

# CableFAX Daily™

Monday — February 22, 2010

What the Industry Reads First

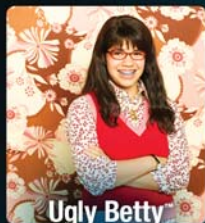
Volume 21 / No. 034

## Merger Mania: Program Access Debate Rages On

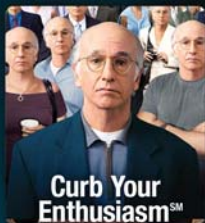
**Comcast-NBCU** critics aren't letting the MSO's legal challenge of **FCC** program access rules die. Following criticism over the issue, **Comcast** CEO *Brian Roberts* told Congress earlier this month that the company was open to abiding by the rules even if the courts threw them out as a condition of its \$30mln deal with NBCU. But consumer and industry groups on Fri called for Comcast to go a step further and withdraw from its challenge of the rules in federal court (**Cablevision** also challenged the rules). "Comcast has said that program access rules are enough to protect competition if the merger is approved—but that's not very reassuring so long as the company continues to chip away at these very same protections," said **National Telecommunications Coop Assoc's** *Jill Canfield*. *Sena Fitzmaurice*, exec dir of Comcast's corporate comm & govt affairs, responded in a statement focused on **Free Press** (which distributed a news release on the groups' letter Fri): "Free Press appears to be confused. We have challenged only the FCC's extension of the rule that prohibits cable companies from entering into exclusive contracts that better enable them to compete with satellite companies who have exclusive content like **NFL** Sunday Ticket," she said. "If Free Press really wants to help consumers and ensure a level playing field, they will join us in calling for an end to **DirecTV's** exclusive control of NFL Sunday Ticket. We did not challenge the rule that ensures that cable-affiliated programmers must charge fair and non-discriminatory rates to competing cable, satellite and phone companies in that case—we do and will abide by those rules." Bickering over this could be for naught, with the panel of DC Circuit judges that heard the case in Sept appearing uninterested in touching the rules. Still, courts are unpredictable. The rules, which prevent cable ops from withholding affiliated networks from rivals, are set to expire in '12 unless the FCC once again extends them (it's done so twice now). The groups sending a letter to Roberts, which include **ACA**, **Consumers Union** and **Public Knowledge**, also questioned whether Comcast would challenge new FCC rules that narrow the so-called terrestrial loophole, which has let cable withhold affiliated terrestrially delivered networks. Fitzmaurice said the company has "no plans" to challenge that ruling and will address any complaints if and when they are filed, noting that it has almost no terrestrially delivered content outside of **Comcast Sports Net Philly**.

**Tiger TV:** Some guy named *Tiger Woods* was on TV Fri, and it looks like more media outlets covered his 13-min statement than Pres *Obama's* State of the Union address last month. If live coverage from **ESPN's** "SportsCenter," **ESPNEWS**, **ESPN2's** "First Take," **ESPN.com**, **ESPN Radio** and **ESPN Mobile** weren't enough, those in NY's Times Square could look up and see it on the jumbo **ABC** monitor. The news nets were also there (complete with a "Tiger Talks" countdown clock on **CNBC**). **Golf Channel** had wall-to-wall coverage online and on TV, including reaction from the WGC-Accenture Match Play Championship, and estimated more than 1.1mln views at **Golfchannel.com**, which would set a record for the year. The Website has only streamed live coverage once before—a 2-hr window within last year's Solheim Cup that delivered 18,500 streams. Fri's Tiger coverage is expected to bring in 260K total streams. Actual totals weren't available at press time.

## The Ugly, The Bald and The Beautiful.



Ugly Betty



Curb Your Enthusiasm™

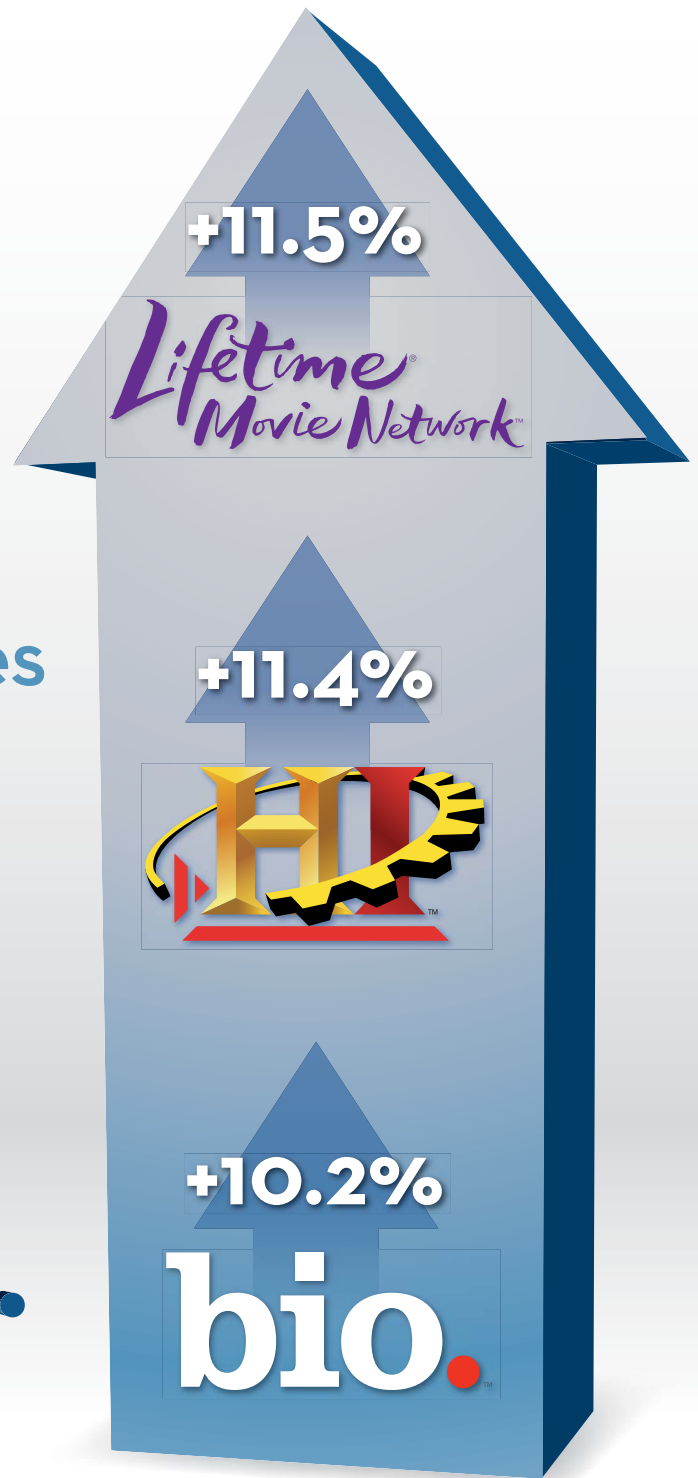


Red Carpets

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GROWING  
NETWORKS.**



Growth in Distribution  
Over Past 12 months



\*Nielsen Media Research, Universe Estimates, Feb 2010 vs. Feb 2009

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**At the Portals:** The FCC followed through Thurs on promises to reform ex parte rules, voting to require parties to provide more info about their meetings with FCC commissioners and staff. Changes include requiring a summary of every oral ex parte presentation (under current rules, a summary doesn't need to be filed unless information is presented for the first time) and requiring faster electronic filing (within 4 hours) of notices of permitted presentations made during the Sunshine Period. -- **NCTA's Kyle McSarrow** took to NCTA's CableTechTalk.com blog Fri to offer reactions to FCC National Broadband Plan revelations. He once again hammered home the need to increase adoption, saying the challenge will only be met by treating it as a multi-faceted problem and addressing it through public-private partnerships. McSarrow gave credit to FCC chmn *Julius Genachowski* and staff for placing broadband policy in its proper context with a set of working recommendations that focus on areas such as healthcare, job development and smart energy. Then he plugged cable's examples of these types of projects at last year's **Cable Show**.

**Earnings:** CBS' TV businesses appear primed for a solid '10, as its cable nets (**Showtime Nets** and **CBS College Sports**) delivered 8% rev growth in 4Q and an 8% increase in national broadcast ad rev its ent segment achieve a 4% rise in rev. Said CEO *Les Moonves*: "Cable Networks financial performance was driven by growth rates and subscribers at both Showtime and College Sports." Showtime ended '09 with 61.3mln subs, up 2.6% YOY, and College with 35mln subs, up 37%. CBS more than tripled its retrans rev in '09 versus '08, said Moonves, noting 56 recent deals with affils including **Time Warner Cable**, **Cablevision** and **DISH**. He added that CBS does receive some fees from its O&Os. Prime broadcast scatter pricing rose an avg of 25% over upfront in 4Q and is now up more than 30% in the current Q. Also blazing is local broadcast, which delivered \$680mln in 4Q rev—easily the highest quarterly number of the year, said Moonves—and OIBDA of \$227mln (+31% YOY). -- **LodgeNet** reported a 7.1% dip in 4Q hospitality rev to \$110mln, owing to an 11.4% decline in guest ent rev that was partially offset by a 5% rise in hotel services rev. The latter segment received aid from the continued installation of HDTV systems and related TV programming services.

**Ratings:** Olympic Games coverage on **NBC** may have surprisingly bested **Fox's** "American Idol" Feb 17, but event telecasts on cable were a little slow out of the gate. **USA's** initial block, from 3-5:30pm on Feb 13, scored a 0.8/791K, while 3 separate telecasts on **CNBC** (2 on Sat and 1 Sun), averaged a 0.2/232K. **truTV's** new series "NFL Full Contact," meanwhile, didn't get a big lift from a Super Bowl ad, as its premiere notched a 0.9/868K, just 48K HHs better than the net's prime avg for the week. A re-airing of the ep on **TNT** later in the week earned a 1.4/1.35mln. Among nets overall, the prime top spot was a toss up between **USA** (2.1/2.04mln) and **TNT** (2.0/2.01mln), as the latter earned more total viewers with help of the **NBA's** All-Star Game (4.4/4.40mln) and Sat night festivities (3.6/3.65mln). **Disney Channel** (1.9/1.88mln) took 3rd, followed by **Fox News** (1.8/1.74mln) and **Nick at Nite** (1.4/1.43mln).

**People:** **Massillon Cable TV** named *David Hoffer* COO. Hoffer has worked in finance, purchasing, technology, customer care, new product introduction and more in his 13 years with Massillon.

**Business/Finance:** **PPC** agreed to acquire **Evolution Broadband**, which will stay an independent co. -- **Liberty Global** wrapped the approx \$4bln sale of its 37.8% ownership interest in **Jupiter Telecom** of Japan. -- The **AZ Corp Commission** OK'd the transfer of **Verizon's** local wireline ops to **Frontier Comm**, joining OH, CA, NV and SC in approving the deal. -- **Motorola** finalized its purchase of **BitBand**, which focuses on content mgmt and delivery systems for VOD for IPTV.

# CableFAX

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NYC



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Questions: Rebecca Stortstrom at  
Rebecca@accessintel.com or 301-354-1610.

**CableFAX Week in Review**

Company	Ticker	2/19 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
BRITISH SKY:	BSY	33.75	1.81%	(6.82%)
DIRECTV:	DTV	33.64	9.61%	0.87%
DISH:	DISH	19.68	7.07%	(5.25%)
DISNEY:	DIS	31.23	3.86%	(3.16%)
GE:	GE	16.17	3.99%	6.87%
NEWS CORP:	NWS	16.02	3.49%	0.63%

Company	Ticker	2/19 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLEVISION:	CVC	23.12	3.12%	(10.46%)
COMCAST:	CMCSA	16.00	4.30%	(5.1%)
COMCAST SPCL:	CMCSK	15.13	4.20%	(5.5%)
GCI:	GNCMA	5.71	1.78%	(10.5%)
KNOLOGY:	KNOL	11.52	3.13%	5.49%
LIBERTY CAPITAL:	LCAPA	31.00	13.80%	29.82%
LIBERTY GLOBAL:	LBTYA	25.46	4.73%	16.31%
LIBERTY INT:	LINTA	11.52	5.98%	6.27%
MEDIACOM:	MCCC	4.43	4.24%	(0.89%)
RCN:	RCNI	10.82	5.97%	(0.28%)
SHAW COMM:	SJR	19.36	5.56%	(5.88%)
TIME WARNER CABLE:	TWC	46.89	3.85%	13.29%
VIRGIN MEDIA:	VMED	15.30	7.67%	(9.09%)
WASH POST:	WPO	415.32	1.65%	(5.52%)

Company	Ticker	2/19 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
CBS:	CBS	13.83	7.13%	(1.57%)
CROWN:	CRWN	1.69	11.18%	16.55%
DISCOVERY:	DISCA	32.01	11.57%	4.37%
GRUPO TELEVISIA:	TV	19.70	5.69%	(5.11%)
HSN:	HSNI	20.90	6.80%	3.52%
INTERACTIVE CORP:	IACI	22.17	2.92%	8.25%
LIBERTY:	L	36.55	3.92%	0.55%
LIBERTY STARZ:	LSTZA	46.98	(0.68%)	1.80%
LIONSGATE:	LGF	5.25	0.38%	(9.64%)
LODGENET:	LNET	6.87	20.10%	24.23%
NEW FRONTIER:	NOOF	1.86	0.00%	(1.59%)
OUTDOOR:	OUTD	5.28	2.13%	(8.97%)
PLAYBOY:	PLA	3.34	(0.6%)	4.38%
RHI:	RHIE	0.32	(5.88%)	3.23%
SCRIPPS INT:	SNI	39.70	2.80%	(4.34%)
TIME WARNER:	TWX	29.44	5.60%	1.03%
VALUEVISION:	VVTV	4.24	13.98%	(11.67%)
VIACOM:	VIA	31.58	3.00%	0.25%
WWE:	WWE	16.44	2.24%	7.24%

Company	Ticker	2/19 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
3COM:	COMS	7.62	1.06%	1.60%
ADC:	ADCT	6.78	1.95%	9.18%
ADVANTAGE:	AEY	2.31	4.05%	17.26%
ALCATEL LUCENT:	ALU	2.83	5.20%	(14.76%)
AMDOCS:	DOX	28.94	0.28%	1.44%
AMPHENOL:	APH	42.79	7.30%	(7.34%)
AOL:	AOL	25.15	5.41%	8.03%
APPLE:	AAPL	201.67	0.64%	(4.3%)
ARRIS GROUP:	ARRS	10.32	0.10%	(9.71%)
AVID TECH:	AVID	13.80	5.42%	8.15%
BIGBAND:	BBND	2.99	1.36%	(13.08%)
BLNDER TONGUE:	BDR	1.06	(1.85%)	(7.02%)

Company	Ticker	2/19 Close	1-Week % Chg	YTD %Chg
BROADCOM:	BRCM	31.60	2.10%	0.41%
CISCO:	CSCO	24.36	2.53%	1.75%
CLEARWIRE:	CLWR	6.97	3.57%	3.11%
COMMSCOPE:	CTV	27.70	2.18%	4.41%
CONCURRENT:	CCUR	4.70	6.09%	18.69%
CONVERGYS:	CVG	12.53	6.19%	16.56%
CSG SYSTEMS:	CSGS	21.11	5.02%	10.58%
ECHOSTAR:	SATS	19.48	1.67%	(3.28%)
GOOGLE:	GOOG	540.76	1.43%	(12.78%)
HARMONIC:	HLIT	6.41	4.57%	1.42%
INTEL:	INTC	20.82	1.91%	2.06%
JDSU:	JDSU	9.55	3.24%	15.76%
LEVEL 3:	LVL	1.58	14.49%	3.27%
MICROSOFT:	MSFT	28.77	3.01%	(5.61%)
MOTOROLA:	MOT	7.01	(1.96%)	(9.66%)
OPENTV:	OPTV	1.53	0.66%	12.50%
PHILIPS:	PHG	30.05	3.55%	2.07%
RENTRAK:	RENT	19.13	2.30%	8.26%
SEACHANGE:	SEAC	7.02	2.18%	7.01%
SONY:	SNE	34.43	1.09%	18.72%
SPRINT NEXTEL:	S	3.49	10.44%	(4.64%)
THOMAS & BETTS:	TNB	36.58	5.78%	2.21%
TIVO:	TIVO	9.99	4.18%	(1.86%)
TOLLGRADE:	TLGD	6.27	(3.54%)	2.62%
UNIVERSAL ELEC:	UEIC	21.60	(5.14%)	(6.98%)
VONAGE:	VG	1.69	13.42%	20.71%
YAHOO:	YHOO	15.58	2.70%	(7.15%)

Company	Ticker	2/19 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	25.10	0.12%	(10.45%)
QWEST:	Q	4.47	0.90%	6.18%
VERIZON:	VZ	29.02	0.31%	(12.41%)

Index	Value	% Chg	YTD %Chg
<b>MARKET INDICES</b>			
DOW:	DJI	10402.35	3.00% (0.25%)
NASDAQ:	IXIC	2243.87	2.76% (1.11%)

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. LODGENET:	6.87	20.10%
2. LEVEL 3:	1.58	14.49%
3. VALUEVISION:	4.24	13.98%
4. LIBERTY CAPITAL:	31.00	13.80%
5. VONAGE:	1.69	13.42%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. NORTEL:	0.32	(51.52%)
2. RHI:	0.32	(5.88%)
3. UNIVERSAL ELEC:	21.60	(5.14%)
4. TOLLGRADE:	6.27	(3.54%)
5. MOTOROLA:	7.01	(1.96%)

## Sales Executive of the Year Awards

saluting cable sales leadership

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**Visit: [www.cablefaxsalesawards.com](http://www.cablefaxsalesawards.com)**

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