

CableFAX Daily™

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What the Industry Reads First

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Over & Out: Clasen Has a Retirement Starzdate

With **Starz** shining brightly, chmn/CEO *Bob Clasen* announced plans to retire at the end of the year. The 40-year media vet joined Starz in '03 and assumed the position of Starz CEO after **Liberty Media** acquired the entertainment assets of IDT in '06, creating Starz Media by combining **IDT Ent** (now **Starz Media**) with **Starz Entertainment**. The timing of the announcement is a result of the **Liberty Starz** tracking stock that will start trading in a few weeks under the ticker LSTZ. The next step: figuring out what sort of structure will be in place, with Clasen remaining at Starz until the search for a new CEO is complete. The Starz head told us he had alerted Liberty 2 years ago that he planned to retire when he turned 65, which will happen in just a few weeks. He plans to stay in Denver and is interested in doing some "other things," but he quickly added that nothing would be full-time. "Bob has been critical in the transformation and success of Starz," said Liberty Media's *Greg Maffei*. "During his tenure, Starz grew subscribers, doubled cash flow, expanded original programming and added new services." His departure comes with Starz premium riding high, having posted a 2Q revenue 8% YOY increase at Starz Ent and avg sub unit growth of 5%. It did however post a 3% sub decline sequentially at a time when MVPDs such as **DirecTV** are warning about customers disconnecting premium channels. Clasen declined to make any forecasts on sub growth but noted the popularity of Starz' services, particularly its VOD offerings. "The reality is our affiliates, like the rest of us, are looking at the economy and doing what they must to protect their business," he said. "It doesn't take a few months for it not to be in a campaign with a major affiliate for there to be a little fall off." Starz enters 2010 with the Jan launch of its highest profile original series to-date, "Spartacus: Blood and Sand." Also ahead is more dealing for its broadband service Starz Play. "We here have really differentiated ourselves not just from other premiums but from all the programmers by having so many different products that are affiliates can use," Clasen said. "We have a premium Starz, digital upper tier, **Encore** and **MoviePlex**, with multiple channels, a standard-def and high-def on demand service. In terms of our flexibility with affiliates, it's been great. And that's kind of our core. And now we're building around that with originals and extending our high-def offerings in all those categories. And we're differentiating by being available for all of our affiliates in IP."

Online: **Time Warner** inked with **YouTube** an online distribution deal featuring clips from **Warner Bros** and **Turner** nets and allowing Time Warner to create separate channels for its brands, as well as control and sell the ad time on the site.

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Carriage: Time Warner Cable signed on to launch **BBC America HD**. It rolled out to the 1st region (the NY area) Wed.

In the States: Verizon is asking residents and business owners in Swain County, NC, to report people stealing its telephone cable and leaving hundreds of area customers without service. Last week, nearly 1K ft of copper telephone cables were stolen at different locations throughout the county. -- **Nickelodeon** signed a licensing deal with **Southern Star Amusement** for **Nickelodeon Universe New Orleans**, the net's 1st stand-alone outdoor theme park, slated to open next year. All rides will be themed with Nick characters. -- **Comcast** bowed its Universal Caller ID service in MI.

Competition: **DirectTV** renewed its exclusive broadcast rights with **Ten Sports** for 24/7 cricket channel **Cricket Plus**. Separately, the DBS op is offering live HD coverage of gaming convention **BlizzCom 2009** (Fri-Sat) in a \$40 package including a live online streaming option.

VOD: SVOD service **Disney Family Movies** is offering its 1st nationwide free preview Sept 4-7. The sampling of movies, including "Mary Poppins" and "Tarzan," will be available to **Comcast, Charter, Cox, A&T U-verse, Suddenlink** and **Verizon FiOS** subs. -- **Cablevision** added to its free on demand lineup **Martha Stewart On Demand** and **Shalom TV**.

Advertising/Marketing: **Smithsonian Channel** is inviting the public to vote on its Website through Sept 7 on a new design for the 45.52-carat blue Hope Diamond. **The House of Harry Winston** has designed 3 settings. The diamond goes on display in its new setting at the National Museum of Natural History and gets televised nationally as part of the world premiere of the net's "Mystery of the Hope Diamond," Mar '10. The diamond will return to its permanent setting before the close of '10. -- **Natl Cable Comm** is partnering with **Mixpo** to extend existing linear cable ad campaigns online with measureable and locally-targeted interactive video spots. Unlike pre-rolls, Mixpo's platform leverages online display inventory to drive local response.

Measurement: **Time Warner** inked with **Nielsen** a 7-yr deal covering TV, online and mobile measurement services across Time Warner's broadcast, cable and syndication units, plus research related to ad segmentation and targeting and consumer engagement. The pact comes amid speculation that a consortium including **NBCU, Discovery** and **Viacom** is developing a measurement service to compete with Nielsen.

Programming: With the **NFL** extending its Sun night football deal with **NBC** through '13, expect a bidding bonanza surrounding pro football games approx 4 years hence. The pact aligns the expiration dates of all the league's TV contracts including **ESPN's** for "MNF," setting the stage for possibly more games on cable. -- Featuring reportage from anchor **Soledad O'Brien**, **CNN's** 2-night event "Latino in America" (Oct 21, 22) features a pair of docs that will be simulcast in Spanish on **CNN en Espanol**. -- **Versus'** '09-'10 regular-season **NHL** schedule kicks off Oct 1 and includes 54 games.

Ratings: The initial ep of **A&E** series "Hoarders" garnered 1.8mln 18-49s and 1.8mln 25-54s to become the net's most-watched series premiere ever among the former demo and a tie for the record among the latter.

Earnings: Owner **ValueVision's** shares fell 6.7% Wed as **ShopNBC** reported 2Q rev of \$119.3mln (-16%) and an \$8.2mln net loss, compared to a net loss of \$15.7mln a year ago. Net units sold jumped by a record 40%, however, and new and active customers rose by 59% and 32%, respectively.

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BUSINESS & FINANCE

On the Circuit: "Send It On," the Miley Cyrus, Jonas Bros, Selena Gomez and Demoi Lovato anthem for Disney's Friends for Change: Project Green, has become a hit since debuting Aug 11 on iTunes. It's ranked in the top 10 chart on iTunes since its debut, selling 87,856 tracks, with all proceeds going to benefit environmental charities. The song's music video netted 3.8m total viewers when it bowed Fri on Disney.

Honors: Frost & Sullivan awarded Cox the '09 North American Value Leadership Award for providing HSD subs with the most economical and secure packages. Award criteria include responsiveness to customer needs, enhanced quality and reliability of products, and tech innovation.

People: Epix partner MGM removed the CEO tag from Harry Sloan, who remains as chmn, and assigned his responsibilities jointly to motion picture chief Mary Parent and CFO Bedi Singh. Also, the company appointed as vice chmn Stephen Cooper, who's charged with evaluating options to improve MGM's finances.

Business/Finance: Janney Montgomery Scott initiated coverage of Disney with a 'buy' rating and \$30 price target. -- Viacom agreed to sell sr notes totaling \$750m (due '14 and '19) and announced plans to commence a tender offer for its 5.75% sr notes due '11 that expires Aug 27. Fitch assigned a 'BBB' rating to the \$750m note offering.

CableFAX Daily Stockwatch

Company	08/19 Close	1-Day Ch	Company	08/19 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	35.31	0.39	AMPHENOL:	32.30	(0.04)
DIRECTV:	24.59	0.73	APPLE:	164.60	0.60
DISH:	17.05	0.49	ARRIS GROUP:	13.25	(0.05)
DISNEY:	25.48	0.28	AVID TECH:	12.35	0.15
GE:	13.53	(0.06)	BIGBAND:	3.89	0.00
NEWS CORP:	12.63	0.12	BLNDER TONGUE:	1.25	0.00
MSOS					
CABLEVISION:	20.82	0.36	BROADCOM:	27.14	0.31
COMCAST:	14.61	0.27	CISCO:	21.24	0.23
COMCAST SPCL:	13.98	0.41	CLEARWIRE:	6.57	0.13
GCI:	6.86	0.18	COMMSCOPE:	26.75	(0.14)
KNOLGY:	7.88	(0.12)	CONCURRENT:	4.57	0.17
LIBERTY CAPITAL:	16.71	0.60	CONVERGYS:	10.74	0.08
LIBERTY ENT:	27.63	0.61	CSG SYSTEMS:	15.69	(0.12)
LIBERTY GLOBAL:	21.01	0.28	ECHOSTAR:	19.16	0.15
LIBERTY INT:	9.56	0.10	GOOGLE:	443.97	(1.31)
MEDIACOM:	5.20	(0.22)	HARMONIC:	6.51	0.02
RCN:	8.96	0.13	INTEL:	18.80	0.03
SHAW COMM:	16.93	0.10	JDSU:	5.79	(0.02)
TIME WARNER CABLE:	33.80	0.74	LEVEL 3:	1.18	(0.01)
VIRGIN MEDIA:	10.33	(0.08)	MICROSOFT:	23.65	0.07
WASH POST:	465.14	9.06	MOTOROLA:	7.29	0.08
PROGRAMMING					
CBS:	10.36	0.49	OPENTV:	1.28	(0.01)
CROWN:	1.88	0.16	PHILIPS:	22.40	0.20
DISCOVERY:	24.93	0.30	RENTRAK:	15.00	0.00
EW SCRIPPS:	6.86	0.02	SEACHANGE:	9.09	0.30
GRUPO TELEVISA:	17.58	0.16	SONY:	26.68	(0.89)
HSN:	11.52	0.71	SPRINT NEXTEL:	3.76	(0.09)
INTERACTIVE CORP:	18.97	0.41	THOMAS & BETTS:	26.06	0.34
LIBERTY:	31.57	0.25	TIVO:	10.00	0.02
LODGENET:	6.86	0.18	TOLLGRADE:	5.57	(0.03)
NEW FRONTIER:	2.32	(0.01)	UNIVERSAL ELEC:	19.79	0.39
OUTDOOR:	6.98	0.40	VONAGE:	0.40	0.01
PLAYBOY:	2.50	0.06	YAHOO:	14.79	0.04
RHI:	2.61	0.01	TELCOS		
SCRIPPS INT:	33.01	0.22	AT&T:	25.38	0.28
TIME WARNER:	27.32	0.48	QWEST:	3.69	(0.04)
VALUEVISION:	2.91	(0.21)	VERIZON:	30.43	0.15
VIACOM:	25.25	0.40	MARKET INDICES		
WWE:	14.18	0.21	DOW:	9279.16	61.22
TECHNOLOGY					
3COM:	4.06	(0.04)	NASDAQ:	1969.24	13.32
ADC:	9.16	0.15			
ADVANTAGE:	1.81	0.01			
ALCATEL LUCENT:	3.34	0.02			
AMDOCS:	24.02	0.50			

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Funding Journalism

My local NPR station had a fund drive the other day. Another one. It seems like the fund drives have become continuous events these days, and I can certainly understand why.

Funding any journalistic effort is becoming an almost no-win proposition in this day and age of “instant news” on the Internet. Of course most of what you read, or then hear on the news channels and read in the next morning’s newspaper in the “echo chamber” that is today’s news cycle, is not really “news” in the way we thought of it back in the days when reporters actually went out and verified what was said, and what actually happened before they “reported” it.



Steve Effros

Nope, today most of what we read and hear is opinion and speculation, not news, along, of course, with lots

of “spin” planted by the pros on all sides of any particular issue or party depending on what is trying to be “sold” at any given time.

And let’s not just blame the politicians for that. Think about it for a minute... how did Steve Jobs and the annual Apple announcements wind up being “news” reported on as a legitimate news event rather than as a commercial, promotional event?

There are lots of folks who like to ascribe this cheapening of journalism to “cable news,” as I have noted before, (see my column “Screaming” from June 25th), but that’s usually done by those in other segments of the “news business” who would prefer not to look too closely at themselves. It seems to make them feel better if they can deride “cable news” as the cause of the decay and happily ignore that most of that cable news chatter is triggered by reports in the “Mainstream Media” such as newspapers.

As an example, the whole imbroglio during the Bush era over the “outing” of a CIA employee, which we heard about for months echoing around the media, started not because of a “leak” to CNN or Fox or MSNBC... nope, it was a leak in a syndicated newspaper column.

As a matter of fact, when politicians want to trigger that sort of “spin” effect, they usually do it by leaking something to a major print organization first, not “cable news.” But that doesn’t get us anywhere in the underlying issue of what we need to do about improving the journalistic efforts at real reporting rather than opinion sniping, which is really just a form of entertainment, not news, or echo chambers, which don’t “report” the news but just repeat it. That repetition is damaging if the original news reports are not well documented and thoughtful, and it is the loss of that latter type of journalism that has to concern us all.

So that gets back to, how do we pay for good journalism? “Public Broadcasting,” which I think does a lot of good journalism—unfortunately along with a lot of “echo chambering” like everyone else—does it by seeking “donations” from listeners, interest groups, advertisers, foundations and anyone else who will give them money, including government, one of the largest donors. “Non commercial”? Nonsense. They run an almost continuous commercial for themselves and their “supporters.” I don’t begrudge that. It seems to work, but it will only work for one or two voices.

How do we get funding for more real journalism? It sure can’t be that everything is “free” on the Internet. It also shouldn’t be government sponsored. New business models are required. We’re going to keep exploring them here as they arise.

Steve

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