

CableFAX Daily™

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What the Industry Reads First

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Rehr View: NAB Head Out, NCTA Chief In for 4 More Years

News that **NAB** pres/CEO *David Rehr* is resigning brings up the question of what's going on with that other Republican leading the other big TV industry trade group. We can report that it doesn't look like **NCTA** pres/CEO *Kyle McSarrow* is leaving anytime soon. Late last year, the NCTA board quietly extended his contract through '12, *Cfax* has learned. The extension—and the timing of it—is a strong sign of cable's approval of McSarrow, who joined NCTA in '05. Even with a Democratic White House and Congress, the board still wants McSarrow, who has helped fight off multicast must carry and increased regulation via the 70/70 rule, helming the lobbying group. In fact, McSarrow still had time on his contract, which wasn't set to expire until '10. It also lends some credence to NCTA's argument that cable's policy issues are nonpartisan. Over at NAB though, expect several Democrats to throw their hats in the ring for the million-dollar lobbying job. Rehr, a Republican who came from the **Natl Beer Wholesalers**, plans to continue in his current role during a transition phase. NAB COO/CFO *Janet McGregor* will work closely with him and assume day-to-day duties during an interim period. When *TV Newsday* broke the resignation news, few expressed much surprise given several defeats NAB has suffered since he joined at the end of '05. Despite having *Kevin "Sock it to Cable" Martin* in the **FCC** chmn's seat, NAB failed to push through multicast carriage requirements for operators, and cable thwarted attempts to make dual must carry permanent. Instead, cable proposed a voluntary plan in which ops provided must-carry broadcasters' analog and digital signals for 3 years post transition that the FCC adopted in '07. Perhaps the biggest loss under Rehr's watch was the gov't's OK of the **XM-Sirius** satellite radio merger. But to be fair, Rehr gets some credit for broadcasters having less onerous DTV PSA requirements than were originally floated at the FCC. He also helped put in place funding mechanisms for TV on mobile devices. In announcing his departure, Rehr said NAB's efforts to educate Americans about the DTV transition have been "enormously successful" (a recent NAB poll found that 82% of OTA-only HHs are fully prepared). "In large part due to David's efforts, we have a very solid infrastructure in place," said NAB joint board chmn *Jack Sander*. "Our senior staff members are experienced and extremely talented. Our board of directors and members are a powerful force comprised of the best minds in broadcasting."



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Hallmark Shuffle: In a mid-week surprise, *Henry Schleiff* plans to resign as pres/CEO of **Crown Media** effective May 31. He will be replaced by *William Abbott*, evp, natl ad sales. Word is Schleiff is in discussions with other nets. "It has been both a pleasure and a privilege to work with an organization that has one of the world's great brands and with a group of people who are dedicated to protecting and expanding it," said Schleiff, who the company said expressed a desire to return to his passion of helping smaller cable networks achieve their potential. Schleiff will receive a lump sum payment of \$2.5mln within 10 days of May 31, according to an SEC filing, representing the net present value of the salary and bonus which could have been payable to Schleiff through the expiration of his employment agreement in Oct '10. Abbott's new contract runs through Dec '11 and includes an annual base salary of \$670K.

Inside the Beltway: *Julius Genachowski* is closer to taking the **FCC** chairmanship. The Sen Commerce committee plans to hold a nominations hearing for the ex-**IAC** exec Tues at 11am. His nomination requires Senate approval.

Earnings: Described by **News Corp** chmn/CEO *Rupert Murdoch* as "remarkable growth," the company's cable network programming segment delivered 12% growth in 3Q rev to \$1.42bln and 30% growth in operating income to \$429mln. Helping were **Fox News**, which used increased affil rev to nearly double its op income, **Big Ten Net's** 2nd straight Q of profitability on distribution growth, and ad and affil growth in Latin America and Europe for **Fox Intl Channels**. The segment's ad rev dipped 6%, although Murdoch said volume and pricing are "holding up well." The TV segment posted rev of \$1.28bln (-29%) and op income of \$4mln, down from \$419mln. Of the economy, Murdoch said "the worst is over." -- **RCN's** residential/small business segment delivered 3% growth in 1Q rev to \$144mln, driven by the addition of approx 8K customers and 10K RGUs (+4K video, +15K HSD, -9K voice). ARPU rose a buck to \$110, and digital penetration rose to 91% of video subs, a sequential gain of 4 percentage points. **RCN Metro's** rev of \$144mln showed a 3% gain. -- After the market closed, **Cisco** reported that 3Q net income of \$1.3bln vs \$1.8bln a year ago. Revenue fell 17% to \$8.2bln. Shares were up in after-hours trading, with the tech firm beating analyst estimates.

Fall Drop? 53% of **ACC** members agree or strongly agree they will attend the public affairs group's **Forum** in Denver this fall (Oct 26-28), according to a recent ACC survey. That's good news for those concerned that the **Cable Connections'** fall week might draw small crowds, as ACC exec dir *Steve Jones* tells us that Forum is currently on par with past years or even up slightly. Not surprisingly, the economy factored in for those not planning on attending. 39% reported no budget for travel and 29% reported no budget for registration fees. Of those planning to hit Forum, 28% also plan to register for **CTAM's Summit**, 13% plan on attending the **Kaitz** dinner and 10% expect to register for **NAMIC's** annual conference. Twitterellas take note: social media & cable communications was by far the most popular topic, selected by more than 52% of respondents. That's 20 points higher than the next highest response.

Deals: **Time Warner Cable** and **HDNet** continue negotiate for a long-term carriage agreement (*Cfax*, 3/31). Some markets, including Buffalo, are opting to drop the net. Buffalo will remove **HDNet** and **HDNet Movies** from the HD Premium Tier and add **Smithsonian HD** and **RFD HD**. Meanwhile, Charlotte, NC, is actually broadening the nets' distribution on May 28, moving them from the HD Plus Tier to the Free HD service. "We regularly make these changes to better meet our customer's needs," a TWC rep said. "Carriage decisions on HDNet and HDNet movies were made locally and were based on a number of factors, like cost and customer feedback. Many areas will continue to carry the channels." -- **CBC Broadband Holdings** completed the acquisition of **Champion Broadband CA**. Champion operates video franchises

CableFAX Daily will publish a special supplemental Mid-Day Report, June 11, profiling the winners of the Sales Executive of the Year Awards and the Sweet 16—with special mention of the 2009 Hall of Fame Inductees. For event information and list of Honorees go to: www.CableFAX.com/SEOY.

A Generous Distribution of the Mid-Day Report Will Include:

- Printed copies at the event for all attendees • CableFAX Daily Subscribers
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BUSINESS & FINANCE

in Arcadia and Monrovia, CA. Specifics weren't disclosed. CBC obtained equity funding from **Greenwoods Capital** and **Scorpion Capital**. **RBC Daniels** acted as financial adviser to Champion in the transaction.

Competition: **ATT.net** added a mobile feature letting customers push content from the site to their handsets, including links to the mobile versions of **ESPN.com**, **Fandango.com**, **Facebook** and **MySpace**. -- **Sinclair** reported an 8% increase in 1Q retrans rev to \$21.1mln and dips of 18.3% and 31.3%, respectively, in local and natl ad rev.

People: **BBC Worldwide** hired **Time Warner Cable** exec **Kristina Song** as svp, network sales and distribution strategy; she'll oversee affil sales/marketing for BBC America, BBC World News and other BBC nets in the US in conjunction with Discovery. -- **TLC** named **Tom Carr** svp, strategic marketing. -- **Comcast Sports Group** tapped **Eric Grilly** as evp/chief digital officer.

Business/Finance: **Tribune Co's** planned \$900mln sale of the **Chicago Cubs**, **Wrigley Field**, and a 25% stake in **Comcast SportsNet Chicago** to **Thomas Ricketts** has been delayed again, according to reports. The parties had wanted to complete the deal before the start of the **MLB** season, and then prior to the league owners' meeting May 20-21, but Ricketts is reportedly having trouble securing financing amid a choked credit market. The deal is still expected to close at some point.

CableFAX Daily Stockwatch

Company	05/06 Close	1-Day Ch	Company	05/06 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/			AMPHENOL:	33.90	(0.37)
BRITISH SKY:	29.84	1.29	APPLE:	132.50	(0.21)
DIRECTV:	24.33	0.73	ARRIS GROUP:	10.75	(0.06)
DISH:	15.12	0.07	AVID TECH:	12.37	0.09
DISNEY:	25.87	2.72	BIGBAND:	5.61	(1.21)
GE:	13.67	0.57	BLNDER TONGUE:	1.21	(0.04)
HEARST-ARGYLE:	4.52	0.02	BROADCOM:	24.60	0.40
NEWS CORP:	10.65	0.63	CISCO:	19.61	(0.02)
MSOS					
CABLEVISION:	18.33	0.29	CLEARWIRE:	6.15	0.30
COMCAST:	16.00	(0.25)	COMMSCOPE:	26.56	0.14
COMCAST SPCL:	14.99	(0.21)	CONCURRENT:	4.47	(0.01)
GCI:	7.65	0.10	CONVERGYS:	10.10	(0.1)
KNOLOGY:	7.69	0.10	CSG SYSTEMS:	14.00	(0.06)
LIBERTY CAPITAL:	13.78	(0.24)	ECHOSTAR:	17.46	0.38
LIBERTY ENT:	25.85	0.84	GOOGLE:	403.47	0.48
LIBERTY GLOBAL:	16.98	(1.32)	HARMONIC:	6.00	(0.05)
LIBERTY INT:	6.82	0.09	INTEL:	16.12	(0.04)
MEDIACOM:	5.75	(0.14)	JDSU:	5.19	0.10
SHAW COMM:	16.43	(0.21)	LEVEL 3:	1.18	0.06
TIME WARNER CABLE:	33.71	(0.37)	MICROSOFT:	19.79	0.00
VIRGIN MEDIA:	7.81	(0.06)	MOTOROLA:	6.31	0.44
WASH POST:	344.72	4.97	NDS:	62.93	0.00
PROGRAMMING					
CBS:	7.98	0.65	OPENTV:	1.47	(0.01)
CROWN:	3.13	(0.07)	PHILIPS:	19.89	0.34
DISCOVERY:	21.00	(0.25)	RENTRAK:	10.00	(0.01)
EW SCRIPPS:	1.81	0.06	SEACHANGE:	6.53	0.15
GRUPO TELEVISA:	17.84	0.75	SONY:	27.74	0.49
HSN:	7.20	0.30	SPRINT NEXTEL:	5.36	0.01
INTERACTIVE CORP:	15.97	(0.06)	THOMAS & BETTS:	32.25	(0.19)
LIBERTY:	27.89	1.19	TIVO:	7.65	0.01
LODGENET:	4.44	0.05	TOLLGRADE:	5.52	(0.02)
NEW FRONTIER:	2.06	0.01	UNIVERSAL ELEC:	19.98	0.57
OUTDOOR:	7.49	0.03	VONAGE:	0.48	0.08
PLAYBOY:	3.35	0.10	YAHOO:	14.85	0.11
RHI:	3.38	0.02	TELCOS		
SCRIPPS INT:	30.29	0.39	AT&T:	26.69	0.19
TIME WARNER:	24.96	0.62	QWEST:	4.52	(0.34)
VALUEVISION:	0.68	0.00	VERIZON:	30.76	0.13
VIACOM:	23.12	1.38	MARKET INDICES		
WWE:	11.72	0.25	DOW:	8512.28	101.63
TECHNOLOGY					
3COM:	4.05	(0.06)	NASDAQ:	1759.10	4.98
ADC:	8.01	(0.23)			
ADVANTAGE:	1.83	0.00			
ALCATEL LUCENT:	2.80	0.12			
AMDOCS:	21.67	0.15			



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Entry Form
Entry Deadline: May 15, 2009

MSO AWARDS

- MSO of the Year
- Best Community Service (By An Individual System)
- Best Tech Innovation or Innovator (By Individual System or System-Wide)
- Best Customer Service Innovation (By An Individual System or MSO-Wide)
- Best Commercial Sales Team of the Year
- Project Launch of the Year (could be in sales, technology, community service, customer service, employee relations or anything else; the project must have been launched in calendar year 2008)
- Regional Executive of the Year
- Lifetime Achievement

INDEPENDENT OPERATOR AWARDS

- Independent Operator of the Year
- Marketer of the Year
- System Executive of the Year
- Strategic Thinker of the Year
- Best Community Service
- Customer Service Innovation or Innovator
- Project Launch of the Year
- Lifetime Achievement

Category details available at
www.CableFAX.com/TopOps

How To Enter: There is no fee to enter. Use this form or visit www.CableFAX.com/TopOps for entry form copies, additional category information, and to view the 2008 Winners. Fax or Mail your entries and supporting materials by May 15, 2009 to:

Fax: 301-309-3847 or Mail Entries to:
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What to Enter: You should submit an essay of not longer than 500 words explaining, with as much specificity as possible, why the candidate or team should be considered. You can supplement your essay with news clips, photos or other materials. When submitting multiple entries please use a separate entry form for each.

Category: _____
Title of Entry: _____
Company: _____

Contact Information *(All Required)*

Name: _____
Company or Agency/Title: _____
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Winners will be honored in the July 2009 issue of CableFAX: The Magazine Top Operators Issue

