

CableFAX Daily™

Tuesday — February 17, 2009

What the Industry Reads First

Volume 20 / No. 029

Versatile Scorer: NBA Content Assisting Cable Across Platforms

As the **NBA All-Star Game** and its surrounding festivities take over Phoenix this weekend, cable's enjoying notable assists from a league that appears to be rising, if not from ashes, to heights not seen in decades. "I think the NBA has got its buzz back," said **Turner Sports** pres *David Levy*. "It's a very healthy property right now." Viewership of TNT's league games this season is up double-digits across all demos, said Levy, and the net's ad inventory for this weekend's content, including Sun's All-Star Game, is "very well sold." Meanwhile, **ESPN's** averaging through 45 games 1.68mln viewers, a healthy 22% increase vs last season, and numerous teams across the RSN rosters of both **Fox Sports'** and **Comcast SportsNet** are enjoying viewership growth as well. So, what's contributing to the feel-good times that led ESPN dir, programming and acquisitions *Doug White* to declare the dawn of "another golden age" for the NBA not seen since *Magic, Larry* and *Michael* dominated the hardwood? A lot, said Levy and White, including *Kobe* and *LeBron*, great brands such as the **Celtics** and **Lakers**, and especially the league's digital savvy. "The NBA is one of the most, if not the most, progressive leagues in getting its content out there," said White. Much credit goes to **Turner**, whose year-old deal with the league aims to spur NBA popularity and revenue growth across all domestic platforms. A good example is the reach of TNT's weekend content, which will hit wireless devices, broadband, TV and several movie theaters, in 3D. The online segment in particular is hot, said Levy, with more video streams and impressions than ever at **NBA.com** (managed by Turner) and massive league-focused content uploads at sites like **YouTube**. Next up: a league-sanctioned push for RSNs to spearhead more team-oriented local broadband content. Cable ops and other stakeholders complicate the initiative, with little movement expected this season. Next season, though, should bring live streaming game content. Levy sees the digital push as ultimately "complementary" to all parties. Key now is maintaining the NBA's momentum amid a gasping economy. "Each team will have their economic challenges, but I'd rather be sitting with [the NBA] brand than many others," said Levy.

In the Courts: The **US Court of Appeals for the DC Circuit** denied **NCTA's** attempt to overturn revised **FCC** privacy rules that make it more difficult for telephone companies to share subscriber information with other companies. NCTA said it was disappointed, while acting FCC chmn *Michael Copps* said the ruling recognized that the FCC's rules "appropriately required carriers to institute additional safeguards to protect customers' personal information." The rules require phone cos to get an "opt-in" vs an "opt-out" before disclosing sub info to a carrier's jv partner or an independent contractor.

Stimulus: **NCTA** applauded the **House's** passage of the economic stimulus conference report Fri, which includes \$7.2bln in broadband funding for unserved and underserved areas. The bill no longer includes any broadband tax credits, from which **Verizon** had expected to benefit. **NTIA** will administer \$4.7bln in grants, while **USDA's Rural Utilities Service** will handle \$2.5bln. "The measures adopted in the conference report will fuel our nation's investment in technology to map, modernize and expand our broadband infrastructure, helping drive our economic

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recovery with new jobs, better educational opportunities, and more efficient access to healthcare," NCTA chief *Kyle McSarrow* said. At deadline, the **Senate** was expected to vote on the bill Fri evening.

Pay Freeze: **Comcast** CEO *Brian Roberts* will forgo an increase to his base salary this year. CFO *Michael Angelakis*, COO *Steve Burke*, and evp *David Cohen* also agreed not to receive any increase in base salary for '09. Roberts also elected to relinquish his right to an annual cash bonus continuation for up to 5 years following his death, and reimbursement and tax-related payments from the company in connection with the premiums for his term life and split-dollar life insurance policies. In '07, Roberts received a salary of \$2.64mln, according to the latest regulatory filing.

DTV Doings: While Feb 17 is the date we've all heard about for more than a year now, everyone's really waiting to see what happen on Wed—the day that analog goes away for hundreds of broadcast stations across the country. **NAB** released a new survey Fri that showed that 523 of the 575 TV stations responding had conducted at least 1 analog shut-off test to help viewers know if they are ready. More than half (54%) have run 3 or more such tests.

5Qs with InterMedia Outdoors CEO Jeff Paro: **With a recent DirecTV deal upping distribution of The Sportsman Channel to 15mln HHs, what has been key to the net's growth?** When I look at where we are now and where we expect to be in the outdoor category, the story of our integrated marketing and the way we can push out to the network uniquely is resonating with distributors. Our growth strategy has been based on our unique access to the enthusiast markets in the outdoor category, and as a company we are the largest [outdoor] content producer across the media tiers. So, you take those resources and combine them with The Sportsman Channel and the value proposition we've been able to bring to our distribution partners has been compelling. **What are some characteristics of the outdoor enthusiast, your target audience?** What has always struck me about the hunting, shooting, fishing market is that for a variety of reasons it's a truly passionate male audience. They devote a big portion of their time to the outdoors, and a lot of investment is required to participate in outdoor activities. We're also talking about the largest lifestyle group of any. If you look at all hunters, shooters and fisherman there are 80mln of them out there, more than one-third of all men. **Competitive nets know this too, so what are some ways you are attempting to differentiate The Sportsman Channel?** We're going to be 100% committed to hunting, shooting and fishing. Our audience knows that and the advertisers in this space know that as well. As a company, we've been in this marketplace and across our niches for 50 years. We come into this with the largest amount of content, the best point of contact with this audience base, and we also have a history of television production with some of the leading shows that have aired on The Sportsman Channel and other networks over the years. **On the programming front, what can be expected from TSC this year?** I think it's fair to say that going into '09, we by a significant margin will have the largest percentage of original programming of anyone in the outdoors segment. There will be 21 shows that are produced by InterMedia Outdoors, and 8 of those will be new and across our categories. And most of these programs were developed with direct input from the audience and the advertisers in our marketplace. **Pardon the pun, but what else is in your sights for TSC?** We don't consider a homerun getting to 70mln households, we consider a homerun getting to 35-40mln of the right households. True to the mission of the overall organization, it's not about reach; it's about targeting and staying committed to it.

Earnings: **BigBand's** 4Q profits soared, totaling \$7.3mln vs a \$13.8mln loss a year ago. Sales were up a whopping 76% to \$54.1mln. But the vendor said it cut about 46 jobs this month and remains "cautious" about short-term customer spending.



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CableFAX Week in Review

Company	Ticker	2/13 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	26.38	(8.7%)	(7.1%)
DIRECTV:	DTV	23.24	2.90%	1.40%
DISH:	DISH	13.58	0.10%	22.40%
DISNEY:	DIS	18.52	(4.7%)	(16.8%)
GE:	GE	11.44	3.10%	(27.5%)
HEARST-ARGYLE:	HTV	3.90	(14.5%)	(34.5%)
NEWS CORP:	NWS	7.23	(5.9%)	(24.5%)

Company	Ticker	2/13 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	13.90	(8%)	(17.5%)
CHARTER:	CHTR	0.03	(66.7%)	(62.5%)
COMCAST:	CMCSA	13.66	(3.6%)	(18.7%)
COMCAST SPCL:	CMCSK	12.82	(2.2%)	(20.3%)
GCI:	GNCMA	6.36	(6.3%)	(21.4%)
KNOLOGY:	KNOL	5.44	1.50%	5.40%
LIBERTY CAPITAL:	LCAPA	5.49	3.20%	16.60%
LIBERTY ENT:	LMDIA	19.09	(1.2%)	9.20%
LIBERTY GLOBAL:	LBTYA	14.18	(5.2%)	(10.9%)
LIBERTY INT:	LINTA	3.31	(5.4%)	6.10%
MEDIACOM:	MCCC	4.92	(7.2%)	14.40%
SHAW COMM:	SJR	16.27	(2.7%)	(7.6%)
TIME WARNER CABLE:	TWC	18.14	(5.3%)	(15.4%)
VIRGIN MEDIA:	VMED	4.74	(4.4%)	(4.2%)
WASH POST:	WPO	414.75	(1.7%)	6.30%

Company	Ticker	2/13 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	5.81	(9.2%)	(29.1%)
CROWN:	CRWN	2.02	12.80%	(29.1%)
DISCOVERY:	DISCA	13.98	0.30%	(1.3%)
EW SCRIPPS:	SSP	1.57	(2.8%)	(28.6%)
GRUPO TELEVISIA:	TV	13.09	(9%)	(12.4%)
HSN:	HSNI	4.60	(12.4%)	(36.7%)
INTERACTIVE CORP:	IACI	15.05	1.80%	(4.3%)
LIBERTY:	L	22.82	(8.6%)	(19.2%)
LODGENET:	LNET	0.62	3.30%	(11.4%)
NEW FRONTIER:	NOOF	1.59	(6.5%)	(6.5%)
OUTDOOR:	OUTD	5.27	(13.3%)	(29.6%)
PLAYBOY:	PLA	1.67	(4.6%)	(22.7%)
RHI:	RHIE	3.94	(14.2%)	(51.5%)
SCRIPPS INT:	SNI	21.48	(3.5%)	(2.4%)
TIME WARNER:	TWX	8.67	(10%)	(13.8%)
VALUEVISION:	VVTV	0.19	(20.8%)	(42.4%)
VIACOM:	VIA	17.97	(0.8%)	(10.7%)
WWE:	WWE	9.24	(0.1%)	(13.4%)

Company	Ticker	2/13 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	2.59	(0.4%)	13.60%
ADC:	ADCT	3.61	(1.9%)	(34%)
ADVANTAGE:	AEY	1.94	10.20%	9.00%
ALCATEL LUCENT:	ALU	1.69	(9.1%)	(21.4%)
AMDOCS:	DOX	18.88	1.10%	3.20%
AMPHENOL:	APH	27.86	(6.2%)	16.20%
APPLE:	AAPL	99.16	(0.6%)	16.20%
ARRIS GROUP:	ARRS	7.11	3.30%	(10.6%)
AVID TECH:	AVID	10.31	(10%)	(5.5%)
BIGBAND:	BBND	5.58	1.50%	1.10%
BLNDER TONGUE:	BDR	0.83	1.20%	(17.8%)

Company	Ticker	2/13 Close	1-Week % Chg	YTD %Chg
BROADCOM:	BRCM	18.10	0.10%	6.60%
CISCO:	CSCO	16.10	(5.5%)	(1.2%)
CLEARWIRE:	CLWR	3.60	(10.7%)	(9.3%)
COMMSCOPE:	CTV	14.11	(6.6%)	(9.2%)
CONCURRENT:	CCUR	3.71	(7.5%)	8.80%
CONVERGYS:	CVG	7.59	(7.7%)	18.40%
CSG SYSTEMS:	CSGS	15.03	(2.8%)	(14%)
EHOSTAR:	SATS	15.17	(8.8%)	2.00%
GOOGLE:	GOOG	357.68	(3.7%)	16.30%
HARMONIC:	HLIT	5.88	2.40%	4.80%
INTEL:	INTC	13.88	(5.8%)	1.20%
JDSU:	JDSU	3.56	(6.3%)	(2.2%)
LEVEL 3:	LVL	0.90	(9.1%)	28.60%
MICROSOFT:	MSFT	19.09	(2.9%)	(1.8%)
MOTOROLA:	MOT	3.87	(0.3%)	(11.5%)
OPENTV:	OPTV	1.12	(11.1%)	(8.9%)
PHILIPS:	PHG	19.06	(8.1%)	(4.1%)
RENTAK:	RENT	11.25	(9.9%)	(4.6%)
SEACHANGE:	SEAC	6.32	2.90%	(12.3%)
SONY:	SNE	18.50	(11.4%)	(15.4%)
SPRINT NEXTEL:	S	2.82	14.20%	54.10%
THOMAS & BETTS:	TNB	25.99	(3.2%)	8.20%
TIVO:	TIVO	7.39	(4.5%)	3.20%
TOLLGRADE:	TLGD	5.72	(4.7%)	19.70%
UNIVERSAL ELEC:	UEIC	12.37	(1.1%)	(23.7%)
VONAGE:	VG	0.41	(28.1%)	(37.9%)
YAHOO:	YHOO	12.84	(5.8%)	5.20%

Company	Ticker	2/13 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	24.19	(7.3%)	(13.7%)
QWEST:	Q	3.59	11.10%	(1.4%)
VERIZON:	VZ	29.56	(6.8%)	(11.5%)

Index	Value	% Chg	YTD %Chg
MARKET INDICES			
DOW:	INDU	7850.41	(5.2%) (10.6%)
NASDAQ:	COMPX	1534.36	(3.6%) (2.7%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. SPRINT NEXTEL:	2.82	14.20%
2. CROWN:	2.02	12.80%
3. QWEST:	3.59	11.10%
4. ADVANTAGE:	1.94	10.20%
5. ARRIS GROUP:	7.11	3.30%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. CHARTER:	0.03	(66.7%)
2. VONAGE:	0.41	(28.1%)
3. VALUEVISION:	0.19	(20.8%)
4. HEARST-ARGYLE:	3.90	(14.5%)
5. RHI:	3.94	(14.2%)



Mid-Day Special Report

Closing Date February 18, 2009

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Hurry! Time to place your congratulatory ad or brand message in CableFAX's Mid-Day Special Report. Reach thousands of Cable executives—plus bonus distribution at the Best of the Web Awards Breakfast, February 24, 2009. Join us in honoring nearly 25 media companies, plus our Digital Hotlist picks.

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MaxFAX...

Presidents' Day?

Or President's Day?

Gee... do you think the new President is happy he's President?

Think he's pausing to reflect?

And wonder what he got himself into?



Paul S. Maxwell

On the state of the country?

On the state of the world?

He's had quite the "honeymoon" as the "bi-" in "bipartisan" didn't even get a chance to go both ways.

But, I have to say, I sure do hope the "Stimulus" stimulates something...

Random Notes:

• **Turn It Off?** So signals are gone today (Feb 17)! No more analog in... well, check the Federal Communication Commission's web site for details.

• **Turn It On?** Digitalize me?! OK, but, we've been digital for years! And, I suppose we can expect more compression, though.

• **Nope!** Drag It Out! Does anything make much sense anymore? Which signal do you want to test?

• **Or Bankrupt It?** So **Charter** is finally going to make economic sense. Good.

• **Happy Belated Valentine's Day:**

So, ten of you at least got a nice surprise... and a smile, I hope. Be calling soon. Like Tuesday.

• **Only \$6 Billion?** OK, that'll wire every Congressperson's home at least. Wonder if some of that would help offset line extensions for cable? Don't overcharge the customer clamoring for service—bill the Stimulus! We could use it at our new offices...

• **FYI:** Address change... we moved offices (that is, I did, not **CableFAX**) over the weekend to 1810 Platte, Denver, CO 80202... phones and emails are the same. Got a patio overlooking the Platte River now... a place to ponder the universe and cable, too.

• **Don't Let Your Kids Eat Peanut Butter!**

• **Come Early for Cable's Spring Week:** Going to be an interesting luncheon in DC on Mon, March 30th... the CableFAX Faxies!

• **I'd Like To Nominate:** *Leo Hindery* for Commerce Secretary!

• **Are They Sirius?** The only thing I wondered last week about rumors of *Mel Karmazin* meeting with **Liberty** folks was: what took so long? Maybe *Dr. John* will go ahead take it over and have *Carl Vogel* run it... and make sense of it. Odd thing is, I like satellite radio... works great between Breckenridge and the Denver airport. I even get to hear (rarely) some of my own stuff on the '60s channel. But my favorite is the hard core country

on the Roadhouse. And I wish I could remember which channel *Larry Dunn* plays DJ on the weekends on? (Hey, send me an email—you owe me one anyway).

• **You Can Choose!** Really, think about it... if you were headed for yet another conference, which industry figure would you most like to hear from? Name somebody... Anybody in the broadcasting, broadband video, cable, satellite, telco video or other means of distribution (**TiVo**, **Netflix**, **Vudu**, **Hulu**, your clue next!) who could teach you something you didn't know, point the way to the next major breakthrough (or failure—a cautionary aspect counts, too). Anybody... you just need to nominate them by sending me an email at: max@mediabiz.com. I promise to try and deliver the favorite to the **Multiplatform Matrix '09**, July 6 and 7th at the Universal City Hilton outside La La Land. In association with Hannover Fairs (Deutsche Messe – CeBIT), we've already lined up quite a roster of speakers... including one big surprise. But, I'm quite serious... who would you most want to hear from?

Paul Maxwell

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From The CableFAX 100: Greatest Hits of 2008

the best business advice Sam Howe has received...

"It's a long row, but with lots of short strokes."

Sam Howe
EVP/Chief Marketing Officer
Time Warner Cable



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15109