

CableFAX Daily™

Friday — June 12, 2009

What the Industry Reads First

Volume 20 / No. 111

Goodnight Analog: Well, It's Time to Go

The eve of the national DTV transition brought a flurry of last-minute doings, plenty of back-patting and still more DTV PSAs. At **CableFAX's** neighborhood Best Buy, a few customers were milling around the digital converter box display Thurs afternoon, while a couple checked out indoor antennas for their boxes. A salesman said sales had been brisk the past couple days. So have the number of calls to **NTIA** for DTV converter box coupons. NTIA received 212K coupon requests on Wed, its highest number in about a month. NTIA will continue to make coupons available, while supplies last, for consumers who apply up until July 31. A news conference Thurs at DC's **National Press Club** gave officials from **NCTA, NAB, FCC, NTIA, AARP**, etc, one last opportunity to pat each other on the back for their work in preparing for the analog cutoff. No members of Congress were there, but former House Telecom subcmte chmn *Ed Markey* (D-MA) released his own lengthy statement Thurs, recounting more than 20 years of work on the issue. One of the setbacks in the DTV effort, according to Markey, was the FCC not creating a multicast must-carry mandate for broadcasters. Still, Markey lauded acting FCC chmn *Michael Copps* for "quarterbacking an excellent, late-in-the-game DTV drive." But Reps *Joe Barton* (R-TX) and *Cliff Stearns* (R-FL) still appear sour over Congress delaying the transition from Feb 17 to June 12. The 2 wrote Copps and Commerce Sec *Gary Locke* Thurs looking for info on the impact of moving the date, specifically whether the program needed the additional \$650mln requested for the delay. "Claims that the extra money is needed to help stragglng consumers after the transition are clearly not valid," the lawmakers wrote. "Doing the math, \$650 million in stimulus funds to reach 900K unprepared homes comes to more than \$700 per unprepared household for a \$50 device. Does that sound like a sensible expenditure of taxpayer dollars?" NAB's latest survey puts the number of over-the-air HHS that had not taken action to prepare for the transition by June 3 at 1.75mln (better than the 2.8mln **Nielsen** reported earlier this week). "9% of over-the-air households appear stubbornly resistant to taking any kind of action to upgrade," said *Seth Geiger*, pres of SmithGeiger, which conducted the survey. 21% still intend to apply for a coupon; 32% feel they have time to get ready in the final week; and SmithGeiger expects 2/3 to belatedly make the switch. While most **Twitter** users are technologically savvy enough to be DTV ready, it was still interesting to watch the bevy of transition-related Tweets on the social network site Thurs. They ranged from the shock over how people still aren't ready ("If you're not ready for the DTV transition yet, then you obviously don't watch that much TV to begin with.") to a few last-minute installs ("2mor is DTV day ... betta go grab your DVT [sic] converter box if ya cable got turned off jus like mine did! LOL..."). There was even a Tweet from someone who apparently works the DTV hotline: "I'm surprised at how many people are still calling to order dtv coupons! TV ends tomorrow and it's still back to back calls!" One Twitterer asked if any stations will sign off analog by playing the National Anthem and showing a flag, a tip of the hat to the old days. Our fave: "Thanks for the memories, analog TV. Make the best of today, ur last day. Bring on DTV."

Credit Suisse Notebook: Cable may have different sites in mind for feature of the "TV Everywhere" concept (limiting

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THE MAGAZINE



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NPG Cable, Inc as Independent Operator of the Year

Award presented in partnership with ACA and NCTC

&

Mediacom as MSO of the Year

Honorees Celebrated in this Issue:

Lifetime Achievement (Independent): Gene Hager, Antietam Cable Television, Inc.
System Executive of the Year (Independent): Greg Lathum, NewWave Communications
Tech Innovation (Independent): Sunflower Broadband

Lifetime Achievement (MSO): Pam Euller Halling, Insight Communications
Technology Award (MSO): Comcast
Commercial Sales Team of the Year (MSO): Cox Business

More category winners celebrated in CableFAX: The Magazine Top Ops Issue

Bonus Distribution: Independent Show in Grapevine, Texas

Special Section: 2009 Faith & Values Report- an advertorial section profiling leading faith-based programmers.

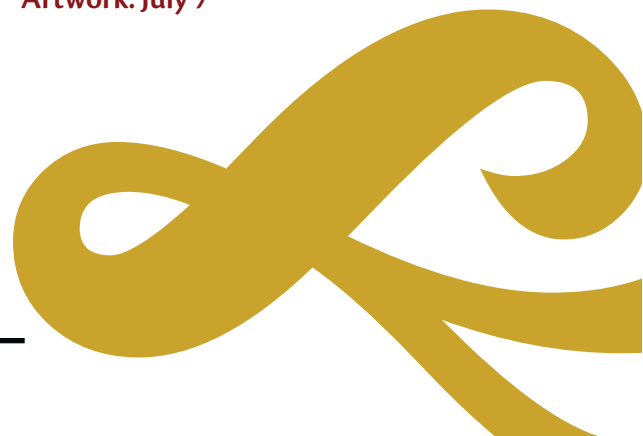
We invite you to celebrate your most important partners' successes and your achievements with a brand ad or a congratulatory ad in the July, Top Ops issue of CableFAX: The Magazine.

Call us for a full list of all the honorees as well as for advertising packages.

Publication Date: July 26 | Ad Close: July 2 | Artwork: July 7

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access to certain non-linear cable content to paying subs), but that doesn't preclude collaboration. "With regard to the technology itself, [cable] engineers are talking...particularly between **Comcast** and **Time Warner Cable**," said TWC COO *Landel Hobbs*. The heavy labor currently, he said, is not the concept's tech but the "business models around" it, such as deciding what content takes precedence. Also, Hobbs offered more information on TWC's mobile broadband plans, saying 2 markets should go live this year with a pair of wireless cards for the **Clear** service.

Retrans: **DISH** and **Fisher Comm** inked a retrans deal covering the distribution of 10 stations in 7 markets, ending acrimony between the pair that dates back to '08 and included litigation. The DBS op added the stations Wed in markets including Seattle, Portland and Boise. The 7 markets had been without the stations since Dec.

In the States: **Cablevision** said its HSD subs have accessed the Web more than 2mln times over its free WiFi service, which was expanded last month. The MSO announced 1mln uses in early Apr. Separately, Cablevision now offers commercial customers up to 40 individual phone numbers and 12 simultaneous sessions. -- The OR Supreme Court ruled that **Comcast** can challenge the city of Eugene, OR, over the cost to upgrade its network. The MSO claims it was overcharged by \$345K for permits from the city between '01-'03, according to reports.

Oh, Those Two... The latest salvo in the net neutrality debate came this week when **ACA** asked the **FCC** to prevent Internet video content providers from charging distributors wholesale access fees to their site "at discriminatory rates, terms and conditions." ACA specifically wagged its finger at familiar foe **Disney**, saying it withholds broadband service **ESPN360** from the customers of broadband access providers who have not paid Disney an access fee. The fee is based on the provider's total number of subs, not on the number who want ESPN360. "Once again, ACA is making unsubstantiated claims, which to me represent another attempt to convince the government to give it valuable programming for free," said *David Preschlack*, evp, affil sales and marketing, for Disney and **ESPN**. "We don't force distributors, small or large, to carry any of our products. ESPN360.com is a business that would simply not exist except for this economic model." ACA's Matt Polka countered that by Disney's own account, ESPN360 isn't economically viable unless providers "are forced to charge all subscribers for this unwanted online sports content sought by a niche audience of sports junkies. ... The Obama Administration, Congress, and the FCC must take notice now before these high-cost 'closed Internet' business models are replicated and damage the prospect of universal and affordable broadband access."

On the Hill: **The House Communications** subcmte is slated to hold a hearing on a discussion draft of the Satellite Home Viewer Reauthorization Act Tues. -- **Sen Commerce** has a hearing set for Wed on the consumer wireless experience.

Technology: **LG** bowed 2 new series of 1080p HDTVs with embedded **Netflix** instant streaming software that requires no external device.

Ratings: The season premiere of **Discovery's** "Deadliest Catch" delivered the series' largest avg audience ever among 18-49s (2.66mln), women 25-54 (1.17mln) and women 18-49 (1.11mln), plus its highest 18-49 (2.33) rating in history.

Programming: **Retirement Living** will begin televising installments of **NBC's** "Meet the Press" July 13. RLTV can re-air the eps once they premiered on the broadcast net. -- Skateboarding legend *Tony Hawk* dominates the 900th ep of **Fuel TV's** "The Daily Habit" (Jun 26).

CableFAX Onsite Workshop

Space is limited to 20 attendees.
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Social Media Boot Camp for Cable

Thursday, July 16, 2009
8:30 a.m. to 4:30 pm
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Learn how cable businesses, programmers and operators are using the changing social media environment to generate new forms of promotion, communication, and revenue.

For more information, contact Carol Bray
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BUSINESS & FINANCE

On the Circuit: Comcast, the Trust for the National Mall and HBO are bringing back the annual "Screen on the Green," which shows classic films on an outdoor screen on the Mall. The free screenings are set for Mon evenings at sunset from July 20-Aug 10.

People: Discovery Comm named Jackie Tejada vp, operations, Discovery Nets Latin America/US Hispanic. -- Nat Geo upped Kiera Hynninen to evp, marketing and Dawn Rodney to svp, strategic marketing and creative, and appointed Josh King vp, ad sales marketing and partnership marketing.

CableFAX Magazine: CableFAX: The Magazine is accepting nominations for its annual Most Influential Minorities in Cable and Top 10 Places to Work in Cable lists—the deadline for submissions is June 30. To nominate an executive for Most Influential Minorities in Cable, go to: <http://www.cablefax.com/cablefaxmag/2009topminorities.html>; to nominate a company for Top 10 Places to Work in Cable, go to: <http://www.cablefax.com/cablefaxmag/2009top10workplaces.html>.

Business/Finance: The stocks of both Sprint (+5%) and Level 3 (+24%) popped Thurs after a late Wed report from the WSJ said the pair's long-distance segments may be combined.

CableFAX Daily Stockwatch

Company	06/11 Close	1-Day Ch	Company	06/11 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	29.65	0.33	AMPHENOL:	34.46	0.57
DIRECTV:	23.31	(0.24)	APPLE:	139.95	(0.3)
DISH:	15.55	(0.57)	ARRIS GROUP:	12.78	0.16
DISNEY:	25.23	0.13	AVID TECH:	14.38	0.06
GE:	13.46	0.06	BIGBAND:	5.56	(0.03)
HEARST-ARGYLE:	4.50	0.00	BLNDER TONGUE:	1.61	(0.04)
NEWS CORP:	11.83	(0.06)	BROADCOM:	26.92	(0.6)
MSOS					
CABLEVISION:	18.21	(0.2)	CISCO:	20.10	0.15
COMCAST:	14.51	0.22	CLEARWIRE:	4.50	(0.01)
COMCAST SPCL:	13.88	0.32	COMMSCOPE:	25.46	(0.31)
GCI:	7.19	(0.31)	CONCURRENT:	5.67	0.13
KNOLOGY:	8.51	0.32	CONVERGYS:	9.41	(0.08)
LIBERTY CAPITAL:	15.05	0.25	CSG SYSTEMS:	14.38	0.13
LIBERTY ENT:	25.13	0.15	EHOSTAR:	16.22	0.11
LIBERTY GLOBAL:	14.79	0.44	GOOGLE:	429.00	(3.6)
LIBERTY INT:	6.00	0.02	HARMONIC:	6.61	(0.03)
MEDIACOM:	6.18	(0.05)	INTEL:	16.35	(0.11)
SHAW COMM:	16.96	0.00	JDSU:	6.01	(0.19)
TIME WARNER CABLE:	31.25	(0.39)	LEVEL 3:	1.65	0.32
VIRGIN MEDIA:	8.85	0.15	MICROSOFT:	22.83	0.28
WASH POST:	344.90	(0.4)	MOTOROLA:	6.87	0.30
PROGRAMMING					
CBS:	8.16	(0.17)	OPENTV:	1.29	(0.04)
CROWN:	1.96	0.04	PHILIPS:	19.37	0.14
DISCOVERY:	22.67	(0.32)	RENTRAK:	13.36	0.20
EW SCRIPPS:	2.23	0.00	SEACHANGE:	7.50	0.17
GRUPO TELEVISA:	17.78	0.40	SONY:	27.42	0.06
HSN:	11.75	0.01	SPRINT NEXTEL:	5.08	0.24
INTERACTIVE CORP:	16.55	(0.19)	THOMAS & BETTS:	32.56	0.71
LIBERTY:	28.20	0.11	TIVO:	11.30	0.27
LODGENET:	5.90	0.16	TOLLGRADE:	5.45	0.16
NEW FRONTIER:	2.71	0.41	UNIVERSAL ELEC:	20.49	0.35
OUTDOOR:	6.31	0.24	VONAGE:	0.42	0.02
PLAYBOY:	2.82	(0.02)	YAHOO:	16.19	(0.13)
RHI:	3.13	(0.04)	TELCOS		
SCRIPPS INT:	29.38	0.34	AT&T:	24.79	0.51
TIME WARNER:	26.17	(0.15)	QWEST:	4.13	0.06
VALUEVISION:	1.70	0.22	VERIZON:	29.75	0.22
VIACOM:	25.06	0.51	MARKET INDICES		
WWE:	13.52	(0.13)	DOW:	8770.92	31.90
TECHNOLOGY					
3COM:	5.08	0.06	NASDAQ:	1862.37	9.29
ADC:	8.38	(0.08)			
ADVANTAGE:	1.92	0.01			
ALCATEL LUCENT:	2.87	0.00			
AMDOCS:	21.65	0.06			

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CORPORATE LICENSES



CableFAX Daily™

WHAT THE INDUSTRY READS FIRST.

PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Have Your Beefcake and Eat It Too

I'm smitten with **WWE**. Go ahead, chuckle it up. Call the pro wrestling enterprise what you will: a trash-talking traveling circus, a musclehead masquerade ball, a faux sport. Truth is, all those pejoratives own some merit. But even as I don't watch any WWE content—haven't since the pre-reality TV *Hulk Hogan* ruled the ring in yellow—the company has melded together admirable consistency, impressive longevity, shrewd branding/marketing and compelling shareholder value to lure me as an ardent fan. "Having come from the **NBA**, which was 1 of the greatest places in the world, there's nothing that competes with this company" said COO *Donna Goldsmith* at a conference earlier this week. It's "a little over the top sometimes, a little crazy, but we translate it into a really good business model." We're all aware of the success WWE's "Raw" brand has enjoyed on **USA** for years, yet its other linear properties also excel. Shows on **SciFi**, **MyNetworkTV** and **WGN America** combine with USA's to produce 6 hours/week of new programming, and since "Superstars" premiered on WGN Apr 16 it has averaged 636K viewers. Piddling, you say? Relative to the most popular cable shows, maybe, but the show was WGN's highest-rated in all but 1 of the 8 weeks since the debut. "Our model translates well: good versus evil," said Goldsmith. "It's very simple and it's understood in all languages." Intl expansion represents the best growth opportunity going forward, she said, noting the recent achievement of 5x the expected buys for WWE's 1st PPV feature in Mexico. Yet she also admitted the need for "more ideas for the Web," and as total rev has dipped recently a renewed focus on efficiency included a 10% staff reduction. Still, WWE shares have gained 47% since early Mar, and management hasn't trimmed the company's annual yield, currently at a delectable 11%. "We're good stuff," said Goldsmith. *CH*

Highlights: "A Decade Behind Bars: Return to the Farm," Tues, 8pm, **Nat Geo**. Like it or not, Nat Geo's building a reputation for excellent storytelling about jails (see "Locked Up Abroad"). This new doc embellishes that rep. It's an update about prisoners seen a decade ago in an Emmy nominated doc about a jail known as "the farm," in Angola, LA, where most serve lengthy or life sentences. That hopelessness is captured when one prisoner, who heads the prison-run TV station, admits he has no future. -- "True Blood," Season 2 premiere, Sun, 9pm, **HBO**. No sophomore slump in this saga of modern-day vampires who drink synthetic blood. As in Season 1, just about everyone in tiny Bon Temps, LA, is miserable. Yet they're quirky and entertaining. *SA*

Worth a Look: "Hammertime," pilot, Sun, 10pm, **A&E** and "Raising Sextuplets," Thurs, 10pm, **WE**. Apparently A&E believes *MC Hammer's* name will attract eyeballs to a reality series about the rapper's home life. Perhaps, but we'll bet viewers will find Hammer's a fairly normal clan, and normal usually isn't entertaining. As for "Raising," beyond the 6 kids, the family seems normal. Oops. -- "The Money List," premiere, Sat, 9:30pm, **GSN**. This new game show that asks contestants to make lists—*Meryl Streep* movies, *Harry Potter* characters—is fun and accessible. *SA*

Basic Cable Rankings (6/01/09-6/07/09) Mon-Sun Prime			
1	USA	2.5	2427
2	FOXN	1.8	1692
3	DSNY	1.7	1639
4	TNT	1.3	1281
4	NAN	1.3	1276
4	TBSC	1.3	1262
7	DISC	1.1	1072
7	TLC	1.1	1056
7	HGTV	1.1	1030
7	FX	1.1	1028
11	A&E	1	989
11	HIST	1	984
11	VS	1	750
14	LIFE	0.9	918
14	TOON	0.9	908
14	FAM	0.9	873
14	ESPN	0.9	843
14	AMC	0.9	819
14	HALL	0.9	803
20	SCIF	0.8	803
20	FOOD	0.8	790
20	TRU	0.8	759
23	SPK	0.7	708
23	ESP2	0.7	693
23	CMDY	0.7	692
23	MSNB	0.7	622
23	LMN	0.7	486
23	NOGG	0.7	468
29	CNN	0.6	624
29	MTV	0.6	592
29	BET	0.6	571
29	EN	0.6	552
29	BRAV	0.6	517
34	VH1	0.5	524
34	APL	0.5	461
34	NGC	0.5	352
37	TVLD	0.4	422
37	HLN	0.4	418
37	TRAV	0.4	378
37	OXYG	0.4	330
37	SOAP	0.4	307
37	WGNA	0.4	303
37	GSN	0.4	271
37	NKTN	0.4	204
45	CMT	0.3	288
45	WE	0.3	254

*Nielsen data supplied by ABC/Disney

Operators and Programmers- Don't Miss This!

CableFAX Webinar • Wednesday, June 17, 2009 • 1:30-3:15 p.m. (EST)

Topic: The 'TV Everywhere' Debate: Will Authentication Save the Online Video Model?

The topic of Authentication drew much discussion at the 2009 Cable Show. Now our expert panel will inform you about where this debate is heading and how it may change your current revenue models.

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