

CableFAX Daily™

Monday — March 9, 2009

What the Industry Reads First

Volume 20 / No. 043

Interactive War: History Makes Ancient Battles New Using ITV

DISH viewers watching **History's** "Battles BC" on Mon (2/9) at 9pm can receive additional information about *Hannibal* of Carthage and the on-camera military historians. They also can play games synchronized with the show's action, officials from History and interactive TV firm **Ensequence** say. The first bit of the 24/7 application went live this week and lets 13mln+ DISH subs see a "This Day in History" feature (update 4 times/day) and take a daily history quiz. They can also access History's TV schedule and instantly record a History show that airs hours later. "You don't have to go through your DVR menu," says *Mark Garner*, History's svp, affiliate distribution and business development. As Battles BC premieres Mon night, the sponsored lower third of the screen will invite viewers to see making-of info, photos or take a quiz synced to whatever part of the linear show is playing, says Ensequence pres/COO *Peter Low*. Viewers can click on the advertisers' content, which will relate to Battle BC's subject matter, Garner said. He declined to name the advertisers. With some 50 previous ITV projects under its belt over the last 3 years, Ensequence has found that 20% of users passed activate the interactive trigger and stay interactive for 15 minutes, Low said. Garner said advertisers will get aggregate data about the Battles BC deployment, noting that History is compiling data from a pilot interactive deployment with **Charter** last year (**Cfax**, 12/16). History and Ensequence will demo the ITV deployment during the Cable Show next month in DC.

Give And Take: **Leichtman Research's** latest data reiterates the slowing growth of broadband penetration, as the top cable ops added 3.2mln broadband subs in '08, or 77% of the corresponding '07 total, while the top telcos added 2.2mln last year, a 50% YOY dip. Worse, the 2 camps collectively added more than 5.4mln in '08, the fewest since Leichtman began tracking the broadband industry 7 years ago. But the data also shows that the telcos changed the competitive tide in 4Q. After cable ops earned 67% of overall broadband adds in 3Q—and 70% during 2Q and 3Q combined—telcos came back and notched 55% of the overall adds last Q. The top 5 providers in net '08 broadband adds: **Comcast** (1.34mln), **AT&T** (921K), **Time Warner Cable** (847K), **Verizon** (660K) and **Cox** (275K, estimated).

4As Notebook: A top TV producer on Thurs told attendees at the **AAAA** conference in New Orleans that adding an environmental spin to shows doesn't necessarily excite viewers despite their apparent focus on green living. "Right now, we will not waste our time developing green shows," said *Dan Cutforth*, co-founder of production co **Magical Elves** ("Project Runway," "Top Chef"). "Everyone cares about the environment, but not everybody finds that entertaining. We find that unfortunate. Right now, Americans embrace the idea of being good to the environment, but they don't want it to interfere with their entertainment. It's tough selling it to the networks because they don't believe people will watch it." Also discussed was the hot topic of brand integration, which Cutforth said must be done tastefully. "When *Tim Gunn* says we're going to go to the **TREsamme** hair salon, you recognize the integration but it doesn't bother you as much," he said. "What we have

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Source: Mediarmk Research & Intelligence; Doublebase 2008 Study; Base of Adults 18+, Index = % of Hallmark Channel viewers compared to Total U.S.

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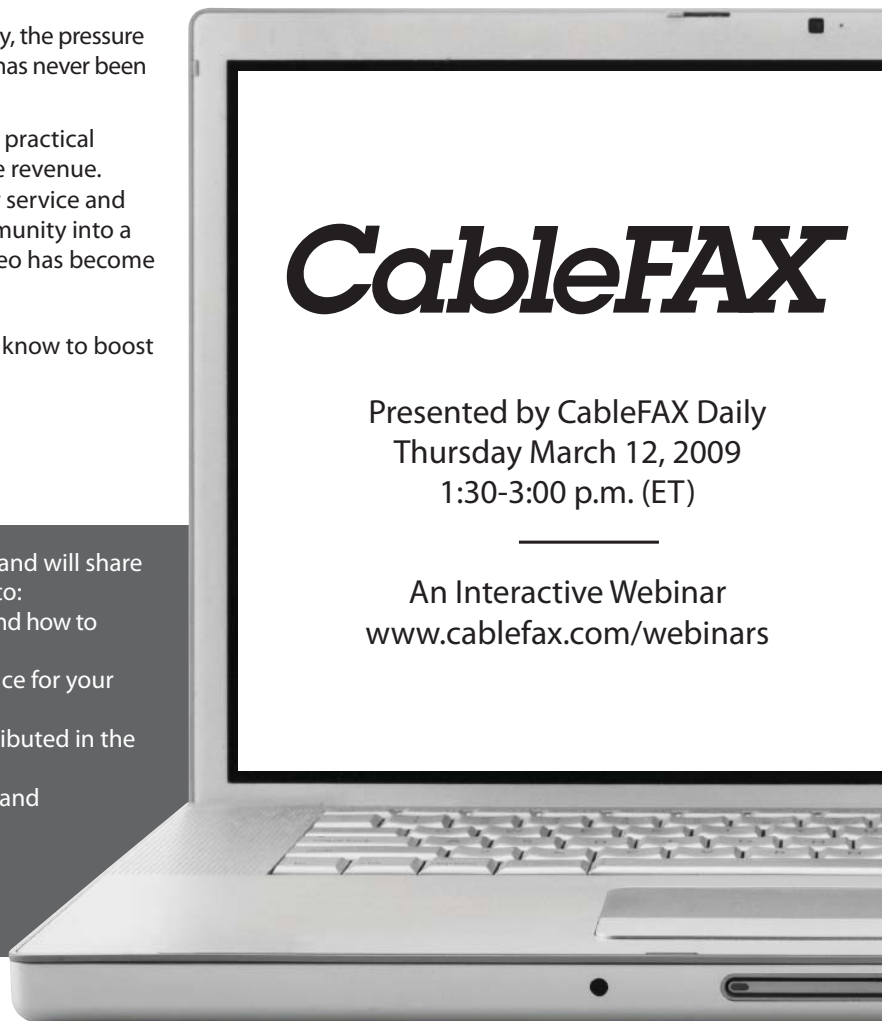
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CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax:301/738-8453 ● Editor-in-Chief: Amy Maclean, 301/354-1760, amaclean@accessintel.com ● Exec Editor, Michael Grebb, 301/354-1790, mgrebb@accessintel.com ● Assoc Editor, Chad Heiges, 301/354-1828, cheiges@accessintel.com ● Asst VP, Ed Director, Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Debbie Vodenos, 301/354-1695, dvodenos@accessintel.com ● Advertising Mgr: Erica Gottlieb, 212/621-4612 ● Marketer: Patrick Benko, 301/354-1789, pbenko@accessintel.com ● Marketing Director: Carol Bray, 301/354-1763, cbray@accessintel.com ● Prod: Joann Fato, 301/354-1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Paul Maxwell/Columnist ● Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs: Carol Bray, 301/354-1763, cbray@accessintel.com

found is that when brands have trusted us to know our audience—and we know what works creatively with the show—those have been the most successful [examples of] integration for us.”

Advertising: We don't often mention new ad campaigns from multichannel ops, much less tout them. But **Comcast's** latest, which we first witnessed in the D.C. market Thurs night, deserves notice because of its artistry, inventiveness and entertainment value. Check out the spots and related interactive features at **ComcastTown.com**.

Online: **MTV** and **AT&T** partnered on **ATTVault.MTVmusic.com**, which lets music fans access MTVN music video content never before released on the Web. Each day the site will bow 15 pieces of content from **MTV**, **VH1** and **CMT**.

Ratings: The Mon premiere of **Golf Channel's** “The Haney Project,” featuring *Charles Barkley*, garnered a .40 HH rating to become the most-watched original premiere ep in net history. More than 800K unique viewers watched Mon's airing. -- **TV Land's** “High School Reunion” averaged nearly 1mln total viewers Wed night, making it the season's most-watched ep.

Programming: Under the ownership of **Liberty Sports Group**, **FSN NW**, **FSN Pittsburgh** and **FSN Rocky Mountain** launched 24/7 HD feeds. -- **Animal Planet** doc “Yellowstone: Battle for Life” (Mar 22) explores everyday struggles of the park's fauna. -- **A&E** greenlit “Tattoo Highway” (spring), featuring tattoo artist *Thomas Pendelton's* cross-country travels with a mobile tattoo parlor. Pendelton formerly starred in the net's “Inked.” -- **Bravo** greenlit a 3rd season of “Shear Genius.”

On the Circuit: New sessions added to the '09 **WICT Leadership Conference** (Apr 1-2 in D.C.) agenda include advisement on how to transform challenges into opportunities and improve value to an org.

Battle of the Bands: Yes, the TV Rejects will get another chance at the title when **NCTA** hosts its “Battle of the Bands” competition on Apr 3 to raise funds for City Year and Washington DC schools. Other than our own Rejects (**CableFAX**, **C-SPAN**, **Retirement Living TV** and **Broadband Gear Report**), other participants include Captain Delicious (**Scripps Networks/TV Guide/VH1/The Weather Channel**), Full Mesh (**Juniper Networks**), Ralphie & The Streamers (**Cisco**), The Solutions (**ARRIS**) and, of course, reigning champion Xpanded Bandwidth (**Cox**), which mopped the floor with the rest of us last year. Emceeding this year's competition will be award-winning actress, singer and host of “TV One Access,” *Tatyana Ali*. The judges from last year will return: *Jeff “Skunk” Baxter* (big shot Grammy winning guitarist dude), *Jordan Berliant* (big shot manager guy) and *Hugh Surratt* (big shot record label man). And this year, Skunk will take the stage after the Battle to head a jam session with some heavy-hitting artists including *CJ Vanston* and *Teddy “Zig Zag” Andreadis*. Stick around. It'll be fun. And it's for a great cause! Sponsors include Cisco, **Motorola**, **Turner**, **ADB** and the **Walter Kaitz Foundation** (more sponsors welcome). Info at www.thecablesow.com/band or call NCTA Industry Affairs at 202/222-2430.

Obit: Former **Charter Central Div** pres *Mary White* passed away Fri morning at her home in Madison, WI, succumbing to a battle with breast cancer. A **Betsy Magness Fellow**, White had worked in the cable industry since her college days.

Business/Finance: It was **Comcast's** turn Fri to get its **Wall St** lashes, as the MSO's shares slid 3.1% to close at \$11.63, their lowest level since Apr '98. -- **Mediacom** said it got a letter from **NASDAQ** noting that it doesn't have, per market rules, at least 3 independent audit cmte members following the Feb 13 resignation of *Craig Mitchell*. The MSO has until Aug 12 to appoint a new dir. -- **Liberty Media** closed on its investment in **Sirius XM**, a \$150mln loan to Sirius subsidiary **XM Satellite Radio** with a Liberty purchase from lenders of \$100mln of loans outstanding under XM's existing credit facilities.

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CableFAX Week in Review

Company	Ticker	3/06 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	24.93	(6.4%)	(12.2%)
DIRECTV:	DTV	19.68	(1.3%)	(14.1%)
DISH:	DISH	9.27	(17.6%)	(16.4%)
DISNEY:	DIS	15.83	(5.6%)	(28.7%)
GE:	GE	7.06	(17%)	(54.5%)
HEARST-ARGYLE:	HTV	1.74	1.80%	(70.1%)
NEWS CORP:	NWS	6.00	(4.2%)	(37.3%)

Company	Ticker	3/06 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	10.35	(20.3%)	(38.5%)
CHARTER:	CHTR	0.02		(75%)
COMCAST:	CMCSA	11.63	(10.9%)	(30.7%)
COMCAST SPCL:	CMCSK	10.89	(10.4%)	(32.2%)
GCI:	GNCMA	4.11	(23.7%)	(49.2%)
KNOLOGY:	KNOL	3.93	(1.3%)	(23.8%)
LIBERTY CAPITAL:	LCAPA	4.79	(6.8%)	1.70%
LIBERTY ENT:	LMDIA	17.05	(1.6%)	(2.5%)
LIBERTY GLOBAL:	LBTYA	10.39	(15.3%)	(34.7%)
LIBERTY INT:	LINTA	2.50	(22.8%)	(19.9%)
MEDIACOM:	MCCC	3.48	(10.8%)	(19.1%)
SHAW COMM:	SJR	14.05	(4.1%)	(19.4%)
TIME WARNER CABLE:	TWC	18.06	(0.9%)	(15.8%)
VIRGIN MEDIA:	VMED	4.11	(14%)	(16.8%)
WASH POST:	WPO	322.50	(10.5%)	(16.3%)

Company	Ticker	3/06 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	3.36	(21.3%)	(59%)
CROWN:	CRWN	1.62	(1.2%)	(43.2%)
DISCOVERY:	DISCA	15.12	(2.5%)	6.70%
EW SCRIPPS:	SSP	0.79	(30.3%)	(63.9%)
GRUPO TELEVISIA:	TV	11.22	(7.8%)	(24.9%)
HSN:	HSNI	4.29	0.50%	(41%)
INTERACTIVE CORP:	IACI	14.11	(5.5%)	(10.4%)
LIBERTY:	L	18.13	(8.7%)	(35.8%)
LODGENET:	LNET	0.61	(6.2%)	(12.9%)
NEW FRONTIER:	NOOF	1.32	(7.7%)	(22.4%)
OUTDOOR:	OUTD	5.50	35.50%	(26.6%)
PLAYBOY:	PLA	1.19	(15.6%)	(44.9%)
RHI:	RHIE	2.26	(16.9%)	(72.2%)
SCRIPPS INT:	SNI	19.01	(4.5%)	(13.2%)
TIME WARNER:	TWX	7.47	(2.1%)	(25.7%)
VALUEVISION:	VVTV	0.35	34.60%	6.10%
VIACOM:	VIA	15.21	(9.6%)	(24.4%)
WWE:	WWE	9.53	(1.8%)	(10.7%)

Company	Ticker	3/06 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	2.15	(3.2%)	(5.7%)
ADC:	ADCT	2.64	(7.4%)	(51.9%)
ADVANTAGE:	AEY	1.30	(16.1%)	(27%)
ALCATEL LUCENT:	ALU	1.16	(11.5%)	(46%)
AMDOCS:	DOX	16.20	(3.3%)	(11.4%)
AMPHENOL:	APH	23.71	(6.7%)	(1.1%)
APPLE:	AAPL	85.30	(4.5%)	(0.1%)
ARRIS GROUP:	ARRS	6.37	4.10%	(19.9%)
AVID TECH:	AVID	8.67	(13%)	(20.5%)
BIGBAND:	BBND	4.79	(11.9%)	(13.2%)
BLNDER TONGUE:	BDR	1.05	7.10%	4.00%

Company	Ticker	3/06 Close	1-Week % Chg	YTD %Chg
BROADCOM:	BRCM	16.97	3.20%	
CISCO:	CSCO	14.18	(2.7%)	(13%)
CLEARWIRE:	CLWR	2.82	(12.4%)	(29%)
COMMSCOPE:	CTV	7.23	(19%)	(53.5%)
CONCURRENT:	CCUR	2.82	(3.4%)	(17.6%)
CONVERGYS:	CVG	5.70	(11.6%)	(11.1%)
CSG SYSTEMS:	CSGS	13.32	(1.5%)	(23.8%)
ECHOSTAR:	SATS	14.69	(10.3%)	(1.2%)
GOOGLE:	GOOG	308.57	(8.7%)	0.30%
HARMONIC:	HLIT	4.59	(15.6%)	(18.2%)
INTEL:	INTC	12.41	(2.6%)	(7.5%)
JDSU:	JDSU	2.28	(17.1%)	(37%)
LEVEL 3:	LVL	0.73	(8.8%)	4.30%
MICROSOFT:	MSFT	15.28	(5.4%)	(21.4%)
MOTOROLA:	MOT	3.10	(11.9%)	(28.9%)
OPENTV:	OPTV	1.26	6.80%	2.40%
PHILIPS:	PHG	14.53	(9.1%)	(26.9%)
RENTAK:	RENT	9.49	(8%)	(19.5%)
SEACHANGE:	SEAC	4.32	(11.3%)	(40.1%)
SONY:	SNE	17.25	4.20%	(21.1%)
SPRINT NEXTEL:	S	3.04	(7.6%)	66.10%
THOMAS & BETTS:	TNB	20.34	(11.2%)	(15.3%)
TIVO:	TIVO	6.50	(8.3%)	(9.2%)
TOLLGRADE:	TLGD	5.60		17.20%
UNIVERSAL ELEC:	UEIC	15.75	1.20%	(2.9%)
VONAGE:	VG	0.38	8.60%	(42.4%)
YAHOO:	YHOO	13.05	(1.4%)	7.00%

Company	Ticker	3/06 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	22.58	(5%)	(19.3%)
QWEST:	Q	3.19	(1.2%)	(8%)
VERIZON:	VZ	27.28	(4.4%)	(18.2%)

Index	Value	% Chg	YTD %Chg
MARKET INDICES			
DOW:	INDU	6626.94	(6.2%) (24.5%)
NASDAQ:	COMPX	1293.85	(6.1%) (18%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. OUTDOOR:	5.50	35.50%
2. VALUEVISION:	0.35	34.60%
3. VONAGE:	0.38	8.60%
4. BLNDER TONGUE:	1.05	7.10%
5. OPENTV:	1.26	6.80%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. EW SCRIPPS:	0.79	(30.3%)
2. GCI:	4.11	(23.7%)
3. LIBERTY INT:	2.50	(22.8%)
4. CBS:	3.36	(21.3%)
5. CABLEVISION:	10.35	(20.3%)

From The CableFAX 100: Greatest Hits of 2008

the best business advice Matt Blank has received...



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Time Warner Cable and **HBO** are experimenting with HBO subs on TWC getting HBO programs on other than cable-connected TVs over



Paul S. Maxwell

RoadRunner to PCs, Macs, iPhones and more... That is, HBO programs to HBO subscribers over two parts of the same pipe.

With more pipes and kinds of pipes, presumably, to come. Like Wi-Fi or Wi-MAX or even DSL or... well, probably not the DVDs from **Netflix**, though.

Networks and operators (both on the ground and in the sky) are doing more than just talking about this. I watched a downloaded—via **Comcast** internet—“cable” network program via my **DirecTV** box last night. Not bad... and it was a preview—running online before the regular linear feed. I am, of course, a subscriber to both. The DirecTV VOD via Comcast works pretty good... up at my mountain home, Comcast doesn't have VOD (there's a button on the remote... true, but no VOD!).

This is all in an attempt to prevent the erosion of the long-standing subscriber fee/advertising business

model that linear “cable” networks have long enjoyed... and that local broadcasters are joining. (Pity the poor broadcast networks!)

And it might work.

The pressures on bandwidth notwithstanding, it seems to me that platforms will be looking hard at which networks will make it thru to 2050 as the business model experiments accelerate.

Not every network currently on the most robust cable system, DirecTV or a telco video provider will make it to then. Some of the “sons of re-transmission” won't survive.

Which ones won't?

Maybe time to start a network death watch?

More meaningful than doing that for programs.

Random Notes:

- **“Argo-ing” in Atlanta:** Missing the Wonder Women lunch in New York is a bummer, but getting up to speed on real companies doing real-world things in a surreal world at the annual Argo X-Change Conference is more grounding. Good panels this year with **Collins Stewart's Tom Eagan**, **Comcast Media Center's James Capps**, consultant **Shellie Rosser**, **Avail's Tracy Anderson** and the regular updates and steps forward from the Argo guys.

- **Sub- and Urban Detritus:** Just wondering... what might happen to

all of those **Blockbuster** standalone stores... same thing happened to all of those one-time “service” stations on almost every suburban corner.

- **Ah, the Federal Confusion Commission:** *Mark Fowler*, who led the agency under *President Reagan*, discussing the appointment of *Julius Genachowski*, on Mar 4 told **NPR** that “change can't come quickly enough. This past **FCC**, I have to say, has been a disaster... It is almost semi-corrupt, and I think the new chairman needs to come in with a broom and take out some of these people who have played favorites and given favors to favorite lobbyists and get this business of the FCC back to what's best for the people.” Hey, without an alien Martian running it, maybe that can happen!

- **Column Preview:** On Mar 30 at the National Press Club at lunchtime, **CableFAX** turns 20... so, of course, that week's column will start with: “It was 20 years ago today” I got to teach the industry how to play... every day! Who needs Sgt Pepper? Although, it is true that *Ringo Starr* is a much better singer. Come join us to celebrate that and the always fun **Faxies!**

Paul Maxwell

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Shaun Robinson

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