

# CableFAX Daily™

Wednesday — January 21, 2009

What the Industry Reads First

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## Obamania: Cable Offers Minute-by-Minute Inauguration Coverage

The election season—and its boundless gift of ratings—is but a fond memory, but cable nets got one more chance to ride the Barack Obama train on Tues as they extensively covered Inauguration Day activities. The major news nets offered up plenty of pomp and punditry, although with stylistic differences. **CNN** brought out its self-described “best political team in television” to talk politics, with *Anderson Cooper* and friends offering up observations (And yes, *John King* played his techno-boy role, showing off **Microsoft**’s “PhotoSynth” technology in which the net constructed an elaborate photo of the inauguration grounds by pasting together photos uploaded by from viewers... [www.cnn.com/themoment](http://www.cnn.com/themoment)). **Fox News** offered tasteful coverage, with *Brit Hume* noting Obama’s “marvelously eloquent speech” and various correspondents reporting from the crowd of revelers. *Juan Williams* even teared up at one point. **MSNBC** kept it light, with *Keith Olbermann* uttering “and to all a good night” as former *President George W Bush* got in that helicopter to leave the Capitol. *Al Roker*, meanwhile, had fun teasing *Chris Matthews* on camera. **CNBC**, as you might guess, wholly focused on Obama’s plans for the economy, with *Larry Kudlow* and others expressing some worry he might over-regulate financial markets. But “I am willing to accept his centrism for now,” Kudlow said. With even the doggedly free-market conservative Kudlow giving Obama the benefit of the doubt, his honeymoon might last a while. Like a week. As always, the venerable **C-SPAN** could be counted on not to talk over the event. C-SPAN’s cameras just panned back as VIPs arrived for the swearing-in ceremony with no talking head providing commentary. The result was that you really felt as if you were a fly on the wall. **BET** and **TV One**, newcomers to Inauguration Day, offered new perspectives. BET had a reporter at Ben’s Chili Bowl, a DC institution, capturing reaction from the lunch crowd. TV One’s main anchors, perched on a rooftop for the event, talked about what Obama’s presidency means for the African American community. The net also directed viewers to [www.tvoneonline.com](http://www.tvoneonline.com), where they can buy Obama shirts, hats and even an Obama action figure. All the hubbub wasn’t just confined to TV. Millions more at work today watched online, with **CNN.com** supposedly logging more than 21.3m live streams as of 3:30pm ET. “We believe CNN.com’s broadcast is a watershed event,” wrote *Pali’s Rich Greenfield*. “Live TV shifted from a passive to a social/interactive experience and underscored the power of the Internet to deliver video programming to a massive number of users simultaneously.”

**Out Like a Lion:** Did anyone really think *Kevin Martin* would go gently into that good night? In the 72 hours leading up to his Tues resignation as **FCC** chmn, Martin released a series of arrows at the cable industry. On Sun, it was revealed that the **Wireline Competition Bureau** and **Gen Counsel** are probing whether Comcast’s network management practices discriminate against Internet-based VoIP providers. “We’ve fully complied with the FCC’s order and are studying the FCC staff letter,” a **Comcast** rep said. The MSO was given until Jan 30 to reply to this latest inquiry. “We request that Comcast explain why it omitted from its filings with the Commission the distinct effects that Comcast’s new network management

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practice has on Comcast's VoIP offering versus those of its competitors," a letter from the Wireline chief and gen counsel said. Over the summer, the FCC ruled that Comcast's network management practices discriminated against P2P apps. The MSO changed its practices but appealed to the DC appeals court. Martin also ended his term by proposing hundreds of thousands of dollars in fines against cable ops. Notices of Apparent Liabilities and Forfeitures from the FCC's Enforcement Bureau accuse 9 of 13 operators of not fully complying with an Oct FCC order to provide info on their migration of analog channels to digital. The Bureau proposed \$25K fines against **Bright House, Cablevision, Charter, Comcast, Cox, Harron, Midcontinent, Suddenlink and Time Warner Cable**. Additional fines were proposed for several ops for allegedly not giving subs 30 days notice of changes, prices. For example, Time Warner Cable has \$97,500 in proposed fines related to its switched digital video launch in Hawaii. "We do not agree with the NALs filed by the FCC and will be responding accordingly to the FCC's Enforcement Bureau," Time Warner said. The operators can appeal the proposed fines to the FCC. **BendBroadband, GCI, RCN and Verizon** are the 4 ops involved in the inquiry not getting proposed fines. With much of DC shuttered Tues for the Inauguration, Martin's last moves drew little reaction. Martin also couldn't leave without one more report on cable prices, concluding that from '95 to '08, the price of expanded basic service has grown from \$22.35 to \$49.65, an increase of 122.1%, compared with an increase in general inflation of 38.4%. Obama will name an interim FCC chmn—with the wind pointing toward *Michael Copps*.

**At the Portals:** The FCC chose **IBM** to provide call center assistance for the DTV transition. The contract, worth up to \$12mln, covers up to 2mln agent-assisted calls during transition week, including up to 400K the day after the switch.

**Competition:** **Verizon** has bowed **FIOS TV** in Hanover, MA, the 91st state community in which the service is available. -- **DISH** now offers eps of **A&E's** new series "The Beast" 1 day following their premiere, in 1080p via its VOD platform.

**Carriage:** Even as **Discovery Comm** remains tight-lipped about a long-term distribution deal reportedly signed with **Comcast** recently, **Pali** analyst *Richard Greenfield* said Tues that he believes a pact has been reached, citing allusions in Discovery's recent SEC filings to ongoing negotiations for deals involving a slew of subs. He posits the deal "will drive Discovery's domestic distribution revenues up about 7% in 2009, offsetting modest declines (estimated at 4%) in advertising revenues." Comcast could not be reached for comment. -- **HorseRacing TV** has launched on **Comcast Media Center's HITS Quantum** service, which offers programming to more than 400 cable affils.

**Billion-dollar Goodbye:** According to a Fri **SEC** filing, **Microsoft** has sold approx 151mln Class A **Comcast** shares (or approx 7.3% of the MSO), ending a dwindling relationship between the pair that commenced more than a decade ago when Microsoft invested \$1bln in Comcast. That investment "triggered a monumental cable rally, one that arguably lasted almost ten years," wrote **Sanford Bernstein** analyst *Craig Moffett*, although it never yielded notable headway by Microsoft into the cable TV realm. Microsoft's software position in Comcast's network completely dissolved in '07, said Moffett, and now the company's "largest TV client is Comcast competitor **AT&T**, for whom they provide the core IPTV software." Moffett views the liquidation as a positive for holders of Comcast shares, which slipped 8.6% Tues.

**Technology:** We've known that *Pres Obama* would be more tech-centric but got a real glimpse of it at 12:01pm ET, when [www.whitehouse.gov](http://www.whitehouse.gov) got a makeover. Check out the before and after here: <http://www.gabyu.com/2009/01/20/white-house-nostalgia-old-vs-new>.



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# BUSINESS & FINANCE

**Programming:** Following months of negotiations, Lionsgate TV has contracted “Mad Men” creator *Matthew Weiner* to continue with the show for 2 more years. **AMC** has reportedly agreed to help remunerate Weiner, who can now begin working with writers on the show’s 3rd season, slated for a summer premiere on the net.

**Honors:** **Cable Positive** will bestow its **Power Awards** on the show floor of **NCTA’s** Cable Show—a first. **Charter** pres/CEO *Neil Smit* will get the Corporate Leadership Award, and **Rainbow** pres/CEO *Josh Sapan* will receive the Joel A Berger Award, for work against HIV/AIDS, Apr 2, DC.

**Business/Finance:** **Warner Bros Ent** plans to cut 800 jobs, or 10% of its worldwide staff. Plans include eliminations and outsourcing of certain positions. -- Ahead of **Verizon’s** (and **AT&T’s**) 4Q earnings call next week, **S&P** maintained its “buy” rating on the telco’s shares and forecasted rev of \$25bln. Wireless will stoke Verizon’s growth, said the firm, which expects “ongoing pressure” on VZ’s wireline base.

**Editor’s Note:** Late entries for the **Faxies Awards** saluting PR and Marketing excellence are due Fri, Jan 23. Winners will be honored in *CableFAX: The Magazine* and during an awards event March 30 in D.C. For more info visit [www.CableFaxesAwards.com](http://www.CableFaxesAwards.com) or contact *Mary Lou French* ([mfrench@accessintel.com](mailto:mfrench@accessintel.com)).

## CableFAX Daily Stockwatch

Company	01/20 Close	1-Day Ch	Company	01/20 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	23.18	(0.98)	AMDOCS:	18.48	(0.74)
DIRECTV:	20.72	(1.26)	AMPHENOL:	24.13	(1.4)
DISH:	11.01	(1.33)	APPLE:	78.20	(4.13)
DISNEY:	20.24	(1.22)	ARRIS GROUP:	6.79	(0.61)
GE:	12.93	(1.03)	AVID TECH:	10.40	(0.33)
HEARST-ARGYLE:	4.00	(0.75)	BIGBAND:	5.43	(0.55)
NEWS CORP:	7.87	(0.76)	BLNDER TONGUE:	0.88	(0.05)
<b>MSOS</b>					
CABLEVISION:	16.31	(1.5)	BROADCOM:	15.84	(1.29)
CHARTER:	0.10	(0.02)	CISCO:	15.01	(0.81)
COMCAST:	14.02	(1.31)	CLEARWIRE:	4.04	(0.02)
COMCAST SPCL:	13.43	(1.36)	COMMSCOPE:	12.49	(1)
GCI:	6.16	(0.5)	CONCURRENT:	3.12	(0.08)
KNOLOGY:	4.70	(0.27)	CONVERGYS:	6.73	(0.51)
LIBERTY CAPITAL:	5.10	(0.38)	CSG SYSTEMS:	14.05	(0.96)
LIBERTY ENT:	16.77	(0.99)	ECHOSTAR:	13.60	(1.24)
LIBERTY GLOBAL:	15.60	(2.35)	GOOGLE:	282.75	(16.92)
LIBERTY INT:	2.98	(0.17)	HARMONIC:	4.89	(0.62)
MEDIACOM:	4.45	(0.46)	INTEL:	12.86	(0.88)
SHAW COMM:	16.55	(0.72)	JDSU:	3.41	(0.38)
TIME WARNER CABLE:	17.77	(1)	LEVEL 3:	1.08	(0.1)
VIRGIN MEDIA:	3.80	(0.74)	MICROSOFT:	18.48	(1.23)
WASH POST:	422.85	14.61	MOTOROLA:	4.31	(0.23)
<b>PROGRAMMING</b>					
CBS:	6.48	(0.72)	NDS:	58.05	0.70
CROWN:	1.61	(0.33)	OPENTV:	0.99	(0.16)
DISCOVERY:	13.67	(1.09)	PHILIPS:	16.06	(2.11)
EW SCRIPPS:	2.01	0.00	RENTRAK:	12.34	0.12
GRUPO TELEVISIA:	14.21	(0.64)	SEACHANGE:	6.05	(0.38)
HSN:	5.42	0.26	SONY:	21.53	(1.3)
INTERACTIVE CORP:	14.77	(0.37)	SPRINT NEXTEL:	2.06	(0.15)
LIBERTY:	23.48	(1.61)	THOMAS & BETTS:	21.18	(1.58)
LODGENET:	0.95	(0.03)	TIVO:	6.91	(0.48)
NEW FRONTIER:	1.78	(0.2)	TOLLGRADE:	5.38	(0.19)
OUTDOOR:	5.71	(0.52)	UNIVERSAL ELEC:	13.67	(1.02)
PLAYBOY:	1.55	(0.25)	VONAGE:	0.56	(0.04)
RHI:	4.43	(0.52)	YAHOO:	11.01	(0.58)
SCRIPPS INT:	21.45	(1.09)	<b>TELCOS</b>		
TIME WARNER:	8.94	(0.67)	AT&T:	25.02	(0.21)
VALUEVISION:	0.37	(0.1)	QWEST:	3.60	(0.01)
VIACOM:	16.67	(1.01)	VERIZON:	29.87	(0.09)
WWE:	9.97	(0.36)	<b>MARKET INDICES</b>		
<b>TECHNOLOGY</b>					
3COM:	2.17	(0.16)	DOW:	7949.09	(332.13)
ADC:	4.52	(0.15)	NASDAQ:	1440.86	(88.47)
ADVANTAGE:	1.55	(0.07)			
ALCATEL LUCENT:	1.86	(0.18)			

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