

# CableFAX Daily™

Friday — August 28, 2009

What the Industry Reads First

Volume 20 / No. 165

## A&E + Lifetime: Merger's On, Now What?

The news Thurs that **A&E TV Nets** will officially acquire **Lifetime** left many employees wondering just what's next. The merger news broke months ago, but word on layoffs, restructuring, etc won't come until the deal closes. That should happen this year—most likely within a month or so. One big question is whether parts of Lifetime will remain in L.A. despite AETN being NYC-based. At the beginning of the year, Lifetime moved its entire public affairs and corp comm operation from NY, as well as some positions in business, legal affairs and much of the research unit. While there's been buzz for months that **History** pres *Nancy Dubuc* might be tapped to head Lifetime, **Disney/ABC, Hearst** and **NBCU** announced that Lifetime pres/CEO *Andrea Wong* will continue to head Lifetime Nets, reporting to AETN's *Abbe Rave*, who will serve as the head of the combined company. **A&E/Biography Channel** pres/gm *Robert DeBitetto* and Dubuc will both continue to report to Raven and run their respective networks. The parent company will retain the name A&E Television Networks, with it subsidiary keeping the name Lifetime Entertainment Services. The deal includes "mechanisms" by which NBCU may elect or be required to exit AETN over a period of up to 15 years, in which event Disney and Hearst could become 50-50 owners of AETN. Speculation has been that NBCU's exit may happen sooner rather than later. Fitch said Thurs that the timing and amount of a buyout of NBCU's stake is uncertain as is how/where the buyout would be financed. But based on Fitch's estimates, an immediate buyout of NBCU's entire stake (most conservative case) financed either at Disney or at AETN would have no effect on Disney's ratings. NBCU owns a smaller percentage of the combined channels than AETN and Disney. At closing, AETN will include: **A&E, History, Lifetime, Lifetime Movie Net, Bio, History Intl, Lifetime Real Women, History en Español, Military History** and **Crime & Investigation Network**.

**Grant Me:** NTIA and RUS received almost 2200 applications requesting nearly \$28bln in funding for proposed broadband projects, according to preliminary estimates from the agencies. Only \$4bln in loans and grants is available in this 1st round of funding. All told, the agencies have \$7.2bln to dole out. "Applicants requested nearly 7 times the amount of funding available, which demonstrates the substantial interest in expanding broadband across the Nation," said NTIA administrator *Lawrence Strickling*. "We will move quickly but carefully to fund the best projects to bring broadband and

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jobs to more Americans.” The agencies said applications came from a diverse range of parties, including state, local and tribal govts; nonprofits; industry and public safety organizations. In the coming weeks, NTIA and RUS will post online a searchable database containing summaries of all applications received. A few factoids: more than 320 applications were filed with NTIA requesting nearly \$2.5bln in grants for projects that promote sustainable demand for broadband service; more than 830 apps were filed with NTIA and RUS requesting \$12.8bln in infrastructure funding.

**Web TV: Verizon and Time Warner Cable** both came out with TV Everywhere announcements Thurs. Verizon has actually been trialing its technology for more than a week, utilizing the same tech it uses to offer content like **ESPN 360, Starz-Play and Disney Connection**. Verizon’s trial includes content from **TNT and TBS** and is available to 500 FiOS customers across the country. The telco plans to ramp up the amount of content and customers trialing the service over time. FiOS trial participants can watch programs on their PCs using any broadband connection. **Time Warner Cable** announced that its upcoming trials will feature a slew of programmers, including **TBS, TNT, HBO, CBS, Syfy, BBC America, AMC, WE tv, IFC, Sundance, Discovery and Smithsonian Channel**. TWC subs who take a video package will get access to online content at no additional charge and would be able to access the content via TWC’s Website, as well as the networks’ Websites. The trials will include many shows that are currently unavailable online and others that will be made available on the Internet more quickly following their original airdates than currently. TWC’s trials will launch in select markets over the next few months and will reach approx 5K subs. **Comcast** already has a TV Everywhere trial underway.

**At the Portals:** The **FCC** voted Thurs to open an inquiry into protecting and empowering consumers in the communications marketplace at its 1st open meeting with all 5 commissioners. The Commission wants comment on the info available to consumers at each stage of the purchasing process: 1) choosing a provider 2) choosing a service plan 3) managing use of the plan 4) deciding whether and when to switch to an existing provider or plan for all communications services. “A surprise charge on a monthly bill or a new service that does not perform as advertised can be a major budget-buster, especially as household spending on communications grows ever larger,” FCC chmn *Julius Genachowski* said. “Today’s notice will help the Commission build a record on ways to ensure that consumers understand what they are signing up for.” The FCC also voted unanimously to examine the wireless market. The FCC is required to report annually on the state of competition in the “commercial mobile services” market. Thurs’ meeting also included some more details on plans to reform the agency, with special counsel for FCC reform *Mary Beth Richards* testifying that a top-to-bottom review is well underway. Recommendations include a universal licensing scheme and overhauling the electronic comment filing system.

**ESPN Media Day:** It might be obvious, but the world leader in sports at 30 actually seems like it, now that it has 45 networks outside the US and more global viewers than domestic eyeballs. In fact, it has put soccer’s World Cup on the printed priority list that it distributes for employees’ wallets. The importance of the South Africa-hosted tournament is underscored by word that **ESPN** event production chief/svp *Jed Drake* will forego his day-to-day duties overseeing “smaller” matches like “Monday Night Football” and the NBA playoffs to handle the Cup solely. At ESPN Media Day at its Bristol hq on Thurs, Drake said the net will have 125 people in S Africa working on the coverage, which begins in June. The line from Bristol is the Cup “will transcend” soccer, as ESPN chief *George Bodenheimer* said during lunch in a spanking new facility, complete with clocks on the wall for Buenos Aires, Hong Kong, London, Los Angeles and Bristol. Indeed, a tape shown began with shots of S African landscapes and then tribes in traditional garb before it concentrated on soccer. Yet beyond the world stage events and plans to tout the 30th anniversary of “SportsCenter” (Sept 6, 11:30pm ET), the traditional ESPN aggressiveness, entrepreneurial spirit and forward thinking spirit continue to shine. On the heels of espn.com launching a local Web site concentrating on Chicago, Bodenheimer said the company plans local sites for other cities, beyond those already planned for Dallas and Los Angeles. And ESPN tech chief *Chuck Pagano* celebrated his 30th anniversary with the company today by demonstrating for media a look at a virtual reality technology the network intends to use soon. It will allow talent to be offsite but appear to the viewer as if they are in studio with other talent. Pagano noted ESPN also has been working with 3D technology for 3 years and will shoot an upcoming college football game in 3D “as an experiment.” Speaking of experiments, ESPN affiliate chief *Sean Bratches* reported the network has opened a media and advertising laboratory in TX to investigate new forms of advertising, and ops head *Ed Durso* noted Bristol hopes to have a second digital production facility “up and running” within 3-5 years.

**New NCTA Blood:** FCC vet *Rick Chessen* was named svp, law & regulatory policy for **NCTA**. He succeeds *Dan*

# BUSINESS & FINANCE

Brenner, who recently joined Hogan & Hartson as a partner. Chessen, who will report to NCTA pres/CEO Kyle McSillarow, was acting chief of staff for the FCC earlier this year during the acting chairmanship of Michael Copps. Following Julius Genachowski's arrival as chair, Chessen remained on Copps' staff as sr legal adviser. Copps commended Chessen for his role in the DTV transition and said NCTA's "gain is our loss." NCTA also hired Dianne Smith from FOX TV Stations to bolster its lobbying ranks.

**Online:** Though most of it would pair best with a lazy sunny day, the Muzak—sorry, the music—for sale at [TheWeatherChannelMusic.com](http://TheWeatherChannelMusic.com) accompanies all kinds of weather outlooks during the net's Local on the 8s forecasts. The site offers downloads of full albums for \$10; single tracks for \$1.

**VOD:** Several movies are coming to cable's VOD platform next month the same day as DVD, reports **In Demand**. They include: "State of Play" (9/1); "Observe and Report" (9/22); "Ghosts of Girlfriends Past" (9/22), and "Away We Go" (9/29). "If current trends hold, we expect to present significantly more than 100 day and date titles to cable viewers during the year 2009," said In Demand evp David Asch.

**Business/Finance:** Sanford Bernstein raised Time Warner Cable's price target to \$60 from \$45 and upped Comcast's to \$21 from \$20, saying cable is more structurally attractive than telecom.

## CableFAX Daily Stockwatch

Company	08/27 Close	1-Day Ch	Company	08/27 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	35.55	0.04	AMPHENOL:	34.84	0.25
DIRECTV:	24.88	(0.05)	APPLE:	169.45	2.04
DISH:	16.81	0.06	ARRIS GROUP:	13.40	(0.03)
DISNEY:	27.01	0.01	AVID TECH:	13.44	0.11
GE:	14.19	0.08	BIGBAND:	3.97	(0.03)
NEWS CORP:	12.99	0.06	BLNDER TONGUE:	1.25	0.00
<b>MSOS</b>					
CABLEVISION:	21.78	0.28	BROADCOM:	27.95	0.14
COMCAST:	15.55	0.41	CISCO:	21.88	(0.05)
COMCAST SPCL:	14.79	0.31	CLEARWIRE:	7.69	(0.04)
GCI:	7.04	0.05	COMMSCOPE:	27.71	0.11
KNOLGY:	7.98	(0.02)	CONCURRENT:	4.56	(0.07)
LIBERTY CAPITAL:	19.25	0.36	CONVERGYS:	11.02	(0.2)
LIBERTY ENT:	28.00	0.02	CSG SYSTEMS:	15.69	(0.16)
LIBERTY GLOBAL:	22.24	0.16	EHOSTAR:	19.38	(0.02)
LIBERTY INT:	9.98	0.06	GOOGLE:	466.06	(1.94)
MEDIACOM:	5.48	0.03	HARMONIC:	6.81	0.04
RCN:	9.71	0.08	INTEL:	19.47	0.04
SHAW COMM:	17.01	0.22	JDSU:	6.67	0.10
TIME WARNER CABLE:	36.93	0.96	LEVEL 3:	1.21	(0.01)
VIRGIN MEDIA:	11.75	0.31	MICROSOFT:	24.69	0.14
WASH POST:	450.97	1.26	MOTOROLA:	7.34	(0.14)
<b>PROGRAMMING</b>					
CBS:	10.99	0.11	OPENTV:	1.35	0.01
CROWN:	1.94	(0.01)	PHILIPS:	23.07	0.33
DISCOVERY:	26.38	(0.46)	RENTRAK:	16.57	0.06
EW SCRIPPS:	7.56	0.08	SEACHANGE:	9.52	0.29
GRUPO TELEVISA:	17.90	0.12	SONY:	27.25	0.22
HSN:	10.82	(0.62)	SPRINT NEXTEL:	3.79	0.00
INTERACTIVE CORP:	18.90	(0.12)	THOMAS & BETTS:	28.15	(0.1)
LIBERTY:	34.09	0.16	TIVO:	10.16	(0.34)
LODGENET:	7.03	(0.15)	TOLLGRADE:	5.44	(0.09)
NEW FRONTIER:	2.23	0.03	UNIVERSAL ELEC:	19.40	(0.31)
OUTDOOR:	6.96	0.10	VONAGE:	1.99	(0.18)
PLAYBOY:	2.83	(0.04)	YAHOO:	14.93	0.00
RHI:	2.64	0.00	<b>TELCOS</b>		
SCRIPPS INT:	33.04	(0.4)	AT&T:	26.42	(0.09)
TIME WARNER:	28.43	(0.13)	QWEST:	3.78	(0.02)
VALUEVISION:	3.33	0.10	VERIZON:	31.05	(0.43)
VIACOM:	26.35	(0.1)	<b>MARKET INDICES</b>		
WWE:	14.56	0.02	DOW:	9580.63	37.11
<b>TECHNOLOGY</b>					
3COM:	4.48	0.12	NASDAQ:	2027.73	3.30
ADC:	8.93	(0.1)			
ADVANTAGE:	1.87	0.00			
ALCATEL LUCENT:	3.73	(0.03)			
AMDOCS:	24.60	0.14			

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# CORPORATE LICENSES



CableFAX Daily™

# WHAT THE INDUSTRY READS FIRST.



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

**Pigskin Party, Various Hosts**

Ahh, football season is at last upon us, a time of year filled for many with unbridled excitement, optimism (for Redskins fans, typically short-lived) and lots of heartburn—and to me the ideal salve to summer's terminus and another impending winter. Up in Bristol, it's difficult to determine what the expectations were for the new cog in **ESPN's** 3-spoked NFL announcing wheel, *Jon Gruden*. But with a pair of pre-season games on the books, I feel nearly certain they've already been exceeded, that *John Wildhack* and *George Bodenheimer*, affixed with Cheshire grins, have toasted the former coach with zeal. To be clear, I've been a big *Tony Kornheiser* supporter since my youth, when he was a regular columnist with the *Washington Post*. But Gruden easily surpasses Kornheiser on the small screen, melding thorough knowledge of personnel, team and league machinations with a surprisingly sharp wit and disarming sense of humor. Not Kornheiser's ebullience and eccentric whimsy, of course, but more than sufficient to help augment the stiff efficacy of *Ron Jaworski* and nearly infallible resourcefulness of *Mike Tirico*. And in case you still pine for Kornheiser, Gruden too can really run a hurry-up offense with his lips. That loquaciousness, however, could be Gruden's only demerit. **NFL Net**, meanwhile, with few exceptions such as *Cris Collinsworth* and *Warren Sapp*, is and has been shockingly deficient regarding the personalities of its, well... personalities. Where pro football's concerned, it appears all the top-notch talent inhabits **ESPN**, **NBC** and **CBS**—and the former's overcrowded. It will be interesting to see who **Versus** trots out for its UFL telecasts, which kick off in Oct. The choice will be immaterial, though, if the on-field product falters. Give Versus credit for getting in on the proverbial ground floor, but any elevation appears doubtful if the fledgling league's play is anywhere close to the inarguable vanilla characterizing its uniforms. Kornheiser and Gruden have more flair in their knuckles. *CH*

**Highlights:** "The Human Family Tree," Sun, 9pm, **Nat Geo**. Clever idea, well executed; go to Queens, NY, to discuss genetic diversity. Yet, as narrator *Kevin Bacon* says, it's a small world after all. -- "Class Act," Sat, 8pm, **Ovation**. Terrific doc from *Morgan Spurlock* mixing a paean to a drama teacher and urges support for arts in schools. SA

**Worth a Look:** "Making Over America with Trinny and Susannah," Fri, 10pm, **TLC**. The British duo who co-hosted "What Not to Wear" in the UK has come to the colonies to help its ladies dress better. While you may disagree with *Trinny* and *Susannah's* fashion sense, it's wonderful to see these pioneers of reality TV again. Fortunately, the years have done little to soften them. They still frequently touch women's bodies (for the good of fashion, of course). And their way with words; Trinny tells tonight's subject (an Army sgt) a bra should allow each breast to "live in a world of their own." -- "Essence Music Festival," Sun, 8pm ET, **TV One**. Beyonce headlines this highlights show. SA

**Notable:** "Weeds," season V finale, Mon, 10pm, **Showtime**. You know Nancy (*Mary-Louise Parker*) won't get what she really deserves for illegally selling pot (without her, there's no show, right?), but this season's complexities have been amusing. SA

Basic Cable Rankings (8/17/09-8/23/09) Mon-Sun Prime			
1	USA	2.6	2545
2	DSNY	2.1	2006
3	ESPN	2	1954
4	TNT	1.9	1922
5	FOXN	1.8	1736
6	NAN	1.5	1461
7	LIFE	1.3	1279
8	TBSC	1.2	1240
8	HGTV	1.2	1150
10	A&E	1.1	1105
11	FAM	1	959
11	SYFY	1	955
13	FX	0.9	892
13	TOON	0.9	885
13	FOOD	0.9	884
13	HIST	0.9	873
13	TLC	0.9	860
13	AMC	0.9	844
13	TRU	0.9	839
13	HALL	0.9	784
21	DISC	0.8	836
21	BRAV	0.8	752
23	CMDY	0.7	651
23	ESP2	0.7	650
23	MSNB	0.7	641
23	SPK	0.7	639
27	MTV	0.6	581
27	CNN	0.6	547
27	NOGG	0.6	449
27	LMN	0.6	442
27	NFLN	0.6	273
32	TVLD	0.5	481
32	EN	0.5	475
32	VH1	0.5	464
32	BET	0.5	462
32	SOAP	0.5	329
37	TRAV	0.4	400
37	APL	0.4	388
37	HLN	0.4	381
37	OXYG	0.4	297
37	NGC	0.4	293
37	WE	0.4	280
37	WGNA	0.4	276
37	GSN	0.4	261
45	CMT	0.3	252
45	VS	0.3	233

\*Nielsen data supplied by ABC/Disney

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