

CableFAX Daily™

Monday — October 5, 2009

What the Industry Reads First

Volume 20 / No. 190

Day 2: Punditry Continues on Possible Comcast-NBCU Venture

A day after news that **Comcast** is looking at a 51% stake in a joint venture with **NBCU**, the story continued to dominate the headlines. *Jay Leno* joked about the deal on his **NBC** talk show, saying he didn't know "cash for clunkers" was still in effect. Not laughing were probably Comcast shareholders, with the MSO's stock down about 10% since the news broke. But not everyone's down on the idea of a deal. **Wells Fargo** upgraded the stock to "outperform" from "market perform" Fri, saying the deal provides another leg of growth and shouldn't result in additional equity issuance or cut Comcast's investment grade debt rating. "Even without a deal, we view CMCSA as fundamentally undervalued and believe yesterday's drop provides a good entry point," the firm said. **Collins Stewart** maintained its "buy" given the pullback and the prospects of no deal, but it warned that the potential venture would be dilutive. "While we believe its possible for the venture to create content value, it also comes at a time when CMCSA's fundamentals have declined considerably," the firm told clients. **Sanford Bernstein** called the prospects of a Comcast-NBCU JV a net negative for the MSO, noting the heavy regulatory burden a deal would likely entail. Indeed, competitors are already expressing alarm. *Richard Ramlall*, **RCN's** strategic external affairs, programming & intl marketing svp, complained that existing program access rules, even as expanded by arbitration condition imposed in prior mergers, have been largely ineffective. Comcast and **Cablevision** challenged the extension of those program access rules in a federal appeals court last month, but the 3-judge panel didn't seem inclined to lift the rules. A ruling's not expected for months. Ramlall said RCN believes that the **FCC** and antitrust authorities will find such a merger bad for competition and therefore consumers without "meaningful expansion of the types of conditions imposed on less significant consolidations." It's those conditions that has Bernstein's *Craig Moffett* concerned, with him pointing to the possibility of "an unforeseeable range of seemingly unrelated 'Christmas Tree ornament' provisions that would likely festoon the final deal (like net neutrality, etc.)." **Stifel Nicolaus** predicts the deal could get done—but probably not without conditions to address the increased concentration of video programming. "The Obama Administration has emphasized the importance of media diversity; as a general matter antitrust authorities are likely to impose closer scrutiny on mergers, and more specifically, are likely to be more open to theories of vertical integration harm," said Stifel.

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Return of the King: With distribution modes such as **TV Everywhere**, mobile broadband and smart phones taking center stage, content has been cast in somewhat of a supporting role. Yet **Comcast's** dalliance with **GE** for a stake in **NBCU** marks additional M&A activity whereby industry players are bolstering their content portfolios in an effort to increase monetization prospects across platforms. Since late Apr, we've seen **Discovery** partner with **Hasbro** for a jv net, **Disney** counter with a purchase of **Marvel** and **A&E TV Nets** acquire **Lifetime**. And before that, **Lionsgate** picked up **TV Guide Net** and also partnered with **Paramount** and **MGM** for premium channel **Epix**. Take any number of comments from recent months and it becomes apparent that content still reigns as king. For example, "the stronger we make TV Guide, the stronger we make Epix," said Lionsgate co-chmn/CEO *Jon Feltheimer*. **Time Warner** evp/CFO *John Martin* said 1 of the key benefits of TV Everywhere is the assurance it offers that investment in quality content will continue, and Disney pres/CEO *Bob Iger* espoused the mining opportunities available to the Mouse from Marvel's "rich intellectual properties." Even the struggling broadcast model could reap benefits from a focus on content if, as Disney CFO *Tom Staggs* said, it's "approached as a content creation business...with a great launch vehicle." Regarding Comcast/NBCU, **Pali** analyst *Rich Greenfield* said Fri that the MSO "believes it needs content to protect its landline distribution platform—meaning it wants to mitigate the risk of becoming that scary "dumb" pipe." With consumers demanding wide access to content—and with that demand likely to intensify going forward—having irons in various distribution fires as cable does has become crucial. But having a wealth of popular content with which to stoke those fires, however, remains the most basic necessity.

Ratings: Despite its continued darkness on DirecTV, Versus scored Thurs night its most-watched NHL opening night in history as 833K viewers tuned in for the Bruins/Capitals and Avalanche/Sharks games. The net has scored a free preview on DISH through Dec 2 that makes it available to some 9mln more homes.

In the States: **Charter** launched **ESPN360.com** to all its HSD subs at no additional cost. **Cox** and **Suddenlink** also recently inked deals for the broadband service. -- **AT&T U-verse** services will bow in parts of southeast LA beginning Mon.

On the Circuit: **Comcast, WE** and **Cisco** will present a business strategies symposium for **WICT Betsy Magness** alum, Nov 17-18 in Atlanta. The **Center for Creative Leadership** is an event partner.

Business/Finance: A NY Bankruptcy Court authorized **ION** to begin soliciting votes from creditors on its reorg plan, which is supported by holders of more than 70% of ION's first lien secured debt who also infused ION with \$150mln debtor in possession financing. The court will consider approval of the plan Nov 3. -- Counting **NBCU, Discovery** and **MTVN** as clients, shopping-enabled ent firm **Delivery Agent** raised \$25mln to expand internationally and extend its tech to serve "click-to-buy" apps for online video, mobile and set tops.



HARDBALL
WITH **CHRIS MATTHEWS**

THE RACHEL MADDOW
SHOW

COUNTDOWN
WITH **KEITH OLBERMANN**

THE ED SHOW
WITH **ED SCHULTZ**

MSNBC BEATS CNN

AT 6PM. AT 7PM. IN PRIMETIME.



nbcnetworks.com

Source: The Nielsen Company, Sales Prime (M-SU 7PM-2AM), Prime (M-SU 8PM-11PM) vs. CNN. Ed Show (MSNBC) vs. Situation Room (CNN), (M-F 6PM). Hardball (MSNBC) vs. Lou Dobbs (CNN), (M-F 7PM). All claims based on (8/31/09-9/27/09), L+SD, (000), A25-54. Subject to qualifications available upon request.



CableFAX's Best of the Web Awards is the industry's top honor in the digital space, recognizing outstanding websites and digital initiatives among cable programmers, operators, vendors and associations.

Deadline: December 4, 2009 • Enter Online: www.CableFAX.com/BOW • Event: March 2010

Enter as many categories as you like, but please tailor your entry to the category you are entering.

Campaign Categories:

- Ad/Series of Ads - Programmers/MSOs
- Ad/Series of Ads - Brands
- Blog or Series of Blogs
- Corporate Social Responsibility/Education
- Digital Customer Service
- Digital PR Campaign
- E-commerce
- Email Newsletter/s
- Games

- Mobile Application (iPhone, Blackberry, Palm Pre, etc)
- Online Community
- Original Content
- Podcast or Videocast
- Social Media Campaign
- Supplemental Web Content
- Use of Twitter
- Video: Overall Use of Video
- Web Marketing Campaign
- Web Site Design
- Web Page/Section Design

People Awards:

- Blogger/Tweeter/Social Networking
- Facilitator
- Digital Executive
- Digital Hot List
- Online Marketing Executive
- Video Editor/Producer
- Web Content Director
- Web Designer
- Web Research/Analytics Executive
- Other (please enter an executive who is successfully leading your organization's digital initiatives)

Best Websites:

- Cable Associations
- Independent Operators
- Cable Network - Small and Mid-Size (Fewer than 50mIn subs)
- Cable Network - Large (More than 50mIn subs)
- MSOs and Systems
- Regional/Local Programmers
- Technology and other Vendors

Category definitions, FAQs, a list of last year's winners, and to enter online at www.CableFAX.com/BOW

Compiling Your Entry (Visit www.CableFAX.com/BOW for full details)

What to Send

At the beginning of your 2-3 page synopsis, include the following information for all categories:

- Category entered • Title of entry • Key contact for entry • Organization submitting entry

Supporting Materials

- URL/Web address(es) • Clippings • Photographs • Magazines • E-letters • Newsletters • Testimonials • Print-outs of Web Pages

How To Enter: Use this form or visit www.CableFAX.com/BOW for additional category information and to enter online.

Mary Lou French
CableFAX's Best of the Web Awards
Access Intelligence
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Rockville, MD 20850

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Event: March 2010

Entry From (All information required)

Title of Entry/Name of Entrant (as you'd like it to appear on your award if selected): _____

Company and/or Client: _____

Contact Name of person submitting entry Job Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone of Contact: _____ Fax of Contact: _____

Email Address (Required): _____

Entry Fees

- Primary entry: \$290 each \$290 each \$ _____
 - Secondary entry of same campaign** into one or more categories: \$150 each \$150 each \$ _____
 - Late entry fee: \$150 per entry \$160 each \$ _____
(for entries sent between Dec. 4, 2009 and Dec. 11, 2009)
- Total \$ _____

The late entry fee must be applied to each individual entry postmarked after Dec. 4, 2009.
* Payment in full must accompany the entry.
** If entering more than one category, please submit separate entry forms.

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Entry fees are not refundable.
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The awards are presented by the most trusted information source in cable: CableFAX Daily and sister brand CableFAX: The Magazine.

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Sponsorship Opportunities: Debbie Vodenos at 301-354-1695; dvodenos@accessintel.com.

CableFAX Week in Review

Company	Ticker	10/02 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	35.77	(1.9%)	29.00%
DIRECTV:	DTV	27.10	1.10%	18.30%
DISH:	DISH	19.24	2.20%	73.50%
DISNEY:	DIS	27.21	(1.5%)	21.40%
GE:	GE	15.36	(6.2%)	1.80%
NEWS CORP:	NWS	13.24	(2.3%)	40.10%
MSOS				
CABLEVISION:	CVC	22.64	(3.2%)	37.40%
COMCAST:	CMCSA	15.24	(8.7%)	(7.8%)
COMCAST SPCL:	CMCSK	14.40	(9.7%)	(8.8%)
GCI:	GNCMA	6.63	(3.9%)	(18%)
KNOLOGY:	KNOL	9.81	20.40%	90.10%
LIBERTY CAPITAL:	LCAPA	20.58	(3.3%)	336.90%
LIBERTY ENT:	LMDIA	30.84	2.30%	76.40%
LIBERTY GLOBAL:	LBTYA	20.84	(10.9%)	30.90%
LIBERTY INT:	LINTA	10.89	1.80%	249.00%
MEDIACOM:	MCCC	5.28	(2.4%)	22.80%
RCN:	RCNI	8.96		
SHAW COMM:	SJR	17.65	1.00%	5.70%
TIME WARNER CABLE:	TWC	40.21		
VIRGIN MEDIA:	VMED	12.90	4.40%	163.30%
WASH POST:	WPO	444.65	(1%)	16.70%

Company	Ticker	10/02 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	11.49	(1.1%)	42.70%
CROWN:	CRWN	1.63	(15.1%)	(42.8%)
DISCOVERY:	DISCA	29.02	4.80%	104.90%
EW SCRIPPS:	SSP	6.59	(4.1%)	198.60%
GRUPO TELEVISIA:	TV	17.74	(1.3%)	27.40%
HSN:	HSNI	16.03	6.40%	120.50%
INTERACTIVE CORP:	IACI	19.18	(6.2%)	21.90%
LIBERTY:	L	33.52		19.30%
LODGENET:	LNET	7.07	8.40%	910.00%
NEW FRONTIER:	NOOF	2.00	(7.8%)	17.60%
OUTDOOR:	OUTD	6.20	(14.1%)	(17.2%)
PLAYBOY:	PLA	2.92	2.50%	35.20%
RHI:	RHIE	2.79	(7.3%)	(65.6%)
SCRIPPS INT:	SNI	36.38	0.30%	66.80%
TIME WARNER:	TWX	29.63	3.60%	35.90%
VALUEVISION:	VVTV	3.09	(11.2%)	836.40%
VIACOM:	VIA	29.09	3.50%	44.60%
WWE:	WWE	13.56	(1.9%)	38.60%

Company	Ticker	10/02 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	4.95	0.20%	117.10%
ADC:	ADCT	7.42	(7%)	35.90%
ADVANTAGE:	AEY	2.21	(4.7%)	24.20%
ALCATEL LUCENT:	ALU	4.19	(5.6%)	94.90%
AMDOCS:	DOX	25.43	(3.7%)	39.00%
AMPHENOL:	APH	35.47	(4.8%)	48.20%
APPLE:	AAPL	184.90	1.40%	116.60%
ARRIS GROUP:	ARRS	12.43	(0.2%)	56.40%
AVID TECH:	AVID	13.65	(1.4%)	25.10%
BIGBAND:	BBND	3.94	(4.6%)	(28.6%)
BLNDER TONGUE:	BDR	1.20	1.70%	18.80%
BROADCOM:	BRCM	28.63	(1.8%)	68.70%

Company	Ticker	10/02 Close	1-Week % Chg	YTD %Chg
CISCO:	CSCO	22.67	0.20%	39.10%
CLEARWIRE:	CLWR	7.60	(7.5%)	91.40%
COMMSCOPE:	CTV	26.93	(9.6%)	73.30%
CONCURRENT:	CCUR	4.46	(2.2%)	32.40%
CONVERGYS:	CVG	9.52	(5.6%)	48.50%
CSG SYSTEMS:	CSGS	15.90		(9%)
ECHOSTAR:	SATS	17.85	(2.8%)	20.00%
GOOGLE:	GOOG	484.58	(1.6%)	57.50%
HARMONIC:	HLIT	6.17	(7.1%)	10.00%
INTEL:	INTC	18.97	(2.1%)	43.40%
JDSU:	JDSU	6.66	(5.7%)	80.40%
LEVEL 3:	LVL	1.31	(3.7%)	87.10%
MICROSOFT:	MSFT	24.96	(2.3%)	31.70%
MOTOROLA:	MOT	7.99	(1.5%)	81.50%
OPENTV:	OPTV	1.33	(3.6%)	8.10%
PHILIPS:	PHG	22.91	(5%)	24.50%
RENTRAK:	RENT	17.41	(1.8%)	47.70%
SEACHANGE:	SEAC	8.07	11.20%	11.90%
SONY:	SNE	27.16	(7.7%)	24.20%
SPRINT NEXTEL:	S	3.91	(1%)	113.70%
THOMAS & BETTS:	TNB	28.84	2.20%	20.10%
TIVO:	TIVO	9.84	(2.8%)	37.40%
TOLLGRADE:	TLGD	5.62	(14.7%)	17.60%
UNIVERSAL ELEC:	UEIC	20.15	(1.4%)	24.20%
VONAGE:	VG	1.33	(1.5%)	101.50%
YAHOO:	YHOO	16.84	(1.4%)	38.00%

Company	Ticker	10/02 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	26.52	(1.6%)	0.20%
QWEST:	Q	3.57	0.80%	6.90%
VERIZON:	VZ	29.89	(0.2%)	(5%)

Company	Ticker	10/02 Close	1-Week % Chg	YTD %Chg
MARKET INDICES				
DOW:	INDU	9487.67	(1.8%)	8.10%
NASDAQ:	COMPX	2048.11	(2%)	29.90%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. KNOLOGY:	9.81	20.40%
2. SEACHANGE:	8.07	11.20%
3. LODGENET:	7.07	8.40%
4. HSN:	16.03	6.40%
5. DISCOVERY:	29.02	4.80%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. CROWN:	1.63	(15.1%)
2. TOLLGRADE:	5.62	(14.7%)
3. OUTDOOR:	6.20	(14.1%)
4. VALUEVISION:	3.09	(11.2%)
5. LIBERTY GLOBAL:	20.84	(10.9%)

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MaxFAX...

'We' & 'the Ends' ...

A column by the (seriously) prolific *Thomas L. Friedman* in last Wednesday's *New York Times* about the hyper-partisanship in today's American politics hit a chord with me. Friedman lamented the lack of a "we" in America ... instead "we" have an us

v. them or a me v. you.

There is no more collective national interest or identity. Notwithstanding the noise—which doesn't count as a national interest.



Paul S. Maxwell

The non-stop presidential campaigns have led to the near de-legitimizing of the current and past two presidents.

Clinton was impeached. *Bush* won on a Supreme Court vote. And many question *Obama's* citizenship.

The "You lie!" outburst, the screaming and hectoring on so-called cable news that echoed throughout the "town hall" season and the overall tone of—often irrelevant—gotcha! in too many stories signifies the lack of the "middle" in our political shouting matches that drown out sensible discourse.

How did someone shouting down the President in a joint session of Congress turn into a fund raising opportunity?

Is there no shame?

Too many people are pointing fingers. Tactics trump strategies. Instead of he-who-dies-with-most-toys-wins we now have he-who-shouts-the-loudest-and-longest-wins (for a few minutes anyway—or until someone changes the channel).

Too often, the ends justify the means. Too often, "gotcha" drowns out substance.

That's wrong. That's just plain wrong for any "people of the book" ... for Christians, for Jews and for Muslims.

We could all help tamp down this lack of civility by (1) making all runs for elected office open primaries and (2) creating a nonpartisan methodology for drawing Congressional districts. And maybe by being a little more responsible in our programming decisions. (And I might mention again: time to watch out for kids and objectionable—by some—material and be judicious ... or else.)

But it might be too late.

Ratings rule.

Not that there's anything wrong with that.

Random Notes:

• **Look! Up in the Sky!** Want to know more about satellites than the fact they send signals to your headend? If so, join us for a special **SkyREPORT Multipatform Matrix** at the Princeton Club in NYC on Tuesday,

October 13th ... the seminar features research on satellite in the US multiplatform market; afternoon a panel focused on making money in satellite with *Bryan McGuirk*, svp, Media Services for **SES World Skies**; *Pacome Revillon*, CEO, **Euroconsult**; *Pete Gingold* from **Angelo, Gordon & Co**; and *Tom Eagan* of **Collins Stewart**; plus a special keynote featuring a wide-ranging interview with *Matt Blank*, president of **Showtime**. The show runs from 3:30 to 5:30 with the **Society of Satellite Professionals'** reception immediately following. Make sure you don't miss this one! It's free (for the seminars, not the dinner) but space is limited, so register today at: <http://mediabiz.com/news/multiplatform>.

• **Good Things Do (and Might) Happen:**

Phantom signals are disappearing from copyright requirements -- "Clear" might come back to airports -- **Warner Music** will return to **YouTube** -- *The Economist* has a column named after *Joseph Schumpeter* -- Churn dropped because of the grand recession -- The **Dow** is likely to hit 10,000 before '09 is over -- Really.

Paul Maxwell

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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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