

# CableFAX Daily™

Thursday — April 16, 2009

What the Industry Reads First

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## Industry At Arms: McSarrow Supports Time Warner Cable's Broadband Plans

Owing to its plans to test usage-based broadband pricing in several markets, **Time Warner Cable** has become a target of active scorn not unlike a worker inside a county fair dunk tank. But as parties intent on sinking the MSO's plans (**Cfax**, 4/13) continue to emerge, **NCTA** chief *Kyle McSarrow* commented publicly on the hullabaloo for the 1st time Wed, essentially defending Time Warner Cable while calling out notable plan opponent **Free Press**. It's "entirely appropriate for any actor in the Internet eco-system to test and examine new ideas and approaches that promote consumer choice and enhance the Internet experience for broadband users before making any permanent decisions," wrote McSarrow at **CableTechTalk.com**. "The right approach, as Time Warner Cable has done, is to conduct such tests in a transparent way, with full notice and explanation to their customers." Of Free Press and its circulating petition aimed at piquing Congress' interest in TWC's trials, McSarrow said any investigation would lead to the welcome discovery of cable's billions of dollars in broadband investments. "At a time of economic and financial challenges for our country, I for one would rather Congress spend its time on real problems, not fictional ones," said McSarrow. "We should recognize the Free Press petition drive as the publicity stunt it so obviously is." Meanwhile, as Rep *Eric Mass* (D-NY) drafts legislation to prevent "job killing" caps on downloads, a notice of scheduled protests against TWC's local plans in Greensboro and Rochester is spreading virally on **Facebook** and **Craigslist**, according to reports. Set for Sat, the protests are targeting offices of the MSO. And in Austin, a resident has launched **AustinBroadband.com**, which tracks news and info related to the controversy while focusing on how local residents will be affected by TWC's plans. Notice: neither McSarrow's comments nor anything else offering positive viewpoints of the trials can be found at the site, and a link to the Free Press petition is featured prominently. [For Steve Effros' take on this charged issue, see pg 4].

**FCC Reprieve:** The FCC's Enforcement Bureau granted **Cox** and **Oceanic Time Warner Cable's** requests for a stay to an order requiring refunds to CableCARD customers. The Bureau took issue with 2 HI systems and a Cox N VA system moving some channels to switched digital video, making them unviewable on some 1-way devices (like TiVos). In its Jan order, the Bureau levied \$20K fines against each system and called for refunds. Both MSOs have filed petitions for reconsideration, with the Bureau opting to stay the refund requirements to consider the merits of those petitions.

**HGTV** **food network**

Beta, Simmons and Myers all agree:

**Food Network and HGTV are the #1 and #2 favorite networks**

no matter how you slice it!

**Scripps networks**  
Passionate Viewers Live Here

Beta Brand Identity Study, Mar '08, Women 18+  
Simmons Multimedia Engagement Study, W4-7 (Q3'07-Q2'08), Adults & Women 18+  
Myer's 2007 Emotional Connections Study, Adults 18-6

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**NFL-Comcast Day 2:** Plans are underway to make redacted transcripts from **Comcast** and **NFL's** ALJ hearing available to reporters after **Bloomberg** filed a complaint about the court being closed due to privacy concerns surrounding some testimony (*Cfax*, 4/15). No firm plans for releasing transcripts were immediately available, but the parties and ALJ were said to be working on it. Both Comcast and NFL supported closing the court during witness testimony to anyone who had not signed confidentiality waivers. Most of Wed was devoted to cross-examination of NFL's expert witness Dr. *Hal Singer*. *Ronald Furman*, svp, customer marketing and sales of **NFL Ventures**, was slated to take the stand Wed afternoon, according to sources. It is expected that NFL's *Paul Tagliabue* and Comcast's *Brian Roberts* will take the stand Thurs. The hearing is over NFL's complaint that Comcast unfairly moved NFL Net to a sports tier in '07. Next week, the same judge will hear **WealthTV's** carriage complaints against Comcast, **Time Warner Cable**, **Cox** and **Bright House**.

**On the Hill:** The **Sen Commerce Cmte** holds a hearing on reforming the **FCC**, Wed at 10am. No word yet on witnesses. -- The political aspirations of former **Discovery** pres/CEO *Judith McHale* became a reality Tues night when Pres *Obama* nominated her as under secretary for public diplomacy. Her appointment has been rumored for months, with McHale a big-time Democratic supporter and *Hillary Clinton* backer. After *Discovery*, she worked with private equity firm **Global Environment Fund** to launch the **GEF/Africa Growth Fund**, an investment vehicle intending to focus on supplying expansion capital to small and medium businesses that provide consumer goods and services in emerging Africa markets.

**In the States:** Interesting to see what *Wrestlemania* PPV sales are like in a few weeks. The 25th anniversary of the **WWE** event set a record for highest grossing 1-day entertainment event in '09, with \$52mln in gross sales. **WWE** estimates the event in Houston, TX, generated \$43mln in worldwide gross PPV revenue. -- **Comcast** signed a 7-year deal for the naming rights to the New England Music Center in Hartford. The amphitheater will become "Comcast Theatre" this summer. -- Denver-based RSN **Altitude** has selected the **Cisco** MPEG-4 advanced video coding and transcoding HD platform.

**Collaborative News:** **News Corp** is launching a new portal to let news properties such as **Fox News** and the *WSJ* to share content. Directing the sharing will be *John Moody*, who previously oversaw content at Fox News as evp, news editorial. Moody will also collaborate with news chiefs across its properties to improve efficiencies and identify areas to cut costs. Taking over at Fox News is *Michael Clemente*, who under current title of svp, news will oversee the net's editorial.

**Programming:** Subs to "NHL Center Ice," **In Demand's** out-of-market hockey package, can now get replays of same-day games. The enhancement allows each current day's game to re-air approximately 1-hour after the live game ends. Each game will replay in its entirety and will repeat continuously overnight and the next day, on the same channel, until the following day's live games begin. -- The fortunes of **NFL** teams can change quickly, be it from season-to-season or week-to-week—heck, even 1 blown call can wield serious repercussions—so assessing the forthcoming schedules on **ESPN** and **NFL Net** may be a tad premature. That said, NFL Net's schedule features 16 different teams in 8 games, plus a Christmas game, but only 3 of the tilts offer much intrigue—Colts-Jaguars (Dec 17), Cowboys-Saints (Dec 19) and Chargers-Titans (Dec 25). "MNF," meanwhile, will feature myriad games between divisional rivals, which tend to offer the best theater. Expect big audience draws for the multiple appearances by New England and Green Bay, plus games including Indy, Dallas and Pittsburgh. -- **TBS** greenlit animated series "Neighbors From Hell," centered on a family from Hell sent to Earth to prevent typical Americans from finding the underworld.

## CableFAX PROGRAM AWARDS

Saluting Cable's Top Shows,  
People and Entertainment Icons

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From the most outstanding cable programs to the best surprise ending, the Annual CableFAX Program Awards honor the best in cable content and people. Now's your chance to get recognized for bringing value to your viewers.

**Entry Deadline:** May 1, 2009  
**Late Entry Deadline:** May 8, 2009  
**Luncheon:** September 16, 2009  
**Location:** Grand Hyatt New York, NY



# BUSINESS & FINANCE

**Upfronts:** Oxygen will launch a 2nd night of original programming this summer with the net's original competition series, "Dance Your Ass Off." It also greenlit a couples makeover show with *Tori & Dean* and reupped the celeb couple's reality series for a 4th season. It's also developing 2 new series: "Celeb-U-Moms," which follows Hollywood moms, and "Keshia and Kaseem," starring *Keshia Knight Pulliam* ("The Cosby Show's *Rudy*") and her live-in boyfriend.

**Public Affairs:** More than \$150K in cash, equipment, books and in-kind donations was raised for DC as part of the **CableCares** community service project during this month's Cable Show. New Orleans received more than \$900K in cash and other donations during last year's Cable Show. Of course, both cities are very different, with New Orleans still recovering from '05's catastrophic hurricanes. With the DC effort unrelated to a similar disaster, the effort was naturally going to be smaller but remained significant, and the partners involved were quite impressed, an **NCTA** rep said. More than 225 volunteers from the industry donated their time this month on behalf of CableCares activities.

**Obit:** Newly inducted Cable Pioneer *Larry Bentson* passed away Sun at the age of 87. Bentson, who was battling cancer, was the chmn of **Midcontinent's** board. Services will be held Thurs, 2pm at Mount Zion Temple in St Paul.

## CableFAX Daily Stockwatch

Company	04/15 Close	1-Day Ch	Company	04/15 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BROADCASTERS/DBS/MMDS			AMPHENOL:	28.78	(1.13)
BRITISH SKY:	25.84	1.24	APPLE:	117.64	(0.67)
DIRECTV:	24.31	0.36	ARRIS GROUP:	9.02	0.06
DISH:	13.02	0.20	AVID TECH:	10.34	0.27
DISNEY:	19.73	0.71	BIGBAND:	5.90	0.01
GE:	11.83	0.32	BLNDER TONGUE:	0.95	0.00
HEARST-ARGYLE:	4.48	0.13	BROADCOM:	22.24	(0.42)
NEWS CORP:	8.48	0.09	CISCO:	17.56	(0.37)
<b>MSOS</b>					
CABLEVISION:	16.57	0.10	CLEARWIRE:	5.45	0.29
COMCAST:	14.38	0.52	COMMSCOPE:	17.99	(0.77)
COMCAST SPCL:	13.44	0.51	CONCURRENT:	4.11	0.31
GCI:	7.25	0.27	CONVERGYS:	9.49	0.09
KNOLOGY:	5.20	0.20	CSG SYSTEMS:	13.70	0.00
LIBERTY CAPITAL:	9.96	(0.24)	EHOSTAR:	15.98	0.05
LIBERTY ENT:	21.98	(0.12)	GOOGLE:	379.50	10.59
LIBERTY GLOBAL:	16.90	0.16	HARMONIC:	6.53	0.02
LIBERTY INT:	3.96	0.30	INTEL:	15.62	(0.39)
MEDIACOM:	4.88	0.10	JDSU:	4.11	(0.14)
SHAW COMM:	15.60	0.30	LEVEL 3:	1.02	(0.01)
TIME WARNER CABLE:	28.80	1.00	MICROSOFT:	18.83	(0.52)
VIRGIN MEDIA:	6.73	0.37	MOTOROLA:	4.87	0.19
WASH POST:	396.90	9.40	NDS:	62.93	0.00
<b>PROGRAMMING</b>					
CBS:	5.34	0.17	OPENTV:	1.53	(0.04)
CROWN:	2.22	0.02	PHILIPS:	17.06	0.51
DISCOVERY:	16.94	(0.02)	RENTRAK:	10.17	(0.2)
EW SCRIPPS:	1.92	0.03	SEACHANGE:	6.32	0.20
GRUPO TELEVISA:	17.13	0.78	SONY:	25.00	(0.4)
HSN:	5.44	(0.11)	SPRINT NEXTEL:	4.23	0.20
INTERACTIVE CORP:	16.30	(0.13)	THOMAS & BETTS:	28.87	(0.28)
LIBERTY:	25.21	0.99	TIVO:	7.22	0.07
LODGENET:	1.65	0.05	TOLLGRADE:	5.68	0.44
NEW FRONTIER:	1.75	0.02	UNIVERSAL ELEC:	17.68	(0.22)
OUTDOOR:	7.25	0.14	VONAGE:	0.38	0.00
PLAYBOY:	2.08	0.08	YAHOO:	14.02	(0.05)
RHI:	3.02	0.09	<b>TELCOS</b>		
SCRIPPS INT:	25.70	(0.52)	AT&T:	25.45	0.17
TIME WARNER:	22.23	0.32	QWEST:	3.65	(0.13)
VALUEVISION:	0.79	0.03	VERIZON:	31.69	0.39
VIACOM:	20.19	(0.24)	<b>MARKET INDICES</b>		
WWE:	11.08	(0.19)	DOW:	8029.62	109.44
<b>TECHNOLOGY</b>					
3COM:	3.55	0.11	NASDAQ:	1626.80	1.08
ADC:	5.19	0.17			
ADVANTAGE:	1.56	0.06			
ALCATEL LUCENT:	2.22	0.03			
AMDOCS:	18.83	(0.41)			

**ACA's 16<sup>th</sup> Annual Summit**

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## Think about that for a minute...

### Holy Internet

...Batman, as Robin might have said. Gotham City is under attack and we sure are lucky some members of Congress are donning their capes to save the day! You see, it seems some really villainous folks decided Internet broadband users should only pay for what they actually use!

An “outrage,” says a caped one! A plot by monopolists! Some of his constituents have emailed his office, after hearing that Time Warner was going to test usage-based pricing in his community.



**Steve Effros**

The emailer was going to switch to another provider he was so mad! This begs the question of how TWC could be a “monopolist” if someone didn’t like their pricing decisions (a legitimate debate) and chose to go to another provider... but never mind, it’s an OUTRAGE!

This particular Freshman Congressman from upstate New York got a lot of press by suggesting that somehow it’s not “fair” to have folks actually pay for the bandwidth they use. That’s the plan Time Warner is proposing. You can buy a normal, average user “bucket” of access, or progressively higher speeds and more bandwidth (in terms of gigabytes of use) depending on what you want and how you use the Internet.

Most folks will do just fine with the regular offerings. Email and web browsing don’t take up much bandwidth. But when you start using your home PC as a server, as is the case when opening it up to peer-to-peer transfers of data that you are not even accessing yourself, or you start downloading HD movies, or playing interactive games for 14 hours a day, then you can start chewing up bandwidth... both yours and everyone else’s, at a pretty fast clip. Time Warner, and most others who have looked at this problem, have concluded the best way to deal

with the “power users” is to allow them to go ahead and use that massive bandwidth—but make them responsible for paying for that extraordinary usage.

AN OUTRAGE! Says the Congressman. And of course he is echoed by the Internet cogniscenti who still want to perpetuate the notion that somehow the Internet—nay, should I say the Holy Internet—is somehow immune from the laws of economics and nature. Anyone should be able to hook on, for a very low price, to a broadband connection that of course has to be upgraded constantly to keep up with more and more usage, and they should then be able to use it in an unlimited way. Manna.

Now let’s see, shouldn’t we really ask this caped crusader... isn’t electricity based on metered use? Or cell phones, heating oil, or government toll roads? How about water in most communities? Oh, and how about something as basic as food? You get what you pay for. Food, water, electricity, all essential, and all metered use. But not the Internet... nope, that’s somehow different!

These folks can’t be serious. Even the “public interest” groups have acknowledged that “power users” should pay for the extra bandwidth they are commandeering. We can all legitimately debate what the right caps should be, but don’t confuse this with the cable “a la carte” demands. There, the cable operator acts as—dare I say it—an editor, as has been noted by the Supreme Court, and the programs and channels that the operator pays for must then be marketed, and are not all equivalent. In the case of bandwidth use, it’s the user who’s in total control, and should be responsible to pay for that use. The Internet is not “holy.” Some caped crusaders are batty.

*Steve*

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