

CableFAX Daily™

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What the Industry Reads First

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SHVERA: Will DBS Bill Be Gateway to Retrans Reform?

House Communications subcommittee chairman *Rick Boucher* (D-VA) began Tues' hearing on the **Satellite Home Viewer Extension and Reauthorization Act** by saying he doesn't want the legislation regarding satellites' distribution of broadcast signals to get "sidetracked" by other issues—such as retrans consent reform. But members and witnesses ignored that stipulation, asking for it to address a host of issues—from retrans to reconsideration of DMAs. The bill is primarily a satellite-broadcast issue that is set to expire at year-end, but if cable sees that there is a possibility to push for retrans reform within it, don't be surprised to see the industry become very involved. **NCTA** chief *Kyle McSarrow* plans to mention retrans during his testimony Wed before the **House Judiciary** committee, according to prepared testimony. While McSarrow states that the Copyright Act's compulsory license provisions provide certainty with respect to the compensation cable pays to those who own the copyright in broadcast programming, he says retrans consent rules have become a source of "considerable uncertainty." During Tues' hearing, **DISH Net's** *Charlie Ergen* proposed that retransmission consent should be free or set at a national rate. "Treat a monopoly like a monopoly," he said of broadcasters, arguing (as **ACA** has for years) that if a station threatens to pull its signal, distributors should be allowed to import a nearby station's signal. *Bob Gabrielli*, **DirectTV** svp, broadcasting ops and distribution, agreed that retrans "needs to be modernized." Not surprisingly such talk drew ire from broadcasters on the panel. Given the hundreds of retrans agreements reached without any problems each year, legislating reform "would be a solution in search of a problem," said *Martin Franks*, **CBS** evp, policy, planning and govt relations. Rep *Steve Buyer* (R-IN) pressed Franks on **LIN TV's** retrans fight with **Time Warner Cable** and **Bright House**, which resulted in Indianapolis losing its CBS affil for a few weeks last year. "I don't think it is good or in the public interest for a station to go dark," Buyer said. "I'm not sure if that's a posture of what's to come." Franks said the station's ratings were hurt, but CBS supports affiliates rights on retrans. **NAB** chairman and **Barrington Broadcasting** CEO *James Yager* used the hearing to recommend that satellite ops be required to carry local TV signals in all 210 DMAs (like cable) and that Congress end distant signal importing. DBS ops said it doesn't make sense financially under current rules. Franks supported simply reauthorizing SHVERA. Other issues raised included markets on the border of state lines that are in a DMA in which they receive news from out-of-state. Rep *Mike Ross* (D-AZ) said he's drafting legislation that

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wouldn't change DMAs, but give consumers a choice to receive local stations from their home states. Meanwhile, *Anna Eshoo* (D-CA) said she wants to reintroduce legislation that would require DISH to deliver **PBS'** multicast stations (**DirectTV** and cable reached their own voluntary agreements to do so).

Beta: Cable ops ranked **Discovery Nets** as the most helpful basic network org in selling HSD, Internet, HDTV and/or VOD, according to **Beta** research. Narrowly nipped was **Disney/ESPN Media Nets**, with **Scripps Nets, Comcast Cable Nets** and **Turner Ent Nets** following to complete the top 5. Disney/ESPN and Discovery swapped positions when tallying the percentage of cable ops that have visited their affil Websites in the past 12 months, and were followed by **MTVN** and **Turner Nets** in a tie for 3rd. As for avg perceived value of basic nets to cable ops, **ESPN** was far and away the leader, with an avg perceived value by affiliates of \$1. **ESPN2** (\$0.57), **Disney Channel** (\$0.51) **Discovery Channel** (\$0.44) and **Fox News** (\$0.42) completed the top 5.

Earnings: Owing largely to its new broadcast agreement for "SmackDown" on **MyNetworkTV**, **WWE** reported a 16% increase in 4Q TV rights fees rev to \$27.6mln. Rev for **WWE 24/7 Classics On Demand** also rose, to \$1.6mln (+45%), but the pair couldn't completely offset the dips in live event (-17%) and PPV (-20%) revs that led to an overall 7% rev decline to \$76.2mln for the company's live and televised ent segment. **WWE's** operating income fell 6% to \$23.3mln. -- **RCN's** residential/small business segment delivered 4% growth in 4Q rev to \$143mln, driven by the addition of approx 12K customers and 18K RGUs. ARPU rose a buck to \$110, and digital penetration surged to 87% of video subs, compared to 69% a year ago. **RCN Metro's** rev jumped 47% to \$45mln on growth in transport services.

Best of the Web: Despite some optimism, attendees at **CableFAX's Best of the Web Awards** breakfast this morning at New York's Grand Hyatt conceded to the reality of the current "do more with less" credo forced upon them by dire economic circumstances. During a Q&A, **NBCU** digital distribution pres *JB Perrette* said, "Regardless of the economy, the digital revolution isn't stopping, but the challenge is to move ahead with fewer people and fewer dollars. [It comes down to] reallocating dollars away from slower growth." **YES** is continuing to innovate, with plans to relaunch its Website in 3 weeks with more original video and greater depth, according to *Michael Spirito*, YES vp, biz dev and digital media. "Just because the **Dow** is down, consumers will be just as demanding. Maybe more demanding," he said. Leaner, meaner content producers focusing resources on multi-platform delivery could become feistier partners for cable operators. Referring to operators' complaints that free Web programming cannibalizes linear content, *Craig Parks*, vp, digital media, **IFC**, said, "As for companies worried about free content, I would warn them to look at the record industry." In 10 years, the industry will have figured out the right balance between linear and online, predicted *Rob King*, vp and editor in chief of **ESPN.com**. "Audience expectations will lead us to the right answer," he said.

At the Portals: Acting **FCC** chmn *Michael Copps* wants to beef up ex parte rules so that they provide more info to the public. "Such and Such, Inc. met with Commissioner Copps to discuss retransmission consent. How does that move the ball forward?," he said during a speech before the **Federal Communications Bar Assoc** Tues. "I'll grant you that it helps to know who met with whom; but what was said is usually far more important." -- **ACA** is happy the **FCC** extended the deadline for collecting info on local phone and broadband Internet access lines from providers to Mar 16 from Mar 2. The group had asked for an extension, arguing that the timeframe was burdensome for members.



Simply **viewers**

WE tv's newest original series delivered a captive female audience.
224K W18-49 and 209K W25-54

Source: Nielsen Media Research, Live-Same Day Data, "Little Miss Perfect" premiere (2/18/09, 10p-11p) W18-49 & W25-54. Subject to qualifications upon request.



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Competition: Scripps Nets content from **HGTV**, **Food Net**, **DIY Net** and **Fine Living** is now available on the **Verizon Hub**, an in-home system that bridges wireline and wireless connectivity and counts **E!** and **Nat Geo** as content partners. -- **FiOS TV** added **Golf Channel HD** in RI and MA.

Technology: **BendBroadband**, **Metrocast Comm** and **Sunflower Broadband** are joining **Buckeye** as beta sites for advanced ITV apps that are being tested, launched and supported by **Comcast Media Center's** HITS Axis platform. "By launching ETV applications that run on current cable system architecture, we can foster greater participation by the development community and collectively work together to realize the potential of the more robust tru2way platform," said **Gary Traver**, svp, COO of the **Comcast Media Center**. -- **Shaw** is deploying a DOCSIS 3.0-qualified CMTS that contains **Motorola's** BSR 64000 TX32 decoupled downstream modules and its DOCSIS 3.0-certified SURFboard cable modems. The Canadian op is offering speeds of up to 100Mbps.

VOD: **Comcast's** now offering its customers free on demand access to an HD version of **U2's** 1st music video from their forthcoming album, due out Mar 3, as well as nearly 50 of the band's other videos and concerts. **Comcast.net/music**, meanwhile, features approx 20 of the band's videos in HD. -- **TVN** has inked with **MTVN** and **BETN** a VOD services deal that includes asset management, advertising and support for both SD and HD formats.

Ratings: USA thoroughly dominated prime cable in Feb, delivering a 2.5/2.50mln to win the month by more than 600K avg viewers and increase its Feb prime viewership by 9% YOY. The victory marks the net's 2nd straight in '09, as it took home the Jan title with a 2.3/2.25. Helping this month were 8 of the top 15 telecasts, including 2 eps of "Burn Notice" that averaged a 4.8/4.72mln. The remaining 7 top-15 telecasts aired on **TNT**, which posted a 1.9/1.84mln to tie for 2nd among nets with **Fox News** (1.9/1.85mln). In fact, TNT programming won gold, silver and bronze in Feb, led by an ep of "The Closer" (5.4/5.30mln), the NBA All-Star Game (5.2/5.13mln) and an additional Closer ep (4.9/4.80mln). **Disney** took home 4th among nets with a 1.8/1.70mln, and was followed by **TBS** (1.4/1.35mln). Other notable YOY prime viewership changes for Feb: Fox News (+27%), TNT (+6%), Disney (-5%), TBS (flat), **ABC Family** (+25%), **CNN** (-23%) and **Cartoon Net** (+20%). -- **Brag Book:** **Bravo** achieved its highest-rated Feb ever through increases among total viewers (+8%) and 18-49s (+16%). -- **TV Guide Net's** live pre-Academy Awards show delivered a 0.6 HH coverage rating (529K HHs) and 26% viewership growth among 18-34s and women 18-49. -- **HGTV** scored in Feb its highest-ever avg prime audience among men 18-49 (132k) and men 25-49 (122k). -- **MSNBC's** best Feb ever includes increases across 1.15mln total viewers (+31%) and 376K 25-54s (+4%). -- **Oxygen** achieved its best month ever among women 18-34 in prime (105K) and best Feb ever among 18-49s (244K), women 18-49 (189K) and total viewers (444k).

Programming: **Starz Ent** renewed its 1st original drama series "Crash" for a 2nd season (fall). -- **Lifetime** greenlit a 4th season of "Army Wives," the 3rd season of which returns to the net in Jun. -- **NHL Net's** set to offer a free preview (Mar 2-7) to more than 34mln subs across ops including **DirecTV**, **DISH**, **U-verse TV**, **FiOS TV**, **Cox** and **Grande Comm**. -- **MLB Net's** Spring Training schedule includes 61 games, 45 of them live, beginning Feb 28. -- **HGTV**

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Source: 2009 Beta Local Ad Sales Executive Study, Evaluation of Basic Cable Network Organizations, Percent Rating Specific Network Group a 4 or 5 on a 5-Point Scale



The collage at the bottom features logos for HGTV (with the tagline "START AT HOME"), the food network, Next Food Network Star, HGTV Dream Home 2009, and HGTV Design Star.

BUSINESS & FINANCE

reveals the winner of its '09 Dream Home, Mar 15, 8pm. -- **ION** acquired 2 new dramas, "The Border" and "The Guard," each making their US debuts on ION later this year. -- **Comedy Central** greenlit "Michael and Michael Have Issues," which has *Michael Ian Black* and *Michael Showalter* hosting their own fictitious sketch comedy show. The 7-ep series will debut in July.

On the Circuit: **NCTA** announced several new general session participants for **The Cable Show '09** (Apr 1-3), including: **Time Warner** chmn/CEO *Jeff Bewkes*, **Viacom** pres/co-CEO *Philippe Dauman*, **Cox** pres *Pat Esser*, and **Cablevision** COO *Tom Rutledge*.

People: **Fox News** named 27-yr **ABC News** vet *Michael Clemente* svp, news. -- *Alan Saxe* was named svp, business and legal affairs for **OWN: The Oprah Winfrey Net**. He joins the net from **Warner Horizon TV**. -- **BET** hired *Essie Chambers* as svp, original programming. She has served as vp, **Nick** original movies since Sept and before that oversaw movie dev for the **Nick Kids and Family Group TV** channels. -- *Dean Hadaegh* was promoted to CTO and svp, technical ops for **Tennis Channel**.

Business/Finance: **RBC Daniels** said it completed 50 transactions in '08 with an aggregate value of more than \$3.1bln, including 8 financial advisory transactions for clients in the cable, telecom, media and tech.

CableFAX Daily Stockwatch

Company	02/24 Close	1-Day Ch	Company	02/24 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
AMDOCS:	17.25	0.39	AMPHENOL:	26.25	1.25
BRITISH SKY:	26.45	0.99	APPLE:	90.25	3.30
DIRECTV:	21.87	1.06	ARRIS GROUP:	6.36	0.37
DISH:	11.56	0.62	AVID TECH:	10.14	0.28
DISNEY:	17.92	0.95	BIGBAND:	5.38	0.38
GE:	9.08	0.23	BLNDER TONGUE:	0.78	0.00
HEARST-ARGYLE:	1.80	0.05	BROADCOM:	16.13	0.78
NEWS CORP:	6.79	0.40	CISCO:	14.99	0.63
MSOS					
CABLEVISION:	12.91	0.99	CLEARWIRE:	3.25	0.46
CHARTER:	0.03	0.00	COMMSCOPE:	13.46	0.98
COMCAST:	13.88	1.19	CONCURRENT:	2.81	(0.16)
COMCAST SPCL:	13.01	1.10	CONVERGYS:	6.72	0.44
GCI:	5.46	0.19	CSG SYSTEMS:	14.20	0.68
KNOLOGY:	4.34	(0.13)	ECHOSTAR:	16.15	0.08
LIBERTY CAPITAL:	5.86	0.18	GOOGLE:	345.45	15.39
LIBERTY ENT:	18.15	1.22	HARMONIC:	5.63	0.41
LIBERTY GLOBAL:	12.80	1.95	INTEL:	12.73	0.65
LIBERTY INT:	3.50	0.42	JDSU:	2.93	0.19
MEDIACOM:	3.93	0.57	LEVEL 3:	0.73	0.05
SHAW COMM:	14.86	0.47	MICROSOFT:	17.17	(0.04)
TIME WARNER CABLE:	18.85	1.30	MOTOROLA:	3.86	0.23
VIRGIN MEDIA:	4.53	0.32	OPENTV:	1.12	0.11
WASH POST:	384.99	10.97	PHILIPS:	16.99	1.41
PROGRAMMING					
CBS:	5.20	0.30	RENTRAK:	10.92	(0.39)
CROWN:	1.66	0.07	SEACHANGE:	5.25	0.21
DISCOVERY:	13.26	0.55	SONY:	16.78	1.06
EW SCRIPPS:	1.18	(0.15)	SPRINT NEXTEL:	3.58	0.27
GRUPO TELEVISA:	12.14	0.31	THOMAS & BETTS:	23.42	1.31
HSN:	4.80	0.65	TIVO:	7.49	0.40
INTERACTIVE CORP:	15.44	0.52	TOLLGRADE:	6.00	0.34
LIBERTY:	21.22	1.58	UNIVERSAL ELEC:	16.58	2.08
LODGENET:	0.65	0.03	VONAGE:	0.37	(0.02)
NEW FRONTIER:	1.65	0.15	YAHOO:	12.75	0.78
OUTDOOR:	3.74	(0.06)	TELCOS		
PLAYBOY:	1.74	0.14	AT&T:	23.25	0.57
RHI:	3.35	(0.04)	QWEST:	3.46	0.11
SCRIPPS INT:	21.10	1.07	VERIZON:	28.57	0.72
TIME WARNER:	7.88	0.34	MARKET INDICES		
VALUEVISION:	0.21	0.01	DOW:	7350.94	236.16
VIACOM:	16.79	0.93	NASDAQ:	1441.83	54.11
WWE:	9.73	0.41	TECHNOLOGY		
TECHNOLOGY					
3COM:	2.22	0.20			
ADC:	2.98	0.14			
ADVANTAGE:	1.74	0.00			
ALCATEL LUCENT:	1.35	0.03			

From The CableFAX 100: Greatest Hits of 2008

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"If it is not rocket science, it is not rocket science."

John Skipper
Executive Vice President Content
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