

CableFAX Daily™

Monday — February 23, 2009

What the Industry Reads First

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New Captain: Dzuban Setting the Course for SCTE

Mark Dzuban has been on the job as pres/CEO of **SCTE** for just 2 weeks, but he's already tackling big issues—including putting together a 3-year strategic plan to present to the board in Apr. His first days on the job were actually spent at the inaugural **SCTE Canadian Summit**, 2 days of technical sessions in Toronto. "It's a good example of how the team kept the ship on course," Dzuban said, referring to *Marv Nelson*, who served as interim CEO during the 6-month search for a new chief, and others at SCTE. The new event sold-out sponsorships and exhibit space and had more than 600 attendees (double what had been expected). With 40 years in cable, Dzuban has more engineering experience than his predecessor, who left the group in July. So, does that signal a change in SCTE's strategy? "I think it's a fresh view of what we need to compete in the future," he said. "It's not like a new ship. It's building another deck to address a number of areas to compete in the marketplace." The industry is moving to much more complex networks and delving into areas that "are probably not traditional to the nuts and bolts of SCTE," said Dzuban, whose background in applied engineering has included stints at **Cedar Point** and **AT&T Broadband**. One key will be to partner with visionaries like **CableLabs**, particularly as DOCSIS 3.0 and Tru2way ramp up. "We're working with CableLabs to understand that handoff and in concert with the MSOs to really drive definition of what that looks like in the rollout scheme and what it takes to drive...standardization of the products and technology," he said. Of course, he's taken on the job at a time when the economy has everyone squeamish. The good news, according to Dzuban, is that it is not affecting MSOs' planning for new services. "It may be a matter of scale, but it's not a matter of backing off on any of the competitive activities within the labs and within the thinking and the architecting of these new networks at all," he said. "From a CEO perspective, I'm fueled to get things done."

Separation News: **Time Warner** has decided to effect the separation of **Time Warner Cable** as a spin-off by distributing to its shareholders its entire interest in the MSO through a pro-rata dividend. No additional payout details were given for the deal, which is still expected to close by Mar 31. TWC's board, meanwhile, has authorized a 1-for-3 reverse stock split that's expected to occur around the time of the deal, a move meant to boost TWC's share price after the separation.

In the Courts: **Fox Business** prevailed in its lawsuit over the **US Treasury Dept's** failure to respond to its freedom of information requests for data on the use of bailout funds by **AIG**, **Bank of NY Mellon** and **Citigroup**. The Treasury has to comply within 30 days (by Mar 23). FBN "believes it's important to hold the government accountable, especially for use of the bailout funds during this time of steep economic crisis," said Fox News evp *Kevin Magee*.

New FCC: Fellow Dem *Jonathan Adelstein* sang the praises of acting **FCC** chmn *Michael Copps* during an interview with **C-SPAN's** "The Communicators" (airs Sat, 6:30pm ET). He spoke frankly about criticisms of a communications shut-down at the agency under former Republican chmn *Kevin Martin*. "All of us always got along well, except sometimes the way the chmn was conducting business made it difficult for there to be a free flow of information," he said. Adelstein added

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Source: BETA 2008 Cable Operator Carriage Study, Ranked among all measured emerging and mid-sized cable networks among non-affiliates "very/fairly interested in carrying channel by end of 2009".

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that staff no longer feels “intimidated” when communicating concerns directly with commissioners. “I can’t tell you how many staffers have told me what a relief this new regime is, and how much more open and free they feel to do their jobs.” He also discussed the hold-up of the FCC’s approval of **Time Warner Cable’s** separation from **Time Warner Inc.** “The previous chmn felt he was going to take unrelated issues, like a la carte, and try to force them in what would otherwise be sort of a rubber stamp,” he said, adding it was hard for the companies to do their jobs with that kind of “abuse of power.”

In the States: The notion of MSOs offering a vast amount of cable shows online exclusively to subs seems to be picking up steam, with the *WSJ* devoting several lines to it Fri. **Comcast** and **Time Warner Cable** have had continuing discussions with **Viacom**, **Time Warner Inc** and **NBCU** among others, the paper reports. A Web service could launch this year. -- **Charter** agreed to expand its use through '14 of **CSG’s** customer interaction management solutions across its footprint.

On the Hill: The **Sen Judiciary Cmte** will hold a hearing Wed titled “Ensuring Television Carriage in the Digital Age.” Witnesses include **DISH Network** chmn/CEO *Charlie Ergen* and **Comcast** evp *David Cohen*. On Tues, the **House Commerce** subcmte on communications will hold a hearing on the reauthorization of the Satellite Home Viewer Extension and Reauthorization Act (SHVERA), which allows DBS ops to import distant signals in some markets, among other things.

I Want My ABC: According to a **Solutions Research Group** survey during Nov sweeps, the lion’s share (52%) of 1,200 viewers aged 12+ named **ABC** as the TV brand they would most like to keep if the number of channels they could receive was curtailed. It was the 3rd straight win for ABC, which was followed by **CBS**, **NBC** and **Fox**. **ESPN** led cable at 5th, and **Discovery Channel**, **History**, **Sci Fi**, **HBO** and **Food Net** completed the top 10 TV brands.

Online: After **CNN.com** reportedly logged 21.3mln+ live streams of its Jan 20 Inauguration coverage while allowing visitors to comment in real-time through the use of **Facebook**, the site’s looking for similar success with *Pres Obama’s* 1st State of the Union Address Tues. The commentary options through Facebook will remain, and the site will begin at 8am streaming live related coverage such as analysis of the issues expected to be broached by Obama later that night.

Programming: **G4** is returning daily programs “Attack of the Show” and “X-Play” to a schedule of 4 original eps/week and 3 original eps/week, respectively, beginning Mar 2. G4 declined to comment on personnel matters, but confirmed that the reduction in eps has resulted in a decrease of staff. The net said the moves are not part of budget cutting, and that savings will go towards producing more original programming in '09.

Business/Finance: As the **Dow** closed Fri at a multi-year low, even below the scary levels seen in Nov, shares of **AT&T** and **Verizon** perked up thanks to upgrades from **Goldman Sachs**. The firm assigned each with a “buy” rating Fri, sending T up 1.8% to close at \$23.61 an VZ up 2.9% to close at \$28.81.

CableFAX’s 2009 Spring Connection Week Extravaganza — Be the First on the Scene

March 30, 2009 — Benchmarking Excellence in Cable

3 Celebrations to Kick-Off the Week!!

- **The CableFAXIES**
Salute Cable’s top Marketing & PR programs and people at the CableFAXIES Awards!
- **PLUS: The Players: Leading Women in Cable** — Honoring mentors, greenlighters and women on the move.
- **PLUS: Hats off to Us! CableFAX’s 20th Anniversary Celebration** with a Special Tribute to Paul Maxwell

Many Ways to Celebrate!!

- Secure your advertisement in the March 30th & April 1st issues of *CableFAX: The Magazine*, two celebratory issues with coverage of the Faxies and Leading Women in Cable honorees.
- Place your ad in WICT 30th Anniversary Special Section.
- Event Sponsorship Packages Available, **Publication Dates: 3/30/09, 4/1/09** • **Space Close Dates: 3/2/09**
Distribution: Publication Bins, CableFAX Panels, WICT Event



The **CableFAXIES**
awards

15376

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CableFAX Week in Review

Company	Ticker	2/20 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	25.86	(2%)	(8.9%)
DIRECTV:	DTV	21.48	(7.6%)	(6.2%)
DISH:	DISH	11.16	(17.8%)	0.60%
DISNEY:	DIS	17.53	(5.3%)	(21.2%)
GE:	GE	9.38	(18%)	(40.2%)
HEARST-ARGYLE:	HTV	1.85	(52.6%)	(68.3%)
NEWS CORP:	NWS	6.68	(7.6%)	(30.2%)

Company	Ticker	2/20 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	12.12	(12.8%)	(28%)
CHARTER:	CHTR	0.03		(62.5%)
COMCAST:	CMCSA	12.84	(6%)	(23.6%)
COMCAST SPCL:	CMCSK	12.22	(4.7%)	(24%)
GCI:	GNCMA	5.59	(12.1%)	(30.9%)
KNOLOGY:	KNOL	4.44	(18.4%)	(14%)
LIBERTY CAPITAL:	LCAPA	5.72	4.20%	21.40%
LIBERTY ENT:	LMDIA	17.43	(8.7%)	(0.3%)
LIBERTY GLOBAL:	LBTYA	11.24	(20.7%)	(29.4%)
LIBERTY INT:	LINTA	3.22	(2.7%)	3.20%
MEDIACOM:	MCCC	3.65	(25.8%)	(15.1%)
SHAW COMM:	SJR	14.75	(9.3%)	(16.2%)
TIME WARNER CABLE:	TWC	17.62	(2.9%)	(17.9%)
VIRGIN MEDIA:	VMED	4.39	(7.4%)	(11.2%)
WASH POST:	WPO	390.30	(5.4%)	0.60%

Company	Ticker	2/20 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	4.89	(15.8%)	(40.3%)
CROWN:	CRWN	1.63	(19.3%)	(42.8%)
DISCOVERY:	DISCA	12.68	(9.3%)	(10.5%)
EW SCRIPPS:	SSP	1.40	(11.4%)	(36.7%)
GRUPO TELEVISIA:	TV	12.07	(7.8%)	(19.2%)
HSN:	HSNI	4.26	(7.4%)	(41.4%)
INTERACTIVE CORP:	IACI	15.05		(4.3%)
LIBERTY:	L	20.15	(11.7%)	(28.7%)
LODGENET:	LNET	0.63	1.60%	(10%)
NEW FRONTIER:	NOOF	1.50	(5.7%)	(11.8%)
OUTDOOR:	OUTD	3.96	(24.9%)	(47.1%)
PLAYBOY:	PLA	1.53	(8.4%)	(29.2%)
RHI:	RHIE	3.85	(2.3%)	(52.6%)
SCRIPPS INT:	SNI	20.47	(4.7%)	(7%)
TIME WARNER:	TWX	7.35	(15.2%)	(26.9%)
VALUEVISION:	VVTV	0.18	(5.3%)	(45.5%)
VIACOM:	VIA	16.37	(8.9%)	(18.6%)
WWE:	WWE	9.54	3.20%	(10.6%)

Company	Ticker	2/20 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	2.20	(15.1%)	(3.5%)
ADC:	ADCT	2.94	(18.4%)	(46.2%)
ADVANTAGE:	AEY	1.74	(10.3%)	(2.2%)
ALCATEL LUCENT:	ALU	1.50	(11.2%)	(30.2%)
AMDOCS:	DOX	17.81	(5.7%)	(2.6%)
AMPHENOL:	APH	25.81	(7.4%)	7.70%
APPLE:	AAPL	91.20	(8%)	6.90%
ARRIS GROUP:	ARRS	6.45	(9.3%)	(18.9%)
AVID TECH:	AVID	10.01	(2.9%)	(8.2%)
BIGBAND:	BBND	5.29	(5.2%)	(4.2%)
BLNDER TONGUE:	BDR	0.69	(16.9%)	(31.7%)

Company	Ticker	2/20 Close	1-Week % Chg	YTD %Chg
BROADCOM:	BRCM	16.45	(9.1%)	(3.1%)
CISCO:	CSCO	15.08	(6.3%)	(7.5%)
CLEARWIRE:	CLWR	3.05	(15.3%)	(23.2%)
COMMSCOPE:	CTV	13.58	(3.8%)	(12.6%)
CONCURRENT:	CCUR	3.27	(10.8%)	(2.9%)
CONVERGYS:	CVG	6.58	(13.3%)	2.70%
CSG SYSTEMS:	CSGS	13.87	(7.7%)	(20.6%)
ECHOSTAR:	SATS	16.01	5.50%	7.70%
GOOGLE:	GOOG	346.45	(3.1%)	12.60%
HARMONIC:	HLIT	5.44	(7.5%)	(3%)
INTEL:	INTC	12.78	(7.9%)	(6.9%)
JDSU:	JDSU	2.90	(20%)	(21.7%)
LEVEL 3:	LVL	0.73	(18.9%)	4.30%
MICROSOFT:	MSFT	18.00	(5.7%)	(7.4%)
MOTOROLA:	MOT	3.61	(6.7%)	(17.4%)
OPENTV:	OPTV	1.04	(7.1%)	(15.4%)
PHILIPS:	PHG	16.83	(11.7%)	(15.3%)
RENTAK:	RENT	11.19	(0.5%)	(5.1%)
SEACHANGE:	SEAC	5.35	(15.3%)	(25.8%)
SONY:	SNE	16.60	(10.3%)	(24.1%)
SPRINT NEXTEL:	S	3.22	14.20%	76.00%
THOMAS & BETTS:	TNB	23.44	(9.8%)	(2.4%)
TIVO:	TIVO	7.20	(2.6%)	0.60%
TOLLGRADE:	TLGD	5.49	(4%)	14.90%
UNIVERSAL ELEC:	UEIC	14.92	20.60%	(8%)
VONAGE:	VG	0.37	(9.8%)	(43.9%)
YAHOO:	YHOO	12.14	(5.5%)	(0.5%)

Company	Ticker	2/20 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	23.58	(2.5%)	(15.8%)
QWEST:	Q	3.50	(2.5%)	(3.8%)
VERIZON:	VZ	28.81	(2.5%)	(13.7%)

Index	Value	% Chg	YTD %Chg
MARKET INDICES			
DOW:	INDU	7365.67	(6.2%) (16.1%)
NASDAQ:	COMPX	1441.23	(6.1%) (8.6%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS		
COMPANY	CLOSE	1-WK CH
1. UNIVERSAL ELEC:	14.92	20.60%
2. SPRINT NEXTEL:	3.22	14.20%
3. ECHOSTAR:	16.01	5.50%
4. LIBERTY CAPITAL:	5.72	4.20%
5. WWE:	9.54	3.20%

THIS WEEK'S STOCK PRICE LOSERS		
COMPANY	CLOSE	1-WK CH
1. HEARST-ARGYLE:	1.85	(52.6%)
2. MEDIACOM:	3.65	(25.8%)
3. OUTDOOR:	3.96	(24.9%)
4. LIBERTY GLOBAL:	11.24	(20.7%)
5. JDSU:	2.90	(20%)

20th Anniversary of CableFAX Daily 

SAVE THE DATE!

Best of the Web Breakfast Awards Event
February 24, 2009 – NYC

CableFAXIES Awards Luncheon
March 30, 2009 – DC

Sales Executive of the Year Awards Breakfast
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MaxFAX...

Leadership...

Had an interesting time last week talking with the first graduating “leadership” class at **Starz**...

Run by the Starz HR department (thanks to *Sheryl Anderson*) and a couple of (terrific) professors from the University of Denver (*Ron Rizzuto* and *George Simon, Jr* of the Daniels School of Business), the class of 15 executives from 9 departments spent months of class—and homework—time learning



Paul S. Maxwell

more about the full scope of the modern programming business.

Four teams were to present plans for the future envisioned in a test case exercise... but first they had to listen to me babble about some of the leaders I’ve come across in almost 40 years of participating in the cable business...

Which, of course, isn’t merely the cable business anymore.

Starz is more multi-faceted than when it launched with **Encore**... old movies on an inexpensive semi-premium channel. (We won’t mention the negative option mistake). Now the cable business is the multiplatform, multi-product business of whatever works. But back to the leaders...

I was allowed to riff through the real

leaders that created this multi-faceted world with anecdotes about *Bill Daniels*, *Irving Kahn*, *Bill Bresnan*, *Jack Kent Cooke*, *Polly Dunn*, *Bob Magness*, *Amos Hostetter*, *Monte Rifkin*, *Trygve Myhren*, *Jim Chiddix*, *Joe Collins*, *Chuck Dolan*, *Jerry Levin* (one very big mistake doesn’t take away from his satellite gamble for **HBO**), *Tony Cox*, *Ted Turner*, *Ray Joslin*, *Dan Ritchie*, *Ralph Roberts* (and his wonderful lieutenants *Dan Aaron* and *Julian Brodsky*), and *Decker Anstrom*.

And some leaders who have been around awhile: like *Dr John Malone* (in the news again messing with Starz’ 3rd biggest distributor!), *Michael Willner* and more. It’s a different world today... but, as *Bill Daniels*’ always said—every year—“It’s the best time to be in this business.” Nevermind the bad economic news... these businesses will thrive.

Random Notes:

• **HUNT.FISH.FEED. – MARCH 6TH IN DENVER!** I know, that’s a long intro to “random”... but these guys from **The Sportsman Channel** are doing good stuff (upcoming in DC, too, during Cable’s Spring Week). Join them in serving lunch on Friday the 6th (I would, but I’m in Germany then) at 10:30am at the Denver Rescue Mission, 1130 Park Avenue West in Denver. Details at; khawkins@thesportsmanchannel.com.

• **R U Sirius (XM)?** I love the coverage of *Ergen v. Malone*... no one

ever quite takes the good Dr (and his lieutenants) at face value. They should. **Liberty** says the rescue deal was “financial” and not “strategic.” Probably right. Giggling the cross-town rival, though, is a bonus. But the deal doesn’t answer every question (as if any deal really could)... it just postpones the next cliffhanger a little bit.

• **Dubious Dubai:** Kudos to **The Tennis Channel** and *The Wall Street Journal* for stands against discrimination.

• **Cable Apprentice – CTAM Rocky Version:** Once again, it is my privilege to emcee another round of the **Cable Apprentice** competition involving students at the Daniels School of Business at the University of Denver... this year, the contestants are being presented with a charge to market to the “millennials.” This is one of the coolest bits going that **CTAM** does... so come join us at the **Comcast Media Center** on Friday, Mar 6 at 8 am or so... details at http://www.ctamrm.com/event_CableApprentice2009.htm.

• **Fairness?** Kudos to the Prez for coming out against re-instating the so-called Fairness Doctrine... but when will he get around to appointing new Federal Confusion Commissioners?

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