

# CableFAX Daily™

Tuesday — September 16, 2008

What the Industry Reads First

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## Employment Survey: DiversityInc Chief Knocks Cable

There's nothing like a firebrand to kick-start **Diversity Week**. **NAMIC's** conference provided fire at 9am when **DiversityInc** co-founder *Luke Visconti* blasted cable as he began the 2-hr Town Hall session with his interpretation of results from the latest **NAMIC** survey on employment and diversity. In his talk, Visconti presented figures derived from cable companies participating in both the '06 and '08 surveys (DiversityInc administered the survey). Cable remained nearly flat on key measures like minorities in the work force, in upper management and in promotions for minorities. Cable was also flat when he measured minorities joining the ranks of highest paid people. Adding fuel to the fire, Visconti said telcos **Verizon**, **Sprint** and **AT&T** excelled in those areas. "Cable is better than most" industries, he said, but "you're not making real progress." The market is changing and cable is standing still, Visconti said. For him, the main culprit is CEO commitment. "CEOs set the pace," he said. The panel of 8 cable leaders appeared slightly uncomfortable. **BET** chief *Deborah Lee* said the survey results were "a disgrace... it's a shame we're not making progress," and it's evident in that "[**TV One's**] *Johnathan [Rodgers]* and I are the only African Americans up here as heads of networks." Lee dismissed quotas but urged companies to embrace measurable "targets." She also blasted arguments that there's a paucity of qualified diverse candidates, although she admitted companies have to work harder to find them. **Comcast's** *David Cohen* pushed cable's case, noting that the survey shows improvements in non-whites in cable, minorities in cable management and lower level promotions. "This can't be fixed overnight," Cohen said, as it takes time for diversity to filter through an industry and a company. "If we continue to focus, we will continue to see progress," he said. Visconti noted that "Cox has risen through the ranks [of DiversityInc's Top 50 companies] quickly. It's unprecedented, and it's all from the CEOs. They made it happen," he said of *Pat Esser* and the late *Jim Robbins*. Said Rodgers: "We have to get to the point where we understand the intrinsic value of a diverse workforce. Send your CEOs back to business school. They'll learn about it there." **NCTA** chief *Kyle McSarrow* decried the lack of companies participating in the survey and argued the result "might not be a complete picture of the industry." He said he didn't necessarily "hang [his] hat" on telcos' diversity progress as cable should strengthen diversity "for its own sake."

**By The Numbers:** 16 companies responded to **NAMIC's** employment report survey (5 MSOs, 11 programmers). **DiversityInc** administered the survey and also produces a list of top 50 diverse companies (across all industries). Non-whites in cable have grown, although at a slower pace than the top 50 and top telcos. Minorities in all levels of management have grown (19% in '06, 24% in '08), although senior management has remained flat. The top 50 and top telcos are besting cable in new minority hiring. 50% of cable companies surveyed had employee resource councils, but 98% of the top 50 had them. Cable boards average 13% non-whites and 15% women, on par with national averages but below the top 50.



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**DTV Doings:** NTIA has informed Congress that it may soon run out of administrative funds to fully meet demand for the redistribution of unredeemed and expired coupons to other HHs. The agency has submitted a legislative proposal for addressing the shortfall, which has House Commerce leaders *John Dingell* (D-MI) and *Ed Markey* (D-MA) asking why this wasn't mentioned earlier when they asked about funding for the program. NTIA proposes being allowed to spend \$7mln from various programs created by the Deficit Reduction Act to cover admin cost related to the converter program. NTIA and FCC officials will appear before the House Telecom Subcommittee Tues to discuss transition efforts. -- The latest CEA survey puts consumer awareness of the transition at 86%, up 12% from the beginning of the year. Other findings: 32% of HHs using an antenna for at least 1 TV have already applied for their coupon; another 37% plan to request theirs within the year; and 21% don't plan to request a coupon at all.

**Cable Connections:** NCTA has locked in Apr 1-7 (Wed-Tues) in DC and Oct 25-30 (Sun-Fri) in Denver for the 1st "Cable Connection" weeks. **The Cable Show** will kick off Apr 1 (co-located with CAB University). WICT's Leadership Conference will also begin on Apr 1, and the organization will hold a 30th anniversary celebration/reception. Apr 2 is Day 2 of the Cable Show, **Cable Positive Power Awards**, Day 2 WICT Leadership and marks the beginning of **SCTE's Emerging Tech** conference. Apr 3: Cable Show wraps; **Vanguards**; **NAMIC** breakfast; **CableLabs** seminars. Apr 4: Emerging Tech concludes. Apr 5: **CTAM** Research Conference starts and runs through Apr 7. The fall slate begins with **CTAM Summit** on Oct 25. Oct 26: CableLabs sessions, NAMIC annual conference and **ACC's** Beacon Awards. Oct 27: Summit concludes; **ACC Forum** begins; SCTE **CableTEC Expo** begins; **Cable Center** Hall of Fame dinner and WICT member breakfast. Oct 28: NAMIC conference concludes; **Kaitz** Dinner. Expo will wrap up Oct 30.

**Television is Television:** Cable's gains against broadcast in volume and price in the recent upfront have helped blur the line between cable and broadcast, a group of cable ad execs said at **NAMIC**. "This year was pivotal [for those gains], and it happened before the [writers' strike]," said **Discovery's** Joe Abruzzese. The key was the inroads cable made in scatter, Abruzzese said. "We're the bulls [on scatter,] broadcast are the bears... we want to solve our clients problems 52 weeks a year, not just at the upfront," he said. What happens ahead will depend on ratings, he added, noting cable ratings were up 8% for scatter, while broadcast was down 8%. Since cable and broadcast ratings are "very, very close," cable will be even or ahead of broadcast in the 2nd and 3rd quarters, too, **MTV Nets** ad chief *Hank Close* said. "Television is television." **BET** sales chief *Louis Carr* said cable has "done a great job re-training buyers about scatter." As for new media, Abruzzese said it's "about 2% of our business" but "that it influences the other 98%... it's not going to replace it, there's a lot of money being lost in new media... I'm not sure yet [about new media]."

**Competition:** Verizon has bowed **FIOS TV** in 6 Buffalo-area communities. 60K HHs may currently order the service, and additional area roll outs are expected within the next few weeks.

**In the States:** Comcast is upgrading its HSD customers to its new SmartZone communications portal over the next few months. Check out the portal, which manages voicemail, email and has a universal address book, at <http://www.comcast.net/smartzonetutorial/>. -- **Universal Sports**, the **NBCU/WCSN** jv delivering Olympic sports content, has increased its distribution by 28mln HHs through digital carriage on NBCU-owned TV stations in 9 US markets including NY, L.A., Chicago, Philadelphia, San Francisco and D.C. To celebrate move to 30mln total homes, the net is delivering encore presentations of NBCU's Olympics coverage through the end of Sept. -- **RCN** will begin next

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month transitioning its NY network to all-digital, a move that includes an increase in VOD programming and more flexible channel packages.

**Retrans:** Cable bonnet bee **LIN TV** said it expects **Time Warner Cable** to discontinue carriage of 15 stations on Oct 2, alleging unresponsiveness by the MSO since July to its overtures for a new agreement. Time Warner demurred, saying “good faith” negotiations are ongoing. The stations reside in markets including Austin, Buffalo and Indianapolis. As has been its recent wont, LIN TV is pushing subs in certain affected markets to switch to **DISH** service through a joint \$50 incentive payment.

**Hurricane Ike:** **Comcast** said none of its 2700 employees in the Houston and Galveston area were injured this weekend, but many have suffered some damage to their homes. Maintenance technicians are working in areas where power has been restored and safety clearance has been granted. Nearly 400 technicians from neighboring Comcast systems have arrived to help with restoration. Impressive are Comcast reports that its Houston call center is working at full capacity. **Time Warner Cable** was still trying to assess damage, with its southwest TX systems (around Beaumont and Port Arthur, TX) still under mandatory evacuation. It, too, reported that no employees were physically injured.

**New Media:** Exclusive **Fuse** content is now available on vSNAX Videos, a free app for the Apple iPhone and iPod.

**Carriage:** **SOAPnet** has surpassed the 70mln HH mark, up nearly 4mln homes from a year ago. -- **Africa Channel** will launch Thurs on **Time Warner Cable** in NYC, furthering a national affil agreement between the pair that featured a L.A. launch in July. -- **Selco** has added **HRTV** in Shrewsbury, MA, to a sports tier including **NFL Net**, **NHL Net** and **Tennis Channel**.

**Advertising:** Product placements on cable fell 20% in the 1st half of '08 while broadcast placements were up nearly 12%, according to **Nielsen**. Included in the cable data are **A&E**, **Bravo**, **HGTV**, **MTV** and **TLC**, with TLC's “American Chopper” ranked as the top cable show for product placements (27K) from Jan-Jun. Bravo's “Project Runway” was a distant 2nd with 10K placements. Cable's top 10 placement series tallied 85K for the period, broadcast's 9K. **[More details at [www.cablefaxcontentbusiness.com](http://www.cablefaxcontentbusiness.com)]** -- **Pepsi**'s the charter advertiser within **MTVN**'s “Tribes,” a series of demographic-focused vertical ad networks built around the company's core online properties. The cola giant is specifically involved with **MTV**, and Tribes from **CMT**, **Spike** and **VH1** are also set to launch this month, with **Comedy Central**'s slated for 1Q.

**Research:** 27% of US TV HHs own at least 1 DVR, according to **Leichtman Research**, and 30% of those HHs own more than 1. Other data: 35% of DVR owners feel that they spend more time watching programs recorded on their DVR than regularly scheduled programs and 45% of DVR owners record five or fewer programs/week.

**Ratings:** **Lifetime**'s original movie “Coco Chanel” drew 5.2mln total viewers Sat night, including 1.5mln women 25-54 and 1.3mln women 18-49. -- Currently reaching more than 33mln cable and DBS subs, **Fox Soccer Channel** will become **Nielsen** rated as of Oct 1.

**Programming:** Comedian **Matt Iseman** is set to host **Versus** original “Sports Soup” (Oct 14), offering an irreverent look at the state of sports and the people who play and report on them. The show's produced by the same team behind **E!**'s “The Soup.” -- **Travel Channel** isn't scared of a 7-hour live, interactive broadcast of “Most Haunted Live: Gettysburg” (Oct 10). **TravelChannel.com/most haunted** will feature 8 Webcams during the telecast.

**Public Affairs:** **Discovery Education**, **Siemens** and the **Natl Science Teachers Assoc** are partnering on a contest for middle schoolers to become “agents of change” for the environment in their communities. Teams identify an issue and create a replicable green solution using Web-based tools powered by Discovery Education. The winning team will appear on **Planet Green** and get a Discovery Adventure Trip, accompanied by a Discovery personality.

## INSPIRATIONS REFLECTIONS

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# BUSINESS & FINANCE

**On The Circuit:** It pays to be good at your job. **NBCU** and **Oxygen** treated cable affiliates who plugged “Tori & Dean: Home Sweet Hollywood” with customized taggable spots to a trip to L.A. and Catalina Island this weekend, plus a stay at the Ritz Carlton in Marina Del Ray, not to mention a barbecue with *Tori Spelling* and *Dean McDermott*. The winners came from **Cox Media** Phoenix, **Cox Media** Oklahoma City, **Comcast** Albuquerque/Santa Fe, **Viamedia** Tampa, **MCV** Broadband Guam and Comcast, Stafford, TX.

**Awards:** As **Nat Geo** took home the Governors Award for its “Preserve Our Planet” campaign, **HBO** led all broadcast and cable nets Sat night in **Creative Arts Prime Emmy** wins with 16. Other cable honorees include **AMC** (5), **Showtime** (5), **Bravo** (2), **Cartoon Net** (2), **Sci Fi** (2), **Discovery Channel** (1), **Disney Channel** (1), **FX** (1), **Nickelodeon** (1), **TBS** (1), **History VOD** (1), and **TNT** (1)—for an industry total of 39. **CBS**, **ABC**, **NBC**, **PBS** and **The CW** combined for 33 wins.

**People:** **Comcast** tapped *Charisse Lillie* as vp, community and investment and evp, Comcast Foundation. -- **Qwest** appointed *Joseph Eute-neuer* evp/CFO. -- **Nielsen** named *Ed Dandridge* svp, chief communications officer. -- *Michelle Connolly* has rejoined the **FCC** as chief economist, having previously served from '06 to '07.

## CableFAX Daily Stockwatch

Company	09/15 Close	1-Day Ch	Company	09/15 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
AMDOCS:	27.30	(0.72)	AMPHENOL:	43.92	(1.25)
BRITISH SKY:	31.70	(0.75)	APPLE:	140.36	(8.58)
DIRECTV:	26.30	(1.29)	ARRIS GROUP:	9.22	(0.28)
DISNEY:	32.36	(0.9)	AVID TECH:	24.73	(0.58)
ECHOSTAR:	26.73	(1.39)	BIGBAND:	3.95	(0.1)
GE:	24.60	(2.15)	BLNDER TONGUE:	1.25	(0.14)
HEARST-ARGYLE:	20.11	(0.78)	BROADCOM:	21.37	(0.78)
ION MEDIA:	1.44	0.00	C-COR:	11.00	0.00
NEWS CORP:	13.81	(0.59)	CISCO:	22.38	(1.08)
<b>MSOS</b>					
CABLEVISION:	26.11	(3.67)	COMMSCOPE:	40.16	(2.38)
CHARTER:	0.93	(0.09)	CONCURRENT:	6.44	(0.38)
COMCAST:	20.86	(0.85)	CONVERGYS:	15.53	(0.86)
COMCAST SPCL:	20.76	(0.77)	CSG SYSTEMS:	18.45	0.14
GCI:	9.69	(0.56)	ECHOSTAR HOLDING:	28.00	(0.58)
KNOLGY:	8.88	(0.48)	GOOGLE:	433.86	(3.8)
LIBERTY CAPITAL:	14.91	(0.36)	HARMONIC:	8.62	(0.22)
LIBERTY ENTERTAINMENT:	25.84	(1.36)	JDSU:	8.91	(0.51)
LIBERTY GLOBAL:	31.00	(1.21)	LEVEL 3:	3.04	(0.4)
LIBERTY INTERACTIVE:	13.77	(0.07)	MICROSOFT:	26.82	(0.8)
MEDIACOM:	7.11	(0.67)	MOTOROLA:	7.65	(0.48)
SHAW COMM:	21.74	(0.65)	NDS:	58.62	(1.28)
TIME WARNER CABLE:	26.77	(0.66)	NORTEL:	5.10	(0.34)
VIRGIN MEDIA:	10.19	(0.86)	OPENTV:	1.33	(0.17)
WASH POST:	590.78	(18.09)	PHILIPS:	29.26	(1.23)
<b>PROGRAMMING</b>					
CBS:	16.16	(0.69)	RENTRAK:	14.26	(0.15)
CROWN:	4.27	(0.26)	SEACHANGE:	8.00	(0.06)
DISCOVERY:	18.65	(0.79)	SONY:	33.72	(1.18)
EW SCRIPPS:	7.01	(0.23)	SPRINT NEXTEL:	6.78	(0.41)
GRUPO TELEVISA:	21.45	(1.47)	THOMAS & BETTS:	42.18	(1.8)
HSN:	14.70	0.13	TIVO:	7.21	(0.49)
LIBERTY:	39.23	(2.62)	TOLLGRADE:	5.32	(0.42)
LODGENET:	3.25	(0.19)	UNIVERSAL ELEC:	25.02	(0.81)
NEW FRONTIER:	3.75	(0.13)	VONAGE:	1.16	(0.09)
OUTDOOR:	7.81	(0.22)	WEBB SYS:	0.07	0.03
PLAYBOY:	3.90	(0.05)	WORLDGATE:	0.30	0.00
RHI:	11.44	(0.89)	YAHOO:	18.85	(0.23)
SCRIPPS INTERACTIVE:	39.78	(1.07)	<b>TELCOS</b>		
TIME WARNER:	14.12	(0.45)	AT&T:	29.96	(1.58)
VALUEVISION:	2.26	(0.11)	QWEST:	3.55	(0.21)
VIACOM:	26.62	(0.54)	VERIZON:	33.24	(1.25)
WWE:	15.19	(0.1)	<b>MARKET INDICES</b>		
<b>TECHNOLOGY</b>					
3COM:	2.01	0.00	DOW:	10917.51	(504.48)
ADC:	9.76	(0.49)	NASDAQ:	2179.91	(81.36)
ADVANTAGE:	3.01	(0.09)			
ALCATEL LUCENT:	4.99	(0.12)			

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