

CableFAX Daily™

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What the Industry Reads First

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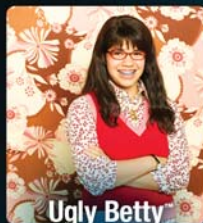
Mediacom's 4Q: Programming Costs, Big FCF Growth, Solid Results

Neither rain, nor sleet, nor snow can keep *Rocco Commisso* from griping about rising programming costs. Fri's monster storm kept the **Mediacom** CEO from making it to the company's HQ in Middletown, NY, but he phoned in to participate in MCCC's 4Q earning's call. Many of his remarks centered on escalating programming costs. "I think both the **FCC** and the federal govt have a responsibility to either make sure that the laws already in place work... or to the extent that the laws don't make any sense to go out and change them," said Commisso, whose company faced the possibility of losing **Sinclair** stations before a 1-year deal was signed in Jan. "I don't see that as a new way of regulating the business, but as addressing the changes that have taken place in the business over the last 20 years." Commisso said the 1-year deal vs a multi-year agreement was because Sinclair said it couldn't do a deal beyond 1-year for its **Fox** stations. Like **Time Warner Cable** (*Cfax*, 12/10), Mediacom said the length of the deal was limited because Fox is seeking approval on long-term deals, with the network talking publicly about seeking a percent of affiliates' retrans rev. "A lot of us are up in arms over what's taking place and why government is not stepping in and putting a stop to this mess," Commisso said. Mediacom posted basic programming costs increases of 6% on an absolute dollar basis for the year and close to 10% on a unit cost basis, reflecting retrans consent renewals that went into effect at the beginning of '09, said CFO *Mark Stephan*. Moving beyond programming costs, Mediacom turned in another solid financial performance, ending the year with \$103mln in free cash flow. That's compared to \$8.8mln in 2008 and well ahead of company guidance. In 4Q, MCCC lost 25K basic subs, with execs blaming steep DBS discounts (satellites started to pull back on those in 1Q, they said) and the poor economic conditions. 13 proved to be a lucky number, with the MSO adding 13K HSD, 13K phone and 13K digital subs in the Q. HSD and phone exceeded gains sequentially. Revenues for 4Q were up 5% to \$372mln, while adjusted OIBDA increased 8.4% to \$138.5mln.

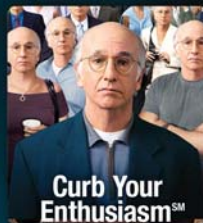
On the Hill: STELA! STELA! Where are you? With the Senate failing Fri to pass an unemployment extension due to a filibuster, the Satellite Television Extension and Localism Act that lets DBS deliver some distant network signals to viewers is set to expire Sun. The unemployment package contained a 2nd 30-day extension for the satellite act. Chances are that even if the Senate isn't called back into session before Mon, all will be fine. It will pass the legislation and make it retroactive—meaning **DirectTV** won't stop importing those signals over the weekend. **DISH** has been legally barred from importing signals and hopes this bill will let it back into the practice.

Got Your Back: **NCTA** and **Discovery** joined **C-SPAN** (*Cfax*, 2/24) in filing briefs supporting **Cablevision's** petition seeking US Supreme Court review of the constitutionality of must-carry rules. Changes in the marketplace since Congress adopted the statute in '92 have "substantially eroded the bases on which this Court upheld the constitutionality of such forced carriage," NCTA said, pointing to increasing video provider competition, technological changes and the fact far fewer homes now rely on over-the-air reception. Like C-SPAN, Discovery focused on must carry's burden on free speech

The Ugly, The Bald and The Beautiful.



Ugly Betty



Curb Your Enthusiasm



Red Carpets

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rights. "By locking in this preference for broadcasters' speech, must-carry makes Discovery and other cable programmers second class speakers, undercuts the government's interest in promoting a diversity of voices, and displaces the actual viewing preferences of cable subscribers to an extent that this Court could not have predicted," Discovery said. Cablevision's petition stems from a Court of Appeals upholding must carry for home shopping net **WRNN** of Kingston, NY.

In the States: **Time Warner Cable's News 10 Now** (Syracuse and Binghamton) will change its name to **Your News Now** (YNN) in mid-March. The moniker will give it consistent branding with TWC's other news channels in the area. With a new 24/7 news channel launching in the Hudson Valley by the end of Apr, there will be 6 YNN channels across Upstate NY in '10. -- **ESPN** made waves in central FL Thurs by re-launching a Walt Disney World Resort sports facility as **ESPN Wide World of Sports Complex**—FL Gov *Charlie Crist* and Olympian *Shawn Johnson* helped fete the opening. The net also bowed a 3D tech development center, which will invite firms to enhance emerging 3DTV tech and features a new production center for the tech with 8 edit rooms that will feed highlights to Bristol.

Programming: **Animal Planet** ordered 14 new eps of "Pit Boss" (summer). -- **Spike** greenlit a 2nd season or original comedy "Blue Mountain State."

Oregon Trail: An **OR House** cmte's hearing last week addressed local consumers' concerns over not being able to receive **Comcast SportsNet NW's** Portland Trailblazers games on **DirecTV**, **DISH** or **Charter**. In written testimony, gm *David Manougian* said the net has "repeatedly offered DirecTV distribution proposals... on terms comparable to those already accepted by eleven other distributors," including **Verizon FiOS**, **BendBroadband** and **Wave Broadband**. "DirecTV has been unwilling to engage in meaningful negotiations." A CSN spokesperson said multiple offers have also been submitted to DISH and Charter, and that no talks are underway presently. The trio didn't respond to inquiries. In Dec, **CSN New England** inked a deal with DirecTV that negated a scheduled arbitration hearing, and potential agreements for CSN CA, Bay Area and Chicago remain in arbitration (and on the DBS op's lineup).

Honors: Kudos to **Versus** chief *Jamie Davis* on receiving the Sports "Good Scout" award from the **Boy Scouts of America's** Greater NY Council. Davis will be feted Tues in NY for his community service and leadership in the sports community. Previous recipients include **ESPN** chief *George Bodenheimer* and **MLB** commish *Bud Selig*.

People: Constitutional law scholar *Laurence Tribe*, who has worked as a paid consultant to the cable, broadcast and movie industry, is joining the **Justice Dept**, reports the *Washington Post*. He recently co-wrote a paper that concludes net neutrality mandates could be counterproductive and violate the 1st Amendment. At DOJ, he'll lead an effort focused on increasing legal access for the poor. -- **LodgeNet Interactive** tapped *Frank Eisenbast* as CFO, effective in Apr.

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saluting cable sales leadership

The CableFAX Sales Executive of the Year Awards recognize sales forces across cable who work tirelessly behind the scenes to drive revenue and keep our dynamic marketplace growing and business moving forward. CableFAX honors the distinguished leaders who set the bar. CableFAX will salute the winners and honorable mentions during an awards luncheon on June 15, 2010 in New York City.

Deadline: March 5, 2010 ■ **More Information: www.cablefaxsalesawards.com**

Enter as many categories as you like but please tailor your entry to the category you are entering.

- Sales Person of the Year (VP and above)
- Sales Person of the Year (Below the VP level)
- Sales Team of the Year
- Most Creative Sales Pitch
- Rookie Sales Person of the Year
- Affiliate Sales Person of the Year (VP and above)
- Affiliate Sales Person of the Year (Below the VP level)
- Launch Team of the Year

- Brand Integration Team of the Year
- CableFAX Sales Hall of Fame

NEW Out of the Box Categories:

- The Relentless
- The Renewer
- The Woo-er
- Best Internal Sales Contest
- Most Creative Program Sold to Client

Compiling Your Entry (Visit www.cablefaxsalesawards.com for full details)

What to Send

At the beginning of your two page synopsis, include the following information for all categories:

- Category entered • Title of entry • Key contact for entry • Organization submitting entry • Budget

Synopsis should include:

- Areas of Responsibility • Specific Successes (include metrics) • Sales or Leadership Hurdles/Challenges Overcome • Description of your Best Client Relationships • Testimonials and References, if you have them • Supporting materials as necessary

How To Enter: Use this form or visit www.cablefaxsalesawards.com for additional category information and to enter online.

Mary Lou French
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 Access Intelligence
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Deadline: March 5, 2010
Late Deadline: March 12, 2010
Event: June 15, 2010

Entry From (All information required)

Title of Entry/Name of Entrant (as you'd like it to appear on your award if selected): _____

Company and/or Client: _____

Contact Name of person submitting entry Job Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone of Contact: _____ Fax of Contact: _____

Email Address (Required): _____

Entry Fees

- Primary entry: \$300 each \$300 each \$ _____
 - Secondary entry of same campaign** into one or more categories: \$175 each \$175 each \$ _____
 - Late entry fee: \$175 per entry \$175 each \$ _____
 (for entries sent between March 5, 2010 and March 12, 2010)
- Total \$ _____

The late entry fee must be applied to each individual entry postmarked after February 5, 2010.
 * Payment in full must accompany the entry.
 ** If entering more than one category, please submit separate entry forms.

Payment Options

- Check (payable to Access Intelligence/CableFAX) Money Order
- Mastercard Visa Discover American Express

Credit Card # _____

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Entry fees are not refundable.

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The awards are presented by the most trusted information source in cable: CableFAX Daily and sister brand CableFAX: The Magazine.

Questions? Contact Awards Coordinator Rebecca Stortstrom at 301-354-1610; rebecca@accessintel.com.

Sponsorship Opportunities: Debbie Vodenos at 301-354-1695; dvodenos@accessintel.com.

CableFAX Week in Review

Company	Ticker	2/26 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	33.31	(1.31%)	(8.04%)
DIRECTV:	DTV	33.85	0.62%	1.50%
DISH:	DISH	19.97	1.47%	(3.85%)
DISNEY:	DIS	31.24	0.03%	(3.13%)
GE:	GE	16.06	(0.68%)	6.15%
NEWS CORP:	NWS	15.75	(1.69%)	(1.07%)

Company	Ticker	2/26 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	24.08	4.15%	(6.74%)
COMCAST:	CMCSA	16.44	2.75%	(2.49%)
COMCAST SPCL:	CMCSK	15.49	2.38%	(3.25%)
GCI:	GNCMA	5.49	(3.85%)	(13.95%)
KNOLOGY:	KNOL	11.45	(0.61%)	4.85%
LIBERTY CAPITAL:	LCAPA	33.84	9.16%	41.71%
LIBERTY GLOBAL:	LBTYA	26.88	5.58%	22.80%
LIBERTY INT:	LINTA	12.59	9.29%	16.14%
MEDIACOM:	MCCC	4.64	4.74%	3.80%
RCN:	RCNI	10.98	1.48%	1.20%
SHAW COMM:	SJR	18.90	(2.38%)	(8.12%)
TIME WARNER CABLE:	TWC	46.69	(0.43%)	12.81%
VIRGIN MEDIA:	VMED	16.20	5.88%	(3.74%)
WASH POST:	WPO	420.31	1.20%	(4.39%)

Company	Ticker	2/26 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	12.99	(6.07%)	(7.54%)
CROWN:	CRWN	1.66	(1.78%)	14.48%
DISCOVERY:	DISCA	31.15	(2.69%)	1.57%
GRUPO TELEVISIA:	TV	18.46	(6.29%)	(11.08%)
HSN:	HSNI	21.66	3.64%	7.28%
INTERACTIVE CORP:	IACI	22.39	0.99%	9.33%
LIBERTY:	L	36.46	(0.25%)	0.30%
LIBERTY STARZ:	LSTZA	50.93	8.41%	10.36%
LIONSGATE:	LGF	5.45	3.81%	(6.2%)
LODGENET:	LNET	6.24	(9.17%)	12.84%
NEW FRONTIER:	NOOF	1.79	(3.76%)	(5.29%)
OUTDOOR:	OUTD	5.71	8.14%	(1.55%)
PLAYBOY:	PLA	3.27	(2.1%)	2.19%
RHI:	RHIE	0.29	(9.38%)	(6.45%)
SCRIPPS INT:	SNI	39.58	(0.3%)	(4.63%)
TIME WARNER:	TWX	29.04	(1.36%)	(0.34%)
VALUEVISION:	VTV	4.31	1.65%	(10.21%)
VIACOM:	VIA	31.54	(0.13%)	0.13%
WWE:	WWE	17.05	3.71%	11.22%

Company	Ticker	2/26 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	7.63	0.13%	1.73%
ADC:	ADCT	6.34	(6.49%)	2.09%
ADVANTAGE:	AEY	2.21	(4.33%)	12.18%
ALCATEL LUCENT:	ALU	3.04	7.42%	(8.43%)
AMDOCS:	DOX	29.08	0.48%	1.93%
AMPHENOL:	APH	41.65	(2.66%)	(9.81%)
AOL:	AOL	24.78	(1.47%)	6.44%
APPLE:	AAPL	204.62	1.46%	(2.9%)
ARRIS GROUP:	ARRS	10.32	0.00%	(9.71%)
AVID TECH:	AVID	13.45	(2.54%)	5.41%
BIGBAND:	BBND	2.88	(3.68%)	(16.28%)
BLNDER TONGUE:	BDR	1.00	(7.41%)	(12.28%)

Company	Ticker	2/26 Close	1-Week % Chg	YTD %Chg
BROADCOM:	BRCM	31.32	(0.89%)	(0.48%)
CISCO:	CSCO	24.33	(0.12%)	1.63%
CLEARWIRE:	CLWR	6.36	(8.75%)	(5.92%)
COMMSCOPE:	CTV	25.49	(7.98%)	(3.92%)
CONCURRENT:	CCUR	4.61	(1.91%)	16.41%
CONVERGYS:	CVG	12.34	(1.52%)	14.79%
CSG SYSTEMS:	CSGS	20.15	(4.55%)	5.55%
ECHOSTAR:	SATS	20.14	3.39%	0.00%
GOOGLE:	GOOG	526.80	(2.58%)	(15.03%)
HARMONIC:	HLIT	6.56	2.34%	3.80%
INTEL:	INTC	20.53	(1.39%)	0.64%
JDSU:	JDSU	10.73	12.36%	30.06%
LEVEL 3:	LVL	1.59	0.63%	3.92%
MICROSOFT:	MSFT	28.67	(0.35%)	(5.94%)
MOTOROLA:	MOT	6.76	(3.57%)	(12.89%)
OPENTV:	OPTV	1.54	1.32%	13.24%
PHILIPS:	PHG	29.30	(2.5%)	(0.48%)
RENTAK:	RENT	18.32	(4.23%)	3.68%
SEACHANGE:	SEAC	7.08	0.85%	7.93%
SONY:	SNE	34.11	(0.93%)	17.62%
SPRINT NEXTEL:	S	3.33	(4.58%)	(9.02%)
THOMAS & BETTS:	TNB	36.10	(1.31%)	0.87%
TIVO:	TIVO	9.48	(5.11%)	(6.88%)
TOLLGRADE:	TLGD	6.52	3.99%	6.71%
UNIVERSAL ELEC:	UEIC	22.59	4.58%	(2.71%)
VONAGE:	VG	1.55	(8.28%)	10.71%
YAHOO:	YHOO	15.31	(1.73%)	(8.76%)

Company	Ticker	2/26 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	24.81	(1.16%)	(11.49%)
QWEST:	Q	4.56	2.01%	8.31%
VERIZON:	VZ	28.93	(0.31%)	(12.68%)

Index	Value	% Chg	YTD %Chg
MARKET INDICES			
DOW:	DJI	10325.26	(0.74%) (0.99%)
NASDAQ:	IXIC	2238.26	(0.25%) (1.36%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. JDSU:	10.73	12.36%
2. LIBERTY INT:	12.59	9.29%
3. LIBERTY CAPITAL:	33.84	9.16%
4. LIBERTY STARZ:	50.93	8.41%
5. OUTDOOR:	5.71	8.14%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. RHI:	0.29	(9.38%)
2. LODGENET:	6.24	(9.17%)
3. CLEARWIRE:	6.36	(8.75%)
4. VONAGE:	1.55	(8.28%)
5. COMMSCOPE:	25.49	(7.98%)

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