

CableFAX Daily™

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What the Industry Reads First

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Extension Time: James Cable Up Against Sunday Waiver Expiration

Time is running out for the **FCC** to grant **James Cable** an extension to its set-top integration ban waiver, which is set to expire Sat. Last year, James, along with **RCN** and **WOW**, were given extensions to continue to deploy boxes without separable security (ie, CableCARDS) because of the financial hardship integrated boxes would cause. But instead of granting them the 1-year+ waivers that were requested, the FCC gave them until Jan 31, '09 to come into compliance (**Cfax**, 7/11). In Aug, James Cable asked the Media Bureau to reconsider the order. No one has filed in opposition, but there also has been no extension. The problem, the small operator said, is that Sun is 3 weeks prior to the DTV transition and prior to the completion of the audit of its '08 financials that would have been the basis for a further extension request. James wants to offer customers that have analog TVs for broadcast or non-cable customers who might decide to purchase boxes after the transition low-cost set-tops for low monthly rates. "However, without an extension of its waiver, it may instead run out of devices," counsel for operator said in an FCC filing Fri. The filing was a follow-up to a meeting the operator had last week with advisers to acting chmn *Michael Capps* and commish *Jonathan Adelstein*. **WOW** and **RCN** have not asked for extensions, with RCN saying it expects to be all-digital by the end of the month. Messages to the 3 operators were not returned by deadline. Given that the transition may be moved to June 12, James is asking for an extension at least through the end of Aug—although it would prefer an extension that would run until July '10 because of its financial situation. James said free cash flow was significantly worse in '08 than in '06 and '07, when prior waivers were granted.

Trade Winds: Major layoffs at *Multichannel News* have resulted in several veterans being shown the door. Gone is long-time Washington news editor *Ted Hearn*, who has been with the trade pub for almost 15 years. Also out are programming writer/satellite editor *Linda Moss*, West Coast sr editor *Linda Haugsted*, design dir/digital photo editor *Nimish Shah* and *Larry Barrett*, assoc news editor of Multichannel.com and editor of Multichannel Newswire. On Fri, *B&C* announced that *P.J. Bednarski* was leaving his post as exec editor. B&C is also trimming its size to 8 3/8" by 10 7/8" beginning with its Feb 9 issue. "I've had a great time covering the cable industry and its competitors," said Hearn, who joined the cable trade in Feb '94. "The company is offering a severance, so I have nothing to complain about. I hope to stay in the reporting world, but I don't have any plans to announce at this point." Somehow, we doubt that **FCC** chmn *Kevin Martin* is holding a position for him at the **Aspen Institute**. We wish all of our journalism colleagues the best. Parent company **Reed Elsevier** terminated discussions last month with potential bidders for **Reed Business**, which includes Multi, B&C and *Variety*, due to the economic environment. Reed had announced its intention to divest the business in Feb '08.

Insightful?: Ahead of what should be an enlightening multichannel earnings season that kicks off with **Verizon** and **AT&T** this week and **Time Warner Cable** next, private **Insight Comm** disclosed certain '08 sub results that may bode well for its industry counterparts. The MSO added 34K (+5%) net basic subs in '08 for a 2nd consecutive year



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15221

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CONGRATULATIONS

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of at least 5% growth in the metric and 14 consecutive Qs of growth. Also added in '08 were 59K net digital subs, 73K HSI and 89K phone. As of Dec 31, Insight counted 1.9mIn RGUs, representing 16% annual growth. It should be noted that Insight's not nearly as exposed to telco competition as are most major MSOs, but it does face competitive pressure from AT&T in Columbus, OH.

At the Portals: Acting FCC chmn *Michael Copps* pledged more communication and transparency in a meeting with Commission staff Mon. To promote more openness, there will be weekly chairman's office briefings with Bureau and Office chiefs or their designees. He also emphasized the importance of the DTV transition, calling on additional FCC volunteers. He set Feb 5 and Mar 5 as the 2 full Commission meetings. He also wants improvements to the FCC Website, starting with the DTV portion.

Carriage: **DirecTV** and **Comcast** have agreed to table the DBS op's request for commercial arbitration as they continue negotiating for carriage of **Comcast SportsNet New England** and **Comcast SportsNet Bay Area (Cfax, 1/8)**, according to sources familiar with the negotiations. The arbitration request may again be invoked if a suitable deal can't be reached. -- **BlueHighways TV** has inked with **JetBroadband** a distribution deal calling for operator to begin rolling the net out early next month in its VA systems. -- **Time Warner Cable** will carry **SportSouth's** telecasts of the 16 remaining **Charlotte Bobcats** games this season in the Raleigh, NC, area.

Competition: **DirecTV** has picked up the rights to former **Showtime** drama "Sleeper Cell," and will begin airing the series Wed. It will air weekly on **The 101**, prior to former **ABC** show "Wonderland." Separately, the DBS op's preparing to kick off its 3rd Annual Celebrity Beach Bowl (Sat), a flag football game serving as a Super Bowl-related festivity that's set to air live on **The 101** and simulcast on **WGN America**. -- **ESPN** and **Disney/ABC TV Group** have renewed contracts to provide **Verizon Wireless' V Cast** video and mobile Web customers with content such as full eps of **Disney Channel's** "Hannah Montana." -- **Viacom** has agreed to provide **AT&T CruiseCast**, an in-vehicle video/radio service set to bow in Mar, with select content from across its cable properties. Included are mobile channels from **MTV**, **Comedy Central** and **Nickelodeon**, and the linear feeds of **The N** and **Noggin**.

In the States: **Cable One** has inked with **Fisher Comm** retrans deals covering stations in Boise, Idaho Falls, Lewiston and Pocatello, ID. -- **NBCU** has reached a deal to become an in-flight content provider for **American Airlines**, and will produce 4 exclusive 90-min programs/month featuring shows from both its cable and broadcast properties.

Advertising: **Comcast** will officially launch Wed **Comcast Sports Sales**, a sponsorship unit combing the sales staffs of **Versus** and **Golf**. Comcast Nets ad sales pres *Dave Cassaro* will oversee the unit. -- **MTVN** has added a comedy-focused segment to its vertical ad network dubbed **Tribes**. Anchored by **ComedyCentral.com**, the new segment features **JibJab.com**, a site with 6.3mIn registered for which MTVN will serve as the exclusive sales force for all ad inventory.

Ratings: Since its "Positively Entertaining" rebranding campaign launched in Sept, **ION TV** said its prime HH viewership has jumped 67% and delivery among 18-49s and 25-54s has grown 26% and 25%, respectively. -- **Lifetime** original movie "Prayers for Bobby" delivered 3.8mIn total viewers during its Sat night premiere and 2.3mIn during the Sun night encore presentation.

Programming: **AMC** has inked *Lili Taylor*, *Arliss Howard* and *Dallas Roberts* to star in a yet-to-be-named political thriller

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Colleen Abdoulah
President/CEO
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15109

BUSINESS & FINANCE

that begins prod this week. It centers on a mislead natl think tank employee and a secret society that directs global politics. -- **Adult Swim** bows live-action series, "Delocated," which features a ski-masked family in witness protection on a reality show, Feb 12, 10:30pm.

Honors: **HBO** and **AMC** powered cable's 3-win haul at the **SAG Awards** Sun night, while broadcast nets took home 5 awards. The premium net's "John Adams" earned a pair of honors, for *Paul Giamatti* and *Laura Linney's* performances. AMC's "Mad Men" was honored for outstanding performance by an ensemble in a drama series.

Public Affairs: On Tues, **NCTA** is making a PSA available from "Renew America Together," an initiative launched by *Obama* and *Biden* that calls on all Americans to participate in community service to honor the legacy of *MLK Jr* and his service to others. NCTA will feed this PSA via satellite from 2-2:30pm ET, uplinking it in loop fashion. For more details, contact *Joy Sims* at jsims@ncta.com.

On the Circuit: **CTHRA** is accepted through Mar 16 noms for its '09 Excellence in Human Resources Awards, to be presented at a Jun 9 luncheon in MD. More info at CTHRA.com/awards.

Business/Finance: Cable's **WiMAX** partner **Sprint Nextel** plans to trim 8K jobs (14%) in an effort to lower annual expenses by \$1.2bln/year.

CableFAX Daily Stockwatch

Company	01/26 Close	1-Day Ch	Company	01/26 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/			AMDOCS:	17.35	0.31
BRITISH SKY:	23.30	0.53	AMPHENOL:	25.76	0.52
DIRECTV:	21.61	0.23	APPLE:	89.64	1.28
DISH:	11.38	0.19	ARRIS GROUP:	7.64	0.17
DISNEY:	20.86	0.25	AVID TECH:	10.92	0.08
GE:	12.42	0.39	BIGBAND:	5.90	0.14
HEARST-ARGYLE:	4.05	(0.1)	BLNDER TONGUE:	0.87	0.02
NEWS CORP:	7.63	0.04	BROADCOM:	17.39	(0.07)
MSOS					
CABLEVISION:	15.94	(0.27)	CISCO:	16.30	0.41
CHARTER:	0.08	(0.01)	CLEARWIRE:	4.17	0.02
COMCAST:	15.05	0.06	COMMSCOPE:	14.02	(0.15)
COMCAST SPCL:	14.41	0.10	CONCURRENT:	3.34	0.09
GCI:	6.84	0.28	CONVERGYS:	7.07	0.11
KNOLOGY:	4.92	0.09	CSG SYSTEMS:	14.03	0.23
LIBERTY CAPITAL:	5.26	(0.01)	ECHOSTAR:	13.94	(0.03)
LIBERTY ENT:	17.80	0.41	GOOGLE:	323.87	(0.83)
LIBERTY GLOBAL:	15.43	0.37	HARMONIC:	4.97	0.13
LIBERTY INT:	3.08	(0.01)	INTEL:	13.38	0.26
MEDIACOM:	5.29	0.19	JDSU:	3.54	(0.09)
SHAW COMM:	16.68	0.26	LEVEL 3:	1.14	0.09
TIME WARNER CABLE:	18.46	0.22	MICROSOFT:	17.63	0.43
VIRGIN MEDIA:	4.45	0.05	MOTOROLA:	4.51	(0.09)
WASH POST:	414.43	6.72	NDS:	59.36	0.72
PROGRAMMING					
CBS:	6.12	(0.38)	OPENTV:	1.18	0.07
CROWN:	1.77	0.17	PHILIPS:	17.79	1.63
DISCOVERY:	14.57	(0.13)	RENTRAK:	12.11	0.55
EW SCRIPPS:	1.98	0.24	SEACHANGE:	6.16	(0.1)
GRUPO TELEVISA:	15.11	0.05	SONY:	19.88	(0.44)
HSN:	4.93	(0.07)	SPRINT NEXTEL:	2.49	0.03
INTERACTIVE CORP:	14.89	(0.11)	THOMAS & BETTS:	21.93	0.48
LIBERTY:	24.47	(0.06)	TIVO:	7.20	0.19
LODGENET:	0.95	(0.03)	TOLLGRADE:	5.55	0.05
NEW FRONTIER:	1.81	(0.17)	UNIVERSAL ELEC:	12.58	0.60
OUTDOOR:	6.59	(0.06)	VONAGE:	0.55	0.02
PLAYBOY:	1.72	0.06	YAHOO:	11.17	(0.15)
RHI:	4.85	0.35	TELCOS		
SCRIPPS INT:	22.45	0.09	AT&T:	26.83	0.71
TIME WARNER:	9.53	0.22	QWEST:	3.84	0.09
VALUEVISION:	0.52	0.13	VERIZON:	30.99	0.55
VIACOM:	16.64	(0.05)	MARKET INDICES		
WWE:	10.03	(0.06)	DOW:	8116.03	38.47
TECHNOLOGY					
3COM:	2.42	0.14	NASDAQ:	1489.46	12.17
ADC:	4.93	(0.01)			
ADVANTAGE:	1.92	0.02			
ALCATEL LUCENT:	2.04	0.06			



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MaxFAX...

Sober Times...

Amazing spectacle last week as another—something we shouldn't really ever take for granted—peaceful transition of power happened in America.

And almost 2mln folks participated!



Paul S. Maxwell

And more of us watched on television—mostly via cable and/or satellite. And more of us watched on broadband—again, mostly via cable.

Amazing place we're lucky enough to have won the lottery in order to be born here or even live here... (that's a *Warren Buffet* line, by the way).

A new era of responsibility?

Maybe. I hope so.

Random Notes:

• **NATPE:** Is this week. If it doesn't snow at my house as much as it did during **CES**, I'll finally get to Las Vegas this year. So travel starts again. The following week in New York City for the entire week! Checking up on the "Kable Kid" of course.

• **That Digital Stutter-Step:** Well, well, off to the old races... Congress can't decide what to do! Go ahead? Delay? Just do it? Who knows?

• **Just Do It?** Ah, but what will happen if we all convert on the 17th? For some, nothing much. But, I'll ask again: wouldn't the money for all those converter boxes have been better spent building out cable (and or some other franchise holder) with broadband for all? Anybody really think **IBM**'ers will be able to answer all the phone calls?

• **Delay, Tom Delay?** Let's not go back there. K Street will never be the same.

• **Postpone?** If that happens... will postponing solve anything? Well, maybe. Time wounds all heels.

• **Green Ideas:** Saw a report that half of all flat panel TV sets will be "green" (energy efficient, energy-friendly packaging even!) by 2011... and ALL of them by 2014. Wonder if our broadcasters could be energy-efficient, too? Just think how much energy they could save if they could stop blasting all that power over-the-air and just sent fiber feeds to their local cable and (well, not too local) satellite operators... who might not even charge them to carry the signals!

• **Mars Rover:** So the Martian couldn't just slink off to the "think" tank without once again demonstrating his love for cable television. Fines for upgrading channel signals (well, I can let a little bias creep in, too) as they moved from analog to digital without "proper notice."

What? No door-to-door notice? And, though the former Chairman swore again and again he only thought of the "consumer" (when did the **FCC** become the **FTC**?) and, besides, all the industries hated him (and he didn't find a hint in that?), these last minute actions sure felt a little egregious... don't you think? And some of the systems "charged" are far from any kind of guilty here... then again, maybe this is just a last minute gift for lawyers to tie up the Commission for a few months.

• **Common VoIP Carrier?** The Federal Confusion Commission is also after cable's **Comcast** for allegedly—though seemingly without any shred of proof—discriminating against competing VoIP services. Amazing. Comcast—without direct government help or subsidies or much of anything except hassles—builds out state-of-the-art cable systems that provide video, broadband and telephony services to Comcast customers. This is, I suppose, sort of a back door to net neutrality. Me-thinks the policy isn't yet settled here. And this is a serious move to watch closely.

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