

CableFAX Daily™

Monday — June 15, 2009

What the Industry Reads First

Volume 20 / No. 112

Ho Hum: Cable Reports Quiet D-Day, Handful of Broadcasters Lose Signals

Cable operators said Fri that things were relatively quiet as hundreds of broadcasters switched to all digital broadcasts. By lunch time, NCTA's email command center had notified engineers and others of only about a dozen problems. In most instances, broadcasters had simply stopped transmitting signals when analog was cut off and the digital signal failed temporarily. NCTA's *Rob Stoddard* said those issues were resolved in a couple of hours. They included stations in AL, AR, FL, GA, IN, LA and WV. Many stations have already been transmitting in digital and analog, so their transition simply meant killing the analog signal. Comcast vp, video services *Jay Kreiling* said about 15% of the MSO's 2K broadcast relationships involve a flash cut from analog to digital. As of Fri afternoon, only 3 or 4 of those broadcasters in Comcast markets had lost signals during the process, and all were back up within a couple hours, he said. "We think there has been only a minimal impact on cable subscribers," NCTA svp, science and tech *William Check* said in a blog post. "In some cases, the same broadcast stations are delivering their signals to cable 'headends' through a fiber line, so even if there's a problem with over the air transmission, the station's signal is still getting to cable subscribers." The bulk of stations, 391, were set to cut off analog signals between 6pm and midnight Fri. "Nobody's ready to declare victory yet. We're waiting to see what happens in the overnight period before we declare a smooth transition," said NCTA's Stoddard. Comcast had dispersed some people to **Best Buy** locations to help customers and arranged for a direct mail piece to hit homes Sat. A Comcast rep on Fri cited an increase in call volume but wasn't sure if it stemmed from transition-related questions/installs. Stoddard said reports of call volume increases were mixed, with some companies seeing no gains and a couple others reporting low, double-digit upticks for Fri vs Fri a week ago. A couple ops reported installation requests from subs who hooked up converter boxes and didn't like the result, Stoddard said. NAB reports that TV stations that went all digital by 1pm ET averaged 130 calls by Fri afternoon, mostly related to rescanning and converter box issues. Stoddard said a few stations in areas with technical problems had more than 1K calls. For example, an **ABC** affil in Chicago had a power level issue that generated more than 3K calls. NCTA will hold an industry-wide conference call Sat at noon ET to re-evaluate the landscape. The **NTIA** reported that it received nearly 320K request for coupons Thurs, the 10th highest amount since the program started in late Dec. In fact, all of the previous record request days came in Dec '08 or Jan '09, proving that there will always be plenty of procrastinators.

FCC Call Center: No info was available at press time on the number of calls received by the 4K ops at the FCC's DTV call center. But based on a spot check, they appeared pretty busy. We spent 8 minutes on hold Fri afternoon before reaching a live person. Another call placed at about 4pm was greeted by a recorded voice estimating a wait time of more than 15 minutes. "Along with Commissioners *Adelstein* and *McDowell*, my staff and I will be monitoring the transition closely, analyzing the types of calls our helpline is getting, communicating regularly with broadcasters and other key stakeholders, and getting feedback from our FCC staff in the field," acting FCC chmn *Michael Copps* said in a prepared statement. "We are ready to respond quickly and focus resources wherever they may be needed."

2009 HOLIDAY
promotion

go to insidehallmarkchannel.com and sign up today



CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax:301/738-8453 ● Editor-in-Chief: Amy Maclean, 301/354-1760, amaclean@accessintel.com ● Exec Editor, Michael Grebb, 301/354-1790, mgrebb@accessintel.com ● Assoc Editor, Chad Heiges, 301/354-1828, cheiges@accessintel.com ● Asst VP, Ed Director, Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Debbie Vodenos, 301/354-1695, dvodenos@accessintel.com ● Advertising Mgr: Erica Gottlieb, 212/621-4612 ● Marketer: Patrick Benko, 301/354-1789, pbenko@accessintel.com ● Marketing Director: Carol Bray, 301/354-1763, cbray@accessintel.com ● Prod: Joann Fato, 301/354-1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Paul Maxwell/Columnist ● Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs: Carol Bray, 301/354-1763, cbray@accessintel.com

OTA to Cable: Collins Stewart dropped its estimate that 4% of over-the-air homes (589K) would convert to cable or DBS to 3.5% (or 525K homes). The firm based the revision on the 60.2mln converter coupon requests (2.6mln in just the last 4 weeks). Stewart also expects that a lower ratio of OTAs will migrate in 2Q and a higher ratio will do so in 3Q. The firm believes that foreclosures of nearly 1mln homes in 2Q will offset much of the anticipated OTA gains. It now expects **Time Warner Cable** to lose 35K basic subs in 2Q vs a previous estimate of 5K adds. It upped **Comcast's** estimated sub loss to 165K from 125K. **Sanford Bernstein** said any potential sub boost will more likely come in 3Q, and raised the possibility that many of the gains may come from OTA homes no longer able to receive adequate signals post transition.

Carriage: RCN launched in 5 markets **SKY TG24**, a 24-hr news channel from the **SKY Italia** pay TV platform that **News Corp** rolled out in '03 and now owns 4.8mln subs. A free preview of the net runs through Jul 5.

Forlorn About Porn: **Playboy's** US troubles are well-documented, and rival **New Frontier Media** isn't pleased with the current domestic picture either. "We are concerned about the category as a whole, and our distribution partners are sharing that concern with us," said pres **Ken Boenish** during a Thurs earnings call, noting declines across all platforms. But "we're also exploring new concepts like cross platform bundling [and] over the top IP delivery through the cable operators," he said. New Frontier said the additional VOD shelf space will help offset dwindling buy rates. The company expects US transactional TV rev to be flat for FY10. **TVN** declined to discuss demand trends for VOD adult programming.

Pay Up: Never 1 to sit on the sidelines, **Pali** analyst **Rich Greenfield** weighed in late Thurs on the net neutrality spat between **ACA** and **Disney/ESPN (Cfax, 6/12)**. "We firmly disagree with the ACA and believe content owners should be aggressively seeking monthly fees from ISPs for their content/services," wrote Greenfield. In fact, Greenfield last month characterized the distribution deal between Comcast and **ESPN360 (Cfax, 5/20)** as a "watershed event."

Advertising: Interactive advertising drives \$300bln of US economic activity and represents 2.1% of the total US GDP, according to a study from **IAB**, which said Internet ads totaled \$23.4bln last year. Major ISPs form a \$32bln business and employ 74K. It noted total '07 Internet rev: **AT&T** \$119bln, **Verizon** \$93bln, **Comcast** \$31bln and **Time Warner Cable** \$16bln.

Ratings: Battles between the Yanks and Red Sox always stoke enthusiasm, again evidenced by ratings this week for **YES** and **NESN**. The latter averaged a 16.7 HH rating in the Boston DMA for 3 games between the rivals this week, its best 3-game set since '07. **YES'** Thurs night Yanks-Sox coverage, meanwhile, became through an avg of 715K total viewers the net's most-watched telecast since Aug '08.

Programming: **ESPN** will air the **Rose Bowl** starting in Jan '11, when all 4 major bowl games plus the **BCS National Championship** hit the sports giant. – **Discovery Channel's** 22nd annual Shark Week stunt returns Aug 2 with 6 premieres including "Blood in the Water," a 2-hr drama highlighting the '16 shark attacks in NJ that inspired "Jaws." -- **Showtime** brings to its mic the latest stand-up specials from **Cedric "The Entertainer"** (Wed), **Margaret Cho** (Jul 3) and **Kevin Nealon** (Sept). -- **USA** original "Royal Pains" became the net's 1st scripted show ever to deliver ratings growth among 18-49s (+2%) and 25-54s (+3%) for its 2nd ep.-- "The View" host **Joy Behar** brings to **HLN** this Sept "The Joy Behar Show" (wt).

Honors: **TV One** earned the "Best Practices" award from the **National Assoc of Black Journalists** for its coverage of the DNC and election night from an African-American perspective. The net will be officially honored during **NABJ's** annual convention, Aug 5-9 in Tampa.

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.

www.cablefax.com/webinars

CableFAX Week in Review

Company	Ticker	6/12 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	29.19	1.50%	5.80%
DIRECTV:	DTV	22.77	4.40%	(0.6%)
DISH:	DISH	15.33	(4%)	38.30%
DISNEY:	DIS	25.06	0.40%	12.00%
GE:	GE	13.51	(0.2%)	(10.9%)
HEARST-ARGYLE:	HTV	4.50		(24.6%)
NEWS CORP:	NWS	11.73	1.60%	23.70%

Company	Ticker	6/12 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	18.91	1.50%	14.10%
COMCAST:	CMCSA	14.35	1.70%	(13.8%)
COMCAST SPCL:	CMCSK	13.73	3.10%	(13.8%)
GCI:	GNCMA	7.36	(4.7%)	(9%)
KNOLLOGY:	KNOL	8.42	4.60%	63.20%
LIBERTY CAPITAL:	LCAPA	14.94	2.30%	217.20%
LIBERTY ENT:	LMDIA	24.70	4.30%	41.30%
LIBERTY GLOBAL:	LBTYA	15.13	11.60%	(5%)
LIBERTY INT:	LINTA	5.93	0.70%	90.10%
MEDIACOM:	MCCC	5.98	(4.9%)	39.10%
SHAW COMM:	SJR	16.95	0.10%	(0.7%)
TIME WARNER CABLE:	TWC	31.03		
VIRGIN MEDIA:	VMED	8.66	(2.5%)	76.00%
WASH POST:	WPO	349.22	(2.4%)	(8.3%)

Company	Ticker	6/12 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	8.14	(7.3%)	0.60%
CROWN:	CRWN	1.95	0.50%	(31.6%)
DISCOVERY:	DISCA	22.12	(3.9%)	56.20%
EW SCRIPPS:	SSP	2.09	(6.7%)	(5.4%)
GRUPO TELEVISIA:	TV	17.63	1.70%	18.00%
HSN:	HSNI	11.79	0.20%	62.20%
INTERACTIVE CORP:	IACI	16.41	0.50%	4.20%
LIBERTY:	L	28.13	1.60%	(0.2%)
LODGENET:	LNET	5.90	0.20%	742.90%
NEW FRONTIER:	NOOF	2.60	17.10%	52.90%
OUTDOOR:	OUTD	6.37	(5.6%)	(15%)
PLAYBOY:	PLA	2.83	2.50%	31.00%
RHI:	RHIE	3.16	0.30%	(61.1%)
SCRIPPS INT:	SNI	29.44	3.30%	34.50%
TIME WARNER:	TWX	26.00	2.80%	17.10%
VALUEVISION:	VVTV	1.50	92.30%	354.50%
VIACOM:	VIA	25.00	4.10%	24.30%
WWE:	WWE	13.59	(2.2%)	32.40%

Company	Ticker	6/12 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	5.03	0.80%	120.60%
ADC:	ADCT	8.27	8.80%	51.30%
ADVANTAGE:	AEY	1.85	1.10%	3.90%
ALCATEL LUCENT:	ALU	2.84	3.60%	32.10%
AMDOCS:	DOX	21.86	(1.2%)	19.50%
AMPHENOL:	APH	33.96	1.60%	41.80%
APPLE:	AAPL	136.97	(5.3%)	60.50%
ARRIS GROUP:	ARRS	12.67	2.50%	59.40%
AVID TECH:	AVID	14.20	(6.7%)	30.20%
BIGBAND:	BBND	5.54	(1.2%)	0.40%
BLNDER TONGUE:	BDR	1.62	3.20%	60.40%
BROADCOM:	BRCM	26.30	3.30%	54.90%

Company	Ticker	6/12 Close	1-Week % Chg	YTD %Chg
CISCO:	CSCO	19.91	0.20%	22.10%
CLEARWIRE:	CLWR	4.59	(0.2%)	15.60%
COMMSCOPE:	CTV	25.03	(1.4%)	61.10%
CONCURRENT:	CCUR	5.55	7.70%	64.70%
CONVERGYS:	CVG	9.28	(4.5%)	44.80%
CSG SYSTEMS:	CSGS	14.34	(1.2%)	(17.9%)
ECHOSTAR:	SATS	16.18	(4.9%)	8.80%
GOOGLE:	GOOG	424.84	(4.4%)	38.10%
HARMONIC:	HLIT	6.61	10.20%	17.80%
INTEL:	INTC	16.31	2.40%	21.90%
JDSU:	JDSU	6.12	1.30%	67.40%
LEVEL 3:	LVL	1.54	32.80%	120.00%
MICROSOFT:	MSFT	23.33	5.40%	21.30%
MOTOROLA:	MOT	6.73	7.90%	53.00%
OPENTV:	OPTV	1.32	(3.6%)	7.30%
PHILIPS:	PHG	19.21	(2.1%)	5.90%
RENTRAK:	RENT	13.75	27.70%	16.60%
SEACHANGE:	SEAC	7.55	(2.8%)	4.70%
SONY:	SNE	27.29	(1.9%)	24.80%
SPRINT NEXTEL:	S	5.29	3.50%	189.10%
THOMAS & BETTS:	TNB	31.98	(2.4%)	33.10%
TIVO:	TIVO	11.44	7.40%	59.80%
TOLLGRADE:	TLGD	5.57	(0.9%)	16.50%
UNIVERSAL ELEC:	UEIC	20.68	(2.5%)	27.50%
VONAGE:	VG	0.42	(8.7%)	(36.4%)
YAHOO:	YHOO	16.40	(1.4%)	34.40%

Company	Ticker	6/12 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	25.01	1.80%	(8%)
QWEST:	Q	4.32	5.50%	25.30%
VERIZON:	VZ	29.92	2.30%	(7.7%)

Index	6/12 Close	1-Week % Chg	YTD %Chg	
MARKET INDICES				
DOW:	INDU	8799.26	0.40%	0.30%
NASDAQ:	COMPX	1858.80	0.50%	17.90%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. VALUEVISION:	1.50	92.30%
2. LEVEL 3:	1.54	32.80%
3. RENTRAK:	13.75	27.70%
4. NEW FRONTIER:	2.60	17.10%
5. LIBERTY GLOBAL:	15.13	11.60%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. VONAGE:	0.42	(8.7%)
2. CBS:	8.14	(7.3%)
3. AVID TECH:	14.20	(6.7%)
4. EW SCRIPPS:	2.09	(6.7%)
5. OUTDOOR:	6.37	(5.6%)

Value-Added Benefits

for CableFAX Daily Subscribers Only

As part of your CableFAX Daily subscription, did you know that you can view the latest industry Datapoints from our partners including Nielsen, Rentrak, comScore and MediaBiz?

Plus as a subscriber, you also have access to an archive of CableFAX Daily stories and articles most relevant to your business needs. Browse articles by topic, keyword search, or download recent issues.



Log onto <http://www.cablefax.com/cfax/>

CableFAX Daily™

MaxFAX...

Leveling Off?

Interesting interview that **Fox Business** anchor *Liz Claman* had with **Cisco's John Chambers** last week.

Noting his was the "first tech company in ten years" added to the Dow Jones Industrial Index, Chambers

said it was "humbling" and "bittersweet" as **GM** was dropped.



Paul S. Maxwell

But the important thing: he's a bit upbeat at CEOs that were pessimistic earlier this year are "saying their businesses are 'leveling out.'"

"You have to have a leveling out before an upturn occurs," Chambers said. "It doesn't mean it definitely will, but it feels a lot better now than it did just three or four months ago."

That optimism is borne out by the results reported in the June '09 The BRIDGE... the concept that cable is (relatively-) recession proof was (we hope) validated by the first quarter reports from MSOs... subscribers up (!?!), capex down, financials solid.

Good news.

So get ready to take some orders, add some subs, sell some ads and get ready for the broadband stimulus! Order some trucks... ought to be a couple of bargains out there...

Random Notes:

• **Friday the 12th:** Quite a day. No more analog over-the-air. *The Wall Street Journal* moved in with **Fox News** and some of the rest of **News Corp** on 6th Avenue. Iran voted for a President. Any connections?

• **This Week:** Positively Cable's *Escape from the Planet of Mutant Broadband Hell* plays out Tuesday night at the Comedy Works South in Greenwood Village featuring **Time Warner's Tom Fiege** and The Kable Kid singing and dancing... which is guaranteed to be funnier than watching the stock market.

• **Project Calvary:** Wow... so why isn't it deployed in Summit County, Colorado yet? Heck, we don't even have VOD! (Selfish note: every resort system should have VOD... with **The Ski Channel** and other relevant vacation content!) Comcast's new super-system looks most impressive... you should take a look at maps showing how **Comcast** will compete with **Verizon** and **AT&T** on the ground as the cable company gets faster and faster. Just ask me for one.

• **That Stimulus, per Chambers:** "Businesses should look at where the government wants you to focus," Chambers said. "We're in all those areas: we're in health care, we're in education, we're in productivity, we're in job creation—so many elements of the stimulus plan are areas that

Cisco and our partners could participate in." No mention of communications? No mention of broadband? Odd. Suppose he's looking beyond cable to consumers? Flip?

• **Programming Parity?** Ummm. Over and done. The other night (two nights before the D-Day anniversary), a couple of new shows on **USA** beat the new show on broadcast sibling **NBC** (not to mention beating the re-runs on the other somewhat over-the-air nets). I won't comment on the shows (though, with my DVR, I checked at samples of all)—the viewers already voted.

• **Holocaust Horrors:** Amazing to be near (well, in a suburb not too far) something like that ... and then to see the astonishing non-stop coverage ... every channel in the bar.

• **Remember the History of Premium TV?** Sure, cable figured out how to get folks to pay for better pictures, then more pictures, then pay extra for pictures. How did we do it? Easy: the subscription model. So don't cling too hard to PPV or pay-per-use models to dominate broadband. Look at history. And behavior patterns.

Paul Maxwell

T: 303/271-9960

F: 303/271-9965

maxfax@mediabiz.com

Reach Out, Educate, Engage CableFAX Contests are "Win-Win"

Want a fun and effective way to reach out to your prospects and create new business alliances? Let CableFAX host your next contest. You create the branding message and determine the prize(s) and we'll draw in contestants through web, email, and print.

For more information, visit <http://www.cablefax.com/cfp/advertise/> or contact dvodenos@accessintel.com / Tel: 301-354-1695.

CableFAX

A New NAMIC Premiere!



**Easy, paperless, user-friendly –
Submit your EMMA entry today at WWW.NAMIC.COM**

**THE NAMIC EMMA RECOGNIZES THE
TOP MARKETING TACTICS AND CASE STUDIES
TARGETED TO MULTI-CULTURAL AUDIENCES.**

Presented in partnership with:

CableFAX Daily™
"What the Industry Reads First"

Sponsored by: **ESPN
DEPORTES**

Entry Deadline: Friday, July 31, 2009 by 11:59 p.m. EDT

Be recognized for your innovative multi-cultural marketing efforts! How well did your last multi-cultural marketing campaign impact your bottom line? Don't miss your opportunity to share your successes and be recognized for your results. A judging panel of industry experts will review all entries and select winners.

FOR MORE INFORMATION, CONTACT NAMIC AT 212.594.5985

Attend the 23RD Annual NAMIC Conference: "Diversity Rules!"

October 26–28 at the Grand Hyatt Denver in Denver, CO.

Winners will be acknowledged during the Annual NAMIC Conference and will be featured in *CableFAX Magazine*.

NATIONAL ASSOCIATION FOR MULTI-ETHNICITY IN COMMUNICATIONS | EMBRACE DIVERSITY. EMBRACE SUCCESS.
NAMIC's mission is to educate, advocate and empower for multi-ethnic diversity in the communications industry.