

# CableFAX Daily™

Friday — June 5, 2009

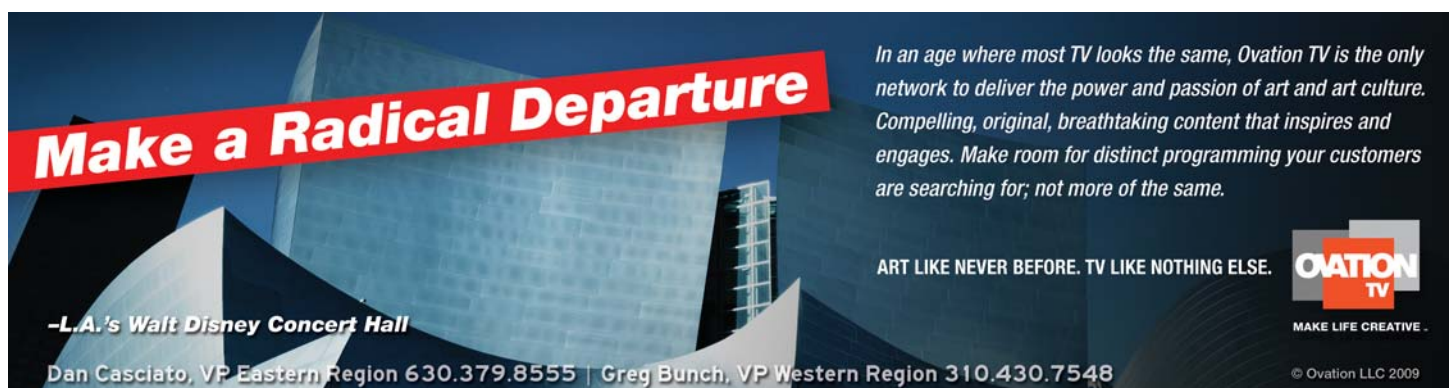
What the Industry Reads First

Volume 20 / No. 106

## Time Shift: Caller ID Feature Tops List as Cablevision Plans Remote DVR

**Cablevision** COO *Tom Rutledge* offered up some details Thurs on how the MSO plans to use its RS-DVR beyond providing a duplicate in-home DVR experience. In addition to a pay DVR offering, it plans to enhance its free Caller ID on TV service by allowing all HHs to pause live TV when they get a call (only homes with DVR boxes can do that now). This seems to fit nicely with CVC's pledge of offering free value adds to retain customers (ie, WiFi). Speaking at a **Merrill Lynch** conference in London, Rutledge said there are other RS-DVR-based applications under consideration, but the Caller ID pause is one CVC is "actually going to launch." ML analyst *Jessica Reif Cohen* suggested a possible July timeframe for the launch of RS-DVR, and no one disputed the idea. Rutledge believes the company ultimately will be able to work with programmers to make it happen, pointing to the new options it would allow for advertising. "You could replace and refresh advertising in existing stored material," he said. "There are all sorts of opportunities to keep... the dual model of advertising and license fees alive in a network DVR environment, whereas if you have an environment where everybody has massive storage in their home, programming will be sent out, lost from a programming perspective, and the ability to monetize it is diminished." Other tidbits from the conference: CEO *Jim Dolan* said the company wouldn't look for acquisitions outside the core cable business. Rutledge said the cable business isn't performing at Jan and Feb's strong levels, but "things are less worse than they were in March." The economy in NY is still suffering and "lags somewhat I think behind the rest of the country," he said. As for the "**TV Everywhere**" model, Dolan repeated a popular refrain among distributors, saying authentication is the key to monetization.

**Divorcing AOL:** After it jettisons **AOL** as planned, **Time Warner** will derive 70% of its rev from cable nets, which is precisely the way execs want it. "It could be the best place to be in media over the next few years," said evp/CFO *John Martin* of cable at a **Merrill Lynch** conference. "We feel really good about the sustainability of the sub revenues there [and] the secular trends as it relates to advertising." So far this Q, he said, **Turner** is faring slightly better in advertising than the mid-single digit decline forecasted for 2Q. Noting that the company's leaning toward a simple spinoff of AOL, Martin refused to address speculation that TWX's publishing unit will be next, saying that although the unit is struggling right now, it still fits nicely with TV and film. "It's all about managing big brands across multiple platforms," he said. Of movie rentals, Martin said VOD offers the greatest margins of any related rev stream, 1 of the key reasons that "**Warner's** trying to more aggressively... work with the cable and telephone distributors to grow VOD." Interestingly, more than one-quarter of TWX's overall business is forged outside the US, a percentage the company hopes to increase because of numerous benefits. The marriage of intl and domestic licensing fees related to WB-produced TV content, for example, greatly helps the bottom line. WB has 12 new series that were picked up by cable and broadcast, and owing to the combined fees, "we're already generating a profit again for our new slate,"



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said Martin. **HBO**, meanwhile, has experienced “some fall off in cable” subs, he said, although telcos have delivered the difference. And don't expect HBO to express any fear over **Epix**, the pay TV channel from **MGM**, **Lionsgate** and **Viacom's Paramount** that's slated for an Oct launch. “I don't think it changes the competitive profile or position of HBO in any way” said Martin.

**Deals:** Discussions are underway to create a new venture that would combine **A&E Nets** and **Lifetime** into one cable company. **Disney-ABC & Hearst** both have 37.5% stakes in AETN and share a 50-50 interest in **Lifetime**; **NBCU** has a 25% stake in AETN. This deal would give NBCU a small stake in Lifetime (mid-teens, reportedly, with talk that NBCU could then turn around and sell it). *B&C*, which broke the story, reports that AETN CEO *Abbe Raven* would run the new company, and Lifetime pres/CEO *Andrea Wong* would report to her. If the deal is finalized, it could mean layoffs in areas such as affil sales.

**Moving Off:** **Comcast's** sports tier customers may soon demand a price break. The MSO agreed to place on its digital classic tier **NBA TV**, which joins **NFL Net** and **NHL Net** in the queue for expanded carriage and removal from Comcast's sports/ent package. Slated to occur before next season, the move will boost NBA TV's distribution by approx 9mln subs, roughly the same number of homes it earned through a similar deal in Apr with **DirectTV**. That makes 2 major carriage pacts for NBA TV since the league partnered with **Turner Sports** early last year to help grow the net and the league's other digital properties. Also part of the Comcast deal: VOD content, **NBA Ent**-produced specials and online programming at properties including **Comcast.net**.

**Advertising:** In the latest battle over HD advertising, the **National Advertising Division of the Council of Better Business Bureaus** has determined that Comcast can support certain claims but wants clarification. NAD examined the claims following a challenge by **DirectTV**. Comcast's “More HD” claims could be interpreted in several ways, NAD said, suggesting the MSO clarify that it offers both HD channels and HD VOD titles. DirectTV offers more HD channels, while Comcast offers the broadest selection of HD programming, NAD said. While Comcast “respectfully disagrees with the basis for certain of NAD's recommendations, Comcast will take them into account in future advertising,” NAD said. DirectTV said it was “extremely happy” with the outcome. -- The **NBA** will use **TiVo's** interactive ad solutions to promote The Finals, becoming the 1st pro sports league to use them. Also, TiVo's **Stop|Watch** ratings service will provide the league with audience measurement data covering the entire '08-'09 season and viewership by TiVo subs.

**VOD:** On-demand content service **Vudu** now offers HD downloads of more than 60 titles from **Disney's Buena Vista Home Ent**, including “High School Musical 3” and “No Country for Old Men.” Vudu plans to offer for purchase every Buena Vista HD release as titles are added on a day-and-date basis.

**Ratings: Versus'** Tues night coverage of the **NHL's Stanley Cup Finals** earned a 2.6 national HH rating and averaged 2.96mln viewers, becoming the highest-rated and most-watched Stanley Cup Final game on cable since '02 and the net's highest-rated and most-watched telecast in history.

**Programming:** **Ovation** acquired the rights for the US premiere of “Heath Ledger: A Tribute.” The net will telecast the 1-hour documentary special from **World Wide Ent** in Aug. -- **Disney XD** kicks off Mon “Next X,” an original reality series



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# BUSINESS & FINANCE

featuring pro BMXers and skate-boarders mentoring young athletes. In a similar vein, the net launches the following Mon "X Games on Disney XD," a series of interstitials previewing **ESPN's X Games 15** and highlighting some moments from the event. -- *Michelle Williams* from group *Destiny's Child* and "American Idol" alum *Kimberly Locke* joined the judging panel for the 4th season of **Gospel Music Channel's** talent search series "Gospel Dream" (Jun 24). -- On Jun 17, pro poker players and NHL stars including *Alex Ovechkin* will compete in the **NHL Charity Shootout Presented by PokerStars.net**, with proceeds going to participants' designated charities. The event will be taped to create 4 hrs of content to air later on **ESPN Classic** and **ESPN2**.

**Public Affairs: Women@NBCU,** NBCU's female-targeted sales and marketing initiative has teamed with **Step Up Women's Network** to host its 1st annual Mentors Walk in Central Park on June 11. This event follows the tradition of the successful **Oxygen** mentor walks started by *Gerry Laybourne* in '05. Each mentor will accompany several aspiring young women on a walk & talk through Central Park, followed by breakfast at Tavern on the Green.

**People: Jamila Hunter** was named head of programming for **OWN: The Oprah Winfrey Net**. She most recently served as svp, alternative & digital programming for **NBC Ent**.

## CableFAX Daily Stockwatch

Company	06/04 Close	1-Day Ch	Company	06/04 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	29.36	(0.16)	AMPHENOL:	33.73	0.37
DIRECTV:	22.16	(0.53)	APPLE:	143.74	2.79
DISH:	15.98	0.42	ARRIS GROUP:	12.35	0.37
DISNEY:	25.14	0.06	AVID TECH:	15.36	0.32
GE:	13.75	0.25	BIGBAND:	5.57	0.15
HEARST-ARGYLE:	4.50	0.02	BLNDER TONGUE:	1.60	0.05
NEWS CORP:	11.61	0.01	BROADCOM:	25.77	0.23
<b>MSOS</b>					
CABLEVISION:	18.52	(0.61)	CISCO:	19.67	0.31
COMCAST:	14.47	0.28	CLEARWIRE:	4.52	0.27
COMCAST SPCL:	13.66	0.25	COMMSCOPE:	25.76	0.71
GCI:	7.97	0.34	CONCURRENT:	5.25	0.00
KNOLOGY:	8.05	(0.01)	CONVERGYS:	9.50	0.12
LIBERTY CAPITAL:	14.73	0.30	CSG SYSTEMS:	14.34	0.14
LIBERTY ENT:	23.40	(0.7)	EHOSTAR:	16.56	0.44
LIBERTY GLOBAL:	13.88	0.20	GOOGLE:	440.28	8.63
LIBERTY INT:	6.03	(0.04)	HARMONIC:	6.04	0.14
MEDIACOM:	6.46	0.20	INTEL:	16.13	0.19
SHAW COMM:	17.09	0.14	JDSU:	6.15	0.41
TIME WARNER CABLE:	32.32	1.33	LEVEL 3:	1.12	0.01
VIRGIN MEDIA:	8.91	0.47	MICROSOFT:	21.83	0.10
WASH POST:	354.15	8.51	MOTOROLA:	6.38	0.18
<b>PROGRAMMING</b>					
CBS:	8.92	0.15	OPENTV:	1.38	(0.34)
CROWN:	2.00	0.06	PHILIPS:	19.98	0.17
DISCOVERY:	22.28	(0.22)	RENTRAK:	10.50	0.13
EW SCRIPPS:	2.09	0.05	SEACHANGE:	8.01	0.28
GRUPO TELEVISA:	17.00	0.04	SONY:	27.71	0.34
HSN:	11.80	0.20	SPRINT NEXTEL:	5.03	0.18
INTERACTIVE CORP:	16.12	0.15	THOMAS & BETTS:	32.50	1.37
LIBERTY:	28.15	0.63	TIVO:	10.90	0.20
LODGENET:	5.75	0.11	TOLLGRADE:	5.34	(0.07)
NEW FRONTIER:	2.25	0.08	UNIVERSAL ELEC:	21.05	0.65
OUTDOOR:	6.99	0.16	VONAGE:	0.48	0.01
PLAYBOY:	2.74	(0.16)	YAHOO:	16.65	0.35
RHI:	3.14	0.03	<b>TELCOS</b>		
SCRIPPS INT:	28.73	(0.26)	AT&T:	24.36	(0.1)
TIME WARNER:	24.48	0.48	QWEST:	4.19	(0.21)
VALUEVISION:	0.79	(0.01)	VERIZON:	29.57	(0.02)
VIACOM:	24.12	(0.03)	<b>MARKET INDICES</b>		
WWE:	13.49	0.42	DOW:	8750.24	74.96
<b>TECHNOLOGY</b>					
3COM:	4.90	0.03	NASDAQ:	1850.02	24.10
ADC:	7.77	0.36			
ADVANTAGE:	1.78	0.00			
ALCATEL LUCENT:	2.68	0.08			
AMDOCS:	21.80	0.26			



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**PROGRAMMER'S PAGE** with Chad Heiges and Seth Arenstein

**Sharp Seasonal Shooting**

Is spring cable's new summer? Increasingly, the answer is a stentorian affirmative, the underlying driver sports programming. Plus, hoops, hockey and the **NFL Draft** are but a few of cable's spring sports properties coalescing with original programming to articulate a resounding "yes" to the most important question of them all: is cable closing in on becoming the new broadcast? Look, I despise redundancy, and the TV industry is well aware of the amazing number of cable viewership records notched recently by **NBA** and **NHL** playoff action across **TNT**, **ESPN**, **Versus** and **RSNs**. But as we close in on pool parties, BBQs and some excellent original content across the cable landscape—and likely another thrashing of broadcast by pay TV—it bears noting just how large a boost NBA content afforded cable this May. Consider: during the month, the top 20 cable telecasts, 18 of which were NBA playoff games, averaged a 5.7 HH rating; by contrast, the top 20 from May '08 (16 NBA) averaged a 4.10. That's a 39% LeBron-like leap. This rise engendered a jump in YOY avg prime ratings for the top 7 nets during May, to 1.76 from 1.63, or +8%. Though not nearly as impressive, the corresponding YOY data for Apr also shows improvement. Sure, myriad factors have contributed to this growth, including better NBA match ups and longer series this year, plus rising stars and fan resurgence in hockey. But often overlooked is the astute branding now used by cable sports players, which importantly drives awareness and ultimately viewership. Owing to its tightly-knit relationship with the NBA, TNT has very much become synonymous with the league's programming. ESPN dribbles with the league, too, but perhaps its greatest move is the slapping of its brand on **ABC** sports telecasts. And, in hockey, **Versus** and **NBC**—GASP!—have forged a truly symbiotic relationship surrounding NHL coverage. Now, on to winter and fall. *CH*

**Highlights:** "Nurse Jackie," Mon, 10:30 pm, **Showtime**. *Edie Falco's* return to premium cable as a tough, drug-dependent nurse is an excellently dark vehicle for her and a perfect pairing with the return of "Weeds" (Mon, 10pm). You loved Falco in "The Sopranos"? She's even better here, where things revolve around Jackie, although *Eve Best* is terrific as an aloof but loveable doctor. And look for Father Phil (*Paul Schulze*) in an un-fatherly guise. -- "Home," Fri, 9pm, **Nat Geo**. For World Environmental Day, fantastic all-aerial footage, but terrific writing, too, and interesting facts (half of humans till the soil, mostly by hand). It's as if narrator *Glenn Close* is the almighty, looking down at how our quest for "faster and faster" has wrought environmental havoc. *SA*

**Worth a Look:** "Signature Series: *Martina Navratilova*," Mon, 7pm ET, **Tennis Channel**. Terrifically honest look at Navratilova's life by a very articulate Navratilova. Martina on competing with America's sweetheart *Chris Evert* in the 70s: "It was a no-win situation. I was playing tennis against the Osmonds." *SA*

**Notable:** "Whose Wedding Is It Anyway?" 100th episode, Tues, 8pm, **Style**. Gotta love synergy. The series' 100th ep gives a couple 100 hrs to organize their wedding in Seward, Alaska. (Please, no jokes about Seward's folly.) *SA*

Basic Cable Rankings			
(5/25/09-5/31/09)			
Mon-Sun Prime			
1	TNT	2.9	2835
2	ESPN	2.5	2451
3	USA	2.3	2266
4	DSNY	1.8	1710
5	FOXN	1.5	1477
6	TLC	1.3	1318
6	NAN	1.3	1277
8	TBSC	1.2	1168
8	FX	1.2	1127
10	A&E	1.1	1105
10	LIFE	1.1	1071
12	HGTV	1	972
12	DISC	1	962
12	HIST	1	957
15	FAM	0.9	891
15	TOON	0.9	886
15	AMC	0.9	852
18	MTV	0.8	820
18	SPK	0.8	772
18	SCIF	0.8	765
18	HALL	0.8	702
18	TRU	0.8	701
23	FOOD	0.7	736
23	CMDY	0.7	640
23	MSNB	0.7	604
23	BRAV	0.7	596
23	LMN	0.7	466
23	NOGG	0.7	461
29	TVLD	0.6	591
29	BET	0.6	577
29	CNN	0.6	565
29	VH1	0.6	538
29	VS	0.6	456
34	EN	0.5	516
34	APL	0.5	494
34	ESP2	0.5	454
34	OXYG	0.5	350
34	NGC	0.5	314
39	HLN	0.4	422
39	TRAV	0.4	353
39	CMT	0.4	314
39	SOAP	0.4	295
39	WGNA	0.4	287
39	NKTN	0.4	193
39	HI	0.4	191
46	WE	0.3	249

\*Nielsen data supplied by ABC/Disney

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