

# CableFAX Daily™

Thursday — September 3, 2009

What the Industry Reads First

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## Broadband Planning: We Need More Spectrum

While FCC broadband czar *Blair Levin* has criticized the agency's broadband record for lack of info, he said there is one thing it shows clearly: spectrum is key and there's not enough of it. "We need details on where new spectrum will come from," he told a meeting of the **Udwin Breakfast Group** in DC Wed. When asked whether the FCC would work with **NTIA** and the White House to find more spectrum and possibly reallocate it, he said everything should be on the table. So, should large spectrum holders, including the govt, be concerned that they may lose their piece of the pie? "To a certain extent, I want you to be worried..." Levin said. "When people get worried, maybe they think a little bit more creatively." Levin told reporters later that it would be too much of a leap to speculate that the FCC might reassign spectrum, but at this stage the agency's obligated to look at everything to make an assessment. The Commission must present a national broadband plan to Congress by Feb. At this month's meeting, Levin is hoping to present a "very thorough" analysis of the state of broadband in the country, including rural areas. Staff is starting to pore over comments that came in this week on the definition of broadband. Levin described the current parameters as "a simplistic way of looking at it, but it's probably wrong." In July, Levin gave a speech in which he complained that the filings regarding the broadband plan were—in his words—"analytically weak and lacking a seriousness of purpose." One response he heard afterward that he found "fair" was that the Commission needs to be clearer about what exactly it's seeking. He tried to provide that Wed, saying that "at the core of our process is a search for where the govt, consistent with its role, can find ways to increase revenues and decrease the costs of inputs associated with broadband." In other words, which proposals for addressing broadband adoption scale? Instead of proposing to connect all unconnected communities, show which ones come with sustainable revenue streams. So far, the FCC has held 20 broadband workshops and plans to stage a half dozen or so later this month. "Some were great, some not so much, but we learned from every one," said Levin.

**Carriage:** Verizon's the 3rd MVPD to agree to carry the **NFL's RedZone Channel**. Instead of putting it on a sports tier like **DISH** and **Comcast**, FiOS will make SD and HD available for \$49.99/season. The net, which provides live moments from Sun games, launches Sept 13. -- **Comcast** subs in Northern CA may now purchase **Setanta Sports** for \$15/month.

**Trains & WiFi:** Cablevision hopes to offer WiFi service on NY metro railroads. The **Metropolitan Transportation Author-**

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**ity** sought expressions of interest for offering wireless broadband service in Long Island Rail Road and Metro-North Railroad trains and stations. Having already launched the Optimum WiFi network in its NY metro service footprint, CVC said its approach would provide no capital cost to MTA while creating revenue opportunities for the entity. "We have delivered a proposal that would provide significant benefits to all parties, and are excited and encouraged by the prospect of providing Optimum WiFi service to the MTA and its ridership," said *Kevin Curran*, Cablevision's svp, wireless product dev.

**Competition:** Apparently weary from the ad bashing that has raged among multichannel ops for months, **Verizon** launched **FactsOnFios.com** to explain and clarify (and promote) the offerings of **FiOS TV**. The telco's particularly cognizant of attacks from cable as its recent ad campaign attests, including this spot at **YouTube.com/watch?v=RWb4VucWwOQ**. Separately, Verizon's **FiOS1 Long Island** channel will air sports programming from Princeton and Hofstra this season.

**VOD:** **Avail-TVN** inked with **WWE** a VOD distribution deal covering **WWE Classics On Demand**, historic PPV events, original series and vintage eps of series including "Monday Night Raw." -- Setting a viewing record for the 2nd straight month, overall VOD transactions in July rose 19% YOY and 11% versus June to more than 655mln, according to **Rentrak**. As the number of unique set tops accessing on demand content increased 15%, total FVOD transactions jumped to a record 476mln, led by music-related and kids content. SVOD transactions rose 10%.

**Ratings:** The Mon night Vikings-Texans tilt earned a 6.0 HH rating and 7.92mln total viewers to become **ESPN's** most-watched **NFL** preseason game ever and its highest-rated since '96. The net's 4 Aug games averaged a 4.3 rating, 4.23 HHs and 5.52mln total viewers, representing respective YOY increases of 41%, 45% and 44%. Games on **NFL Net** have thus far been viewed by more than 23mln viewers, up 44% over last year for the time period.

**Programming:** **Epix** agreed to feature across its linear channel, SVOD and **EpixHD.com** 22 films from **Roadside Attractions** slated for release in '09, '10 and '11. -- **YES** will air encore presentations of **Notre Dame** football games beginning Sept 6, plus weekly show "Inside Notre Dame Football" featuring coach Charlie Weis. -- For the 2nd consecutive year, **Gospel Music** joins with Congress to create the "National Gospel Music Heritage Month" in Sept. Highlights include concerts and docs featuring *Al Green* (Sept 27, 8pm) and *Dr Bobby Jones* (Sept 27, 9pm) as well as the **Verizon**-sponsored search for the best church choir in America in "How Sweet the Sound" (Sept 13, 8pm).

**On the Circuit:** With *Peggy Ballard's* retirement from **Cisco** this month, **ACC's** board unanimously approved **Cablevision** media relations vp *Jim Maiella* as its new president. Also leaving the exec cmte is *Jennifer Mooney*, who left **Bright House** several months ago and is working as an independent consultant for **Bob Gold**. The new exec committee con-

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# BUSINESS & FINANCE

sists of: **ESPN's Rosa Gatti** (1st vp, membership); **Time Warner Cable's Anthony Surratt** (2nd vp, programs), **Insight's Sandy Colony** (sec), **Planet Green's Annie Howell** (treas) and **Turner's Misty Skedgell** (at-large).

**Editor's Note:** Don't forget to register for our **Social Media Boot Camp for Cable** at **CableFAX's** NYC offices on Sept 17. We won't make you do push-ups, but you *will* learn powerful techniques and tips to enhance your social media presence. This is limited to 20 attendees, and our July boot camp sold out early... so don't miss out. More info at <http://cablefax.com/cfp/training-20090917.html>.

**Earnings:** **SeaChange** shares plummeted 16% Wed after the co reported rev of \$46.5mln (-8%) and a net loss of \$400K, compared to net income of \$1.5mln a year ago. Owning to lower ad insertion and broadcast rev the co's software segment saw rev dip 8%, but VOD service rev increased on a software subscription extension with **Comcast** and a similar deal with another cable op.

**Business/Finance:** **Comcast Cable Comm** merged with **Comcast Cable Comm Holdings**, with the former retaining its title and assuming the latter's debt related to outstanding 8.375% Notes due '13 and 9.455% Notes due '22. -- **DivX** acquired **AnySource Media** for \$7.5mln in cash plus additional cash payments up to \$7.5mln upon the achievement of certain milestones.

## CableFAX Daily Stockwatch

Company	09/02 Close	1-Day Ch	Company	09/02 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	35.17	0.26	AMPHENOL:	34.27	(0.01)
DIRECTV:	24.39	(0.05)	APPLE:	165.18	(0.12)
DISH:	16.12	0.15	ARRIS GROUP:	12.87	(0.17)
DISNEY:	25.40	(0.28)	AVID TECH:	12.71	(0.05)
GE:	13.20	(0.14)	BIGBAND:	3.82	0.07
NEWS CORP:	12.34	0.06	BLNDER TONGUE:	1.19	0.02
<b>MSOS</b>					
CABLEVISION:	22.61	0.24	BROADCOM:	27.51	(0.23)
COMCAST:	15.42	0.27	CISCO:	21.55	0.38
COMCAST SPCL:	14.88	0.35	CLEARWIRE:	7.25	0.04
GCI:	6.51	0.02	COMMSCOPE:	25.61	0.01
KNOLGY:	7.26	(0.01)	CONCURRENT:	4.46	(0.09)
LIBERTY CAPITAL:	18.90	0.29	CONVERGYS:	10.64	0.00
LIBERTY ENT:	27.67	(0.05)	CSG SYSTEMS:	14.63	(0.25)
LIBERTY GLOBAL:	21.93	0.69	ECHOSTAR:	18.15	0.10
LIBERTY INT:	9.30	(0.07)	GOOGLE:	453.01	(2.75)
MEDIACOM:	4.93	0.12	HARMONIC:	6.41	(0.09)
RCN:	9.04	0.03	INTEL:	19.47	(0.25)
SHAW COMM:	17.09	0.16	JDSU:	6.72	0.04
TIME WARNER CABLE:	35.70	(0.49)	LEVEL 3:	1.14	(0.01)
VIRGIN MEDIA:	11.10	(0.03)	MICROSOFT:	23.86	(0.14)
WASH POST:	435.10	2.65	MOTOROLA:	7.82	0.80
<b>PROGRAMMING</b>					
CBS:	10.03	0.15	OPENTV:	1.24	(0.01)
CROWN:	1.67	0.03	PHILIPS:	21.70	0.35
DISCOVERY:	25.55	0.01	RENTRAK:	15.42	(0.02)
EW SCRIPPS:	6.71	(0.04)	SEACHANGE:	7.50	(1.4)
GRUPO TELEVISA:	16.76	(0.17)	SONY:	26.29	(0.1)
HSN:	10.48	0.23	SPRINT NEXTEL:	3.52	(0.01)
INTERACTIVE CORP:	18.33	(0.22)	THOMAS & BETTS:	26.84	(0.14)
LIBERTY:	32.45	(0.44)	TIVO:	9.65	0.12
LODGENET:	6.17	(0.23)	TOLLGRADE:	5.51	0.09
NEW FRONTIER:	2.19	(0.03)	UNIVERSAL ELEC:	17.05	(0.86)
OUTDOOR:	6.58	0.13	VONAGE:	1.71	0.28
PLAYBOY:	2.57	(0.05)	YAHOO:	14.23	0.05
RHI:	2.56	0.01	<b>TELCOS</b>		
SCRIPPS INT:	32.74	0.28	AT&T:	25.37	0.01
TIME WARNER:	27.41	0.14	QWEST:	3.42	(0.12)
VALUEVISION:	2.91	(0.04)	VERIZON:	30.14	(0.23)
VIACOM:	25.39	(0.16)	<b>MARKET INDICES</b>		
WWE:	13.86	(0.22)	DOW:	9280.67	(29.93)
<b>TECHNOLOGY</b>					
3COM:	4.01	(0.08)	NASDAQ:	1967.07	(1.82)
ADC:	7.76	(0.53)			
ADVANTAGE:	2.22	0.18			
ALCATEL LUCENT:	3.36	(0.25)			
AMDOCS:	23.98	(0.27)			

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OCT 14  
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## Think about that for a minute...

### Whew

Well, I warned you that things were going to get very busy for us in the coming months on the policy front, but I never thought it would get this active this soon! Most of us are not even back in Washington from our August escape, yet the battle lines are already being drawn. Here are some of the issues and policy debates coming at us.

I think the Court decision this past week throwing out the FCC's cable ownership restriction is going to have a lot more significance than some folks are giving it now. Not so much because it will lead to a massive new spate of consolidation, but because the Court has recognized something that the FCC and many public interest groups have tried to ignore for a long time: there's lots of competition out there! The important point they made



**Steve Effros**

was that the analysis of video competition, or, presumably broadband competition should not be restricted to a particular technology. In other words, in the case of video, for instance, broadcast television delivers video. So does DBS. So does the Internet these days, and it is arguable (and something that the Court seems to be signaling should be considered) that the "video delivery marketplace" encompasses them all.

While I have no intention here of getting into the complex antitrust debate over the concept of "relevant market," it's obvious that I'm not the only one who recognized the implications of what the Court seemed to say. One of the loudest public interest lobbies in Washington has already called on the Commission to initiate a new, broad study of cable competition to try to blunt the Court's suggestion.

Why is this so important from a policy perspective? Well, if indeed the Court is saying there seems to be

plenty of competition, or at least that the FCC cannot ignore the competitive impact of these other delivery modes on consumers, programmers, consumer electronics manufacturers and the like, then the basis for a lot of the rules that currently impact cable will have to be reconsidered. If what we have been saying for so long—that there is indeed competition, that consumers don't watch wires, they watch programming—is now being recognized, then all of those rules based on cable being a "monopoly" are in play. Whew!

And that's just the start. You have to consider the conceptual implication of saying that the real market we are dealing with is, for instance, video programming. If that's true—and I for one think it is—then when the Chairman of the FCC says he is primarily interested in consumers and competition, you have to ask... competition of what? It's not the delivery platform; it's the programming that the consumer cares about. And if that's true, then why shouldn't there be exclusive programming offered by different, competing providers? You can't get ABC News on NBC. Why should there be a law that says any programming owned by a "cable" operator has to be sold and available to any other deliverer? That's what the program access rules say. And what possible sense do the "must carry" rules make if we are competing on the delivery of different types of programming?

Well, you get my drift. There are some big issues floating around—and I haven't even gotten to the "net neutrality" stuff. This newly staffed FCC shows every indication that it plans to explore, if not tackle these core issues—something that has not been done for a long time. It's going to keep us all very busy.

*Steve*

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