

CableFAX Daily™

Wednesday — July 1, 2009

What the Industry Reads First

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First Days: Free Press, Broadband Grants & Public Safety for Genachowski

As FCC chmn *Julius Genachowski* settled into his 2nd day on the job Tues, speculation continued over what sort of regime he will usher in. Some cable eyebrows rose over the hiring of *Jen Howard*, former **Free Press** media dir, as spokesperson and press liaison for the chmn. The media activist group is, of course, a strong net neutrality proponent that went after **Comcast** over its network management practices and hammered **Time Warner Cable** over plans to test broadband metered usage. Should we read anything into this? Is there an open access red flag waving? We asked Howard. "Chairman Genachowski has brought together a diverse staff with a broad range of public and private sector experiences," she said. "The Chairman's agenda is his own. I am honored to serve on such a great team." Genachowski on Tues thanked FCC staffers for their DTV transition work and pledged to be fair, open and transparent. And yes, there will be a new FCC Website (several members of Congress mentioned the antiquated site during Genachowski's June 16 confirmation hearing). The chmn outlined goals such as promoting affordable (and open) universal broadband and "seizing the opportunity" for the US to lead the world in mobile communications. "Communications must play a role in solving many of our nation's most pressing challenges," Genachowski said, according to a text of his speech provided by the Commission. "It's the FCC's job—our job—to turn this aspiration into reality. We will be judged by whether we find concrete, practical ways to improve the lives of all of our nation's people." Meanwhile, guidelines are expected to finally be released on broadband stimulus grants. Genachowski will be in Erie, PA, Wed with Veep *Joe Biden*, Sec of Commerce *Gary Locke*, Sec of Ag *Tom Vilsack* and other officials to "highlight Recovery Act broadband investments." Those who can't make it to Erie will be able to check out the new chmn at Thurs' FCC meeting, which has been pushed back to 11:30am from 10am. Besides public appearances, Genachowski is digging into public safety. One of his 1st acts as chmn was to direct the Public Safety and Homeland Security Bureau (in consultation with other bureaus) to conduct a "top-to-bottom review" of the FCC's preparedness for a major public emergency. In a memo Tues, Genachowski asked whether the agency has made efforts to detect or respond to a cyber attack or prepare or respond to a public health emergency, such as a pandemic.

Do Over: Six public interest groups have asked the **FCC** to reconsider the set-top integration ban waiver granted for **Evolution Broadband** during *Michael Capps*' reign. The waiver allows operators to deploy 2 Evolution digital-to-analog



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converter boxes for the next 3 years that don't contain costly CableCARDS. It also opened the door for other set-top players, with **Cisco, Moto, Pace** and **Thomson** all filing in recent weeks for similar waivers. The groups, which include **Public Knowledge** and **Free Press**, claim the waiver locks consumers into low-end boxes and frustrates Congressional intent. The groups' petition also complains that the FCC hasn't prevented cable ops from upgrading the capabilities of the boxes through downloadable software or hardware, thus evading the "limited capability" provision of the waiver. Also signing the petition were **Media Access Project, New America Foundation, Open Technology Institute** and **US PIRG**.

MJ/2Q Ratings: That familiar "hee hee" you may be hearing isn't from a *Michael Jackson* song, but rather **BET**. Featuring impromptu tributes to The Gloved One and a special appearance by *Janet Jackson*, the net's "BET Awards '09" garnered 10.65m total viewers to deliver the net's biggest audience ever and become the top cable telecast of '09 in the metric. Even the event's 1-hr "After Party" delivered a 3.6/3.22m. On Thurs, numerous viewers sought news of MJ's passing from cable nets, particularly **CNN**. Benefiting were the net's "Lou Dobbs Tonight" (3.1/3.01m), "Campbell Brown" (3.0/2.99m), "Larry King Live" (2.9/2.85m) and "Anderson Cooper 360" (2.7/2.68m). -- Meanwhile, **USA** emerged victorious in 2Q prime with a 2.4/2.37m, the 2.37m HHs a 2Q cable record along with the net's delivery among 25-54s (1.47m), 18-49s (1.37m) and total viewers (3.17m). The **NBA Playoffs** helped **TNT** (2.0/1.98m) take 2nd, and following were **Disney Channel** (1.8/1.77m), **Fox News** (1.7/1.65m), and **ESPN** and **Nick at Nite** in a tie for 5th with 1.3/1.32m. The top 5 nets averaged a 1.84 HH rating in the Q versus 1.72 a year ago. Among telecasts, **TLC's** "Jon & Kate Plus 8" notched the top spot plus a 2nd-place tie, averaging a 7.56/7.39m for the 2 eps. 14 NBA games (8 TNT, 6 ESPN) hit the top 20. 2Q's top 100 telecasts averaged a 4.59 HH rating, compared to 3.88 last year.

Online Video: With **Hulu** gaining traction, **Joost** CEO *Mike Volpi*, who's vacating that post but remaining chmn, said the company will now focus chiefly on providing online video platforms for media companies and distributors. "In these tough economic times, it's been increasingly challenging to operate as an independent, ad-supported online video platform," said Volpi. Data from **Screen Digest** corroborates Volpi's assertion. The firm said that while broadcast-supported platforms will generate online video ad rev of \$1.45bn by '13, portals such as Joost with no direct affil with major rights holders will struggle. In '08, said Screen, the ad-supported US online TV market generated rev of \$448m, led by the big 4 broadcasters' sites (\$197m) and cable ops' portals (\$99m). The estimate for Hulu: \$45m.

Competition: Forget price cuts, cash back or free premium nets. **Verizon's** latest attempt to acquire subs is a press release and blog entry highlighting a study of US broadband customers by **RVA Market Research and Consulting**, which found that 82% of current FTTH subs rank the service as the most important amenity when shopping for a new home. The study found non-FTTH users felt the same, though not by as large a margin over other amenities like 24-hour security.

Carriage: **RLTV** is now in 17 of the top 20 DMAs on **Comcast** following its latest launch in Denver.

Marketing/Advertising: **Under Armour** and **Land Rover** will serve as the co-presenting sponsors of **ESPN's** "'09 Espy Awards" (Jul 19), joining other sponsors including **EA Sports, Gatorade** and **The Weinstein Co.**

Programming: After 8 years, **FSN** taped its last original studio show of "Best Damn Sports Show" Tues (air date TBD). The show will remain on the air until the end of the year, airing its "Top 50" recap of best plays, best catches, etc from a variety of sports. -- **MTV** is ordering a 2nd season of "16 & Pregnant" after just 3 eps. The series, which follow pregnant

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BUSINESS & FINANCE

teens for 5-7 months, is #1 in its time period among females 12-34 and across all of TV for females 18-24. And at 3.4mln streams to date, it's the 2nd most streamed series on MTV.com within its time period. -- **ION TV's** 1st original prime series "Durham County" (Sept) spotlights the troubled life of a homicide detective. -- A live 2-hr special (Jul 9) celebrates the 1000th ep of **G4's** "Attack of the Show."

People: NFL svp, consumer marketing & sales *Ron Furman* joins **Comcast** as svp, sports sales, reporting to **Comcast Network** ad sales pres *Dave Cassaro*, reports *Sports Business Daily*. Citing sources, the pub said his job will combine sales for **Versus**, **Golf** and **Comcast SportsNet** RSNs. -- Former **NBCU** sales exec *Keith Turner* has joined direct response media agency **Mercury Media** as vice chmn.

Obit: **DIY** vp, creative services *Jeff Sears* passed away Sun from injuries suffered in a motorcycle accident over the weekend. Survivors include his wife *Joan Marie Collins* and son *Conor Collins Sears*. The family will receive friends Wed from 5-7pm in the Click Funeral Home Farragut Chapel (west of Knoxville). A Celebration of Life will be held at the chapel Thurs, 11am. In lieu of flowers, a trust fund is being established for his son's education.

Business/Finance: According to reports, **RCN** tendered in mid-Jun a \$96mln bid for **FiberNet Telecom**, which operates in NY, NJ, Miami, Chicago and L.A. Negotiations continue.

CableFAX Daily Stockwatch

Company	06/30 Close	1-Day Ch	Company	06/30 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	30.02	0.00	AMPHENOL:	31.64	0.17
DIRECTV:	24.71	(0.31)	APPLE:	142.43	0.46
DISH:	16.21	0.11	ARRIS GROUP:	12.17	(0.23)
DISNEY:	23.33	(0.33)	AVID TECH:	13.41	(0.29)
GE:	11.72	(0.04)	BIGBAND:	5.17	0.03
HEARST-ARGYLE:	4.50	0.00	BLNDER TONGUE:	1.39	0.00
NEWS CORP:	10.57	(0.09)	BROADCOM:	24.79	(0.12)
MSOS					
CABLEVISION:	19.41	0.09	CISCO:	18.65	(0.34)
COMCAST:	14.46	0.10	CLEARWIRE:	5.53	(0.2)
COMCAST SPCL:	14.10	0.18	COMMSCOPE:	26.26	0.01
GCI:	6.93	0.14	CONCURRENT:	5.70	(0.04)
KNOLOGY:	8.63	(0.21)	CONVERGYS:	9.28	0.11
LIBERTY CAPITAL:	13.56	(0.53)	CSG SYSTEMS:	13.24	(0.21)
LIBERTY ENT:	26.70	(0.25)	EHOSTAR:	15.94	0.37
LIBERTY GLOBAL:	15.89	0.03	GOOGLE:	421.59	(2.55)
LIBERTY INT:	5.01	0.03	HARMONIC:	5.89	(0.07)
MEDIACOM:	5.11	(0.04)	INTEL:	16.55	0.17
SHAW COMM:	16.86	(0.09)	JDSU:	5.72	0.00
TIME WARNER CABLE:	31.67	0.01	LEVEL 3:	1.51	0.01
VIRGIN MEDIA:	9.35	0.09	MICROSOFT:	23.77	(0.09)
WASH POST:	352.18	3.42	MOTOROLA:	6.63	0.02
PROGRAMMING					
CBS:	6.92	(0.3)	OPENTV:	1.33	(0.03)
CROWN:	1.67	(0.05)	PHILIPS:	18.42	(0.21)
DISCOVERY:	22.51	0.32	RENTRAK:	16.43	(0.47)
EW SCRIPPS:	2.09	(0.1)	SEACHANGE:	8.03	(0.09)
GRUPO TELEVISA:	17.00	(0.25)	SONY:	25.86	(0.72)
HSN:	10.57	0.60	SPRINT NEXTEL:	4.81	(0.11)
INTERACTIVE CORP:	16.05	0.12	THOMAS & BETTS:	28.86	(0.94)
LIBERTY:	27.40	(0.04)	TIVO:	10.48	(0.1)
LODGENET:	3.41	0.04	TOLLGRADE:	5.24	(0.5)
NEW FRONTIER:	2.40	0.07	UNIVERSAL ELEC:	20.17	0.90
OUTDOOR:	5.90	0.11	VONAGE:	0.38	0.01
PLAYBOY:	2.51	(0.08)	YAHOO:	15.66	(0.24)
RHI:	3.19	0.04	TELCOS		
SCRIPPS INT:	27.83	(0.04)	AT&T:	24.84	(0.38)
TIME WARNER:	25.19	(0.14)	QWEST:	4.15	0.05
VALUEVISION:	1.95	0.01	VERIZON:	30.73	(0.63)
VIACOM:	23.98	(0.73)	MARKET INDICES		
WWE:	12.56	(0.29)	DOW:	8447.00	(82.38)
TECHNOLOGY					
3COM:	4.73	(0.12)	NASDAQ:	1835.04	(9.02)
ADC:	7.96	(0.05)			
ADVANTAGE:	1.65	0.00			
ALCATEL LUCENT:	2.48	0.01			
AMDOCS:	21.45	0.07			

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