

# CableFAX Daily™

Monday — September 21, 2009

What the Industry Reads First

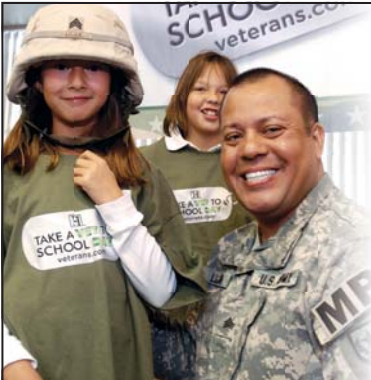
Volume 20 / No. 180

## Still Going: Versus Gearing Up DirecTV Campaign Aimed at Hockey Markets

With hockey season less than 2 weeks away, **Versus** will step up marketing efforts to disenfranchised **DirecTV** fans in hockey markets such as Boston, Washington and Detroit starting Mon. "We were hopeful that we wouldn't have to bother the hockey fans, that we could get it resolved, but so far DirecTV is not budging off its distribution issue. And because of that, unfortunately it looks like we will now have to be in the situation where we will ramp up these marketing efforts very heavily in all the key hockey markets," says Versus pres *Jamie Davis*. Those efforts will include print, radio and PR. Versus has been off DirecTV's line up since Sept 1. The satellite company claims the channel wants a 20% price hike and is refusing to allow it to move it to package similar to where **DISH** and others carry it. Versus says that's untrue, saying it wants the market price and that it's fighting DirecTV's attempt to move the net to a lower level of service that would cost it 6mln homes. Versus' **NHL** coverage kicks off Oct 1 with Washington vs Boston, followed that night by a San Jose-Colorado match-up. Despite losing 14mln HHs through DirecTV, Davis says viewership is actually up for the net, with primetime viewership up 14% for Sept 1-14 vs the same period last year and total day up 25% for the same period. Some of that may be because other distributors have opened the channel up to viewers during a free preview period. **DISH Network** is previewing Versus until Dec 2, which Davis says opens the net up to 9mln more viewers. **Cox** is previewing the net in Orange County, making it free to all digital subs until Nov 30. Some **Time Warner Cable** markets also have opted in for limited previews. A DirecTV spokesman said Fri that the DBS player is still trying to negotiate a fair price "comparable to other independent distributors and to package the service in a manner that reflects the value of the programming." At an investment conference last week, DirecTV CFO *Patrick Doyle* didn't indicate that the 2 were close to a deal. "We're certainly prepared to go the long run here. We feel we have an obligation to minimize these type of costs," Doyle said.

**Inside the Beltway:** The net neutrality is coming! The net neutrality is coming! The *WSJ* broke the news that **FCC** chmn *Julius Genachowski* is expected Mon to propose extending the so-called FCC net neutrality principles to wireless companies and will set a new rule requiring all Internet providers to use "reasonable" network management practices in dealing with Internet traffic. The rulemaking comes as **Comcast** appeals in federal court an FCC decision that it violated the FCC's net neutrality principles while managing its network. The MSO argues the agency overstepped its authority and never adopted the principles as formal rules. **C-SPAN** will carry Genachowski's speech Mon at the Brookings Institute live, 10am.

**NAB Chief:** Some may have raised their eyebrows Fri over the news that **NAB** had tapped a former Republican senator—not a Democrat—to serve as its next pres/CEO. With Dems in control of the White House and Congress, conjecture was that the broadcast group would seek a high-profile Democrat for the million-dollar lobbying job. Instead it tapped former 2-term US Sen *Gordon Smith* (R-OR), who served on the Commerce Committee and is viewed as fairly bipartisan. That b-word is becoming a trend in association hiring. Recall that **MCAA** took some heat for bringing



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aboard former Pres **Clinton's** Agriculture Sec **Dan Glickman** when Republicans were storming K St. On the cable side, **NCTA's** board has been so pleased with *Kyle McSarrow*, a Republican who has earned plaudits for being apolitical, that it extended his contract through '12 last year—an especially strong sign considering his contract wasn't set to expire until '10. As for Smith, he most recently worked at **Covington and Burling**. He officially joins Nov 1 but will make brief remarks at NAB's Radio Show in Philly this week. Smith, 57, spent time running the family-owned **Smith Frozen Foods** business for a time. He replaces *David Rehr*, the former **Natl Beer Wholesalers** head who left NAB earlier in May. "Gordon Smith has been a good friend for 15 years and I congratulate him on being named the next pres and CEO of NAB," NCTA's McSarrow said. "I have no doubt that Gordon's wealth of experience and recognized leadership abilities will be an important asset to NAB. While our two industries don't always agree on every policy issue, we look forward to working with Gordon and his team at NAB and to continuing a constructive working relationship."

**In the States:** **Bresnan** tapped an **Arris Docsis 3.0** platform to deploy HSD, hosted VoIP and commercial services in 4 northwestern markets. -- **Cox** bumped up its available broadband speeds in San Diego by 25%.

**Charter Reorg:** According to the *NY Times*, negotiations between **Charter** and a group of bondholders to restructure the MSO's massive debt have turned rocky. As a result, *Paul Allen* could lose voting control of Charter and may be held personally liable for a \$1bn tax bill. A US Bankruptcy Court judge is expected to rule on Charter's reorg plan later this month.

**Busy Week:** Myriad news emerged this week surrounding the **Clear** 4G mobile broadband service, from rivals' plans to future products to a moving demonstration. As **Verizon** and **AT&T** outlined competing initiatives (**Cfax**, 9/18), **Clearwire** CEO *Bill Morrow* was at the **4G World** show in Chicago screening a video of a mobile broadband speed competition between the latter telco's 3G service and Clear. Of a pair of ambulatory **iPhones**, 1 surfing with Clear and the other with AT&T 3G, showgoers noted that the Clear-equipped device clearly delivered faster speeds. **Sprint** CEO *Dan Hesse*, meanwhile, said his company is willing to invest more cash for additional market rollouts (an estimated \$2bn more is needed) while maintaining its 51% ownership stake. Word is Sprint will launch 4G services in Chicago early next month. And **Comcast** CFO *Michael Angelakis*, while praising the MSO's mobile broadband performance in Portland, said he expects a mobile component will be added to the **OnDemand Online** initiative currently in trials.

**Advertising:** Cable ad rev will likely plummet by more than 22% this year, said **Pike & Fischer**, and targeted advertising will do little in the near-term to stem the tide. P&F posits annual cable ad rev of \$5.3bn by '14, well below industry expectations, citing price pressure, no consensus in targeted ads' valuation and privacy protections that must be deployed.

**Online:** Beginning Sept 19, **CBS Sports** will again freely stream its SEC college football schedule (15 games) at **CBSSports.com**. Meanwhile, **Raycom Sports** will stream its ACC football/basketball telecasts within the conference territory.

**People:** The **TV Bureau of Advertising** named as pres *Steve Lanzano*, who effective Jan 1 will replace *Christopher Rohrs*. Lanzano is COO of ad agency **MPG**. He's scheduled to moderate a panel at **CableFAX's** Ad Forum, Oct 6 in NYC. -- **Comcast Cable** promoted *Ron Phillips* to svp, employee engagement. -- *Dee Forbes* will become managing dir, evp, **Discovery Nets UK** in Jan. Forbes joins from **Turner Broadcasting Europe**. -- Former **Time Warner** CEO *Dick Parsons* joined **Providence Equity Partners** as a sr advisor. -- **Time Warner Cable** tapped *Vin Zachariah* as regional vp, operations, Northeast Ohio and Western Pennsylvania.

## CableFAX: The Magazine's Most Influential Minorities in Cable issue

Publication Date: October 27

This issue profiles the most influential minorities in cable, winners of NAMIC's EMMA Awards (Excellence in Multicultural Marketing Awards), and the Top 10 Places to Work.

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# KEYNOTE FROM THE SOCIAL MEDIA MOUNTAIN TOP



KEYNOTE SPEAKER  
**CHRIS HUGHES**  
Co-Founder, Facebook  
Founder, My.BarackObama.com

Presented by **We**<sup>TV</sup>  
Simply Fascinating



You could say he "wrote the book" on social media. Only the **23rd Annual NAMIC Conference** will feature Chris Hughes, the co-founder of Facebook and the mastermind behind My.BarackObama.com, two of the most successful start-ups in modern history.

At 25 years old, Hughes forever influenced the direction of technology and new media, which has created a paradigm shift within the communications industry. Hughes has helped hatch Facebook from his dorm room at Harvard, created the campaign apparatus that helped elect President Obama, and revolutionized the Web as a political tool.

What's next for new media and communications? Be there as Hughes delivers insights and applicable recommendations on technology and its power to transform customer service, communications, media and politics. Diversity rules and knowledge is king at the **23rd Annual NAMIC Conference**. Given the current business landscape, expert information is the key to strategically and intelligently planning for future opportunities. The unsurpassed speakers and sessions at this year's NAMIC Conference make it the choice for getting more intelligence for your investment.

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**CableFAX Week in Review**

Company	Ticker	9/18 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
BRITISH SKY:	BSY	35.27	(1.8%)	27.20%
DIRECTV:	DTV	26.33	3.10%	14.90%
DISH:	DISH	18.09	3.00%	63.10%
DISNEY:	DIS	28.44	0.10%	26.80%
GE:	GE	16.50	12.50%	8.80%
NEWS CORP:	NWS	14.32	4.40%	50.70%
<b>MSOS</b>				
CABLEVISION:	CVC	25.08	3.10%	51.90%
COMCAST:	CMCSA	17.29	0.50%	4.40%
COMCAST SPCL:	CMCSK	16.40	(0.7%)	3.50%
GCI:	GNCMA	7.09	4.00%	(12.4%)
KNOLOGY:	KNOL	8.11	4.60%	57.20%
LIBERTY CAPITAL:	LCAPA	21.47	(1.1%)	355.80%
LIBERTY ENT:	LMDIA	29.89	2.20%	71.00%
LIBERTY GLOBAL:	LBTYA	24.49	1.10%	53.80%
LIBERTY INT:	LINTA	11.32	9.40%	262.80%
MEDIACOM:	MCCC	5.72	2.30%	33.00%
RCN:	RCNI	9.58		
SHAW COMM:	SJR	18.14	3.40%	8.40%
TIME WARNER CABLE:	TWC	42.67		
VIRGIN MEDIA:	VMED	12.71	2.30%	158.70%
WASH POST:	WPO	462.50	0.80%	21.30%

Company	Ticker	9/18 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
CBS:	CBS	12.60	7.10%	56.30%
CROWN:	CRWN	1.89	8.60%	(33.7%)
DISCOVERY:	DISCA	29.60	4.50%	109.00%
EW SCRIPPS:	SSP	7.97	4.30%	261.20%
GRUPO TELEVISIA:	TV	18.63	3.30%	33.40%
HSN:	HSNI	14.03	11.50%	93.00%
INTERACTIVE CORP:	IACI	20.72	7.60%	31.70%
LIBERTY:	L	34.79	3.00%	23.80%
LODGENET:	LNET	6.44	(7.1%)	820.00%
NEW FRONTIER:	NOOF	2.21	0.50%	30.00%
OUTDOOR:	OUTD	7.16	1.80%	(4.4%)
PLAYBOY:	PLA	3.08	(1%)	42.60%
RHI:	RHIE	3.33	0.90%	(59%)
SCRIPPS INT:	SNI	37.28	5.00%	70.90%
TIME WARNER:	TWX	29.58	1.00%	34.80%
VALUEVISION:	VVTV	3.83	19.70%	1060.60%
VIACOM:	VIA	29.69	7.60%	47.60%
WWE:	WWE	14.13	(0.3%)	43.80%

Company	Ticker	9/18 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
3COM:	COMS	4.75	1.50%	108.30%
ADC:	ADCT	8.68	0.80%	59.00%
ADVANTAGE:	AEY	2.18	(0.9%)	22.50%
ALCATEL LUCENT:	ALU	4.32	6.10%	100.90%
AMDOCS:	DOX	26.65	2.10%	45.70%
AMPHENOL:	APH	39.37	2.50%	64.50%
APPLE:	AAPL	185.02	7.50%	116.80%
ARRIS GROUP:	ARRS	13.50	2.70%	69.80%
AVID TECH:	AVID	15.11	11.10%	38.50%
BIGBAND:	BBND	4.09	4.30%	(25.9%)
BLNDER TONGUE:	BDR	1.20		18.80%
BROADCOM:	BRCM	29.98	(0.7%)	76.60%

Company	Ticker	9/18 Close	1-Week % Chg	YTD %Chg
CISCO:	CSCO	23.40	1.30%	43.60%
CLEARWIRE:	CLWR	9.20	10.60%	131.70%
COMMSCOPE:	CTV	31.44	5.90%	102.30%
CONCURRENT:	CCUR	4.76	6.70%	41.20%
CONVERGYS:	CVG	11.31	2.70%	76.40%
CSG SYSTEMS:	CSGS	15.26	1.50%	(12.7%)
ECHOSTAR:	SATS	18.80	3.40%	26.40%
GOOGLE:	GOOG	491.46	4.10%	59.70%
HARMONIC:	HLIT	6.87	(0.3%)	22.50%
INTEL:	INTC	19.56	0.30%	47.70%
JDSU:	JDSU	7.54	1.10%	104.30%
LEVEL 3:	LVL	1.43	8.30%	104.30%
MICROSOFT:	MSFT	25.26	2.10%	33.30%
MOTOROLA:	MOT	8.96	3.20%	103.40%
MOTIV:	OPTV	1.47	10.50%	19.50%
PHILIPS:	PHG	25.31	2.80%	36.60%
RENTRAK:	RENT	16.91	6.40%	43.40%
SEACHANGE:	SEAC	7.69	0.10%	6.70%
SONY:	SNE	28.46	4.40%	30.10%
SPRINT NEXTEL:	S	4.28	13.50%	133.90%
THOMAS & BETTS:	TNB	28.80	(0.3%)	19.90%
TIVO:	TIVO	10.69	(1%)	49.30%
TOLLGRADE:	TLGD	5.74	2.10%	20.10%
UNIVERSAL ELEC:	UEIC	20.51	1.40%	26.40%
VONAGE:	VG	1.48	(8.6%)	124.20%
YAHOO:	YHOO	17.39	11.50%	42.50%

Company	Ticker	9/18 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	27.05	1.50%	2.10%
QWEST:	Q	3.50	(5.9%)	4.90%
VERIZON:	VZ	29.59	(5.4%)	(5.9%)

Index	9/18 Close	1-Week % Chg	YTD %Chg	
<b>MARKET INDICES</b>				
DOW:	INDU	9820.20	2.20%	11.90%
NASDAQ:	COMPX	2132.86	2.50%	35.20%

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. VALUEVISION:	3.83	19.70%
2. SPRINT NEXTEL:	4.28	13.50%
3. GE:	16.50	12.50%
4. HSN:	14.03	11.50%
5. YAHOO:	17.39	11.50%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. VONAGE:	1.48	(8.6%)
2. LODGENET:	6.44	(7.1%)
3. QWEST:	3.50	(5.9%)
4. VERIZON:	29.59	(5.4%)
5. BRITISH SKY:	35.27	(1.8%)

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# MaxFAX...

## Off to La La Land...

Where the late *Army Archerd* is still missed—and not just from *Variety*.

There are issues and uncertainties as the businesses head into the Fall... as well as plenty of deadlines and commitments.



Paul S. Maxwell

Like, when *Jay Leno's* audience levels out—what will the level be? And, will it be enough?

Like, why was it a surprise that *Roger Ailes* made more than *Rupert*

*Murdoch*?

Like, when will America understand that **C-SPAN** has the best—and strangest—reality programming?

Like, what do you suppose will occupy all of those soon-to-be empty once Blockbuster outlets? Local cable offices? Satellite installers?

Like, just what does “TV Everywhere” mean to whom for what reason and what time and for... ? (And, yep, that reminds of a limerick...)

Like, can a cable billing system evolve to something like a cell phone billing system? Will it have to?

Like, what's with Audit Integrity? Sometimes forensic accounting misses the most important point: like, who's in charge?

Like, why have I devolved to Valley speak?

Like, when do the ends justify the means?

Like, who can shout loudest and most often? Does that mean they win?

Like, will broadcasters matter?

Like, when will a broadcast network metamorphose into a “cable” network? The idea, of course, is to develop another revenue stream... but, **HOLD ON!** That's already happening... some retransmission consent fees are being split between affiliates and networks! Sounds like a round-about move to get to the same place to me.

## Random Notes:

• **“Full Color Football!”**: On **Showtime** you can catch the rollicking history of the American Football League... the start of which I got to see when my late Father took me to the first Houston Oilers game at Houston's Jeppesen high school stadium (really)—way cool. The Oilers beat the Los Angeles Chargers (38-28) in September of 1960. Saw *Billy Cannon* (top draft pick from LSU) catch a punt—for the first and last time without signaling for a fair catch—and get really creamed! The Oilers went on to win the first two league championships. The then Dallas Texans put so much pressure on the Dallas Cowboys that

we —SMU students—got \$1 end zone tickets at the Cotton Bowl. Last time I bought season tickets. But much, much later, thanks to friends at **ESPN**, I got to return the favor and took my Father to see the return of pro football to Houston as the new Houston Texans beat the Cowboys in their very first real game. The AFL brought pro football into the modern world and made it even more TV friendly than before... and it wasn't just *Joe Namath* and the defeat of the Colts ... it was also *Hank Stram* and the Kansas City Chiefs' destruction of the Minnesota Vikings the next year. This one is worth watching...

• **Halt(er)!** So is this video... check out world champion *Maggie Bellville*... in the saddle again at <http://tinyurl.com/kpxbe9>. Neat riding outfit, too.

• **Pre-Order This Book:** From Moonview and *Gerry Levin's* wife—*Laurie Ann Levin*, Psy.D—comes “God, the Universe and Where I Fit in: A Psychic's Reflection on Figuring Out the Rest of Your Life.” The question: how much of the former agent's memoirs look at Gerry's life, too.

Paul Maxwell

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## Speaker Snapshot\*

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Peggy Green, Zenith Media

Steve Lanzano, MPG

Steve Sturm, Toyota

Mark Owens,  
Vanguard Entertainment

Jon Stimmel, Unilever

Pam Zucker, MediaVest

\*Subject to change