees in terms they could understand and control. He knew that by empowering employees and giving them a purpose, they would gain a sense of satisfaction and the stock price would ultimately rise, which it did.

Mess up, fess up & dress up

Good companies trust their employees. Great companies create a 'we're all in this together' atmosphere. I had a

boss once who was so passionate about trust that he even had a motto, 'Mess up, fess up, and dress up.' In other words, if you made a mistake, acknowledge it, learn from it, and take steps to ensure you didn't repeat it. His approach was so popular people would have walked to the ends of the world for him.

All about the benefits

Movie nights at Yahoo!, complimentary car washes at General Mills, free daycare. These are just a few ways some of the most progressive companies recognize employees. Recognizing employees as valued contributors isn't the exception, it's the rule. It doesn't take much, and it makes a huge impact, especially when it comes to attracting the best and brightest. For example, when Cox San Diego built a Zen garden in their new call center, it was initially the brunt of jokes, until the center was named the best place to work in town. And guess what? Call stats, customer satisfaction, and employee morale all increased.



Et 'AI'

We've all worked with someone who was a little "eccentric." You know the guy; let's call him AI, whose idiosyncrasies and comments always seem to be a little peculiar to say the least. People like AI may be difficult to deal with, but the fact is every company needs people like them because they're the ones that usually come up with the ideas that make us stop and think.

It's not going to be easy, and it's not going to happen overnight, but if we continue to surround ourselves with people that can make a material difference at our organizations, not only will our companies' reputations and bottom lines benefit, but the cable industry as a whole will as well. Who knows? Maybe we'll even make a few lists.

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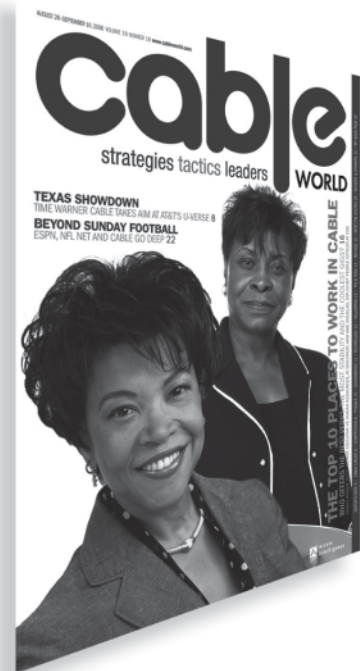
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