

CableFAX Daily™

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What the Industry Reads First

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DTV Doings: FCC Preparing for Feb 17 'Confusion'

With hundreds of stations planning to cut the analog cord in less than a week despite *President Obama* signing the June 12 DTV extension into law Wed, the **FCC** is furiously trying to determine whether all 491 will be allowed to make the switch on Feb 17. Of particular concern are the 17 markets where all stations plan to cut off their signals on or before Feb 17. That's 2.3mln HHs (or 2.1% of all TV HHs). The FCC is also looking at how many of the 210 markets will lose all of the Big 4 affiliates or all local news broadcasts. There are 19 markets in which affils of all 4 major network stations plan to terminate analog. Those markets include 5.1mln homes (4.5% of all TV HHs). Another 15 markets (2.3mln HHs) don't have affils of all 4 major nets operating, but all of the network affiliates operating in them will kill analog. An FCC adviser said the Commission may prevent a station from making the switch or possibly require extra education efforts. *Michael Copps*, who held his 1st press conference Wed since becoming acting FCC chmn, said that the Commission is working on getting back to stations on just what will happen ASAP. Stations in markets deemed "vulnerable" will have to show that they have compelling reasons for going ahead and "clear evidence that they don't really have other viable options," Copps said. "Dislocation and confusion are coming on Feb 17 and 18," he said. "The only thing worse than the dislocation and confusion coming Feb 17 and 18 would be the dislocation and confusion that would have portended a total analog cut-off on Feb 17." With the upheaval, some cable operators are stepping in to help consumers and maybe bolster subs. For much of its footprint, **Mediacom** is offering free installation and free broadcast basic cable service until June 12 to HHs that do not have the ability to receive over-the-air broadcast signals. **Comcast** extended its promo for \$10/month basic for 1-year until June 30. Almost 2/3 of stations will continue to broadcast in analog after Feb 17, although they do have the option of terminating analog between Feb 17 and June 12. The Commission could set an intermediate date for them to make the switch.

At the Portals: The **ACA** asked for a 120-day extension for broadband and VoIP providers to complete and file **FCC Form 477**, which is used to determine the extent of local telecom competition and deployment of broadband services. The FCC issued an order last June revising the form, but the new form didn't get OMB approval until Jan 30. ACA said the OMB's repeated delays and its posting on the FCC Web site don't provide enough time to perform an already labor intensive task.

Amicable Split: After months of inaction at the **FCC**, **Time Warner Cable's** planned separation from parent **Time Warner** has at last been approved by the Commission and appears on track to close by the end of Mar. Investors greeted the news by sending TW shares up 0.8% and TWC's down 2.3%. "The separation is clearly in the public interest and will provide significant benefits to consumers by enabling each company to focus on its core businesses of content creation and communication services," said the MSO. As part of the deal, TWC and TW have agreed to extend the carriage agreements covering **HBO** and **Turner** nets by 30 months, according to the FCC order. Also, the Commission disagreed with the views of **RCN**, **DISH** and **Wealth TV** that program access rules would not apply to TWC and TW post-separation,



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leading to favoritism between the pair. "We believe that this separation should allow for increased competition in the video programming marketplace, to the ultimate benefit of consumers," said the FCC, which denied RCN's petition to condition approval on the continued application of the program access rules for 6 years after the separation. RCN said it regrets that the FCC did not impose conditions that would have "assured the lingering commonality of ownership and pre-existing relationships between Time Warner and Time Warner Cable do not provide any incentive or opportunity for Time Warner to discriminate in the provision of programming to a former affiliate," but said it appreciates the confirmation that conditions imposed on TWC in the **Adelphia** decision will remain in effect after the spin-off.

G-Men Eye XXX: After extensive local system tests, **Comcast** has reiterated its initial conclusion that foul play led to the highly-publicized Super Bowl interruption in Tucson by 30sec of porn, according to local reports, and has turned to the **FBI** for help in the case. "We have shared all of our information on this situation with the FBI and will continue to provide our full cooperation to them throughout their investigation," spokesperson *Kelle Maslyn* told **FOX 11 News** in Tucson. The interruption affected only the MSO's local analog signal and left unscathed **Cox**, satellite and over-the-air viewers.

CA Content Changes: **Comcast SportsNet Bay Area** announced a slate of new original programming set to roll out Apr 6 but also jettisoned some content. **Oakland A's** telecasts will go to **CSN CA**, which will feature 147 team games this season (75 in HD). The planned move led **DirecTV**, miffed by increased rates amid changing content, to request commercial arbitration for carriage of CSN Bay Area and **CSN Boston (Cfax, 1/8)**. The pair later agreed to table the DBS op's request as negotiations continued, but sources now say arbitration appears more likely as an agreement has yet to emerge. As for the CSN Bay Area content, included are daily sports news show "SportsNet Central" and daily talk show "Chronicle Live," a partnership with the SF Chronicle. Both will originate from the net's new HD prod facility/newsroom in San Francisco.

Ratings: After averaging a 2.2/2.12mIn in '08 prime to lead cable, **USA** upped its ante so far in '09, winning every week this year in prime, and the 2.5/2.46mIn it earned last week are the best numbers since the Presidential election and **NFL** football helped **Fox News** and **ESPN** reach those levels in Nov. Fox News (2.0/1.86mIn) took 2nd last week, followed by **TNT** (1.9/1.89mIn) with top telecast "The Closer" (4.2/4.09mIn). **Disney** (1.8/1.75) notched 4th, and **TBS** (1.3/1.32mIn), **Nick at Nite** (1.3/1.31mIn) and **Hallmark** (1.3/1.09mIn) all tied for 5th. -- **Brag Book:** **Investigation Discovery** delivered historical prime viewership highs from Feb 2-8 among 25-54s (140K) and women 25-54 (81K). -- Mon's 2nd annual "The **BET** Honors" garnered 1.7mIn HHs and 2.5mIn total viewers to post respective gains of 88% and 127% versus last year.

Lincoln Lives: Classroom teachers sometimes find it difficult to run a class of 30 or more. On Thurs, **History's** chief historian/svp, corporate outreach Dr *Libby O'Connell* could well be teaching 500K students during a 45-min National Lincoln

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BUSINESS & FINANCE

Teach-In at **The National Archives** Thurs, co-sponsored by the **Abraham Lincoln Bicentennial Commission**. In addition to 100 local students as a live audience, courtesy of **Comcast** and **Cox**, some 4K schools here and overseas have registered for the Teach-In, which will be streamed live (1:30pm ET) at: history.com/Lincoln (it will also be archived there and at: abrahamlincoln200.org). O'Connell will be joined by Lincoln scholar *Harold Holzer* and historians *Doris Kearns Goodwin* and *Matt Pinsky*, plus live and emailed questions. "We have a lot to do, so I'm gonna be a cruel slave driver to keep those historians from speaking too long," O'Connell said. History and ALBC have pledged to answer 500 additional email questions that aren't addressed during the Teach-In. Check **CableFAX.com** for more info.

Business/Finance: Macrovision reported 15% growth in 4Q adjusted pro forma rev to \$118mln, driven largely by increased rev from IPG products and patents licensed to cable satellite, telecom and mobile companies. The company reported a net loss in 4Q of \$210mln on impairment charges of \$208mln related to **TV Guide Net**, **TV Guide Online** and **TVG**, which have all been sold. -- After its shares closed Tues at their lowest level since '03, at \$9.12, **WWE** after-hours noted its strong balance sheet in stating confidence that it "can sustain its dividend over the long-term." That dividend yield has now ballooned to nearly 16%.

CableFAX Daily Stockwatch

Company	02/11 Close	1-Day Ch	Company	02/11 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/			AMDOCS:	18.59	0.15
BRITISH SKY:	26.96	0.37	AMPHENOL:	27.79	0.27
DIRECTV:	22.94	0.64	APPLE:	96.82	(1.01)
DISH:	12.98	(0.17)	ARRIS GROUP:	6.63	0.13
DISNEY:	18.50	(0.26)	AVID TECH:	10.33	(0.15)
GE:	11.94	0.32	BIGBAND:	4.47	(0.08)
HEARST-ARGYLE:	4.03	0.05	BLNDER TONGUE:	0.85	0.06
NEWS CORP:	7.19	0.18	BROADCOM:	17.28	(0.25)
MSOS					
CABLEVISION:	13.91	(0.15)	CISCO:	16.17	0.12
CHARTER:	0.07	0.00	CLEARWIRE:	3.60	0.14
COMCAST:	13.57	0.03	COMMSCOPE:	14.01	(0.02)
COMCAST SPCL:	12.69	0.03	CONCURRENT:	3.92	0.08
GCI:	6.44	0.09	CONVERGYS:	7.73	0.10
KNOLOGY:	5.50	0.10	CSG SYSTEMS:	15.01	(0.19)
LIBERTY CAPITAL:	5.27	0.28	ECHOSTAR:	15.15	(0.06)
LIBERTY ENT:	18.88	(0.06)	GOOGLE:	358.04	(0.47)
LIBERTY GLOBAL:	13.77	(0.07)	HARMONIC:	5.68	0.25
LIBERTY INT:	3.33	(0.01)	INTEL:	14.08	0.00
MEDIACOM:	4.79	0.00	JDSU:	3.26	(0.04)
SHAW COMM:	16.17	0.01	LEVEL 3:	0.85	(0.15)
TIME WARNER CABLE:	18.10	(0.42)	MICROSOFT:	19.21	0.41
VIRGIN MEDIA:	4.84	0.24	MOTOROLA:	3.90	0.00
WASH POST:	412.52	8.09	OPENTV:	1.09	0.01
PROGRAMMING					
CBS:	5.88	0.21	PHILIPS:	20.04	0.54
CROWN:	1.70	0.01	RENTRAK:	10.92	(1.03)
DISCOVERY:	13.80	0.14	SEACHANGE:	6.10	0.10
EW SCRIPPS:	1.59	(0.12)	SONY:	19.46	0.14
GRUPO TELEVISA:	13.20	(0.08)	SPRINT NEXTEL:	2.35	0.17
HSN:	4.50	(0.38)	THOMAS & BETTS:	27.56	1.21
INTERACTIVE CORP:	14.33	(0.18)	TIVO:	7.43	0.11
LIBERTY:	23.86	0.80	TOLLGRADE:	5.95	0.28
LODGENET:	0.52	(0.07)	UNIVERSAL ELEC:	12.05	0.33
NEW FRONTIER:	1.51	(0.08)	VONAGE:	0.39	(0.1)
OUTDOOR:	5.63	(0.23)	YAHOO:	12.63	(0.12)
PLAYBOY:	1.73	0.06	TELCOS		
RHI:	4.01	(0.09)	AT&T:	24.44	(0.12)
SCRIPPS INT:	21.50	(0.1)	QWEST:	3.27	(0.1)
TIME WARNER:	8.73	0.07	VERIZON:	29.98	(0.02)
VALUEVISION:	0.21	0.01	MARKET INDICES		
VIACOM:	17.03	0.17	DOW:	7939.53	50.65
WWE:	9.24	0.12	NASDAQ:	1530.50	5.77
TECHNOLOGY					
3COM:	2.57	0.02			
ADC:	3.30	(0.08)			
ADVANTAGE:	1.80	(0.2)			
ALCATEL LUCENT:	1.76	(0.01)			

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