

CableFAX Daily™

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What the Industry Reads First

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Pretty Please: CEA Pleads to Keep Feb 17 DTV Switch Date

With CES now behind him, CEA pres/CEO Gary Shapiro is concentrating on urging Obama and his team not to postpone the digital transition. Word from the Hill Mon was that work is continuing on legislation to change the date, with an aide to Sen Commerce chmn Jay Rockefeller (D-WV) saying the hope is that it will be filed "soon." In a letter to Obama transition team co-chair John Podesta, CEAs Shapiro specifically addressed the notion that there may be a shortage of converter boxes. "CEA believes that CE manufacturers and retailers are ready for the DTV transition on Feb 17. Manufacturers and retailers anticipated a spike in demand for converter boxes close to the Feb 17 transition date and have planned accordingly," Shapiro said. And a short-term delay wouldn't solve any supply problems because of the manufacturing/distribution cycles, he said. In a NY Times opinion piece last week, former FCC chmn Michael Powell and Bill Kennard suggested that there could "easily" be a shortage of 4mln-31mln boxes given demand estimates. As of Sun, 1.76mln people were on a waiting list for DTV converter box coupons. On Sat, 147,873 were added to the list, while 64,626 were removed from the list for a net addition of 83,247 to the list. On Sun, 157,720 were added to the waiting list and none were removed. Should the govt determine that the supply of converter boxes won't meet demand, CEA suggested examining whether to allow the coupons to go toward purchase of a limited feature/low-cost digital TV or pay service (cable, DBS, telco video). Shapiro also suggested several other alternatives to moving the date, including eliminating the 90-day coupon expiration. Outgoing FCC chmn Kevin Martin has sided with not moving the analog cut-off, noting that the Commission has plans to allocate the spectrum to other uses and that those industries are ready and waiting for it.

In the Courts: The US Supreme Court appears interested in the Cablevision network DVR case, asking the DOJ's solicitor general Mon to file a brief stating the views of the U.S. Collins Stewart's Thomas Egan called the move a "slight negative" to CVC since it will likely take several months for the brief to be filed, thus keeping the status of the tech in limbo. And then there's the question of whether the high court will hear the case. The MSO announced plans to introduce its Remote Storage DVR in '06. Several content companies, including Disney and Fox, claimed it violated their copyrights. A federal court agreed, but an appeals court ruled in favor of Cablevision.

CES Wrap: What's Kevin Martin's biggest regret looking back on his term as FCC chairman? No surprise here: He didn't get far enough in his bid for regulations that would force cable operators to open their pipeline to other content providers. "I wish I'd made more progress to have additional competition on the video side," he said Sat at CES during his annual interview with CEA chief Gary Shapiro. Martin took the opportunity to lash cable one last time for what he characterized as the industry's refusal to allow greater co-mingling of content and services. Citing Microsoft's Media Player as one example of a technology incompatible with the cable set-top box, Martin said limitations



The Highest Rated Ad-Supported Movie of the Week

The Nanny Express

3.1 HH Rating

Hallmark CHANNEL

Source: Nielsen Galaxy Explorer 02/29/08-1A/09 Live+SD coverage area HH program average rating for Sat 9-11p premiere vs all ad-supported cable movies. Subject to qualifications upon request.

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on the Tru2way protocol block the seamless integration of content from the Internet and other sources. "If you want to get on-demand content from the Internet, then you can't get the operator's on-demand content," he said. "It's not a technological issue. The cable operators won't give them access." The result, he said, is "cable video prices dramatically increasing, faster than the rate of inflation," since the 1996 Telecom Act, while prices in wireless, local, long-distance phone and other services have fallen. In contrast, "I am a strong advocate of removing regulations on the broadband side where there is competition," Martin noted. "But when the broadband pipe is also provided by the cable company, then [others] can't use it." -- Attendance at CES was estimated at 110K, a 22% drop from 141K+ last year. -- **EchoStar's** "SlingLoaded 922 HD DVR" picked up a Best of CES award in the home video category. The device is the 1st HD DVR to incorporate **Sling Media's** place-shifting tech. – *Cathy Applefeld Olson*

Competition: Not long after striking a deal with **Time Warner Cable**, **CBS** has inked a sweeping retrans/program carriage deal with **FIOS TV** that includes network and local VOD content and mobile rights for Verizon Wireless' **V CAST** video service. -- **U-verse TV** has added **NHL Net** to its U400 programming package and The Sports Package tier, and also launched **NHL Net HD**.

Golden Globes: After "Mad Men" was named Best TV Drama for the 2nd consecutive year, creator *Matthew Weiner* and much of the **AMC** series' cast strode with laughs and back pats to the stage, where Weiner praised the foreign press for consistently appreciating and honoring "different" content types. Other differences Sun night included the televised gala, which was canceled last year because of the writers' strike, and a major win for actor *Mickey Rourke* (!?!). But much, such as **HBO's** dominance, remained the same. The premium net took home 7 of the 11 awards for TV content, including 4 for miniseries "John Adams." **NBC's** "30 Rock" garnered 3 awards, including Best TV Musical or Comedy, for which **Showtime's** "Californication" and "Weeds" and **HBO's** "Entourage" were also nominated. Despite 7 noms Showtime went home empty handed.

In the States: **Si TV** picked up carriage in the Phoenix area through **Cox**. Cox plans to carry the channel throughout the state by mid-year. -- **Cox Business** won a \$500K contract to provide HSD services and more than 100 landlines for **Barrett-Jackson's** annual car collector event in Scottsdale, AZ, which last year delivered 280K attendees, 1.2K vehicles and \$88mln in car sales. -- **RCN** has signed on as the official cable provider of the **Boston Blazers**, a pro indoor lacrosse team set to begin play this month. The partnership includes cross-marketing promotions and several RCN-hosted lacrosse clinics.

Research: In a study that will come as no surprise to many women, **Integrated Media Measurement** determined that females are more likely to integrate their computers and Internet with their TV viewing experience. Women 15-48 averaged using both technologies simultaneously on average for 17.5 mins/day, vs 15.7 mins for males in the same age group. Women 30-30 were the highest simultaneous users, averaging 23.3 mins/day.

Marketing: **Showtime** is making the premiere ep of "United States of Tara" available on more than 100 multiplatforms to promote the show's Sun debut (9pm). Some 24 multichannel providers will offer it on broadband and free VOD 10 days before the premiere, including **Comcast**, **Cox**, **Insight**, **Mediacom AT&T** and **Time Warner Cable**. The premiere, along with episodes of "The L Word" and "Secret Diary of a Call Girl," is also available on **YouTube**,

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TV.com, CinemaNow, Verizon V-Cast and other platforms.

Advertising: NBCU Women and Lifestyle Ent Nets pres Lauren Zalaznick has formed a panel aimed at offering marketing and other advice to NBCU clients on how to effectively reach women, according to *Ad Age*. Chaired by Zalaznick, the panel includes CNBC's Maria Bartiromo, Oxygen's Tori Spelling and more than 20 additional members.

Intl: Discovery Comm plans to roll out Animal Planet HD early next month on the Canal Digital platform in Denmark, Sweden, Norway and Finland.

Programming: Starz and Sony Pictures Ent have forged a multi-year extension to their programming pact that gives the premium net the exclusive pay-TV rights to all Sony theatrical releases for much of the next decade and across platforms. -- HBO's "We Are One: The Obama Inaugural Celebration at the Lincoln Memorial" (Sun, 7-9pm) will include appearances by Stevie Wonder, Bono, Martin Luther King III, Denzel Washington and others. -- MASN has inked a deal to simulcast 20 Washington Nationals games each season on WDCW, a D.C.-area affil of The CW.

TCA Notebook: Niecy Nash fielded questions about her Style reality show "Clean House" with no executive assistance, saying that it can be tough when people don't like her advice about de-cluttering their homes. "You can't win them all, but we win most of them," she said. She worked the room like a pro, so it was obvious why she has been approached to host her own talk show. But she said the pieces haven't come together yet. -- Comcast Entertainment Group pres/CEO Ted Harbert got a laugh when he explained that he assigned himself to be executive producer of "Candy Girls," a new series about the attractive models who appear in hip-hop videos. He described it as "the best job I've ever had." Nice when you can create your own reality. -- Comedian Will Ferrell visited TCA via satellite to talk about his upcoming HBO special, "You're Welcome America: A Final Night with George W Bush" (premieres Spring), a live event in which he'll bring back his beloved impression of the soon-to-be-former President. "People should expect the unexpected," he said, declining to give many other details and deflecting most questions by pretending to be distracted by a bat flying around in the studio. Ferrell is also exec producing HBO's "East Bound & Down" (premieres Feb 15) about a disgraced baseball star (Danny McBride) who returns to his N.C. hometown. Hijinks ensue. -- The famously cute Drew Barrymore, whose acting history has mostly revolved around her...cuteness, told critics she fought for her dramatic turn in HBO's "Grey Gardens" (premieres April) to test her acting skills. "I think that I have not proven myself yet," she said of the movie about 2 eccentric Jacqueline Kennedy relatives that has Barrymore and co-star Jessica Lange largely in prosthetics to turn them into older women. "I worked harder on this than anything I have worked on in my entire life," Barrymore said. -- BET has been saying for several years that it's increasing its investment in originals. TCA saw evidence in clips of "Harlem Heights" (Mar 2), which was shot in HD with 3 cameras. The reality series follows Harlem-based young, black professionals, a segment of the population not regularly seen on TV, BET says. TCA critics wondered if the smoothness seen in the clips indicated the series is scripted. BET programming chief Loretha Jones countered that the people in Harlem Heights were friends prior to the TV series, so "their relationships are pretty natural." Separately, BET announces a slew of specials and special coverage of the inauguration, including staging its own inaugural ball. -- Discovery Channel dropped off 9 people in the middle of the Alaska wilderness and gave them 30 days to hike back to civilization. And yes, these folks actually volunteered to be on "Out of the Wild: The Alaska Experiment" (premieres April), in which they spent days without food or dry clothes, dodging galloping caribou as they tried to relieve themselves in the woods. So how was Alaska? "When you're not blinded by starvation, it's gorgeous," said participant Trish Bulinski. That pretty much sums it up.

People: HBO hired ABC's Diane Tryneski as svp, studio & broadcast ops. -- Keith Bowen was promoted to chief revenue officer for TV One and Radio One. -- Cablevision tapped Merrill Lynch vet Gregg Seibert as evp, responsible for the oversight of the MSO's treasury and investor relations functions. -- CNN appointed Robin Garfield svp, research. -- Brightcove

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BUSINESS & FINANCE

named Jeff Whatcott svp, marketing and Mike Quinn svp, sales, Americas. Also, the company appointed David Mendels and Deb Besemer board members. -- Former Time Warner CEO Richard Parsons may soon be named chmn of Citigroup, according to reports. -- Sling Media co-founders Blake and Jason Krikorian have resigned following the company's 1-yr transition to EchoStar ownership, according to PaidContent.org. Execs Jason Hirschhorn, Ben Waite and Greg Wilkes also resigned.

Business/Finance: DirecTV has completed the \$3bln stock repurchase program it launched last May, and the company's board has approved the additional repurchase of up to \$2bln of common stock. -- "Owing to the value creation we expect based on the development of its open mobile broadband business," **ThinkEquity** said it's bullish on the prospects of **Clearwire** and maintained its "buy" rating and \$10 price target on the company's shares. The firm does believe a \$3bln funding gap exists for the **Clear** WiMAX roll out, but feels that "several funding sources exist, and more will emerge as the WiMAX model develops." Plus, said the firm, "at last week's CES convention, we believe the proliferation of embedded WiMAX devices was very impressive." -- **Outdoor Channel Holdings** has acquired for an undisclosed amount **Winnercomm**, a sports prod and program development company.

CableFAX Daily Stockwatch

Company	01/12 Close	1-Day Ch	Company	01/12 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	25.17	(2.15)	AMDOCS:	19.61	(0.76)
DIRECTV:	21.55	(0.53)	AMPHENOL:	24.71	(1.34)
DISNEY:	21.86	(0.45)	APPLE:	88.66	(1.92)
ECHOSTAR:	12.69	(0.36)	ARRIS GROUP:	7.75	(0.26)
GE:	15.83	(0.17)	AVID TECH:	11.37	(0.17)
HEARST-ARGYLE:	5.62	(0.58)	BIGBAND:	4.81	(1.04)
NEWS CORP:	9.17	(0.3)	BLNDER TONGUE:	0.98	(0.17)
MSOS					
CABLEVISION:	18.08	(0.2)	BROADCOM:	16.70	(0.24)
CHARTER:	0.15	(0.03)	CISCO:	16.40	(0.3)
COMCAST:	15.70	(0.63)	COMMSCOPE:	15.75	(0.98)
COMCAST SPCL:	14.87	(0.75)	CONCURRENT:	3.47	0.04
GCI:	7.35	(0.36)	CONVERGYS:	7.30	(0.04)
KNOLOGY:	5.25	0.09	CSG SYSTEMS:	15.55	(0.27)
LIBERTY CAPITAL:	5.49	(0.57)	ECHOSTAR HOLDING:	14.01	(0.56)
LIBERTY ENT:	17.03	(1.11)	GOOGLE:	312.69	(2.38)
LIBERTY GLOBAL:	17.79	(1.21)	HARMONIC:	5.81	(0.28)
LIBERTY INT:	3.40	(0.17)	JDSU:	4.26	(0.36)
MEDIACOM:	4.49	(0.02)	LEVEL 3:	1.21	(0.28)
SHAW COMM:	16.72	(0.79)	MICROSOFT:	19.47	(0.05)
TIME WARNER CABLE:	19.66	(0.9)	MOTOROLA:	4.50	0.04
VIRGIN MEDIA:	4.75	(0.24)	NDS:	58.40	0.65
WASH POST:	413.40	(5.25)	NORTELV:	0.42	0.03
PROGRAMMING					
CBS:	7.82	(0.58)	OPENTV:	1.16	0.01
CROWN:	1.85	(0.17)	PHILIPS:	19.10	(0.66)
DISCOVERY:	14.59	(0.17)	RENTRAK:	11.67	(0.05)
EW SCRIPPS:	1.89	(0.15)	SEACHANGE:	6.79	0.00
GRUPO TELEVISA:	14.51	(0.43)	SONY:	23.10	(0.45)
HSN:	4.90	(0.83)	SPRINT NEXTEL:	2.45	(0.14)
INTERACTIVE CORP:	14.86	(0.12)	THOMAS & BETTS:	23.20	(1.17)
LIBERTY:	26.56	(0.94)	TIVO:	6.68	(0.3)
LODGENET:	0.99	(0.03)	TOLLGRADE:	5.19	0.19
NEW FRONTIER:	2.06	(0.14)	UNIVERSAL ELEC:	14.82	(0.49)
OUTDOOR:	6.33	(0.71)	VONAGE:	0.59	(0.03)
PLAYBOY:	2.05	(0.08)	YAHOO:	12.22	(0.91)
RHI:	5.63	(1)	TELCOS		
SCRIPPS INT:	23.66	0.41	AT&T:	25.94	(0.74)
TIME WARNER:	9.89	(0.19)	QWEST:	3.53	(0.22)
VALUEVISION:	0.45	(0.05)	VERIZON:	31.79	(0.37)
VIACOM:	19.19	(0.83)	MARKET INDICES		
WWE:	10.43	(0.08)	DOW:	8473.97	(125.21)
TECHNOLOGY					
3COM:	2.35	(0.11)	NASDAQ:	1538.79	(32.8)
ADC:	5.20	(0.41)			
ADVANTAGE:	1.95	(0.21)			
ALCATEL LUCENT:	2.16	(0.08)			

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EYE ON ADVERTISING

Being Selective

What kind of media buys make sense in a struggling economy? Steve Sturm, Toyota's group vp of corporate planning and communications, has a few ideas. Sturm, who formerly oversaw marketing for **Toyota Motor Sales USA**, filled us in on the importance of targeting, and why the predictable two-minute pod needs to become a thing of the past.

How is the economic downturn affecting Toyota advertising buys?

SS: Our sales picture has weakened as the car industry has weakened. We've had to cut advertising budgets to try to balance the bottom line of the company. Budgets are not being redeployed and we have to make decisions as to what are the highest priorities to maintain.

What are those priorities?

SS: We are trying to portray the company's image in the highest light possible: Our economic contribution to the US, our environmental leadership and our corporate social responsibility. We apply those communications to the opinion-leader consumer, the one in the upper echelon who helps set trends. That message works best on news shows and cable properties. We're not on mainstream television with it. We're on cable news shows like **MSNBC**, **CNBC** and **CNN**, and on networks like **Discovery Channel** and **National Geographic Channel**.

So the focus is shifting away from broadcast?

SS: We are trying to be very selective and targeted. I don't need all those eyeballs on mainstream broadcast. You have to spread the dollars thin or target them exclusively, and the networks still haven't cut their rates to reflect the lesser audiences they have. I'm trying to get selected eyeballs who understand the message clearly. If I bought "The Office," I'd get all these people we don't need, and I'd be paying for it in a very large way.

What's your advice for programmers for how to keep

viewers tuned into a commercial, particularly in the age of the DVR?

SS: In my opinion, don't do the traditional break. Don't do the traditional pod at 10 or 15 minutes into the show. "Nip/Tuck" did something interesting recently. For the first two minutes of the show, they ran a commercial for an upcoming movie and the viewer really didn't know, 'Is this the show or is this a movie preview?' They didn't showcase the movie until the end of the pod. Trying to move the pods around keeps viewers on their toes.

Do you envision more of this kind of innovation happening today?

SS: The life expectancy of a CMO is two to 24 months. So when you put yourself in the head of a marketing executive—who gets a decent salary but is under huge pressure to generate revenue enhancement activities in a short time because his career is on the line—you want to get quick recognition. It's all driven by the bottom line, and it's going to be worse now that the economy is in such dire straits. These guys are given bare-bones budgets now and told to do viral activities and lifestyle marketing, but often they've got to do basic 101 marketing.

Toyota has done some experimenting, such as sponsoring the season opener of "The Closer" last year. Is this a good way to reach the consumer without commercial overload?

SS: Having the opening credits and closing credits is a great way to go, where you sponsor the whole show and get the billboards on the front and back like they do on "Mad Men." Just speaking for myself, if we want to interrupt the process of [viewers] being addicted to no commercials, we need to build a show model that doesn't have traditional commercials.

(Longtime entertainment industry reporter Cathy Applefeld Olson is delighted to be documenting media's wild ride into the 21st century)



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