

CableFAX Daily™

Tuesday — December 8, 2009

What the Industry Reads First

Volume 20 / No. 234

Sick of Comcast-NBCU Yet? Broadcast Business Addressed Mon

The road show made its way to the financial district Mon, with *Brian Roberts*, *Steve Burke* and CFO *Michael Angelakis* talking up the JV with **NBCU** at a **UBS** conference. While the execs made it clear that cable is “the best part” of the business right now (Roberts’ words), they promised broadcast wouldn’t be the red-headed stepchild. One of the goals is to get 4th-place NBC into the #1 spot, Burke said, noting such rankings tend to be cyclical. “You read a lot speculating on what’s going on in our minds. It never has been the case that we thought about selling the broadcast business,” he said. “It’s integral to the way NBCU operates.” Defining NBC as the network, broadcast stations and TV production, Burke noted that many of the cable nets’ top shows were developed from the network. He also dismissed talk that Comcast would turn NBC into a cable channel, calling the notion “simplistic.” Later at the same conference, NBCU pres/CEO *Jeff Zucker* noted a positive outlook for NBC. Cross-promotion and other synergies from the merger of Comcast’s properties will obviously help, said Zucker, particularly on the digital side. “The digital revolution, evolution, whatever it is, we’re in the middle of it right now,” he said. “The ability to have that conversation [about what works best] with a company like Comcast is another benefit of the deal, and it adds excitement.” Also noted by Zucker is **NBC Ent’s** renewed commitment to content development. “I think that was a mistake,” said Zucker of NBCU’s heretofore failure to concentrate on development. “Now we’re really committed to that business. The problem is you can’t turn it around in a day.” An additional broadcast rev stream would help immensely with that turnaround, and Zucker said NBC expects to participate in the broadcast industry’s shift to higher fees. Leading the charge is **News Corp**, with COO/deputy chmn *Chase Carey* saying at the conference Mon that Fox intends to demand higher retrans fees from all affils going forward in an effort to compete more effectively with cable’s 2-pronged business model. What’s included in those demands remains to be seen, as News Corp chief *Rupert Murdoch* has recently mentioned that Fox stations want affils to pay a “small portion” of the profits earned through airing those stations. “Comcast can really help us think through the current business model,” said Zucker.

UBS Notebook: While a lot of the Mon conversation was devoted to broadcast, make no mistake about it: execs are excited to marry those **NBCU** cable channels with **Comcast’s** networks. The worst-performing NBCU net makes more money than 3 Comcast networks combined, chief *Brian Roberts* said. The Comcast CEO also talked about the “overwhelming enthusiasm” he’s seen from NBCU employees, who he described as excited to join a company with a media background. Excitement, however, doesn’t describe the feelings of myriad content owners such as **Viacom**. Pres/CEO *Philippe Dauman* tactfully said that “as long as there’s a level playing field, we’ll be fine.” But when *Michael Eisner* insisted that the Comcast/NBCU deal would create unevenness, Dauman agreed and admitted that Viacom’s now “a junior partner” of Comcast. Dauman reiterated his belief that Viacom’s cable nets don’t receive affil fees that are commensurate with ratings, and noted that MSO-owned nets, by contrast, pull in fees that are more representative of viewership levels. Stay tuned.

You won't believe what you don't know.

Conspiracy Theory

with **JESSE VENTURA**

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Retrans: Here's one retrans deal that won't spoil anyone's New Year's Eve. **Sinclair** and **Time Warner Cable** signed a 1-year extension. Sinclair has stations in several TWC markets, including Columbus, Portland, ME and Rochester, NY. There are still other possible Dec 31 fireworks. Sinclair still has a pact expiring Dec 31 with **Mediacom**, which has filed a complaint against the broadcaster at the FCC. Meanwhile, Time Warner Cable's deal with **Fox** (O&Os, RSNs and several cable nets, including **FX** and **Speed**) is up Dec 31, with Fox reportedly asking for a buck per sub for retrans.

Liguori Lands: *Peter Liguori* will be moving to the DC area, starting his gig as **Discovery** COO Jan 19. The former **Fox Broadcast** ent pres replaces *Mark Hollinger*, who became chief exec of **Discovery Nets Intl**. He'll represent Discovery in its jvs with **Hasbro** and **OWN**, chair the content committee and oversee Discovery Studios, as well as marketing, corporate communications, business affairs/media technology and production & ops. Liguori told us he met *David Zaslav* for coffee for the 1st time in the spring, shortly after he left Fox. "I'd heard a lot about him; he'd heard a lot about me. And we'd never really met and spent any time together," he said. "I came out of there saying, 'That's a guy I like. That's a guy I click with.' I'm assuming David felt the same way." Talks about the job started in earnest about 6 weeks ago. Liguori described his skills as complementary to Zaslav's. "Hopefully, I can bring the experience and my perspective from a marketing and programming front to what is already a very vivid vision that David has and the gms have for each of these networks," Liguori said. "I hope to just accelerate and lubricate what they're doing."

Particulars: Is there any surprise over who scored the highest in **WICT's** PAR Initiative, which ranks participating companies on pay equity, advancement opportunities and resources for work/life support? For the 7th consecutive year, **Cox** got the Best Operator Accolade, and **Discovery Comm** picked up the Programmer Accolade. Other operators with top marks: **Time Warner Cable**, **Comcast**, **Bright House** and **Suddenlink**. **Turner**, **NBCU**, **Scripps Nets** and **Lifetime** ranked high among programmers. The PAR study recorded some key gains. Women comprised 22.4% of technology employees compared to 15.1% in 2008, though there was a slight decrease in women in new media roles. Flextime is available at 83.9% of PAR participants, representing the 2nd-highest recorded rate in PAR's history. Women comprise 58.7% of operator call center employees, a decline of 0.95 percentage points from '08, and 56.2% of call center managers, a 0.5% increase from last year. Women are 44.3% of business-to-business operations staff, up from 36.4% a year ago. No gains across the board. Women IT engineers and project directors declined from 27.9% in '08 to 19.4% this year.

In the Courts: **Verizon** agreed to pay \$795K to NJ in a settlement with the **Office of the Attorney General and the Division of Consumer Affairs** to resolve a lawsuit arising from its marketing, sales, billing and customer practices for **FiOS TV**. It also will provide \$50 prepaid gift cards to the 1160 consumers who submitted complaints to the division and will terminate FiOS service without an early termination fee when requested. The telco also will retain a consumer affairs liaison who, for a 1-year period, will assess Verizon's compliance with the terms of the settlement and submit quarterly reports to the state. Verizon made no admissions of liability or wrongdoing. The state filed the suit in Mar, alleging that Verizon violated the Consumer Fraud Act and Advertising Regulations by failing to provide advertised promotional gifts (such as flat-screen TVs) and charging consumers more than what they were quoted.

Online: **Comcast SportsNet** tipped off live streaming of 76ers games in Philly through its MSO parent and remains in talks with 24 area affils to offer the product to their respective customers who receive the net. Available for \$76/season or \$17.76/30 days—with buyers of the season package to receive 2 free 76ers tickets—the authenticated service is more about gaining knowledge of digital usage patterns and technical issues "than rapid audience growth," said a net spokesperson, adding that more markets will offer the service before the end of the season. 1 of those will likely be Portland, where the Trailblazers' broadcast affil has already begun streaming live team games, with 15 overall planned for this season. Both **CSN NW** and the local broadcast affil have the same streaming partner. Sources continue to prefer the **NBA's** approach to streaming over similar MLB products now offered by **YES/Cablevision** and **Cox**, saying the NBA doesn't require its own inclusion in the services and therefore prevents a partner/competitor issue that marks MLB's involvement. -- **CBSSports.com's** live Webcast of Sat's SEC Championship game delivered 91K uniques and 144K hours of live video consumption, representing 132% YOY growth in uniques and 188% growth in consumption hours.

Programming: *John Stossel* makes his cable news host debut Thurs, **Fox Business**, 8pm ET. The first 3 eps will explore the book *Atlas Shrugged*, global warming and health care. -- **Univision Studios** bowed to build on the 4K hours of original content it already produces across genres and platforms for Univision, **TeleFutura** and **Galavision**. The unit will be

BUSINESS & FINANCE

based in Miami. -- **ESPN** and **BASE** are teaming to bring "Sport Science" to the net's various platforms in Jan. ESPN will develop an entire slate of franchise programming for shows.

On the Circuit: **CTAM's** '10 officer slate includes **ESPN** evp, sales and marketing *Sean Bratches* as chair, **Bright House** CEO *Steve Miron* as vice chair, **HBO** co-pres *Eric Kessler* as secretary and **Time Warner Cable** evp/CMO *Sam Howe* as treasurer. **CableLabs** pres/CEO *Paul Liao* and **The Weather Channel** evp, distribution and business affairs/general counsel *Becky Powhatan Kelley* were named directors.

People: Former **FCC** chmn *Michael Powell* and former Rep *Harold Ford* (D-TN) were named honorary co-chairs of **Broadband for America**, a coalition of more than 120 companies and organizations (including **NCTA**) that share the goal of bringing broadband to everyone—with an emphasis on private investments. -- *Amy Stevens* was named to the newly created position of svp, strategic alliances for **Fuse**. -- *Jennifer Robertson* was promoted to svp, digital media & business development for **WE** and **Wedding Central**. *Andrea Bell Macey* was upped to vp for the dept. -- Brand man *Nick Shore* was named svp, strategic insights and research for **MTV**. -- **Bresnan** upped *Pragash Pillai* to svp, engineering and technology. -- *Luis Fernandez* was named pres, **Univision Studios**.

CableFAX Daily Stockwatch

Company	12/07 Close	1-Day Ch	Company	12/07 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	36.08	0.31	AMPHENOL:	44.54	0.05
DIRECTV:	32.68	0.02	APPLE:	188.95	(4.37)
DISH:	21.40	0.20	ARRIS GROUP:	10.85	(0.05)
DISNEY:	31.00	0.16	AVID TECH:	12.03	(0.01)
GE:	16.08	(0.12)	BIGBAND:	3.53	0.10
NEWS CORP:	14.52	0.23	BLNDER TONGUE:	1.00	(0.04)
MSOS					
CABLEVISION:	25.52	0.57	BROADCOM:	31.06	0.29
COMCAST:	17.27	1.14	CISCO:	24.21	0.05
COMCAST SPCL:	16.52	1.22	CLEARWIRE:	5.95	0.00
GCI:	6.35	(0.06)	COMMSCOPE:	26.28	0.28
KNOWLOGY:	10.13	0.12	CONCURRENT:	3.65	(0.03)
LIBERTY CAPITAL:	23.03	(0.04)	CONVERGYS:	11.08	(0.07)
LIBERTY GLOBAL:	20.96	0.43	CSG SYSTEMS:	18.39	(0.23)
LIBERTY INT:	10.76	(0.01)	ECHOSTAR:	19.72	0.15
MEDIACOM:	4.52	0.09	GOOGLE:	586.25	1.24
RCN:	9.25	0.15	HARMONIC:	5.70	0.15
SHAW COMM:	20.69	0.58	INTEL:	20.37	(0.09)
TIME WARNER CABLE:	43.05	0.31	JDSU:	7.82	(0.05)
VIRGIN MEDIA:	16.74	0.01	LEVEL 3:	1.40	0.00
WASH POST:	409.53	(2.22)	MICROSOFT:	29.79	(0.19)
PROGRAMMING					
CBS:	13.89	0.43	MOTOROLA:	8.13	(0.05)
CROWN:	1.43	(0.02)	OPENTV:	1.53	(0.01)
DISCOVERY:	31.46	0.08	PHILIPS:	29.17	(0.15)
GRUPO TELEVISA:	21.39	0.04	RENTRAK:	15.86	0.56
HSN:	18.99	(0.17)	SEACHANGE:	5.92	(0.06)
INTERACTIVE CORP:	19.00	(0.07)	SONY:	28.45	(0.07)
LIBERTY:	35.38	(0.07)	SPRINT NEXTEL:	4.18	0.49
LIBERTY STARZ:	48.25	(0.65)	THOMAS & BETTS:	38.00	(0.07)
LIONSGATE:	5.80	(0.21)	TIVO:	9.95	(0.11)
LODGENET:	5.60	0.23	TOLLGRADE:	6.13	0.38
NEW FRONTIER:	1.87	(0.02)	UNIVERSAL ELEC:	21.58	0.30
OUTDOOR:	5.89	0.07	VONAGE:	1.31	0.00
PLAYBOY:	3.90	0.06	YAHOO:	15.45	0.26
RHI:	0.64	(0.01)	TELCOS		
SCRIPPS INT:	39.66	(0.02)	AT&T:	27.97	0.37
TIME WARNER:	31.33	(0.09)	QWEST:	4.11	0.20
VALUEVISION:	4.08	0.29	VERIZON:	33.25	0.55
VIACOM:	32.04	0.55	MARKET INDICES		
WWE:	16.54	0.15	DOW:	10390.11	1.21
TECHNOLOGY					
3COM:	7.40	(0.01)	NASDAQ:	2189.61	(4.74)
ADC:	6.39	0.15			
ADVANTAGE:	2.06	(0.14)			
ALCATEL LUCENT:	3.41	(0.02)			
AMDOCS:	28.29	0.07			

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Awards Luncheon



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Awards Breakfast

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EYE ON DIGITAL

The Web Traffic Conundrum

No doubt a weekly and monthly concern for cable nets' online operations, the Sept and Oct traffic data from **comScore** highlight an important question: are digital offerings at individual portals/Web families sufficient to effectively monetize increased usage even if uniques are ebbing? While we'll leave that answer to the germane decision makers, its importance is evident as just 2 of the top cable Websites achieved month-to-month growth in Oct of both uniques and avg min/user, while only 3 did the same in Sept.

The big winners in Oct were **Weather.com**, which saw uniques improve by 3% and avg min/user increase by 5.4%, and **FoodNetwork.com**, which grew the metrics by a respective 10% and 4.1%. Mercurial fall weather likely bolstered Weather.com's traffic, and FoodNetwork.com most likely benefitted from its continued ramping of digital offerings that complement linear programming.

Most players, however, experienced growth in 1 metric and slippage in the other, typically uniques. **ESPN.com**, for example, saw its uniques dip by 4% while avg stay rose by 1.6% to 76.8min. Similar results were seen at **FoxNews.com** (-1%, +3.3% to 79.7min), **Lifetime Digital** (-2%, +19.4% to 18.3min), **USANetwork.com** (-16%, +30.5% to 15.5min), **TNT.tv** (-24%, +6.6% to 12.1min) and **C-Span.org** (-57%, +8%

to 4.8min).

Perhaps telling is that just half of those 6 digital properties, when measuring the overall effects of the metric pair, were nonetheless able to offset the lagging uniques metric and achieve increases in overall minutes spent/unique at relevant sites during the month. FoxNews.com's overall min/unique rose by 3%, Lifetime Digital's by 16% and USANetwork.com's by 7%. By contrast, ESPN.com's overall min/unique fell 2%, TNT.tv's 18% and C-SPAN.org's 55%.

The goal of digital properties, of course, must be to grow uniques and avg min/user, but increases in avg

stay per both user and unique can act as a salve to falling uniques.

Besides the positive/positive winners Weather and Food, there were 3 groups that notably suffered a negative/negative result in Oct. **MTVN** sites delivered a 16% fall in uniques and 9.2% dip in avg stay, while **ABCFamily.com** notched a respective -41%/-42% and HGTV.com a -24%/-23%. The data point to a whopping 66% drop in overall min/unique for ABC Family, a 42% fall at HGTV and a 24% decrease at MTVN. **Nickelodeon Kids** was the true Oct outlier, delivering flat uniques and a 15.2% jump in avg min/users.

-Chad Heiges



comScore Web Box Scores

	Total Unique Unique Vistors (000)	Total Unique Unique Vistors (000)	Total Unique Vistors (000)	Average Minutes Per User	Average Minutes Per User	Total Average Minutes
	Sept-2009	Oct-2009	% Change	Sept-2009	Oct-2009	% Change
Total Internet: Total Audience	198,378	198,218	0	1,815.2	1,828.7	0.7
CNN	N/A	50,051	N/A	N/A	40.2	N/A
Weather Channel, The	40,277	41,354	3	13.6	14.4	5.4
ESPN	28,822	27,737	-4	75.5	76.8	1.6
Discovery Digital Media Sites	N/A	20,707	N/A	N/A	8.8	N/A
MTV Networks Music	18,753	15,665	-16	11.9	10.8	-9.2
Nickelodeon Kids	11,087	11,127	0	62.5	71.9	15.2
FoxNews.com	8,873	8,819	-1	77.2	79.7	3.3
FoodNetwork.com	7,260	7,981	10	15.1	15.8	4.1
Comedy Central	N/A	6,635	N/A	N/A	12.6	N/A
Lifetime Digital	2,803	2,741	-2	15.4	18.3	19.4
HGTV.COM	2,918	2,206	-24	12.8	9.9	-22.9
USANetwork.com Sites	1,334	1,120	-16	11.9	15.5	30.5
TBS	960	1,091	14	6.4	5.5	-13.2
ABC Family	1,226	718	-41	11.8	6.8	-42.0
TNT.tv	637	487	-24	11.3	12.1	6.6
C-SPAN.org	351	151	-57	4.5	4.8	8.0

Data represents the top 10 most trafficked Web sites among the top 20 cable programmers based on the NCTAs rankings

Source: ComScore (www.comscore.com)

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