

CableFAX Daily™

Friday — April 10, 2009

What the Industry Reads First

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No Roaring Start: Lionsgate Gearing Up For Big Year In Cable

Mediacom began eliminating **TV Guide Net** from its systems this week despite continuing discussions between the parties about possible solutions to the net's unknown programming future (*Cfax*, 3/25). While **Lionsgate** CEO *Jon Feltheimer* told us last week that TV Guide Net's content slate is a "fixer-upper," sources said specific plans aren't likely until summer—though the broad mission features the leveraging of Lionsgate's creative expertise with the pair's knowledge of Hollywood. The overall goal: mold the net into a destination for ent programming over time, sources said, as usage of its content scroll, which many view as anachronistic, remains high among analog homes. Plus, the net appears in full screen on satellite platforms. Meanwhile, Lionsgate feels "very comfortable" with the approx \$255mln it paid for the net and **TVGuide.com**, or approx \$3 per net household, said spokesperson *Peter Wilkes*. "We have typically targeted cable, and we've been very successful," he said. Evidence of that aplomb resides in the approx 15 cable shows that Lionsgate produces or distributes through **Debmar-Mercury**, including **AMC's** "Mad Men," **Showtime's** "Weeds" and **TBS' "Tyler Perry's House of Payne."** Forthcoming productions include "Nurse Jackie" for Showtime, "Blue Mountain State" for **Spike** and "Tough Trade" for **Epix**, the premium channel jv involving Lionsgate, **Viacom** and **MGM** that's set for an Oct debut. That venture may prompt more questions than TV Guide Net. As in, will multichannel ops deem the net a must have, and when will the 1st carriage deal be announced? Epix is offering ops a distribution package that includes linear, VOD and mobile services, said Viacom pres/CEO *Philippe Dauman* last month, and awareness of the net no doubt rose significantly last week through the Herculean marketing push during The Cable Show that included the DC airport, city buses and a notable floor presence. Still, no deals yet, said Lionsgate's Wilkes. **Pali** analyst *Rich Greenfield*, who visited Epix's booth during the show, doesn't expect a cascade of agreements. "We have no idea why distributors or consumers are going to pay up for the channel," he said this week. "Given the current state of the US economy, we are increasingly worried about consumers dropping existing pay TV channels, let alone subscribing to new ones."

Competition: **Verizon** is teaming with **ESPN360.com** to offer the telco's broadband subs online coverage of the **UEFA Champions League's** soccer playoffs. Set for play this month and next, the matches will be offered at no additional cost to the telco's FiOS Internet and HSI subs. -- **DirectTV** added to its intl programming lineup **Tai Seng Ent, Tai Seng Sat TV** and **Tai Seng Vietnam**, 3 Asian-language nets respectively aimed at Cantonese, Mandarin and Vietnamese viewers. -- **Qwest** launched "Talk to Qwest," a social media program on **Twitter** designed to provide customers an alternate way to resolve customer service issues. Teams of reps in ID and SD will manage the program. -- **Verizon** has begun its FiOS TV build out in **Comcast's** hometown of Philadelphia, and

Be Hailed As a Hero

-Atlas by Lee Lawrie and Rene Paul Chambellan

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plans to offer services by year's end in 5 city neighborhoods including Chestnut Hill and South Philly. The telco's franchise agreement calls for citywide FiOS TV availability by '16, when approx 660K homes are expected to have access. -- **AT&T** is offering a \$100K reward for information leading to the arrest and conviction of alleged vandals who severed 4 fiber lines early Thurs, leading to a massive phone and Internet outage in San Jose. According to local reports, a **Sprint** line was cut approx 2 hours after the others. **Verizon Wireless** and VZ broadband customers have also been affected. Repair work continues.

In the States: **Cox** plans to merge its New Orleans and Greater LA operations into 1 regional system that will serve approx 500K homes. The Greater LA system includes the Baton Rouge and Lafayette markets.

Mobile Broadband: Although PC data card adoption jumped 163% in '08, according to **comScore**, sequential quarterly sub growth in Q4 fell to 5% following sequential growth of 22% in Q3 and several prior Qs of double-digit growth. Citing the economy as the chief factor in the slowing growth, comScore said "now is the time for mobile broadband providers to solidify their market position, because as the economy begins to recover and discretionary spending resumes, the market will likely accelerate once again." As such, cable and its **Clear** venture seem well positioned to take advantage. As for customers with both data cards and wireline service, approx one-quarter of their overall time spent surfing occurred outside the home.

Online: Mon will mark the launch of **ESPNChicago.com**, a locally-focused sports site featuring programming from multiple ESPN platforms, local traffic and weather, and original content such as "ESPN Chicago SportsCenter." As part for the launch, new tech will bow allowing for geo-targeted content and ad insertion in both live audio streaming and downloadable audio.

Technology: New enhancements to **Digeo's Moxi HD DVR** include Web video from **YouTube**, **Netflix** and **Hulu** through an onscreen menu; streaming digital music from **Rhapsody**; and a home automation feature allowing users to adjust lighting and other **Z-Wave**-supported products. The services are free through a software upgrade, and Digeo is offering new and existing Moxi customers a free 3-day trial of Rhapsody, a jv of **MTVN** and **RealNetworks**. -- **Pilat Media** and **NDS** are integrating tech to enable ops to manage and optimize the sale, placement, and delivery of addressable ads to DVRs.

Programming: Weekly program "WWE Superstars," which incorporates **WWE's** 3 TV brands, premieres Apr 16 (5pm ET) on **WGN America**. -- **MLB Net** added a package of weekly live natl games on Sat nights, bringing to 52 the number of live regular-season games it will feature this year. -- **Fox Sports en Espanol** launches Sat the 1st game of its 26-game regular season **MLB** schedule, and for a 9th consecutive year will feature live and exclusive coverage of the **MLB** postseason. -- **TLC** special "Jon & Kate Plus 8 Go Green!" bows Apr 19.

On the Circuit: **SCTE** announced the slate of candidates for its '09 board elections, which will fill 7 seats among 5 regions and 2 directors-at-large. Voting begins in May, with winners to be announced in Aug and terms to begin in Oct. Info at SCTE.org.

Editor's Notes: Apr 10 is the last day to submit your nominations for our new "Sweet Sixteen" list of the top agencies and brands in cable. The list will be honored—along with the winners and honorable mentions for our **Sales Execu-**

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BUSINESS & FINANCE

tive of the Year Awards—at our breakfast at the Grand Hyatt in NYC on June 11. Find out more info on the S16 at <http://www.cablefax.com/cfp/awards/sweet16.html>. -- Is there any limit to Mike and Seth's antics when they turn on the cameras for "The CableFAX Show"? Uh, no. Find out who really rocked at the Cable Show last week at www.cablefax.com.

People: **Ensequence** appointed former **Comcast** exec **Andy Addis** svp, marketing and business development, and former **Microsoft** gm **Tom Epes** svp, sales.

Business/Finance: Powered by **AT&T** and **Verizon**, fiber subscriptions will grow more than 60% this year, according to **Strategy Analytics**, adding that fiber will "clearly be a broadband growth engine in 2009" as it's the only platform enjoying double-digit sub growth so far this year. -- The total compensation awarded in '08 to **Cablevision** chmn **Charles Dolan** and CEO/pres **Jim Dolan** declined vs '07, as did the totals awarded vice chmn **Hank Ratner** and COO **Tom Rutledge**. Only evp/CEO **Michael Huseby** enjoyed an increase. The numbers: Charles Dolan, \$13.44mln (-13%); Jim Dolan, \$13.94mln (-42%); Ratner, \$11.48mln (-42%); Rutledge, \$11.74mln (-21%); and Huseby, \$3.88mln (+11%). -- **Time Warner** CEO **Jeff Bewkes**' total '08 compensation totaled approx \$22mln, up 11% YOY.

CableFAX Daily Stockwatch

| Company | 04/09 Close | 1-Day Ch | Company | 04/09 Close | 1-Day Ch |
|------------------------------|-------------|----------|-----------------------|-------------|----------|
| BROADCASTERS/DBS/MMDS | | | | | |
| BRITISH SKY: | 24.96 | (0.34) | AMPHENOL: | 30.32 | 1.50 |
| DIRECTV: | 24.26 | 0.25 | APPLE: | 119.57 | 3.25 |
| DISH: | 13.68 | 1.09 | ARRIS GROUP: | 8.95 | 0.52 |
| DISNEY: | 19.88 | 0.52 | AVID TECH: | 10.29 | 0.29 |
| GE: | 11.33 | 0.69 | BIGBAND: | 5.87 | (0.13) |
| HEARST-ARGYLE: | 4.28 | (0.03) | BLNDER TONGUE: | 0.90 | 0.00 |
| NEWS CORP: | 8.73 | 0.50 | BROADCOM: | 23.17 | 1.11 |
| MSOS | | | | | |
| CABLEVISION: | 16.58 | 1.31 | CISCO: | 17.82 | 0.69 |
| COMCAST: | 14.62 | 0.36 | CLEARWIRE: | 5.59 | 0.37 |
| COMCAST SPCL: | 13.81 | 0.38 | COMMSCOPE: | 18.03 | 1.98 |
| GCI: | 7.47 | 0.67 | CONCURRENT: | 3.79 | 0.07 |
| KNOLOGY: | 5.14 | 0.31 | CONVERGYS: | 9.59 | 0.59 |
| LIBERTY CAPITAL: | 9.61 | 1.23 | CSG SYSTEMS: | 15.08 | 0.41 |
| LIBERTY ENT: | 22.11 | 0.29 | ECHOSTAR: | 15.98 | 0.49 |
| LIBERTY GLOBAL: | 17.28 | 0.77 | GOOGLE: | 372.50 | 10.50 |
| LIBERTY INT: | 3.74 | 0.38 | HARMONIC: | 7.12 | 0.39 |
| MEDIACOM: | 4.93 | 0.36 | INTEL: | 15.98 | 0.71 |
| SHAW COMM: | 15.43 | (0.28) | JDSU: | 4.30 | 0.32 |
| TIME WARNER CABLE: | 27.72 | 0.87 | LEVEL 3: | 1.04 | 0.06 |
| VIRGIN MEDIA: | 6.49 | 0.45 | MICROSOFT: | 19.67 | 0.48 |
| WASH POST: | 388.85 | 11.06 | MOTOROLA: | 4.90 | 0.36 |
| PROGRAMMING | | | | | |
| CBS: | 5.36 | 0.33 | OPENTV: | 1.65 | 0.05 |
| CROWN: | 2.20 | (0.02) | PHILIPS: | 16.26 | 0.05 |
| DISCOVERY: | 17.95 | 0.76 | RENTRAK: | 10.10 | 0.39 |
| EW SCRIPPS: | 2.09 | 0.49 | SEACHANGE: | 6.21 | 0.19 |
| GRUPO TELEVISA: | 16.22 | 1.00 | SONY: | 25.99 | 2.63 |
| HSN: | 5.73 | (0.11) | SPRINT NEXTEL: | 4.29 | 0.10 |
| INTERACTIVE CORP: | 16.51 | 0.44 | THOMAS & BETTS: | 28.83 | 1.93 |
| LIBERTY: | 24.55 | 1.82 | TIVO: | 7.49 | 0.20 |
| LODGENET: | 1.55 | (0.04) | TOLLGRADE: | 5.55 | 0.00 |
| NEW FRONTIER: | 1.75 | 0.05 | UNIVERSAL ELEC: | 19.10 | 0.38 |
| OUTDOOR: | 7.17 | 0.12 | VONAGE: | 0.40 | 0.02 |
| PLAYBOY: | 2.07 | 0.11 | YAHOO: | 13.47 | 0.55 |
| RHI: | 2.91 | 0.06 | TELCOS | | |
| SCRIPPS INT: | 25.92 | 0.99 | AT&T: | 26.10 | 0.71 |
| TIME WARNER: | 22.24 | 0.32 | QWEST: | 3.83 | 0.03 |
| VALUEVISION: | 0.79 | 0.04 | VERIZON: | 32.10 | 0.42 |
| VIACOM: | 20.38 | 0.45 | MARKET INDICES | | |
| WWE: | 11.71 | 0.22 | DOW: | 8083.38 | 246.27 |
| TECHNOLOGY | | | | | |
| 3COM: | 3.71 | 0.13 | NASDAQ: | 1652.54 | 61.88 |
| ADC: | 5.00 | (0.1) | | | |
| ADVANTAGE: | 1.58 | 0.03 | | | |
| ALCATEL LUCENT: | 2.08 | 0.05 | | | |
| AMDOCS: | 19.98 | 1.07 | | | |

ACA's 16th Annual Summit

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

My Prime Time May Not Be Yours

Though still firmly entrenched in the TV viewing minority, DVR users continue to challenge myriad TV industry traditions, most notably force-fed, unavoidable advertising and the concept of appointment TV. But can the group mute the importance of prime time, perhaps by even changing the venerable time period's moniker to "just another viewing time?" Doubtful, at least in the near- to mid-term, but new **TiVo** data corroborates past findings that the lion's share of DVR users don't recognize 8-11pm as the golden window for live viewing. In fact, time-shifting of content in prime looks to be growing, with little love for the 10pm hour. In Feb, according to TiVo's StopItWatch ratings service, DVR users interacted with prime programming across the big 4 broadcasters on a live basis just 43% of the time, with the greatest incidence of time-shifting occurring from 9-10pm. And since data show approx one-third of the content recorded from 8-10pm is viewed within 1 hour, "much of the time-shifted viewing from the 8pm and 9pm airings stomps out the audience that would historically watch 10pm programming in live mode," said TiVo Audience Research & Measurement vp/gm *Todd Juenger*. Or, put another way, "many are abandoning that hour [of 10-11pm] of television altogether." Add the fact that the top shows on both broadcast and cable are time-shifted the most, and that those shows predominantly air between 8-11pm, and the begged question becomes, "What the heck are DVR users doing during prime time?" I mean, must they juggle a plethora of out-of-the-home social engagements during the week? Is there a notable incidence of board game playing among the group, or reading? Do they typically turn in before 10pm? In a panoply of ways, DVR users represent the X factor. *CH*

Highlights: "Rescue Me," Tues, 10pm, **FX**; "The Tudors," Sun, 9pm, **Showtime**; "In Treatment," Sun, Mon, 9pm, **HBO**. It's a rare pleasure when series improve with age. That's so with this trio, each of which began again recently. Character complexity has increased beautifully, and the series have remained true to their original essence: "Rescue Me" seasons working-class lives with angst and humor; King Henry VIII is to be feared and pitied; and the dialogues and acting of "In Treatment" are excellent. *SA*

Worth a Look: "The Newlywed Game," M-F, 6pm, **GSN**. It's like the vintage '70s series sans 1 couple, *Bob Eubanks'* hair and political correctness. When likeable host *Carnie Wilson* relaxes, she's fine. -- "Summer of '77," Sun, 9pm, **MSG**. MSG has essentially added DVD extras to its acquisition, **ESPN's** drama about *Steinbrenner's* Yanks, with original interviews of players, actors and sportswriters like *Reggie Jackson* and *John Turturro*. *SA*

Notable: **The Golf Channel** routinely is at its best during Masters week. It features 18 hours of live reportage before and after rounds; post-game starts at 7:30pm ET (Thurs, Fri), 7pm ET (Sat, Sun). -- "Alaska Week," begins Sun, 9pm, **Discovery**. The new stunt includes specials and eps of "Deadliest Catch" (season IV premiere) and the hilarious "Dirty Jobs." *SA*

| Basic Cable Rankings (3/30/09-4/05/09) Mon-Sun Prime | | | |
|--|------|-----|------|
| 1 | USA | 2.2 | 2139 |
| 2 | FOXN | 1.9 | 1798 |
| 3 | DSNY | 1.7 | 1677 |
| 4 | TBSC | 1.4 | 1385 |
| 5 | NAN | 1.3 | 1254 |
| 6 | ESPN | 1.2 | 1197 |
| 6 | TNT | 1.2 | 1142 |
| 8 | A&E | 1.1 | 1072 |
| 8 | FX | 1.1 | 1041 |
| 10 | LIFE | 1 | 985 |
| 10 | TOON | 1 | 934 |
| 10 | HALL | 1 | 870 |
| 13 | SPK | 0.9 | 911 |
| 13 | HGTV | 0.9 | 910 |
| 13 | HIST | 0.9 | 877 |
| 13 | DISC | 0.9 | 871 |
| 13 | SCIF | 0.9 | 858 |
| 13 | CMDY | 0.9 | 836 |
| 13 | TRU | 0.9 | 796 |
| 20 | AMC | 0.8 | 765 |
| 20 | FOOD | 0.8 | 755 |
| 20 | LMN | 0.8 | 566 |
| 23 | TVLD | 0.7 | 723 |
| 23 | CNN | 0.7 | 710 |
| 23 | VH1 | 0.7 | 710 |
| 23 | ESP2 | 0.7 | 686 |
| 23 | MSNB | 0.7 | 686 |
| 23 | FAM | 0.7 | 664 |
| 23 | TLC | 0.7 | 648 |
| 30 | MTV | 0.6 | 592 |
| 30 | BET | 0.6 | 571 |
| 30 | BRAV | 0.6 | 552 |
| 30 | NOGG | 0.6 | 445 |
| 34 | HLN | 0.5 | 486 |
| 34 | APL | 0.5 | 471 |
| 34 | OXYG | 0.5 | 351 |
| 34 | NGC | 0.5 | 348 |
| 38 | EN | 0.4 | 411 |
| 38 | TRAV | 0.4 | 374 |
| 38 | SOAP | 0.4 | 295 |
| 38 | WE | 0.4 | 287 |
| 42 | CMT | 0.3 | 283 |
| 42 | DXD | 0.3 | 244 |
| 42 | GSN | 0.3 | 240 |
| 42 | VS | 0.3 | 204 |
| 42 | WGNA | 0.3 | 203 |

*Nielsen data supplied by ABC/Disney

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