

CableFAX Daily™

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What the Industry Reads First

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HD Release: After Months of Talks, TWC Says It's Dropping HDNet

We told you months ago that it looked like a carriage dispute was brewing between **Time Warner Cable** and **HDNet** (*Cfax*, 3/31), and now it has come to fruition. For awhile, it looked like the two may have been able to work something out. Earlier this month, only a few markets had announced that they would drop HDNet and **HDNet Movies**, but things changed course at the end of last week. Now TWC says all divisions will drop the channels on or before May 31. No one's saying exactly what the problem is, but we have to wonder if the sticking point is that age-old favorite: distribution. Before Time Warner Cable's change of course, the Charlotte, NC, division had announced on its Website that it would actually broaden both nets' distribution this month, moving them from the HD Plus Tier to the free HD service on digital (*Cfax*, 5/7). It seems likely that HDNet was pushing for similar treatment across TWC's 15mln sub footprint. The impasse is interesting because Time Warner was one of the 1st operators to launch the service at the start of the decade. A TWC spokeswoman cited "limited appeal for the programming" as a reason for the drop. "In a world with more than 100 HD channels, being in HD format is just not enough," she said, noting that the MSO would launch additional high-def channels such as **Smithsonian HD**, **Mav TV HD** and **RFD HD** in their places. HDNet's *Mark Cuban*, who after years of negotiations finally reached a deal with **Comcast** late last year, declined to comment on what he described as "ongoing" negotiations. But he took issue with the notion that his programming was limited in appeal. "I could go on and on about the unique aspects of our programming," he said in an email. "How we are not a cookie cutter network like those from the big media conglomerates; how our viewers love us; how they do business with providers specifically to get our programming. But she and Time Warner obviously don't pay attention to those types of things." He also brought up HDNet's exclusive sneak peek programming, noting that *Steven Soderbergh's* latest movie "The Girlfriend Experience" will premiere on HDNet Movies Wed before its theatrical premiere. Time Warner Cable recently dropped VOD net **FearNet** from its systems (*Cfax*, 4/8).

Game On? Nobody's talking on the record, but the only thing holding up a deal between **Comcast** and **NFL Net** at this point may be the **NFL's** negotiations with **CBS** and **Fox** over extending their TV contracts. Any day now, an announcement is expected that Comcast will move NFL Net back to digital from the sports tier it relegated it to in '07, sources say. NFL is reportedly seeking the permission of **CBS** and **Fox** to make its **Red Zone Channel**, which shows live clips during the league's Sun afternoon games, to cable ops, reported *Sports Business Journal*, which broke the news of the Comcast-NFL deal over the weekend. SBJ reports that the league significantly dropped its 70/cents per sub license fee. Neither side is commenting on reports. Last month, Comcast CEO *Brian Roberts* said that if NFL Net dropped its price to the 25 cents/sub ballpark, the MSO would give it broader distribution. Should the deal come to fruition, the NFL will withdraw the FCC carriage complaint it filed against Comcast (an ALJ heard it last month) and presumably the pending litigation between the 2 in NY also would go away.

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



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Deals: VOD firm **TVN Ent** and IPTV content aggregator/provider **Avail Media** announced merger plans, with **NRTC** 1 of 5 investors to back the deal. The combined entity will become the largest independent provider of end-to-end content aggregation, management, and service offerings, and counts more than 200 content partners reaching more than 46mln homes and 120mln consumers. Expanded services will include broadband video, targeted ads and interactive apps. "This investment confirms our belief in IPTV and our commitment to help our rural Telco members succeed," said NRTC pres/CEO *Bob Phillips*. Last month, the org invested in WIMAX distributor **DigitalBridge Comm**.

At the Portals: **CEA** isn't the only one opposing set-top integration ban waivers. **Cox** has stepped in to tell the FCC that it does not support the Lafayette City Parish's request to waive rules requiring operators to deploy only boxes with separable security for its municipally-owned cable system. In a filing at the **FCC**, Cox LA complains that the city's request is "unlimited in scope and duration." The municipal system, **Lafayette Utilities System**, launched in Jan of this year and offers 88 analog and 300 digital channels to residents of Cox's franchise area in the city of Lafayette. Cox argues that its competitor also shouldn't be granted a waiver because it hasn't committed to going all-digital nor has it requested a limited IPTV waiver as **Verizon** once had for HD and DVR boxes. -- Testimony was expected to begin Tues in **MASN's** program carriage complaint against **Comcast**. The spat will be before the same administrative law judge, *Richard Sippel*, who heard **NFL Net's** complaint against Comcast and **Wealth TV's** complaints against Comcast, **Cox**, **Bright House** and **Time Warner Cable**. Unlike the other cases, MASN's dispute is much more centralized, focusing on whether Comcast is compelled to launch the RSN in Harrisburg, PA, and Roanoke/Lynchburg, VA. The MSO carries its own **Comcast Sports Net** in both markets.

Persuasive Dollars: Several cable-related players in the TV/Movies/Music industry dramatically increased their lobbying spend last year versus '07, including **Viacom** (+113%) and **Comcast** (+43%). This according to data from the **Center for Responsive Politics**. And, for many the outlay so far in '09 portends another annual uptick. Comcast spent \$12.5mln lobbying in '08, more than any other entity in the industry save for **NCTA** (\$14.4mln, +11%)—even more than **NAB** (\$11.4mln, +29%). Based on 1Q tallies, the MSO has already spent \$2.8mln lobbying this year. **ACA** in 1Q spent \$110K (over \$410K total in '08), **Bright House** \$50K (\$160K), **Charter** \$380K (\$630K), **Discovery Comm** \$220K (\$380K), **DISH** \$330K (\$760K), **ION Media Nets** \$90K (\$100K), **DirecTV Group** \$530K (\$1.97mln) and **Time Warner Cable** \$270K (\$250K).

Advertising/Marketing: **Bid4Spots.com** bowed an online marketplace for local cable TV advertising, following a similar radio initiative with plans to offer discounted airtime for the following cable broadcast week. Beginning Jun 11, the site will offer each Thurs a reverse auction through which cable systems can compete for the business of advertisers who have made known their intentions to purchase ad time. -- **WE tv** and **Meredith** inked a cross promotion initiative whereby Mer-

VOD GAME CHANGER

HDNet's exclusive release of major motion pictures with A-list talent available on VOD BEFORE THEY'RE IN THEATERS is taking the industry by storm.

The time has never been better to offer your subscribers this unique and compelling opportunity. As the economy pushes consumers to stay at home for entertainment, only HDNet lets your subscribers enjoy Big Movies. Big Stars. No Lines.

The Girlfriend Experience Now on VOD
Exclusive Sneak Previews Every Month
Only thru HDNet Ultra VOD

HDNet Movies Premiere Tomorrow Night 8PM ET

Call Bill Padalino at 973-835-3780 or bpadalino@hd.net to add HDNet and HDNet Movies to your HD line-up today.

"SASHA GREY'S PERFORMANCE IS TOTALLY CAPTIVATING and Soderbergh makes her prettiness devastating."

- Ross McCammon, Esquire

HDNET MOVIES
SNEAKPREVIEW

BUSINESS & FINANCE

edith pubs including *Parents*, *Family Circle* and *Ladies' Home Journal* will feature in-book editorial coverage and online promotions of net series such as "Raising Sextuplets" and "The Locator." **WEtv.com** will feature content from the mags.

Programming: Love him or hate him, *Tony Kornheiser* is leaving **ESPN's** "MNF" after 3 seasons, citing an acute fear of flying that would have been greatly tested during the upcoming season. Incoming is Super Bowl-winning coach *Jon Gruden*, who joins *Mike Tirico* and *Ron Jaworski* beginning Aug 13 for a preseason game.

People: **Discovery Comm** appointed *Jennifer Iras* vp, affil and natl accounts marketing. -- Former **DISH** pres *Carl Vogel* has joined **SCP Worldwide** as a Denver-based partner; he will seek investment opportunities. -- **OWN: The Oprah Winfrey Net** tapped **FSN's** *Doug Levy* as vp, ops. -- **Playboy Ent** svp, PR *Lauren Melone* joins **Fuse** as vp, public relations. -- **MTV/VH1 Latin America's** *José Tillán* was named gm, evp of **MTV TR3S**.

Business/Finance: **Barclays** analyst *Anthony DiClemente* upped to "neutral" from "negative" his ent sector rating, citing undervalued cable business models and an expected ad market recovery in '10 and '11. **Viacom** and **CBS** received upgrades. -- **Time Warner** completed its \$242mln investment in **Central European Media Enterprises**, earning 19mln newly issued shares of the company.

CableFAX Daily Stockwatch

Company	05/18 Close	1-Day Ch	Company	05/18 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	29.16	0.97	AMPHENOL:	32.89	1.09
DIRECTV:	24.88	0.65	APPLE:	126.65	4.23
DISH:	17.34	1.63	ARRIS GROUP:	10.83	0.53
DISNEY:	24.21	0.80	AVID TECH:	12.87	0.52
GE:	13.47	0.61	BIGBAND:	5.25	0.12
HEARST-ARGYLE:	4.47	(0.02)	BLNDER TONGUE:	1.66	0.10
NEWS CORP:	10.53	0.57	BROADCOM:	21.73	0.90
MSOS					
CABLEVISION:	19.65	1.38	CISCO:	18.72	0.80
COMCAST:	15.16	0.74	CLEARWIRE:	4.77	0.18
COMCAST SPCL:	14.18	0.68	COMMSCOPE:	24.04	1.23
GCI:	7.29	0.30	CONCURRENT:	4.56	0.23
KNOLOGY:	8.30	0.64	CONVERGYS:	9.50	0.30
LIBERTY CAPITAL:	13.61	0.85	CSG SYSTEMS:	13.39	0.19
LIBERTY ENT:	25.00	1.08	ECHOSTAR:	16.48	0.38
LIBERTY GLOBAL:	15.72	1.26	GOOGLE:	396.84	6.84
LIBERTY INT:	5.89	0.42	HARMONIC:	5.21	0.05
MEDIACOM:	5.74	0.46	INTEL:	15.52	0.33
SHAW COMM:	16.33	0.40	JDSU:	4.92	0.23
TIME WARNER CABLE:	32.30	1.29	LEVEL 3:	1.07	0.02
VIRGIN MEDIA:	7.53	0.62	MICROSOFT:	20.60	0.38
WASH POST:	376.19	17.48	MOTOROLA:	6.15	0.24
PROGRAMMING					
CBS:	7.32	0.62	NDS:	62.93	0.00
CROWN:	3.05	0.07	OPENTV:	1.54	0.00
DISCOVERY:	20.06	0.77	PHILIPS:	19.38	0.76
EW SCRIPPS:	1.87	0.19	RENTRAK:	10.37	0.02
GRUPO TELEVISA:	17.57	0.64	SEACHANGE:	6.62	0.37
HSN:	9.00	0.17	SONY:	26.23	(0.25)
INTERACTIVE CORP:	15.27	0.32	SPRINT NEXTEL:	5.32	0.27
LIBERTY:	26.88	1.67	THOMAS & BETTS:	31.71	1.49
LODGENET:	5.20	0.41	TIVO:	7.63	0.13
NEW FRONTIER:	2.10	0.11	TOLLGRADE:	5.34	0.25
OUTDOOR:	7.39	(0.11)	UNIVERSAL ELEC:	20.33	0.24
PLAYBOY:	2.77	0.11	VONAGE:	0.49	0.02
RHI:	3.39	0.20	YAHOO:	15.17	0.26
SCRIPPS INT:	28.43	0.96	TELCOS		
TIME WARNER:	24.88	1.36	AT&T:	24.59	(0.29)
VALUEVISION:	0.70	0.05	QWEST:	4.36	0.27
VIACOM:	22.67	1.02	VERIZON:	29.70	0.09
WWE:	11.85	0.56	MARKET INDICES		
TECHNOLOGY					
3COM:	4.24	0.12	DOW:	8504.08	235.44
ADC:	7.27	0.62	NASDAQ:	1732.36	52.22
ADVANTAGE:	1.65	0.00			
ALCATEL LUCENT:	2.30	0.08			
AMDOCS:	21.31	0.77			

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EYE ON ADVERTISING

Ford Tough Advertising

Like its automotive brethren, **Ford Motor Co** lately has had to step on the advertising brakes. Eric Peterson, Ford Truck/SUV communications manager, tells Cathy Applefeld Olson what it's like launching a new model, the revamped F-150, in today's climate and how cable helps the company reach its consumers at their "passion points."

Ford's TV spend is down an estimated 20%-25%. Where does it make sense to buy these days?

EP: Advertising spending in general is down, yes, so we have to be smarter about where we put our money. The nice part about truck advertising is we know the passion points of our consumer. So we still do a lot of sports advertising, but just not every single bit of sports. NFL Football has been great. It's a matter of knowing where our customer is, and buying where they're engaged, especially with a new introduction.

How has Ford's message changed and how are you bringing that message to television viewers?

EP: There's been a shift in the car business in general to be focusing on the fuel economy, and with a truck, that's an interesting thing to talk about. Maybe in the past that message was not as relevant to truck customers, but we are focusing on it now along with things that are traditionally important to truckers. It's on everybody's mind, and that's a good thing for us with the F-150.

Aside from sports, what are other key niches?

EP: Sports, health and fitness, home improvement. Country music is another big thing with us. The overall brand we have with "Extreme Makeover: Home Edition" is a great one.

Ford and ABC's "Extreme Makeover: Home Edition" will award a "community hero" a F-150 truck and \$250,000 to make over a portion of his or her town.

EP: It shows the truck being used authentically. And not only does Ford have an ad spot during the show, but it is

encouraging people to use a truck to build or rebuild, and that integrates nicely with our F-150 series as the tool that's used to help build America.

How does cable fit into the picture these days?

EP: We've done a lot with **ESPN** both on television and online. When they relaunched their web site this past January, we had an integration with them that featured *Mike Rowe*. It was not a page takeover per se, but Ford was clearly bringing you the new ESPN site with [footage of] a truck driving out and splashing mud on the anchor. We are trying to look for unique ways to stand out like that. Instead of focusing on being in a lot of places, we want unique alliances and partnerships—and that's where we would look first to cable. We've done "Professional Bull Riders" [on **Versus**] or several years. It's hugely relevant

for our consumer. If you go to a monster jam event, that's where many core truck customers are. We get involved with on-site activation, sponsorships and traditional advertising. On **Speed** we are involved with things like NASCAR, another huge passion point for us. Mike Rowe works with us on vehicle demonstrations and on the Web, and a lot of the advertising we've done with **Discovery** has to do with Mike Rowe since he does "Dirty Jobs."

You mentioned the Internet tie-ins with ESPN...

EP: In particular with truck customers, there are so many details people want to find out. So we are trying to drive them to our site with rich content. We put some head-to-head comparisons online where they can compare the F-150 to any competitor under different durability tests. It's been quite a good way to show differentiation.

Is Ford embracing any of the nascent advanced advertising opportunities such as telescoping?

EP: Potentially. There is still the need to have the reach that a regular spot ad provides, but we are making sure—especially when we have new introductions—they are able to dial down, too.



June 11, 2009 • Grand Hyatt, New York City

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