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TV Networks Join Comcast Web Test

BY NAT WARDEN

More than a dozen TV networks - including broadcaster CBS Corp. - agreed to join Comcast Corp.'s nationwide test of an online-video subscription offering, as companies seek additional revenue streams amid the advertising slump.

Comcast's "On Demand Online" will offer a Web authentication system that will allow 5,000 Comcast customers in markets across the country to verify their cable-TV subscription in order to access programming online at Comcast's Fancast.com and Comcast.net sites at no extra cost.

Financial details of the agreement weren't disclosed.

Broadcasters have been putting popular TV content online free on ad-supported Web sites like Hulu. Unlike their cable counterparts, broadcast networks depend mostly on ad revenue and have little incentive to limit access to content to help pay-TV distributors preserve their business.

Hulu is a joint venture of media companies, including News Corp., which owns VentureWire.

CBS's participation in the trial could signal a willingness to work more closely with distributors as ad markets suffer through the recession and Web players such as Google Inc. steal market share.

"Today's announcement highlights the industry's growing interest to bring long-form content to consumers via a secure and easy-to-use online platform," said Matt Bond, executive vice president of content acquisition with Comcast.

The agreements signal that a critical mass of major players in the TV business are lining up behind a concept championed by Time Warner Inc. Chief Executive Jeff Bewkes known as "TV Everywhere." Bewkes has said he envisions an industrywide authentication platform that will allow subscribers to any pay-TV service to access programming online on PCs and mobile devices.

CBS has made many of its TV series available on numerous Web sites, including CBS.com and its own video site, TV.com. But the company has made progress recently in increasing carriage fees that it gets from distributors to complement its ad revenue. CBS does not plan to stop streaming shows it has available on its own Web site and may add series from its pay cable network Showtime down the line, said Quincy Smith, CEO of CBS Interactive.

In addition to CBS, the other networks include cable network AMC, owned by Cablevision Systems Corp.; the Food Network, owned by Scripps Networks Interactive Inc.; and BBC America, owned by the BBC. Along with others, they joined Time Warner's HBO and Turner networks as well as Liberty Media Corp.'s Starz.

The trial will provide online access for Comcast's TV subscribers to some of TV's most popular programming, including HBO shows such as "Entourage" and "True Blood" and TNT's "The Closer." AMC's "Mad Men" and "Breaking Bad" are expected to be included later this summer, and the offering will also include major Hollywood films like "The Dark Knight" and "Juno."

Other broadcast giants such as News Corp., Walt Disney Co. and NBC Universal have yet to participate, although A&E Television Networks, which is participating, is part-owned by Disney and NBC Universal. Comcast, however, is still holding talks with most TV companies to bring more in.

Comcast and Time Warner recently agreed on a framework for putting programming from cable networks online to satisfy consumer demand while still requiring customers to subscribe to a TV service in order to prevent an erosion in their revenue base.
