

CableFAX Daily™

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What the Industry Reads First

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Content Commissioner: ESPN's Clout Raises Important Questions

Who President-elect *Barack Obama* will appoint at the **FCC** and the ongoing economic impact were among key issues panelists at the **FSA Sports Media & Tech Conference** said they'll monitor in '09. But the true buzz topic at the event is how **ESPN** continues to alter both the sports media and multichannel landscapes. The Bristol Behemoth's recent deal to bring BCS and national title games to cable prompted strong opinions on ESPN's perceived monopoly of cable sports and, perhaps more importantly, cable's advantageous business model vis-à-vis broadcast. The deal's a "stark indicator that [ESPN has] more money to spend than everybody else," said MLB evp, business *Tim Brosnan*, adding that sports rights holders now care more about finances than potential viewership. This trend has helped ESPN and cable, but it's also likely to draw increased scrutiny from legislators worried that broadcasters can't compete for sports properties when cable bidders enjoy dual rev streams, said MLB Net pres/CEO *Tony Petitti*. "Maybe it's not a fair fight right now," added Brosnan. **NBCU** chief digital officer *George Kliavkoff* said he's eager to see if the government ups involvement in the issue as a result, and **YES** pres/CEO *Tracy Dolgin* said broadcasters may transition to a cable network model to level the playing field. Still, the issue may be getting less abrasive as the viewership gap between broadcast and cable continues to narrow. Indeed, even NFL svp, broadcasting, programming and productions *Howard Katz* admitted that the eyeball discrepancy between **NBC's** Sun night football games and ESPN's "MNF" telecasts is closing. On the cable side, panelists wondered whether a net will emerge as a viable competitor for major sports properties to ESPN, which commands comparatively large sub fees. **TBS** has stepped up with proprietary playoff baseball, and **Versus** has locked down the NHL, IRL and the Tour de France, but none of those properties carries the cachet of the NFL or major college football. Given the manner in which sports media is evolving across broadcast and cable, content providers may end up targeting a "couple of beachhead areas," said Petitti, mentioning **CBS'** March Madness focus and **NBCU's** Olympics success as examples. Of course, ESPN has designs on the Olympic Games as well.

More Pink Slips: When it rains, it apparently pours. **Weather Channel** is the latest to face layoffs. The net didn't disclose specific numbers, but we hear that as many as 100 positions are being eliminated. "The economic realities of recent months have created challenges for everyone in our business," read a net statement. "In addition, when **NBC Universal** purchased The Weather Channel earlier this year, we expected that there would be cost synergies as part of company reorganization. While it is always difficult to lose valued employees, we are doing our best to minimize the impact, and remain committed to providing the highest quality content that our viewers have come to expect from The Weather Channel."

On the Hill: The Democratic Steering Committee voted to give Rep *Henry Waxman* (D-CA) the chairmanship of the House Commerce Committee, taking it from Rep *John Dingell* (D-MI). In what's expected to be a very close

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vote, the full House Democratic Caucus on Thurs will decide whether to approve Waxman or not. -- President-elect **Barack Obama** put 2 former staffers to ex-FCC chmn **Reed Hundt** on the Technology, Innovation and Govt Reform transition team. **Blair Levin**, currently managing dir of **Stifel Nicolaus**, and **Julius Genachowski**, co-founder **Rock Creek Ventures** and **LaunchBox Digital**, were put on the policy working group to develop priorities for action during the Obama-Biden admin. Both are also reported to be in the running for the FCC chairmanship. Also appointed to the group is **Sonal Shah**, head of global development at **Google's** philanthropic branch, Google.org.

Competition: **Verizon** has launched a new content-delivery network to carry more online video options for its broadband customers. It will use equipment and tech from **Velocix** to offer movie studios, networks, download services and others a faster, more efficient connection to its 8.5mln broadband customers. As a first step, Verizon has arranged for Velocix to begin delivering **Starz's** Starz Play broadband service to customers. -- **DISH** launched a new programming package aimed at Mexican viewers, called **DishMEXICO**. **Unvision**, **Galavision**, **Bandamax** and the **BBC's** new preschool channel **CBeebies** are among the 50 channels it features.

FSA Sports Notebook: Digital segments are more susceptible to the economic downturn than their linear counterparts, panelists said, but that may end up benefiting owners of premium content in the mid- to long-term. Joining others in noting a current "flight to quality" by advertisers and consumers alike, **SI Digital** pres **Jeff Price** predicted that purchase-based content will strengthen as free content providers get squeezed. Meanwhile, **Accrue Sports & Ent Ventures** managing dir **Doug Perlman** said the explosion of sports content has spurred hyper-passionate audiences that are "more willing to pay for content that's otherwise unavailable." The NFL has tested this theory with live online streams of **NBC's** Sun night games, as well as with league game streams at **Yahoo!** Sports and on **Sprint** handsets. "More people than we thought are using [the online options] as a companion to TV," said the league's svp, digital media and media strategy **Brian Rolapp**. **NBCU** chief digital officer **George Kliavkoff** agreed that online content is "incremental" to linear viewership but cautioned the industry to consider what it "will do to the syndication business" going forward. Rolapp also noted that consumers like to "talk about a game as it unfolds" with fellow viewers and even broadcast personalities. And interestingly, he said online usage of league content "doesn't skew particularly younger." Still unknown, however, is what consumers view as the most important element of live game streams, he said. Said Kliavkoff: "If you do right by the customer, everything else will take care of itself." -- With **MLB Net** set to bow Jan 1 in 50mln homes, pres/CEO **Tony Petitti** offered some specifics about the net's planned programming. Credibility and "consistency of access" will be its hallmarks, he said, as there are plenty of other channels already offering MLB games and news. Petitti wants the net to be the 2nd choice for viewers behind team-specific local content, and will strive toward that goal through flagship program "MLB Tonight," slated for 7 hours/night (6pm-1am), and through 26 live games and 1.4K total hours of live programming in the 1st year. Over 5 years, the net's aim is "viability to [be able] to bid on a new game package," said Petitti, adding that the net needs distribution in more than 70mln homes to reach that goal.

At the Portals: 6 independent cable nets sent a letter to the **FCC** Wed expressing concern that the Enforcement Bureau's probe of cable operators' migration of some analog channels to digital could have the unintended effect of slowing cable's transition to digital. That would be bad, they contend, as it's opening up channel capacity, and many ops launch new channels at the beginning or end of the year. If the inquiry creates uncertainty, it "would have the unintended effect of de-

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laying such launches and conceivably of requiring deletions of cable channels because the additional planned capacity resulting from conversion would be temporarily unavailable,” they wrote. The letter was signed by the heads of **Gospel Music Channel, Sportsman Channel, Bridges Network, Africa Channel, AmericanLife TV** and **Retirement Living**.

Brag Book: Bravo’s Tues season finale of “The Real Housewives of Atlanta” was the highest rated “Real Housewives” franchise telecast ever in all demographics, posting a 2.02 HH rating (1.7mln for adults 18-49) and 2.2mln total viewers. The season finale was also the #1 cable telecast for the day among adults 18-49 and the #1 cable telecast in prime among adults 18-34. -- The 2nd ep of **Animal Planet’s** “Whale Wars” delivered more than 1.1mln total viewers to become the net’s most-watched Fri prime telecast in 5 years. -- **TLC’s** “Jon & Kate Plus 8’s” wedding vow renewal Mon night ranked as the highest-rated ep of the program ever. It scored 3.4mln total viewers and 868K women 18-34 and was #1 in the 9pm timeslot for women 18-34 among all ad-supported cable nets.

People: **Retirement Living** hired *EJ Conlin*, formerly vp, consumer marketing for **Nat Geo**, as vp, marketing. -- Former **Cinnamon Mueller** partner *Nicole Paolini-Subramanya* was named vp, biz & legal affairs for **NBCU**.

CableFAX Daily Stockwatch

Company	11/19 Close	1-Day Ch	Company	11/19 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	21.38	(1)	3COM:	1.61	(0.2)
DIRECTV:	18.97	(1.4)	ADC:	5.67	(0.33)
DISNEY:	19.94	(0.73)	ADVANTAGE:	1.53	(0.07)
ECHOSTAR:	9.62	(0.91)	ALCATEL LUCENT:	2.03	(0.3)
GE:	14.45	(1.61)	AMDOCS:	17.92	(0.51)
HEARST-ARGYLE:	9.60	(0.86)	AMPHENOL:	21.05	(0.78)
ION MEDIA:	1.44	0.00	APPLE:	86.29	(3.62)
NEWS CORP:	6.55	(0.33)	ARRIS GROUP:	5.95	(0.47)
MSOS					
CABLEVISION:	12.28	(1.31)	AVID TECH:	12.16	(0.97)
CHARTER:	0.23	(0.06)	BIGBAND:	3.57	(0.23)
COMCAST:	14.76	(0.66)	BLNDER TONGUE:	0.75	(0.1)
COMCAST SPCL:	13.25	(1.37)	BROADCOM:	13.76	(0.62)
GCI:	6.01	(0.56)	C-COR:	11.00	0.00
KNOLOGY:	4.76	(0.39)	CISCO:	15.65	(0.8)
LIBERTY CAPITAL:	2.80	(0.36)	COMMSCOPE:	8.64	(1.38)
LIBERTY ENT:	12.80	(0.71)	CONCURRENT:	3.08	(0.22)
LIBERTY GLOBAL:	12.01	(1.1)	CONVERGYS:	4.52	(0.4)
LIBERTY INT:	2.63	(0.5)	CSG SYSTEMS:	13.83	(0.81)
MEDIACOM:	2.70	(0.59)	ECHOSTAR HOLDING:	14.01	(0.88)
ROGERS COMM:	42.97	0.00	GOOGLE:	280.18	(17.24)
SHAW COMM:	16.55	(0.93)	HARMONIC:	4.34	(0.14)
TELEWEST:	24.20	0.00	JDSU:	2.58	(0.33)
TIME WARNER CABLE:	17.99	(1.5)	LEVEL 3:	0.75	(0.15)
VIRGIN MEDIA:	3.84	(0.85)	MICROSOFT:	18.29	(1.33)
WASH POST:	370.50	(23.25)	MOTOROLA:	3.44	(0.46)
PROGRAMMING					
CBS:	5.39	(0.68)	NDS:	42.41	(2.4)
CROWN:	2.21	(0.12)	NORTEL:	0.52	(0.06)
DISCOVERY:	12.35	(0.14)	OPENTV:	0.99	(0.07)
EW SCRIPPS:	3.18	(0.19)	PHILIPS:	15.92	(1.15)
GRUPO TELEVISIA:	13.79	(0.43)	RENTRAK:	9.74	(0.28)
HSN:	4.26	0.32	SEACHANGE:	7.24	(0.6)
INTERACTIVE CORP:	14.49	(0.9)	SONY:	19.00	(1.61)
LIBERTY:	23.70	(2.48)	SPRINT NEXTEL:	1.88	(0.27)
LODGENET:	0.70	(0.06)	THOMAS & BETTS:	18.70	(1.92)
NEW FRONTIER:	1.48	(0.16)	TIVO:	5.59	(0.48)
OUTDOOR:	5.33	(0.05)	TOLLGRADE:	4.88	(0.68)
PLAYBOY:	1.29	(0.21)	UNIVERSAL ELEC:	13.68	(0.77)
RHI:	3.54	(0.09)	VONAGE:	0.87	(0.04)
SCRIPPS INT:	24.40	0.52	YAHOO:	9.14	(2.41)
TIME WARNER:	8.14	(0.26)	TELCOS		
UNIVISION:	36.23	0.00	AT&T:	25.23	(1.34)
VALUEVISION:	0.57	0.03	QWEST:	2.61	(0.25)
VIACOM:	15.02	(1.44)	VERIZON:	26.94	(1.56)
WWE:	10.33	(1.4)	MARKET INDICES		
TECHNOLOGY					
			DOW:	7997.28	(427.47)
			NASDAQ:	1386.42	(96.85)



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The awards are presented by the most trusted information source in cable: CableFAX Daily and sister brands CableFAX: The Magazine and Content Business. The winners and honorable mentions will be honored at an awards event on February 26, 2009 at the Grand Hyatt, NYC.

Awards Timeline

Entry Deadline: December 3, 2008

Late Entry Deadline: December 10, 2008

Award Event: February 26, 2009

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- Corporate Social Responsibility/
- Education
- Design
- E-commerce/ Merchandizing
- Email Newsletter/s
- Games
- Marketing Campaign
- Mobile Application
- Original Content
- Podcast or Videocast
- PR Campaign
- Supplemental Web Content
- Video: Overall Use of Video

People Awards:

- VP, Digital
- Online Marketing Executive
- Web Editor
- Video Editor/Producer
- Web Designer
- Other (please enter an executive) who is successfully leading your organization's digital initiatives

Best Overall Websites:

- Independent Operator
- Cable System (MSO)
- Cable Network
- Regional/Local Programmers
- Technology and other Vendors
- Cable Associations



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