

CableFAX Daily™

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What the Industry Reads First

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AT&MB: Comprehensive Mobile Broadband Plans Emerge at AT&T

More than 1 yr after big cable agreed to invest in **Clearwire's** mobile broadband venture and nearly 2 months after cable underscored broadband as the industry's chief growth engine, here comes **AT&T** with colossal broadband mobility plans that will precede its previously announced **LTE** rollout in '11. "We are investing as much in broadband infrastructure as I think is almost possible," said chmn/CEO *Randall Stephenson* at the **Sanford Bernstein** conference. "Everywhere else we're reigning in the capital spending rather aggressively." Much of the investment will be used to differentiate AT&T's network, said Stephenson, arguing that the telco's constellation of 20K nationwide **WiFi** hotspots is key. "People who are mobile are going to have the same kind of data performance requirements... that they have in the home," he said. "WiFi is probably the place where that occurs." The **Clear**-branded service, by comparison, delivers avg broadband speeds of approx 5Mbps. And don't forget: reports surfaced earlier this month that **Verizon** is possibly prepping free WiFi for its residential customers via hotspots. As announced Wed, AT&T's plans include increasing the speeds offered through its 3G network, and Stephenson said the telco's wireless broadband speeds will double in the next few months. And, over the next 3 years, plans call for passing 12mln more homes with enhanced broadband capabilities. By then, said Stephenson, AT&T's 4G/LTE network will be well on its way to maturation. The 3G expansion "gives us a very elegant and natural path to LTE," said Stephenson, noting that LTE tech will be backward compatible with 3G. "We have 3 years of runway at a much higher bandwidth and throughout than most." The 3G upgrades are completed in Boston, he said, and nearly so in NYC. Currently, 90% of the telco's fixed-line footprint has broadband capabilities, and Stephenson believes that both the continued rollout of **U-verse TV** and blazing adoption rate of smart phones will greatly aid the mobility push. As 90% of U-verse TV subs are also taking broadband, Stephenson said more than half of the company's new post-paid wireless customers use smart phones or other integrated devices. Importantly, he said, the 2nd phase of the U-verse TV rollout is to make the product mobile. "It's a very adaptable platform... it integrates well with wireless," said Stephenson of U-verse. "That's the key principle for me." One final trend that should support mobile broadband adoption is timing, he said, as the convergence of economic healing and widespread availability of the tech should soon promote uptake.

Deals: As expected, **Time Warner's** board approved the pursuit of an **AOL** spinoff. The company plans to purchase **Google's** 5% AOL stake in 3Q, after which a proposed separation transaction will be structured as tax-free for TWX shareholders, who will own all of the outstanding interests in AOL. Time Warner chmn/CEO *Jeff Bewkes* called the separation a "critical step" toward refocusing on core content businesses. AOL chmn/CEO *Tim Armstrong* said it "positions AOL to strengthen its core businesses, deliver new and innovative products and services, and enhance our strategic options." TWX hopes to complete the transaction by year-end. **Collins Stewart** doesn't expect any TWX debt to be allocated to AOL, "but it will be interesting to see if there is a dividend paid to TWX, instead." -- In the end, **JP Morgan Chase's** private equity arm **One Equity Partners** got the stake in **TV Guide Net/TV Guide.com** it wanted, and

increase subscriber upgrades / reduce churn / **drive VOD/PPV buys** / increase digital penetration / digital transition more high definition / DOCSIS 3.0 / manage high speed internet / sell triple play bundle / bandwidth relearn to twitter / devise ethnic outperform competition

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even received a slight discount in the process. **Lionsgate** sold 49% of the 2 properties to the firm for approx \$123mln in cash after stepping in front to scoop them up from **Macrovision** for \$255mln early this year. One retains the option of buying another 1% under certain circumstances. Producer **Allen Shapiro** is once again involved, and will serve as chmn of the jv while teaming with Lionsgate co-chmn/CEO **Jon Feltheimer** to lead the net's exec cmte.

At the Portals: The **FCC** Media Bureau granted **Cable One** a waiver allowing it to deploy low-cost, one-way set-tops with integrated security and HD capabilities in its Dyersburg, TN, system (about 7K subs). It's the 1st waiver for traditional cable operator that's included HD boxes. Because of that, the Bureau is requiring Cable One to file an annual report to help the FCC assess whether the waiver has affected the retail market for navigation devices. FCC rules require cable ops to deploy boxes with separable security (CableCARDS). The Bureau also waived rules requiring HD boxes to have an IEEE 1394 interface, saying it believes the cost providing the output requirement would outweigh the benefits.

Ratings: Whew! It's hard to keep track of all the **NBA** ratings records being shattered this season. After **ESPN's** Mon telecast of the Lakers-Nuggets playoff game earned 9.88mln total viewers to become the most-viewed NBA game ever on cable, **TNT's** Tues coverage of the Cavs-Magic game set a new mark with 10.08mln total viewers (Move over "Jon & Kate Plus 8"). We bet Wed's Lakers-Nuggets did pretty well, too. -- The season 4 premiere of **Oxygen's** "Tori & Dean: Home Sweet Hollywood" became the net's most-watched season premiere ever among women 18-49 (424K).

Competition: **Verizon** is testing a service for **FIOS TV** that will show a stream of real-time **Twitter** posts related to the show a viewer is watching, the **WSJ** reports. -- **AT&T U-Verse** customers will be the 1st in the US to see new Wallace and Gromit animated short "A Matter of Loaf and Death," thanks to a deal with British studio **Aardman Animations**. It will be available for free in the U-Verse VOD library June 5-7, and then available for a \$4 rental fee.

In the States: **ESPN** will cut just under 100 positions. After a hiring freeze instituted in Jan, word at that time was that up to 200 jobs could go. Impacted positions include programming and production and are to be repurposed to other areas seen as providing more benefit (ie, ad sales and digital). -- A **Veris Consulting** audit pegged at 113K the attendance at this year's **CES**, a tally that exceeds the on-site estimate of 110K but falls short of last year's estimated draw of 130K.

Research: "Extreme Techies" representing 8% of broadband users (4.6mln) stream up to 1.5 hours of online video per week vs the mean of 44 minutes for all broadband users. That stat is from **CTAM's** "Crossing Over: Understanding Viewer Multi-Screen Migration" study, based on analysis by **Nielsen**. 38% of Extreme Techies hook their computers to their TVs.

Customer Service: Years ago, **Insight** CEO **Michael Willner** and his team began frequenting **Broadband Reports** to solve customer problems. He muses this week on his blog (www.michaelsinsight.com) that **Comcast** is partnering with the Website to create their own technical support forums, like Insight's. Charter also uses the site in a similar way. Comcast's new forum has racked up more than 2 dozen topics in its less than 2 days of existence.

Programming: **TBS** ordered 10 eps of "The Very Funny Show," a late-night standup series hosted by **Tim Meadows**.

Media Madness: **IFC** pulled off another thought-provoking and star-studded panel in conjunction with the net's "IFC Media Project" (Sun, 11pmET) initiative. The Thurs event at the Newseum in D.C. featured TV news staples including **ABC's** **George Stephanopoulos**, **CNN's** **John King**, **Fox News' Greta Van Susteren** and **MSNBC's** **Tucker Carlson**. Topics includ-

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:

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BUSINESS & FINANCE

ed the media's role in covering President Obama, how to save newspapers and, yes... whether cable news nets use too many darned graphics (To his credit, King made light of CNN's infamous election-night hologram).

Obi-Wan, you're our only hope...

On the Circuit: With the school year nearly done, **History** wants cable operators to contact local schools now to arrange for next fall's "Take a Veteran to School Day," which brings local veterans into classrooms to make history come alive. History's outreach chief and chief historian Dr *Libby O'Connell* believes the campaign's 3rd year can exceed the 550 schools in 50 states that participated last year. Details of a live Webcast on Oct 28 and other elements are at www.cablefax.com.

Editor's Note: Take a stand in the authentication/TV Everywhere debate. Complete our brief survey at www.cablefax.com/authenticationsurvey, and you will get access to the results and \$50 off our June 17 Webinar on the subject. More info on the Webinar at www.cablefax.com/cfp/webinars/TVeverywhere_June17-2009.html.

Business/Finance: Saddled with a debt-dominated balance sheet, **Crown Media Holdings** said primary debtholder **Hallmark Cards** has tendered a proposal for a recapitalization of the majority of its outstanding debt in exchange for debt and convertible preferred stock. Crown is forming a special board cmte to consider the offer.

CableFAX Daily Stockwatch

Company	05/28 Close	1-Day Ch	Company	05/28 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	28.92	(0.39)	AMPHENOL:	33.15	0.21
DIRECTV:	23.20	(0.04)	APPLE:	135.07	2.02
DISH:	16.54	0.14	ARRIS GROUP:	11.92	0.61
DISNEY:	23.99	0.12	AVID TECH:	14.15	(0.14)
GE:	13.19	0.20	BIGBAND:	5.17	0.06
HEARST-ARGYLE:	4.51	0.03	BLNDER TONGUE:	1.48	(0.01)
NEWS CORP:	11.00	0.41	BROADCOM:	25.16	1.37
MSOS					
CABLEVISION:	19.09	0.14	CISCO:	18.51	0.29
COMCAST:	14.19	(0.11)	CLEARWIRE:	4.40	0.03
COMCAST SPCL:	13.35	0.01	COMMSCOPE:	24.91	0.12
GCI:	6.67	(0.08)	CONCURRENT:	4.85	0.13
KNOLOGY:	8.05	(0.07)	CONVERGYS:	9.07	(0.28)
LIBERTY CAPITAL:	13.86	0.28	CSG SYSTEMS:	13.66	0.14
LIBERTY ENT:	24.48	0.10	ECHOSTAR:	15.73	0.06
LIBERTY GLOBAL:	14.06	(0.14)	GOOGLE:	410.40	4.84
LIBERTY INT:	5.64	(0.01)	HARMONIC:	5.63	0.06
MEDIACOM:	6.22	0.01	INTEL:	15.72	0.26
SHAW COMM:	17.24	0.24	JDSU:	5.17	0.00
TIME WARNER CABLE:	31.73	(0.3)	LEVEL 3:	1.17	0.00
VIRGIN MEDIA:	8.09	0.49	MICROSOFT:	20.45	0.32
WASH POST:	365.10	3.76	MOTOROLA:	6.01	0.09
PROGRAMMING					
CBS:	6.99	0.01	OPENTV:	1.68	0.08
CROWN:	3.03	0.02	PHILIPS:	19.08	(0.05)
DISCOVERY:	22.02	0.15	RENTRAK:	10.00	(0.25)
EW SCRIPPS:	2.39	0.07	SEACHANGE:	7.13	0.39
GRUPO TELEVISA:	17.56	0.21	SONY:	25.73	0.17
HSN:	11.30	0.22	SPRINT NEXTEL:	5.14	0.07
INTERACTIVE CORP:	16.14	0.11	THOMAS & BETTS:	30.22	(0.48)
LIBERTY:	26.31	0.98	TIVO:	6.55	(0.43)
LODGENET:	5.89	0.04	TOLLGRADE:	5.40	0.00
NEW FRONTIER:	2.12	0.02	UNIVERSAL ELEC:	18.92	(0.83)
OUTDOOR:	6.87	0.25	VONAGE:	0.47	(0.01)
PLAYBOY:	3.26	0.15	YAHOO:	15.09	0.15
RHI:	3.28	(0.03)	TELCOS		
SCRIPPS INT:	27.36	0.03	AT&T:	24.63	0.56
TIME WARNER:	23.55	0.55	QWEST:	4.35	0.03
VALUEVISION:	0.74	0.00	VERIZON:	29.27	0.32
VIACOM:	23.54	(0.06)	MARKET INDICES		
WWE:	12.23	0.07	DOW:	8403.80	103.78
TECHNOLOGY					
3COM:	4.27	(0.01)	NASDAQ:	1751.79	20.71
ADC:	6.99	(0.02)			
ADVANTAGE:	1.90	0.05			
ALCATEL LUCENT:	2.45	0.03			
AMDOCS:	21.52	0.20			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

IceCapades

For the past few years, so-called hockey pundits, various media and even **NHL** players have lamented the league's TV deal with **Versus**, saying chiefly that it stifles the league's exposure. Well, guess what? The net stepped in a few years back when the NHL was on life support following labor issues and has since meaningfully helped the league skate toward resurgence. 75mln in distribution is more than ample, and die-hard hockey fans, which dominate the base, increasingly know where to find their beloved sport on cable. The net's ratings success this year includes 20% growth during the regular season, 30% so far during the playoffs, and the highest-rated conference semifinal round on cable in 12 years. So instead of guffawing, lend an informed ear when Versus evp, programming, prod and business operations *Marc Fein* says "the facts speak for themselves," when addressing the issues as he did during a Thurs conference call. "We've had a great, unbelievable year," said Fein, noting the net's ability to "capture the passion of the fans and bring that excitement into the living room." The zeal will ignite again on Tues and Thurs when the net features games 3 and 4 of the **Stanley Cup Finals**. **NBC** kicks the Red Wings-Penguins series off on Sat and Sun night, and both networks believe that they have cross-promotion well in hand. "We're proud of the way it works," said Fein. Ditto for NBC coordinating prod *Sam Flood*, who said, "Versus is doing a great job on cable... they should be complimented. I like what they do and where they're going." Not surprisingly, both Fein and Flood are hoping for a 7-game series for maximum suspense and viewership. But with the Red Wings and Pens squaring off for the 2nd straight year, they're already ahead of the game. Even Flood predicts that Versus "should get their best ratings ever." Let the results speak. *CH*

Highlight: "Royal Pains," pilot, June 4, 10pm, **USA**. Making a terrific pilot is an enviable problem. Will the subsequent series live up to it? That's the case with "Royal Pains," whose fast-paced pilot works on so many levels, from great Hamptons footage, to the cast, to the plot about a 30-something doctor who serendipitously stumbles into a great situation while on vacation. Subs will like "Royal Pains." Let USA worry about what's next. *SA*

Worth a Look: "Into The Storm," Sun, 9pm, **HBO**. Besides fine acting and terrific production values, this *Churchill* biopic is important viewing, mainly because it looks at war in one's backyard and Europe's precarious state during WWII's early stages. -- "Expedition Africa," pilot, Sun, 10pm, **History**. "Survivor" creator *Mark Burnett* follows explorers as they re-trace the steps of *H.M. Stanley*, who journeyed to Tanzania in 1871 to seek "Dr Livingstone, I presume." Lots of bickering and far less history than we presumed. *SA*

Notable: "What Not to Wear," season VII premiere, Fri, 9pm, **TLC**. Child star *Mayim Bialik* of "Blossom" gets a makeover as does this series, adding new elements to the mix. -- "Ice Road Truckers," season III premiere, Sun, 9pm, **History**. Can't argue with History's top series' numbers, or with the addition of a female trucker. *SA*

Basic Cable Rankings

(5/18/09-5/24/09)

Mon-Sun Prime

1	TNT	2.5	2440
2	USA	2.2	2166
3	ESPN	1.7	1654
4	DSNY	1.6	1533
5	FOXN	1.5	1475
6	TBSC	1.2	1178
6	NAN	1.2	1174
8	FX	1	977
8	VS	1	742
10	A&E	0.9	898
10	HGTV	0.9	888
10	DISC	0.9	857
13	TOON	0.8	812
13	HIST	0.8	807
13	SCIF	0.8	775
16	LIFE	0.7	709
16	AMC	0.7	681
16	TRU	0.7	674
16	FAM	0.7	668
16	SPK	0.7	664
16	FOOD	0.7	656
16	TLC	0.7	644
16	CMDY	0.7	640
16	HALL	0.7	633
25	MSNB	0.6	593
25	TVLD	0.6	555
25	MTV	0.6	548
25	BRAV	0.6	519
25	BET	0.6	518
25	LMN	0.6	443
25	NOGG	0.6	430
32	CNN	0.5	540
32	VH1	0.5	484
32	HLN	0.5	474
32	SOAP	0.5	347
32	NGC	0.5	326
37	ESP2	0.4	402
37	APL	0.4	387
37	EN	0.4	363
40	TRAV	0.3	299
40	CMT	0.3	287
40	OXYG	0.3	233
40	WGNA	0.3	226
40	WE	0.3	210
40	DXD	0.3	198
40	SPD	0.3	197

*Nielsen data supplied by ABC/Disney



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