5 Pages Today

CableFAX Daily...

Friday - May 22, 2009

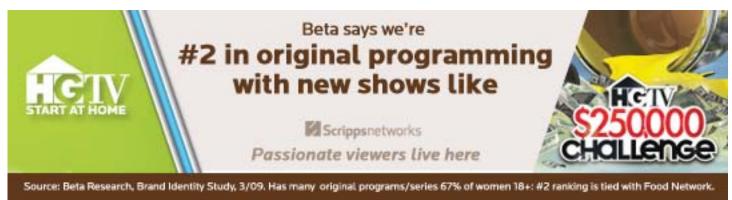
What the Industry Reads First

Volume 20 / No. 097

Competition Report: Integration Ban, Retrans & Other Familiar Ground

NCTA told the FCC that the set-top integration ban has led to "perverse results." As part of its 14th annual video competition report to Congress, the Commission seeks comment on the ban, which prevents operators from deploying set-tops with integrated security (basically meaning they must deploy CableCARD-enabled boxes). "In order to insure the 'common reliance' operation of 420K CableCARD-enabled retail devices, the cable industry has deployed more than 12.35mln operator-supplied set-top boxes with CableCARDs," NCTA said in comments filed late Wed. "The requirement does not make sense, especially because consumer electronics companies are not obligated to deploy CableCARD devices." Instead, the trade group pushed its 2-way agreement, which requires that 20% of MSOs' new, interactive STBs use tru2way until there are 10mln such boxes in aggregate in market. NCTA's filing also rehashes familiar arguments: video competition unquestionably exists, particularly with the onslaught of Internet video, and vertical integration is no longer a meaningful issue (especially following **Time Warner Cable**'s spinoff from **Time Warner**). NCTA referred to mandates such as rate regulation and program access from the '92 Cable Act as "relics of a bygone era." ACA traveled a well-worn path with its comments, calling again for retrans reform. The expected average payment in retrans fees to all broadcasters reported by ACA members surveyed was \$117,392 in '09—up 271% from \$31,622 in '08, the group said, citing a study conducted for it by Clarus Research. 88% of ACA members reported that they have already or plan to increase basic cable rates because of new retrans deals. Interestingly, **DirecTV** offered some support. "It does not serve the American public if broadcasters are allowed the unfettered ability to raise rates without any correlating benefit to consumers in the form of improved local content," the DBS player said in its own filing. "Thus, the Commission should consider measures to ensure that broadcast programming (1) is available at a reasonable price and without interruption, and (2) includes sufficient local content to justify carriage." DirecTV also reiterated its complaints about access to cable affiliated programming, specifically asking for the appeal of the terrestrial exemption that allows cable to withhold terrestrially delivered nets from rivals. Verizon made a similar plea, pointing to Cablevision putting satellite delivered MSG's HD feed on fiber. "The cable incumbents' attempt to evade the rules in this way is a transparent effort to handicap competitive providers and denies consumers the ability to take full advantage of the HD capabilities of their televisions," Verizon said. The FCC's last video competition report in '06 wasn't released until Jan of this year. Therefore, it's combining 3 years of reports into 1 this time.

Mosley's Sprint: After 8+ years as pres/CEO of WICT, Benita Fitzgerald Mosley will leave at the end of June to join USA Track & Field in the new position as chief of sports performance. The move makes sense not only because of her '84 Olympic gold medal victory in the 100m hurdles, but because she was a member of the independent panel that put together a critical report of the US track field team's performance after the '08 Summer Games in Beijing. During her tenure, Mosley shepherded in WICT's PAR Survey, which examines pay equity, advancement and resources for work/life (fyi, this year's surveys are due June 5). "The PAR initiative really was one of those seminal ideas that came about in my 1st







Thursday, June 11, 2009

8:30 - 10:30 a.m. Grand Hyatt, New York City

Event Registration: www.CableFAX.com/SEOY

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- Janice Arouh Hallmark Channel
- Bridget Baker NBC Universal
- Sean Bratches ESPN
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- Joan Gillman Time Warner Cable
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- David Kline Cablevision
- Walter Oden MTV Networks
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Affiliate Sales Person of the Year – VP and Above – Large Networks

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Rebecca Glashow - Discovery Communications

Mary Murano - NBC Universal Mark Quinn - Scripps Networks Garrett P. Smith - Comcast Networks

Affiliate Sales Person of the Year – Mid-Size

Randy Brown - Outdoor Channel Michelle Rice - TV One

Keno Thomas - Starz Entertainment

Affiliate Sales Person of the Year – Emerging

Betsy Brightman - Retirement Living TV Wyatt Harris - CBS College Sports Mark Kang - The Sportsman Channel Nancy Pingitore - Tennis Channel

Affiliate Sales Team of the Year – Mid-Size and Large

Discovery Communications Lifetime Outdoor Channel Rainbow Media

Affiliate Sales Team of the Year – Emerging

CBS College Sports Gospel Music Channel Retirement Living TV The Sportsman Channel

Brand Integration Team of the Year

ESPN Food Network NBC Universal

Starz Entertainment

Most Creative Sales Pitch

Discovery Communications - Upfront ESPN - Upfront Sunflower Broadband - Just Blow it Up

Rookie of the Year

Tommy Bullough - Retirement Living TV Zachary Reeves - Charter Communications

Sales Person of the Year – VP and Above – Local Ad Sales

Fran Mallace - Cox Media Ted White - Bresnan Communications

Sales Person of the Year - VP and Above - National Ad Sales

Gig Barton - Retirement Living TV Carol Hinnant - Rentrak Susan Malfa - Bravo Kevin McAuliffe - NBC Universal Roy Seinfeld - Big Ten Network

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Hallmark Channel Scripps Networks

Sales Team of the Year – Local Ad Sales

Cablevision
Comcast Spotlight
Cox Communications
Sunflower Broadband Cable
Advertising

Time Warner Cable

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Valerie Kravitz- Coca-Cola North America
Tia Lang - Burger King
Nancy Larkin - Horizon Media
Scott Lee - MediaVest/Publicis Media Groupe
Kris Magel - Initiative
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Rob Master - Unilever
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For all of your advertisement and sponsorship opportunities contact:

Debbie Vodenos, Publisher 301-354-1695; dvodenos@accessintel.com

Erica Gottlieb, Account Manager 212-621-4612; egottlieb@accessintel.com

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month or 2 on the job that we really needed to have to progress," Mosley told us when we asked about how she left her stamp on the organization. "It's become a model for other organizations in other industries." Mosley said that with many of WICT's leadership programs being somewhat industry neutral, she would like to participate in a few. *Parthavi Das*, WICT's svp, strategy & initiatives, was named interim leader for WICT. *Jennifer Dangar*, **Discovery** svp, distribution and immediate past chair of WICT, will lead the search committee for Mosley's successor. "We are proud of Benita for taking on new challenges at USA Track & Field but will miss her energy and leadership," **NCTA** head *Kyle McSlarrow* said. "Our entire industry owes her a debt of gratitude for her dedication to advancing the careers and aspirations of women in our industry."

Customer Care: Perhaps cable has truly turned the corner in servicing customers. After the Univ of Mi's **American Customer Satisfaction Index** featured notable improvement for **Comcast** and **Cox**, a new **Leichtman Research** study found that 62% of cable subs are very satisfied with their MSO, while 66% of satellite subs feel the same way about their DBS op. Sure, a gap still exists, but *Bruce Leichtman* said the difference is not statistically significant for the 1st time, and in fact has narrowed over the past several years. In '04, the corresponding percentages were 53% for cable and 70% for satellite. Bundles appear to help, as 66% of bundled cable subs are very satisfied while just 55% of video-only subs share the feeling. Based on a relatively small sample, 72% of telco subs are very satisfied with their provider.

<u>Competition</u>: **DISH** added **Fuel TV** to its Classic Gold 250 programming package. -- **DirecTV** serves more than 350 hours of interactive **French Open** coverage beginning Sun. Nearly half of all viewers of the DBS op's Australian Open coverage in Jan used a similar interactive app, and avg daily viewing time was more than 95% percent higher among app users. -- **AT&T U-verse** services are now available to more than 1mln homes in MI.

In the States: WWE's streak of weekly "Monday Night RAW" telecasts on USA continues, as Vince McMahon said Thurs that the Staples Center in L.A. replaces Denver's Pepsi Center as the show's Mon venue. Pepsi Center had double-booked a NBA Playoff game and wrestling, and wanted to maintain the Nuggets schedule even as WWE had sold more than 80% of available tix as of Tues. Ticket holders will be reimbursed, and WWE will return to Denver for an Aug event—at the Denver Coliseum. Shockingly, McMahon's attempt to settle the dispute through a steel-cage match with Nuggets owner Stan Kroenke failed. -- Comcast-Charter Sports SE inked a 5-yr deal with ESPN for live SEC contests beginning later this year.

<u>VOD</u>: Comcast joined forces with the CT State Police to launch Police Blotter On Demand, which the pair hopes will help locate fugitives responsible for some of the state's unsolved crimes.

Ratings: ESPN's coverage of the Nuggets-Lakers series 1st game garnered 8.09mln total viewers to become the net's most-viewed basketball game ever, usurping the record set last week by a Lakers-Rockets contest.

<u>Programming:</u> ESPN's live coverage of the UEFA Champions League Final (Wed) will reach 169mln HHs in 115 countries and territories. -- Cartoon Net kicks off 4 new live-action series next month, including reality-adventure series "The Othersiders" (Jun 17) and "BrainRush" (Jun 20), a game show that takes place on a roller coaster. -- Sprout rolls out The Wiggles Aug 24, when the preschool entertainers begin hosting a 3-hr morning show block on the net. -- C-SPAN examines the \$787bln economic stimulus bill next week. Special guests for "Washington Journal" include William Corr, HHS dep sec (Fri). Reps from the White House, state govts and watchdog groups will discuss the programs receiving funds during a primetime call-in show, Thurs, 8pm ET. The net's also launched a stimulus-palooza at C-SPAN.org/stimulus.

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CableFAX Daily...

BUSINESS & FINANCE

Honors: On Jun 3 at this year's Gracie Awards Gala, MTVN chmn/CEO Judy McGrath will receive the '09 Foundation of AWRT Achievement Award in recognition of her electronic media successes. Style Net's Niecy Nash hosts the NYC event.

On the Circuit: The deadline to register for CTHRA's '09 Human Capital Metrics Survey is June 19. Employers should contact Pamela Williams, 640.416.1166 ext. 23 or pwilliams@wmrhq.com. In today's tough economy, the survey gives companies the opportunity to scrutinize their practices vs other industry employers.

Editor's Note: Your next issue of CableFAX will be dated Tues, May 26 in observance of Memorial Day.

Business/Finance: DirecTV's largest MDU partner Multiband reported 1Q rev of \$62mln, a sequential increase of 340% and 989% YOY. CEO James Mandel cited strong DBS growth and said a "major RBOC" will use the company as exclusive MDU service provider. -- Fitch affirmed the 'BBB' Issuer Default Rating for Time Warner Cable, saying the MSO's "liquidity position and overall financial flexibility are strong and are supported by expected free cash flow generation." -- Moody's gave Bresnan a B2 corp family rating with a stable outlook, forecasting \$25mln in positive free cash flow in fiscal 2009 "as EBITDA levels grow and both interest expense and capital expenditures decline." -- Time Warner will reportedly bid \$33mln for Midway Games.

Ca	bleFAX	Dail
Company	05/21	1-Day
	Close	Ch
BROADCASTERS/DB		
BRITISH SKY:		
DIRECTV:	23.74	(0.61)
DISH:		
DISNEY:		
HEARST-ARGYLE:		
NEWS CORP:		
		, ,
MSOS		
CABLEVISION:		
COMCAST SPOL:		
COMCAST SPCL:		
KNOLOGY:		
LIBERTY CAPITAL:	13.15	(0.09)
LIBERTY ENT:	23.83	(0.33)
LIBERTY GLOBAL:	14.74	(0.72)
LIBERTY INT:	5.67	(0.34)
MEDIACOM:	6.16	0.02
SHAW COMM: TIME WARNER CABLE	16.65	(0.01)
VIRGIN MEDIA:	=:32.49 7 27	(0.76)
WASH POST:		
		,
PROGRAMMING		
CBS:		
CROWN:		
DISCOVERY:		
GRUPO TELEVISA:	1.77 17 25	(0.09)
HSN:	10.49	0.50
INTERACTIVE CORP:	15.39	(0.17)
LIBERTY:	25.74	(0.32)
LODGENET:	5.42	0.08
NEW FRONTIER:	2.10	(0.04)
OUTDOOR:	6.69	(0.05)
RHI:		
SCRIPPS INT:	3.23 27 78	(1.01)
TIME WARNER:		
VALUEVISION:		
VIACOM:	22.05	(0.36)
WWE:	11.91	0.17
TEOLINOL COV		
TECHNOLOGY 3COM:	A 11	(0.1)
ADC:		
ADDVANTAGE:	1.85	0.13
ALCATEL LUCENT:	2.45	(0.03)
AMDOCS:		

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Company	05/21	1-Day		
	Close	Ch		
AMPHENOL:	32.01	(1.53)		
APPLE:	124.18	(1.69)		
ARRIS GROUP:				
AVID TECH:	13.11	(0.23)		
BIGBAND:	5.03	0.00		
BLNDER TONGUE:	1.67	(0.01)		
BROADCOM:	22.04	(0.5)		
CISCO:				
CLEARWIRE:				
COMMSCOPE:				
CONCURRENT:				
CONVERGYS:				
CSG SYSTEMS:				
ECHOSTAR:				
GOOGLE:				
HARMONIC:	5.17	(0.17)		
INTEL:	15.18	(0.4)		
JDSU:				
LEVEL 3:				
MICROSOFT:	19.82	(0.56)		
MOTOROLA:	5.89	(0.2)		
NDS:				
OPENTV:				
PHILIPS:				
RENTRAK:				
SEACHANGE:				
SONY:	25.78	(0.33)		
SPRINT NEXTEL:				
THOMAS & BETTS:				
TIVO:	7.05	(0.22)		
TOLLGRADE:	5.09	(0.16)		
UNIVERSAL ELEC:	19.99	(0.15)		
VONAGE:YAHOO:		(0.04)		
YAHOO:	14.87	(0.09)		
TELCOS				
AT&T:	23.67	(0.46)		
QWEST:	4.07	(0.15)		
VERIZON:				
MARKET INDICES				
DOW:	8202 13	(129 01)		
NASDAQ:				
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CableFAX Daily...
WHAT THE
INDUSTRY
READS FIRST.

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Boob Tube

Don't be shocked if the near future holds a substantial turnover in the CableFAX team. No, we're not disgruntled, and we're handling the difficult economy relatively well, thank you. But given some genre surfeit on TV today and the mostly chaff rolling out on broadcast TV this fall, we may head to L.A. to write pilots. Certainly cable has some questionable new shows on tap, but the forthcoming schedules of all 4 broadcast nets appear wispy, uninventive and about as compelling as a Somali pirate with Swine Flu. It's tempting to deem CBS' lineup as the most promising, if only because the net greenlit just 4 new shows. Spinoff "NCIS: Los Angeles" (what a surprise) should have some content legs, but I'm wildly skeptical of Chris O'Donnell and LL Cool J as leads. The remainder—including a medical drama (we sure do need more of these) and a comedy about an accidental pregnancy (what an idea!) are throw-outs. Fox's 9 new projects include a medical show that should be called "House 2," a series based on a comic book and an inane comedy about young pranksters, fascinating all. But we should find a healthy pulse in "Family Guy" spinoff "The Cleveland Show," and comedy "Brothers" starring Michael Strahan and the underrated Daryl Mitchell may work. ABC's schedule must've been conceived while execs napped, as it's pocked with recycled ideas: "Cougar Town" starring Courteney Cox as a nubile divorcee, John Updike adaptation "Eastwick," '80s update "V" and reality series "Shark Tank," featuring aspiring entrepreneurs. ZZZZZZ. Keep an eye, though, on "Hank" with the talented Kelsey Grammer, and potentially "Flash Forward." NBC looks forward to not 1, but 2 medical dramas, a series with an apocalyptic bent and a TV version of Steve Martin classic "Parenthood"—the creativity astounds. Still, "Community" is a compelling comedy and I believe Jay Leno's move to 10pm will prove successful. If this column's blank next week, look me up in L.A. CH

Highlights: "The Tudors," season finale, Sun, 9pm, **Showtime**. Lords and ladies, Showtime is making a royal mess of English history. Yet it's making bloody good TV, and providing business lessons. In the finale, Cromwell emphasizes "execution" and King Henry doesn't "cleave" to a loser. The lesson that it's good to be the king is underscored when Henry's teen mistress arrives. -- "Students and Leaders," Mon, 7pm ET, **C-SPAN**. It's not about politics. It's life lessons for teens with Republican chief *Michael Steele*, and he's a terrific teacher. -- "Science of the Movies," pilot, Tues, 9pm, **Science**. Strong piece from the new Science Channel about special effects. *SA*

Worth a Look: "The Oprah Effect," Thurs, 9pm ET, 10PT, **CNBC**. Oprah means \$ for businesses she anoints. Ya think? (Stop licking your chops, *David Zaslav*.) -- "Operation Links," Mon, 8:30pm ET, **Golf**. A good look at military life as Golf visits troops in Iraq. *SA*

Notable: "The World Over Live," Fri, 8pm, **EWTN**. A big get for host *Raymond Arroyo*, who netted Bishop *John D'Arcy* to mull *Pres Obama*'s controversial Notre Dame visit. -- "French Open," begins Sun, **Tennis Channel**, **ESPN2**. Serious stuff—Tennis starts (80 hours live) from *Roland Garros* at 5am ET; ESPN2 (56 hrs live) starts sanely at noon ET. *SA*

Basic Cable Rankings					
(5/11/09-5/17/09)					
	Mon-S	Sun Prim	е		
1	TNT	2.7	2693		
2	USA	2.1	2030		
3	DSNY	1.7	1652		
4	FOXN	1.6	1524		
5	ESPN	1.4	1360		
6	NAN	1.3	1277		
7	TBSC	1.1	1080		
8 9	A&E TOON	1	938		
9	HIST	0.9 0.9	843 841		
9	SPD	0.9	645		
12	LIFE	0.9	827		
12	HGTV	0.8	820		
12	DISC	0.8	788		
12	FX	0.8	784		
12	CMDY	0.8	754		
12	SCIF	8.0	725		
12	TRU	8.0	715		
12	HALL	0.8	646		
20	AMC	0.7	687		
20	SPK	0.7	682		
20 20	FAM LMN	0.7 0.7	675 503		
20	NOGG	0.7	470		
25	FOOD	0.6	636		
25	TLC	0.6	622		
25	VH1	0.6	601		
25	CNN	0.6	588		
25	TVLD	0.6	569		
25	BRAV	0.6	559		
25	MSNB	0.6	550		
25	BET	0.6	544		
25 34	VS MTV	0.6 0.5	436 475		
34	HLN	0.5	475 445		
36	APL	0.4	422		
36	EN	0.4	420		
36	NGC	0.4	283		
36	SOAP	0.4	283		
36	OXYG	0.4	278		
41	TTC	0.3	316		
41	ESP2	0.3	297		
41	CMT	0.3	269		
41	WGNA	0.3	248		
41 41	GSN DXD	0.3 0.3	221 211		
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