

# CableFAX Daily™

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What the Industry Reads First

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## Quack, Quack: Is FCC's Martin a Lame Duck?

The Fab 4 are at it again. FCC chmn *Kevin Martin's* proposal for an NPRM on allowing Class A broadcast stations to achieve full power status, and thus cable must carry rights, has been pulled from Wed's meeting agenda after the other 4 Commissioners rebelled, sources said. The 4 were willing to vote on a Notice of Inquiry to gather more info on the issue, but Martin was unwilling to go that route and pulled the item, sources said. Cable, obviously, applauded the move. This latest blow to a Martin proposal comes just days after the 4 Commissioners banded together to stop an original Media Bureau program access complaint order that would have ruled operators discriminated against **NFL Net**, **MASN** and **Wealth TV** and forced them to carry the nets (instead, the complaints are to go before an administrative law judge with the Commission getting to vote on the ruling). Oh, and then there was this past Feb when Martin first tried to put the LPTV must carry item on the agenda and was blocked by his fellow Commissioners. And don't forget the FCC's decision in May that **Verizon** was violating retention marketing rules. Martin was the lone dissenting vote, having wanted to throw out the complaint filed by cable operators. Wed's Open Meeting in Nashville, TN, will be about childhood obesity, including the responsibilities of media for children's health. Meanwhile, word is that the Fab 4 have voted on an NPRM for a quiet period surrounding the DTV transition, but that Martin hasn't cast a vote. Republican Commissioner *Robert McDowell* confirmed to reporters Tues that he has voted for it. Cable and **NAB** are divided on how long the quiet period should last. It would prevent broadcasters from pulling signals in retrans spats during that timeframe. While some dates have been thrown around, McDowell said he first wants to know whether the FCC has the authority to establish a quiet period, which would prevent broadcasters from pulling signals in retrans spats for a set time. He also said that he's heard anecdotally that some parties have suspended retrans talks because they think the govt might act—something that concerns him as he prefers parties work out these disputes on their own.

**Callender Adieu:** HBO Films pres *Colin Callender* will leave his post to start his own entertainment and content company. More details on it will be announced next year. Callender 1st joined HBO in '87 and has amassed 84 Emmys, 26 Golden Globes, 9 Peabodys and 12 Humanitas Awards. Projects include miniseries "John Adams" which won a record-breaking 13 Emmys this year. *Kary Antholis* will become pres, HBO Miniseries, and *Len Amato* will become pres,

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HBO Films following Callender's departure. "[Callender's] vision, intelligence and unique talent are responsible for the widespread acclaim his films and miniseries receive year after year. We will certainly miss him and hope and expect to have a continued collaboration with Colin and his new company," said HBO co-pres *Richard Plepler*.

**DTV Doings:** The FCC's 5 Commissioners met last Fri to talk about lessons learned as the nation prepares to make the transition to digital broadcast in Feb. The unusual assembly didn't violate Sunshine rules, according to staffers, because it was about process—not matters before the Commission. It is rare. FCC chmn *Robert McDowell* said it was the 1st such gathering since he joined the Commission in June '06. Topics included antenna problems, the digital cliff effect, broadcasters reducing their digital footprint, and how to make the most out of these visits to markets deemed high-risk because of high analog penetration. **NAB** released its latest research Tues, finding that 92% of the 4,402 homes surveyed are aware that broadcast TV will switch to digital. That's up from 90% in May. Of OTA-only homes, 67% knew the correct transition date vs 41% in May.

**Competition:** After having **Time Warner Cable NY & NJ** made fun of **Verizon** for its complicated bills (remember *Sir Charge?*), the telco has announced that it will begin sending easier-to-understand statements to its customers. The telco introduced the redesigned bills in NY in Sept and Oct, and plans to send them to all Verizon residential customers by year-end. It said the change was in response to the growing number of services it offers as well as to respond to customers who said they want a cleaner presentation. -- Several interactive services from **The Weather Channel** are now available to **DirectTV** customers, including an on-screen ticker for severe weather alerts, area-specific weather updates and a local on demand app. -- **FIOS TV** has added 53 additional HD nets in both Fort Wayne, IN, and Pittsburgh, which now feature a respective 98 and 100 high-def channels. -- **AT&T** has launched its Total Home DVR in 7 additional cities including Atlanta, Indianapolis and Sacramento.

**The Future of TiVo:** After receiving \$105mln last week from **EchoStar** for patent infringement and supplemental damages, **TiVo** will look at stock buybacks, acquisitions and research and development investments as possible uses of its approx \$200mln in cash, said pres/CEO *Tom Rogers* Tues during the **Natixis Bleichroeder** conference. "There's plenty of runway here for our hand to play out," he said. Looking forward, Rogers expects a District Court to find that EchoStar's work-around DVR software also violates TiVo patents, and foresees extensions of TiVo partnerships with cable ops. **Comcast** will begin "marketing more extensively over the next few weeks" its TiVo-integrated set tops, said Rogers, and plans to launch related promotional ads across its entire customer base. **Cox** still plans to roll out a similar set top by YE in certain markets, he said. Network DVRs such as the **1 Cablevision** is planning don't pose a serious threat to TiVo's business, said Rogers, and aren't a viable near-term solution for cable ops because of the likely strain they would place on infrastructure. In fact, Rogers said he's "far from convinced" that the court decision allowing CVC to launch a network DVR will stand as is.

**In the States:** **XO Comm** has deployed **Ciena** delivery switches to expand to nationwide markets the availability of its Ethernet Hub service for businesses. -- **ReelzChannel** has opened in Chicago a new sales office to be headed by *Kimberly Hagan*. -- **Optimum Lightpath** has connected more than 3K buildings to its fiber-to-the-premises network, which now passes more than 33K businesses in NY, NJ and CT.



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**Carriage:** Cablevision has launched **MTV HD, VH1 HD, CMT HD, Fuse HD** and **NHL Net HD**, bringing to 65 the number of high-def channels available across the MSO's service area.

**VOD Competition:** Consumers with **Sony Bravia** TVs and the **Bravia Internet Video Link** (\$300) will be able to rent feature film "Hancock" directly over their TV for \$10 from Oct 28-Nov 10, a window ahead of the movie's release on DVD and VOD. Those who purchase the stream and register online will also receive a free DVD of the film.

**Beta:** **Nat Geo** ranked as adult subscribers' favorite digital basic cable net for the 2nd consecutive year, according to **Beta's** digital cable subscriber study. Completing the top 5 were **Lifetime Movie Net, Fox Movie Channel, and BBC America** and **Discovery Health** in a tie for 4th. **ESPN Classic, NFL Net** and **Science Channel** joined **Nat Geo** and **FMC** as the top-ranked nets in the male 18+ demo, while **WE** joined **Discovery Health, LMN, Nat Geo** and **FMC** as best in the female 18+ demo. **NFL Net** carries the highest perceived value among viewers, followed by **MTV Jams, PBS Kids Sprout, MTV Hits** and **TV One**.

**5 Qs with Scripps Nets pres. brand outreach Susan Packard:** *Continuing our series of interviews with members of the incoming Hall of Fame class, in early Sept we discussed women in the Hall, ratings and real estate with Susan Packard. Should there be more women in The Hall of Fame?* If anything it's the operator side that's lacking, and that's just the history of the business and how it grew up. But on the programmer side there's a pretty good representation, *Gerry Laybourne, June Travis, Anne Sweeney, Kay Koplovitz...* but you know, you can always do a better job. **So, it doesn't feel like you're trailblazing, as you did at Churchill Downs, where you were the first woman on the board. And still the only woman on the board.** No. And I don't look at these things that way, through gender. The cable programming business has been rich with women in the senior ranks... It's on the distributor side that we need to see more women in senior roles. Frankly, I don't think we're seeing the progress we should be... As the industry evolves, the hope is we'll see more of that. **For the first time in many summers, we saw cable's ratings share decline vs broadcasters. Will this be temporary? Was it the Olympics/the Michael Phelps effect?** It was a blip for us, August being a little bit soft, because the rest of the summer has been strong for us and we're projecting a strong fall. **How are your brands reacting to the real estate downturn?** Delightfully, we haven't seen advertiser softness. While people aren't buying and selling homes as much, since the home is most people's number 1 investment, they will invest in smaller ways, design, furniture, and they are continuing to do that. We're in the process of a great upfront, and fortunately we're feeling very good about where we are. **Your reaction to news that HGTV is on "most of the time" in Sen. Obama's home, but that he "suffers it silently?"** Well, you know why? The honey-do list that emerges each time his wife watches HGTV must get longer and longer. [laughter]

**Online:** **Brightcove's** new online video platform features improved methods for accelerating workflow, publishing Flash-based video players, integrating video with other content and adjusting the bit rate of video streams. **Showtime, Lifetime Nets** and **FEARnet** were early users of the platform.

**Ratings:** Although **Fox News** (6.4/6.04mln) and **CNN** (6.4/6.24mln) virtually deadlocked in viewership for the Oct 7 presidential debate, the former net fared a touch better with its immediate post-coverage. **Fox News' "On the Record with Greta van Susteren"** scored a 5.6/5.32mln for 25min following the debate while **CNN's "Anderson Cooper 360"** delivered a 5.3/5.17mln for 26min. 6 additional **Fox News** telecasts also hit the weekly prime top 15, helping the net pin down the prime title with a 2.7/2.60mln. **TBS** (2.4/2.39mln) notched 2nd, followed by **USA** (2.2/2.13mln). **ESPN** (2.0/1.99mln) and **Disney** (2.0/1.98mln) tied in 4th position. **Brag Book:** **NBCU** announced a stellar 3Q across its cable nets, led by **MSN-BC's** 48% YOY growth in total viewers and **Oxygen's** 47% viewership growth among 18-49s. Also, **Oxygen** celebrated its most successful Q ever for both prime and total day viewership. **CNBC** established a 3Q delivery record for business day

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total viewers (+26%), **USA** notched its best-ever Q delivery among 25-54s, **Sci Fi** earned its best 3Q ever in all key female demos, and **Bravo** set quarterly prime records among 18-49s and total viewers. **USANetwork.com** achieved its most successful Q ever in uniques, visits, video streams and page views. -- **Versus** earned its best **NHL** opening night ratings ever for Thurs night's double-header, as the Red Wings-Maple Leafs game garnered a 0.5 nationally and the ensuing Bruins-Avalanche delivered a 0.3 nationally. Also, the former contest became the net's most-watched regular-season game ever among HHs (361K) and total viewers (573K). -- **TBS'** coverage of **MLB's** ALCS is averaging a 3.9 HH rating and 6.35min total viewers through the series' 1st 2 games, good for respective 39% and 52% increases vs the net's '07 NLCS coverage.

**Int'l:** **Starz Media** has expanded its partnership with **Microsoft's Xbox Live** to include digital distribution of anime, horror and other films to gamers in the UK, Ireland and Canada.

**People:** *Daphna Peled* joins **NCTA** from **MPPAA**. *Lon Goldstein* returned to **NCTA** after a brief stint at **Merrill Lynch**. Both will serve as vp, govt affairs and report to *Rita Lewis*, svp, govt affairs. -- **ACA** appointed **WOW!** CEO/pres *Colleen Abdou-lah* to its board. -- **Turner Sports** promoted *Jon Kropp* to vp, strategy & acquisitions.

## CableFAX Daily Stockwatch

Company	10/14 Close	1-Day Ch	Company	10/14 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	27.92	(0.86)	ALCATEL LUCENT:	2.80	(0.01)
DIRECTV:	22.13	(1.07)	AMDOCS:	25.00	(0.99)
DISNEY:	25.68	(1.04)	AMPHENOL:	31.16	(2.05)
ECHOSTAR:	15.90	(0.6)	APPLE:	104.08	(6.18)
GE:	20.85	(0.15)	ARRIS GROUP:	6.91	0.03
HEARST-ARGYLE:	15.70	(0.1)	AVID TECH:	20.56	(1.44)
ION MEDIA:	1.44	0.00	BIGBAND:	3.36	0.10
NEWS CORP:	10.04	(0.14)	BLNDER TONGUE:	0.85	(0.05)
<b>MSOS</b>					
CABLEVISION:	18.76	0.34	BROADCOM:	15.10	(1.27)
CHARTER:	0.39	(0.08)	C-COR:	11.00	0.00
COMCAST:	16.64	(0.33)	CISCO:	18.54	(0.73)
COMCAST SPCL:	16.43	0.02	COMMSCOPE:	25.87	(0.17)
GCI:	6.79	(0.06)	CONCURRENT:	4.15	(0.48)
KNOLGY:	5.47	(0.18)	CONVERGYS:	11.76	(0.53)
LIBERTY CAPITAL:	7.87	(0.35)	CSG SYSTEMS:	15.02	(0.26)
LIBERTY ENT:	18.09	(0.67)	ECHOSTAR HOLDING:	20.97	(0.86)
LIBERTY GLOBAL:	19.84	(1.15)	GOOGLE:	362.71	(18.31)
LIBERTY INT:	7.48	(0.36)	HARMONIC:	8.18	(0.07)
MEDIACOM:	4.52	0.05	JDSU:	6.48	(0.78)
SHAW COMM:	17.62	(0.36)	LEVEL 3:	1.56	(0.07)
TIME WARNER CABLE:	22.10	0.16	MICROSOFT:	24.10	(1.4)
VIRGIN MEDIA:	7.10	(0.11)	MOTOROLA:	5.49	(0.08)
WASH POST:	415.00	(24)	NDS:	51.05	1.05
<b>PROGRAMMING</b>					
CBS:	9.53	0.79	NORTEL:	1.76	(0.09)
CROWN:	4.03	(0.24)	OPENTV:	1.24	(0.06)
EW SCRIPPS:	4.92	0.01	PHILIPS:	20.15	(1.68)
GRUPO TELEVISA:	17.90	(0.75)	RENTRAK:	11.92	0.19
HSN:	6.84	(1.79)	SEACHANGE:	7.42	0.41
INTERACTIVE CORP:	15.19	(0.26)	SONY:	26.20	1.31
LIBERTY:	33.87	1.60	SPRINT NEXTEL:	4.04	(0.17)
LODGENET:	1.51	0.02	THOMAS & BETTS:	26.83	(1.04)
NEW DISCOVERY:	13.70	0.65	TIVO:	6.35	0.01
NEW FRONTIER:	1.79	(0.02)	TOLLGRADE:	3.00	(0.2)
OUTDOOR:	8.12	0.05	UNIVERSAL ELEC:	20.16	(0.29)
PLAYBOY:	2.40	(0.01)	VONAGE:	0.85	0.10
RHI:	12.69	(0.91)	YAHOO:	12.65	(0.84)
SCRIPPS INT:	30.37	0.30	<b>TELCOS</b>		
TIME WARNER:	10.49	0.09	AT&T:	26.68	0.61
VALUEVISION:	1.01	(0.11)	QWEST:	2.92	0.18
VIACOM:	20.30	(0.76)	VERIZON:	28.95	0.02
WWE:	15.24	0.42	<b>MARKET INDICES</b>		
<b>TECHNOLOGY</b>					
3COM:	2.35	(0.08)	DOW:	9310.99	(76.62)
ADC:	5.67	(0.07)	NASDAQ:	1779.01	(65.24)
ADVANTAGE:	1.56	(0.19)			

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