

CableFAX Daily™

Tuesday — April 21, 2009

What the Industry Reads First

Volume 20 / No. 074

Positive Vibes: Broadcasters Project Upbeat Message Despite Economy

The NAB Show's opening session Mon resembled a pep rally as leaders urged attendees to buck up despite tough economic conditions. NAB pres/CEO *David Rehr* underscored mobile TV as the integral platform for broadcasters going forward, noting that 66 stations across approx 37 markets will launch related offerings this year. And he said the org is working toward laptops' reception of digital broadcast signals because, Rehr said, "our brands are unmatched in our markets... consumers will follow us online." But where cable is embracing the power and penetration of broadband through DOCSIS 3.0, Web content and mobile initiatives, NAB's message was somewhat amorphous. "We may feel beaten down by the economy," said Rehr, but the current economic and industrial "changes are opportunities for us to seize... we will dare mighty things." Added NAB joint chmn *Jack Sander*, "this event will help provide positive momentum." According to Rehr, heartening trends do exist for broadcasters: the industry will log \$1.3bln (+23%) in interactive sales this year; the past year showed a 57% increase in HD newscasts; 488 of the 500 top prime programs in '08 aired via broadcast; and a \$1bln DTV ad campaign has successfully informed Americans of broadcasting's digital future. Plus, he said, 140mln handsets and 25mln media players will feature access to mobile TV by '12, with expectations of \$2bln in rev thereafter along with an "upside [that's] probably greater than we can imagine." A much deserved honoring of TV legend *Mary Tyler Moore* followed Rehr, but also a keynote by author *Richard Florida*, whose speech returned to "rah rah" themes. "Our creativity is the only real capital we have" in times of economic stress, said Florida. "The task now is to build a brighter, more productive future." Florida counsels industries, companies and even cities to foster that creativity by providing freedom for self-expression, what he calls the hallmark of any future successes.

Round 2: Testimony is set to begin Tues in **WealthTV's** FCC carriage complaint against **Bright House, Comcast, Cox and Time Warner Cable**. *Richard Sippel*, the same administrative law judge who heard NFL's complaint against Comcast last week, will preside over a hearing that we're guessing could go for a while given that all 4 defendants will be part of the same proceeding. That means each MSO will put on its own witnesses and get its own chance to cross-examine Wealth's witnesses. WealthTV, an HD channel about living large, claims it was discriminated against by the ops in favor of the now-defunct **MOJO**. MOJO (formerly **INHD**) was part of **In Demand**, which is owned by the 4 cable ops. WealthTV said that it came to light during discovery for the case that the MSOs had no written agreement for MOJO. Apparently MOJO was not required to "run the gauntlet of the supposed criteria" by which the ops "allege they carefully weigh" in making carriage decisions, Wealth wrote in its pre-trial brief. Witnesses include *David Asch*, In Demand's evp, programming; *Matt Bond*, Comcast evp, content acquisitions; and WealthTV pres *Charles Herring*. Comcast claims that it made 2 offers comparable to offers WealthTV had accepted from other MVPDs, but that the channel pushed for extensive carriage with "high" license fees. The MSOs disagree with the notion that Wealth and MOJO were similarly situated. As with Comcast-NFL, a

**How do you get customers
to fall in love with your brand?
Partner with a brand they
already love.**



UNIVISION | TELEFUTURA | GALAVISION

©2009 Univision Communications Inc.

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

recommendation is not expected from Sippel for at least a month. The FCC must then vote on the ALJ recommendation.

Carriage: DISH renewed its carriage deal with ION, agreeing to extend distribution of the flagship net to its most broadly distributed programming tier. ION will move to Classic Bronze 100 this month, expanding its distribution to the majority of DISH's nearly 14mln subs. -- Comcast is adding 27 HD channels in the Houston area Apr 27, including Speed Channel HD, Hallmark Movie HD and Discovery HD. Comcast Houston is also adding 10 channels to its standard digital lineup: Reelz, Hallmark Movie, Universal Sports, Ovation, Gran Cine, Mexicanal, Star Plus, Sony, The Filipino Channel and GMA Pinoy.

Competition: Verizon expanded its free remote control DVR programming to a larger range of wireless handsets. Now a new wireless app (<http://m.verizon.com/tv>) lets consumers use the program on any cell phone. VZ also offers Web-based DVR management to all FiOS TV customers.

TWC, Showtime & 30 Rock: A recent ep of NBC's "30 Rock" had us laughing, but maybe there was more to it... NBC page Kenneth was told only to interrupt his boss if it was an emergency. Kenneth comes rushing into his boss' office with something urgent: Towanda from Time Warner Cable was on the line and they could get FREE Showtime, but they had to act now! Emergency or not, it turns out that a lot of people are getting free Showtime offers from the MSO—so many that Pali's Rich Greenfield is suggesting that TWC's retrans agreement with CBS included a "significant increase" in Showtime subs over the next several years. Through its 4-day sale promo, TWC is giving away 9 months of Showtime to any existing video sub who adds broadband and/or phone. "Given that TWC has to pay Showtime for an increasing number of subs (regardless of the number of actual paying sub additions), TWC is now using Showtime as a marketing tool to drive new service adoption, with the hope that (nine-month) promo Showtime subs become paying subs next year," Greenfield wrote, expressing concern over pay TV disconnects in a weakening economy.

Inside the Beltway: Nearly 1700 individuals and organizations submitted questions or comments in a rulemaking regarding the \$7.2bln federal broadband stimulus program, according to BroadbandCensus.com. Check out the site for a brief summary of many of the substantive comments.

NAB Notebook: TiVo is launching its "StopWatch" ratings service for local markets over the summer. Sample size ranges from 25K in the Top 20 markets down to 5K in the smallest markets. -- FCC commish Jonathan Adelstein will unveil the Commission's newly enhanced and consumer-friendly DTV Website at the show Tues.

Online: MySpace and Fox News launched "uReport," a community where citizen journalists can upload video and photos. Some content could be featured in relevant Fox News programming.

Programming: E! announced some new reality shows, including "The Lamas Family" (wt), which follows the offspring of Lorenzo Lamas. It's also spinning off "Keeping Up with the Kardashians," following sisters Kourtney and Khloe to Miami where they will open a new Dash boutique (Aug debut).

Fuzz, Buzz & VZ: Is FiOS a buzz kill? We're not sure if that's the moral of this story, but we were amused by Business Insider's pickup of a message board posting from a self-professed pot grower on the "Roll It Up" message boards. User PuffPuffPuffGive alleges that a FiOS installer called the cops on him after smelling his

To Summ-it Up, CableFAX Daily Takes You There

Announcing: Bonus distribution of CableFAX Daily at the 16th Annual American Cable Association Summit

Event Date: April 28

Location: Gaylord National Hotel,
Washington, DC.
www.americancable.org

CableFAX Daily Issue Date:

April 28

Ad Close Date: April 22

Artwork Deadline: April 23, noon

Make sure your new or existing ad is placed in the April 28 issue. For assistance contact Debbie Vodenos; 301-354-1695; dvodenos@accessintel.com or Erica Gottlieb; 212-621-4612; egottlieb@accessintel.com

BUSINESS & FINANCE

“ak-47” plants and wants to know if he can sue Verizon for breach of privacy (www.businessinsider.com/weed-grower-says-verizon-fios-guy-ratted-him-out-2009-4). A Verizon spokeswoman said the Web posting was the 1st the company had heard of it, and until it knows the facts, is not in a position to comment.

On the Circuit: ACA holds its annual Summit in DC Apr 27-29. In addition to Capitol Hill meetings, speakers include **RUS’ Mary Campanola**, **NCTA’s Kyle McSarrow** and **NCTC’s Jeff Abbas**. -- Entries for **Cable Positive’s** Positively Outstanding Programming (POP) Awards are due Apr 30. Visit www.cablepositive.org.

Honors: ABC Studios, CNN and Time Warner Cable received 2 wins each to lead the 35 nets vying for **NAMIC** Vision awards in 16 categories. Visit namic.com for a complete list of winners.

People: Deborah Adler Myers was upped to gm, Science Channel and evp, programming for Discovery Emerging Nets. In the newly created post, she’ll run Science while continuing to oversee programming and dev for Investigation Discovery, Military Channel and HD Theater. -- **BET** Nets promoted Darrell Walker to gen counsel.

Business/Finance: Pali downgraded Viacom to “neutral” from “buy.”

CableFAX Daily Stockwatch

Company	04/20 Close	1-Day Ch	Company	04/20 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	25.16	(1.44)	ADC:	5.53	(0.43)
DIRECTV:	24.72	(0.22)	ADVANTAGE:	1.64	0.01
DISH:	13.56	(0.65)	ALCATEL LUCENT:	2.12	(0.31)
DISNEY:	19.41	(0.97)	AMDOCS:	19.38	(0.07)
GE:	11.35	(1.04)	AMPHENOL:	30.24	(0.26)
HEARST-ARGYLE:	4.66	(0.11)	APPLE:	120.50	(2.92)
ION MEDIA:	1.44	0.00	ARRIS GROUP:	9.27	(0.28)
NEWS CORP:	8.53	(0.84)	AVID TECH:	10.63	(0.37)
MSOS					
CABLEVISION:	15.93	(1.59)	BIGBAND:	5.80	(0.37)
COMCAST:	13.93	(0.55)	BLNDER TONGUE:	0.85	0.00
COMCAST SPCL:	13.12	(0.43)	BROADCOM:	21.79	(1.14)
GCI:	6.97	(0.44)	C-COR:	11.00	0.00
KNOLOGY:	5.38	(0.22)	CISCO:	17.31	(0.68)
LIBERTY CAPITAL:	10.37	(0.63)	CLEARWIRE:	5.33	(0.25)
LIBERTY ENT:	22.85	(0.13)	COMMSCOPE:	18.37	(0.99)
LIBERTY GLOBAL:	16.71	(1.3)	CONCURRENT:	4.15	(0.03)
LIBERTY INT:	4.98	(0.56)	CONVERGYS:	9.37	(0.36)
MEDIACOM:	4.64	(0.44)	CSG SYSTEMS:	14.43	(0.52)
ROGERS COMM:	42.97	0.00	ECHOSTAR:	15.65	(0.82)
SHAW COMM:	14.96	(0.3)	GOOGLE:	379.30	(12.94)
TELEWEST:	24.20	0.00	HARMONIC:	6.26	(0.41)
TIME WARNER CABLE:	27.37	(1.55)	INTEL:	15.00	(0.6)
VIRGIN MEDIA:	6.73	(0.66)	JDSU:	4.68	(0.1)
WASH POST:	407.21	(20.58)	LEVEL 3:	1.10	(0.14)
PROGRAMMING					
CBS:	5.75	(0.95)	MICROSOFT:	18.61	(0.59)
CROWN:	2.64	0.14	MOTOROLA:	5.24	(0.32)
DISCOVERY:	17.67	(0.58)	NDS:	62.93	0.00
EW SCRIPPS:	1.63	(0.3)	OPENTV:	1.50	(0.08)
GRUPO TELEVISA:	15.74	(0.8)	PHILIPS:	16.10	(0.96)
HSN:	6.34	0.03	RENTRAK:	9.97	(0.04)
INTERACTIVE CORP:	16.19	(0.5)	SEACHANGE:	6.26	(0.5)
LIBERTY:	23.61	(1.57)	SONY:	25.70	(0.67)
LODGENET:	1.72	0.02	SPRINT NEXTEL:	3.87	(0.24)
NEW FRONTIER:	1.88	0.06	THOMAS & BETTS:	28.19	(1.7)
OUTDOOR:	7.23	(0.03)	TIVO:	7.47	(0.03)
PLAYBOY:	1.95	(0.12)	TOLLGRADE:	5.48	(0.43)
RHI:	2.79	(0.13)	UNIVERSAL ELEC:	17.94	(1.04)
SCRIPPS INT:	26.05	(1.21)	VONAGE:	0.38	0.00
TIME WARNER:	22.01	(1.21)	YAHOO:	13.66	(0.73)
UNIVISION:	36.23	0.00	TELCOS		
VALUEVISION:	0.70	(0.04)	AT&T:	25.29	(0.66)
VIACOM:	19.78	(1.04)	QWEST:	3.42	(0.12)
WWE:	10.45	(0.54)	VERIZON:	30.93	(0.85)
MARKET INDICES					
TECHNOLOGY			DOW:	7841.73	(289.6)
3COM:	3.67	(0.11)	NASDAQ:	1608.21	(64.86)

ACA's 16th Annual Summit

On April 27-29 in D.C., independent operators will give policymakers a different perspective

Hosted by the American Cable Association Register and review sponsor opportunities at www.acasummit.org

EYE ON ADVERTISING

GMC's Good News

In a time when some networks are hurting for ad support, the **Gospel Music Channel** is living out its mantra of spreading good news. During the past year, GMC has catapulted from 18.5mln to 45mln subscribers and doubled its VOD viewership. Cathy Applefeld Olson sat down with Mary Jeanne Cavanagh, evp, ad sales, to get her insight on how Gospel is working to keep its demanding advertising clients happy.

GMC is on a roll bringing in new high-profile advertisers.

MJC: We now have over 60 national advertisers and have broken key categories. McDonald's just joined us in the first quarter, breaking the QSR category. A lot of the insurance companies are on air, **Disney Theme Parks** and **Verizon Wireless** have joined, and we have automotive. We just finished negotiating another deal with Lincoln.

What's behind the shift? Do you think more viewers are tuning in during these tough economic times, and advertisers are trying to find new places to reach them?

MJC: We offer hope. Our network is about feeling good about yourself, and a lot of clients are seeing value in reaching our audience in an environment that's family-friendly. We did a survey with the Online Testing Exchange (OTX), and almost two-thirds of panelists agreed faith helps them to keep a positive attitude in tough times. And more people are seeking inspirational media. If you look at the TV landscape, there are a lot of programs that aren't positive. But during difficult times, people want something that makes them feel good, and advertisers want to be associated with that. Also, we have 85% original programming, like this Thursday's special "From Idol To Inspiration" that examines the impact of "American Idol" on gospel music, which leads into our P&G-sponsored Dove Awards.



The kinds of deals you are doing with advertisers are also changing. GMC recently ran an interesting ad campaign with Bermuda Tourism.

MJC: The original Bermuda Tourism spots really did not fit with the channel; they were too sexy for us. So we went down there and created three 90-second vignettes where we interviewed the prime minister of travel and had a big performance. Gospel music is a big part of the culture in Bermuda, and they wanted to showcase that.

So there are new things happening, yes, and we have gotten a great reception from our upfront.

GMC conducted a creative upfront this year. Tell us about it.

MJC: Whether it's the Grammys, the Super Bowl or the Presidential Inauguration, gospel music is front and center. So we brought our own gospel star, *Michelle Williams* from Destiny's Child, on the road with us because her roots are in gospel. It was amazing how advertisers embraced her and how they see our network as being younger and hipper than they thought it was. Gospel music and entertainment is a \$7 billion business and is one of the most underserved segments in the nation. Advertisers are realizing the importance of this very loyal audience. We're working to leave multicultural behind and go mainstream.

Which additional advertising categories are still on your wish list?

MJC: We broke QSR, but we want to get more folks out of that category. We also want to expand the retail category to include retailers like Macys, Kohls and Target. Also, we've had some sponsors in beauty, but I want to be able to tie them into shows like the Doves and Stellar Awards and offer some kind of behind the scenes tie-in.

(Longtime entertainment industry reporter Cathy Applefeld Olson is delighted to be documenting media's wild ride into the 21st century).



Awards Breakfast

June 11, 2009
Grand Hyatt • New York, NY
8:30am - 10:30am

Saluting affiliate and ad sales excellence in cable and honoring the Top Agency and Corporate Advertising Executives who Champion Cable Media.

www.cablefaxesalesawards.com

Sales Executive of the Year Awards • Sales Hall of Fame
CableFAX Sweet 16