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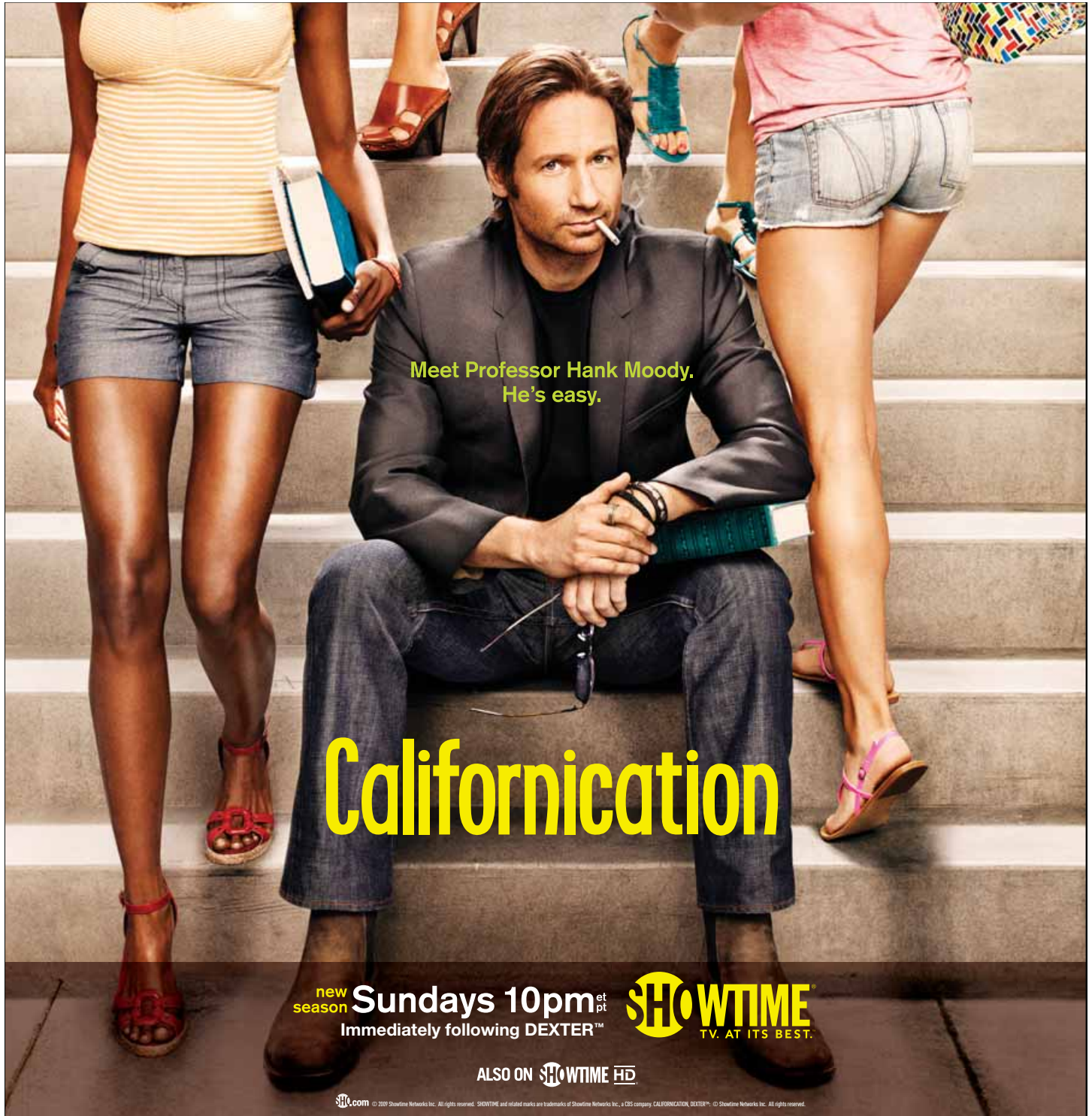
# CableFAX Daily™

Monday — September 28, 2009

What the Industry Reads First

Volume 20 / No. 185

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# CableFAX Daily™

Monday — September 28, 2009

What the Industry Reads First

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## Contentonomics: Cost-Consciousness High Among Cable Nets

Cable's Emmy Awards trophy case has become heavily populated in recent years, a statuesque testament to the enhanced quality of its original programming. But competition for viewership among broadcast and cable nets alike has also led to content quantity, a risky proposition for any channel amid a suppressed ad market and escalating programming costs. "The whole paradigm is changing," said **NBCU** Cable Ent pres *Bonnie Hammer*, noting that the development of original programming must now be "much more customized and far more strategic." Hammer said her segment's team-oriented approach to greenlighting projects—each of her direct reports, from net chiefs to marketing execs, has a vote—helps immeasurably with on-air achievement and the task of squeezing the most out of every invested dollar. Also, she said, NBCU's year-old TV production arm promotes increased ownership stakes in series such as **USA's** "Royal Pains," leading to greater income from "the long tail" of production that includes DVD rights, international distribution, etc. As **Discovery Comm** often touts the benefits of content ownership, the trend appears to be rising among fiction programmers. **FX**, for example, aims to produce more comedies going forward because it has found ownership to be more easily gained in the genre vs dramas, said pres/gm *John Landgraf*. And, to boot, they're cheaper to develop than the approx \$2mln needed for each dramatic ep, he said, and repeat better even if they generally draw fewer ratings points. A notable track record also spurs attractive ownership deals, which become "easier to get as talent and success are established," said **AMC** chief *Charlie Collier*. Following the acclaim enjoyed by "Mad Men" and "Breaking Bad," each development deal at AMC has become "more progressive than the 1 prior" in terms of ownership, said Collier, noting the net holds the full North American rights to forthcoming miniseries "The Prisoner" (Nov). Of course, the established cable axioms of knowing your brand and audience may continue to trump everything, including broadcast, when it comes to content monetization. After all, "we wouldn't be able to make money without a 2nd revenue stream," said Landgraf, arguing that viewers are drawn mainly to the aesthetic tastes of particular cable nets over the greater production value and special effects available on broadcast nets. "Branded environments allow us to produce [content] more efficiently," said Collier of cable, while nonetheless espousing "careful consideration" when deciding to expand programming slates. As he'll tell you, industry awards only go so far in paying the bills.

**Knockout:** Sat's welterweight fight between *Floyd Mayweather* and *Juan Manuel Marquez* generated 1mln PPV buys for HBO. That makes it the highest performing boxing PPV event of the year, with \$52mln in PPV rev. 525K cable homes and 475K satellite homes bought in. It's only the 5th time in boxing PPV history that a non-heavyweight event hit the 1mln buy mark. The fight will be replayed Sat at 10pm ET on HBO.

**In the States:** The **Broadband for America** coalition says its roster has grown to 100 members, including **NCTA**, **Motorola** and **Verizon**. The group, which encourages continued private sector investment, is launching two 30-sec

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Source: BETA 2008 Cable Operator Carriage Study, Ranked among all measured emerging and mid-sized cable networks among non-affiliates "very/fairly interested in carrying channel by end of 2009"



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spots in DC introducing itself. -- **Comcast** moved **Outdoor Channel** to its digital basic tier in Atlanta.

**In the Courts:** The **FTC** joined the **DOJ** in filing an amicus brief that strikes a blow to the **NFL**. The case concerns whether the League and its member teams' collective action can be exempt from antitrust review. **American Needle** vs **NFL** is currently pending before the **US Supreme Court**. Needle lost its rights to sell hats with NFL logos after the league struck an exclusive licensing deal with **Reebok** and wants to sue. The case delves into whether sports leagues and their teams, at least in some instances, should be considered single entities. The FTC's brief urges the Supreme Court to vacate a lower court ruling that found the NFL and its separately owned teams function as a single entity when licensing and marketing their logos under an exclusive agreement with Reebok. It's about more than hats. The case is being closely watched because of the implications it could have on the antitrust exemption in all areas of the NFL's business (*Cfax*, 4/3).

**Online:** **CNBC.com** earned 5.5mln uniques in Aug, marking the site's 21st straight month of YOY growth in the metric, according to **Nielsen** data. -- **CNN** bowed at **CNNwirestore.com** a marketplace offering media outlets paid access to its news stories, including breaking news, features and commentary. Individual stories run \$199 for a single use.

**Advertising/Marketing:** **Travel Channel** tapped **Ringleader Digital** to expand its mobile Web reach through banner ads on targeted sites and the identification of devices used to interact with net content and ads. -- **ESPN**'s brand campaign includes 3 new TV spots debuting across **ESPN** nets and featuring Duke, Texas and Florida universities. A sample is available at [www.espnmediazone.com/mediacenter/20090918\\_CAMPUS\\_TOUR\\_DUKE.html](http://www.espnmediazone.com/mediacenter/20090918_CAMPUS_TOUR_DUKE.html)

**Marketing:** **DirectTV** launched its 2nd "Ultimate Displaced Fan Search," asking **NFL** fans living outside their market to send essays, video or photos on why they deserve the title. The winner of the Sun Ticket promo gets a Super Bowl week prize. -- **Golf Channel** and **Kodak** are partnering to promote the net's **PGA Tour Fall Series** and inaugural Kodak Challenge, through which Tour players are competing for \$1mln by carding the lowest aggregate score on designated holes. Included is a series of on-screen photo trivia questions to air during the net's Tour coverage and "Big Break," offering participants a chance at prizes by answering the questions at the net's Website.

**People:** **T. Howard Foundation** founder *Scott Weiss* was elected chmn emeritus of the group's board and made a permanent member of the exec committee. New board members include **Time Warner Cable's Ellen East**, **FLO TV's Beau James** and **Univision's Tonia O'Connor**. -- **Rentrak** appointed *Steven Walsh* svp, sales.

**Public Affairs:** The **VA Cable Telecommunications Assoc** has awarded more than \$700K to date through its 9-year-old scholarship program for VA students attending VA schools. 73 winners were recently announced. To **VCTA's** knowledge, it's the only scholarship program in the US that is offered by a state assoc in partnership with cable company members. -- **Cox** and **Outdoor Channel** sponsored the 4th Annual Child Focus Sibling Preservation Fishing Event in Las Vegas Fri. The fundraising event benefits children living in foster care, reuniting foster children with their siblings for a day of fishing. -- "**VH1 Divas**," televised live 9/17, raised \$250K for the **VH1 Save the Music Foundation**. Performers included *Sheryl Crow*, *Miley Cyrus* and *Cyndi Lauper*.

**On the Circuit:** *Giuliana Rancic* will emcee the Southern CA Chapter of **WICT's** LEA Awards, Oct 8, Beverly Hills Hotel.

## 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 MOUNTAINTOP



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

Presented by **We** TV  
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	9/25 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
BRITISH SKY:	BSY	36.45	3.30%	31.40%
DIRECTV:	DTV	26.81	1.80%	17.00%
DISH:	DISH	18.82	4.00%	69.70%
DISNEY:	DIS	27.62	(2.9%)	23.30%
GE:	GE	16.37	(0.8%)	8.00%
NEWS CORP:	NWS	13.62	(4.9%)	43.40%
<b>MSOS</b>				
CABLEVISION:	CVC	23.39	(6.7%)	41.30%
COMCAST:	CMCSA	16.69	(3.5%)	0.80%
COMCAST SPCL:	CMCSK	15.95	(2.7%)	0.80%
GCI:	GNCMA	6.90	(2.7%)	(14.7%)
KNOLLOGY:	KNOL	8.15	0.50%	57.90%
LIBERTY CAPITAL:	LCAPA	21.29	(0.8%)	352.00%
LIBERTY ENT:	LMDIA	30.14	0.80%	72.40%
LIBERTY GLOBAL:	LBTYA	23.39	(4.5%)	46.90%
LIBERTY INT:	LINTA	10.70	(5.5%)	242.90%
MEDIACOM:	MCCC	5.41	(5.4%)	25.80%
RCN:	RCNI	9.45		
SHAW COMM:	SJR	17.48	(3.6%)	4.30%
TIME WARNER CABLE:	TWC	41.28		
VIRGIN MEDIA:	VMED	12.40	(2.4%)	152.50%
WASH POST:	WPO	449.09	(2.9%)	17.30%
<b>PROGRAMMING</b>				
CBS:	CBS	11.62	(7.8%)	44.30%
CROWN:	CRWN	1.92	1.60%	(32.6%)
DISCOVERY:	DISCA	27.70	(6.4%)	95.60%
EW SCRIPPS:	SSP	6.87	(13.7%)	211.60%
GRUPO TELEVISIA:	TV	17.98	(3.5%)	29.00%
HSN:	HSNI	15.06	7.30%	107.20%
INTERACTIVE CORP:	IACI	20.44	(1.4%)	29.90%
LIBERTY:	L	33.52	(3.5%)	19.60%
LODGENET:	LNET	6.52	1.20%	831.40%
NEW FRONTIER:	NOOF	2.17	(1.8%)	27.60%
OUTDOOR:	OUTD	7.22	0.80%	(3.6%)
PLAYBOY:	PLA	2.85	(7.5%)	31.90%
RHI:	RHIE	3.01	(9.6%)	(62.9%)
SCRIPPS INT:	SNI	36.27	(2.7%)	66.30%
TIME WARNER:	TWX	28.62	(2.6%)	31.30%
VALUEVISION:	VVTV	3.48	(9.1%)	954.50%
VIACOM:	VIA	28.11	(5.3%)	39.70%
WWE:	WWE	13.82	(2.2%)	41.00%
<b>TECHNOLOGY</b>				
3COM:	COMS	4.94	4.00%	116.70%
ADC:	ADCT	7.97	(8.1%)	46.20%
ADDVANTAGE:	AEY	2.32	6.40%	30.30%
ALCATEL LUCENT:	ALU	4.44	2.80%	106.50%
AMDOCS:	DOX	26.40	(0.9%)	44.30%
AMPHENOL:	APH	37.27	(5.3%)	55.70%
APPLE:	AAPL	182.37	(1.4%)	113.70%
ARRIS GROUP:	ARRS	12.45	(7.8%)	56.60%
AVID TECH:	AVID	13.84	(8.4%)	26.90%
BIGBAND:	BBND	4.13	1.00%	(25.2%)
BLNDER TONGUE:	BDR	1.18	(1.7%)	16.80%
BROADCOM:	BRCM	29.15	(2.8%)	71.80%
CISCO:	CSCO	22.62	(3.3%)	38.80%

Company	Ticker	9/25 Close	1-Week % Chg	YTD %Chg
CLEARWIRE:	CLWR	8.22	(10.7%)	107.10%
COMMSCOPE:	CTV	29.79	(5.2%)	91.70%
CONCURRENT:	CCUR	4.60	(4.2%)	35.30%
CONVERGYS:	CVG	10.09	(10.8%)	57.40%
CSG SYSTEMS:	CSGS	15.90	4.20%	(9%)
ECHOSTAR:	SATS	18.37	(2.3%)	23.50%
GOOGLE:	GOOG	492.48	0.20%	60.10%
HARMONIC:	HLIT	6.64	(3.3%)	18.40%
INTEL:	INTC	19.37	(1%)	45.30%
JDSU:	JDSU	7.01	(6.4%)	91.30%
LEVEL 3:	LVLTL	1.36	(4.9%)	94.30%
MICROSOFT:	MSFT	25.55	1.10%	34.10%
MOTOROLA:	MOT	8.11	(9.5%)	84.20%
OPENTV:	OPTV	1.38	(6.1%)	12.20%
PHILIPS:	PHG	24.11	(4.7%)	30.60%
RENTRAK:	RENT	17.73	4.80%	50.40%
SEACHANGE:	SEAC	7.26	(5.6%)	0.70%
SONY:	SNE	29.43	3.40%	34.60%
SPRINT NEXTEL:	S	3.95	(7.7%)	115.80%
THOMAS & BETTS:	TNB	28.23	(2%)	17.50%
TIVO:	TIVO	10.12	(5.3%)	41.30%
TOLLGRADE:	TLGD	6.59	14.80%	37.90%
UNIVERSAL ELEC:	UEIC	20.43	(0.4%)	26.00%
VONAGE:	VG	1.35	(8.8%)	104.50%
YAHOO:	YHOO	17.08	(1.8%)	40.00%

Company	Ticker	9/25 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	26.96	(0.3%)	1.80%
QWEST:	Q	3.54	1.10%	6.00%
VERIZON:	VZ	29.94	1.20%	(4.9%)

Market Indices	9/25 Close	1-Week % Chg	YTD %Chg	
DOW:	INDU	9665.19	(1.6%)	10.10%
NASDAQ:	COMPX	2090.92	(2%)	32.60%

**WINNERS & LOSERS**

<b>THIS WEEK'S STOCK PRICE WINNERS</b>		
COMPANY	CLOSE	1-WK CH
1. TOLLGRADE:	6.59	14.80%
2. HSN:	15.06	7.30%
3. ADDVANTAGE:	2.32	6.40%
4. RENTRAK:	17.73	4.80%
5. CSG SYSTEMS:	15.90	4.20%

<b>THIS WEEK'S STOCK PRICE LOSERS</b>		
COMPANY	CLOSE	1-WK CH
1. EW SCRIPPS:	6.87	(13.7%)
2. CONVERGYS:	10.09	(10.8%)
3. CLEARWIRE:	8.22	(10.7%)
4. RHI:	3.01	(9.6%)
5. MOTOROLA:	8.11	(9.5%)

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# MaxFAX...

## 'My' TV Service...

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All those "TV Everywhere" trials—or whatever whomever calls the experiments underway and planned—are just the latest in a series of steps that will change our video/entertainment/



Paul S. Maxwell

information/broadband world again ... big time, and from left field.

Other half steps underway today include "Clear" and **Canoe** and **Genachowski** and more...

Here's why convergence (lousy word, but indicative) is finally really happening ... and beginning to accelerate.

Videos are everywhere... Over-the-top is an over-the-top subject...

And so is "net neutrality"—which probably won't result in too many restrictions against "managing the bandwidth" ... just a lot of rhetoric.

But, often overlooked in discussions of the new **FCC** chairman's proposal is what the like treatment of wireless ISPs to wireline ISPs might really mean...

As the wireless providers build out next generation 4G Wi-Max, LTE and more ... well, what's the difference to a user beyond being un-tethered sometimes?

The real fallout?

It won't just be a new way to pay for mobile (the FCC's actions might negate one hell of a lot of cell phone contracts)...

It won't just be a new flood of devices ... the iPhone was just the best of the first wave ... watch out ... just wait until devices like the Kindle and iTouch and the next weird booklet from **Microsoft** interact with every spectrum stream ...

It won't just be because all of the big players are going to be playing "over-the-top" of their erstwhile and sometime co-opetition (like *Will Richmond* rightly supposes) ... they won't be able to help themselves ... competition will get even more fragmented as **Comcast's** Fancast competes over **Verizon** fiber with **Apple** and others ...

But because the set-top box is not going to be the central enabler of the new multiplatform universe ... cable, satellite and telco TV are all set-top box centric today ... and that means each and every one of them is household (or office) centric ... and household or office bound ...

That's going to change ... and it already is beginning to as **Bend Cable** and **Comcast/Clear** in Oregon are showing. The problem is that the set-top box as the major authenticator and enabler just ain't gonna cut it...

We're all headed for serving indi-

vidual customers ... that set-top box is only going to be part of the solution ... and it is going to have to respond to different users in different – including cost – ways.

If you think our billing systems are a problem now, you haven't seen anything yet.

Time to start thinking hard ... and tinkering.

## Random Notes:

• **Olympic Planning:** Check out the airport navigator for Vancouver Int'l in the October edition of *Travel & Leisure*. Vancouver is one of the world's best cities ... and in February it will be hopping. If you can, go ... if you can't, you won't be able to ignore it as **NBC** and all its channels cover it.

• **Times Squared:** That crossroads of the world that has sucked up a lot of print advertising onto cluttered billboards in Manhattan is growing up—from a marketing standpoint. The *NY Times'* *Stuart Elliott* reported that all of the players in that gaudy, once-bawdy place have banded together as an ad consortium ... now you can make one call and waste a ton of marketing dollars.

Paul Maxwell

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### Speaker Snapshot\*

**Marc Goldstein**, Group M

**Peggy Green**, Zenith Media

**Steve Lanzano**, MPG

**Steve Sturm**, Toyota

**Mark Owens**,  
Vanguard Entertainment

**Jon Stimmel**, Unilever

**Pam Zucker**, MediaVest

\*Subject to change