

CableFAX Daily™

Monday — February 9, 2009

What the Industry Reads First

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Affiliate Relations: New Websites Try to Make Ad Sales Easier

Times may be tough, especially for local ad sales, but networks are making extra efforts to reach out to their distribution partners. Nearly 180 small and mid-size affiliates of **AETN** got an email early last week introducing them to AETNspot-shop.com, an online program to reward advertisers and customers. AETN's research indicates about 1/3 of **A&E** and **History** viewers reside in smaller DMAs, says *Mark Garner*, who was just promoted to svp, affiliate distribution and business development. "The resource we have to travel to those markets has diminished over time, but we feel them to be very important markets. So we developed this program to reach them in a very efficient way... it's fast access to our brand... it's fun... and green." The site gives affiliates program updates for A&E, History and **BIO**, and lets them preview, order and download promo spots. "This takes out a lot of intermediate steps" normally associated with using a spot for local ad sales or marketing, Garner says. Meanwhile, affiliates can earn points when spots run for merchandise such as **Canon** cameras. Minutes after the email launched, "to our surprise and delight" 5 affiliates joined, Garner said. More than 20 were on board as of Fri morning. "That's without any direct follow-up," Garner emphasized. AETN plans to follow-up the week of Feb 9. **Fox Cable** just redesigned its affil Website, Foxcable.com, conducting numerous interviews and surveys with MSOs to ensure it delivered the items they really need. One new feature rolling out in the coming weeks is "customizable alerts." For those who opt-in, the Website will build personal histories that let Fox send upcoming promos and marketing items most relevant to them. "You can customize your alerts so that when you log in, you'll basically have a cart that's personalized for you, and you'll immediately know what programming is new and what logos are new—anything that pertains to making your job easier," said *Jody Vogelaar*, **Fox Cable** dir affil marketing. Fox has already received several positive emails from customers via the site, said *Jamia Bigalow*, vp, affil marketing for Fox Cable. "General comments have been that it looks cleaner, it's easier to get through to find what you need," she said.

On the Hill: At our deadline, the Sen hoped to vote Fri evening on the economic stimulus bill, with talk of trimming some of the \$9bln proposed for broadband grants. Sens also wrangled over the proposed \$650mln for the DTV coupon program, although we're betting the money stays. Sen Commerce chmn *Jay Rockefeller* (D-WV) drafted an amendment to increase the broadband tax credit for current-generation network deployment (at least 5Mbps downstream/1Mbps upstream) in rural and unserved areas to 30% from 10%. It would no longer apply to "underserved" areas. "This would appear to eliminate tax credits for deployment in many low-income urban and suburban areas," **Stifel Nicolaus** said, adding that **Verizon**, **AT&T** and other incumbents with taxable income could benefit from the shift to more reliance on credits. The amendment would bump up the credit for next-generation broadband deployment (100Mbps/20Mbps) to 40% from 20%.

Competition: **Verizon** evp, CFO *Doreen Toben* plans to retire around mid-year. A successor will be named shortly. -- **FIOS** plans on rolling out video telephony this year, reports *Telephony Online*.

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At the Portals: The Beltway parlor game over who will be the next Republican **FCC** commissioner has begun. Names making their way through the grapevine include *Lee Dunn*, an aide to Sen *John McCain* (R-AZ) and **FCC** deputy gen counsel *Ajit Pai*, who is a former aide to Sen *Sam Brownback* (R-KS). Former **NTIA** head *Meredith Baker*'s name has been mentioned, but her association with the govt's converter box coupon program could sully her chances. -- Not surprisingly, the **FCC** got some complaints regarding those 30 seconds of porn that aired to **Comcast** analog subs in Tucson, AZ, during the Super Bowl. The FCC will look at the complaints as per routine procedures, but don't look for much to come of it because the Commission only can fine broadcasters for indecency violations.

Retrans: **Cable One** still had no access to **Newport Broadcasting** stations Fri, after the 2 failed to reach a renewal pact by midnight Wed (*Cfax*, 2/6). Some of the stations, such as **ABC** affil **WPTY** in Memphis and **NBC** affil **WPMI** out of Mobile, were replaced by duplicate affiliate signals. The loss of **Fox** affil **KOKI** in the Tulsa, OK, area, comes with no alternative station available. The broadcaster said it wants fair compensation. A **Cable One** rep said Newport wants more than \$1mln for the nets, which she said amounts to 175% more than what the MSO pays for all 11 broadcasters combined in Tulsa.

Earnings: Whether it's **GE**, **Disney** or now **News Corp**, conglomerates' cable holdings continue to ease the pain of a bad economy. For the 3 months ended Dec 31, News' cable net programming segment delivered a 10% increase in rev to \$1.36bln and 27% growth in operating income to \$428mln. Rises in net affil (+37%) and ad rev (+6%) at **Fox News** helped the net achieve 18% overall rev growth in the Q, which also included upticks in subs and avg rate/sub. At **FX** overall rev rose 13%, aided by 8% growth in affil rev and 24% ad rev growth owing to higher ratings. In the current Q, Pres/COO *Peter Chernin* said advertising at the company's natl cable nets is a "mixed bag" characterized by performance similar to the company's broadcast nets. The latter, he said, should see an 11% cancellation rate this Q, vs the 7-8% avg in recent years. But while News execs said the current TV ad market isn't as bad as they expected, the online space has become tougher to navigate. "Overall, you have a problem in that there is an almost infinite increase in inventory for web-sites and for display," said chmn *Rupert Murdoch*. "I think we have to find new ways to monetize our huge audiences."

Ratings: **MSG** earned an avg 2.32HH rating for a pair of NY Knicks telecasts featuring *Kobe's Lakers* (Mon) and *LeBron's Cavaliers* (Wed). As both results clubbed the Knicks' season HH rating avg of 1.26, up 17% over last season, NY-area NBA fans voted via viewership for LeBron as the more compelling, if not better, player. The Cavs game delivered a 2.55 to become the highest-rated Knicks contest in more than 4 years; the Lakers tilt garnered a 2.09.

Programming: **Lifetime** is casting for a pilot that sends stay-at-home moms on a vacation, while dads hold down the fort. The net's looking for moms with 3 kids between 2-15 who live in southwest CT.

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CableFAX Week in Review

Company	Ticker	2/06 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	28.88	1.10%	1.70%
DIRECTV:	DTV	22.58	3.10%	(1.4%)
DISH:	DISH	13.57	5.70%	22.30%
DISNEY:	DIS	19.45	(6%)	(12.8%)
GE:	GE	11.10	(8.5%)	(29.6%)
HEARST-ARGYLE:	HTV	4.56	15.70%	(23.6%)
NEWS CORP:	NWS	7.68	6.10%	(19.7%)

Company	Ticker	2/06 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	15.11	(5.7%)	(10.3%)
CHARTER:	CHTR	0.09		12.50%
COMCAST:	CMCSA	14.17	(3.3%)	(15.7%)
COMCAST SPCL:	CMCSK	13.11	(5.5%)	(18.4%)
GCI:	GNCMA	6.79	3.30%	(16.1%)
KNOLOGY:	KNOL	5.36	14.00%	3.90%
LIBERTY CAPITAL:	LCAPA	5.32	(3.1%)	13.00%
LIBERTY ENT:	LMDIA	19.32	5.30%	10.50%
LIBERTY GLOBAL:	LBTYA	14.95	2.60%	(6.1%)
LIBERTY INT:	LINTA	3.50	11.50%	12.20%
MEDIACOM:	MCCC	5.30	(1.9%)	23.30%
SHAW COMM:	SJR	16.73	3.60%	(5%)
TIME WARNER CABLE:	TWC	19.16	2.80%	(10.7%)
VIRGIN MEDIA:	VMED	4.96	9.30%	0.20%
WASH POST:	WPO	421.98	8.00%	8.10%

Company	Ticker	2/06 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	6.40	11.90%	(21.9%)
CROWN:	CRWN	1.79	8.50%	(37.2%)
DISCOVERY:	DISCA	13.94	(3.9%)	(1.6%)
EW SCRIPPS:	SSP	1.62	0.90%	(26.5%)
GRUPO TELEVISIA:	TV	14.39	2.90%	(3.7%)
HSN:	HSNI	5.25	10.50%	(27.8%)
INTERACTIVE CORP:	IACI	14.79	0.60%	(6%)
LIBERTY:	L	24.98	2.40%	(11.6%)
LODGENET:	LNET	0.60	(36.8%)	(14.3%)
NEW FRONTIER:	NOOF	1.70	4.90%	
OUTDOOR:	OUTD	6.08	(0.2%)	(18.8%)
PLAYBOY:	PLA	1.75	1.20%	(19%)
RHI:	RHIE	4.59	8.50%	(43.5%)
SCRIPPS INT:	SNI	22.26	3.70%	1.20%
TIME WARNER:	TWX	9.63	3.20%	(4.3%)
VALUEVISION:	VVTV	0.24	(4%)	(27.3%)
VIACOM:	VIA	18.12	11.40%	(9.9%)
WWE:	WWE	9.25	(5%)	(13.3%)

Company	Ticker	2/06 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	2.60	11.60%	14.00%
ADC:	ADCT	3.69	(27.6%)	(32.7%)
ADVANTAGE:	AEY	1.76	(4.3%)	(1.1%)
ALCATEL LUCENT:	ALU	1.86	(5.6%)	(13.5%)
AMDOCS:	DOX	18.68	10.40%	2.10%
AMPHENOL:	APH	29.71	13.60%	24.00%
APPLE:	AAPL	99.72	10.60%	16.80%
ARRIS GROUP:	ARRS	6.88	(3.4%)	(13.5%)
AVID TECH:	AVID	11.45	14.40%	4.90%
BIGBAND:	BBND	5.50	8.90%	(0.4%)
BROADCOM:	BRCM	18.08	14.00%	6.50%

Company	Ticker	2/06 Close	1-Week % Chg	YTD %Chg
CISCO:	CSCO	17.04	13.80%	4.50%
CLEARWIRE:	CLWR	4.03	0.80%	1.50%
COMMSCOPE:	CTV	15.11	4.80%	(2.8%)
CONCURRENT:	CCUR	3.98		17.60%
CONVERGYS:	CVG	8.22	9.20%	28.20%
CSG SYSTEMS:	CSGS	15.47	6.70%	(11.4%)
ECHOSTAR:	SATS	16.64	10.50%	11.90%
GOOGLE:	GOOG	371.28	9.70%	20.70%
HARMONIC:	HLIT	5.74	11.50%	2.30%
INTEL:	INTC	14.73	14.20%	7.40%
JDSU:	JDSU	3.84	6.70%	4.30%
LEVEL 3:	LVL	0.99	(1%)	41.40%
MICROSOFT:	MSFT	19.66	15.00%	1.10%
MOTOROLA:	MOT	3.88	(12.4%)	(11.3%)
OPENTV:	OPTV	1.26	5.00%	2.40%
PHILIPS:	PHG	20.73	14.00%	4.30%
RENTRAK:	RENT	12.48	(0.2%)	5.90%
SEACHANGE:	SEAC	6.14	3.70%	(14.8%)
SONY:	SNE	20.88	8.60%	(4.5%)
SPRINT NEXTEL:	S	2.47	1.60%	35.00%
THOMAS & BETTS:	TNB	26.85	25.50%	11.80%
TIVO:	TIVO	7.74	7.60%	8.10%
TOLLGRADE:	TLGD	6.00	4.20%	25.50%
UNIVERSAL ELEC:	UEIC	12.51	10.90%	(22.9%)
VONAGE:	VG	0.57	1.80%	(13.6%)
YAHOO:	YHOO	13.63	16.20%	11.70%

Company	Ticker	2/06 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	26.08	6.00%	(7%)
QWEST:	Q	3.23	0.30%	(11.3%)
VERIZON:	VZ	31.72	6.20%	(5.1%)

Index	2/06 Close	1-Week % Chg	YTD %Chg	
MARKET INDICES				
DOW:	INDU	8280.59	3.50%	(5.6%)
NASDAQ:	COMPX	1591.71	7.80%	0.90%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. THOMAS & BETTS:	26.85	25.50%
2. YAHOO:	13.63	16.20%
3. HEARST-ARGYLE:	4.56	15.70%
4. MICROSOFT:	19.66	15.00%
5. AVID TECH:	11.45	14.40%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. LODGENET:	0.60	(36.8%)
2. ADC:	3.69	(27.6%)
3. BLNDR TONGUE:	0.82	(15.5%)
4. MOTOROLA:	3.88	(12.4%)
5. GE:	11.10	(8.5%)

From The CableFAX 100: Greatest Hits of 2008

the best business advice Dinni Jain has received...

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MaxFAX...

Turn It Off?

Of course, cable subscribers (who have ALL of their TVs connected) don't have to worry next Tues or next June 12th (a Fri this time)—unless of course, they've got any non-connected analog TVs around the house, in the garage or in the



Paul S. Maxwell

car or somewhere. Howard Horowitz says there are about 40% of the TVs extant that are not tethered.

Funny. And I even had one... found a battery-powered (dead battery,

though) Casio 2" screen analog TV as I was clearing out a closet in anticipation of moving offices this month. (I didn't take it to a recycle center, though... thought I'd give it to the **Cable Center** along with a couple dozen other odd SWAG with logos—this one was an over-the-air broadcaster logo).

And a broadcaster can actually make the transition any time between now and the next 118 or so days? (They do have to give the **FCC** 30 days notice, though. And if they want to "just do it" on the 17th, they have to elect to do so Mon, the 9th).

So one network affiliate transitions while another doesn't? Or they all collude in one market at a time?

A transition that rolls around the markets? If Houston does it, does Dallas have to?

So Fri, June 12th is the "hard date"... But if you like, the 17th stays OK... you know, if you don't want to broadcast two signals at once for another few months.

And that isn't confusing?

America hoped we'd have positive change!

Oh, well.

By the way, a friend in the industry thinks the President blew it by suggesting the postponement (which, while I've always been against almost anything the former Martian wanted to do, I really think postponing was an error, too) should've been left at the *Bush/Martian* doorstep... now, the President is going to be responsible (politically speaking) for the mess in June.

Random Notes:

• **Infamous?** Not quite... but *Leo Hindery* made the news for providing a car and driver for *Tom Daschle* while *Steve Burke's* very private ski retreat (along with this neighbors *Bill Gates* and *Dan Quayle*) is in more than deep snow. But bad press is bad press. And even **Cablevision** got tagged—wrongly, of course—as a "Made-Off" investor!

• **Digital Delay:** Ummm. Funny? "I'll turn mine off if you turn yours off?"

And, hey! If *Obama* can delay this digital transition, why can't he delay the recession (Depression? Bailout? Lawyers lifetime employment act?), too?

• **Dress Code?** Wow. A White House controversy over a dress code? America did vote for change... how petty can the criticism get? Strike that, we already know the answer. I just heard it on the TV (again).

• **Quarterly Reports:** Do they make any sense? Enormous write-downs. Uncertain guesses about what's next. Firing at will—and a bit aimlessly in many cases. Sure isn't the way to get the economy moving quickly.

• **One Change:** More Republicans are hitting the news and talk shows on cable networks than before... think they learned something during the last election? Are they really embracing, rather than trying to embarrass, press outlets?

• **Vanguards:** Been reported already... but what a great Vanguard Awards class this year! Can't wait to see if anyone can challenge me for shortest acceptance speech ever. Congrats to: *Nomi, Rocco, Sean, Dinesh* and compatriots!

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