

CableFAX Daily™

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What the Industry Reads First

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Jules Rules: Long-Expected FCC Chmn Nomination Finally Comes

The presumed FCC chmn nominee finally became the official FCC chmn nominee Tues with Pres *Obama* recommending *Julius Genachowski*. Sources 1st pegged the former legal adviser to ex-FCC chmn *Reed Hundt* as the president's pick back in Dec (*Cfax*, 12/22). Some thought Obama might delay the announcement until settling on a nominee for the open Republican seat. The Senate will still have to confirm Genachowski as chmn, so lawmakers may wait to vote until the Republican selection. Genachowski, a former **IAC** exec, most recently served as co-founder and managing dir of venture capital firm **Rock Creek Ventures**. So expected was Genachowski's nomination that multiple trade groups and lawmakers sent out congratulatory statements back in Jan (*Cfax*, 1/14). The **NCTA** held off until it was official. "He is an excellent choice, and combines the policy savvy and real-world experience that will be necessary to confront both the challenges and opportunities presented at a time of incredible change sweeping the media, communications and technology marketplace," NCTA pres/CEO *Kyle McStarow* said Tues. Genachowski is expected to promote greater broadband deployment and net neutrality, key policy goals of Obama. "While it remains to be seen how that agenda will play out in specific policies and industry impact, we believe the regulatory initiative is likely to shift some from incumbents—and the Bells (VZ, T, Q) in particular—to new entrants and other non-traditional telecom and media players, including Internet application/content providers (e.g., GOOG, YHOO, EBAY)," **Stifel Nicolaus** said in a research note. **ACA** chief *Matt Polka* urged some restraint. "The Internet has thrived due to policies of regulatory restraint initiated a decade ago by FCC chmn *William Kennard*," Polka said. "We are eager to show the new chairman how broadband customers of ACA members are benefiting from a legal climate that gives network owners a fair amount of autonomy to manage their networks."

Advertising Turmoil: As upfronts approach across the TV landscape, few nets (if any) expect YOY increases in '09 ad dollars—particularly because advertising is "directly correlated to the economy," said **Discovery Comm** CFO *Brad Singer* Tues at the **Deutsche Bank** conference. He said nets should "be very thoughtful about [ad] inventory management," adding that Discovery's domestic ad rev is flat in 1Q and should trend modestly downward for FY09. And, said **Scripps Nets** CEO *Ken Lowe*, it helps to focus on advertisers' current desire for increased ad efficiency across platforms. "I think advertisers are looking for more and more information on consumer behavior and buying patterns," he said, noting that **Canoe**



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Ventures and greater online offerings will help in this regard. Unfortunately, “right now CPMs are rather low online,” said **CBS** pres/CEO *Les Moonves*, although “that will grow as [online video] quality and availability increase.” Advertisers also want demonstrable audience engagement by nets, said *Lowe*, arguing that *Scripps*’ will “certainly be competitive, if not the lead in the peer group” from an ’09 ad rev standpoint. *Scripps* Nets saw a 12-13% cancellation rate in Feb, compared to 4-5% last year. Meanwhile, its online ad rev is “off to a good start this year” after growing by nearly 10% in ’08, said *Lowe*.

Deutsche Bank Notebook: **CBS** pres/CEO *Les Moonves* has high hopes for continued growth in retrans consent fees. “In the next 3 to 4 years, we will have between \$200 and \$250mln dollars dropping to the bottom line from our owned-and-operated stations from retrans,” he said. -- Don’t assume *Oprah Winfrey* will sever her ties to **CBS** when the contract covering her talk show expires in ’11. “I know *Discovery* would like her full time,” said *Moonves* of the forthcoming **Oprah Winfrey Network**, “but they may not get her full time.” Later, **Discovery Comm** CFO *Brad Singer* declined to comment directly on the potential showdown. -- A longtime Web video proponent, *Moonves* said the space’s future “is not going to be just for regurgitated television content... it’s about enhancing the experience that you’re getting on-air with online.” Interestingly, *Moonves* said his company’s online video-related initiatives are profitable, if only slightly, while *Singer* said *Discovery*’s digital thrust failed to make money last year despite logging \$55mln in rev. -- **Scripps Nets** is preparing for a big—and critical—year. Three-quarters of **Food Net**’s carriage deals expire this year, as do approx half of **HGTV**’s, and the company will push for hefty fee increases, said CFO *Joseph NeCastro*. -- Despite the economy, **DirectTV** CEO *Chase Carey* isn’t scared. “You almost feel guilty saying it, but I think we’re excited about ’09,” he said. He identified customer service as the area most in need of improvement. *Carey* credited **DirectTV**’s lower programming costs to its front-of-the-line status for some of the larger contract negotiations (such as **Fox News**). As for **NFL** Sunday Ticket, which expires in ’10, he said the company would like to keep it exclusive. **DirectTV** pays \$750mln/year for the rights. If **DirectTV** were to lose exclusivity, *Carey* doesn’t believe it would go exclusive anywhere else, but instead become a non-exclusive offering.

At the Portals: Overbuilder **WOW** is asking that the **FCC** extend its set-top integration ban waiver through Aug 1, saying it needs the extra time to dispose of its existing inventory of non-CableCARD enabled set-tops. Its previous waiver expired Jan 31. **WOW** says the dire financial straits that warranted that waiver are now more severe. The Media Bureau recently granted similar waiver extensions to **James Cable** and **Broadstripe** (*Cfax*, 2/27).

In the States: **Comcast** has deployed **tru2way** service in Colorado Springs, which joins Chicago and Denver as areas where **Panasonic** tru2way-enabled **VIERA** Plasma HDTVs are available. Separately, the MSO has bowed its 50Mbps HSD service in the Bay Area of CA. Local businesses will receive access to the speed next week.

Carriage: **DirectTV** inked a multi-year carriage deal with **Univision** that includes O&Os, cable net **Galavision** and the network feeds for **Univision** and **Telefuturo**. The Spanish-language programmer signed a deal with **Comcast** in Jan, its 1st-ever retrans pact with a major operator. -- **Time Warner Cable** has launched **GoITV** in Central NY.

Earnings: **TiVo** recorded its first year ever of positive net income, but the company shed 611K net subs during its fiscal year, including 91K **TiVo**-owned and 520K through cable/broadcast. As of Jan 31, **TiVo** counted 1.6mln **TiVo**-owned subs and 3.3mln total. As the company continues to work on its **DirectTV HD DVR**, it touted the early success of its **Netflix** partnership that has led nearly half of **TiVo** users who are also **Netflix** subs to access **Netflix**’s con-

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BUSINESS & FINANCE

tent library. For the current Q, TiVo anticipates \$47-\$49mln in service and technology rev and a net loss of \$6-\$8mln.

Programming: Disney will return its "High School Musical" franchise to the small screen, debuting "HSM 4" on **Disney Channel** as an original movie in '10. After premiering the original and sequel on the net, Disney launched "HSM 3" in theaters in Oct, which has grossed \$250mln at the box office around the world.

People: Brian Philips was promoted to pres, **CMT**, managing the brand's overall portfolio. He previously served as evp, gm of CMT. -- Greg Schaefer was promoted to pres/CEO of **NCC**. -- **Comcast Interactive Media** hired Scott Schiller as its svp, ad sales, overseeing sales for **Fandango**, **Fancast**, **Movies.com** and **Plaxo**. He joins from upstart digital women's Web property, **Glam Media**. -- **Rainbow** promoted Theano Apostolou to svp, publicity, talent relations and promotional events for **AMC**. -- **HSN** named Brian Bradley evp, **HSN.com** and advanced services. -- **Comcast Sports Group** tapped Brian Monihan as svp/gm, **Comcast SportsNet Philadelphia**.

Business/Finance: A day after **DISH's** dismal 4Q earnings report, **Collins Stewart** revised '09 estimates for sub losses up significantly—to 392K from 98K. The firm also cut EBITDA estimates to \$3.16bln from \$3.36bln.

CableFAX Daily Stockwatch

Company	03/03 Close	1-Day Ch	Company	03/03 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	24.72	(0.72)	AMDOCS:	16.21	(0.25)
DIRECTV:	19.64	0.23	AMPHENOL:	24.00	(0.06)
DISH:	9.10	(0.83)	APPLE:	88.37	0.43
DISNEY:	16.36	0.31	ARRIS GROUP:	5.84	(0.11)
GE:	7.01	(0.59)	AVID TECH:	9.51	(0.19)
HEARST-ARGYLE:	1.72	0.26	BIGBAND:	5.34	(0.39)
NEWS CORP:	6.09	0.09	BLNDER TONGUE:	0.93	(0.05)
MSOS					
CABLEVISION:	11.19	(0.74)	BROADCOM:	15.80	0.20
CHARTER:	0.02	0.00	CISCO:	14.39	0.07
COMCAST:	12.50	(0.09)	CLEARWIRE:	2.94	(0.02)
COMCAST SPCL:	11.78	(0.01)	COMMSCOPE:	7.58	(0.75)
GCI:	4.55	(0.39)	CONCURRENT:	2.70	(0.1)
KNOLOGY:	3.92	(0.01)	CONVERGYS:	5.87	(0.31)
LIBERTY CAPITAL:	4.68	(0.22)	CSG SYSTEMS:	13.51	(0.28)
LIBERTY ENT:	17.02	0.27	ECHOSTAR:	14.87	(0.07)
LIBERTY GLOBAL:	11.63	(0.29)	GOOGLE:	325.48	(1.68)
LIBERTY INT:	2.86	(0.16)	HARMONIC:	5.01	(0.12)
MEDIACOM:	3.57	(0.17)	INTEL:	12.28	(0.03)
SHAW COMM:	13.55	(0.43)	JDSU:	2.49	0.05
TIME WARNER CABLE:	17.83	0.00	LEVEL 3:	0.71	(0.04)
VIRGIN MEDIA:	4.44	(0.21)	MICROSOFT:	15.88	0.09
WASH POST:	338.27	(9.78)	MOTOROLA:	3.30	(0.08)
PROGRAMMING					
CBS:	3.60	(0.39)	OPENTV:	1.23	0.00
CROWN:	1.61	(0.05)	PHILIPS:	14.79	(0.08)
DISCOVERY:	15.66	0.40	RENTRAK:	10.39	0.64
EW SCRIPPS:	1.03	0.04	SEACHANGE:	4.50	(0.37)
GRUPO TELEVISA:	11.50	(0.08)	SONY:	17.36	0.90
HSN:	3.79	(0.06)	SPRINT NEXTEL:	3.28	0.14
INTERACTIVE CORP:	14.53	(0.27)	THOMAS & BETTS:	21.35	0.04
LIBERTY:	18.90	(0.09)	TIVO:	7.28	0.68
LODGENET:	0.73	0.12	TOLLGRADE:	5.81	0.26
NEW FRONTIER:	1.41	(0.01)	UNIVERSAL ELEC:	14.54	(1.04)
OUTDOOR:	5.10	0.78	VONAGE:	0.36	0.03
PLAYBOY:	1.25	(0.02)	YAHOO:	12.50	(0.08)
RHI:	2.71	0.11	TELCOS		
SCRIPPS INT:	18.93	(0.22)	AT&T:	22.67	(0.37)
TIME WARNER:	7.24	(0.12)	QWEST:	2.97	(0.25)
VALUEVISION:	0.30	0.01	VERIZON:	27.31	(0.21)
VIACOM:	15.29	(0.46)	MARKET INDICES		
WWE:	9.20	(0.1)	DOW:	6726.02	(37.27)
TECHNOLOGY					
3COM:	2.25	0.05	NASDAQ:	1321.01	(1.84)
ADC:	2.50	(0.09)			
ADVANTAGE:	1.36	(0.29)			
ALCATEL LUCENT:	1.18	(0.07)			

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