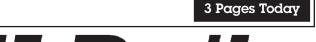
URGENT! PLEASE DELIVER



CableFax Daily Wednesday — September 2, 2009 What the Industry Reads First Volume 20 / No. 168

Twittering Away: Versus, DirecTV Trade Jibes; DISH Offers Versus Up For Free Programmer-cable operator fights are nothing new, but watching them take place on Twitter is a fresh twist. When Versus disappeared from **DirecTV**'s lineup at midnight ET (a DTV rep had initially said it would happen at 6am ET), Twitter users reported the blackened station long before the DBS provider confirmed it. A few hours after Versus went down DirecTV began tweeting, telling Twitter users that "DIRECTV already pays Versus more than any independent distributor and yet Comcast seeks a 20%+ hike on that rate" and that it had offered to carry Versus through the end of Sept while negotiations continued, but Comcast declined. DirecTV's Twitter account recommended folks reach out to Comcast Twitter guru Jeff Eliason @comcastcares, who said Versus just wants DTV to pay a "fair" price and repeatedly wrote to fans, "I suggest you discuss with @DirecTV, they can have this resolved quickly." One Versus fan and DirecTV sub described the situation in his own Tweet: "@comcastcares says talk to @DirecTV about the @VersusTV standoff. @DirecTV says talk to @comcastcares. What is this, high school?" Around noon, Versus PR rep Katie Bradshaw joined the Twitteruniverse and urged those upset to call 800-642-1923, where a recorded greeting declared that "DirecTV made a bad call" and "took away your right to in-depth coverage you love" before connecting callers with DirecTV so they could demand the network back. Despite the Twitter slaps, both sides are still talking. **DISH Network** jumped into the fray Tues afternoon, announcing that Versus would be offered to subs for free for 3 months starting today (it normally resides in the Classic Gold 250 package). While Versus has some events coming up like the college football match up of No 2 Texas at Wyoming (Sept 12) and the IndyCar Series race (Sept 18), it's the kickoff of NHL on Oct 1 that is the big pressure point for a deal. For Aug, IndyCar ranked as its most-watched program, with 292K total viewers. "Versus offered DirecTV a fair and reasonable offer to carry the network at the market price. We hope DirecTV will make the right decision for their customers and put Versus back on the air," Versus said Tues. DirecTV's statement was harsher: "The more than 20% hike they are seeking for what is basically a paid programming and infomercial channel with occasional sporting events of interest is simply piggish... We have heard from a small number of subscribers who are unhappy, but we want them to understand that we must hold the line on programming costs and protect them from unwarranted price increases, especially in this challenging economy." In an interview with Sports Business Daily, Versus pres Jamie Davis said the dispute centers not on price, but over DirecTV wanting to take the net "away from 6mln subscribers" by dropping it to a lower penetrated tier.

<u>At the Portals</u>: The proposed definitions for broadband that came into the FCC this week were as varied as those "What I did on my summer vacation" essays teachers are reading about now. Last year, the FCC defined broadband as services with download speeds of more than 768kbps and upload speeds of 200kbps+. But the commission sent out notice on Aug 20 seeking additional comments on the definition by Aug 31 as it works on a national broadband strategy to present to Congress early next year. NCTA said the Commission should use the existing broadband definition and build on it with goals and metrics. "Rather than changing the definition of 'broadband' every year, the Commission should incorporate



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the existing definition and speed tiers into goals based on the percentage of households and businesses with access to service in a particular tier," NCTA said. The cable trade group also urged the FCC to continue to look at the maximum advertised speed at this time rather than some measure of "actual" speed because the connection speed varies for a number of reasons, and it's impossible to develop a single figure that consistently and reliably describes the "actual" speed. Consumer group **Free Press** stressed the need for a "future proof" definition, calling for evolving standards. At a minimum, broadband should be defined at speeds of 5Mbps symmetrical to allow one user to access and share high-quality video content, the group said. It also strongly believes in relying on actual, not advertised, speeds. **Comcast** offered up this advice: "The Commission need not squander much time between now and next February in search of the perfect metric, as this is something that can be revisited more thoroughly once the Plan has been delivered."

Advertising: Cable glittered in the year's 1st half, posting 1.5% YOY ad growth as overall ad spending declined 15.4%, to \$57bln, over that span, according to preliminary **Nielsen** data. The rise portends a rapid ad market recovery for the industry, which saw ad rev fall 2.7% in 1Q alone. The only other media to enjoy a gain, Spanish Language Cable delivered 0.6% growth. Broadcast nets' ad rev dipped 7%, and TV stations in the top 100 markets experienced a 17.4% drop. The **TV Bureau of Advertising**, meanwhile, pegs total broadcast TV ad rev losses at 12.8% in 2Q, including broadcast nets' -6.9%, syndicated TV's -1.5% and local broadcast's -26.3%. The corresponding numbers for Jan-Jun: -5.8%, -0.7% and -27% for an overall decline of 12.3%.

Mobile Broadband: Clearwire's official launch of its Clear 4G WiMAX service in 10 new markets including Boise, Bellingham, WA, and 8 TX locales brings the service's coverage total to 14 markets and more than 10mln people. The company said it has applied for a "modest" amount of broadband stimulus funds to launch the service in underserved areas within Detroit and Puerto Rico, and plans to piggyback as a spectrum and tech partner on other grant submissions covering additional territories in 5 states. Also, a new promotion at Clear.com offers customers who purchase the service in Sept a 50% discount for 6 months. Meanwhile, **Sprint** bowed its own branded version of the service in Boise and Bellingham. -- **AT&T** bolstered its 3G mobile broadband network in parts of NYC, Long Island and NJ, giving area customers better connectivity, performance and enhanced in-building wireless coverage.

Still Going: Another day, another statement in the **Tennis Channel-Cablevision** stalemate. The latest has the net claiming Cablevision is "responsible" for the situation by waiting until just before the US Open to demand carriage under an **NCTC** agreement. "We are sorting out these issues and will decide what steps to take when we are ready to do so," Tennis said. "They are too important to the future of cable programming to be governed by the immediacy of the US Open, as much as we would like to help people see it." NCTC has said that Cablevision has a valid agreement to carry the net.

Ratings: Origi...origi...origi. Indeed, highlights of the widespread and growing success of cable originals often sound like a broken record. But recent viewership data from **USA**, **Disney Channel** and others have added yet another sweet-sounding octave. Propelled by original series including "Burn Notice" and "Royal Pains," USA crushed its opposition in Aug prime with a 2.9/2.82mln—numbers that represent an approx 40% YOY jump while helping the net establish cable delivery records in summer prime among total viewers (3.6mln), HHs (2.67mln), 25-54s (1.64mln), 18-49s (1.46mln) and 18-34s (617K). Last month's top telecast was Disney Channel's original "Wizards of Waverly Place The Movie" (6.8/6.61mln), which also helped the net unseat USA from the prime apex last week—no small feat lately—and finish 2nd

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BUSINESS & FINANCE

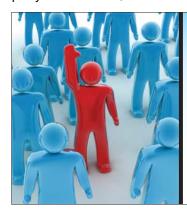
CableFAX Dail

in Aug with a 2.2/2.17mln. Completing the monthly net top 5 were **TNT** (2.0/1.93mln), **Fox News** (1.8/1.76mln) and **Nick at Nite** (1.5/1.48mln). Aug's telecast honor roll was led through 16 spots by originals, 9 of which aired on USA, 5 on TNT and 1 each on **Nickelodeon** and Disney. With HH ratings ranging from 6.8 (Wizards) to 4.2 (USA's "Monk"), the 16 telecasts averaged an impressive 5.49 rating. 5 were eps of TNT's "The Closer," whose season finale garnered a 5.5/5.46mln.

<u>Programming</u>: AMC greenlit a 4th season of "Mad Men." -- **TBS** special "The Tyler Perry Show" (Sept 9, 11pm) spotlights the writer's forthcoming feature film "I Can Do Bad All By Myself" with performances of songs from the film's soundtrack and interviews with cast members.

<u>People</u>: Susanne Smith McAvoy was promoted to svp, marketing, Hallmark Channel and Hallmark Movie Channel. -- Starz Ent promoted Jonathan Shair to svp, network operations.

Business/Finance: An investor group led by private equity firm **Silver Lake** agreed to purchase 65% of **Skype** from **Ebay** for approx \$1.9bln. -- **Arris acquired** certain patents and digital video processing tech from **EG Tech** for an undisclosed amount, and will employ approx 25 of EG's existing employees. -- **SeaChange** acquired Dutch VOD and linear software company **eventIS** for \$37mln.



Vabieran Daliy					
Company	09/01	1-Day	0		
	Close	Ch			
BROADCASTERS/DBS/MMDS					
BRITISH SKY:			A		
DIRECTV:	24.44	(0.32)	A		
DISH:	15.97	(0.34)	A		
DISNEY:		(0.36)	E		
GE:			E		
NEWS CORP:	12.28	(0.36)	E		
			0		
MSOS			0		
CABLEVISION:			0		
COMCAST:	15.15	(0.17)			
COMCAST SPCL:			0		
GCI:	6.49	(0.18)	0		
KNOLOGY:	7.27	0.03	E		
LIBERTY CAPITAL:		(0.48)	0		
LIBERTY ENT:	27.72	(0.17)	ŀ		
LIBERTY GLOBAL:					
LIBERTY INT:			J		
MEDIACOM:			L		
RCN:			Ν		
SHAW COMM:		(0.21)	Ν		
TIME WARNER CABLE					
VIRGIN MEDIA:			F		
WASH POST:		(1.91)	F		
			18		
PROGRAMMING			19		
CBS:					
CROWN:	1.64	(0.15)	1		

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CROWN:	
DISCOVERY:	
EW SCRIPPS:	
GRUPO TELEVISA:	
HSN:	10.25 (0.15)
INTERACTIVE CORP:	18.55 0.03
LIBERTY:	
LODGENET:	
NEW FRONTIER:	
OUTDOOR:	
PLAYBOY:	
RHI:	
SCRIPPS INT:	
TIME WARNER:	
VALUEVISION:	
VIACOM:	
WWE:	14.08 (0.18)
TECHNOLOGY	
3COM:	
ADC:	
ADDVANTAGE:	

y Stockwatch				
	Company	09/01	1-Day	
		Close	Ch	
۱	AMPHENOL:		(0.68)	
	APPLE:			
	ARRIS GROUP:		(0.22)	
	AVID TECH:	12.76	(0.27)	
	BIGBAND:			
	BLNDER TONGUE:	1.17	(0.07)	
	BROADCOM:		(0.71)	
	CISCO:			
	CLEARWIRE:	7.21	(0.45)	
	COMMSCOPE:		(1.36)	
	CONCURRENT:	4.55	0.07	
	CONVERGYS:	10.64	(0.2)	
	CSG SYSTEMS:			
	ECHOSTAR:	18.05	(0.5)	
	GOOGLE:		(5.91)	
	HARMONIC:			
	INTEL:			
	JDSU:	6.68	(0.19)	
	LEVEL 3:	1.15	(0.05)	
	MICROSOFT:	24.00	(0.65)	
	MOTOROLA:			
	OPENTV:	1.25	(0.03)	
	PHILIPS:	21.35	(1.2)	
	RENTRAK:			
	SEACHANGE:			
	SONY:		(0.35)	
	SPRINT NEXTEL:			
	THOMAS & BETTS:			
	TIVO:		()	
	TOLLGRADE:			
	UNIVERSAL ELEC:			
	VONAGE:			
	YAHOO:	14.18	(0.43)	
	TELCOS			
	AT&T:			
	QWEST:			
	VERIZON:		(0.67)	

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NASDAQ:	1968.89 (40.17)

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