

# CableFAX Daily™

Friday — August 14, 2009

What the Industry Reads First

Volume 20 / No. 155

## Funding Season: Cable Ops Submitting Round 1 Broadband Grant Requests

With the application deadline approaching for **NTIA** and **RUS'** \$7.2bln in broadband stimulus funds, time has run out for cable companies to decide whether they will apply in this first round of grants and loans. The initial deadline of Fri has been pushed back to 5pm, next Thurs (8/20), for anyone who has started the electronic application process by 5pm ET Fri. That's because the system has experienced service delays due to the volume of activity from potential applicants. Some companies are sitting this round out given the short window for applications and are hoping the 2nd round will be less restrictive. But others are applying. **Mediacom** is filing an application for the sustainable broadband adoption program. It would work with **IA Workforce Development** to wire its facilities around the state (46 sites) with video so that it could offer VOD training courses on how to use broadband, work in the digital age, etc. The Workforce Development offices also would have access to Mediacom's existing "GED On Demand" program. The project would involve minor construction, with most of the money going toward TV sets (large screens for conference rooms, etc), according to *Tom Larsen*, MCCC's vp, legal, public affairs. All told, the project would cost about \$750K, with Mediacom seeking a \$600K grant (it plans to provide the other 20%), he said. "We're looking at other applications, but this makes the most sense for Round 1," Larsen said. **Bresnan** is seeking a grant to fund a fiber middle-mile project to unserved and underserved communities in Montana, including 7 Native American nations in the state. Bresnan was still tweaking the financials Thurs for the well over 1K-mile project, according to vp, public affairs *Shawn Beqaj*. Eventually, who applied, how much they want and the proposed areas will be posted on the Broadband.gov Website. **ACA** members will watch that information closely because many "are concerned about govt funded grants for service areas where they are already providing services," said ACA vp, govt affairs *Ross Lieberman*. He believes about half of ACA's members seriously considered applying but estimated that about 10% actually will. "That's a good number for this program. We think we could have had more, but they were turned off by some of the more restrictive conditions," Lieberman said. Some have expressed concern over conditions such as the obligation to pay income tax on grants received, net neutrality requirements and a vague order to provide prevailing wages to contractors and subcontractors. Beqaj noted that the review process will take some time (the first of the money is expected to be awarded in Nov), so Bresnan expects there will be more clarity. None of the top 5 MSOs are applying for stimulus funds this round, but some ops (such as **Comcast**) are working with organizations that will apply for support for projects to promote broadband adoption. **Cablevision** supports NYC in its application for funds to promote broadband adoption, committing up to \$1mln in matching funds. The city plans to use CVC's funds, which are contingent on the city being awarded a grant, to support computer center and training programs in libraries and community centers. **Cox** said it is working with several organizations that plan to apply for funds and will continue to explore opportunities in subsequent rounds. **Time Warner Cable** said it would not be applying for funds at all. **Charter** opted not to apply this time but hasn't ruled out other rounds. "We are most interested in the program and the prospect of leveraging that funding to increase broadband adoption and use and will

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continue to study the plan in order to better evaluate its application before pursuing funding," a Charter rep said. No word yet on when those 2nd round applications will be due, but it will likely be around the end of '09 or beginning of '10.

**Insight's 2Q:** Insight saw 2Q revenue rise 13% YOY to \$243.4mln, while adjusted OIBDA climbed 11% to \$77.5mln. Total RGUs were up 14% to 1.99mln (an increase of 237.4K), with HSD gaining 3K subs, digital video 13.2K and phone 6.1K. Insight had a net loss of 3.6K basic subs. ARPU rose 8% to \$112.

**CEO Wanted:** Rob Jacobson is out as pres/CEO of In Demand. His contract recently expired, and he has decided to leave to pursue other opportunities, In Demand said Thurs. **Time Warner Cable** svp, video product strategy **Bob Benya** will assume the role of interim CEO. In Demand is owned by TWC, **Cox**, **Comcast** and **Bright House**. A search for a replacement will commence immediately, In Demand said. Jacobson has been with the company for 10 years, serving as CEO since '04. During his tenure, he helped negotiate the MLB package that led to In Demand's owners' stake in the **MLB Network** and relaunched INHD as **Mojo HD**. In Demand pulled the plug on the channel late last year, saying its original purpose to satisfy consumers' thirst for pure HD had been accomplished given the wealth of HD programming now available.

**Competition:** Before college football season, **FiOS TV** plans to add 4 overflow channels for **Big Ten Net** that "function as safety valves," said the telco's **Eric Rabe** at PolicyBlog.Verizon.com. They will allow customers to receive up to 5 conference games from the net on any given Sat. "Don't want anyone to be stuck watching Michigan or Ohio State," said Rabe, a Penn St grad. -- **Qwest** inked a deal to become the exclusive communications services sponsor of the **Minnesota Twins** and **Target Field** (Apr), in which the telco will build and maintain a multimedia network.

**Carriage:** Comcast plans to launch 13 new HD nets in Middle TN, including **MLB Net**, **TV One**, **MTV** and **Style**.

**In the States:** Suddenlink's deployments of **DOCSIS 3.0** and a new Internet tier offering speeds of up to 20Mbps have been completed in areas serving approx 8% of the MSO's 1.3mln subs, including Lubbock and Midland, TX. "Substantially more" rollouts are expected in the coming months. -- Real-time weather updates from **The Weather Channel** are featured in the latest iteration of **EA Sports'** wildly popular **Madden** NFL football video game. Gamers can apply the actual conditions in league cities to their matchups. -- **Integra Telecom** launched commercial broadband services in CO.

**Online:** Verizon has followed **Cablevision** in providing online HD streams of **YES' Yankees** telecasts to certain broadband customers throughout the RSN's footprint. Beginning Fri, FiOS TV subs who also receive YES may purchase a streaming package covering the remainder of the season for \$30. Also accessible at the telco's area WiFi hotspots, the games will be offered at **Yankees.com**, **YESNetwork.com** and **Verizon.net/YES**. -- **Discovery Channel** joined **Comcast's On Demand Online** trial through features of "Man vs. Wild" and new series "Swords" the day following their linear premieres and "Verminators" a week after it airs. -- **The Mtn.** launches Fri a revamped Website featuring a centralized video library and social media functionality, and next month plans to bow a mobile site. -- **USA** teamed with **Sleep Inn Hotels** to launch "Little Monk," the net's 1st live-action original Web series. It's based on linear show "Monk," now in its final season. -- **Southparkstudios.com**, a jv between **Comedy Central** and "South Park" creators **Trey Parker** and **Matt Stone**, will feature the premiere of rarely-seen, original hand-made pilot of the show for 30 days.

**Ratings:** Comcast SportsNet's Thurs night coverage of the **Phillies-Cubs** game averaged an 11.1 rating to deliver,

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# BUSINESS & FINANCE

with the help of pitcher *Pedro Martinez's* return, the net's largest Phillies audience ever.

**Programming:** Viacom's "Get Schooled: You Have the Right" (Sept 8), a 30-min special that highlights education challenges and breakthroughs, and features *LeBron James* and *Kelly Clarkson*, will air across the company's cable net stable. -- **Ovation** tapped *Morgan Spurlock* to host "Every Big Artist Starts Small," a week-long programming event starting Aug 29 and featuring the world premiere of Spurlock's doc "Class Act," which spotlights an eccentric drama teacher. -- **Comedy Central** greenlit original animated series "Regular Show" and "Horrorbots."

**On the Circuit:** The Media Financial Management Assoc and Interactive and Newsmedia Financial Execs agreed to combine under the former's leadership.

**People:** Crown Media tapped *Mark Kern* as svp, comm and media relations.

**Business/Finance:** 2 Mediacom subsidiaries upped to \$625mln from \$500mln the aggregate principal amount of outstanding sr notes due in '11 and '13 to which their recent joint cash tender offers apply. -- **Discovery Comm** priced an offering of \$500 mln aggregate principal amount of 5.625% sr notes due '19.

## CableFAX Daily Stockwatch

Company	08/13 Close	1-Day Ch	Company	08/13 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	35.47	0.23	AMPHENOL:	34.02	0.12
DIRECTV:	24.81	0.11	APPLE:	168.42	3.11
DISH:	17.99	(0.25)	ARRIS GROUP:	13.33	0.15
DISNEY:	26.26	0.04	AVID TECH:	12.96	0.38
GE:	14.10	(0.03)	BIGBAND:	3.90	0.01
NEWS CORP:	13.01	0.09	BLNDER TONGUE:	1.23	(0.03)
<b>MSOS</b>					
CABLEVISION:	21.29	0.18	BROADCOM:	27.57	0.61
COMCAST:	14.95	0.10	CISCO:	21.51	0.08
COMCAST SPCL:	14.10	0.14	CLEARWIRE:	6.95	0.02
GCI:	6.83	(0.06)	COMMSCOPE:	27.72	0.24
KNOWLOGY:	8.33	(0.04)	CONCURRENT:	4.66	(0.19)
LIBERTY CAPITAL:	17.23	0.32	CONVERGYS:	10.82	(0.02)
LIBERTY ENT:	27.97	0.06	CSG SYSTEMS:	16.22	(0.01)
LIBERTY GLOBAL:	22.07	0.27	ECHOSTAR:	19.08	0.17
LIBERTY INT:	10.04	0.15	GOOGLE:	462.28	3.70
MEDIACOM:	5.67	0.03	HARMONIC:	6.65	(0.02)
RCN:	9.10	0.05	INTEL:	19.05	0.24
SHAW COMM:	17.15	0.35	JDSU:	6.00	0.19
TIME WARNER CABLE:	33.97	(0.15)	LEVEL 3:	1.21	0.03
VIRGIN MEDIA:	10.94	0.16	MICROSOFT:	23.62	0.09
WASH POST:	475.60	(16.76)	MOTOROLA:	7.28	0.21
<b>PROGRAMMING</b>					
CBS:	10.29	(0.43)	OPENTV:	1.30	(0.02)
CROWN:	1.79	(0.01)	PHILIPS:	23.31	0.39
DISCOVERY:	24.78	(0.35)	RENTRAK:	16.27	(1.19)
EW SCRIPPS:	6.38	0.35	SEACHANGE:	9.63	(0.15)
GRUPO TELEVISA:	18.38	0.10	SONY:	28.43	(0.12)
HSN:	11.94	(0.09)	SPRINT NEXTEL:	3.95	0.26
INTERACTIVE CORP:	18.74	0.26	THOMAS & BETTS:	26.54	0.28
LIBERTY:	32.48	0.52	TIVO:	10.54	0.15
LODGENET:	6.48	0.07	TOLLGRADE:	5.50	(0.2)
NEW FRONTIER:	2.29	0.10	UNIVERSAL ELEC:	19.60	0.18
OUTDOOR:	7.38	0.09	VONAGE:	0.40	0.02
PLAYBOY:	2.39	(0.02)	YAHOO:	15.04	0.36
RHI:	2.60	0.10	<b>TELCOS</b>		
SCRIPPS INT:	34.07	0.01	AT&T:	25.48	(0.17)
TIME WARNER:	27.92	(0.23)	QWEST:	3.99	(0.01)
VALUEVISION:	3.33	(0.34)	VERIZON:	31.04	(0.17)
VIACOM:	25.61	(0.37)	<b>MARKET INDICES</b>		
WWE:	14.86	0.01	DOW:	9398.19	36.58
<b>TECHNOLOGY</b>					
3COM:	4.22	0.01	NASDAQ:	2009.35	10.63
ADC:	9.06	0.14			
ADVANTAGE:	1.85	(0.07)			
ALCATEL LUCENT:	3.45	0.19			
AMDOCS:	24.54	0.07			

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

**Ready Or Not, Here Comes Epix**

Epix certainly faces an uphill battle to widespread carriage, at least in the near-term. But to assume the jv net stands before Mt Everest without a parka or crampons would be a mistake. Sure, the premium segment appears chilly right now, and the litany of direct or indirect movie competition includes basic cable nets, Websites like **Hulu**, Redbox and VOD. But DOA? **Verizon** is already aboard, and judging from the beta version of **Epix-HD.com**, the net may have firmer footing than previously assumed. The site is clean, navigable, and offers pristine streams of a library replete with recent releases such as "Iron Man" and the latest "Indiana Jones" installment. It features fun film facts, outtakes and extra interviews, and even allows users to invite 3 offsite friends to a "private viewing room" where the group can use simple chat functions while watching a film. And here's an interesting tidbit: invited friends need not be customers of a particular provider—unless a partner opts for that requirement. See, the site's authentication system is slated to be provider-specific, said Epix chief digital officer *Emil Rensing*, and execs believe this kicker will help forge additional distribution deals. There will be tech challenges going forward "because we're building functionality around community and stretching the limits," admitted Rensing. But at least that thrust is novel, making the site and possibly the linear net distinctive. While **Starz** features an online product, **HBO's** is undergoing testing as part of **Comcast's On Demand Online** trial and **Showtime's** digital plans are snowy. If Epix can leverage its digital push effectively, it may enjoy some star power yet. Of course, content quality remains critical, so the Epix partners must produce some entertaining flicks in order to harness some future wattage for that power. **Lionsgate** and **Paramount** are pretty prolific (though neither is **Warner Bros** right now), but **MGM** absolutely needs to step up its game. *CH*

**Highlights:** "Skins," Thurs, 9pm, **BBC Am**. Should viewers crave a series that breaks many rules of episodic TV, they should watch "Skins" tonight. The Brit teen drama came off a high point in a story arc about reckless but loveable Cook (*Jack O'Connell*). Yet this week's ep ignores that for the opening 20 minutes, an eternity in TV. Instead we meet Thomas (*Merveille Lukeba*), who has just arrived penniless from Africa. Eventually his path crosses with Cook and other Skins regulars, culminating in a terrific high (figuratively and literally). – "True Blood," Sun, 9pm, **HBO**. While not a conventional series, TB directly settles its cliff hanger, allowing HBO's press release to include the loaded phrase: "Eric plays Sookie for a sucker." – "Mad Men," season III premiere, Sun, 10pm, **AMC**. We realize we're hurting DVD sales and VOD by saying tonight's ep is so strong, it can stand alone, like a movie, and can be almost fully appreciated by newcomers. Creator *Matt Weiner* is at his best, writing a chapter that doesn't waste a word or a scene. And the subject largely deals with economics—timely considering current events. (More at **Seth's Blog** at [www.cablefax.com](http://www.cablefax.com)) -- "Fixer," Mon, 9pm, **HBO**. Amazing inside look at the sad story of a journalist's aide, or fixer, in Afghanistan. *SA*

Basic Cable Rankings (8/03/09-8/09/09) Mon-Sun Prime			
1	USA	3.1	3083
2	TNT	2.1	2059
3	DSNY	1.9	1882
4	FOXN	1.8	1783
5	NAN	1.5	1511
6	TBSC	1.2	1206
7	ESPN	1.1	1079
7	HGTV	1.1	1076
9	HIST	1	1003
9	DISC	1	1000
9	TLC	1	966
9	FX	1	928
13	A&E	0.9	930
13	TOON	0.9	890
13	LIFE	0.9	885
13	FAM	0.9	879
13	FOOD	0.9	842
13	SYFY	0.9	829
13	HALL	0.9	802
13	TRU	0.9	801
21	CMDY	0.8	773
22	CNN	0.7	673
22	AMC	0.7	668
22	MSNB	0.7	641
25	SPK	0.6	604
25	VH1	0.6	576
25	MTV	0.6	572
25	BRAV	0.6	562
25	LMN	0.6	456
25	NOGG	0.6	448
25	NGC	0.6	389
32	TVLD	0.5	516
32	BET	0.5	461
32	EN	0.5	458
32	APL	0.5	444
32	TRAV	0.5	427
32	OXYG	0.5	371
32	SOAP	0.5	352
39	HLN	0.4	411
39	WE	0.4	279
39	WGNA	0.4	252
39	GSN	0.4	249
43	ESP2	0.3	297
43	CMT	0.3	288
43	DXD	0.3	240
43	DHLT	0.3	188

\*Nielsen data supplied by ABC/Disney

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