

Latin Revolution

Hispanic TV heats up, from Telemundo's *Laura* (left) to two new channels from Discovery
Special Report
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"You have to have a member of the bomb squad open the newspaper if you're on the *Today* show these days."

—MATT LAUER ON *THE DAILY SHOW*

JUNE 13, 2005

BROADCASTING & CABLE

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SPECIAL REPORT

Let's Get Personal

Cable operators are experimenting with ways they can give customers a service just like digital video



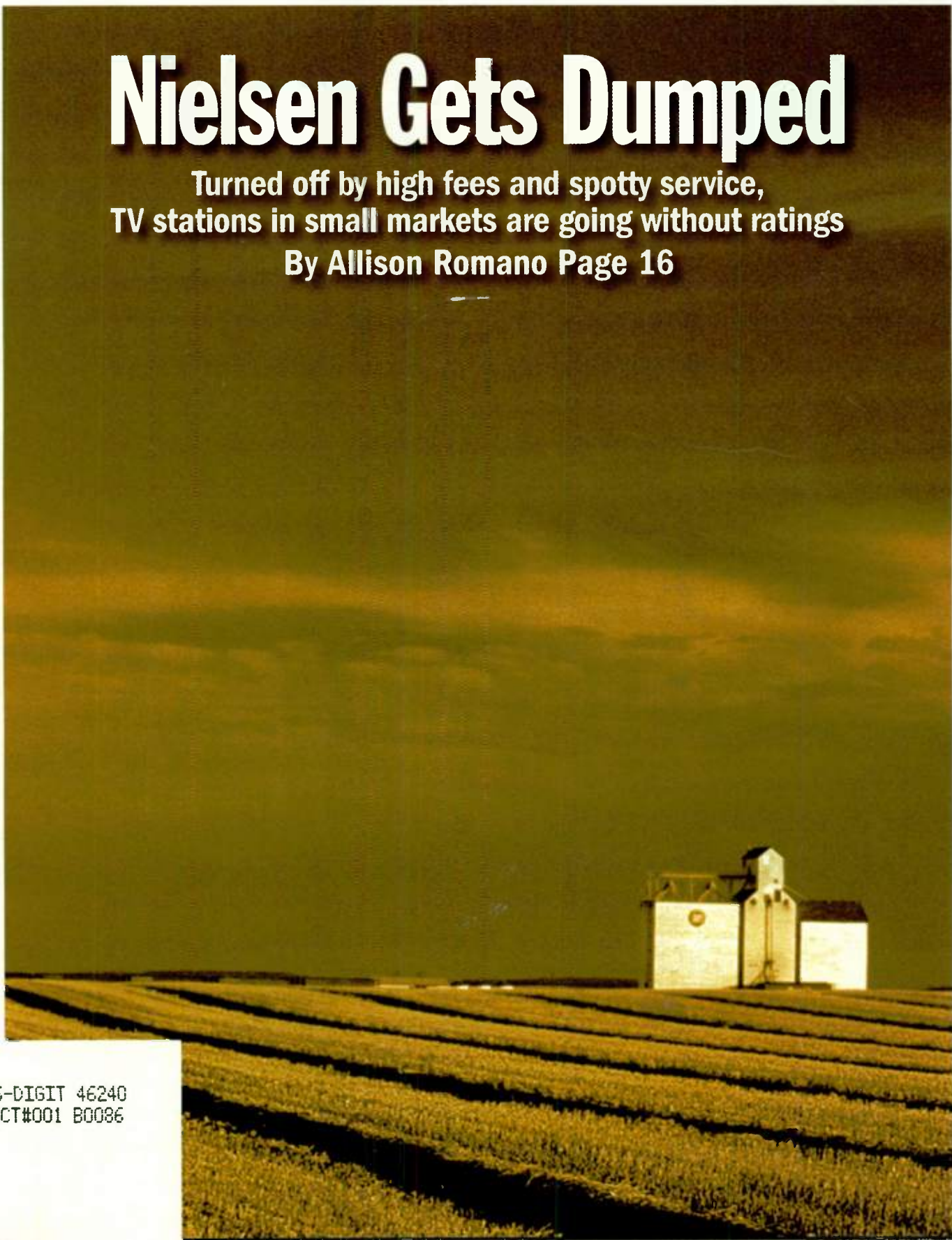
recorders (DVRs) but at a fraction of the cost. Personalizing content—call it Me TV—is emerging as a potent cable revenue source.

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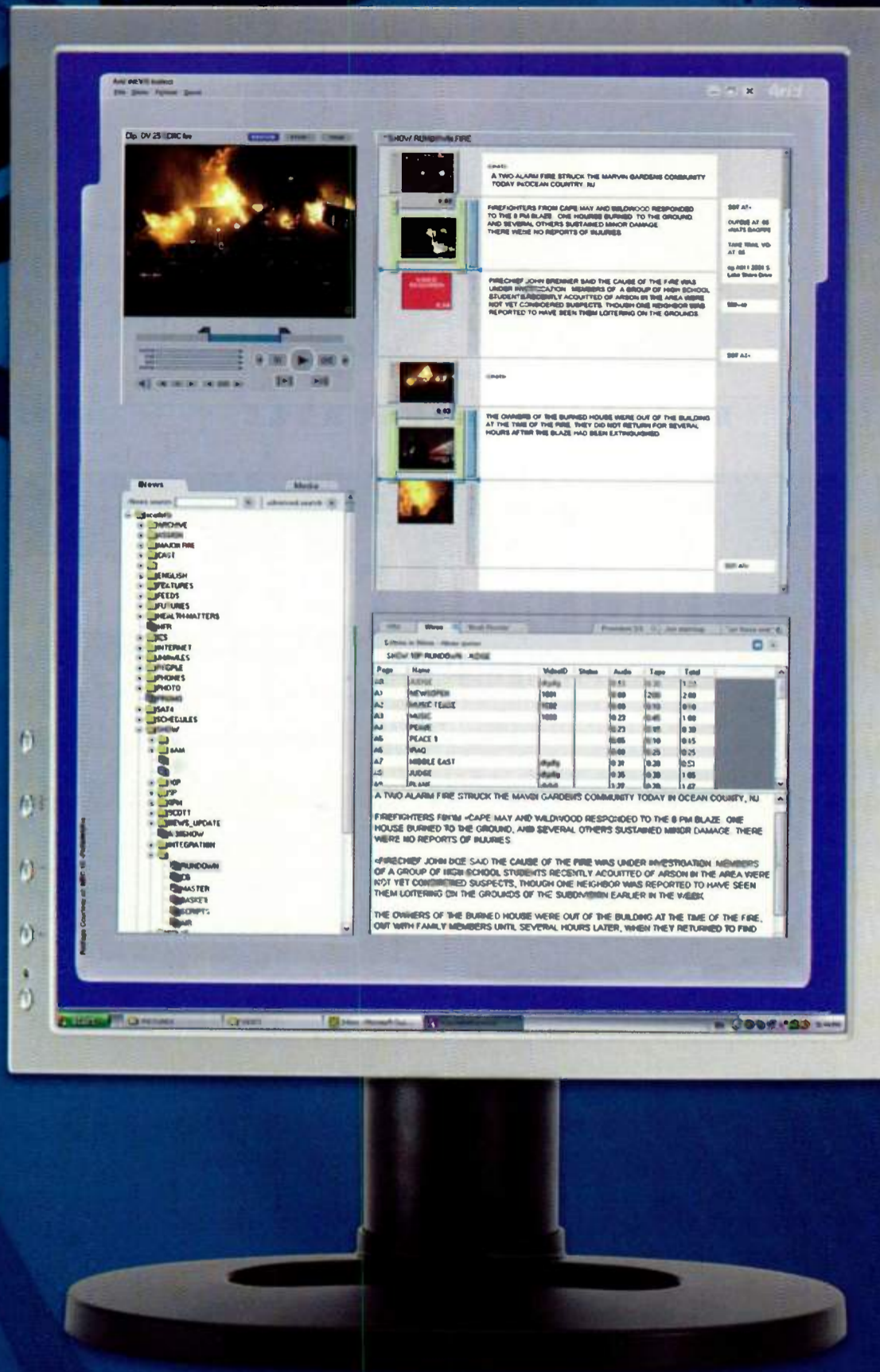
Nielsen Gets Dumped

Turned off by high fees and spotty service, TV stations in small markets are going without ratings

By Allison Romano Page 16



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T A B L E O F C O N T E N T S

JUNE 13, 2005 VOLUME 135 NUMBER 2

B&C WEEK

Where to be and what to watch...

Monday, June 13

The word "situation" might sound like a vague and rudderless noun to some, but at MSNBC and CNN they clearly think it will strangely fascinate viewers. Hence MSNBC's nightly *The Situation with Tucker Carlson* (premiere, 9 p.m. ET) and *The Situation Room*, a Wolf Blitzerized three-hour afternoon news bloc coming in mid summer from CNN President **Jon Klein's** news factory. Some college student majoring in communications somewhere is firing up a thesis *right now* to prove that Carlson's charmed life as an itinerant conservative jawflapper (CNN's defunct *Crossfire*, PBS' *Tucker Carlson: Unfiltered*, which expires Friday, and now the set-up for *Scarborough Country*) has been engineered by **Karl Rove**.



Tucker Carlson

Tuesday, June 14

Chappelle wigs out, goes to South Africa. Chappelle's second-season DVD sells gazillions. Chappelle does surprise stand-up in Los Angeles. You know what? Get back to us when **Dave's** doing the show again. What matters on **Comedy Central** *this minute* is the return of the glorious *Cops* parody **Reno 911!** (premiere, 10 p.m. ET), with a two-part resolution of last season's cliff-hanger that saw the police department gutted and Reno's finest thrown in jail. *Did somebody say "thrown in jail"?* It must be time for **Nancy Grace's** book party! The still prosecutorialish Grace is publishing *Objection! How High-Priced Defense Attorneys, Celebrity Defendants, and a 24/7 Media Have Hijacked Our Criminal Justice System, or O!HHPDACD24/7MHHOCJS* for short. Her **Court TV** and **CNN News Group** bosses are jointly feting her at the **Bryant Park Grill** at 6:30 p.m. in **New York City**. Warning to attendees: If you're late, bring a lawyer.



Reno 911!'s Thomas Lennon



Nancy Grace

Wednesday, June 15

The Washington/Baltimore chapter of **Women in Cable & Telecommunications** hosts its third annual "Women's Tee" golf workshop today. And if you're working on your game to improve your Beltway networking chops as well as your short irons, then by all means hold the event at a club where the powerful and influential like to play: the **Tournament Players Club at Avenel**, in **Potomac, Md.** *Useful topic for relationship-building chit-chat while waiting for the clowns ahead of you to get off the green:* During the 1986 Chrysler Cup at Avenel, **Arnold Palmer** aced the par-three third hole two days in a row.



Thursday, June 16

For your consideration, a reality-TV idea we offer *at no charge!* (1) Compile Reality Dream Team (RDT) of winners from *Survivor*, *Fear Factor*, *Amazing Race* and *The Contender*. (2) Devise most grueling competition your wicked mind can conjure. (3) Pit RDT against two-man team that wins **Best Ranger (Military Channel, 8 p.m. ET)**, a three-hour special about the annual **U.S. Army** competition of jaw-dropping challenges that lasts for 60 hours straight. (4) Make Best Rangers tie one hand behind backs. (5) Watch RDT members weep anyway. *Hoo-ah!*



Friday, June 17

"Move to Digital Simulcast the Same Way You Eat an Elephant ... One Byte at a Time." Byte jokes? In 2005? Yes, it's the **Society of Cable Telecommunications Engineers' Cal-Tec Expo**, and that's the title of a noon workshop. This is the last day of the four-day convention, held at the **Henry B. Gonzalez Convention Center** in **San Antonio**. Expo theme: "Broadband Progress as Big as Texas." Better than than "Remember the Analog!"



—Mark Lasswell

Email info for B&C Week to b&cweek@reedbusiness.com

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FAST TRACK

FCC Accelerates Tuner Deadline

The FCC unanimously voted to accelerate the date when the most popular models of TV sets—those between 25 and 36 inches—must include DTV tuners. The new date is March 1, 2006, four months earlier than the current July 1 deadline.

The decision was a blow to set makers, who asked for a partial delay in their digital production quotas in February. The Consumer Electronics Association asked the FCC to delay next month's deadline for building digital tuners into half of the mid-sized sets. To sweeten the offer, CEA offered to go digital with all sets in the 25-36 inch range by March.

CEA's gambit backfired however because the commissioners were of one voice in rejecting CEA's bid to delay the 50% deadline and more than happy to take the set makers' offer to speed up the the 100% deadline. In another blow for set makers the FCC said it also will consider whether to move up the summer 2007 deadline for building digital tuners into 13-inch sets too.

Putting the best face possible on the defeat, CEA said it was "pleased" the FCC accepted the offer to advance the 100% mandate but "disappointed" and "concerned" about the other moves.

The National Association of Broadcasters, which waged a bitter battle against CEA's bid for delay, praised the commission. Said NAB President Eddie Fritts, "Allowing set manufacturers to continue selling analog-only TV sets only elongates the transition to digital."—B.M.

Moonves: Prepare For Plugs Aplenty

Brace for even more product placement in your favorite TV shows, because CBS Chairman Les Moonves is planning a big increase.

"I think you're going to see a quantum leap in the number of products integrated into your television shows this year," Moonves told investors at Deutsche Bank's annual media conference in New York Monday, trying to calm anxiety about the threatened disruption of TV advertising by digital video recorders.

Summer Report Card

The early grades are in **By Allison Romano and Anne Becker**

Like a good beach read, summer TV can be deliciously addictive—if a network hits on the right formula. Broadcast TV, once a desert of reruns and bad specials, is now a fountain of playful reality shows, while cable channels are reviving what has become a tradition of increasing their original offerings as the mercury rises. It all adds up to more original summer programming than ever.

So far, celebrity-infused reality shows are scoring, as are cooking competitions. But two more studious programs—about legendary Americans and students competing for college tuition—have started out slowly. With the 2005 summer season heating up, *B&C* checks the temperature of new shows and previews a few entries still to come.

THE SCHEDULE HEATS UP

HITS

Celebrity Reality: With fancy footwork and stars including Evander Holyfield (below, with Edyta Sliwiska) and Rachel Hunter, ABC boasts the summer's first hit, *Dancing With the Stars*. The live competition nabbed 15.1 million viewers June 7 and earned ABC its best summer rating in six years in adults 18 to 49 years old.



NBC is playing a different tune, reviving famous-but-moribund music acts such as Vanilla Ice and Wang Chung on the reality show *Hit Me Baby One More Time*, which snagged 7.2 million viewers and a 3.6 rating/11 share in 18-49s. Another faded celeb, former supermodel and Mick Jagger-ex Jerry Hall, is back in the spotlight with VH1's new series *Kept*, in which she grooms young male suitors. A recent episode drew about a million viewers—very nice by VH1 standards.

In the Kitchen: Food Network's search for a new personality, *The Next Food Network Star*, sizzled in its June 5 debut, enticing 4.5 million viewers. Fox got some savory results with the reality show *Hell's Kitchen*, about chefs vying for a job with famously temperamental chef Gordon Ramsey: 6.9 million viewers (3.5/9 in 18-49s) in its second week.



Thrillers and Psychics: Morphing last summer's hit miniseries *The 4400* into a full series is looking smart for USA Network. The June 5 premiere of the show, with Joel Gretsch (above), about a group of people kidnapped by aliens and then returned to Earth, pulled in an audience of 5.3 million. NBC, borrowing from Court TV, launched the crime-solving reality show *Psychic Detective* for a summer run that is producing solid

numbers, 6.3 million viewers and a 1.7 rating in adults 18-49. Showing the power of broadcast, the ratings are six times higher than the program's Court TV average.

MISSES

Greatest American (Discovery Channel): This much hyped new series of specials debuted June 5 with a disappointing 949,000 viewers, making it the 25th-ranked show on Discovery last week.

The Inside (Fox): Centered on L.A.'s violent-crimes police unit, the drama, with Rachel Nichols (above), limped out June 8 with 4.7 million viewers and a 2.0/6 in 18-49s.

Fight for Fame (E!): Wannabe actors battle for an agent contract, but only 279,000 viewers watched the backbiting on the premiere, half of E!'s usual prime time marks.

The Scholar (ABC): ABC's latest feel-good reality show, where students compete for a college scholarship, has been put on academic probation by viewers. The June 6 premiere's audience of 4.7 million (1.7/5 in 18-49s) put the show third behind CBS sitcoms and a *Fear Factor* repeat on NBC.

COMING ATTRACTIONS

The Closer (TNT, June 13 at 9 p.m. ET): Drama stars Kyra Sedgwick (below) as an ace LAPD interrogator.

Wildfire (ABC Family, June 20 at 8): A troubled teen looks for a fresh start on a new family's ranch.

I Want To Be a Hilton, (NBC, June 21 at 9): Paris Hilton's mom, Kathy, teaches contestants *something*—we're just not sure what.

Over There (FX, July 27 at 10): Steven Bochco-produced drama about soldiers in Iraq and their families back home.



Moonves says that while NBC's *The Apprentice* "may have taken that model and overdid it." CBS will be heavily salting much of its programming with placements. "We're making more and more of those deals: the kind of cars they drive in *CSI*, the kind of orange juice they drink in *Two and a Half Men*."—J.M.H.



Les Moonves

Former RNC Head Favorite for CPB

The Corporation for Public Broadcasting could choose its new chief as soon as its next board meeting June 20-21.

The candidates to replace Kathleen Cox as president of CPB are said to be former Republican National Committee Co-Chair Patricia de Stacy Harrison and acting chief Ken Ferree, formerly of the FCC's Media Bureau under Republican Chairman Michael Powell.

Harrison is currently Assistant Secretary of State for Educational and Cultural Affairs and was Acting Under Secretary of State for Public Diplomacy during the Iraq conflict.—J.E.

Adelphia Launches Music Service

Cable operator Adelphia Communications is downloading, rolling out a new service that will let Adelphia high-speed Internet customers download or stream as many songs as they want from a music library with more than 1.5 million songs. Price: \$7.95 a month.

Adelphia is also launching a second premium subscription service, Adelphia NetPak, for \$9.95 per month. It includes content from MLB.com, games and access to a free online photo-sharing service.—K.K.

TV Brass: Not All Six Nets Will Survive

NBC Universal Entertainment President Kevin Reilly and Touchstone Television President and ABC Entertainment EVP Mark Pedowitz predict that there will be fewer than the current six broadcast networks on the air five years from now.

Continued on page 36

The new rules of engagement.

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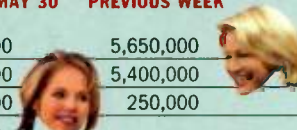
THE MORNING LINE

Total viewers for NBC's *Today* vs. ABC's *Good Morning America*

WEEK OF MAY 30 PREVIOUS WEEK ONE YEAR AGO

Today	5,650,000	5,650,000	5,670,000
GMA	5,150,000	5,400,000	4,960,000
The gap	500,000	250,000	710,000

SOURCE: Nielsen Television Index



N E W S & C O M M E N T

Burnett Slugs for 'Contender'—and Boxing

NBC KO'd *The Contender* after the boxing reality series' first season, and the sport of boxing itself is in a sad state, but *Contender* creator Mark Burnett is willing to go a few rounds on behalf of both. "We are looking not just for a TV partner but for a partner overall to help really relaunch the sport," Burnett says. "This relationship will be as much about the overall opportunity of rebuilding boxing as it will be about a TV show. If we just wanted a TV deal, we'd be done already."

Though Burnett would only acknowledge talking with "a number of outlets" about reviving *The Contender*, industry insiders say ESPN or HBO would be the most likely new venue, though Spike TV, FX and even Fox (which decided last season's *The Next Great Champ* was a chump) would also qualify as a prospective partner. Burnett says he expects, within weeks, to announce "big fight night" televised events that would be a prelude to the series' return, possibly by January 2006.

Burnett's partners on the show—Jeffrey Katzenberg, Sylvester Stallone and Sugar Ray Leonard—would remain



Sylvester Stallone and Mark Burnett have not thrown in the towel yet on *The Contender*.



Marital alliances can complicate D.C. careers.



Sold! Teri Hatcher, dinner and an ABC guest appearance.

Entertainment President Steve McPherson and talent-management company The Firm Chairman Rich Frank. And Frank would sweeten the deal with five bottles of wine from his Frank Family Vineyards and the first case of a yet-to-be-released wine called Promise.

That was the offering at a charitable auction June 5 in Napa Valley, and it brought in more than half a million bucks.

According to Frank, the night began with Jay Leno doing about 30 minutes of material that the *Tonight Show* host clearly wasn't just mailing in. When the package that Frank had put together came up for auction, the bidding ramped up to more than \$100,000, then stalled—until Teri Hatcher took the stage. Then, Frank says, "the bidding went a little crazy."

Stratton Sclavos, CEO of the Internet company Veri-Sign, outlasted rival bidder Tatiana Copeland, owner of Bouchaine Vineyards, with Sclavos agreeing to pay \$300,000. Frank, Hatcher and McPherson huddled for a moment and offered the same package to Copeland, who signed on for \$280,000. The event, Auction Napa Valley 25, raised more than \$10 million for non-profit health care, affordable housing and other local needs. Nice.

with the project, he says. *The Contender* averaged a mediocre 6.2 million viewers for the season but did draw nearly 8 million for the finale bout of the elimination series. Those numbers obviously didn't impress NBC, but some other stats made Yahoo! perk up: a lightly promoted afternoon Webcast of three fights prior to NBC's May 24 *Contender* season finale prompted

516,000 video streams, according to the company. Jim Moloshok, Yahoo! senior VP of branded entertainment, says, "If the program were to come back, we'd love to be involved." Rematch!

FLASH!

Wedding Tax

Christine Kurth, telecom aide to Senate Commerce Committee Chairman Ted Stevens, last week withdrew her name from consideration

for an FCC seat. Kurth was a leading candidate for one of two commission openings but dropped out of the running after "extensive discussions" with the White House.

It seems that Bush Administration honchos vetting for FCC posts decided Kurth had too many potential conflicts of interest because her husband, Timothy, is a lobbyist for Lundquist, Nethercutt & Griles, which works for several clients (Motorola, Sprint, U.S. Telecom Association) with business before the commission. Kurth, they decided, would have spent too much time recusing herself from FCC business.

Given how many interconnected D.C. couples there are, it's amazing that anybody ever lands a high-powered job. In the media/telecom regulatory sector alone, these potentially tricky marital alliances come to mind:

FCC Chairman Kevin Martin's wife, Catherine, is

a White House deputy communications director.

FTC Chairman and antitrust regulator Deborah Majoras' husband, John, is a corporate antitrust lawyer.

NCTA President and top cable lobbyist Kyle McSlarrow's wife, Alison, is a former Microsoft lobbyist.

NAB General Counsel and ex-FCC official Jane Mago's husband, Robert Blau, is BellSouth's regulatory counsel.

FCC Media Bureau spokeswoman Rebecca Fisher's husband, Robert, is a Clear Channel lobbyist.

A 'Desperate' Bidding War

How much would you bid at auction for a visit to Los Angeles that included a *Desperate Housewives* walk-on role and dinner with Teri Hatcher? Oh, your dinner mates would also include ABC

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When CEOs Run Out of Good Ideas

Stock buybacks are no miracle cure for media giants' woes

In a business that thrives on fads, the hottest mantra among media investors is "return capital to shareholders." At nearly every investor presentation or earnings conference call, media CEOs and CFOs are peppered by analysts and money managers with questions about the company's plans to boost its share price by buying back its own stock or starting to pay dividends.

Media giants have responded by allocating billions of dollars to placate them. Comcast Chairman Brian Roberts is spending \$2 billion on buybacks; Clear Channel is completing its third \$1 billion buyback in just the past year; and Time Warner just initialized its first-ever dividend, committing to pay out nearly \$1 billion annually. EchoStar has spent nearly \$1 billion buying back its own stock and another \$455 million for a one-time dividend to shareholders.

And investors want more. DirecTV is bombarded with queries about buybacks, as are other big media companies. But, for all the billions spent in the past year or so, it is hard to point to any dramatic benefit. The companies with the biggest buyback programs haven't seen their stock prices rise; in fact, they've sunk. Investors were initially wowed, but enthusiasm has evaporated.

DO THE MATH

There is lots of arithmetic supporting the view that shrinking a company's outstanding shares should increase value. And any investor who trusts management should love the idea that CEOs see their own shares as cheap. Companies talking about buybacks have their own mantra; they see no better place to invest capital than in their own stock. (Of course, any investor who doesn't trust management should have sold long ago.)

The companies with the biggest buyback programs haven't seen stock prices rise; they've sunk. Investors were initially wowed, but enthusiasm has evaporated.

But when I see a big buyback, I tend to look at the downside. Media CEOs may be showing faith in their stocks, but they're often also signaling problems in their core operations. They don't see any smart acquisitions—ones that both fit well and are priced to generate a reasonable return on investment targets—beyond their companies.

Worse, companies buying back shares don't see enough expansion opportunities inside their companies to invest their cash in. The more you trust manage-

ment, the bleaker that signal should be.

The call for buybacks and dividends is a backlash to the deal frenzy of the late 1990s. The same investors and analysts who for years cheered mega media deals watched too many of them fizzle. They have now changed their tune, imploring CEOs to cough up the money.

Research by Bank of America media analyst Doug Shapiro shows how badly some sizeable media mergers have misfired, including Viacom/CBS, Comcast/AT&T Broadband and AOL/Time Warner. (I disagree on one: AOL/Time Warner was one of the most brilliant takeovers ever—for AOL shareholders. Without buying Time Warner, AOL's book-cooking likely would have bankrupted the company and wiped its shareholders out. Instead, they wound up with half of Time Warner.)

INCREASE DEMAND, SHRINK SUPPLY

So why buy back stock? In the short run, it should firm up trading prices by increasing demand at the same time it shrinks the supply of shares. In the long run, it artificially boosts measures like earnings per share by shrinking the number of outstanding shares.

And if a company's stock price ultimately rises at a greater rate than their cost of capital, the company succeeds in the most important mea-



Brian Roberts (left) and Sumner Redstone

sure of all: return on investment.

Dividends are different, promising shareholders a little bit of income—up to 2% of the current price of their shares—and making a stock a little bit like a bond.

Why did Time Warner CEO Richard Parsons decide to spend on dividends rather than a buyback?

First, he thinks it demonstrates a longer-term commitment to investors. Second, he thinks it will enforce more discipline on his executives to meet their

goals, because dividends are an obligation managers must meet each quarter.

Neither option has been very popular for media in the past. Many media CEOs preferred to dedicate their financial power to expanding existing operations or acquiring new ones. It is more fun—and it is in the CEO DNA. Their first inclination is to grow; growth is generally the best sign of a healthy company and something Wall Street often rewards well.

But does spending billions of dollars on stock buybacks work? Two academics who have studied buybacks, Harvard Business School finance professor Samuel Hayes and Clemson University's Daryl Guffey, say they're no panacea. "Usually there's a short-term effect in the stock price," says Guffey. But "three to five years down the road, usually the stock price hasn't fared that well."

Look at media's most active buyers. Since the beginning of the year, Viacom's stock is down 7.3%, despite the buybacks and the breakup plan. Comcast is down 4.6%, Clear Channel is down 12% and EchoStar is down 9.9%.

DISCOUNTING DECLINES

Hayes discounts such recent declines. "That's not even short-term," says Hayes. He contends that, if healthy companies repurchase their shares smartly, "in the long term, it has a tangible effect."

But Viacom is a good example of why buybacks aren't necessarily a good idea. Last July, Chairman Sumner Redstone gave investors what they wanted, declaring that Viacom would budget a massive \$8 billion buyback of its own stock. That would shrink the company's equity base by a huge 15% and jack up Viacom's stock price, right?

Wrong. Viacom quickly gobbled up millions of its own shares, with little apparent effect. By March—after having spent \$3.4 billion—a frustrated Redstone made an even more drastic move, declaring that he wanted to split Viacom in two; he hopes investors will be more responsive to separating the high-growth MTV Networks from Viacom's slowly growing broadcast operations.

That leaves CEOs in quite a dilemma. Where do they spend their cash? All I know is that a big reason you buy stocks is management should know how to invest the money.

A CEO whose best option is to buyback the company's shares isn't any smarter an investor than you are. Perhaps that means it is time to move on to another stock. ■

E-mail comments to jhiggins@reedbusiness.com

MONEY TALKS By John M. Higgins

THE B&C

WEEK OF JUNE 3-9

THE B&C 10

WEEK	YTD
-0.6%	-5.2%

BROADCAST TV GROUPS

WEEK	YTD
-0.4%	10.0%

CABLE OPERATORS

WEEK	YTD
0.0%	-3.9%

RADIO

WEEK	YTD
2.1%	-8.0%

	CLOSE	WEEK	YTD
Dow Jones	10503.02	-0.5%	-2.6%
Nasdaq	2076.91	-1.0%	-4.5%

THE B&C 10

	CLOSE	WEEK	YTD
Cablevision	\$27.56	5.7%	10.7%
Clear Channel	\$30.40	3.1%	-9.2%
Comcast Corp.	\$30.90	-1.4%	-5.9%
Disney	\$27.55	0.4%	-0.9%
EchoStar	\$29.20	-2.5%	-12.2%
Hearst-Argyle	\$24.90	-0.3%	-5.6%
News Corp.	\$17.19	3.2%	-10.5%
Time Warner	\$16.78	-2.8%	-13.7%
Tribune	\$35.12	-2.8%	-16.7%
Viacom	\$33.28	-3.2%	-10.2%

GOOD WEEK

TiVo	\$7.29	7.0%	24.2%
New Frontier	\$6.43	6.3%	-18.8%
Cablevision	\$27.56	5.7%	10.7%
Emmis	\$18.98	4.3%	-1.1%
Interactive Corp.	\$26.02	3.7%	-5.8%

BAD WEEK

Interep	\$0.42	-16.0%	-44.0%
Charter	\$0.98	-14.8%	-56.3%
Paxon	\$0.68	-12.8%	-50.7%
Young Bcstg.	\$5.09	-10.1%	-51.8%
XM Satellite	\$31.31	-8.0%	-16.8%

CABLEVISION SCORES

+5.7%

Investors cheered Cablevision Systems' victory in the fight against a \$1 billion football stadium in Manhattan. Cablevision feared that the facility would steal events from its nearby Madison Square Garden. The cable operator's stock rose 5.7% on news that a state commission blocked the new stadium.

RATINGS 5/23-29/05

Nielsen Media Research

**Top 25 Shows
ADULTS 18-34**

PROGRAM	AA	GAA
1 <i>Seinfeld</i>	3.9	4.6
2 <i>Friends</i>	3.4	4.0
3 <i>Everybody Loves Raymond</i>	2.9	3.4
4 <i>Oprah Winfrey Show</i>	2.8	2.8
5 <i>Seinfeld (wknd)</i>	2.4	2.8
5 <i>That '70s Show</i>	2.4	2.9
7 <i>King of the Hill</i>	2.1	2.4
8 <i>Malcolm in the Middle</i>	1.9	2.3
8 <i>Maury</i>	1.9	2.1
10 <i>Dr. Phil</i>	1.8	1.8
11 <i>Jeopardy!</i>	1.7	NA
11 <i>Will & Grace</i>	1.7	2.1
13 <i>CSI: Crime Scene Investigation</i>	1.6	1.8
13 <i>Wheel of Fortune</i>	1.6	NA
15 <i>Entertainment Tonight</i>	1.5	1.6
15 <i>King of Queens</i>	1.5	1.8
17 <i>Home Improvement</i>	1.3	1.7
17 <i>Jerry Springer</i>	1.3	1.4
17 <i>That '70s Show (wknd)</i>	1.3	1.5
17 <i>Yes, Dear</i>	1.3	1.4
21 <i>Cops</i>	1.2	1.5
21 <i>Everybody Loves Raymond (wknd)</i>	1.2	1.3
21 <i>Frasier</i>	1.2	1.3
21 <i>Judge Judy</i>	1.2	1.6
21 <i>Judge Mathis</i>	1.2	1.3

**Top Court Shows
ADULTS 18-34**

PROGRAM	AA	GAA
1 <i>Judge Judy</i>	1.2	1.6
1 <i>Judge Mathis</i>	1.2	1.3
3 <i>Divorce Court</i>	1.1	1.5
4 <i>Judge Joe Brown</i>	1.0	1.3
5 <i>People's Court</i>	0.9	0.9

According to Nielsen Media Research Syndication Service Ranking Report May 23-29, 2005
 AA = Average Audience Rating
 GAA = Gross Average Audience
 One Nielsen rating point = 1,096,000 households, which represents 1% of the 109.6 million U.S. TV Households
 NA = not available

Big Apple Polish for 'ET'

Magazine logs biggest gain in five years **By Jim Benson**

all it the New York effect. In May, Paramount's magazine strip leader *Entertainment Tonight* posted a 46% year-to-year increase on WCBS New York, where it has lagged over the past two seasons. Its performance in the No. 1 market may have contributed to its national rating on par with the year-ago period, at a 5.1.

The huge gain in New York, the show's best in the market in five years, could be attributed to a variety of factors, including the O&O's improved prime time performance. That, in turn, has a ripple effect across the entire schedule, with more viewers seeing promos for the show. Perhaps it is the result of the extra effort that Paramount put into sending anchor Mary Hart to the Big Apple for a week during sweeps.

Or maybe Nielsen's new local people meters (LPMs) had something to do with the surge. Until now, those who work on syndicated shows had a relatively dependable way of predicting their future: the direction of the Nielsen measurement needle from May to May. Nielsen, however, has made apple-to-apple comparisons more difficult over the past year with the integration of LPMs into the national barter syndication ratings sample. The ratings service has introduced the meters in five of the six top markets: New York, Los Angeles,

Chicago, Boston and San Francisco. In May 2004, only Boston had the measurement system.

Nationally, despite the challenge presented by LPMs, *The Oprah Winfrey Show* and *The Ellen DeGeneres Show* prospered in the May sweeps. The veteran and the sophomore each gained 11%, the biggest rise by any talk show. Other outcomes seemed harder to discern in Nielsen's new world. For instance, Paramount's *Montel* dipped from a 2.5 to 2.4, while NBC Universal's *Starting Over* declined from a 1.2 to 1.1.

Court shows, including leader *Judge Judy*, continued to rock, with or without LPMs (explaining the avalanche of new ones set for fall 2006).



The Oprah Winfrey Show prospered in the May sweeps.

The access daypart proved a little dicier. King World's No. 2 magazine *Inside Edition* was even with last year, at a 3.3, while Paramount's rookie strip *The Insider* (2.7), which faced pre-emptions in May for local *Survivor* and *Everybody Loves Raymond* specials, sparked with a 13% gain over its September premiere. It earned the No. 3 spot ahead of NBC Universal's older *Access Hollywood*, which declined 7% to a 2.6—a drop-off small enough that it may be attributed to LPMs.

Raymond did the best of the off-network sitcoms, benefiting from hype around the series finale and TBS cable airings now included in its average. King World's *Jeopardy!* scored, thanks to its heavily promoted Ultimate Tournament of Champions. ■

IN FOCUS

VIACOM STATIONS ADD TEEN NEWS

A recent deal with Viacom stations in New York, Philadelphia, Dallas, Atlanta, Seattle, Miami and Providence, R.I., gives syndicated *Teen Kids News* coverage in 90% of the country.

Produced by Al Primo, creator of the Eyewitness News format, and former ABC producer Alan Weiss, the for-teens/by-teens weekly syndicated show enters its third season in September.



Executive producers Al Primo and Alan Weiss with *Teen Kids* reporters

The show, produced in New York in partnership with *Weekly Reader*, is offered to stations on a barter basis, with stations receiving a 90-second window to cut in their own local teen-news features. Talent includes the offspring of Paula Zahn, Meredith Viera, and Frank and Kathie Lee Gifford.

EX-UNIVERSAL EXEC DOES FLIP

Debbie Brunner, former senior VP of worldwide marketing for Universal Television Distribution, has launched Los Angeles-based Flip Creative. The new agency will develop print advertising campaigns for domestic and international advertising clients.

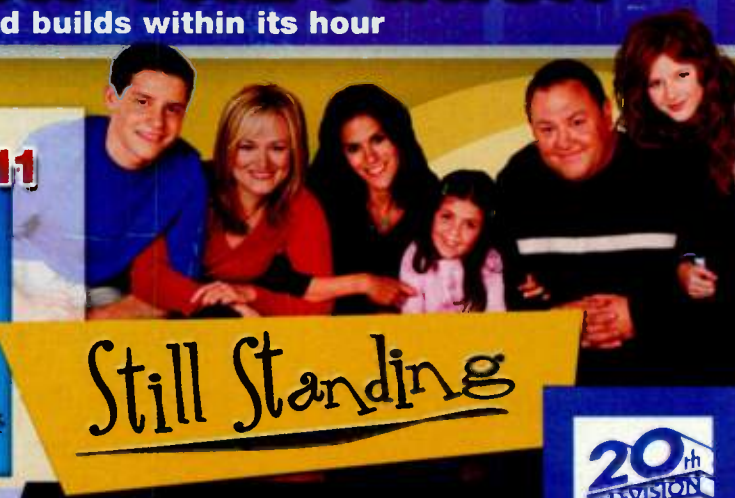
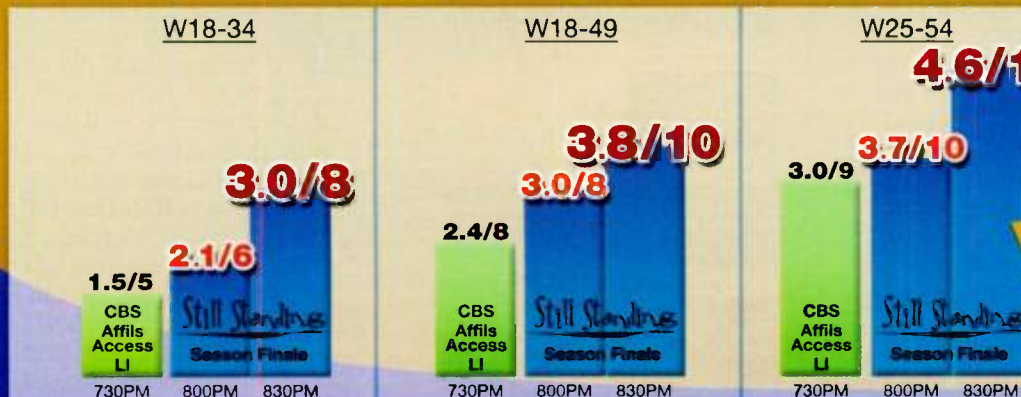
Serving as president, Brunner is teaming with creative partners David Carr and David Comtois of Beantown Productions.

At Universal, Brunner, a veteran marketing executive, oversaw on-air, consumer and trade print, radio, promotion, media strategies, affiliate relations, sales materials, collateral materials and special events.

STANDING STRONG AT THE FINISH

Season finale grows on its access lead-in and builds within its hour

CBS, Monday, 5/23/05, 730 9pm, Rtg/Shr



Still Standing



Coming soon to syndication!

Source: NTL Galaxy Explorer, 5/23/2005, W18-34, W18-49, W25-54 Rtg/Shr. Subject to qualifications available upon request.

STATION TO STATION

Broadcasters
Join The WB 100+

By Allison Romano

Usually, the addition of a couple of new members to **The WB 100+** station group—an almost entirely cable-based collection of affiliates in small and midsize markets—would seem routine. But the two stations joining The WB's roster signal another step in the network's drive to recruit broadcast stations. **Dimension Broadcasting**-owned **KBCA** Alexandria, La., started airing WB fare on June 1; in early July, **Rocky Mountain Broadcasting Pax** affiliate **KMTF** Helena, Mont., will switch over to The WB. Both are full-power stations, and they raise The WB's total of over-the-air outlets from six to eight.

As new FCC station licenses become available and existing stations make it known that they might be interested in swapping affiliation, The WB group is in the hunt for more broadcast affiliates. Group General Manager/Executive VP **Russell Myerson** says he is in "active discussions" with five candidates.

In Helena, KMTF needed a new programming partner after its deal with Paxson expired. The WB, says station General Manager **Suzanne Rogers**, was an attractive partner. "We like their programming and think there will be a very good response."

The WB 100+ stations currently reach 9.5 million homes. Over-the-air carriage, Myerson says, will help expand that footprint, since about 30% of U.S. households do not subscribe to cable. (The WB 100+ stations are typically not available on satellite.) All the stations carry a single program feed but handle their own local ad sales.



Russell Myerson

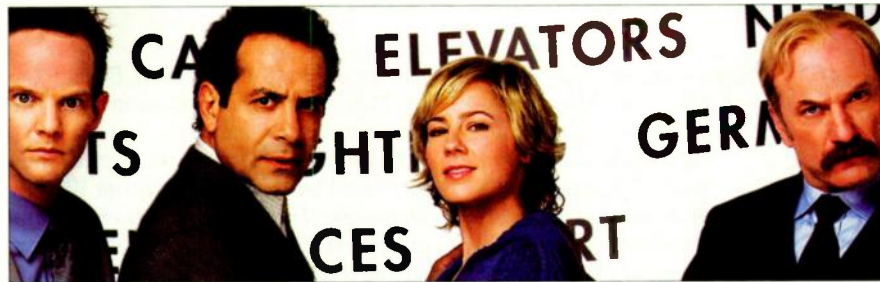
Myerson says The WB 100+ prefers to court only full-power, analog stations. "We're not looking at digital or low-power stations," he says. "That would not be adding a significant amount of viewership."

Nielsen's Univision Pact

Despite a bitter dispute last year with **Nielsen Media Research** over its new local-people-meter

Cable Slips in Ad Upfront

Despite scores, sales come up short By John M. Higgins

The cast of *Monk* (from left): Jason Gray, Tony Shalhoub, Traylor Howard and Ted Levine

Cable networks are finding themselves mired in the same deep mud trapping NBC in this year's upfront ad market, with business moving slowly and pricing down from the levels they had expected.

A week after three broadcast networks had wrapped up their negotiations, major cable networks weren't halfway through the upfront process, unwilling to write business at the prices buyers were offering.

Cable salesmen had been expecting to come away from the upfront with average increases of 7% in CPMs, the cost they charge per thousand viewers. Agencies and networks say that networks such as TNT, TBS, USA and even MTV Networks are averaging increases of less than 4%. Lifetime is writing deals with 2% to 4% increases.

Cable executives are expected to increase their upfront take by around \$600 million, from \$6.6 billion last year to \$7.2 billion. Now it seems cable's gain might be far lower.

"Cable could be flat in total volume," said an ad-sales executive for one top 20 cable network.

Cable's slowdown has been abrupt and caught key players by surprise. "Three weeks ago, I thought it would be higher," says Tim Spengler, executive VP of national broadcast for buying agency Initiative Media.

That is not as bleak as NBC's negotiations. Now that the network has fallen from first place among broadcasters to fourth, buyers are demanding a reduction in CPMs. So far, NBC is averaging a 2% drop, but some buyers are demanding even bigger cuts—and NBC is declining. The network was not even halfway through its process as of late last week.

By contrast, ABC's negotiations went quickly. Because of its dramatic ratings turnaround, the network had been expected to hold out for a CPM

increase of 7% or more. Instead, ABC decided to write business at 5% and less, and advertisers steered more money the network's way. Its upfront take soared 30% to \$2.1 billion. CBS also posted strong gains on dollar volume, Fox posted a small gain and WB was flat. UPN's negotiations are still in progress.

The ABC network had been expected to hold out for a CPM increase of 7% or more. Instead, it decided to write business at 5% and less, and advertisers steered more money the network's way. Its upfront take soared 30% to \$2.1 billion.

Cable's problems prompted CIBC media analyst Mike Gallant to reduce his earnings estimates for the major entertainment companies. Some count on cable

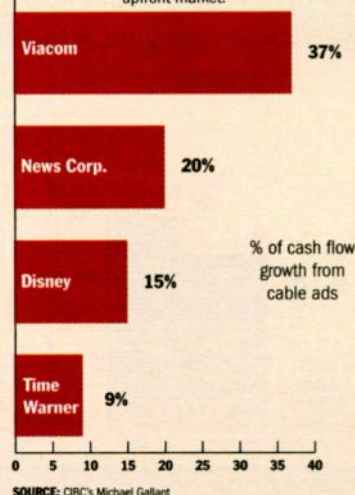
advertising for a substantial portion of their earnings growth, particularly Viacom and Disney.

In a report, Gallant says that since buyers a securing reduced pricing from NBC "they'd be hard pressed to pay materially higher unit prices for USA Networks, TBS and TNT." ■

Buyers and sellers say networks like TNT, USA and even MTV Networks are averaging increases of less than 4%.

DEPENDENT ON CABLE ADS

The health of several major media companies hinges on ad revenue from their basic-cable networks, leaving them vulnerable to the cable slowdown in the upfront market.



(LPM) ratings system, Spanish-language broadcaster **Univision Communications** last week signed a new deal with the company covering 34 of its Univision and **Telefuturo** stations.

Under the pact, Nielsen will provide LPM data for Univision-owned stations in New York, Los Angeles, Chicago, San Francisco and Dallas (slated for LPMs next year) and local ratings for its other stations.

Some Univision stations had been operating without ratings for months. Several were at the end of their Nielsen contracts, and stations in LPM markets had refused to sign on for the new service (see related story on page 16).

Last year, Univision filed a motion in California to halt Nielsen's Los Angeles rollout of LPMs, which some broadcasters protest undercount minorities, young viewers and large families. Nielsen went ahead as planned last July. Four months later, Univision withdrew its suit.

Nielsen says its new LPM sample includes more Hispanic participants and it is also working to double the number of Hispanic households in its national sample.

The improvements were apparently enough to satisfy Univision. **Ceril Shagrin**, senior VP of corporate research, says Nielsen is "on the right track and we will continue to work with them aggressively."

Hookstratten
Heads Fox Affiliate
Relations

To improve communication with its affiliates, **Fox** is recruiting **NBC Universal** veteran **Jon Hookstratten** to head its affiliate relations.

As executive VP, Hookstratten, who took up his new post June 13, will coordinate distribution and network relations with Fox's 184 affiliates. He will also work with the network's 25 owned-and-operated stations.

He replaces **Bob Quicksilver**, who has left the company.

Hookstratten says his role will be to "look for ways to help affiliates and move both of our agendas forward." He previously worked for NBC Universal Television Domestic Distribution and CBS Enterprises.



MARKET EYE

AT A GLANCE

The Market

DNA rank	13
Population	3,965,000
TV homes	1,671,000
Income per capita	\$20,065
TV revenue rank	14
TV revenue	\$562,500,000

Commercial TV Stations

Rank*	Ch.	Affil.	Owner
1	WFLA	8 NBC	Media General
2	WTSP	10 CBS	Gannett
3	WTVT	13 Fox	Fox Television
4	WFTS	28 ABC	Scripps
5	WTOG	44 UPN	CBS/Viacom
6	WTTA	38 WB	Sinclair
7	WMOR	32 Ind	Hearst-Argyle
‡	WWSB	40 ABC	Southern Bcst. Grp.

*May 2005, total households, Mon.-Sun., 6 a.m.-2 a.m.; ‡ WWSB rating includes diary information, which has yet to be released for May.

Cable/DBS

Cable subscribers (HH)	1,269,960
Major cable operators	Bright House, Comcast
Cable penetration	76%
ADSL subscribers (HH)*	233,940
ADSL penetration	14%
DBS carriage of local TV?	Yes

**Alternative Delivery Systems, includes DBS and other non-cable services, according to Nielsen Media Research

What's No. 1

Syndicated Show	Rating/Share***
Jeopardy! (WTSP)	12.1/20
Network Show	
CSI (WTSP)	20.4/28
Evening Newscast	
WFLA	7.1/13
Late Newscast	
WFLA	7.9/15
WTVT	7.9/12

***May 2005, total households

SOURCES: Nielsen Media Research, BIA Research

Sunny Days on the Gulf

Tampa Bay area is booming **By Allison Romano**

Tampa, St. Petersburg and Sarasota, Fla., may be bracing for another nasty hurricane season, but local stations see clear skies ahead.

The 13th-largest TV market has been perceived as a "retirement market," says WFLA General Manager Eric Land. "but it is vibrant and growing." This year, the population is expected to grow 2.2%, double the national average.

In 2004, Tampa Bay stations nabbed \$352.9 million in gross revenue, according to BIA Financial, including \$40 million from political advertising. BIA stats say WFLA was the top earner, with \$88.1 million in revenue.

Local broadcasters reflect the region's diverse population. In addition to the English-language-network affiliates, Tampa Bay's media include three Spanish-language outlets, cable news network Bay News 9 and indie WMOR. There are even two ABC affils, WFTS Tampa and WWSB Sarasota.

Several affiliation swaps rocked the market in 1994. WTVT switched from CBS to Fox. WTSP converted to CBS from ABC. (When it was still an ABC affiliate, WTSP's signal did not stretch to the southern part of the market, which is why Sarasota has WWSB.) Scripps-Howard started its Tampa ABC affiliate WFTS, which can reach the whole market. On cable systems—Bright House serves Tampa, and Comcast

operates in Sarasota—most subscribers get either WFTS or WWSB. But DBS providers EchoStar and DirecTV offer only WFTS. This creates a marketing challenge, particularly for WWSB, says station Creative Services Director Ed Tudor: "We have to educate viewers we're the local station for Sarasota."

Last summer, Tampa Bay weathered four hurricanes but suffered little damage. No stations were damaged, but coverage "was an exhaustive effort for six weeks," says WTVT General Manager Bob Linger.

WFLA, the NBC affiliate, is the leader in overall ratings, early-evening and late news. It shares a facility with Media General sibling newspaper *The Tampa Tribune*.

Its main rival is Fox-owned WTVT, which offers eight hours of news daily, including the market's top morning show and a well-rated 10 p.m. news. In May, the stations tied for top marks in late news, each with a 7.9 rating, although WTVT's share was slightly higher. WTSP's late news was third.

WFTS lags behind, but next fall, it gets the new Martha Stewart show and *Ellen*; in 2007, it gets *Wheel of Fortune* and *Jeopardy!*. Says General Manager Bill Carey, formerly of WCBS New York, "This will put us on the map in a big way." ■



John Wilson and Kelly Ring of WTVT

NEXT: ALBANY, N.Y.

Local Show Makes Waves in Washington

Things have quieted down at WFLA, whose *Daytime*, a weekday 10 a.m. lifestyle entertainment show, caused a storm of protest a couple of years ago. Although the show is separate from the news department, media critics claimed many viewers did not know some segments on the program were paid for by sponsors and complained that *Daytime* looked like a newscast. In 2003, *Washington Post* media critic Howard Kurtz blasted the station over the sponsored segments. Now, says WFLA General Manager Eric Land, such features are "very carefully identified" as ad-supported.

The market supports other local efforts. WFLA entertainment show *The Spot*, hosted by former *Real Worlder* Lindsey Brien, airs after *Saturday Night Live*.

On weekday afternoons, CBS affiliate WTSP airs light-news show *Life Around the Bay*, leading into *Dr. Phil* at 5 p.m. WTVT and WFLA air Tampa Bay Buccaneers pre-game shows.—A.R.

THE DEMOS

WHO	SHARE OF POPULATION	INDEX*
White	88%	107
Black	9%	74
Hispanic	9%	66
Asian	1%	36

*Index is a measurement of consumer likelihood. An index of 100 indicates that the market is on par with the average of the 75 local markets.

SOURCE: Scarborough Release 2004 75 Markets Report

THE King OF CHARLOTTE!



THE KING OF QUEENS

scores a May Sweep **+17%** OVER YEAR AGO!
victory on WCCB! **+14%** OVER LEAD-IN!

Source: NSI, WRAP Overnights+, May 2005 (4/28-5/24/05). HH Rating M-F 7PM. Year ago = May '04 (4/29-5/26/04) TP. Lead-in = 1/2 hr TP.

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WASHINGTON WATCH

Gregg To Head FCC Media Bureau

FCC Chairman Kevin Martin tapped Donna Gregg to be chief of the FCC Media Bureau, the office charged with handling most of the agency's oversight of the TV business. Gregg has been general counsel of the Corporation for Public Broadcasting since 2002. She also has been a partner at the Washington telecommunications law firm of Wiley Rein & Fielding.

This is her second stint at the FCC. She began her legal career as a staff attorney in the commission's former Cable Television Bureau after graduating from Duke University School of Law.

Gregg succeeds Ken Ferree, who ironically is now CPB's acting president. Her deputies will be Roy Stewart and Deborah Klein. Stewart is a 40-year veteran of the commission and has been chief of the Office of Broadcast License Policy since 2001. He was the long-time chief of the old Mass Media Bureau, which oversaw broadcasting but not the cable industry. Klein has been acting Media Bureau chief since Ferree's departure.



Donna Gregg

MediaFLO Making TV Channel Deals

To speed the rollout of its MediaFLO cellphone TV service, Qualcomm has begun striking deals with TV stations occupying ch. 55, where it owns rights to use the channel at the end of the digital transition. Rather than wait until the DTV switch is complete, probably no sooner than 2009, Qualcomm wants the ch. 55 slot vacated as soon as possible.

Qualcomm's first agreements are with owners of WACX Orlando, Fla., and KWDK Tacoma, Wash. Qualcomm has agreed to compensate both the Associated Christian Television System, owner of the Orlando station, and Puget Sound Educational TV, owner of the Tacoma outlet, according to a lawyer handling the deals. The size of Qualcomm's offer is confidential.

The agreement is contingent upon the current owners winning

Public Broadcasting's \$20 Billion Pitch

Advocates push for new revenue source **By Bill McConnell**

PBS President Pat Mitchell and other advocates for public broadcasting are trumpeting legislation in Congress that would create a huge trust fund—perhaps as much as \$20 billion—to provide a ready pool of cash for noncommercial stations as well as libraries and universities.



John Lawson and Pat Mitchell

The trust would be generated from a portion of revenues raised by the federal government's auction of reclaimed TV channels expected in 2008 and other spectrum sales planned in the future. The legislation, dubbed the Digital Opportunities Investment Trust, is sponsored by Rep. Ed Markey, a Massachusetts Democrat who has fought for years to build a pool of money for public broadcasting free from the political whims and budgetary pressures of Congress.

Interest from the trust fund could be used to help stations develop new educational programming and distance-learning technology as well as for digitizing content in libraries and creating worker training and educational software.

The likelihood Congress will earmark so much money for a socially driven mission at a time of growing deficits and escalating costs of war would appear slim. After all, Congress is still debating whether to commit a much smaller sliver of auction revenue to help TV viewers buy equipment needed to keep their old analog TVs working after stations go all-digital.

A BROADER BASE

But Colin Crowell, an aide to Markey, says his boss has, for the first time, lined up bipartisan sponsors for the bill, and by joining up with universities and libraries he has a much broader base from which to build grassroots support.

The reasons behind public broadcasters' wish for an independent source of revenue were driven home last week when a House subcommittee cut 2006 funding for public broadcasting by

\$236 million from last year. Much of the money is expected to be restored by the Senate later, but the budget battle and ongoing political food fight over the GOP's alleged attempt to stamp out liberal programming on PBS has left the government's willingness to support public broadcasting in the future open to doubt.

Even though the trust would not replace the need for annual appropriations from Congress, Mitchell and John Lawson, president of the Association of Public Television Stations, say they are elated by the prospect of a predictable source of funds.

Creating the fund will "provide much needed investment in public service in this country and for helping public broadcasting's digital future plans become public broadcasting's future reality," Mitchell told the National Press Club recently.

"THE BEST SHOT"

The idea of a public broadcasting trust fund has been a goal of noncommercial stations since President Lyndon Johnson created the public broadcasting service in the 1960s. Says Lawson: "This is the best shot we've had in decades, if not ever."

Besides public broadcasters, Markey's most important outside ally is Digital Promise, a coalition of technology executives, university officials like retired Sen. Bob Kerry and famous individuals like *Star Wars* creator George Lucas. Digital Promise has committed itself to developing grassroots and corporate support for the legislation.

Markey's legislation calls for 30% of the proceeds from spectrum auctions to be earmarked for the fund. The TV spectrum sale, which the wireless industry predicts could raise as much as \$30 billion, could on its own generate up to \$9 billion for the trust. Coupled with future auctions, Digital

Promise predicts the fund could grow as large as \$20 billion and generate up to \$1.5 billion a year in interest for digital-age educational projects. Of that, 21%—or \$315 million—would be earmarked specifically for the Corporation for Public Broadcasting to dole out to public TV and radio stations annually. Stations also could compete directly for additional trust proceeds.

Digital Promise is pitching the trust fund as the 21st century version of other massive federal investments in society, such as the creation of land-grant universities in the 1800s and the G.I. Bill after World War II. ■

FCC permission to stop broadcasting on ch. 55 and operate digital-only on ch. 40 in Orlando and on 42 in Tacoma.

Talks between Qualcomm and other broadcasters are underway.

Qualcomm paid the FCC \$38 million for future rights to channel 55 nationwide at an auction conducted by the FCC last summer. However, it can't access the channel in any market where a broadcaster is operating on it or where MediaFLO would create interference to stations on adjacent channels. Whether MediaFLO has potential to hurt TV reception in the Orlando and Tacoma markets is expected to be a major issue in the FCC review of the deals.

To accommodate the federal government's drive to move all broadcasters to digital-only operation, the FCC plans to reclaim chs. 52-69 from broadcasters and auction the frequencies to wireless companies and other providers of new communications services. Other channels in the 52-59 range have already been auctioned in some markets but most still must be auctioned. A bill pending in the House would require the remaining channels to be auctioned in 2007.

Stevens Backs Bells' U.S. Franchise Hopes

Senate Commerce Committee Co-Chairman Ted Stevens wants Congress to boost phone companies' efforts to get into the video business.

Stevens last week gave strong backing to the Bells' drive for a nationwide franchise allowing them to roll out video without lengthy franchise negotiations with 30,000 municipal governments. "We ought to have some kind of national solution," he told telecom lawyers in Washington.

Kyle McSlarrow, new president of the National Cable & Telecommunications Association, endorsed the idea and said it is preferable to an alternative approach the Bells have been seeking—statewide franchises approved by state legislatures.

McSlarrow said statewide franchises could wrongly put cable at a competitive disadvantage. He also said cable and phone-based video providers should pay equivalent state and local fees and taxes.

But local governments are opposed to a national franchise model and statewide franchises because either option would diminish their leverage to negotiate agreements that best serve their communities.



2005

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AMERICA SUMMIT**

*Celebration
of Service*

**June 13th
Ronald Reagan Building
and International
Trade Center
Washington, DC**



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Leadership Through Action Example By Excellence

**Congratulations,
and sincere thanks,
to this year's winners of
the NAB Crystal Radio Awards
and the NABEF Service to America
Awards.**

**Through your active example of
selflessness, you help make our
world a better place.**

Awards Program

Cocktail reception 6:00 pm • Banquet 7:00 pm



Master of Ceremonies

Tony Perkins

Weather Forecaster,
ABC's *Good Morning America*

WELCOME AND INTRODUCTIONS

Marcellus Alexander, Jr., President, NABEF
Master of Ceremonies: Tony Perkins, Weather Forecaster,
ABC's *Good Morning America*

Appetizer

PRESENTATION OF STATION AWARDS

- Service to America Partnership Awards for Television and Radio
- Service to Children Radio Award – Special Recognition
- Service to Children Television Award – Small Market

Entrée and Dessert

McGruff the Crime Dog 25th Anniversary Tribute
PSA Premiere by NAB and National Crime Prevention Council

PRESENTATION OF STATION AWARDS

- Service to Children Radio Award
- Service to Children Television Award – Medium/Large Market
- Service to America Friend in Need Awards for Television and Radio
- Special Tribute to the 2005 Winners of NAB's Crystal Radio Award
- Service to America Television Award

PRESENTATION OF AWARDS

- Service to America Guardian Award
- Service to America Samaritan Award
- Service to America Leadership Award

Welcome Ladies and Gentlemen

The NAB Education Foundation, the National Association of Broadcasters and Bonneville International Corporation are delighted to welcome you to our seventh annual Service to America Celebration. On one special evening each year, we salute radio and television broadcasters and their local partners for outstanding service to their communities.

Tonight we say thank you to broadcasters who have established unique service partnerships with diverse community groups, brought special, creative television programming to children, and who have received the coveted NAB Crystal Radio Award.

In addition to honoring broadcasters, we recognize the Service to America Leadership, Samaritan and Guardian award recipients for their unique efforts to promote social programs, charities and other services that have raised the quality of life for many.

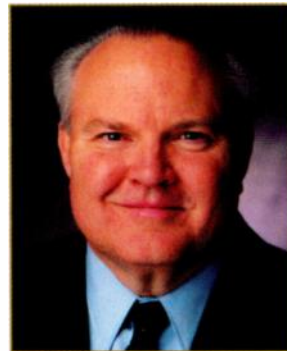
We are honored to show our appreciation to these outstanding individuals tonight.



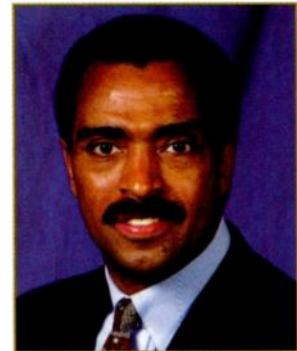
Edward O. Fritts
President & CEO
National Association
of Broadcasters



Philip J. Lombardo
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Leadership Award

The Service to America Leadership Award is given to individuals who have performed extraordinary public service in bettering the lives of others.

Her Majesty Queen Noor



For almost 30 years, American-born Queen Noor has been an international humanitarian activist and an outspoken voice on world peace and justice. Since 1978, she has initiated, directed and sponsored projects and activities in Jordan to address specific national development needs in education, culture, women and children's welfare, sustainable community development, environmental conservation, human rights and conflict resolution. She has worked closely with the United Nations and international organizations to address global challenges in these fields. Many of her humanitarian projects and organizations are based in, or directly involve, the United States. They include:

- President of the United World Colleges, a network of 10 equal-opportunity international colleges around the world, which foster cross-cultural understanding and global peace.
- Chair of the Advisory board of the Center for the Study of the Global South at American University, which examines critical issues affecting developing countries.
- Council of the Near East Foundation, the oldest American private, non-profit development agency dedicated to raising the standard of living of the rural and urban poor in the Middle East and Africa.
- Member of the Baltimore-based International Youth Foundation's Global Action Council – which partners with organizations in the U.S. and other countries to build strategic partnerships among business, public and civil society sectors.
- Member of Advisory Board of Seeds of Peace, a U.S.-based organization that brings children from conflict-torn regions together to break down barriers of prejudice and build mutual respect.
- Trustee for Refugees International, an advocacy organization on behalf of refugees, displaced persons and dispossessed people around the world.
- Board Member of Conservation International, a leader in preservation of global biodiversity, including critical marine and tropical ecosystems.

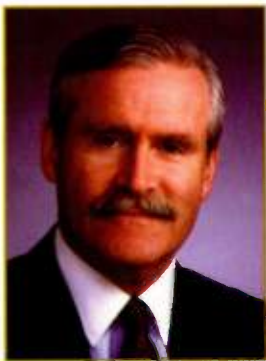
Queen Noor was born Lisa Najeeb Halaby in Washington, DC, to an Arab-American family distinguished for its public service. After receiving a degree in Architecture and Urban Planning from Princeton University in 1974, she worked on international urban planning and design projects in the U.S. and other countries. She married His Majesty the late King Hussein of Jordan in 1978.

Samaritan Award

The Service to America Samaritan Award is given to a broadcaster or organization exemplifying the industry's commitment to use the airwaves effectively in promoting the public interest.

Dennis J. FitzSimons

Chairman, President and CEO, Tribune Company



FitzSimons became chairman of Tribune Company in 2004, one year after becoming chief executive officer. He was named president and chief operating officer in 2001, and elected to the Tribune board of directors in 2000.

FitzSimons is one of five members on the McCormick Tribune Foundation board of directors. Now celebrating its 50th year, the foundation is one of the nation's largest charitable organizations, with combined assets of nearly \$1.5 billion. In 2004, it approved the distribution of more than \$109 million, providing assistance in four major program areas: communities, early-childhood education, journalism and citizenship. Tribune Company broadcast stations and newspapers across the country partner with the foundation in local fundraising efforts to maximize dollars collected for the benefit of their communities. Foundation grants in partnership with Tribune businesses totaled \$43 million last year. Also in 2004, in-kind giving by Tribune broadcast stations and newspapers—primarily television air time and newspaper ad space—totaled \$27 million.

FitzSimons is active with a number of organizations that build stronger communities and help people in need. He serves as a director for both United Way of Metropolitan Chicago and the Big Shoulders Fund, which supports the Catholic schools of inner-city Chicago. In addition, He is vice president of the Off The Street Club, Chicago's oldest boys and girls club serving more than 3,000 children. WGN-TV's annual Bozo Ball, founded by FitzSimons 16 years ago, has been a tremendous success, raising more than \$4.5 million for the Off The Street Club and WGN-TV Children's Charities, a fund of the McCormick Tribune Foundation.

FitzSimons' professional commitments include The Associated Press board of directors, which he joined in April. He chaired the Media Security and Reliability Council (MSRC) for the FCC from 2002 to 2004. He is a member of The Business Council and The Commercial Club of Chicago, where he serves on the Civic Committee. He also sits on the board of Northwestern University and the Museum of Science and Industry.



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**LG Electronics Proudly Applauds
Dennis FitzSimons, Frances Preston and
Her Majesty Queen Noor,
NAB Education Foundation's 2005
Service to America Award Recipients.**

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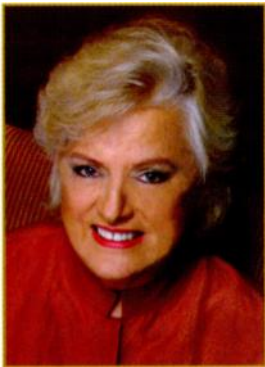


Guardian Award

This year's Service to America Guardian Award honors an individual or organization demonstrating commitment to creating an environment that protects the creative community.

Frances W. Preston

BMI President and CEO, 1986-2004



Frances Preston has truly established herself as a “guardian angel” for songwriters, composers and music publishers worldwide, fighting for decades to ensure that they are adequately compensated for their efforts.

After joining BMI in 1958 and opening a regional office in Nashville, she quickly led the organization to a position of preeminence in the area. Preston was named BMI vice president in 1964, and, under her leadership, the southern operation grew from a staff of two to more than 400. She was appointed senior vice president, performing rights, in 1985 and president and CEO in 1986. Under her leadership, BMI's revenue tripled to over \$673 million.

A well-known figure on Capitol Hill who has frequently testified in support of creators' rights, Preston played a key role in extending copyright protection to older compositions through the Copyright Amendments Act of 1992, and she was instrumental in getting the Sonny Bono Copyright Term Extension Act passed in 1998, extending the copyright term to life of the composer plus 70 years.

Although she retired from her position as president and CEO of BMI in 2004, Preston remains a dynamic force in the music community. She will continue to vigorously fight for legislation to assure fair compensation to BMI's more than 300,000 songwriters, composers and music publishers. She will also represent BMI in its relationships with the International Confederation of Societies of Authors and Composers (CISAC).

Preston devotes much of her time as the non-salaried president of the T.J. Martell Foundation for Leukemia, Cancer and AIDS Research. In 1992 she received the charity's Humanitarian Award. Her involvement led to the creation of the Frances Williams Preston Research Laboratories at the Vanderbilt-Ingram Cancer Center in Nashville.

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Partnership Awards

Service to America Partnership Award - Television

WBNS-TV Columbus, OH – Dispatch Broadcast Group

Partner: Huntington National Bank



A bank invested in people.

For more than seven years, WBNS 10TV Columbus has run “10TV Show You Care,” a community action partnership with Huntington National Bank, to help those who are less fortunate. In addition to devoting more than half a million dollars in airtime to community nonprofits, “Show You Care” has helped the community by running programs like Project Safe Child; The Food Parade, the largest one-day food drive in Columbus; Tools for Schools; the 10TV Family Fund; and “Show You Care and Vote,” which registered 1,600 new voters in 2004.

Service to America Partnership Award - Radio

KLOS-FM Los Angeles, CA – ABC, Inc.

Partner: American Red Cross



**American
Red Cross**

More than 20 years ago, KLOS contacted the American Red Cross and offered to do whatever was necessary to help promote the need for blood donors during the summer months, when the supply is particularly low and the need is crucial. What started out as a one-day, single site blood drive collecting 250 units, turned into a four-day, 16-site event, recognized by many as the largest blood drive in the nation. In 2004, the 23rd annual KLOS Blood Drive set a new record for a multi-day, multi-site blood drive, collecting 6,250 units for the American Red Cross and the Blood Banks of San Bernardino and Riverside Counties.

BMI

PROUDLY SALUTES

FRANCES W. PRESTON



*“THE BEST FRIEND
AMERICA’S
CREATIVE COMMUNITY
EVER HAD”*

ON RECEIVING
THE NAB EDUCATION FOUNDATION

*SERVICE TO AMERICA
GUARDIAN AWARD*

Service to Children Awards

Service to Children Radio Award – Special Recognition

WLTL-FM LaGrange, IL – *Lyons Township High School District 204*



WLTL-FM is a non-commercial, 180-watt radio station, wholly operated by students at Lyons Township High School and broadcasting in a five-mile radius to surrounding communities. WLTL's most intriguing project is Radio ECHO, a partnership with the Ronald McDonald® Children's Hospital of Loyola University Medical Center. Radio ECHO (Every Child Has Opportunities) provides an in-house radio station devoted to the idea that sick kids get well faster when stimulated by music and alternative stress-reducing therapies. Each day from 1 to 8 p.m., Radio ECHO provides live DJs, music, games, contests and story telling for sick children from newborn to age 18. Patients are given opportunities to learn how to announce and help with the broadcasts.

Service to Children Television Award – Small Market

WMAZ-TV Macon, GA – *Gannett Broadcasting*



WMAZ-TV Macon trains the broadcasters of the future with its Junior Journalist Program. "Junior Journalist" reports air each week on 13WMAZ Eyewitness News at 5 p.m. In 2004, students reported on the election process through the eyes of youths. On election night, a Junior Journalist fronted live reports for Kids Vote. During the two-year program, thirteen students ages 10 to 13 learn in the field with WMAZ reporters and report stories produced with WMAZ journalists. The station founded the program in 1996 to help combat Central Georgia's high illiteracy and high school drop out rates.

Billions and Billions

Together We Make A Difference!



Local radio and television stations' public service efforts annually generate

\$9.6 Billion

of community service in the form of public service announcements, fundraising for countless charitable causes and disaster relief



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local broadcasters
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Always there
when you need us.*

National Association of
NAB
BROADCASTERS


local broadcasters
Bringing Community Service Home

Service to Children Awards

Service to Children Radio Award

WBAL Baltimore, MD – *Hearst-Argyle Television, Inc.*



For 22 years, WBAL's "Radio Kids Campaign" has been a year-round effort to raise money for needy children. More than \$3 million has been provided to satisfy the diverse needs of children through summer camps, neighborhood family centers, meals, toys, transportation, wheelchairs, winter clothing, eyeglasses – the list of needs is endless.

WBAL offers ongoing support for the Hampden Family Center, which serves as a safe environment to help get local kids off the streets and into a safe, welcoming environment where they can learn and make friends.

Service to Children Television Award – Medium/Large Market

WAWS-TV Jacksonville, FL – *Clear Channel Television*



WAWS commits a major portion of its community service efforts to literacy issues in a city where 47% of adults are functionally illiterate. The station produces, writes, directs and broadcasts a weekly 30-minute program, "Mayor Peyton's Book Club," hosted by Jacksonville Mayor John Peyton, with help from two fifteen-year-old co-hosts. The programs are designed to bring each of twelve books to life throughout the year, in a fun and instructive way, to help pre-school children get a leg up on literacy. The TV series is a major undertaking and airs the first Saturday of each month, repeating the following three Saturdays.



WXYZ
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It's more than a slogan.
It's our commitment to building
a strong community...

one person at a time.



THE E. W. SCRIPPS
COMPANY

Friend in Need Awards

Service to America Friend in Need Award – Television

WPEC-TV West Palm Beach, FL – Freedom Broadcasting, Inc.



WPEC-TV responded in extraordinary ways to an extraordinary pair of disasters in 2004—Hurricane Frances, which struck Florida in September, followed by Hurricane Jeanne, just 20 days later. Americans everywhere had their eyes on what was happening during these two devastating hurricanes. Hundreds of broadcasters up and down the East Coast went into high gear to warn their citizens. Some, like WPEC, went above and beyond the norm. WPEC led the charge with 102 hours of non-stop coverage, both during and after Frances, and 34 hours for Hurricane Jeanne.

Service to America Friend in Need Award – Radio

WQCS-FM Fort Pierce, FL – Indian River Community College



Prior to the arrival of Hurricane Frances in September, WQCS-FM was already very much engaged in the year's hurricane season. Hurricane Charley had already hit Florida's West Coast and Central sections. With Hurricane Frances threatening, WQCS staff members came to work on Friday, September 3, knowing they would not be returning home anytime soon. They brought blankets and pillows, food, children and pets. The station started wall-to-wall coverage and citizen outreach that night, and continued for seven straight days. They repeated the process when Hurricane Jeanne came to call just three weeks later. More than 15 years ago, WQCS put together a hurricane plan that continues to serve its citizens.

Television Award

Service to America Television Award

WXYZ-TV Detroit, MI – *Scripps Howard Broadcasting Company*



WXYZ demonstrates its commitment to the community by supporting a multitude of civic and charitable causes. Among its best-known projects are the station's four major campaigns, which have helped the needy for two decades. They include "Project Healthy Living" and "Project Healthy Living for Kids," lifelines for people with limited access to healthcare; "Operation Can-Do," providing 1.1 million meals for the hungry in 2004 alone; and "Brightest and Best," which honors 240 graduating seniors at the top of their class in a series of promotional spots that air on the station all summer. WXYZ's "Spotlight on the News" weekly public affairs program is marking its 40th anniversary of exploring local, state and national issues. "Spotlight" played a key role in WXYZ's "Democracy 2004" initiative, with in-depth political coverage.

NATIONAL ASSOCIATION OF BROADCASTERS

Crystal Radio Awards

The NAB Crystal Radio Award recognizes stations for their year-round commitment to community service. Pictured below are representatives of the stations that received the 2005 Awards. NAB salutes these and all stations dedicated to community service.



(Back row:) Paul Tinkle, President/General Manager, WCMT-AM, Martin, TN; Joel Oxley, Senior Vice President, WTOP-AM, Washington, DC; Ric Schmidt, General Manager, KNOM-AM, Nome, AK; Chuck Tweedle, Senior Regional Vice President, KOIT-FM, San Francisco, CA; Francis Nash, General Manager, WUGO, Grayson, KY. (Front row:) Nelkane Benton, Director of Community Relations, KLOS, Los Angeles, CA; Janae Jontry, Station Manager, WJBC, Bloomington, IL; Drew Horowitz, Senior Regional Vice President, WTMX, Chicago, IL; RosAnna Salcido, Director of Marketing and Community Relations, KBBX, Omaha, NE; Julie Koehn, President, WLEN, Adrian, MI.

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CONGRATULATIONS

to the winners of the

2005 NABEF

Service to America Awards

and the

NAB Crystal Radio Awards.

We applaud your

outstanding achievements.

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Award Judges

The National Association of Broadcasters Education Foundation thanks the 2005 Service to America Award judges who graciously contributed their time and knowledge to this event.

Ms. Jacqueline D. Aker

Director Marketing and Publications, Corporation for National and Community Service, AmeriCorps, Senior Corps, Learn and Serve

Mr. Ralph Forsht

Senior Vice President, Government and Community Relations, America's Promise

Mr. Keith Hempel

President, TV Access

Barbara Kreisman

*Division Chief/Video Division, Media Bureau
Federal Communications Commission*

Carolyn Flemming Williams

*Director, Office of Communications Business Opportunities
Federal Communications Commission*



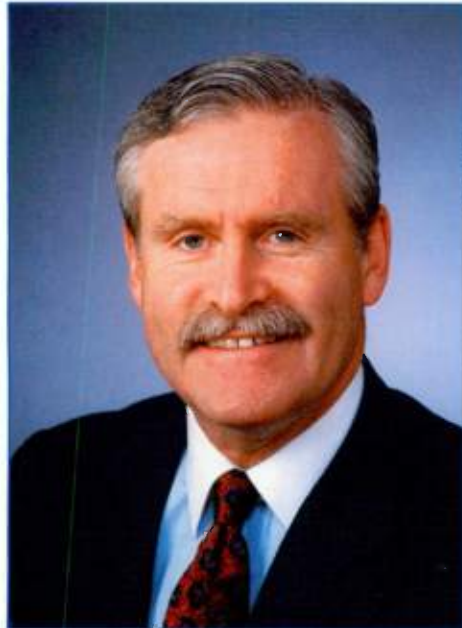
The National Association of Broadcasters Education Foundation (NABEF) is a non-profit organization dedicated to serving the public interest in supporting and advocating: education and training programs, strategies to increase diversity, initiatives stressing the importance of the First Amendment, community service, philanthropy, and other timely broadcasting issues.

For additional information, please call (202) 429-5424, or email nabef@nab.org or visit www.nabef.org.

National Association of Broadcasters Education Foundation
1771 N Street, NW Washington, DC 20036-2800

*Without a sense of caring,
there can be no sense of community.*

- Anthony J. D'Angelo



Dennis FitzSimons

Chairman/President and
CEO Tribune Company

2005 Samaritan Award
NAB Education Foundation

Congratulations to all of the
2005 Service to America Award recipients.
Your unwavering commitment to strengthen local communities
is a testament to the power of free over-the-air broadcasting.

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BROADCASTING

WPIX-TV, New York • KTLA-TV, Los Angeles • WGN-TV, Chicago • WPHL-TV, Philadelphia • WLVI-TV, Boston • KDAF-TV, Dallas
WBDC-TV, Washington, DC • WATL-TV, Atlanta • KHWB-TV, Houston • KCPO-TV & KTWB-TV, Seattle • WBZL-TV, Miami
KWGN-TV, Denver • KTXL-TV, Sacramento • KPLR-TV, St. Louis • KWBP-TV, Portland • WXIN-TV & WTTV-TV, Indianapolis
KSWB-TV, San Diego • WTIC-TV & WTXN-TV, Hartford • WXMI-TV, Grand Rapids • WPMT-TV, Harrisburg
WGNO-TV & WNOL-TV, New Orleans • WEWB-TV, Albany • WGN-AM, Chicago • Tribune Entertainment • Superstation WGN

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Work and Play

Industry folk gather to celebrate launches and achievements

TNT partied at New York's American Museum of Natural History after the premiere of Steven Spielberg's *Into the West*. HBO Video feted the release of *The Sopranos: The Complete Fifth Season* on DVD at Manhattan's English Is Italian restaurant.

On the West Coast, celebs and industry execs took to the links at the Museum of Television & Radio Celebrity Golf Classic at Sherwood Country Club, Thousand Oaks, Calif. And MTV handed out its 2005 Movie Awards.



1 *Into the West*'s Josh Brolin (l) and Rachel Leigh Cook and executive producer David Rosemont at the limited series' East Coast premiere after-party
2 *Frasier*'s David Hyde Pierce helps author Joan Baker launch her book *Secrets of Voice-Over Success*.
3 Capital Research & Management's Gordon Crawford (l) and *The O.C.*'s Peter Gallagher ponder the next hole at the

Museum of Television & Radio golf tournament.
4 TBS/TNT's Steve Koonin (l), Time Warner's Jeff Bewkes (c) and TNT's Michael Wright celebrate the *Into the West* premiere.
5 Nicole Kidman presents one of MTV's 2005 Movie Awards.
6 PROMAX&BDA's Jim Chablin (r) delivers the first award-winning promos inducted into the Library of Congress to Library of Congress exec Gregory Lukow.
7 *The Sopranos*' James Gandolfini (c) joins HBO Video's Henry McGee and Cynthia Rhea for the HBO series' latest DVD release.



PHOTOS: 1. Jemal Countess/WireImage.com; 2. Tito Catalano/PhotoCrate.com; 3. Paul Lester/MLA; 4. Patrick McWhelan; 5. Rebecca D'Angelo; 7. Dave Meca/StarPic

A person in a dark suit is seen from behind, looking at several computer monitors in a control room. The monitors display various images, including a close-up of a bird's head and a crowd of people. The scene is dimly lit, with the primary light source being the screens.

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Nielsen

Turned off by high fees and faulty service, TV-station owners in small markets are going without ratings

Gets Dumped

BY ALLISON ROMANO

KNWA, the NBC affiliate in Fayetteville, Ark., has a lot to offer advertisers: a booming population, a thriving local economy and hot syndicated fare like *Seinfeld* and *Fear Factor*. But when it comes to the most fundamental question in the TV business—how many people are watching?—KNWA salespeople can't answer. The Nexstar Broadcasting-owned station does not subscribe to Nielsen Media Research's ratings. Last fall, KNWA made a radical move: It dumped Nielsen.

"People don't think the world can exist without Nielsen, but it can," says General Manager Blake Russell. "We live in a world of estimates now. Why should I pay for something that is flawed?"

Spurning Nielsen seems almost unthinkable in an industry for which the company's ratings are the universal currency. Every company in the TV business relies on Nielsen data to set rates for the \$60 billion in advertising revenue the medium generates each year. Ratings determine which shows stay on or get canceled. And local stations stake their reputations on the market positions that Nielsen reports.

AN ARCHAIC SYSTEM?

But as the media world becomes less dependent on traditional advertising, stations feel more emboldened to drop what they feel is an archaic system. Now a small band of stations, including KNWA, has had enough. Upset over the price and quality of the Nielsen ratings, at least three dozen stations in cities from Little Rock, Ark., the No. 59 market, to Wichita Falls, Texas, the No. 143 market, are canceling their Nielsen subscriptions. "Their methodology is fraught with significant problems," says KVAL Eugene, Ore., General Manager Dave Weinkauf. "The media community is so inextricably tied to a faulted methodology that the only way not to deal with it is to come up with some new tools."

The stations say new technology—such as the data gleaned from digital cable boxes—promises to one day complement or replace Nielsen ratings. For the moment, though, they are content to resort to cheaper methods they say are just as efficient, from compiling local survey data to polling viewers. In Anchorage, Alaska,

a few years ago, CBS affiliate KTVA contracted a local research company to devise a Nielsen alternative that comprised 1,000 Alaskan viewers. "Advertisers bought into it," says station consultant Scott Tallal. "It seemed to be much more reflective of what was happening in the market." (KTVA has since been sold and again subscribes to Nielsen.)

The big problem for stations is that Nielsen has no competition. One of the most high-profile attempts to compete was Statistical Research Inc.'s SMART system. Networks and advertising agencies put up \$60 million to get the system, which featured advanced measurement technology, off the ground. But when the project needed more investment, both sides walked away. More recently, radio-ratings company Arbitron, which once measured local-TV ratings, has re-entered the scene and, with some support from Nielsen, is testing a portable ratings device in Houston. But its viability remains to be seen. "Everyone wants there to be another player," says TV-station consultant Seth Geiger, of SmithGeiger, "but no one wants to step up and pay the freight."

Still, high-profile defections could be costly for Nielsen. Several large stations' dumping the service could undermine confidence in the company and create

that, 43% came from Nielsen's local-ratings measurements. Since small-market stations pay the lowest fees to Nielsen, the defection of three dozen would result in only about \$2 million in lost revenue for Nielsen per year.

Nielsen says that, while some stations have severed relations, there has been no mass desertion. "It is the normal course of business," says a company spokesperson. "Sometimes they decide to cancel their contract, and, down the line, they may decide to sign back up."

The latest wave of protest is led by Nexstar Broadcasting, which owns and

operates 46 stations in 27 small and midsize markets. Over the past several years, the company has been whittling down its Nielsen accounts. Only three Nexstar markets—Springfield, Mo., Lubbock, Texas, and Hagerstown, Md.—still buy Nielsen data, and, when their deals expire, they will not renew, says Senior VP Brian Jones. That will make Nexstar the only major station group to spurn Nielsen altogether. Jones cites Nielsen's high prices and rate increases as the reasons for the defections: "They placed a value on the product that we are not willing to pay."

To get their hands on Nielsen data, stations pay handsomely—and unevenly. A small-market station might plunk down \$50,000 a year, while broadcasters

COVER STORY

"The media community is so inextricably tied to a faulted methodology that the only way not to deal with it is to come up with some new tools."
DAVE WEINKAUF, KVAL EUGENE, ORE.

a public-relations nightmare. The ratings giant has come under increasing fire from TV stations and their corporate parents protesting its methodology and results. Nielsen's new electronic system, the local people meter (LPM), undercounts minorities and younger viewers, say its toughest critics, and the older system of paper logs, or "diaries," is simply inadequate for a nation of 109 million TV homes. For its part, Nielsen stands by its products and has said it is making improvements by investing in new and better technologies.

So far, the lost customers have hardly affected Nielsen's bottom line. The division of Dutch media company VNU takes in an estimated \$274 million selling its local ratings data to more than 1,000 stations in 210 markets. In 2003, Nielsen Media Research logged an estimated \$637 million in sales, according to Independent Minds, a European financial-research company. Of

in the largest cities pay upwards of \$1 million per year. To attract new clients, such as local cable systems and advertising agencies, Nielsen often offers discounted rates. Even within a market, stations pay different fees. For years, UHF stations received a discount because their reach was less than that of VHF stations. With cable and satellite penetration now at 80%, most stations have blanket coverage throughout their market despite signal strength, but the price differences remain. Large broadcast groups negotiate discounted fees.

Small-market outlets are hardly alone in their Nielsen gripes. In the top markets, such as New York and Los Angeles, stations are coping with the debut of the LPM. Under the new system, ratings for younger viewers, minorities and large families have dropped, and overall viewing of broadcast stations is down. Earlier this month, 17 groups banded together to pressure Nielsen



to delay rolling it out to new markets until the results are approved by the Media Ratings Council, an independent overseer that audits Nielsen's ratings. The ratings giant announced a 30-day stay in launching LPMs in Philadelphia and Washington, originally slated for June 2. Nielsen plans to expand LPMs to Detroit, Dallas-Fort Worth and Atlanta by the end of next year.

GETTING NIELSEN'S ATTENTION

By canceling their subscriptions, stations get Nielsen's attention—and changes often get made. Univision's largest stations—New York, Chicago, Los Angeles and San Francisco—went without ratings for at least six months before the Spanish-language broadcaster finally signed a new deal with Nielsen last week that includes LPM measurement in top markets and improvements in the sample (see related story on page 10).

In the remaining 200 markets, Nielsen's diary system will continue, and stations must wait for demographic data until "sweeps" months—February, May, July and November—when Nielsen mails out diaries for its participants to record their individual viewing.

With diaries, many station executives complain, the samples are too small to glean accurate measurements. A midsize market might rely on 500 diaries. Denver, the 18th-largest market with 1.4 million TV homes, uses about 1,100. Another problem, industry executives say, is that response rates are often low, skewing the data. In a small market, a handful of diaries are used to determine ratings for an entire demographic. To increase the sample, though, stations would have to pay even more to Nielsen.

John Tupper, owner of KXND Minot-Bismarck, N.D., canceled his Nielsen service mid-contract five years ago. He says youth-oriented networks like Fox are hindered because younger viewers are less likely to fill out their logs. Ratings in metered and LPM markets, he notes, are better. If Nielsen improved the sample, Tupper says, he would consider subscribing

again. "Now it works against me and devalues the product I have to sell."

The latest assault on the diary system came after the February sweeps. Some Nielsen participants in Anchorage, Alaska, Palm Springs, Calif., and Tucson, Ariz., did not receive their weekly diaries in the mail—the usual procedure—and others got them late. The confusion resulted in lower-than-normal responses. In Tucson, for example, top-rated CBS affiliate KOLD's average prime time mark dropped 25%, to a 5.4 rating in adults 25-54, compared with the year-ago period. NBC affiliate KVOA and ABC outlet KGUN saw similar declines.irate, some stations demanded Nielsen retract the ratings book or send letters to advertisers. In a letter to clients, Nielsen said the problems did not affect the overall month and should not be thrown out. The company blamed a postal subcontractor for the missing diaries and said it would switch carriers and send out more diaries for the May sweeps.

In Anchorage, KIMO General Manager Sean Bradley was so frustrated that he now plans to drop Nielsen when

"I can help an advertiser make a business decision, as opposed to saying my news has more viewers than their news."

Local clients, who have relationships with their broadcasters, may take time to learn and adjust to a new system. National ad agencies may not have the time or the inclination, buyers say. "It creates more work for a buyer," says Donna Lee Peters, a local-media buyer with Pivec Advertising who buys time in Mid-Atlantic markets. "If a station is a market leader, then people will still want to be on that station. But, for a third- or fourth-placed station, someone might not want to take the extra time."

Tribune Broadcasting President Patrick Mullen has been an outspoken critic of Nielsen's LPM system, but he still can't imagine doing business without the data. "Their ratings are the only currency," he says. "To not have access to that information would put a station in a difficult position to negotiate with clients."

Still, several local-broadcast executives say they're monitoring the experience of Nexstar and other Nielsen-

"It is the normal course of business. Sometimes they decide to cancel their contract, and, down the line, they may decide to sign back up." NIELSEN SPOKESPERSON

the station's contract expires next year. He says Nielsen has fallen short of its contracted sample in Anchorage several times before. "If we grossly underperform, our clients seek restitution," he says. "But if Nielsen grossly underperforms, they blame it on a postal vendor."

Bradley is accustomed to life without Nielsen. His company also owns stations in Fairbanks and Juneau, Alaska, that no longer receive ratings. The Fox affiliate in Anchorage, where he previously worked, was also Nielsen-free for a time. Alaska stations can survive without Nielsen, he says, because their advertiser base is mostly local businesses, as much as 85%, whereas most stations in the lower 48 have a more even split between local and national advertising. With so many advertisers nearby, he says, KIMO salespeople can spend time presenting alternate data.

But most media buyers still want to use ratings to negotiate price and hold stations to delivery estimates. In lieu of Nielsen, stations try to base price on supply and demand. For example, if they have the marquee programs or a market's favorite anchor team, they should be rewarded with higher rates. If a Fox station has one spot to sell on *American Idol*, it wants to set the price and let competition for the ad time determine the cost. The rating point is not factored into the discussion. "These are more effective ways to sell," Nexstar's Jones says.

free stations, looking to the impact on their business. So far, Jones says, Nexstar's ad sales are strong as ever.

LIFE WITHOUT NIELSEN

In place of Nielsen, stations have assembled qualitative data sources they consider viable alternatives. Some buy reports on their markets from Simmons Research, Media Audit and The Media Center. These surveys cover a range of topics, including buying habits, technology use and TV viewing. Unlike Nielsen, which asks its participants to record as they watch TV, these services ask viewers in phone interviews to recall what they have watched.

Although stations may not pay for Nielsen, they are hardly in the dark on their ratings. Advertising agencies that buy ratings see the data, as do the stations' competitors. Local newspapers and trade magazines often report selected results. Under copyright laws, however, the Nielsen-free stations are not permitted to use ratings in their sales proposals or materials. In interviews, most station execs declined to even discuss their market positions, although they surely know them.

It takes time to wean station staffers off ratings. KNWA's sister station in Rochester, N.Y., WROC, split with Nielsen after last November sweeps, but VP/General Manager Marc Jaromin still keeps an eye on Nielsen numbers. He says the CBS affiliate always used to notch above-average ratings for network programming, so national ratings provide a barometer. For major sports events, such as the NCAA Tournament and Buffalo Bills games, he checks ratings in nearby Buffalo, N.Y., and Pittsburgh to gauge the audience's appetite.

But not having the ratings hasn't hurt sales, Jaromin says. "We're above where we were last year, and our share of market revenue is up. In a year the market is down, that's not bad." ■

al with it is to come up with some new tools."

NIELSEN SUBSTITUTES

For stations that cancel their ratings subscriptions here are a few alternatives to aid in advertising negotiations:

■ GUT INSTINCT

Station managers rely on supply and demand, pushing for premium pricing on their most popular shows.

■ THE MEDIA AUDIT

Market surveys follow TV viewing, media usage and buying habits.

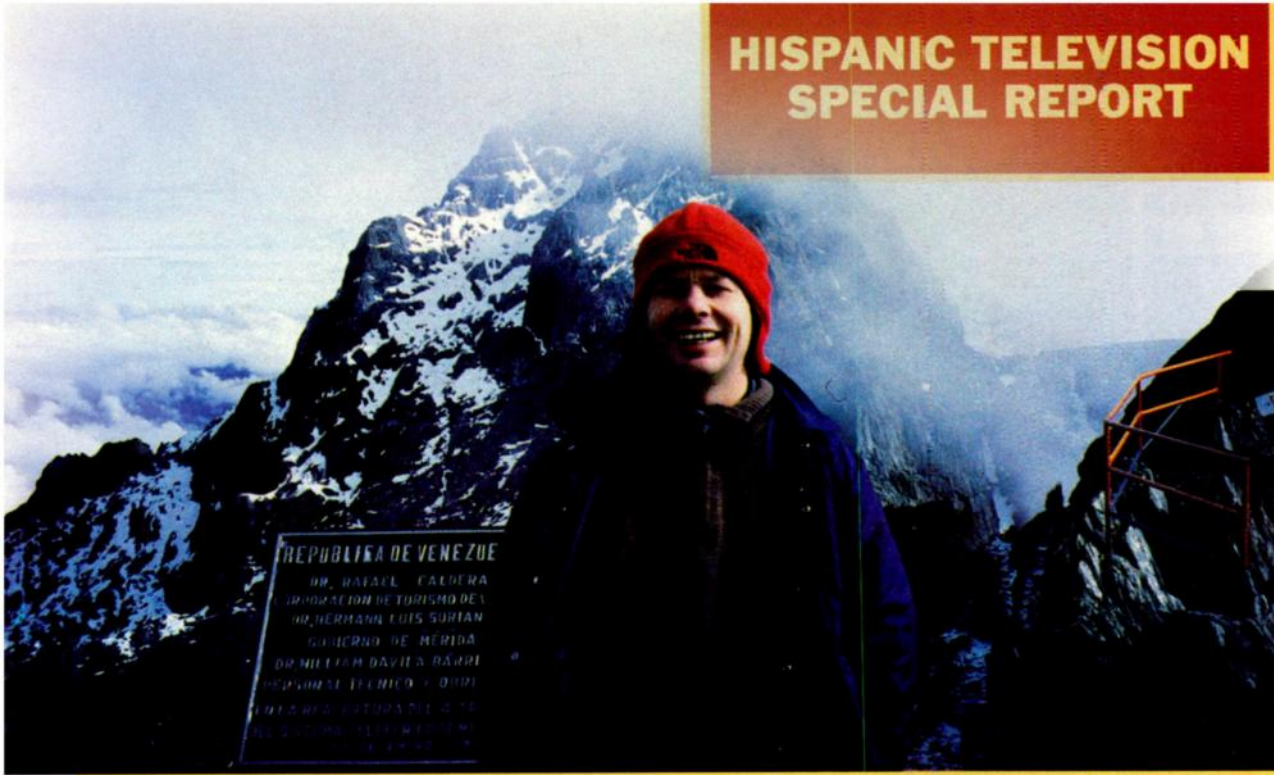
■ THE MEDIA CENTER

Research and consulting firm charts consumer behavior and advises clients on media integration.

■ SIMMONS MARKET RESEARCH BUREAU

Media research giant tracks consumer use of more than 8,000 brands.

SOURCE: B&C research



Travel shows like *Globe Trekker*, with host Ian Wright, would likely be shown on Discovery's new Hispanic channel, *Viajar y Vivir*.

Niche Plays

Discovery's new Spanish-language channels have tight focus **By Paige Albinak**

Hispanics comprise the most rapidly growing demographic in the U.S., so it is no surprise that Discovery Communications is adding two new Spanish-language channels in an attempt to capture a part of that potential audience goldmine.

The two new networks—Discovery Kids en Español and Discovery Viajar y Vivir (Travel and Living)—target two niche programming areas that Discovery believes aren't well-served: children and women.

"On most of the Spanish-language channels out there, you see a lot of general entertainment, soap operas and variety types of programming. And as far as sports, it's mostly soccer," says Luis Silberwasser, general manager of Discovery Hispanic Networks, located in Miami. (Its parent is based in Silver Spring, Md.) "Hispanic women can watch a lot of *telenovelas*, but otherwise there's nothing else out there for them."

Silberwasser knows the demos. "This is a very exciting segment within the U.S. Hispanics are the fastest-growing demographic in the market, and they are attractive in that they are younger people with larger families," he says. "And their income level is growing, so their purchasing power is getting to significant levels."

Over the past 50 years, the Hispanic population in the U.S. has increased from 4 million to more than 35 million, according to BIA Financial Network (see story on page 22)—an 800% increase. What is more, Hispanic purchasing power is growing three times faster than the overall national rate and by 2010 is expected to leap to \$1 trillion annually from \$700 billion today, according to a report released last month by Hispanic Business Inc.

Both new Discovery channels will launch in test mode on June 17, the day of Discovery's 20th anniversary, but won't be fully operational until Sept. 1. Thus far, Discovery has announced no clearance deals, although Silberwasser says several are in the works.

The channels will likely run on the same cable and satellite tiers as Discovery's flagship Spanish-language channel, Discovery en Español. Most cable operators, in an attempt to compete with satellite-

TV providers DirecTV and EchoStar Communications, are offering Spanish-language tiers or bundles—in the majority of markets—at prices between \$25-\$30.

WILL ADVERTISERS NIBBLE?

"The program offerings for Hispanics are not that robust," Silberwasser says. "The penetration of all these tiers is between 15% to 20% of all Hispanic households, and that's clearly below where it should be. There are not a lot of very good and diverse options in terms of programming out there, in terms of content."

But there is some cynicism about new Hispanic networks, too. "I don't find a need for it yet. I think we have enough product out there," says Manny Rodriguez, a Hispanic-media planner for Boston-based Hill Holliday's Hispanic division in Miami. "We know what the Hispanic market is watching—Univision. There's enough product there to satisfy the whole family. If not, you have alternative programming on the other two TV networks: Telemundo and Telefuturo."

Rodriguez also says that there is no need for a Hispanic kids network because most Hispanic kids in the U.S. are acculturated and therefore watching English-language television.

Some of the country's biggest advertisers—McDonald's or Pepsi, for example—have the budgets to advertise on all these niche channels, but Rodriguez says his clients tend to have smaller budgets and can't spread them everywhere. So most will stick with Univision, which claims around 60% of the market.

But cable systems are increasingly offering subscribers better deals to add Hispanic tiers, so it is a hot programming market. "It's more competitive, so prices are getting better. And penetration is starting to grow significantly," Silberwasser says.

Discovery Viajar y Vivir will provide shows on travel, lifestyle, cooking, well-being, design, decoration and home—"all areas of programming that are not being done today in the Hispanic market," Silberwasser says.

"The fact that a lot of the Hispanics in the U.S. are immigrants, whether first or second generation, means

there's a lot of back and forth going on," Silberwasser adds. "Hispanics want to be able to see what's going on in the countries they are from. So we'll do a lot of things about Mexico, Latin American countries and Spain. Some people will use it to get a taste for travel, and some will travel vicariously. We also plan to do a lot of shorts on U.S. cities that are important to U.S. Hispanics, such as Miami, St. Augustine and San Antonio."

"TRANSCREATED" PROGRAMMING

Programs already planned for Discovery Viajar y Vivir include *Casas*, which Silberwasser says will visit "exceptional homes, haciendas and estates of Latin America," and *Aventura Musical (Sink or Swim)*, in which host Jamie Aditya attempts to perform some of the world's most difficult music and dance routines.

Most of the channels' programming will be what Silberwasser calls "transcreated."

"Programs are completely done in English from an original perspective, and then they are dubbed in a careful way with the graphics changed to Spanish," he says. "It's a very careful level of 'transcreation.'"

Discovery will soon "start creating a lot of shows for the U.S. Hispanic market using U.S. Hispanic talent," Silberwasser adds. "The idea is that we will have more programming that is original and exclusive and hasn't yet run on Discovery en Español in the U.S. Now that we're here in Miami and continually investing in this market, we'll be able to partner more often with our Latin American group to jointly create new productions."

Discovery Kids en Español will be targeted to preschoolers in the morning, tweens in the afternoon, and kids and their parents at night. "It's intended for the Hispanic family to watch with their kids," Silberwasser says, "and that's a very big need in Hispanic families."

Hispanics are searching for ways to keep Spanish in the family, as their kids learn English at school and stop speaking Spanish outside the home. Discovery Kids en Español has already slated Spanish-language shows such as *Save-Ums*, an animated program for preschoolers about a team of baby superheroes; *Truth or Scare*, a show for tweens that explores unexplained phenomena; and *Growing Up Wild*, a nature show for the whole family.

LITTLE U.S. COMPETITION

The new Spanish-language kids channel competes with ¡Sopresa!, based in Fort Worth, Texas, which offers Spanish-language kids and family programming to 1 million viewers, says Christopher Firestone, executive VP of operations for Firestone Communications. He welcomes Discovery Kids en Español.

"It validates the space from a large corporate standpoint, and it helps sell the overall Hispanic tier or bundle," he says. "And there are certainly different types of approaches to programming for the Hispanic demographic."

Otherwise, Spanish-language kids programming mostly consists of secondary audio program (SAP) feeds of Nickelodeon, Cartoon Network or The Disney Channel, with some Spanish-language video-on-demand available.

Nickelodeon is running Nick en Español on select Cablevision systems, with four hours of original Spanish-language programming. And Nicktoons offers SAP options on 70% of its programming, including *SpongeBob SquarePants*, *Jimmy Neutron* and *Rugrats*, says a Nickelodeon spokeswoman.

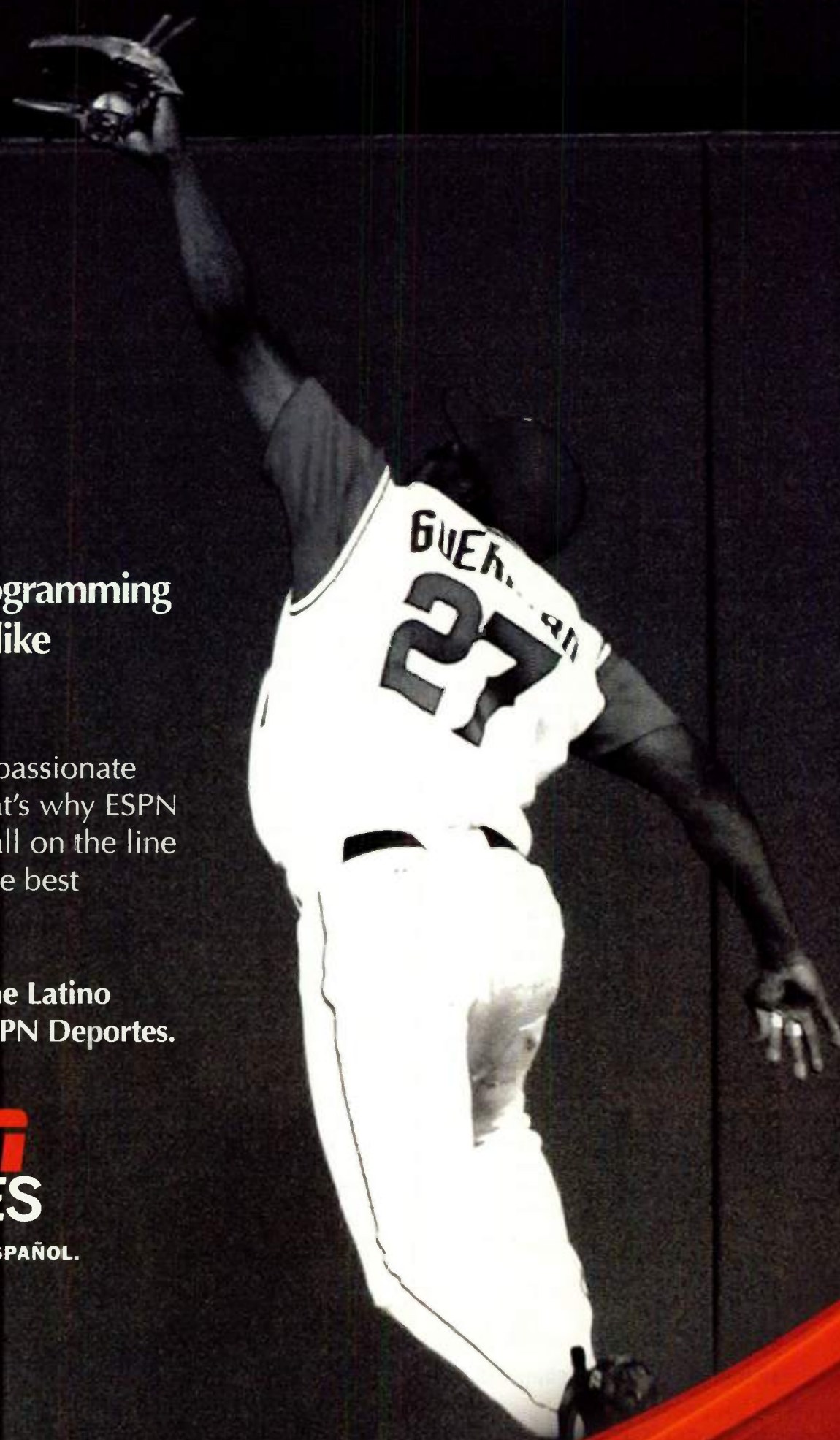
While Discovery is interested in expanding to the U.S. Hispanic market, it knows its limits, Silberwasser says: "The feeling is that our Hispanic offering will always have fewer channels than our Anglo offerings. We are somewhat constrained by operators' digital or satellite capacity." ■



Luis Silberwasser



Save-Ums creature



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Look Who's Talking

Usually reticent Univision finally starts to tell its story **By Kevin Downey**

The notoriously press-wary Univision Networks is becoming decidedly more loose-lipped during the ongoing Spanish-language upfront, when advertisers are expected to spend \$930 million for commercial time on its three networks, which also include TeleFutura and Galavisión.

"We have an exceptional story to tell, and we want everyone to hear it," says Tom McGarrity, co-president of network sales at Univision Networks. "We've stepped up our efforts to make sure our national advertisers, both current and prospective, fully recognize the opportunity that only the Univision networks provide."

For journalists, covering Univision is often frustrating because, from the corporate suites down to the station level, the network's executives usually won't discuss even mundane matters. Partly behind Univision's new stance is increasing press coverage for competitors such as NBC Universal's Telemundo, the small-but-growing Azteca America, and dozens of cable networks like Fox Sports en Español, Discovery en Español and the English-language Si TV. All are vying for a bigger piece of the \$1.2 billion that advertisers are projected to spend during the upfront.

But another explanation for Univision's newfound chattiness—and its ongoing ad campaign—is that its ratings this year and in the recently concluded broadcast season are a tad too good to leave unnoticed.

Univision's prime time audience in the 18-49 demographic this past season grew 22% over the prior season, to an average 2.02 million people, according to Nielsen Media Research.

Univision ranked No. 5 for the season among all networks, outpacing The WB and UPN.

"PHENOMENAL NUMBERS"

Much of Univision's ratings growth stems from two prime time *telenovelas*, *Rubi* and *Amor Real*, which pulled record audiences earlier this year. Most *telenovelas* air without repeats every weeknight for about 20 weeks. The *telenovelas* that have replaced *Rubi* and *Amor*—*Apuesta Por Un Amor* and *La Madrastra*—are also generating big ratings.



Gloria Estefan glowed at Univision's *Selena Vive* tribute.

Apuesta has lifted Univision's 18-49 audience 33% from last year in the 8 p.m. time slot, while *La Madrastra* has increased the 9 p.m. audience by 41%.

Univision also got a boost from specials like *Selena Vive*, a concert celebrating the life of the Tejano singer on the 10th anniversary of her murder. The special, which aired in April, pulled a 35.9 rating among Hispanic

households, becoming Univision's highest-rated special ever.

"What really drives their reach is their prime time, where they had hit *novelas* like *Rubi*, which did some of the most phenomenal numbers of any *novela* ever on the air," says Marla Skiko, media director at Tapestry, the multicultural division of Starcom MediaVest Group.

"They were able to follow that up with *novelas* that are continuing to do well. And they're doing this in a year where they have the World Cup [soccer tournament], so more viewers will probably tune in because they'll do a lot of promotion on the World Cup and the programming surrounding it."

Univision's airing of the last World Cup in 2002 attracted some 35 million viewers. The network is also rolling out other high-profile programs, including its first broadcast of the Latin Grammy Awards.

Univision-owned TeleFutura's 18-49 audience was flat at 389,000. But Univision estimates the young-skewing network's 18-34 audience was up 5%, to 256,000.

"There have been specific nights when TeleFutura has surpassed [Telemundo] on a total-day basis and on a daypart basis," says David Wolfson, senior VP of network research at Univision Networks. "It's on a track that is very positive, meaning we don't see that it's going to stop."

TELEMUNDO DECLINES

Univision's main competitor, Telemundo, posted a 9% decline among 18-49s during the broadcast season. However, it ranked a solid No. 2, with an average of 529,000 viewers.

Tapestry's Skiko says Univision's performance this year is beneficial to advertisers because it forces the network's competitors to step up their game.

"This is great because, obviously, we have a strong reach vehicle [in Univision]," she says. "There is limited competition, but it makes Telemundo work harder to maintain their share." ■

Little Azteca Grows Up

Nielsen status means it now plays with the big boys



La Academia is an Azteca hit.

Fledgling Hispanic network Azteca America is taking a major leap toward competing with Spanish-language giants Univision, TeleFutura, and NBC Universal-owned Telemundo for viewers and advertising dollars by subscribing to the Nielsen Hispanic Television Index.

The three-year-old network, owned by Mexican production company TV Azteca, expects to grow its penetration of Hispanic homes from roughly 66% to 70% by October. Although that is still short of Univision's 98% penetration, Telemundo's 92% and TeleFutura's 85%, reaching the 70% mark is the first of two steps Azteca must take to be considered a full-broadcast network by Nielsen.

The other step is completing negotiations with Nielsen on a more costly subscription.

Most of Azteca's continued growth comes from deals with DBS provider EchoStar, and Comcast and Time Warner Cable. Azteca also plans to add a broadcast station in El Paso, Texas, which will put it in all of the top 15 Hispanic markets and raise its number of affiliates to 40.

Forecasters estimate \$1.2 billion in the Hispanic upfront, up about \$100 million from a year ago. "In our first upfront, we closed 18 clients; in our second, we closed 62; and our goal this upfront is at least 140 clients," says Carlos de la Garza, president of sales and marketing for Azteca America.

When Azteca becomes a full-service network, its ratings will be reported by Nielsen alongside those for the Big Three Spanish-language networks. That should dramatically increase its profile among advertising decision-makers. Perhaps of greater importance than added exposure, says de la Garza, is that Azteca will most likely end up on agencies' computer ad-buying optimization systems, which crunch a combination of Nielsen ratings and ad prices to generate the best schedules for buyers.

Azteca accounted for roughly 3% of Spanish-language TV's prime time audience in the just-concluded broadcast season. Next fall, its programs include *Los Sanchez*, described as a Hispanic version of *The Beverly Hillbillies*, and a second season of its *American Idol*-type hit *La Academia*. This season will feature only U.S. Hispanic contestants—K.D.

Laura Unshackled

Telemundo's wild talk show will make VOD history next month

Telemundo's *Laura*, a confounding combination of syndication's combative talk show *Jerry Springer* and the feel-good *Oprah Winfrey*, next month becomes the first Spanish-language television series to be released on video-on-demand and pay-per-view. A DVD release may follow later this year.

Laura features frank talk on women's issues, like *Oprah* does. And when host Laura Bozzo brings on guests, she is often witness to heated arguments that turn into wild, *Springer*-style fights.

Four uncensored versions of *Laura* are set to be released on VOD and PPV, with *Laura Sin Censura* (*Laura Uncensored*) coming out July 1. A second installment is set for September, while the remaining two will likely come out next year. (*Springer* also sold "uncensored" videos.)

The videos are produced by NBC Universal's Telemundo and shot in Peru, in the studio where Bozzo lives. There is quite a backstory there, too, but here the comparison is to

Martha Stewart: Bozzo has been working while under house arrest since 2002 for accepting money from a suitor who prosecutors say swiped the loot from the Peruvian government. She is expected to be released next month.



Laura Bozzo

Airing on Telemundo since shortly before NBC acquired the network in 2001, *Laura* this year averages about 1.1 million viewers in its 4 p.m. time slot, according to the network, with a 3.5 rating among Hispanic women 18-49. It is consistently Telemundo's highest-rated talk show.

Strong ratings partly explain *Laura*'s release on VOD and PPV, says NBC Universal Cable VP of Marketing Lynette Pinto. But so do the antics *Continued on page 22*

mun2



stay tuned...

Grande Totals

Spanish-language stations are the bright spot in local TV

While there has been little good news for broadcast television over the past several years, Hispanic-network-affiliated TV stations are the notable exception. Univision, TeleFutura, Telemundo and Azteca America continue to expand, increasing the number of outlets in many areas and entering markets that previously had no such Spanish-language stations.

The power these stations now wield is due to the explosive growth in the U.S. Hispanic population and the demand by advertisers to reach this market, causing revenue at Spanish-language TV stations across the country to increase more rapidly than in the overall industry.

In 1950, the Hispanic population in the U.S. numbered only 4 million. By 2000, it had reached 35.3 million, an 800% increase over the 50-year period. In every 20-year period since 1950, the Hispanic population has more than doubled. And the important 18-24 demographic makes up nearly 13% of the Hispanic population, compared with 10% of the Caucasian population.

As a result of this phenomenal growth, U.S. Hispanics constitute a majority, or a very significant percentage, of the audience in many TV markets, and they are having a major impact on how stations operate and expand.

Like the population, the number of stations affiliated with a Hispanic network has soared over the past five years. In 2000, 87 television stations operating in 44 markets were affiliated with one of the Hispanic networks. By 2005, that number had increased to 151, a 56% upsurge, and the number of markets had risen to 53. With these changes boosting the stations' audience and revenue, Hispanic stations

have become more important in many markets.

These developments have not escaped the attention of local retailers and advertisers, who are intensely interested in reaching this important group of viewers. This segment has been one of the strongest in an otherwise lackluster local TV marketplace in recent years, which will cause these stations to continue growing in importance.

ATTRACTIVE TO CABLE

Interestingly, in some of the markets with Hispanic-network stations, no full-power unaffiliated stations are available. In fact, nearly half—73—of Hispanic affiliates are either Class A or low-power stations. Not operating at full power does not hamper these stations because many are carried on local cable systems. Operators, recognizing the importance of this demographic, are looking to provide more Hispanic programming and are willing to offer cable carriage.

So in some ways, Spanish-language stations have a reality that seems the opposite of existing English-language stations. While broadcast-network affiliates are losing viewers, Hispanic stations are gaining, and, while network affiliates have to fight for cable retransmission deals, cable operators want to carry Hispanic stations.

Full-power Spanish-language stations saw their share of local commercial audiences rise from 7.2% to 8.2% in the 2000-04 period. Some of them attract audiences much larger than the average: KLDO Laredo, Texas, attracts 45% of the viewers of local commercial television stations; KINT El Paso, Texas, draws 25%.

Similar success has occurred in building revenue at historically low-income-producing stations. BIA Financial Network estimates that full-power affiliates of Hispanic networks saw their share of local advertising revenues increase from 5.9% to 7.3% between 2000 and 2004. Some of them generate substantial sums: KMEX Los Angeles takes in an estimated \$130 million; WXTV New York takes in \$79.2 million.

For the stations as a group, revenue growth has been remarkable. As a chart on this page indicates, not only has the improved revenue position of Hispanic-

network affiliates improved, but there have been steady increases in the number of such stations.

Moreover, in 12 of the 53 markets with Hispanic-network affiliates, those stations garner revenue shares of more than 10%.

As newer Hispanic stations establish themselves, there will increasingly be more markets in which more than 10% of TV revenues goes to Hispanic television. Although the number of affiliates may not grow as fast as in the past, the audiences attracted to these stations, as well as the revenues generated, will see a substantial increase. In fact, total revenues generated by these stations should continue to outpace the growth of the entire local television market by 2% to 4%. The Hispanic market should continue to be the shining light of local TV. ■

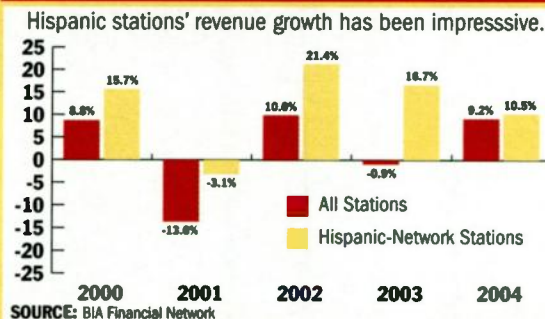
Fratik is a VP of BIA Financial Network, a financial and strategic advisory firm serving the media and communications industries.

RESEARCH EYE



By Mark Fratik

GROWING FAST



TOP MARKETS IN 2004

Ranked by Hispanic-network affiliates' share

	SHARE	REVENUE (MILLION)	MARKET RANK
1 Laredo, Texas	50.9%	\$5,250	190
2 El Paso, Texas	31.7%	\$17,500	100
3 Harlingen-Brownsville, Texas	27.5%	\$14,500	93
4 Yuma, Ariz.-El Centro, Calif.	20.4%	\$2,200	171
5 Miami-Fort Lauderdale, Fla.	20.0%	\$106,100	17
6 Monterey-Salinas, Calif.	18.3%	\$7,200	124
7 Palm Springs, Calif.	17.2%	\$5,500	159
8 Fresno-Visalia, Calif.	14.8%	\$15,100	58
9 Corpus Christi, Texas	14.0%	\$4,575	129
10 Bakersfield, Calif.	13.7%	\$4,700	128
11 Los Angeles	13.6%	\$233,000	2
12 San Antonio	13.0%	\$22,750	37

SOURCE: BIA Financial Network

Laura Unshackled

Continued from page 20

of *Laura*'s guests, who are as likely to be taking swings at each other and shouting expletives (bleeped by the network) as they are to be sobbing in their seats.

"*Laura* is one of the top-rated shows on the Telemundo network and obviously lends itself to an uncensored version," explains Pinto.

Telemundo is plunging into an untested area—a Spanish-language talk show on VOD and PPV—but Pinto is confident there is a market. After all, Universal's (before NBC bought it) *Jerry Springer: Uncensored* and Spanish-language movies and

sports have done well in pay formats.

"There are movies in Spanish on-demand and on pay-per-view," Pinto says. "Boxing has done pay-per-view and on-demand among Hispanics for many years. It's had great success."

WHO WILL BUY IT?

"Our viewer and the *Laura* viewer tend to be Spanish-language or bilingual viewers. Therefore, they don't have a lot of crossover with the NBC network," Pinto says. "We'll have promotions on her show and on other shows, and we'll be supporting it offline as well. We'll also have a presence on Telemundo.com, with banner [ads] and

e-mail blasts to people who have permissioned us to send information about our programs."

Still, the *Laura* release on VOD and PPV does not guarantee that potential buyers will even have the opportunity to get the show's uncensored versions.

Hispanics are not as likely as the average viewer to have cable TV or the digital tiers needed to access VOD. Multichannel penetration, including cable TV and direct-broadcast satellite, is only 60% among Spanish-dominant households, according to a study released in May by Larchmont, N.Y.-based Horowitz Associates. That compares to 88% of non-Hispanic whites and 77%

of African-American households. The Horowitz study was conducted among viewers living in urban areas.

And while digital penetration among Hispanic households is 50%, compared to 53% among all homes, it is only 43% in households where Spanish is the primary language. "While a show like *Laura* might have crossover appeal—and a lot of this programming does—obviously, its greatest appeal is the Spanish-dominant segment, which is the least likely to have these services," says Adriana Waterston, Horowitz's director of marketing.

But Hispanics might be interested because of Bozzo's fame—and a good fight. After all, it worked for *Springer*.—K.D.

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Marshall Hites
Director, Creative Services,
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Larry Jones
President,
TVLand/Nick at Nite



Jeff Kreiner
SVP/Creative Director, CBS
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Scott Safon
SVP Marketing &
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SVP and Creative Director,
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Artie Scheff
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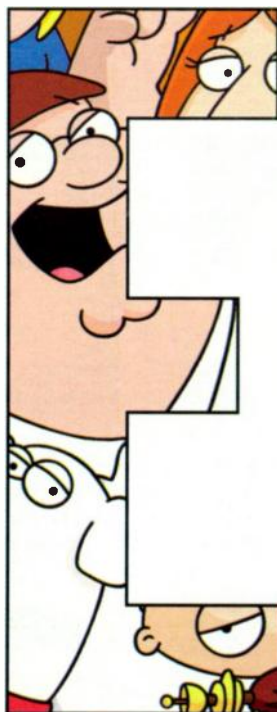
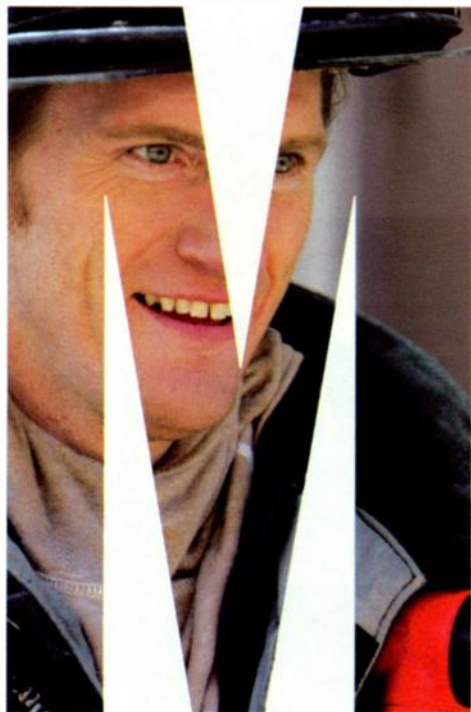


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Cable operators fine-tune economical ways for consumers to customize viewing time

By Ken Kerschbaumer

Behind the scenes, cable operators are experimenting with a new way to build giant digital video recorders (DVRs) at their headends instead of delivering expensive new settop boxes to their subscribers. The move is the latest attempt by the cable industry to turn plain old television into a highly personalized on-demand video service. But converting those experiments into commercial reality involves overcoming not only technical hurdles but content

rights issues. Both video-on-demand (VOD) and DVRs are part of a movement that is making the idea of a TV schedule a quaint bit of history. Now cable operators are headed toward giving subscribers myriad ways to create a customized television experience. It's Me TV.

"Consumers only care about accessing the content where they are whenever they want," says Dave Davies, VP, strategy and product marketing for subscriber networks, Scientific-Atlanta (S-A). As cable operators are discovering, there are many ways to drive revenue while helping customers customize their viewing options. "Both VOD and the DVR are about choice, control and convenience," says Page Thompson, VP and general manager, Comcast OnDemand. "VOD is more about choice and convenience while the DVR is about time management."

Now some cable operators, Cablevision among them, are looking into building the equivalent of a massive DVR at the headend, using VOD servers. That model is cheaper for the operator because set-top boxes with DVR capability are two to three times more expensive than those without it.

LOTS OF OPTIONS

"We think we'll have a technical trial this year," Cablevision COO Tom Rutledge said on a conference call to investors. "We think it's very promising as a way of providing DVRs and making them 'backward-compatible' with existing converters."

Under the Cablevision model, subscribers would have personal space on a secure server rather than relying on DVR hard drives in set-top boxes. Cablevision would then charge customers a monthly access fee for the storage space.

That method lets the operator tap into DVR-related revenues without the large capital expense for set-top boxes.

"There are a lot of different deployment scenarios [for network DVRs], from simple to sophisticated," says Joseph Ambeault, director of IP video systems for SeaChange International.

The simplest form of network DVR is already being deployed by a number of operators: time-shifting. Comcast, for example, has agreements with three NBC stations and six CBS stations in markets it serves—including Baltimore, San Francisco, Philadelphia and Chicago—to give viewers access to local newscasts.

"News on-demand hasn't been a killer application,"

says Thompson, "but it's been popular."

The most complicated aspect of that level of service is establishing how long a given newscast is available over the VOD platform. Besides the Comcast deals, SeaChange has deployed the service on about 70 cable systems nationwide. Says SeaChange's Ambeault, "That functionality is now a [standard] component of the new cable VOD systems we help launch."

The time-shifting approach offers several advantages: It doesn't involve long-term storage, has a high recycling rate and can be done with a relatively small amount of storage. Five hours of available server storage would be enough to rotate in content from up to 18 networks.

LEGAL AND TECH HURDLES

A video server can store one hour of video for every 2 gigabytes (GB) of storage (although the amount of content that can be stored will increase with continued advances in compression technology).

"We have a clustered-server architecture that does both the recording and streaming out at the same time," says Mark Crandon, director of product management for VOD-technology provider Kasenna. "You can record 10 channels in and then stream out x number of streams, depending on the size of the system."

The Kasenna system involves two layers of servers: one that holds a master copy and then cache servers located between that one and the viewer. When the viewer requests content, a copy is sent to the cache server so the system can meet streaming demands.

The DVR option that Cablevision is investigating requires a subscriber to interface with the on-screen channel guide and send commands to the VOD server at the cable headend.

The most challenging option is to have the VOD server record every program on the cable system for a given period—say, a week—and then make it available for playback, also for a week or so.

That's not easy. "Recording one or two channels isn't too difficult, but recording 100 channels simultaneously and storing them presents different problems in scaling and making sure content can be streamed out to viewers," says Crandon. "But we've built the back-end infrastructure that can scale to meet this need." Recording a week's worth of content would require about 40 terabytes (TB) of storage.

But the real problem with these last two approaches involves business issues, not technical ones.

Traditional DVR set-top boxes, like VCRs, are for recording programs for personal use. But moving that recording technology out of the home and into the headend creates headaches. "When content is recorded that way," says Ambeault, "it's basically a public showing."

But a Cablevision spokesman says the company is "confident" its VOD personal storage plan doesn't violate copyright laws.

"EXTREMELY FUTURISTIC"

Other network-DVR models mean that retransmission rights must be negotiated with all the content owners, a daunting task given the vast number of programs and movies appearing on a cable system

during a week.

"Recording every channel is extremely futuristic," says Ambeault. "The networks themselves don't have

Continued on page 26



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Continued from page 24

the authority to tell the cable operator they can put all their content on a network DVR, and there will need to be a big, long change in content rules. Network DVR will occur overseas first."

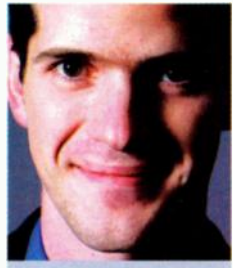
Crandon says Kasenna has some overseas deployments but those never involve recording internationally distributed content.

Artie Bulgrin, ESPN senior VP, research and sales development, says that, although network DVR sounds good conceptually, he has reservations about the ability of the technology to work well. "Consumers can't have a bad experience like they did in the early days of interactive television, which died because it didn't work well."

New VOD and DVR distribution methods aside, Comcast's Thompson says the key, particularly with VOD, is programming. In March, Comcast, which has VOD available to 87% of its 22 million subscribers, logged 103 million VOD views, and subscribers watched 45 million hours of VOD content. "The depth of the VOD library is important," he says. Comcast Philadelphia, for example, has 5,500 free programs, and more than 90% of them were watched at least once during the month.

"VOD is a better way to watch things like music videos and fitness programs," says Thompson. "It's complementary to the DVR viewing experience."

It also drives the buy rate of pay content. Comcast has found that adding free VOD drives the buy rate of pay content up 63%, according to Thompson. "The Internet never would have been successful if, the first



Joseph Ambeault

time you used it, you had to pay," he says. "People use the free content, get used to VOD, and then they go back and order movies."

Cable operators and set-top-box manufacturers say DVR-adoption rates continue to climb. Time Warner Cable has deployed DVRs in 12% of its digital homes. Motorola Director of Strategic Marketing Bernadette Vernon says her company has shipped 1.5 million DVRs and these days is shipping almost as many DVR-capable boxes as regular set-top boxes. Now the company is looking to next-generation services, such as home networking, which allows DVR-recorded content to be viewed on TVs throughout the home, and the ability to program the DVR via cellphone.

"Some theorized that DVR and VOD would cannibalize each other," says Vernon. "But we're finding the opposite. People are used to having things on demand, whether it's free or pay content."

Scientific-Atlanta, DVR's other major supplier, reports total DVR shipments of 2.3 million, with 496,000 shipped last quarter, according to its strategy guru, Davies. He says that the popularity extends across demographic and income levels and that some markets have even reached DVR penetration rates of 30% among digital subscribers.

Like Motorola, S-A sees multi-room DVRs as the next trend. Time Warner Cable has deployed the service in Minneapolis, and early reaction is positive. "Consumers can pull the content up on as many as three TV sets on set-top boxes that are already installed," Davies says. "It's a real straightforward solution." ■

TiVo on the Move

Subscribers can send content to portable video players

While cable operators are looking at deploying large servers at headends to handle DVR functionality for entire neighborhoods, TiVo is going the other way. This week, it introduced TiVo To Go, a free software upgrade allowing subscribers to move content from their TiVo to portable video devices like those offered by iRiver.

"We think that 2005 and 2006 will be the year of mobile video," says Matt Wisk, TiVo senior VP and chief marketing officer. The Consumer Electronics Association predicts 4.3 million households will purchase a mobile video system this year.

The TiVo software lets the subscriber copy content to a PC and then, in a copyright-protected file, port it over to a portable media player.

Consumers whose portable media players rely on the DVD format will also have a new option. The Humax DVD recorder can be used to burn programs to DVD using Sonic's MyDVD Studio 6.1 software.

"Consumers are demanding that their content be available any time," says Tad Hetu, Intel director, consumer electronic platforms, cellular and handheld group. Intel's XScale processing chip drives the majority of Windows mobile video players.—K.K.



iRiver PMC 100

DVRs Not So Hot?

ESPN study shows they aren't for everybody **By Ken Kerschbaumer**

In a six-month study, ESPN gave viewers digital video recorders. At the end, the sports network came to this realization: Many people couldn't care less about DVRs.

ESPN picked 100 households for its DVR experiment and periodically had trained researchers drop in to observe how using the device changed family viewing habits.

The murky verdict: Ultimately, 75% want to keep the DVR, but ESPN had trouble keeping the group intact. Over time, 90 of the 100 New York-area households dropped out and were replaced by others, and by the end, only 68 homes remained.

"The findings of this study certainly contradict the prevailing wisdom that DVRs will become the norm [in] U.S. households and that the 30-second spot will be rendered obsolete," wrote ESPN's Artie Bulgrin, senior VP of research and sales development, and Rachel Mueller-Lust, ABC research VP. (Right now, about 7% of the nation has DVRs.)

The study found that, for most users, "commercial avoidance" is not the main attribute of having a DVR. Although 66% skipped commercials occasionally, that doesn't appear much different from viewers who change channels or leave the room.

Mainly, the study concludes, viewers liked being able to watch TV more efficiently by watching what they wanted when they wanted to see it.

Bulgrin says the study, conducted for ESPN by

Horowitz Associates, suggests that "the sky is not falling" on the current 30-second advertising model. "Generally speaking, commercial avoidance is a secondary outcome of watching television with a DVR," the study says.

And viewers may not want the things. "There are millions and millions of Luddites in this country," says Bulgrin. "The majority of homes in the country don't intend to use either VOD or DVR technologies."

Indeed, the test had so much churn because some people had trouble working the TiVo technology and many concluded they just didn't care. (Personal issues were another factor.)

ESPN identified DVR viewer types but—except for the warrior—*B&C* came up with the names:

THE SKIPPERS

These viewers purposely record a program so they can miss the first 20 minutes or so and then catch up by fast-forwarding through the commercial breaks. ESPN found the skipper to be in the minority of DVR users.

Fans of: Possibly anything
Odds they skip commercials: High

THE ADDICTS

They record the programs as initially aired to ensure

they don't miss them. Most of their DVR viewing is done the day the program aired, and they're most likely to have been the first on the block to record programs with a VCR.

Fans of: Soaps, talk shows, reality programs
Odds they skip commercials: Low

THE WARRIORS

Watching over the weekend, these viewers catch up with TV they missed during the week. The warriors want to be current, at their own pace.

Fans of: Prime time dramas
Odds they skip commercials: Even

THE MARATHONERS

These are the viewers most feared by advertisers. They gather large numbers of programs and then blast through them in blocks, often in fast-forward mode.

Fans of: Talk shows, cooking shows
Odds they skip commercials: High—and they skip dull parts of shows, too.

THE SQUIRRELS

These viewers record favorite programs and movies and save them for a rainy day.

Fans of: Movies, children's programming
Odds they skip commercials: Low

THE TIME-TRAVELERS

Busy traveling executives use DVRs to catch up on their favorite programs once they're back home.

Fans of: Anything
Odds they skip commercials: Depends on how backlogged they are. ■



Artie Bulgrin

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Telco TV: Smaller Is Quicker

Two Southern phone companies are almost ready to deliver video

By Ken Kerschbaumer

While telco giants grapple with the challenges of delivering TV over telephone lines on a massive scale, two relatively tiny telcos in the deep South are already racing ahead with video delivery. Within a matter of months, the Farmers Telephone Cooperative in Kingstree, S.C., and Progressive Rural Telephone in central Georgia plan to begin offering TV to subscribers—over existing copper phone lines. Farmers has 60,000 customers; Progressive has 5,500.

Meanwhile, behemoths like Verizon and SBC don't expect to be able to send video over their expensively upgraded fiber-optic lines until the end of the year or later.

What makes the little guys so nimble? Internet Protocol television (IPTV) technology, which facilitates the otherwise impossible task of sending TV over copper phone wires. IPTV works because it is more bandwidth-efficient than traditional cable-plant technologies. It sends out only the requested channel, whereas a traditional cable system sends the entire lineup, requiring much more bandwidth.

NARROWER PIPES, MORE CONTENT

Farmers and Progressive will take slightly different approaches to their IPTV-powered services. The former will use MPEG-4 Advanced Video Codec (AVC) technology, a next-generation video-compression technology, while the latter will deliver MPEG-2 video signals over ADSL2+ lines.

IPTV is already being used by a number of telcos in the U.S. (SBC and Bell-South both plan on using it for their video rollout), but the use of MPEG-4 AVC makes Farmers' deployment unique. The technology, which still has some technical developments remaining to be achieved (like MPEG-4 set-top boxes), promises to transform the industry by making it possible to distribute and store digital video with at least double the efficiency of current MPEG-2 technology.

Content owners will be able to cut storage costs in half, while those distributing content will be able to send it out over narrower pipes or send out much more content.

Robin Coker, Farmers' chief marketing officer, says the company will send three video streams to member households so each can have up to three TV sets receiving IPTV signals. Not bad for a cooperative that found the idea of laying coaxial cable over its 3,000-square-mile service area prohibitively expensive. Until a few years ago, the idea of using IPTV instead of coaxial also was a non-starter, because of "last-mile" problems getting signals to homes from the nearest distribution point. The new system will be able to

viewer using the MPEG-4 AVC codec."

Tut Systems is the systems integrator for Farmers' project, providing the satellite dishes, receivers and servers for Emergency Alert Systems, caller-ID technology, middleware for VOD menus and programming guides, and other gear. Bender says the cost of an IPTV system can start at \$1 million and increase depending on the capabilities required.

IPTV isn't without challenges. Because it sends only one stream of content at a time, there is a slightly longer delay

when a channel is changed. The set-top box has to send a request for the channel and then receive the video packets and reassemble them into a channel. How quickly that task is done relies on the set-top box and software. First-generation MPEG-4 AVC set-top boxes are still being manufactured, so it is not known how long changing a channel will take.

MORE TRADITIONAL ROUTE

While Farmers deploys next-generation technologies, Progressive is going the more traditional MPEG-2 route. It will use SkyStream's Mediaplex-20 headend to deliver IPTV and music content across its access lines.

Mediaplex will help the system deliver a service that includes 141 TV networks, six local channels and 35 music channels. It is expected to be available in August—and the company

thinks it will find customers quickly: Larry Stevenson, central office supervisor at Progressive, says the rural telco completed a survey of its existing customers and found that more than 80% of respondents were interested in replacing their current TV service with one from the local phone company.

Indeed, Adi Kishore, Yankee Group analyst, media and entertainment strategies, says that, while smaller, rural telcos have a disadvantage in terms of available capital and the ability to get the best rates for cable networks, they do have one advantage: Odds are, the local cable system, even if it's owned by a large cable operator, isn't technologically cutting-edge.

"Because the return on investment is the lowest in those markets, they tend to not have whiz-bang services," Kishore says. "And older cable plants tend to have less satisfied customers." ■

What makes the little guys so nimble? Internet Protocol television technology.



send video from more than two miles away, greatly simplifying the process.

Coker says the rollout is expected to be completed by late fall.

Both Farmers and Progressive say their pricing for TV content will be competitive with cable. It isn't the only cable turf the phone company is invading. "We also see ourselves transitioning the voice service to an IP-type network in the next three to five years," says Coker. Time Warner Cable, with which Farmers will compete, declined to comment.

Farmers will use Tut Systems' Astria Content Process system and its MPEG-4 AVC codecs to send standard-definition video over digital subscription lines (DSLs) and high-definition TV content over Asymmetrical DSL.

"The chassis will do everything," says Tut Systems VP Craig Bender. "It will ingest the satellite feeds, both analog and digital, and then stream the content to the

IN FOCUS

MACRO MICROSOFT

Supercomm 2005 last week in Chicago attracted approximately 28,000 attendees from the telco and cable industries. The hot topic of the show was Internet Protocol television (IPTV), and Microsoft took the opportunity to announce several deals, all involving IPTV technology. Scientific-Atlanta, Motorola, Tandberg and Harmonic said they will work with Microsoft to make their products—which include encoders, decoders, set-top boxes and other transmission gear—compatible with Microsoft's IPTV Edition software platform. The platform uses MPEG-4 Part 10 and VC1 to double the picture quality and number of channels that can be delivered to viewers.

A PRONOUNCED IMPROVEMENT

AgileTV, a leader in developing the technology for voice-activated channel-changing, has signed a deal with SeaChange International for a new voice-activated search and navigation tool called Promptu for video-on-demand services. Compatible with Motorola set-top boxes, the system is already in technical and marketing trials in certain markets. Instead of having to drill down into VOD menus and submenus, users will be able to find a program by simply speaking the name of the program, network, actor or sports team into the remote. Yvette Kanouff, corporate VP of strategic planning for SeaChange, says that, with VOD libraries growing into the thousands of hours, simple access is vital to subscriber happiness. The server-centric voice-recognition service has a database of more than 100,000 phrases, and AgileTV claims voice recognition exceeds 90% accuracy.

KRAFT EAGER FOR AVID

Kraft Sports Productions, the production company for the New England Patriots and other Kraft-family businesses, says it will use Avid digital post-production tools to produce football TV shows, including *Patriots: All Access*, a weekly series seen on ABC affiliate WCVB Boston. The company will use an Avid Unity MediaNetwork



Avid's Media Composer Adrenaline

shared-storage system, an Avid AirSpeed system for ingesting video material, and an Avid XPress Pro and Avid Media Composer Adrenaline system to handle editing and finishing. Kraft Sports says the new system will remove the need to shuttle tapes back and forth between editing systems, speeding up the production process.



NIELSEN MAY 30 - JUNE 5 RATINGS

THE PRIME TIME RACE Top 10 Basic Cable Shows

May 30 - June 5

Total Households (in millions)

PROGRAM	DATE	NET	RHS
1. NBA: Heat vs. Pistons	5/31	TNT	4.5
2. NBA: Pistons vs. Heat	6/2	TNT	4.3
3. NASCAR Nextel Cup Race	6/5	F/X	4.2
4. NBA: Spurs vs. Suns	6/1	ESPN	4.1
5. The 4400	6/5	USA	3.6
6. NBA: Heat vs. Pistons	6/4	TNT	3.5
7. WWE Raw 10p	5/30	SPIK	3.4
7. Law & Order 9p	5/30	TNT	3.4
9. Law & Order 10p	5/30	TNT	3.3
9. Mv: Spider-Man	6/5	TBS	3.3

Adults 18-49 (in millions)

PROGRAM	DATE	NET	18-49
1. NBA: Heat vs. Pistons	5/31	TNT	3.2
1. NBA: Pistons vs. Heat	6/2	TNT	3.2
3. NASCAR Nextel Cup Race	6/5	F/X	3.0
4. NBA: Spurs vs. Suns	6/1	ESPN	2.8
5. WWE Raw 10p	5/30	SPIK	2.7
5. NBA: Heat vs. Pistons	6/4	TNT	2.7
7. The 4400	6/5	USA	2.6
8. Mv: Spider-Man	6/5	TBS	2.5
9. WWE Raw 9p	5/30	SPIK	2.3
10. Deadliest Catch	5/31	DISC	2.0
10. RW/RR Challenge Inferno	5/30	MTV	2.0

SOURCE: Turner Entertainment Research, Nielsen Media Research

Broadcast Networks

May 30-June 5

Total Households (in millions)

	WEEK	STD
1. CBS	6.4	9.0
2. NBC	5.4	7.1
3. ABC	4.8	7.0
4. FOX	3.7	6.6
5. UPN	1.9	2.5
6. WB	1.8	2.4
7. PAX	0.4	0.5

Adults 18-49 (in millions)

	WEEK	STD
1. NBC	3.1	4.6
2. ABC	3.0	4.8
2. FOX	3.0	5.3
4. CBS	2.9	5.1
5. WB	1.3	1.8
6. UPN	1.2	1.8
7. PAX	0.2	0.2

Top 10 Broadcast Shows

Total Households (in millions)

	WEEK	
1. CSI	CBS	10.6
2. Dancing With the Stars	ABC	10.3
3. CSI: Miami	CBS	9.6
4. Without a Trace	CBS	9.5
5. Two and a Half Men	CBS	8.7
6. 48 Hours Mystery Tue	CBS	8.3
7. Everybody Loves Raymond	CBS	8.1
8. 60 Minutes	CBS	7.9
9. NCIS Tue 9p	CBS	7.8
10. Law & Order: Criminal Intent	NBC	7.7
10. CSI: NY	CBS	7.6

Adults 18-49 (in millions)

	WEEK	
1. Hit Me Baby One More Time	NBC	6.1
2. Dancing With the Stars	ABC	5.5
3. CSI	CBS	5.3
4. CSI: Miami	CBS	5.2
5. Family Guy	FOX	4.8
5. Without a Trace	CBS	4.8
7. Two and a Half Men	CBS	4.6
8. Everybody Loves Raymond	CBS	4.4
9. Hell's Kitchen	FOX	4.2
9. 48 Hours Mystery Tue	CBS	4.2
9. CSI: NY	CBS	4.2
9. House	FOX	4.2

SOURCE: Nielsen Media Research

Week	abc	CBS	NBC	FOX	PAX	UPN	WB
MONDAY	4.3/7	7.1/12	5.3/9	4.2/7	0.2/1	1.4/2	1.6/3
8:00	7L NBA Gametime 4.6/7	27. Still Standing 5.0/9	58. Fear Factor 3.6/6	49. Nanny 911 4.1/7	125. Extreme Fakeovers 0.2/1	100. One on One 1.4/2	94. 7th Heaven 1.6/3
8:30		30. Listen Up 4.7/8				100. Cuts 1.4/2	
9:00		7. Everybody Lvs Raymond 7.4/12				97. Girlfriends 1.5/2	
9:30	30. NBA Playoffs—Phoenix Suns vs. San Antonio Spurs 4.7/8	5. Two and a Half Men 8.0/13	16. 54th Annual Miss Universe Pageant 6.1/10	47. Hell's Kitchen 4.2/7	125. The Conscientious Objector: Private 1st Class Desmond T. Ooss 0.2/1	100. Half and Half 1.4/2	91. 7th Heaven 1.7/3
10:00		3. CSI: Miami 8.8/15					
10:30							
TUESDAY	4.3/7	7.1/12	3.9/6	1.8/8	0.3/1	1.6/3	1.8/3
8:00	47. My Wife and Kids 4.2/7	12. NCIS 6.6/11		43. Trading Spouses 4.3/7	125. Lie Detector 0.2/1	91. All of Us 1.7/3	94. Gilmore Girls 1.6/3
8:30	49. George Lopez 4.2/7		54. NBC Movie of the Week—Traffic 3.9/6			88. Eve 1.8/3	
9:00	37. According to Jim 4.5/7	9. NCIS 7.1/11		23. House 5.3/8	125. Cold Turkey 0.2/1	88. Britney/Kevin: Chaotic 1.8/3	87. Gilmore Girls 1.9/3
9:30	37. According to Jim 4.5/7					109. Bad Girls Guide 1.1/2	
10:00	43. Blind Justice 4.3/7	6. 48 Hours Mystery 7.6/13			115. Diagnosis Murder 0.5/1		
10:30							
WEDNESDAY	6.8/11	5.5/9	5.9/10	3.2/5	0.5/1	1.3/2	1.9/3
8:00	21. Supernanny 5.5/10	25. 60 Minutes Wednesday 5.2/9	19. The Eagles Farewell Tour 5.6/9	67. That '70s Show 3.1/6	120. Doc 0.4/1	100. All of Us 1.4/2	82. Beauty and Geek 1.0/2
8:30				67. That '70s Show 3.1/5		94. Eve 1.6/3	
9:00	2. Dancing With the Stars 9.4/15	33. King of Queens 4.6/7		62. That '70s Show 3.3/5	115. Sue Thomas, F.B. Eye 0.5/1	106. Kevin Hill 1.2/2	97. Smallville 1.5/2
9:30		43. Yes, Dear 4.3/7		62. That '70s Show 3.3/5			
10:00	19. Lost 5.6/9	10. CSI: NY 7.0/12	14. Law & Order 6.4/11			115. Diagnosis Murder 0.5/1	
10:30							
THURSDAY	4.5/8	8.3/14	4.8/8	2.1/4	0.6/1	2.9/5	2.0/3
8:00	43. ABC Thursday Movie of the Week—Charlie's Angels	12. Cold Case 6.6/12	49. Will & Grace 4.1/7	84. The O.C. 2.1/4	123. Young Blades 0.3/1		84. Blue Collar TV 2.1/4
8:30			37. Will & Grace 4.5/8			71. WWE Smackdown! 2.9/5	81. Blue Collar TV 2.3/4
9:00	4.3/7	1. CSI 9.7/16	18. Hit Me Baby One More Time 5.7/9	82. The O.C. 2.2/4			88. Beauty and Geek 1.8/3
9:30					112. Diagnosis Murder 0.7/1		
10:00	28. Primetime Live 4.9/8	4. Without a Trace 8.7/15	33. ER 4.6/8				
10:30							
FRIDAY	3.8/7	3.7/7	5.2/10	2.7/5	0.4/1	1.2/2	1.4/3
8:00	71. 8 Simple Rules 2.9/6	71. Joan of Arcadia 2.9/6	21. Dateline NBC 5.5/10	76. Fox Movie Friday—Glass House 2.7/5	115. America's Most Talented Kids 0.5/1	106. UPN's Movie Friday—Chill Factor 1.2/2	109. What I Like About You 1.1/2
8:30	77. Complete Savages 2.6/5						106. What I Like About You 1.2/2
9:00	67. Hope & Faith 3.1/6	60. JAG 3.5/6					91. Reba 1.7/3
9:30	77. Less Than Perfect 2.5/5				120. MGM Night at the Movies—Chance of a Lifetime 0.4/1		97. Living With Fran 1.5/3
10:00	17. 20/20 5.8/11	33. Numb3rs 4.6/9	30. Law & Order: Trial by Jury 4.7/9				
10:30							
SATURDAY	2.7/5	4.2/8	3.3/7	3.5/7	0.3/1		
8:00		62. Cold Case 3.3/7	65. NBC Saturday Night Movies—The General's Daughter 3.2/6	75. Cops 2.8/6	123. Universal Family Movie—Batteries Not Included 0.3/1		
8:30	60. Wonderful World of Disney—Bambi 2.5/5			58. Cops 3.6/7			
9:00		52. Crimetime Saturday 4.0/8		54. America's Most Wanted: America Fights Back 3.9/8			
9:30	67. America's Funniest Home Videos 3.1/6	23. 48 Hours Mystery 5.3/10	56. Crossing Jordan 3.7/7		125. Faith Under Fire 0.2/1		
10:00							
10:30							
SUNDAY	4.4/8	5.2/9	5.6/10	3.4/6	0.6/1		1.2/2
7:00	65. Dancing With the Stars 3.2/6	8. 60 Minutes 7.2/14		86. Malcolm in the Middle 2.0/4	120. America's Most Talented Kids 0.4/1		111. Charmed 0.9/2
7:30				77. King of the Hill 2.6/5			
8:00	29. Extreme Makeover: Home Edition 4.8/9		33. Dateline NBC 4.6/9	60. The Simpsons 3.5/6	115. Doc 0.5/1		105. Charmed 1.3/2
8:30				52. The Simpsons 4.0/7			
9:00	25. Desperate Housewives 5.2/8	37. 59th Annual Tony Awards 4.5/8	10. Law & Order: Criminal Intent 7.0/11	37. Family Guy 4.5/7	112. Sue Thomas, F.B. Eye 0.7/1		100. Steve Harvey Big Time 1.4/2
9:30				56. American Dad 3.7/6			
10:00	37. Grey's Anatomy 4.5/8		15. Crossing Jordan 6.3/11		112. Diagnosis Murder 0.7/1		
10:30							
Averages							
Week	4.4/8	5.8/10	4.9/9	3.4/6	0.4/1	1.7/3	1.8/3
S-T-D	6.4/10	8.2/13	6.4/11	8.0/10	0.4/1	2.2/4	2.2/3

KEY: Each box in grid shows rank, program, total-household rating/share • Blue bar shows total-household rating/share for the day • Top 10 shows of the week are numbered in red • TV universe estimated at 109.6 million households; one rating point is equal to 1,096,000 U.S. TV homes • Tan tint is winner of time slot • (NR)=Not Ranked; rating/share estimated • *Premiere • Programs less than 15 minutes in length not shown • S-T-D = Season to date SOURCES: Nielsen Media Research, CBS Research • Compiled by Kenneth Ray

Lyle's Reality: A Channel To Program

Fine-tunes unscripted fare on new Fox cable network **By Anne Becker**

From Australia to America, he has heard it called "factual entertainment" and "emotainment" and "lifestyle programming." But to David Lyle, it's all reality TV.

The Sydney native just launched Fox Reality Channel as its COO/GM, bringing to the role more than 25 years of experience developing unscripted shows around the world, along with a personal fascination with the genre.

"I don't think anyone's ever left school saying, 'I want to get into reality television,'"—except for him, Lyle says. "To me, getting the chance to work in reality television was a dream come true."

That might sound like an unlikely aspiration, but not after you hear him describe his family life while growing up, which was TV-intensive even by contemporary standards. The television set was often on and usually tuned to U.S. fare, he says, and family talk frequently centered on the tube.

"If you didn't know who the third actor on the left was, you were just out of the conversation," he says.

After a brief stint in mining upon graduating from Sydney University with a degree in geology in 1972, Lyle moved into Australian TV, first as a researcher, then as a writer and producer for talk and entertainment shows. At Sydney's Nine Network, he created quiz shows and original unscripted fare, in addition to executive-producing the local *Today* show. He later became head of development and acquisitions for the network.

to work for production company Pearson Television, where he coordinated international projects and bought U.S. and international unscripted fare as worldwide head of acquisition and development.

He jumped into the U.S. market in 2001 as president of entertainment at FremantleMedia North America, where he launched *American Idol* and produced reality shows for a slew of broadcast and cable networks.

"People's responses are the same the world over," Lyle says. "The key to reality success is emotional reac-

tion: laugh, gasp or cry."

Now Lyle is heading up Fox Reality, which launched last month on DirecTV. The network is now in 18.5 million homes through deals with DirecTV, Dish, Cox, Adelphia and Insight and aims to be in 23 million to 25 million in the next couple of months.

Lyle is targeting an 18-34 audience with familiar acquired shows (*Last Comic Standing*, *The Swan*) beefed up with behind-the-scenes footage or commentary by ex-contestants. With other cable networks increasingly presenting themselves as competi-

tion for off-net rights to reality shows, Lyle is hunting down "the best shows at a realistic price," no pun intended, buying 10%-15% of them from overseas.

He plans to launch a weekly reality recap show in the fall and an original series by next year. He's still mulling ideas for the show but wants it to be "proud to be a reality show"—meaning cameras trailing a celebrity are out.

"TEARS, PAINT AND TEARS"

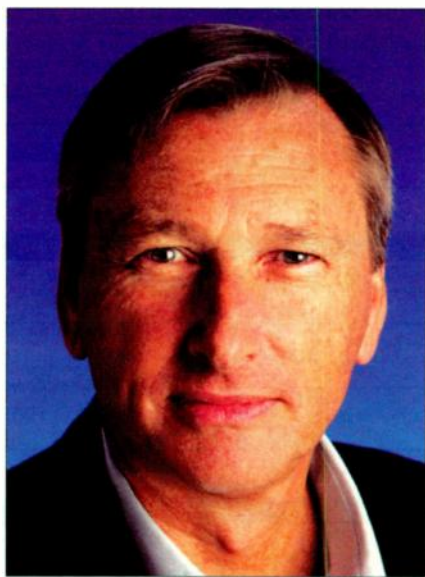
Lyle says he's "a little distressed" at the lack of funny reality shows on TV now. He notes a growing preference for self-contained episodes (save, of course, for the ultimate arced show, *Idol*) and a glut of both documentary-style and aspirational reality shows, like ABC's successful *Extreme Makeover: Home Edition*, which he describes as a cycle of "tears, paint and tears." Lyle, who worked on a version of the show in Australia called *Our House*, says, "Oddly enough, the public will watch it week after week, almost frame for frame—different renovations, different tears."

Lyle "has got the same enthusiasm for reality television as its most loyal fans," says Tony Vinciguerra, president/CEO of Fox Networks Group. "He's the perfect person to get this channel up and running, and we're very fortunate to have him on our team."

Lyle's hobbies include hiking and surfing, although he prefers riding the waves in Australia (in the U.S., his surfing tends to be of the channel variety; he makes a point of catching at least one episode of each new reality show).

He also likes to paint with watercolors. That should have made him a fan of the British reality show called *Watercolour Challenge*, which dispatched painters into the countryside to see who could render the best picture of their surroundings. But Lyle was hardly riveted: "It was very bizarre—so English, better than sleeping pills." So don't look for *Watercolor Idol* on Fox Reality. After all, Lyle would rather have a party than a meeting. ■

FIFTH ESTATER



DAVID LYLE
COO and General Manager,
Fox Reality Channel

B. July 1, 1950

EDUCATION

B.S. geology and geophysics, Sydney University, 1972

EMPLOYMENT

Channel 10/Nine Network: researcher/segment producer, *Mike Walsh Show*, 1976-78. Sydney Radio 2GB: producer/program director, 1979-80. Channel 10: producer, *Michael Parkinson Show*, 1981-83; executive producer, *Star Search*, 1984-86. Nine Network: executive producer, *Today* and other programs; 1986-94; head, development and acquisitions, 1994-99. Pearson Television: worldwide head, acquisition and development, 1999-2000; president of entertainment, FremantleMedia North America, 2001-04; current position since January

PERSONAL

Married; three children

"The key to reality success is emotional reaction: laugh, gasp or cry."

DAVID LYLE,
FOX REALITY CHANNEL

LAUNCHED 'AMERICAN IDOL'

While working as a segment producer in the 1980s, Lyle put his TV-soaked upbringing to use by moonlighting Thursday nights on a two-hour radio quiz show in which he tried to best callers on random TV trivia. "The *Brady Bunch* kids, Roy Rogers' horse," he says. "All this trivia you don't ever set out to learn just lodges in your head."

As he rose in the ranks at Nine, Lyle at one point worked under international-TV vet Sam Chisholm, who taught Lyle a mantra he still tries to follow: "Winners have parties, losers have meetings."

Lyle moved to London in 1999, going

FATES & FORTUNES

BROADCAST TV

MIKE MCKINNON JR., VP, broadcast operations and programming, KUSI San Diego, promoted to president/general manager.

BRETT BURKE, national sales manager, KMSP Minneapolis and WFTC Minneapolis, named national sales manager, WBDC Washington.

JASON EFFINGER, station manager, WMTV Madison, Wis., named general manager, WEAU Eau Claire, Wis.

SHARON BROOKS BUCHANAN, senior account executive, WMAQ Chicago, named account executive, WBBM Chicago.

CABLE TV

At Time Warner Cable: **ROGER B. KEATING**, division president, Los Angeles region, becomes corporate executive VP upon close of the Adelphia deal; **WAYNE D. KNIGHTON**, president, South Carolina division, promoted to corporate executive VP, operations.

At Cablevision Systems Corp., Bethpage, N.Y.: **DAVE PISTACCHIO**, executive VP/chief information officer, Rainbow Media Enterprises Inc., Jericho, N.Y., named executive VP/general manager, business telecommunications services division, Lightpath, Bethpage; **BARRY FREY**, founder, Next Level Media & Marketing LLC, named senior VP, advanced platform sales; **ED RENICKER**, senior VP/general manager, New York Interconnect, Bethpage, promoted to executive VP/general manager.

PROGRAMMING

At NBC Universal, New York: **ALLISON GOLLUST**, VP, NBC News communications, promoted to senior VP; **WILLIAM BARTLETT**, VP, executive communications, promoted to senior VP.

At Univision Communications: **ANDREW W. HOBSON**, senior executive VP/chief strategic officer, adds chief financial officer, Los Angeles; **CRISTINA SCHWARZ**, VP/general manager, television group stations, New York, named VP, government and community relations, New York; **RAMON J. PINEDA**, president/general manager, Univision and TeleFutura Stations, Phoenix and Tucson, named VP/general manager, television group stations, New York.

At CBS Entertainment, New York: **ROBERT ZOTNOWSKI**, VP, current programs, named VP, drama series development;

CHRISTINA DAVIS, director, drama

Continued on page 32

SAVE THE DATE

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Sandy Friedman, safriedman@reedbusiness.com or call (646) 746-6740

FOR SPONSORSHIP OPPORTUNITIES, CONTACT

Larry Dunn, ldunn@reedbusiness.com or call (646) 746-6572

**Fates & Fortunes**

Continued from page 30 series development, upped to VP.

GEORGE SOLOMON, sports editor/columnist, *Washington Post*, Washington, becomes ombudsman, ESPN, Bristol, Conn., effective July 1.

At Hallmark Channel: **THOMAS BAITER**, manager, client support, Invision Inc.



Roger B. Keating
Time Warner Cable

New York, joins Hallmark Channel and Hallmark Movie Channel as director, sales and traffic systems, New York; **JENNY HOLLIS**, senior designer, Hallmark Channel, promoted to art director, print, design group, Hallmark Channel and Hallmark Movie Channel, Los Angeles; **DARREN MELAMETH**, senior manager, scheduling/programming, Hallmark Channel and Hallmark Movie Channel, Los Angeles, promoted to director, scheduling; **JILLIAN LONDON**, broadcast scheduling, Hallmark Channel and Hallmark Movie Channel, promoted to director, on-air promotion, manager.

At Court TV, New York: **JOANNE ECKERT**, director, marketing solutions, OLN, Stamford, Conn., promoted to VP, ad sales marketing; **AMY MIRWALD**, account director, Amalgamated, named director, consumer advertising.

LUIS GOICOURIA, senior director, new media, MTV Networks Latin America, Miami, to VP, digital media.

At Shop at Home, Nashville, Tenn.: **JEFFREY DOSTER**, senior VP, information technology/chief information officer, New Roads Inc., Martinsville, Va., appointed chief technology officer; **BILL CHRISTOPHER**,

chief, customer care and operations, Sears, Roebuck and Co., Hoffman Estates, Ill., named senior VP, customer experience.

SHANNON NETTLETON, director, post production, to VP, production, DIC Entertainment, Burbank, Calif.

NICHOLAS LORIA, senior VP, ad sales, MTV Networks, New York, named executive VP, ad sales, Massive In., New York.

LOU WALLACH, VP, original programming and development, Comedy Central, New York, has been promoted to senior VP, original programming and development.

JOURNALISM

ROSIE KASICA, freelance producer, named line producer, *Nancy Grace*, CNN Headline News, New York.

HEATHER NAUERT, reporter/correspondent, *Big Story With John Gibson*, Fox News Channel, New York, named general assignment correspondent, ABC News, Los Angeles.

CHRIS GUNNESS, broadcaster, BBC, London, appointed head of media relations, international division,



Len Weiner
WGN Radio

Medialink Worldwide Inc., London.

RADIO

ANDREW KALB, director, news programming, ABC News Radio, New York, to executive director, programming.

GERRYANN AGOVINO, director, national sales, Clear Channel, Los Angeles cluster, named VP, national sales, West Coast, Entercom Communications, Bala Cynwyd, Pa., effective June 13.

LEN WEINER, program director, WMVP(AM) Chicago, named program director, WGN Radio, Chicago.

TECHNOLOGY

CHENG FAN, regional sales manager, automation, Harris Corp., Asia-Pacific region, named director, international channel development, broadcast communications division, Cincinnati.

ALLIED FIELDS

TODD C. FREELAND, managing director, Dilworth Partners, Charlotte, N.C., named managing director/head of media, telecommunications and technology practice group, Goldsmith Agio Helms, New York.

WHAT'S YOUR FATE?

Send it to Melanie M. Clarke, editorial assistant, B&C (e-mail: meclarke@reedbusiness.com; fax: 646-746-7028; mail: 360 Park Ave. South, New York, NY 10010)

DATEBOOK**THIS WEEK****JUNE 13**

NAB EDUCATION FOUNDATION SERVICE TO AMERICA SUMMIT
Ronald Reagan Building and International Trade Center, Washington
Contact: 202-429-5424, nabef@nab.org or www.nabef.org/ServiceToAmerica/default.asp

JUNE 14

SOCIETY OF CABLE TELECOMMUNICATIONS ENGINEERS CONFERENCE ON BROADBAND LEARNING & DEVELOPMENT
Henry B. Gonzalez Convention Center, San Antonio. Contact: www.scte.org

JUNE 14-17

SOCIETY OF CABLE TELECOMMUNICATIONS ENGINEERS CABLE-TEC EXPO 2005
Location: To be determined, San Antonio. Contact: www.scte.org

JUNE 15-18

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS 23RD ANNUAL CONVENTION FOR SPORTS REPORTERS
Fort Worth Convention Center, Fort Worth, Texas. Contact: 202-662-7145 or www.nahj.org

JUNE 16

INDEPENDENT FILM & TELEVISION ALLIANCE

7TH ANNUAL PRODUCTION

CONFERENCE
Beverly Hills Hotel, Beverly Hills, Calif.
Contact: 310-446-1000

JUNE**JUNE 19-22**

THE ASSOCIATION OF HIGHER EDUCATION CABLE TELEVISION ADMINISTRATORS CAMPUS CABLE CONFERENCE 2005
Hyatt Regency Union Station, St. Louis. Contact: www.ahecta.org

JUNE 20

AMERICAN WOMEN IN RADIO AND TELEVISION 30TH ANNUAL GRACIE ALLEN AWARDS
Local Market Luncheon, Marriott Marquis Hotel, New York. Contact: Maria Brennan, mbrennan@awrt.org

JUNE 20

OHIO CABLE TELECOMMUNICATIONS ASSOCIATION GOLF OUTING
New Albany Country Club, New Albany, Ohio. Contact: Sheila Fox, 614-461-4014 or octasheila@octa.org

JUNE 21

AMERICAN WOMEN IN RADIO AND TELEVISION GRACIE ALLEN AWARDS GALA
New York. Contact: 703-506-3290 or www.awrt.org

JUNE 21

AWRT/KATZ WOMEN'S CAREER SUMMIT 2005
Marriott Marquis, New York. Contact: www.katzwomenscareersummit.com or www.promax.org

JUNE 21-23

PROMAX&BDA 2005 50TH ANNUAL CONFERENCE
Marriott Marquis, New York. Contact: www.promax.tv

JUNE 22

AMERICAN WOMEN IN RADIO AND TELEVISION 30TH ANNUAL GRACIE AWARDS GALA
Marriott Marquis, New York. Contact: Javier Cuebas, 703-506-3290 or www.awrt.org

JUNE 25

TELEVISION NEWS CENTER ANCHOR TRAINING INTERFACE

MEDIA GROUP

Washington. Contact: Herb Brubaker, 301-340-6160 or hnbrubaker@televisionnewscenter.org

JUNE 27

NEW YORK FESTIVAL 2005 INTERNATIONAL RADIO PROGRAMMING AND PROMOTIONS AWARDS SHOW
China Club, New York. Contact: 212-643-4800 or www.newyorkfestivals.com

JUNE 28-30

ENTERTAINMENT TECHNOLOGY ALLIANCE 13TH ETA SUMMIT
Jacob Javits Convention Center, New York. Contact: 310-229-8915, www.etaexpo.com or info@etaexpo.com

JUNE 29

THE HUMANITAS PRIZE
Hilton Universal Hotel, Los Angeles. Contact: 323-965-1990/310-454-8769 or www.humanitasprize.org

JULY**JULY 13-15**

NEW ENGLAND CABLE AND TELECOMMUNICATIONS ASSN. ANNUAL CONVENTION AND EXHIBITION
Marriott Hotel, Newport, R.I. Contact: www.necta.info

JULY 24-26

CABLE & TELECOMMUNICATIONS ASSOCIATION FOR MARKETING CTAM SUMMIT 2005
Pennsylvania Convention Center, Philadelphia. Contact: Seth Morrison, 703-549-4200 or www.ctam.com/conferences

JULY 24-29

NATIONAL ASSOCIATION OF BROADCASTERS MANAGEMENT DEVELOPMENT SEMINAR FOR TELEVISION EXECUTIVES
Northwestern University, Evanston, Ill. Contact: Anne Frenette, 202-429-5368, afrenette@nab.org or www.nab.org/television

JULY 28-29

THE NATIONAL ASSOCIATION OF TELEVISION PROGRAM EXECUTIVES 3RD ANNUAL TELEVISION PRODUCERS' BOOT CAMP
Wyndham Bel Age Hotel, West Hollywood, Calif. Contact: Abel Salas 310-453-4440 or www.natpe.org



DEALS

TVs

KMUV(LP) MONTEREY, CALIF.

PRICE: \$5.4 million
BUYER: Clear Channel Communications (William Moll, president, TV division)
SELLER: Sainte Partners II LP (Chester Smith, president/general partner)
FACILITIES: Ch. 23, 50 kW
AFFILIATION: Telemundo

WSWB SCRANTON, PA.

PRICE: \$2.1 million
BUYER: Mystic Broadcast Group Inc. (Daniel J. Duman, president)
SELLER: KB Prime Media LLC (Guyon Turner, president)
FACILITIES: Ch. 38, 1,290 kW, ant. 1,263 ft.
AFFILIATION: The WB
COMMENT: Pegasus Satellite Communications is assigning to Mystic its rights under an agreement with KB Prime Media.

W06AW SELMER, TENN.

PRICE: \$75,000
BUYER: The Victory Network Foundation Inc. (Charles W. Tatum, president)
SELLER: WDTM Inc. (David B. Jordan Sr., president)
FACILITIES: Ch. 6, 0.048 kW

FMs

KTHX(FM) DAYTON, KURK(FM) RENO, KJZS(FM) AND KRZQ(FM) SPARKS (RENO), NEV.; KLLL(FM) AND KONE(FM) LUBBOCK, KMMX(FM) TAHOKA AND KBTE(FM) TULLIA (LUBBOCK), TEXAS

PRICE: \$34 million
BUYER: Wilks Broadcast Group (Jeffrey Wilks, CEO); owns three other stations, none in this market
SELLER: NextMedia Group (Skip Weller, president)
FACILITIES: KTHX(FM): 100.1 MHz, 12 kW, ant. 2,162 ft.; KURK(FM): 92.9 MHz, 48 kW, ant. 502 ft.; KJZS(FM): 92.1 MHz, 9 kW, ant. 502 ft.; KRZQ(FM): 100.9 MHz, 6 kW, ant. 203 ft.; KLLL(FM): 96.3 MHz, 100 kW, ant. 817 ft.; KONE(FM): 101.1 MHz, 100 kW, ant. 883 ft.; KMMX(FM): 100.3 MHz, 100 kW, ant. 883 ft.; KBTE(FM): 104.9 MHz, 99 kW, ant. 978 ft.
FORMAT: KTHX(FM): AAA; KURK(FM): Classic Rock;

KJZS(FM): Smooth Jazz; KRZQ(FM): Alternative; KLLL(FM): Country; KONE(FM): Rock; KMMX(FM): Adult Hits/Top40; KBTE(FM): CHR
BROKER: Michael J. Bergner of Bergner and Co.

KAYO(FM) ELMA (SEATTLE-TACOMA), WASH.

PRICE: \$20 million
BUYER: Bustos Media Enterprises LLC (Amador S. Bustos, owner/president); owns 23 other stations, including KDDS(AM) Seattle-Tacoma
SELLER: South Sound Broadcasting LLC (Gregory Smith, general partner)
FACILITIES: 99.3 MHz, 41 kW, ant. 2,034 ft.
FORMAT: Country
BROKER: Kalil & Co., Inc.

WTKE(FM) HOLT (FT. WALTON BEACH), FLA.

PRICE: Swap
BUYER: Cumulus Broadcasting (Lew Dickey, chairman); owns 302 other stations, including WFTW(AM), WKSM(FM) and WZNS(FM) Ft. Walton Beach
SELLER: Star Broadcasting Inc. (Ronald E. Hale Jr., president)
FACILITIES: 98.1 MHz, 100 kW, ant. 482 ft.
FORMAT: Sports
COMMENT: \$850,000 loan from Cumulus enables SBI to acquire WTKE(AM) if SBI assigns the station to Cumulus in exchange for WYBZ(FM) Mary Esther, Fla., plus \$1.5 million payment to SBI, which executes a separate agreement providing Cumulus an option to acquire WBAU(AM) Fort Walton Beach

WYBZ(FM) MARY ESTHER (FT. WALTON BEACH), FLA.

PRICE: Swap
BUYER: Star Broadcasting (Ronald E. Hale Jr., president); owns three other stations, including WNCV(FM) Ft. Walton Beach
SELLER: Cumulus Broadcasting (Lew Dickey, chairman/CEO)
FACILITIES: 105.5 MHz, 25 kW, ant. 305 ft.
FORMAT: Country
COMMENT: See item above

WWUS(FM) BIG PINE KEY, WCNK(FM) KEY WEST AND WAVK(FM) MARATHON, FLA.

PRICE: \$4.35 million
BUYER: Vox Media Corp. (Bruce G. Danziger, president); owns nine other stations, none in this market
SELLER: LSM Radio Partners LLC (Burton K. Barlow, managing member)
FACILITIES: WWUS(FM): 104.1 MHz, 100 kW, ant. 453 ft.; WCNK(FM): 98.7 MHz, 100 kW, ant. 453 ft.; WAVK(FM): 97.7 MHz, 50 kW, ant. 213 ft.
FORMAT: WWUS(FM): Classic Hits/'70s and '80s; WCNK(FM): Smooth Jazz; WAVK(FM): Hot AC

WYZK(FM) VALDOSTA, GA.

PRICE: \$2 million
BUYER: GRAM Corp. (Georgia R. Salva, president/CEO); owns two other stations: WGOV(AM) and WAAC(FM) Valdosta
SELLER: CDJ Inc. (Michael Howard, president)
FACILITIES: 96.7 MHz, 50 kW, ant. 306 ft.
FORMAT: Classic Rock

AMs

WMSR(AM) MANCHESTER, TENN.

PRICE: \$700,000
BUYER: Coffee County Broadcasting Inc. (Rob Clutter, owner); owns no other stations
SELLER: Coffee County Broadcasting Inc. (Don Hershman, president)
FACILITIES: 1320 kHz, 5 kW day/79 W night
FORMAT: '70s Hits
COMMENT: Don Hershman, Bill Bouldin, Kenneth Duke and Johnny Murray, each with 25% interest in Coffee County Broadcasting, are selling their interests to Rob and Tiffany Clutter, each of whom will own 50%.

KVMA(AM) MAGNOLIA, ARK.

PRICE: \$165,000
BUYER: Noalmark Broadcasting Corp. (William C. Nolan Jr., president); owns 17 other stations, none in this market
SELLER: Columbia Broadcasting Co. (Ken Sibley, president)
FACILITIES: 630 kHz, 1 kW day/30 W night
FORMAT: Country

INFORMATION PROVIDED BY:
 BIA Financial Networks*
 Media Access Pro.
 Chantilly, Va., www.bia.com

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CAREERS

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Chicago's historic WMAQ-TV is seeking a highly creative Topical Promo Producer for its Creative Services Department. Candidate will write, produce and edit compelling teases and promos under tight deadlines. Responsibilities include: News topicals, sweep series, daily teases, POP's, program and special project promotion and PSA's. Technical experience needed: advanced non-linear (AVID) editing, and experience with field production. Photoshop and After Effects experience a plus. Qualifications: 3-5 years television promotion experience with a focus on news promotion and college degree in related field. To join our award-winning team, send resume and non-returnable demo reel to: WMAQ-HR, Job #Promo5, NBC Tower, 454 N. Columbus Dr., Chicago, IL 60611.

PRODUCER CAREERS

EXECUTIVE PRODUCER

WBNS-TV, Central Ohio's News Leader, is seeking an Executive Producer to oversee its dominant late-night newscast. The E.P. will oversee all night-side staff including producers, associate producers, reporters and assignment desk and be responsible for all late-night editorial and production decisions. Must be able to execute a high-energy, fast-paced, compelling newscast and know how to market it to a late-night news audience. WBNS is all about the Big Story, Breaking News, Enterprise and Investigative reporting, therefore, candidates must have successful track record in these areas. Candidates must also have excellent news judgment, a high degree of creativity, and the producing skills to execute a differentiated newscast. We have all of the tools you need to succeed: two satellite trucks, multiple live trucks, helicopter and Washington, D.C. Bureau. Must have late-night producing experience and previous management experience is preferred. Rush resume, tape, and news philosophy to: WBNS-TV, Human Resources, Job #200KH, 770 Twin Rivers Drive, Columbus, OH 43215. WBNS is an Equal Opportunity Employer. We are a smoke and drug free workplace.

NEWS CAREERS

DESK ASSISTANT

WLS-TV News is looking for a Desk Assistant. Duties include assisting producers and assignment editors, script preparation, research assistance and general clerical duties. Prior news experience and college degree preferred. Send resume to Donetta Thomas, News Business Manager, WLS-TV News, 190 North State Street, Chicago, IL 60601. NO TELEPHONE CALLS. EOE

MANAGEMENT CAREERS

VICE-PRESIDENT & GENERAL MANAGER

Nexstar Broadcasting Group is seeking qualified and experienced candidates for a unique and challenging position that includes oversight of KARK-TV, the NBC Affiliate in Little Rock, Arkansas. KARK-TV is one of the company's flagship stations with its gleaming, state of the art facility in the shadow of the beautiful Arkansas State Capitol. The successful candidate will have demonstrated success in leading sales driven organizations, as well as providing leadership by developing department heads and promoting teamwork within all station departments. In addition, a track record of success in growing news viewership, maintaining a focus on the bottom line, and a broad range of programming experience with an emphasis on localism is essential. Please forward credentials to: Brian Jones, Senior Vice-President & Regional Manager, Nexstar Broadcasting Group, 909 Lake Carolyn Parkway, Irving, Texas 75039. No phone calls. Nexstar Broadcasting Group is an equal opportunity employer.

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Fast Track

Continued from page 4

Those comments came during a joint Hollywood Radio & Television Society and Academy of Television Arts & Sciences panel discussion in Los Angeles about the state of the television industry, an event that moderator, film and TV producer Gavin Polone half-jokingly renamed "The Coming Television Apocalypse."

On an equally ominous note, five of the six panelists predicted that the total dollar figure for next year's network upfronts will be flat or down from this year—with only NBC U's Reilly abstaining from the question. Most of the responses were in the down 1%-2% range, while The Firm Chairman and former Disney Television President **Rich Frank** said it could drop 10%.

A high-ranking **SBC Communications** executive on the panel acknowledged having numerous discussions about "more strategic relationships" with content providers, though he declined to say whether the telco would consider acquiring a television network.

Dan York, executive VP of programming for SBC, said when asked the question, "I'm not going to answer that straight out." Citing the "competitive landscape," he said, "It obviously makes sense to be a little more vertical and not just be a downstream provider."—*B.G.*

FAST TRACK**Malone's Exit Could Signal Cablevision Deal**

John Malone's resignation from **Cablevision Systems'** board of directors has sparked speculation that the company is prepping a deal involving all or part of its Rainbow networks unit.

Liberty Media Chairman **Malone** has quit the board, saying in an SEC filing that he wanted to avoid any potential conflicts of interest in the programming operations of Liberty and **Cablevision**.

What has changed is unclear. Outwardly, the potential conflicts are no different than when **Malone** accepted **Cablevision** Chairman **Chuck Dolan's** invitation to join the board in March—when **Dolan** needed support to continue **Cablevision's** Voom! satellite venture.

One possible change that analysts and investors immediately seized upon is that **Cablevision** might be planning some sort of deal involving **Rainbow**.

Malone is not seen as a buyer of networks, but has been working to spin off assets in order to shrink **Liberty**, possibly for a sale. "The decision

House Bags 'Buster'

Buster will have to send his postcards from the poor-house if some Republicans get their way.

The House Labor-HHS Appropriations Committee Thursday voted to zero-out funding for Ready to Learn (RTL). That is the PBS educational kids programming initiative that caught flack from the Department of Education for a *Postcards From Buster* episode—RTL is funded primarily by DOE—featuring a lesbian couple.

That criticism aside, the Bush Administration had still proposed \$23.3 million for Ready to Learn, only \$100,000 less than public TV had asked for. The committee would have none of it, literally.

The House committee also cut \$39.4 million to help with the digital transition, and \$39.6 million for interconnection equipment, to go along with another House appropriations committee's earlier cut of a \$21 million technology seed fund.

In addition, the Corporation for Public Broadcasting's base budget—for funding programming and station operations for FY 2006—was cut by almost a quarter. Noncoms had requested \$400 million, Bush had proposed \$390 million, but the House committee ap-

proved only \$300 million.

CPB has been forward-funded two years, so the \$400 million for 2006 was approved in 2004, but the committee decided to cut it anyway, and the administration is trying to do away with the forward funding entirely.

The over-\$200 million in cuts could still be restored in the Senate, as has been the case with previous cuts. But Association of Public Television Stations President **John Lawson** was characterizing the House vote as a "direct attack" on "some of the last, locally controlled and independent media voices in our country."

Lawson saw the RTL cut as a punitive action stemming from the **Buster** controversy. He also called the \$90 million cut from CPB's forward funding a threat to its editorial freedom. "Without the ability to rely on advance appropriations, public broadcasters lose an important firewall against influence in political programming decisions," he said.

Democrats of the House Appropriations Committee were equally angered by the cuts, saying, "First, they are trying to co-opt America's public broadcasting stations," the Democrats said in a statement. "Now they are trying to bankrupt them."—*J.E.*



John Malone

Postcards From Buster

Blind Date

seems to suggest that **Cablevision** has begun, or could begin in the future, discussions to sell their **Rainbow** Media cable channels to **Liberty Media**, or to a **Liberty**-related company," says **Sanford Bernstein** analyst **Craig Mofett**.—*J.M.H.*

Clear Channel TV Names COO

Don Perry, VP and GM of **WOAI** San Antonio and regional VP of parent **Clear Channel Television's** Southwest region, has been named to the newly created post of executive VP and COO for **Clear Channel Television (CCTV)**.

He will oversee the company's 40 TV stations and its six regional VPs. He reports to **CCTV** President and CEO **William G. Moll**.

Scripps Captures Shopzilla

In a monster bet on Internet shopping, **E. W. Scripps Co.** said it plans to buy price search engine **Shopzilla** for \$525 million.

Shopzilla collects prices on electronics, clothes, and other consumer product from thousands of retailers, who then pay referral fees. Founded in 1996, **Shopzilla** expects to generate revenue of \$130 million-\$140 million this year and operating income of \$30 million to \$33 million.—*J.M.H.*

NBC U Takes Out 'Blind Date' Again

NBC Universal Domestic Television Distribution has renewed the reality

relationship strip *Blind Date* for its seventh season.

The renewal comes despite a big ratings drop for *Blind Date* and for the entire genre this past year. In addition, **NBC U** has renewed syndicated weeklies *The Chris Matthews Show* (fourth season), *George Michael's Sports Machine* (22nd season), and *The Wall Street Journal Report* (second season).—*J.B.*

Capus Caps 'Nightly News'

Steve Capus has been named the No. 2 exec at **NBC Nightly News**, replacing **Bill Wheatley**, who announced his retirement in April.

Capus, who has been executive producer of the half-hour weekday news broadcast with **Brian Williams**, becomes senior VP of **NBC News**.

His purview now reaches beyond the *Nightly News* broadcast to overseeing specials, newsgathering and breaking news for the network, including arbitrating issues of ethics and standards for the news division.—*J.E.*

Jackson Trial Ready for 'Thriller' Finish

As the jury deliberated in the **Michael Jackson** trial, cable networks were finalizing their verdict coverage at press time, from blowout news coverage to cellphone alerts.

E!, which has been reenacting the child-molestation trial daily to solid ratings, will follow the verdict with coverage from news talent **Giuliana DePandi** and a live, probably extended, broadcast of its nightly analysis show *The Michael Jackson Trial*.

Court TV will blow out its regular programming for *Michael Jackson: The Verdict*, a compendium of live reports, analysis and commentary from the **Santa Maria** courthouse, and an hour-long *Nancy Grace Live* special at 9 p.m. The network says so far more than 25,000 people have signed up to receive a text-message verdict alert on their cellphones, which **Court** is offering for free in association with **Goldpocket Interactive**.

At **CNN**, all prime time programs including *Anderson Cooper 360*, *Paula Zahn Now*, *Larry King Live* and *NewsNight With Aaron Brown*, as well as **Headline News' Nancy Grace**, will report on the verdict and provide analysis by reporters in **Santa Maria, Calif.**, and guests.—*A.B.*



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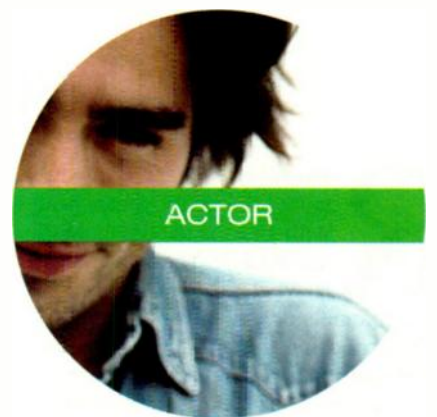
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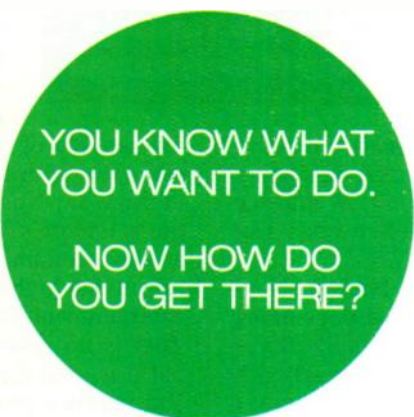
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Death to the Networks

At a Los Angeles luncheon last week, some broadcast-network entertainment chiefs predicted the death of one of their own networks within the next few years. We think that is a low estimate. In a few years, none of the broadcast networks will exist—at least not in the way we know them now.

That is because lining up a bunch of shows, sticking commercials into them and delivering them to people waiting patiently on the other end of the programming pipe is a dying concept. Programmers know it, and advertisers know it.

That model will likely remain part of the mix, but it will be only one mode in the way we receive programming. New “consumer-controlled” media will let viewers choose their entertainment like never before, and they’ll be watching on everything from a 60-inch screen in the living room to a little window on their cellphone.

Creating workable copyright-protection laws that are fair to consumers and content creators is directly related to that new universe. Before the copyright issue is decided, the media revolution will have a built-in speed bump.

But what the eventual “death of the networks as we know them” means is actually the birth of hundreds of new networks, from regional diginets to networks of opportunity that form and die with the lifespan of a fruit fly. The Web will be a big part of the new networked-media model. We’ll literally Google for programs.

The smartest media executives are embracing the change that

otherwise would choke them. At a media conference last week, Robert Iger, who will become Walt Disney Co.’s chief executive officer this fall, called the change in how consumers get their media a “great migration” and proudly cited Disney’s ESPN, which, like a kid in the techno playground, is jumping on every media platform out there to see if it’s worth playing with.

Iger seems ready to take Disney properties, including ABC, to the next phase. But the big question is how “traditional” broadcast networks develop multiple media versions. And the answer to that question comes from creating television without stifling technology or penalizing consumers who want content to conform to their technological environment. No one has ever accused the broadcast networks of embracing change, but this time it is how they will survive.

Along the way, some of the technological breakthroughs won’t catch on or will be modified. (Older readers will remember Betamax and cellphones that were about the size of a loaf of bread.) Already, almost everybody has started doing cellphone-con-

tent deals. We’re not convinced that, long term, there will be an appetite for consuming critical amounts of content on teeny-tiny screens, but there may well be a business in bits and bursts. And broadcasters have to be in that space just in case.

The transition period may require investing in a number of different delivery models as insurance against missing out on a winner. That could mean investment without immediate return, something else the debt-loaded consolidated media companies aren’t wild about. But, like cable’s expensive broadband remake, the way to become a leader is to take chances and run faster than everybody else.

EDITORIAL

Kids Promo Limits Would Hurt Cable

Remember the schoolyard taunt “I could beat you with one hand tied behind my back”? That, in effect, is what the FCC is asking cable channels designed for children to do by proposing that on-air promos for non-educational programming count as commercials. That means, for example, if Nickelodeon runs a promo for just-plain-fun *SpongeBob SquarePants*, that would count as a commercial, the number of which is limited by law.

The clause is important for broadcast channels that have largely surrendered to the shifting children’s media market. The three-hour “educational/informational” (E/I) mandate for broadcasters (not cable) was intended as a “floor,” but few broadcasters offer children more. As a result, promos for non-E/I shows would substantially dilute their overall effort.

Many of the FCC’s draft rules for children’s digital television make sense, especially those that would ensure E/I obligations aren’t diluted when broadcasters begin to multicast. This proposal, however, will inhibit TV’s overall service to young people.

It is worth noting that Kids’ WB did go beyond the broadcast minimum, offering a daily entertainment block until recently. The WB admitted that it was folded in

part because the proposed promo restrictions would tip an already precarious financial balance.

It makes little sense to apply such handcuffs to children’s cable channels, which give young people the same variety that adults expect from television. Rather than surrender, the cable services are trying to build environments suited to young people’s habits, interests and needs. Kids may come for amusement, but if they find a channel authentic and trustworthy, they’ll pay attention to its substantive initiatives, like Nickelodeon’s “Worldwide Day of Play” or Cartoon Network’s “Get Animated.”

Preschool blocks like Nick Jr., Noggin, Ready Set Learn, and the coming Tickle U and Sprout are wholly educational and limited in commercials. Although the E/I obligation doesn’t cover cable, these blocks have surpassed three hours by Monday noon.

Counting non-E/I program promos as commercial matter would substantially unbalance cable channels that are trying to give children a schedule diverse in content and style. Moreover, since cable channels are not even covered by the E/I rule, who would determine which pro-

mos qualify for non-commercial status?

The advocates’ coalition supporting the new FCC rules cites old research in defending promotion limitations. Their economic assessment of children’s-TV advertising predates not only the Children’s Television Act but niche cable channels, the Internet and even VCRs.

If the goal is to ensure that E/I commitments aren’t eroded, then it is important to chart trends since

the passage of the Children’s Television Act. With the arrival since 1990 of Nick Jr., Noggin, Discovery Kids, Starz Encore’s WAM, and Disney as a non-premium service, it seems apparent that high-quality education and entertainment have learned to coexist. That is no reason to be complacent, but it is vital that the FCC, advocates and industry protect diverse and sustainable services even as they bolster educational TV.

Kleeman is president of the American Center for Children and Media, a professional-development center supported by leading media companies. This article is adapted from informal comments filed with the FCC.

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