

# CableFAX Daily™

Monday — February 2, 2009

What the Industry Reads First

Volume 20 / No. 019

## Wired Migration: Critical Wireless Broadband Services Igniting

Cable's seeking important answers to myriad questions surrounding wireless broadband, chief among them how best to determine and satisfy customer demand. The latest example is **Comcast**, which is set to conduct a beta for free wireless broadband to its area broadband subs in approx 100 NJ commuter rail stations. The trial, first reported by DSLreports.com, is a "value add to our high-speed Internet customers," said spokesperson *Mary Nell Westbrook*, who added it will also reveal usage patterns that can be applied to various services. She said long-term marketing and pricing strategies haven't been discussed but stressed that the initiative is entirely separate from Comcast's investment in **Clearwire's WiMAX** service, now live in Baltimore and Portland, OR. To gain WiFi technical expertise, said Westbrook, Comcast was in "shadow mode" during **Cablevision's** ongoing build out of its own footprint-wide WiFi network, which now completely blankets CVC's customer base in Long Island and CT. Although Comcast and CVC are operating on separate networks, Comcast's trial will offer CVC subs the benefit of broadband service at stations not currently covered by CVC. Meanwhile, **Cox** remains on track to launch this year its own wireless broadband offerings using **Sprint's** national network, although the MSO remains mum on timetables, initial markets, product mix and pricing. Cox does plan, however, to offer plans for wireless handsets. "The key [broadband] variable as you move forward, and we're seeing this now, is not whether you can get from 10 to 12 megabits, but whether it's mobile or not," said **AT&T** chmn/CEO *Randall Stephenson* this week. "Can you access WiFi hotspots all over, can you get 3G connectivity and have a mobile experience... that's really what we're seeing sell now." Also of note: the **House** economic stimulus bill includes wireless broadband provisions, but it's unclear whether the Senate's version does as well.

**Stimulation:** The **Senate** is on track to consider the economic stimulus package this week, which includes money for broadband grants. Congress must reconcile the House and Senate versions, which vary in the amount of grants (\$6bln in the House, \$9bln in the Senate). The Senate bill also includes some broadband tax credits. "We expect broadband tax credits will survive in some form, but so far their impact appears light, and the broadband tax-credit bond measure that was floated, and that may have benefited companies like **Clearwire**, appears to have lost steam," **Stifel Nicolaus** said in a research note Fri. On the Hill Fri, the **Technology Policy Institute** held a discussion on the bill's broadband portion. **NCTA** evp *James Assey*, a panelist, repeated cable's refrain that unserved areas should be a focus. "We have to burn the candle on both ends," he said, referring to providing funding for both underserved and unserved communities, "but I'm hoping the focus is a little more targeted to unserved areas." NCTA chief *Kyle McSparrow* created a video blog on the issue at [www.cabletechtalk.com](http://www.cabletechtalk.com), suggesting possible subsidies for computers for households, in addition to ensuring that most of the broadband money goes to the 8% or so of the population that doesn't have access to any broadband. In an interview with **C-SPAN's** "The Communicators," Sen *Amy Klobuchar* (D-MN) stressed the importance of ensuring that

## Hallmark Movie Channel

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[insidehallmarkchannel.com](http://insidehallmarkchannel.com)
Source: BETA 2008 Cable Operator Carriage Study, Ranked among all measured emerging and mid-sized cable networks among non-affiliates "very/fairly interested in carrying channel by end of 2009".

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so-called underserved areas receive funding. She said there were areas in her home state where people “maybe can get Internet, but it’s incredibly slow or it’s incredibly expensive because you have to have satellite.”

**DTV Doings:** Check out our own *Amy Maclean* on **C-SPAN’s** “The Communicators” Sat, 6:30pm. She and host *Pedro Echevarria* pepper Sen *Amy Klobuchar* (D-MN) on the plan to delay the DTV transition until Jun 12. The Sen unanimously passed a slightly modified version of the legislation again Thurs, giving the House another chance to approve the bill. Klobuchar, a cosponsor of the bill, said she expects the legislation to pass this week. The House is expected to pass rules so that a simple majority can approve the bill, since a two-thirds majority failed to approve it Wed. “Here we have a situation where suddenly we’re out of coupons,” Klobuchar said. “This gives us until June 12 to at least make sure that those coupons and converter boxes are available to the 6mln people who haven’t done anything about it.” -- **FCC** acting chmn *Michael Copps* delivered a grim report on the status of the DTV transition to members of the FCC Consumer Advisory Committee Fri. “Unfortunately, things don’t look any better now that I’ve had a chance to look under the hood since becoming acting chairman. If anything, they look worse,” he said. “At this point, we will not have—we cannot have—a seamless DTV transition.” Although it’s looking like the transition date may change, Copps said the FCC must act as if Feb 17 is the deadline. Therefore, it’s coordinating much more closely with NTIA and other entities, developing a plan to improve consumer outreach management and coordinating public and private call centers.

**Carriage:** **BendBroadband** inked with **Lifetime Nets** a distribution deal that includes continued carriage of **Lifetime** and launches of **Lifetime Movie Net**, **Lifetime Real Women**, **Lifetime HD**, **Lifetime Movie Net HD** and on demand content.

**Ratings: USA** (2.3/2.25mln) won the Jan prime title despite posting just 4 of the month’s top 20 telecasts, led by an ep of “Monk” (4.2/4.13mln). The reason: a reprisal of popular political content on cable news nets. 3 blocks of **CNN’s** Inauguration coverage ruled all other Jan telecasts, joining with 1 additional top-ten block to avg a 4.98/4.89mln. **Fox News**, meanwhile, scored big with 3 related blocks of its own, which averaged a 4.23/4.05mln. But as all the aforementioned content blocks aired around mid-day, CNN wasn’t able to crack the monthly top 5 in prime, although Fox News ranked 4th with a 1.6/1.54mln. **TNT** (1.7/1.64mln) and **Disney** (1.7/1.61) scored a dead-heat in 2nd, while **Nick at Nite** (1.5/1.46mln) took 5th. A pair of **ESPN** college bowl games and an ep of **Nickelodeon’s** “iCarly” paced the month’s non-political telecasts. --

**Brag Book:** **Nat Geo** set a new record for monthly prime rating with a 0.55. Also, the net’s “On Board Air Force One” was #1 Sun in prime for all ad-supported cable nets in HHs and 25-54s, averaging a 1.88 HH rating and 1.24 for the demo.

**Programming:** **A&E** greenlit original “Obsessed” (3Q or 4Q) highlighting people debilitated by anxiety disorders. -- **CBS College Sports’** Tues tilt between UConn and Rutgers will become the net’s 1st women’s basketball telecast in HD.

**People:** *Eric Cooney* is vacating his post as pres/CEO, **Tandberg TV** to assume the same titles for **Internap Network Services**, effective Mar 16, while also earning a board appointment.

**Business/Finance:** **Collins Stewart** downgraded **Time Warner Cable** to “sell,” citing expectation of “significant selling pressure on the stock” when the MSO splits from **Time Warner**. With hundreds of millions of TWC shares being redistributed to Time Warner shareholders, the firm believes that at least 26mln of those shares will be sold. “Exacerbating the pressure... are Index Funds that must mimic the **S&P** and are more likely to sell the distributed shares,” said the firm. -- **KGP Telecom** plans to buy **Embarq’s** supply chain, distribution and deployment subsidiary for an undisclosed amount.

## The New FCC: The Genachowski Era: What Will It Mean for Cable?

Thursday February 5, 2009  
1:30-3:00 PM EST  
A CableFAX Daily Webinar

**HEAR FROM FCC INSIDERS:** Stephen R. Effros, W. Kenneth Ferec, and Howard J. Symons will analyze what we can expect from the new FCC Chairman in the coming months and years ahead. Join CableFAX on February 5th.

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CableFAX Week in Review

Company	Ticker	1/30 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
BRITISH SKY:	BSY	28.57	25.50%	0.60%
DIRECTV:	DTV	21.90	2.40%	(4.4%)
DISH:	DISH	12.84	14.70%	15.80%
DISNEY:	DIS	20.68	0.30%	(7.3%)
GE:	GE	12.13	0.80%	(23.2%)
HEARST-ARGYLE:	HTV	3.94	(3.4%)	(33.8%)
NEWS CORP:	NWS	7.24	(4.6%)	(24.3%)

Company	Ticker	1/30 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLEVISION:	CVC	16.03	(1.1%)	(4.8%)
CHARTER:	CHTR	0.09	12.50%	12.50%
COMCAST:	CMCSA	14.65	(1.9%)	(12.8%)
COMCAST SPCL:	CMCSK	13.88	(2.6%)	(13.7%)
GCI:	GNCMA	6.57	0.20%	(18.8%)
KNOLOGY:	KNOL	4.70	(2.7%)	(8.9%)
LIBERTY CAPITAL:	LCAPA	5.49	4.20%	16.60%
LIBERTY ENT:	LMDIA	18.35	5.50%	5.00%
LIBERTY GLOBAL:	LBTYA	14.57	(3.3%)	(8.5%)
LIBERTY INT:	LINTA	3.14	1.60%	0.60%
MEDIACOM:	MCCC	5.40	5.90%	25.60%
SHAW COMM:	SJR	16.15	(1.6%)	(8.3%)
TIME WARNER CABLE:	TWC	18.63	2.10%	(13.1%)
VIRGIN MEDIA:	VMED	4.54	3.20%	(8.2%)
WASH POST:	WPO	390.56	(4.2%)	0.10%

Company	Ticker	1/30 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
CBS:	CBS	5.72	(12%)	(30.2%)
CROWN:	CRWN	1.65	3.10%	(42.1%)
DISCOVERY:	DISCA	14.50	(1.4%)	2.40%
EW SCRIPPS:	SSP	1.61	(7.8%)	(27.2%)
GRUPO TELEVISIA:	TV	13.99	(7.1%)	(6.4%)
HSN:	HSNI	4.75	(5%)	(34.7%)
INTERACTIVE CORP:	IACI	14.70	(2%)	(6.6%)
LIBERTY:	L	24.40	(0.5%)	(13.6%)
LODGENET:	LNET	0.95	(3.1%)	35.70%
NEW FRONTIER:	NOOF	1.62	(18.2%)	(4.7%)
OUTDOOR:	OUTD	6.09	(8.4%)	(18.7%)
PLAYBOY:	PLA	1.73	4.20%	(19.9%)
RHI:	RHIE	4.23	(6%)	(47.9%)
SCRIPPS INT:	SNI	21.47	(4%)	(2.4%)
TIME WARNER:	TWX	9.33	0.20%	(7.3%)
VALUEVISION:	VVTV	0.25	(35.9%)	(24.2%)
VIACOM:	VIA	16.27	(2.5%)	(19.1%)
WWE:	WWE	9.74	(3.5%)	(8.8%)

Company	Ticker	1/30 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
3COM:	COMS	2.33	2.20%	2.20%
ADC:	ADCT	5.07	2.80%	(7.1%)
ADVANTAGE:	AEY	1.84	(3.2%)	3.40%
ALCATEL LUCENT:	ALU	1.97	(0.5%)	(8.4%)
AMDOCS:	DOX	16.92	(0.7%)	(7.5%)
AMPHENOL:	APH	26.15	3.60%	9.10%
APPLE:	AAPL	90.13	2.00%	5.60%
ARRIS GROUP:	ARRS	7.12	(4.7%)	(10.4%)
AVID TECH:	AVID	10.01	(7.7%)	(8.2%)
BIGBAND:	BBND	5.05	(12.3%)	(8.5%)
BROADCOM:	BRCM	15.85	(9.2%)	(6.6%)

Company	Ticker	1/30 Close	1-Week % Chg	YTD %Chg
CISCO:	CSCO	14.97	(5.8%)	(8.2%)
CLEARWIRE:	CLWR	4.00	(3.6%)	0.80%
COMMSCOPE:	CTV	14.42	1.80%	(7.2%)
CONCURRENT:	CCUR	4.04	21.20%	17.60%
CONVERGYS:	CVG	7.53	8.20%	17.50%
CSG SYSTEMS:	CSGS	14.50	5.10%	(17%)
ECHOSTAR:	SATS	15.06	7.80%	1.30%
GOOGLE:	GOOG	338.53	4.30%	10.00%
HARMONIC:	HLIT	5.15	6.40%	(8.2%)
INTEL:	INTC	12.90	(1.7%)	(6%)
JDSU:	JDSU	3.63		(2.2%)
LEVEL 3:	LVL	1.00	(4.8%)	42.90%
MICROSOFT:	MSFT	17.10	(0.6%)	(12%)
MOTOROLA:	MOT	4.43	(3.7%)	1.10%
NDS:	NNDS	61.93	5.60%	8.00%
OPENTV:	OPTV	1.20	8.10%	(2.4%)
PHILIPS:	PHG	18.19	12.60%	(8.5%)
RENTAK:	RENT	12.51	8.20%	6.10%
SEACHANGE:	SEAC	5.92	(5.4%)	(17.9%)
SONY:	SNE	19.22	(5.4%)	(12.1%)
SPRINT NEXTEL:	S	2.43	(1.2%)	32.80%
THOMAS & BETTS:	TNB	21.39	(0.3%)	(10.9%)
TIVO:	TIVO	7.19	2.60%	0.40%
TOLLGRADE:	TLGD	5.76	4.70%	20.50%
UNIVERSAL ELEC:	UEIC	11.28	(5.8%)	(30.5%)
VONAGE:	VG	0.56	5.70%	(15.2%)
YAHOO:	YHOO	11.73	3.60%	(3.9%)

Company	Ticker	1/30 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	24.62	(4.2%)	(12.2%)
QWEST:	Q	3.22	(14.1%)	(11.5%)
VERIZON:	VZ	29.87	(0.4%)	(10.6%)

Index	1/30 Close	1-Week % Chg	YTD %Chg
<b>MARKET INDICES</b>			
DOW:	INDU	8000.86	(0.9%) (8.8%)
NASDAQ:	COMPX	1476.42	(0.1%) (6.4%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. BRITISH SKY:	28.57	25.50%
2. CONCURRENT:	4.04	21.20%
3. DISH:	12.84	14.70%
4. BLNDER TONGUE:	0.97	14.10%
5. PHILIPS:	18.19	12.60%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. VALUEVISION:	0.25	(35.9%)
2. NEW FRONTIER:	1.62	(18.2%)
3. QWEST:	3.22	(14.1%)
4. BIGBAND:	5.05	(12.3%)
5. CBS:	5.72	(12%)

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Robert Greenblatt  
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# MaxFAX...

## Stimulus?

Whoa, love this new post-partisan world.

Short “honeymoon” for the Prez, huh?

Is the South trying to secede again?

This geographic division of political philosophy could get dangerous.



Paul S. Maxwell

Will the stimulus package work? I sure don't know (no one really does). Will it abjectly fail? Maybe. But I sure know we've got to be trying something other than just cutting

taxes for *John Thain* (who apparently missed the import of the brouhaha surrounding the former idiot at **Tyco** whose shower curtain and umbrella stand made news).

The cure: taking re-districting away from the legislatures and doing it a different way. Any way. Follow rivers and valleys and natural contours with population equality. Anything. Anything at all to somehow get away from hyper-partisanship.

## Random Notes:

• **NATPE:** Well, it snowed... and I should've stayed in the mountains. But I went to Las Vegas anyway. **NATPE** and Las Vegas were warmer... and much, much quieter. Lots of giant construction cranes

idly watching the lack of throngs along the Strip. And the floor traffic at NATPE booths was just as slow. Not so downstairs at the Mandalay Bay... the Ski Industry Assoc. show was grooving... lots of snowboarders (but, as a taxi driver noted, all too young to drink or tip right). Watched some program tapings at *Steve Bellamy's The Ski Channel* (hey, **Comcast!** Why isn't VOD in your resort systems with this yet?) as he was busy doing on that busy floor what *Tom Rogers* was preaching to the sparse crowds upstairs: find a new business model... or else!

• **New York:** All this week. Looking around for other new business models. Shame the hotel bargains aren't in NYC like Vegas... yet.

• **Cable Cares:** Good for the NCTA. Will *Mike Grebb* thrill again in the Battle of the Bands (thanks: **Cisco** and **Motorola** for repeat support)? Will the book drive do as well as at New Orleans? Mega-kudos go to **The Sportsman Channel** (the Hunt.Fish.Feed. gig) and **The Gospel Music Channel** (Feed the Children) for their participation. Do something to participate—you get bonus coverage here when you do! Got a band that can challenge Cox's “Xpanded Bandwidth”? If so, send a demo track to thecable-show@ncta.com. (I know a pretty good singer in NYC who can even write pretty good lyrics.)

• **Colbert + C-SPAN:** After that family planning joke last week, they really need to get Stephen on “The Communicators.” With *Brian Lamb* doing the interview.

• **Trade-Offs:** Come on. Time to get serious about trading ubiquity and government investment for a guaranteed rate of return... merge all cable companies into USA Cable Corp and wire every building (occupied or not) in the entire USA with those stimulus checks! In this economy—and with the likelihood of a long, long recession/depression—being a common carrier makes some sense!

• **Reality Shows:** Think we'll miss the former Governor of Illinois? That was quite a circus. Oh, where will the next scandal be?

• **Davos:** Not the place to look for solutions this year.

• **See You Later, Alligator:** Everybody get well... then cable can get *Sweet Lou Borrelli* back. (And I'm sure we'll hear from him at that time).

• **Countdown to the Digital Transition on Tuesday, Feb 17...** only 15 more days and the phone rings and... oh, why bother?

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2009

## ANA TV & Everything Video Forum

February 12, 2009 • New York City, NY

The ANA TV & Everything Video Forum, February 12 in NYC, is a must-attend event for the television and media industry. A conference highlight will be “Lessons from the Obama Campaign.” The lead strategist for Mr. Obama's advertising efforts will share insights from this history making campaign, named “Marketer of the Year” by *Advertising Age*. Also senior-level client perspective from AT&T, Unilever, and UPS. Plus, the digital transition, product placement, European television, video out of home, mobile, and more.

Register and view the full agenda at [www.ana.net/tv2009](http://www.ana.net/tv2009).

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