

CableFAX Daily™

Thursday — January 22, 2009

What the Industry Reads First

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DTV Wait: House Commerce Delays Markup of DTV Delay Bill

While there is an increasing urgency among some lawmakers for postponing the DTV transition, a House Commerce mark-up on a bill to do just that got the postponement instead Wed. Rep *Henry Waxman* (D-CA) nixed what would have been his 1st major mark-up as the new chmn of the House Commerce Committee, saying he wanted to give the committee more time to assess implications in the Sen. Last week, Sen Republicans moved to block a unanimous consent vote on a bill to delay the transition date (*Cfax*, 1/20). While the House has proposed a broader bill that looks at issues beyond the date, such as increasing funding for the coupon program, Sen Commerce chmn *Jay Rockefeller* (D-WV) is trying to advance to the floor a narrower bill that would move the transition date to June 12 from Feb 17. Rockefeller's press sec said the senator is continuing to try and get the bill, which has the support of the *Obama* admin, to the floor. In a statement Wed, Waxman said "delay of the deadline is our only hope of lessening the impact on millions of consumers." He offered no details on when the markup would be held. On Thurs, the Committee is scheduled to hold a business meeting to mark up portions of the economic recovery package that in its jurisdiction—such as \$6bln in broadband grants.

At the Portals: The FCC's Media Bureau granted **Cablevision's** request for an extension to the integrated set-top ban. In '07, the MSO got a temporary waiver to use its SmartCard-based approach to separated security until July 1. The Bureau granted a waiver extension until Dec 31, '10 so CVC can focus on deploying open-standard downloadable security.

TiVo Data: The current TV ad market's difficulties may be exacerbated by analyses from **TiVo's Stop||Watch** ratings service that exhibit this conundrum: a majority of prime broadcast programming was time-shifted at high rates last year (Jan-Nov), with dramatic spikes occurring during sweeps months, making the most popular shows more and increasingly susceptible to ad skipping. "The programs with the biggest budgets, biggest audiences, and highest priced advertising are exactly the same programs that are Timeshifted the most, and therefore experience the most commercial fast-forwarding," said *Todd Juenger*, vp/gm, **TiVo Audience Research and Measurement**. The data is focused on broadcast, sure, but it applies to cable as well. According to **Nielsen** data covering Dec 29-Jan 4, for example, the cable shows with the greatest differential in live versus live+7 viewership all garnered at least 4mln total live viewers. A cable ad campaign that did quite well last year in viewership included collaboration between **USA** and **Alltel**. Certain spots that ran during net series "Psych" integrated the show's characters and therefore, according to TiVo, prevented the majority of fast-forwarding.

Carriage: **MTV Nets** completed a multi-year renewal deal with **DISH**, according to sources. Notably, MTVN has agreed to provide online video content to **EchoStar** subsidiary **SlingMedia's** Sling.com. This deal went down much more amicably than things pre-**Viacom** and **CBS** split. In '04, DISH lost local CBS O&Os as well as 10 Viacom cable nets for 2 days during a skirmish. **Time Warner Cable** had its own showdown with Viacom at the end of '08, but the 2 worked things out before any nets were dropped. -- **ReelzChannel** launched on various **NCTC** systems, including **Mid-Hudson Cablevi-**

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sion in NY, **Harron/Metrocast** in MD, **Blue Ridge Cable/Pencor Services** in PA, and **Hutchinson Telephone** in MN.

-- **Lifetime Nets** has inked with **MetroCast Comm** an affil agreement that includes carriage of **Lifetime**, **Lifetime Movie Net** and **Lifetime Real Women**, and the repositioning of **LMN** to expanded basic in certain systems.

Competition: **DirecTV** added 24/7 Filipino women's channel **GMA Life TV** to its WorldDirect intl programming lineup that features more than 135 nets. -- **Hearst-Argyle TV** stations and affiliated Websites across the country will feature throughout '09 "Project Economy," a linear and online series featuring money-saving tips, job-seekers' methods for finding employment and reports on local businesses' struggles to weather the recession. All the stations will conduct job fairs, many in partnership with their respective state unemployment offices, in an effort to help their viewers and online users find jobs.

Obama Numbers: **CNN** garnered 6.9mln total viewers from 11am-2pm Wed to lead **Fox News** (4.4mln) and **MSNBC** (2.6mln) in inauguration viewership, according to **Nielsen** data. Among 25-54s, the nets' respective audiences totaled 2.8mln, 1.4mln and 900K. The combined overall HH rating in the top 56 markets where Nielsen has TV meters was 29.3.

HD Swap: When **Rainbow** announced that it was shuttering **Voom**, **Cablevision** (its only US distributor after **DISH** punted it) promised that there would be "no reduction in the number of HD channels available" to iO customers. The key word in that statement appears to be "available." **Voom** pulled the plug on its 15 HD channels this week. **CVC** responded by adding 15 HD channels from **HBO**, **Showtime**, **Cinemax**, **Starz** and **Encore** to its HD lineup. The catch is that while the **Voom** channels were free to subs in the Family Package, the additional HD channels are only available to customers who subscribe to the associated premium services. **CVC's** Family package does have 50 HD channels available at no additional cost, with the **MSO** always looking to expand. It recently added **Comedy Central HD** to the lineup. The new channels, which include **Encore HD** and **Showtime Too HD**, roll out over a 3-day period that began Wed.

Upfronts: It's that time of year again. **Fine Living** held a mini-upfront presentation in NY Wed. Highlights include going on the **Nielsen** ratings roster, a wide array of acquisitions and new originals. New shows include "Green With Envy" (Mar 17), which analyzes everything eco-friendly—from home design to hotels and clothing, and "How to Find a Husband" (Apr 9), a British docu-reality series exploring **Sally Gray's** 10-week quest to find a hubby. Series in development for 4Q include "Bartender Wars" (bartenders challenge each other as to who can get their customers to do sometimes outlandish things).

VOD: **IFC Films** has partnered with the **SXSW Conference and Festival** to feature 5 of the event's films on the **IFC Festival Direct VOD** platform, to which the company plans to add in Feb an "IFC Midnight" genre label. -- **GCI** has contracted **Concurrent** to provide VOD performance data collection, warehousing and analytics.

Advertising/Marketing: **Craftsman Tools** are now the official tools of **DIY Net**, marking the net's 1st official category sponsorship. Beginning in 2Q, the deal features multi-platform outreach and development of a customized show strategy specifically for **Craftsman**, which has first right of refusal to send product to be integrated within the net's programming.

Ratings: **Fox News** again dipped into the Presidential well last week for ratings success, using **W's** farewell address (3.7/3.53mln, top-rated) and post coverage on "The O'Reilly Factor" (3.3/3.16mln) to gain 2nd in cable prime with a 1.7/1.62mln. Even so, **USA** (2.4/2.32mln) remained the Commander-in-Chief of prime by a wide margin with the consistent help of **WWE** content (3.6/3.47mln avg for 2 hours) and "Monk" (3.6/3.51mln). **Disney** (1.6/1.53mln) notched 3rd, followed by **TNT** (1.5/1.49mln) and **TBS** (1.4/1.36mln). -- **Brag Book:** The premiere ep of the final season of **Sci**

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BUSINESS & FINANCE

Fi's "Battlestar Galactica" garnered a 1.6 HH rating and delivered more than 1.3mln 18-34s. -- **Lifetime Movie Net's** "What Color is Love?" averaged 1.6mln total viewers to become the net's 3rd-highest rated original film ever among women 18-49 (451K) and women 25-54 (463K). -- The series premiere night of **Showtime's** "United States of Tara" garnered 1.5mln viewers (including VOD), and online views are expected to exceed 1mln. -- **ABC Family's** "Another Cinderella Story" earned a 3.4/3.28mln to help the net achieved its most-watched week ever in prime among females 12-34.

People: Effective Feb 23, ex-Time Warner CEO *Dick Parsons* succeeds *Sir Win Bischoff* as **Citigroup** chmn.

Business/Finance: **Fitch** has revised to "negative" from "stable" its Rating Outlook on **DISH**, citing the DBS op's "eroding competitive position" and "strained liquidity" impacted by uncertainty surrounding its litigation with **TiVo** and capital requirements related to a potential wireless investment.

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.CableFaxiesAwards.com or contact *Mary Lou French* (mfrench@accessintel.com).

CableFAX Daily Stockwatch

Company	01/21 Close	1-Day Ch	Company	01/21 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/			AMDOCS:	18.63	0.15
BRITISH SKY:	24.31	1.13	AMPHENOL:	25.43	1.30
DIRECTV:	21.62	0.90	APPLE:	82.83	4.63
DISH:	11.49	0.48	ARRIS GROUP:	7.36	0.57
DISNEY:	21.23	0.99	AVID TECH:	10.98	0.58
GE:	13.03	0.10	BIGBAND:	5.79	0.36
HEARST-ARGYLE:	4.47	0.47	BROADCOM:	16.79	0.95
NEWS CORP:	8.44	0.57	CISCO:	15.70	0.69
MSOS					
CABLEVISION:	17.27	0.96	CLEARWIRE:	4.10	0.06
CHARTER:	0.11	0.00	COMMScope:	13.82	1.33
COMCAST:	15.07	1.05	CONCURRENT:	3.49	0.37
COMCAST SPCL:	14.46	1.03	CONVERGYS:	7.10	0.37
GCI:	6.78	0.62	CSG SYSTEMS:	14.66	0.61
KNOLOGY:	4.98	0.28	ECHOSTAR:	13.58	(0.02)
LIBERTY CAPITAL:	5.45	0.35	GOOGLE:	303.08	20.33
LIBERTY ENT:	17.40	0.63	HARMONIC:	4.93	0.04
LIBERTY GLOBAL:	16.31	0.71	INTEL:	13.26	0.40
LIBERTY INT:	3.10	0.12	JDSU:	3.83	0.42
MEDIACOM:	5.27	0.82	LEVEL 3:	1.08	0.00
SHAW COMM:	16.78	0.23	MICROSOFT:	19.38	0.90
TIME WARNER CABLE:	18.59	0.82	MOTOROLA:	4.51	0.20
VIRGIN MEDIA:	4.36	0.56	NDS:	59.68	1.63
WASH POST:	422.32	(0.53)	OPENTV:	1.18	0.19
PROGRAMMING					
CBS:	7.14	0.66	PHILIPS:	17.57	1.51
CROWN:	1.66	0.05	RENTRAK:	12.03	(0.31)
DISCOVERY:	14.39	0.72	SEACHANGE:	6.33	0.28
EW SCRIPPS:	1.99	(0.02)	SONY:	22.58	1.05
GRUPO TELEVISA:	14.36	0.15	SPRINT NEXTEL:	2.24	0.18
HSN:	5.17	(0.25)	THOMAS & BETTS:	21.81	0.63
INTERACTIVE CORP:	15.00	0.23	TIVO:	7.33	0.42
LIBERTY:	25.76	2.28	TOLLGRADE:	5.69	0.31
LODGENET:	0.97	0.02	UNIVERSAL ELEC:	13.80	0.13
NEW FRONTIER:	1.72	(0.06)	VONAGE:	0.61	0.05
OUTDOOR:	6.47	0.76	YAHOO:	11.59	0.58
PLAYBOY:	1.54	(0.01)	TELCOS		
RHI:	5.01	0.58	AT&T:	25.79	0.77
SCRIPPS INT:	22.50	1.05	QWEST:	3.54	(0.06)
TIME WARNER:	9.43	0.49	VERIZON:	30.90	1.03
VALUEVISION:	0.38	0.01	MARKET INDICES		
VIACOM:	17.15	0.48	DOW:	8228.10	279.01
WWE:	10.28	0.31	NASDAQ:	1507.07	66.21
TECHNOLOGY					
3COM:	2.34	0.17			
ADC:	4.76	0.24			
ADVANTAGE:	1.86	0.31			
ALCATEL LUCENT:	2.03	0.17			

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Think about that for a minute...

It's How You Do It

It's not only what you do, but how you do it. I've been reminded of that aphorism repeatedly in the last few days, and it certainly applies to our business.

Let's start with the good news: the inauguration of our new President was a real lesson in "how to do it." "Classy" was the best term I could come up with, after "historic," "inspiring," and the whole host of others that were thrown around endlessly by all the television commentators.



Steve Effros

Of course, another "classy" performance was by our own C-SPAN, which hewed to its basic premise that viewers of events don't always need someone talking over the event to give their opinion or side-comment on what's going on! They just turned the cameras on and let us participate by "being" at the event. It was great,

especially in comparison to some of the other coverage.

Now I'm not against commentators... how could I be? But some of it got really out of control when folks were on-air for hours on end and had nothing really of value to say or add. And then there were some of the decisions made by some networks... which had stuff cluttering the screen to a point of total distraction. Some producers seemed to forget that the reason we were tuning in was to watch the event!

We don't need notices plastering almost a quarter of the screen constantly telling us what is coming next, what channel we are watching and so on. At the party I attended watching the inauguration, one channel favoring these kinds of graphics was turned off in favor of one that let us see the magnificent images, not the graphics! Remember; it's how you do it!

Another painful "how you do it" story of the last few days

is the departure of Kevin Martin. A flurry of last-minute, outrageous proposals for fines, issuing reports and data that had been held up for over a year and still not shared with the other Commissioners before being released, new "letters of inquiry" that were similarly kept from the rest of the Commission.

It all just placed a final exclamation point on an administration of the FCC that so dispirited the staff that some simply refused to "play the game." More power to them. Hopefully the interim and new Commission Chairs and the Commissioners will summarily dismiss the "last minute" actions that were unleashed and go back to "how it should be done," in the open, with reasonable discussion and adequate notice... and above all, without rancor and blatant "agendas." They have a chance here for a "do over," and they should quickly take it.

Finally, an example that hopefully will resonate with every cable operator. I tried to sign up for Verizon's FIOS this week. While my Cox triple play service is great, I wanted to try out what appears to be better on screen navigation, (a pet peeve of mine) and lots of extra HD movies. But I needed two telephone lines, and the CSRs said it couldn't be done that way—I needed two separate contracts.

My "customer care" calls got dropped three separate times. No call-back names or numbers, so I had to go through the whole automated effort repeatedly.

I finally gave up and cancelled the order. Still don't know if that worked!

The moral; it really doesn't matter how good the product or service or policy. If you don't "do it right" it really does make a difference!

Steve

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