

NBC's Zucker lashes out at YouTube

By Joshua Chaffin and Francesco Guerrera in New York
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Jeff Zucker, on his first day as chief executive of NBC Universal, came out swinging at YouTube, accusing the online video site of failing to deploy its technology to protect the copyrighted materials of traditional media companies.

"YouTube needs to prove that it will implement its filtering technology across its online platform. It's proven it can do it when it wants to," Mr Zucker said, referring to the site's controls to block pornography and hate speech. He added: "They have the capability. The question is whether they have the will."

As he replaces Bob Wright atop the GE-owned media conglomerate, Mr Zucker has a mandate to shift programming to a new generation of digital outlets that are popular among young viewers.

"This company is about producing great content in all divisions," he said. "The issue is, how do we get that great content in front of new eyeballs, on new platforms, with new money attached?"

Yet NBC and other traditional media companies have expressed mounting frustration at the slow pace of negotiations with Google, which acquired YouTube for \$1.6bn in October. In addition to questions about licensing fees and sharing advertising revenue, they have also cited YouTube's failure to deliver on a promise to implement a monitoring system that would alert them when their content has been posted to the site.

That frustration boiled over on Friday when Viacom, which owns MTV, Comedy Central and other youth-oriented brands, demanded that YouTube remove all of their clips from its site. Viacom executives have been eager to see whether other traditional media companies will follow their lead.

As part of the shake-up at NBC, Mr Zucker will report directly to Jeffrey Immelt, GE's chairman and chief executive. Mr Immelt will also take Mr Wright's post as chairman of NBC Universal's board. Speaking to reporters on Tuesday, Mr Immelt restated his commitment to the media division – which includes cable and broadcast television networks, a film studio, internet properties and a theme park – denying that GE had any plans to spin it off.

"We like the business. We believe the performance is well positioned for good growth in the next few years," he said, predicting the division's earnings would grow between 5 and 10 per cent this year.

Mr Immelt has been closely involved in redrawing NBC's strategy in an attempt to revitalise the division's sluggish earnings. GE's concerns over NBC's performance have been underlined by decisions to enlist trusted executives from other parts of its sprawling portfolio.

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