

CableFAX Daily™

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What the Industry Reads First

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No Panacea: Despite Advantages, Many Cable Programmers Also Troubled

As the severely hobbled economy fights for health, the most glaring difficulty for cable programmers lies in the soft ad market (this year's upfronts should be particularly enlightening). Yet also afoot are nagging troubles for which even cable's beneficial dual revenue stream model can't allay. Take Web video, for example, which **Fox Intl Channels** CEO *David Haslingden* characterized Mon as "more disruptive than instructive" during the **RealScreen Summit** in DC. It remains difficult to monetize, he said, and channels must be wary of presenting free online content for which operators have already paid. At the same time, he said 5bln impressions are added weekly to the global Internet inventory—meaning eyeballs, eyeballs, eyeballs! However, slashed budgets have forced some nets such as **History** to curtail exploitation of the important online medium. Multiplatform content "was a lot more important last year when the budgets were there," said net evp/gm *Nancy Dubuc*. "It's expensive to extend existing programming on the Web, [so] we're more focused on resources to complement our brand." Also problematic is viewers' increasing usage of time-shifting tech, a phenomenon proving "more critical and growing more than online usage," said Haslingden. Already, TV ad dollars are dwindling. Said Dubuc: "Ratings are going to go up across the board" as more people stay home to watch TV, but ad dollars aren't following. Still, programmers insist 'content is king.' **Creative Artists Agency's** *Pierre Brogan* believes that "simplistic ideas work best," while **AETN** vp, non-fiction and alternative programming *Neil Cohen* views evolutionary programming—or modernizing existing themes/storylines—as the right choice. Either way, cable programmers must "take big swings" with content, said **Animal Planet Media** pres/gm *Marjorie Kaplan*. "The best ideas, we know they'll work digitally [as well]," she said.

Super Bowl Disaster: If you thought *Janet Jackson's* wardrobe malfunction was bad, imagine seeing 30 seconds of a porn flick during the most-watched broadcast of the year. That's just what **Comcast** subs in Tucson got during Sun's Super Bowl. Comcast believes the clip, complete with full-frontal male nudity, may have been an intentional hack. "We are mortified by last evening's Super Bowl interruption and we apologize to our customers. Our initial investigation suggests this was an isolated malicious act. We are conducting a thorough investigation to determine how this happened," the MSO said. No other video distributors in the area suffered a similar problem. The publicity nightmare started almost immediately, with the story spreading through the Internet overnight. Upset parents and customers flooded comment areas on local papers and placed calls to the operator. A Comcast rep said the MSO would proactively give credits to those impacted but didn't provide specifics. -- **RCN** suffered problems of another kind. According to reports, the overbuilder had trouble showing the game to one Manhattan apartment because of problems with a hub transmitter. To make amends, it's offering one free month of service and inviting those subs to lunch with NY Giants' *Justin Tuck* and NY Jets' *Brad Smith*.

Charter Chapter 11? **Charter** is reportedly preparing a bankruptcy filing, according to unnamed sources cited by *Reuters*. The MSO's stock has been trading in the single-cent range. Last month, it missed an interest payment of almost

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\$74mln. The Reuters story, picked up by **CNBC's David Faber** Mon morning, said the filing's timing is unclear, with a possibility Charter could negotiate a so-called "prepackaged" bankruptcy with bondholders. A **Charter** rep declined comment.

Network Management: **Comcast** responded late Fri to the **FCC's** new inquiry into its network management practices, saying it wanted to "clear up any misunderstandings." On Jan 18, the Sun before *Kevin Martin* left the FCC, the head of the wireline bureau and the Commission's gen counsel sent a letter probing whether Comcast's network management practices discriminate against Internet-based VoIP providers in favor of its own phone service. Comcast responded that its Comcast Digital Voice service is separate from its high-speed Internet service and does not run over it, like **Vonage**, **Skype** and other over-the-top services. "To the extent our HSI service becomes congested at times of very high demand, our new congestion management practices treat all Internet-based applications and services the same, whether they are affiliated with Comcast (eg, **Fancast**) or not (e.g., **Hulu**, **YouTube**)." Comcast noted that it worked with Vonage as it developed its new policy. The MSO also said that the letter sent last month poses several questions outside the scope of network mgmt and contained numerous flaws. For example, suggesting that Comcast Digital Voice is a telecom service is in contrast to numerous FCC rulings and the Supreme Court's Brand X decision, it said.

DTV Doings: The latest in Rep *Joe Barton's* (R-TX) effort to thwart legislation to move the DTV transition date to June 12 has him questioning stations' ability to transition early. As part of a compromise in the Senate, the DTV delay bill allows broadcasters to transition before the new date. But in a letter to FCC acting chmn *Michael Copps* Mon, Barton and Rep *Cliff Stearns* (R-FL) wrote that their understanding is that it's virtually impossible for most stations to transition early because of interference concerns. They want a response by 3pm Tues since the House is expected to vote on the bill Wed.

Competition: Less than a year after launching **Smithsonian Channel HD**, **DISH** has pulled the net from its lineup. "DISH Network has elected to suspend service of Smithsonian Channel. We hope to resolve the situation shortly so that [the channel] can be restored," said a message on the net's Website. DISH said it added **Crime & Investigation HD** over the weekend. "Subscribers can view similar content on **National Geographic HD**, **Discovery HD**, **The History Channel HD** and **Crime & Investigation HD**," read its statement. -- It's official. **AT&T's** co-branded satellite offering with **DirecTV** has now launched, with the telco's pact with **DISH** officially kaput.

At the Portals: **FCC** commish *Robert McDowell* gave *Michael Copps* props for his first few days on the job, saying the acting FCC chmn acted swiftly to open up the lines of communication with fellow commissioners, outside parties and every employee at the agency. "I have sensed an immediate boost in morale as a result," McDowell said in prepared remarks to the **Federal Communications Bar Assoc** Mon. Paraphrasing *Ronald Reagan*, McDowell said "it is amazing what you can accomplish if you don't care who gets the credit," referring to Copps' openness on ideas for FCC reform.

Ratings: **ESPN's** Winter X Games 13 goes down as the highest-rated and most-viewed Winter X Games ever, with the 8 telecasts averaging 942K homes (+9% YOY).

Programming: **ABC Family** has picked up 3 pilots for 10-ep orders. They are: "Perfect Ten," a 1-hour drama about a group of teen Olympic gymnast hopefuls; "10 Things I Hate About You," based on the movie and starring *Ethan Peck* (grandson of *Gregory Peck*); and "Ruby and The Rockits," a half-hour comedy about a former teen idol and his family. -- **BET** acquired the off-network cable rights to **CW** sitcom "The Game." It will debut on the net this month. -- **TNT**



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BUSINESS & FINANCE

renewed drama "Leverage" for a 2nd season. -- **Universal Cable Prod**, the studio that services NBCU's cable nets, has inked its 1st development deals with *Steve Franks* ("Psych") and *Jace Alexander* ("Royal Pains").

On the Circuit: This year's **Cable Show** (Apr 1-3, DC) on Apr 2 will feature a tech panel that also serves as the CTO session for **SCTE's Emerging Tech** conference. Moderated by *Jim Chiddix*, the roundtable includes **Cablevision's Jim Blackley**, **Rogers' Mike Lee**, **Time Warner Cable's Mike LaJoie** and **Comcast's Tony Werner**. A marketing session produced with **CTAM** is set for Apr 3. Moderated by *Char Beales*, it features **Suddenlink's Jerry Dow**, **CVC's Jonathan Hargis**, **TWC's Sam Howe**, **Comcast's Peter Intermaggio** and **Cox's Joe Rooney**.

People: Ex-NBA marketer *Carol Albert* was named svp, marketing for **MSG Media**. -- *Henry Ford* was named svp, gm of **Fox Sports OH**. -- **Nat Geo** upped *Randy Rylander* to vp, programming. -- **Suddenlink** promoted 7 to vps. At corporate: *Justin Freesmeier* to vp, fiscal ops; *Pamela Hermann* to vp, financial systems & reporting; and *Christopher McLennan* to vp, programming. At its West Region HQ: *Aimee Doane* to vp, ops and *Michael Nelson* to vp, fiscal ops. In Dallas, *Beverly Gambell* was upped to vp, commercial marketing, while *Eric Harris*, based in Greenville, NC, was promoted to vp, commercial sales, East.

CableFAX Daily Stockwatch

Company	02/02 Close	1-Day Ch	Company	02/02 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	27.47	(1.1)	AMDOCS:	17.06	0.14
DIRECTV:	22.07	0.17	AMPHENOL:	25.91	(0.24)
DISH:	12.97	0.13	APPLE:	91.51	1.38
DISNEY:	20.20	(0.48)	ARRIS GROUP:	6.75	(0.37)
GE:	11.62	(0.51)	AVID TECH:	10.39	0.38
HEARST-ARGYLE:	3.83	(0.11)	BIGBAND:	5.77	0.72
NEWS CORP:	7.36	0.12	BLNDER TONGUE:	0.87	(0.1)
MSOS					
CABLEVISION:	15.61	(0.42)	BROADCOM:	16.41	0.56
CHARTER:	0.07	(0.02)	CISCO:	15.31	0.34
COMCAST:	14.70	0.05	CLEARWIRE:	3.95	(0.05)
COMCAST SPCL:	13.95	0.07	COMMSCOPE:	14.20	(0.22)
GCI:	6.81	0.24	CONCURRENT:	3.80	(0.24)
KNOLOGY:	5.29	0.59	CONVERGYS:	7.81	0.28
LIBERTY CAPITAL:	5.20	(0.29)	CSG SYSTEMS:	14.78	0.28
LIBERTY ENT:	18.49	0.14	ECHOSTAR:	15.28	0.22
LIBERTY GLOBAL:	14.66	0.09	GOOGLE:	340.57	2.04
LIBERTY INT:	3.09	(0.05)	HARMONIC:	5.24	0.09
MEDIACOM:	5.93	0.53	INTEL:	13.63	0.73
SHAW COMM:	16.20	0.05	JDSU:	3.99	0.36
TIME WARNER CABLE:	18.49	(0.14)	LEVEL 3:	0.98	(0.02)
VIRGIN MEDIA:	4.59	0.05	MICROSOFT:	17.83	0.73
WASH POST:	393.60	3.04	MOTOROLA:	4.54	0.11
PROGRAMMING					
CBS:	5.80	0.08	NDS:	61.65	(0.28)
CROWN:	1.56	(0.09)	OPENTV:	1.22	0.02
DISCOVERY:	14.55	0.05	PHILIPS:	18.58	0.39
EW SCRIPPS:	1.56	(0.05)	RENTRAK:	12.48	(0.03)
GRUPO TELEVISA:	14.18	0.19	SEACHANGE:	5.98	0.06
HSN:	4.60	(0.15)	SONY:	19.46	0.24
INTERACTIVE CORP:	14.91	0.21	SPRINT NEXTEL:	2.41	(0.02)
LIBERTY:	23.16	(1.24)	THOMAS & BETTS:	21.45	0.06
LODGENET:	0.80	(0.15)	TIVO:	7.35	0.16
NEW FRONTIER:	1.52	(0.1)	TOLLGRADE:	5.75	(0.01)
OUTDOOR:	6.55	0.46	UNIVERSAL ELEC:	11.42	0.14
PLAYBOY:	1.70	(0.03)	VONAGE:	0.55	(0.01)
RHI:	4.63	0.40	YAHOO:	12.15	0.42
SCRIPPS INT:	21.38	(0.09)	TELCOS		
TIME WARNER:	9.43	0.10	AT&T:	25.16	0.54
VALUEVISION:	0.24	(0.01)	QWEST:	3.30	0.08
VIACOM:	16.09	(0.18)	VERIZON:	30.59	0.72
WWE:	9.70	(0.04)	MARKET INDICES		
TECHNOLOGY					
3COM:	2.36	0.03	DOW:	7936.75	(64.11)
ADC:	3.25	(1.82)	NASDAQ:	1494.43	18.01
ADVANTAGE:	1.94	0.10			
ALCATEL LUCENT:	1.94	(0.03)			

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EYE ON DIGITAL

Seasonal Weather Sets Back In

As the election season eased, the **Weather Channel** replaced news sources atop the comScore charts in Dec with 41.5mln unique visitors. The massive 75% rise in time spent on the site seems to come from a lot of page flipping and perhaps some more mobile access. Weather.com boasts that it had 1.1bln page views for the month, a record for the site. Adding to its hurricane-like tailwinds, the mobile implementation is also setting records, although the company doesn't specify exact counts. Localized video feeds have become an attractive piece of the Weather Channel implementations on mobile Web, iPhone and **Google** Android Applications. They can be sampled also within a standard Web browser at <http://mvideo.weather.com/>.

Meanwhile **MSNBC** jockeys back into the number 2 slot in front of **CNN**, although the time spent metric at the latter remains substantially ahead. CNN increased the video content at its site in the last 6 months. The site is telling more of its stories through video, clicking directly through to a video player that merchandises even more clips. On some pages like CNNMoney, video autostarts for anyone landing on the page. Look for both news sites to spike in their Jan reports as the Inauguration drew a record number of news visits and video streams.

While **ESPN** suffered a bit in Dec by

declining 6% in audience to 20.3mln, look for the brand to make a major push in early 2009. In Dec, the brand beta-tested a major redesign that is much more TV-centric, with video in a large 16x9 format on the front page and streaming media scattered much more liberally throughout. The company is hoping for even greater stickiness and user loyalty by integrating personalization features that put your selected teams and columnists in a corner of the home page. The new ESPN.com launched on Jan 5. Climbing down from **comScore's** top ten, both major shopping networks solidified their November holiday gains. QVC had 6.3mln uniques in Dec compared to 5.9 in November, while HSN had 4.9mln visitors, up from 4.1mln. Meanwhile, **TV Guide's** online audience actually retreated slightly in Dec, from 3.9mln to

3.8mln, but it maintains a hearty 28bln minutes of hang time in part because of video viewing. Christy Tanner, the site's Editor-in-Chief and vp, marketing, says most people come to the site for their local listing. Increasingly, however, visitors are using the TVGuide online video guide, which connects them to prime time shows streaming around that the cable and network media companies bring online. Its own collection of video trailers and TVGuide Channel spots also get distributed to partner sites and blogs as embedded video. Tanner says TVGuide is seeing a fair amount of video traffic coming to their site from these syndicated embeds.

(Steve Smith is a lapsed academic turned media critic and consultant. He is the Digital Media Editor for Min, conference programmer for Mediapost, and longtime columnist for eContent Magazine).



comScore Web Box Scores

	Total Unique Visitors (000)	Total Unique Visitors (000)	Total Unique Visitors (000)	Total Minutes (MM)	Total Minutes (MM)	Total Minutes (MM)
	Nov-2008	Dec-2008	% Change	Nov-2008	Dec-2008	% Change
Total Internet : Total Audience	190,775	190,650	0	318,847	332,104	4
Weather Channel, The	32,385	41,503	28	278	486	75
MSNBC	34,991	34,991	0	925	772	-17
CNN	37,875	33,429	-12	1,434	1,417	-1
ESPN	21,678	20,316	-6	1,217	1,077	-11
Discovery Digital Media Sites	13,008	14,340	10	112	126	12
Disney Channel TV Network	12,286	12,295	0	494	461	-7
NFL.COM	10,898	11,603	6	583	423	-27
Nick.com Sites	10,340	11,300	9	436	525	21

Source: ComScore (www.comscore.com)

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