

CableFAX Daily™

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What the Industry Reads First

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WiMax Revolution: Sprint's Hesse Savors Break from Wireless Pack

Sprint Nextel's risky bet on WiMax technology to fuel its next-generation "4G" network was no accident, insisted Sprint CEO *Dan Hesse* on Fri. At a speech before the National Press Club in DC, Hesse said the carrier's embrace of WiMax—perhaps most on display through its proposed **Clearwire** acquisition and partnership with **Comcast**, **Time Warner Cable** and **Bright House**—will put it ahead of bigger competitors like **Verizon** and **AT&T**, which back still-gestating LTE wireless technology. "The key for WiMax was time to market," he said during the Q&A portion. "We see it as an opportunity to differentiate Sprint. We intend to be the leader in wireless data." He said WiMax will allow Sprint to "do some things [Verizon and AT&T] can't do" such as work with CE manufacturers to spur WiMax-enabled devices not tied to any set contract or service plan. Hesse sees consumers able to connect on a per-minute or per-day rate—similar to how they now can use WiFi networks scattered around the U.S. Many audience questions were political in nature. Asked what a new President could do to help spread rural broadband, Hesse jokingly suggested WiMax subsidies but later circled back to say he was only "half joking." Pointing out that wired infrastructure is cost prohibitive in many rural areas, he said the private sector would need "some form of subsidy mechanism to make [wireless broadband] happen." Meanwhile, Hesse said he fears that a Democratic administration might push for new net-neutrality rules (Democratic candidate *Barack Obama* supports net-neutrality measures). "Regulating the Internet has really horrendous implications," said Hesse. "Once it starts, where is it going to end?" -- Not everyone shares Hesse's enthusiasm on WiMax. **IMS Research** believes mobile WiMax tech involving Sprint/Clearwire and its cable investors won't achieve maximum market thrust, but instead will encounter trouble gaining traction and become nothing more than a niche offering. Although the Sprint/Clearwire JV already has the tech operational in Baltimore, well ahead of the expected availability of chief tech rival **LTE** in '10 or '11, IMS said this first-to-market advantage will be minimal. **AT&T** and **Verizon's** LTE 4G trials will begin next year, VZ pres/COO *Denny Strigl* recently said. WiMAX and LTE will both see some success, the firm said, but achieving mass adoption of the former will be challenging.

Pink Slips: The economic downturn and ad crunch has claimed more victims. **Comcast Spotlight**, Comcast's ad arm, notified an unspecified number of employees this week of layoffs. Spotlight employs about 3500. Some posts eliminated will be vacant positions that won't be filled, and some may be offered jobs in other parts of the company. Word came earlier this week that Comcast Cable would eliminate 300 jobs over the next few weeks as it restructures its Eastern div.

Muni Mutiny: When 3 Northern MN communities about a year ago decided not to continue operating their municipal cable system, they asked **Mediacom** to step in. The outdated systems, which have about 500 subs in Taconite, Marble and Calumet, were given to Mediacom in the hopes it could modernize them. Munis collapsing is nothing new, but here's the nice bit. *Michael Troumbly* from the Taconite City Council recently wrote CEO *Rocco Comisso*

10 Original Movie Premieres in 4Q

Hallmark Channel is the leader in original movie production,
airing an original movie every Saturday night at 9/8c.


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to thank him for Mediacom's intervention. "After 48 years of [providing] video service on a municipal basis, the City could no longer provide the needed capital to maintain and expand services," he wrote, noting that the only Internet option was a dial-up connection of about 26kbps. He said the trio had approached other providers to no avail. Mediacom cut over the 1st customers to its broadband network in mid October. "With the upgrade and interconnect construction complete, our residents and business now have options for many levels of video programming, high speed data and even telephone services," he wrote. And Mediacom tell us it thinks it should be able to grow subs with its triple-play offer.

In the Courts: Verizon has inked a patent license agreement with Klausner Technologies covering the visual voicemail services offered by VZ Wireless. The deal effectively ends litigation that was initiated by Klausner, who has similar patent infringement lawsuits pending against Cox, Embarq and Google. In previously settled suits against Comcast and CVC, Klausner claimed that certain VoIP voicemail products and services "violate [our] intellectual property rights by allowing users to selectively retrieve and listen to voice messages via message inbox displays."

DTV Doings: The latest NAB DTV transition poll shows 92% of Hispanic HHs were aware of the transition, a 4-point increase since May and a number equal to the national awareness level. Awareness for Spanish-speaking homes is even higher, at 95%, NAB said. 52% of Hispanic homes and 57% of African American HHs knew that Feb 17 was the date of the transition vs 22% and 12%, respectively, in Jan.

Programming: MSNBC will begin HD telecasting in the spring. Fox News and CNN already have an HD feed. -- Alec Baldwin has signed on to co-host Turner Classic Movies' Movie showcase "The Essentials" beginning in Mar. -- ESPN's 30th season of men's college basketball coverage includes 1.1K games across family platforms, including more than 860 games on ESPN360.com.

5Qs with Mark Farkas, C-SPAN Exec Producer of History Programming: With C-SPAN gearing up to debut 90-min feature documentary "The White House: Inside America's Most Famous Home" on Dec 14, we caught up with Farkas to chat about what the net promises will be the most comprehensive behind-the-scenes look at the White House yet. **With all the acclaim C-SPAN's "The Capitol" received last year, are you nervous about how this documentary will compare?** There's a lot to measure up to, but on the other hand, I'm not that nervous because the White House is a beautiful museum and we get to show you not only that, but the home—the upstairs that the public never sees. **C-SPAN doesn't have an HD channel, but I know this was shot in HD and will be available to operators for HD VOD. Why did you think it was important to film in high-def?** This is a once-in-a-lifetime opportunity to get into probably the most famous home in America, if not the world. We wanted to get in and shoot it in the best quality video that we could, knowing that it would go on HD VOD and that someday when C-SPAN is cablecasting in high definition, we'd have the product. It's something that I think we're going to want to show again and again. **These types of productions aren't what C-SPAN is known for. Why pursue them?** We want to grow our audience. Besides the History Channel, there's not a lot of quality history programming on. We think there's a real audience. When you take a look at the Capitol and the White House, these are places that if you just hold up a mirror to them, it's really a reflection of our country's history. It's really an evolution of our mission—to give you access. **What are you doing on the multiplatform front for it?** Each night that week at 9pm, we're taking

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WIDE APPEAL.



you inside the White House in another way [on TV]. On the Website, you'll get not only what you see on TV, but... we have collected stories from the workers in the White House, interviewed the most pre-eminent historians, been in the rooms that are public and private. You're going to get to see a lot more with Web exclusives. On **C-SPAN Radio**, every Sun in Dec at 3pm, we will present a series on the White House that is distinct from both the television and Website. **Is there anything in the doc that has never been on film before?** The White House is the most documented building in our nation's history, but I can absolutely say in terms of film and television... cameras have never been allowed inside this solarium up on the 3rd floor, and we were given access to that.

Technology: Interesting study from **Cable in the Classroom** finds that 77% of K-12 teachers report that they or a fellow teacher in their school assign homework that requires Internet use. And 42% of students are creating videos as part of their schoolwork, with the number rising to 60% for high schoolers.

Advertising/Marketing: **AutoTrader.com**, **Hyundai**, **Southwest Airlines** and **T-Mobile** have signed on to again sponsor **Turner's NBA** studio coverage. The 4 will also sponsor **NBA TV's** new studio shows.


Elections '08: More kids than ever voted in **Nickelodeon's** "Kids Pick the President" national poll, with 2.2mln+ casting a ballot. It's not a scientific poll, but Nick's kid voters have predicted the winner in 4 of the last 5 US presidential campaigns. Sen **Barack Obama** (D-IL) won the kid election with 51% of the vote vs Sen **John McCain's** (R-AZ) 49%, with the results being announced during a **Nick News** special Mon night. The vote was the culmination of the net's year-long "Kids Pick the President" campaign, which included the 1st "Kids' Primary" where kids accurately picked that Obama and McCain would win their respective party tickets. -- **WWE's SmackDownYourVote.com** now features an online debate between Obama and McCain and election-related videos produced in cooperation with **Cable in the Classroom**.

Honors: Among the honorees to receive Muse Awards from **NY Women in Film & TV** on Dec 9 in NYC are **Nickelodeon** and **MTVN Kids and Family Group** pres **Cyma Zarghami**, **Kyra Sedgwick** of **TNT's** "The Closer" and **Laura Linney** of **HBO's** "John Adams."

On the Circuit: Acting **Canoe Ventures** chief marketing officer/**Comcast Spotlight** exec **Vicki Lins** will brief **CTAM** showgoers on the collaborative ad initiative. Also at the show, Canoe CEO **David Verklin** will participate in a CEO panel discussion.

People: **Time Warner Cable** upped **John Keib** to pres, central NY div. He succeeds **Mary Cotter**, who announced her retirement earlier this year after 30 years in cable. -- **Time Warner Cable** named **David Gray** regional vp, sales and marketing for the NYC region.

Business/Finance: **Collins Stewart** analyst **Tom Eagan** has initiated coverage of **Liberty Ent** with a 'buy' rating and \$33 price target. He said the bulk of the buy rating is supported by **DirecTV's** strong fundamentals. -- **Concurrent** reported a 4% sequential increase in 1Q09 rev to \$18.3mln and net income of \$93K, compared to a \$1mln net loss last Q.



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CableFAX Week in Review

Company	Ticker	10/24 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	20.51	(19.1%)	(54.6%)
DIRECTV:	DTV	18.68	(10.5%)	(19.2%)
DISNEY:	DIS	22.61	(8.6%)	(29.9%)
ECHOSTAR:	DISH	16.19	5.10%	(52.3%)
GE:	GE	17.83	(9.2%)	(44.4%)
HEARST-ARGYLE:	HTV	15.55	(2.9%)	(27.5%)
ION MEDIA:	ION	1.44		11.60%
NEWS CORP:	NWS	8.60	(7.2%)	(58.1%)

MSOS				
CABLEVISION:	CVC	14.02	(22.1%)	(42.4%)
CHARTER:	CHTR	0.40	(2.4%)	(65.8%)
COMCAST:	CMCSA	13.07	(14.2%)	(27.1%)
COMCAST SPCL:	CMCSK	12.87	(13.8%)	(27.6%)
GCI:	GNCMA	5.69	(16.8%)	(35%)
KNOLOGY:	KNOL	4.21	(15.8%)	(67.1%)
LIBERTY CAPITAL:	LCAPA	7.55	3.00%	(67.6%)
LIBERTY ENT:	LMDIA	16.73	(10%)	(30.8%)
LIBERTY GLOBAL:	LBTYA	13.46	(25.5%)	(65.7%)
LIBERTY INT:	LINTA	6.32	(4.2%)	(66.9%)
MEDIACOM:	MCCC	3.27	(22.5%)	(28.8%)
ROGERS COMM:	RG	42.97		
SHAW COMM:	SJR	15.65	(11.4%)	(28.6%)
TELEWEST:	TLWT	24.20		
TIME WARNER CABLE:	TWC	18.30	(7.6%)	(33.7%)
VIRGIN MEDIA:	VMED	4.11	(33.6%)	(73.6%)
WASH POST:	WPO	350.50	0.40%	(53.5%)

PROGRAMMING				
CBS:	CBS	7.79	(17.2%)	(64.7%)
CROWN:	CRWN	2.50	(32.2%)	(61.5%)
DISCOVERY:	DISCA	10.27	(20.2%)	(59.1%)
EW SCRIPPS:	SSP	4.35	(10.5%)	(85%)
GRUPO TELEVISIA:	TV	13.40	(20%)	(40.6%)
HSN:	HSNI	4.88	(12.2%)	(67.2%)
INTERACTIVE CORP:	IACI	16.02	4.80%	(32.2%)
LIBERTY:	L	31.31	(0.3%)	(37.6%)
LODGENET:	LNET	1.14	(13.6%)	(93.5%)
NEW FRONTIER:	NOOF	1.70	4.90%	(54.9%)
OUTDOOR:	OUTD	7.00	(11.3%)	1.40%
PLAYBOY:	PLA	1.12	(36%)	(87.7%)
RHI:	RHIE	11.55	(5.6%)	(8.6%)
SCRIPPS INT:	SNI	23.40	(18.3%)	(42.2%)
TIME WARNER:	TWX	9.10	(8.2%)	(42.3%)
UNIVISION:	UVN	36.23		
VALUEVISION:	VVTV	0.61	(29.1%)	(90.3%)
VIACOM:	VIA	20.34	7.90%	(53.8%)
WWE:	WWE	13.77	(4.1%)	8.70%

TECHNOLOGY				
3COM:	COMS	2.21	1.40%	(51.1%)
ADC:	ADCT	4.43	(20.1%)	(71.4%)
ADVANTAGE:	AEY	1.82	8.30%	(70.5%)
ALCATEL LUCENT:	ALU	2.03	(20.1%)	(72.3%)
AMDOCS:	DOX	21.00	(13%)	(39.1%)
AMPHENOL:	APH	24.30	(8.5%)	(47.3%)
APPLE:	AAPL	96.38	(1%)	(51.3%)

Company	Ticker	10/24 Close	1-Week % Chg	YTD %Chg
ARRIS GROUP:	ARRS	4.82	(21.4%)	(51.7%)
AVID TECH:	AVID	13.56	(29.6%)	(52.2%)
BIGBAND:	BBND	3.10	(8.3%)	(39.7%)
BLINDER TONGUE:	BDR	0.72	(4%)	(56.6%)
BROADCOM:	BRCM	15.64	11.20%	(40.2%)
C-COR:	CCBL	11.00		
CISCO:	CSCO	16.31	(8.9%)	(39.7%)
COMMSCOPE:	CTV	18.52	(19.1%)	(62.4%)
CONCURRENT:	CCUR	3.59	(10%)	350.00%
CONVERGYS:	CVG	10.21	(10.4%)	(38%)
CSG SYSTEMS:	CSGS	14.90	6.00%	1.20%
ECHOSTAR HOLDING:	SATS	18.87	(12.9%)	(42.6%)
GOOGLE:	GOOG	339.29	(8.9%)	(50.9%)
HARMONIC:	HLIT	7.20	(11.3%)	(31.3%)
JDSU:	JDSU	5.50	(11.5%)	(58.4%)
LEVEL 3:	LVL	0.75	(45.3%)	(75.3%)
MICROSOFT:	MSFT	21.96	(8.2%)	(36.2%)
MOTOROLA:	MOT	5.01	(10.9%)	(66%)
NDS:	NNDS	47.45	(10.5%)	(19.9%)
NORTEL:	NT	1.23	(21.9%)	(91.7%)
OPENTV:	OPTV	1.03	(10.4%)	(22%)
PHILIPS:	PHG	17.26	(7.7%)	(52.5%)
RENTAK:	RENT	11.72	(1.8%)	(18.9%)
SEACHANGE:	SEAC	6.58	(15.4%)	(9%)
SONY:	SNE	19.82	(14.8%)	(62.5%)
SPRINT NEXTEL:	S	3.16	3.30%	(75.9%)
THOMAS & BETTS:	TNB	20.32	(15.6%)	(58.6%)
TIVO:	TIVO	5.22	(18.3%)	(37.4%)
TOLLGRADE:	TLGD	3.30	0.30%	(58.9%)
UNIVERSAL ELEC:	UEIC	17.22	(5%)	(48.5%)
VONAGE:	VG	0.77	(6.1%)	(66.5%)
YAHOO:	YHOO	12.10	(6.2%)	(48%)

TELCOs

AT&T:	T	24.68	(2.4%)	(31.9%)
QWEST:	Q	2.29	(17.6%)	(60.5%)
VERIZON:	VZ	25.08	(7.8%)	(34.7%)

MARKET INDICES

DOW:	INDU	8378.95	(5.3%)	(36.8%)
NASDAQ:	COMPX	1552.03	(9.3%)	(41.5%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. BROADCOM:	15.64	11.20%
2. ADVANTAGE:	1.82	8.30%
3. VIACOM:	20.34	7.90%
4. CSG SYSTEMS:	14.90	6.00%
5. ECHOSTAR:	16.19	5.10%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. LEVEL 3:	0.75	(45.3%)
2. PLAYBOY:	1.12	(36%)
3. VIRGIN MEDIA:	4.11	(33.6%)
4. CROWN:	2.50	(32.2%)
5. AVID TECH:	13.56	(29.6%)

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MaxFAX...

Vote Early, Vote Often!

I've read that this is a critical election; so, let's take it seriously and vote early... and often (isn't that how they used to do it in Chicago? I know that's how they did it in West Texas, dead and/or



Paul S. Maxwell

alive). Leaving aside the implications this election might have for our war footing, our economy, our standing in the world, our allies, our enemies, our civil liberties, our enemy combatants, the next Supreme Court

nominee and all that stuff, let's focus on what counts:

What's in it for cable?

But first, do these guys watch television? If so, via what technology? As for the programs: *Barack Obama* told the *Chicago Tribune* his favorite show was on **HBO**—"The Wire." And his favorite character (though not a character reference per se) was Omar—"the toughest, baddest guy on the show."

In one instance, *John McCain* cited "The Sopranos" as his favorite.

So we know they both get premium programming (unless McCain just watches reruns on **A&E**?).

But there's more, of course, Obama also cites **ESPN's** "SportsCenter" and

the Senate on **C-SPAN** (wonder if he records his own speeches?). McCain likes "24" on **Fox** (except, maybe, for the torture stuff) and Arizona Diamondback games.

They also like old movies... presumably watched on TV now. McCain likes *Weekend at Bernie's* (!!!) and *Viva Zapata* (also a favorite of mine from 1952 that's about revolutionary *Emiliano Zapata*). Obama cites *Godfather I & II*, *Casablanca*, *Lawrence of Arabia* (hope he's got an HDTV set) and *One Flew Over the Cuckoo's Nest*. (I'll leave the psychoanalyzing to others).

On the technological side, McCain has backed—sometimes fervently, sometimes not—a la carte... but mostly as a way to regulate indecency without actually doing so. Obama backs (theoretically at least) network neutrality. For the best all-around look at how the candidates view technology and innovation, check out <http://www.itif.org/files/2008-CampaignTechAgenda.pdf>.

McCain has a ranch (among other lodgings); a friend reports seeing a satellite dish there. Obama lives in Chicago—odds are he's got cable (no response from the campaign). Obama wants a Chief Technology Officer for the USA. McCain wants tax incentives for R&D. Obama wants tax incentives plus government-funded R&D.

Judging from the rhetoric of both campaigns; Keynesian economics will be transcendent for the foreseeable future. McCain doesn't like earmarks.

Obama has used them. Maybe we could get some?

Of course, whoever loses gets the chance at earmarks, not the winner.

Random Notes:

• **Cut the Coax?** Interesting disintermediation exercise—guess how long before the "cable model" (meaning linear networks delivered en masse for a fee that is, of course, standard for satellite and telco, too—but almost everyone still calls them "cable" networks) crumbles. The past month or so I've seen a half dozen or so articles in so-called mainstream media discussing the idea and even experimenting a bit (only one thought it would come anytime soon). Gonna take awhile. Quite awhile.

• **11/15/08:** An "Economic Summit" of a "group of 20" leaders from around the globe—including the so-called "BRIC" countries and the G7—will meet with *President Bush* hosting to discuss... what? Wonder if they'll invite the winner of the election on 11/04/08?

• **VOTE!** Give your employees a half day off to go vote... or more, if they promise to vote early and vote often!

Paul Maxwell

T: 303/271-9960

F: 303/271-9965

maxfax@mediabiz.com

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Salute Cable's Savviest and Most Creative Women Leaders

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Advertising contacts:
Debbie Vodenos
Publisher
dvodenos@accessintel.com
(301) 354-1695

Erica Gottlieb
Account Manager
egottlieb@accessintel.com
(212) 621-4612