

CableFAX Daily™

Friday — October 31, 2008

What the Industry Reads First

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Opinionated: Camps Debate Cable Pricing

The **Consumers Union** continued to question Wed what it calls “deceptive” price increases from cable ops, and the **FCC** felt compelled to pile on late in the day. After the CU issued a letter to **Sen Commerce Cmte** leaders alleging that MSO’s are moving analog channels to digital to increase customers’ bills—a charge it 1st bandied earlier this month (**Cfax**, 10/9)—the FCC expressed agreement with the sentiment. “Over the last decade average cable rates have more than doubled,” said FCC spokesperson *Mary Diamond*. “And now cable companies are charging consumers more but consumers are receiving less. This is an unfortunate trend for families facing increasingly difficult economic times.” Across-the-board video price increases by **Comcast** and **Cablevision** are accelerating the blaze. Comcast has plans to institute a company-wide avg increase of 3.7% in all markets over the next few months, and Cablevision said Wed that it will raise video prices next year by an average of 3.5%. To date, no other multichannel op has announced standard ’09 price hikes. **NCTA** said the FCC and CU are missing a critical point. “During today’s tough economic climate, the significant price savings offered by cable’s triple play bundle of video, broadband and phone service is even more valuable to consumers,” said spokesman *Brian Dietz*. Results of a study issued Thurs by **BackChannelmedia** included these cogent points: the cost of service is the overwhelming gripe, and more than 40% of subs who have never switched providers have considered doing so in order to reduce their bill. To prevent price-related churn, said BackChannel, providers need to offer customers enhanced services and new products—and that’s just what Comcast and Cablevision said they are focused on doing. While stressing that its ’09 price hike is again below the rate of inflation, CVC pointed to the added value of its footprint-wide WiFi deployment (free to HSD customers) and advanced features like Caller ID on the TV. Comcast, meanwhile, is busy ramping **DOCSIS 3.0** upgrades at no additional cost while underscoring other video-specific offerings such as its free basic cable promotion to support the DTV transition. “When we move markets to digital cable line-ups,” said the MSO in direct response to CU’s claims, “consumers will benefit because we will give them equipment for no additional charge and give them thousands of VOD choices, digital quality picture and sound as well as other interactive features.”

At the Portals: Late Thurs, The **FCC** upheld an arbiter’s decision calling for **Time Warner Cable’s** launch of **MASN** in NC, finding that the MSO unlawfully discriminated against the net by refusing carriage and therefore “unreasonably restrained the ability of MASN to compete fairly.” The pair has been squabbling over the issue since the summer of ’07.

Competition: **AT&T** has joined with **Lenovo** and **Ericsson** to provide access to its 3G mobile broadband network through Lenovo ThinkPad notebooks that come factory-equipped with built-in Ericsson modules. Customers who purchase embedded notebooks and establish an account with AT&T will receive 30 days of free AT&T DataConnect service. Separately, the telco said it will begin offering free AT&T Wi-Fi service to current and new iPhone customers.

In the States: **Cox** currently offers in OK City Caller ID to the TV at no additional cost to customers who subscribe to

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VoIP with Caller ID and digital cable, and plans to make the service available to more than 90% of eligible subs in '09.

Earnings: Motorola's Home and Networks Mobility segment reported 3Q sales of \$2.4bln (-1%). Owing to "continued strong demand for HD, HD/DVR and IPTV devices," the segment shipped 4.1mln digital ent devices, compared to 2.7mln a year ago. -- Rate increases and sub growth at **Showtime** and **CBS College Sports** helped **CBS**' TV rev inch up 2% to \$2.08bln, although operating income fell 17% to \$369mln. Ad rev declined 14%, and the broadcaster warned of steeped declines going forward. -- **Liberty Ent** reported a 21% increase in 3Q rev, powered principally by the Feb addition of **Liberty Sports Group**. Rev for **Starz Ent** dipped 1% to \$278mln, with **Starz** and **Encore** each delivering avg subscription unit bumps of 7%. **Liberty Interactive's QVC** saw overall rev slip 3% and domestic rev 9%.

Customer Satisfaction: Cablevision (East), **Bright House** (South), **WOW!** (North Central) and **Cox** (West) rated highest in the respective regions in **JD Power and Assoc'** '08 ISP Residential Customer Satisfaction Study (high-speed). Ranked below the corresponding regional averages were: **RCN**, **Comcast** and Charter in the East; **Time Warner Cable**, **CableONE**, Comcast, Charter and **Mediacom** in the South; Comcast and Charter in the North Central; and CableONE, Comcast, Time Warner Cable, Charter and Mediacom in the West. Cox, **Verizon**, **AT&T** and **Earth-Link** exceeded the avg in every region, and **Insight** ranked a respective 3rd and 4th in the South and North Central.

Editor's Note: Brand integration has clearly turned the advertising game on its head as buyers look for new ways to reach consumers. Join an impressive panel of experts on Thurs Nov 6 as they discuss ways to drive revenues with product placements and partnerships. Special guests include *Kevin McAuliffe*, vp, branded entertainment, **NBCU**; *Holly Beverly*, evp, **Vanguard Entertainment Media Marketing Group**; and *Jocelyn Egan*, vp, Discovery Solutions at **Discovery Comm**. For more info and to register, go to http://www.cable360.net/cfax/webinars/2008_11_11.html

Online: **NBA.com** now offers **NBA League Pass Broadband**, providing 40 live games each week. Now available through a free preview and \$85 early bird pricing, the service had been available only as an extension of the eponymous cable/satellite package. -- **ESPN360.com** inked a deal with **Setanta Sports** to feature live coverage of nearly 100 English soccer matches. -- **Comedy Central** will integrate embedded chat rooms from **Meebo** into **Indecision2008.com** to host live user commentary during election and post-election television coverage.

Mobile: **Sprint** on Nov 6 will become the only wireless carrier to offer live **NFL Net** game telecasts, which will be available through the carrier's **NFL Mobile Live** app that also offers live radio broadcasts of every league game and a live, round-the-clock feed of NFL Net programming.

Technology: 2 of the most active players in the multi-platform download space, **TiVo** and **Netflix** are teaming to provide

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certain dual subs access to streams of Netflix movies and TV eps directly on their TVs. The pair is testing it in several thousand US homes and expects to bow the service in early Dec. More info at Tivo.com/netflix.

Ratings: ABC Family's "Greek" shined in the 1st half of season 2 (Aug 26-Oct 28), delivering the net's 2nd-ranked original series run ever among 18-34s (621K), women 18-34 (453K), women 18-49 (575K), 12-34s (965K) and females 12-34 (731K). -- TNT's season-opening NBA double-header Tues night earned YOY increases in rating (+12%) and HHs (+14%), and among total viewers (+29%), 18-34s (+36%), 18-49s (+37%), 25-54s (+32%), men 18-34 (+29%), men 18-49 (+27%) and men 25-54 (+22%).

Programming: During halftime of next week's ESPN's "MNF" telecast, *Chris Berman* will interview both Sen *Barack Obama* and Sen *John McCain*. -- **E!** greenlit a 2nd season of "Denise Richards: It's Complicated" ('09). -- A Tues (9pm) special of **Discovery Channel's** "Dirty Jobs" spotlights the dirtiest of past US Presidents such as former farm worker *Harry S. Truman*.

People: **Discovery Comm** appointed *Ian Parmiter* svp, integrated ad sales marketing. -- Included among **Promax|BDA's** 16 new board members are: **Lifetime Net's** *Lucas Aragon*, **Fox Sports' Robert Gottlieb**, **USA's Chris McCumber**, **IFC's Kent Rees**, **MTVN's Dario Spina** and **Comcast's John Young**.

CableFAX Daily Stockwatch

Company	10/30 Close	1-Day Ch	Company	10/30 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
ALCATEL LUCENT:	2.53	0.22	AMDOCS:	21.89	0.79
BRITISH SKY:	24.90	1.57	AMPHENOL:	28.03	1.22
DIRECTV:	21.84	1.17	APPLE:	111.04	6.49
DISNEY:	25.33	1.36	ARRIS GROUP:	6.52	0.48
ECHOSTAR:	16.56	0.74	AVID TECH:	14.77	0.64
GE:	19.35	0.15	BIGBAND:	3.92	0.31
HEARST-ARGYLE:	15.70	(0.45)	BROADCOM:	17.73	0.89
ION MEDIA:	1.44	0.00	C-COR:	11.00	0.00
NEWS CORP:	10.18	1.08	CISCO:	17.79	(0.08)
MSOS					
CABLEVISION:	16.85	1.11	COMMSCOPE:	20.19	1.09
CHARTER:	0.41	0.01	CONCURRENT:	3.48	(0.02)
COMCAST:	15.10	(0.18)	CONVERGYS:	6.98	0.56
COMCAST SPCL:	14.75	(0.28)	CSG SYSTEMS:	16.66	0.70
GCI:	7.24	0.87	ECHOSTAR HOLDING:	20.30	1.99
KNOLOGY:	4.65	0.35	GOOGLE:	359.69	1.69
LIBERTY CAPITAL:	6.85	(0.22)	HARMONIC:	6.98	0.09
LIBERTY ENT:	15.94	(1.38)	JDSU:	5.49	(0.51)
LIBERTY GLOBAL:	15.99	1.60	LEVEL 3:	1.10	0.01
LIBERTY INT:	4.90	(1.48)	MICROSOFT:	22.63	(0.37)
MEDIACOM:	4.19	0.37	MOTOROLA:	5.17	(0.29)
SHAW COMM:	17.39	0.43	NDS:	47.30	0.30
TIME WARNER CABLE:	19.57	1.29	NORTEL:	1.17	0.08
VIRGIN MEDIA:	5.34	0.54	OPENTV:	1.17	0.04
WASH POST:	395.00	23.00	PHILIPS:	18.80	0.60
PROGRAMMING					
CBS:	9.43	0.71	RENTRAK:	11.82	0.01
CROWN:	2.92	0.16	SEACHANGE:	7.26	0.53
DISCOVERY:	13.13	0.78	SONY:	22.65	1.52
EW SCRIPPS:	4.49	(0.06)	SPRINT NEXTEL:	3.49	0.31
GRUPO TELEVISA:	17.45	(0.05)	THOMAS & BETTS:	22.93	0.85
HSN:	6.95	(1.01)	TIVO:	6.60	0.67
INTERACTIVE CORP:	16.58	(0.34)	TOLLGRADE:	3.57	0.19
LIBERTY:	32.23	3.48	UNIVERSAL ELEC:	19.07	1.07
LODGENET:	1.00	0.17	VONAGE:	0.78	(0.09)
NEW FRONTIER:	1.99	0.21	YAHOO:	12.93	0.79
OUTDOOR:	8.00	0.49	TELCOS		
PLAYBOY:	1.36	0.23	AT&T:	27.10	0.20
RHI:	12.74	0.37	QWEST:	2.74	0.34
SCRIPPS INT:	26.75	(0.75)	VERIZON:	30.50	0.00
TIME WARNER:	9.96	0.41	MARKET INDICES		
VALUEVISION:	0.72	0.00	DOW:	9180.69	189.73
VIACOM:	21.93	1.60	NASDAQ:	1698.52	41.31
WWE:	14.00	0.16	TECHNOLOGY		
TECHNOLOGY					
3COM:	2.60	0.22			
ADC:	6.35	0.47			
ADDVANTAGE:	1.93	0.03			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Let's Ride

During my 1 and only time astride a motorized 2-wheeler, I crashed on a scooter in Key West. No serious injuries to report, but a basketball-sized bruise remained on my bottom for weeks, alternating from yellow to purple to black. As a result, a motorcycle will never be parked in my garage, and perhaps that's 1 of the reasons I'm so smitten with FX's "Sons of Anarchy." Yet there are manifold explanations why the freshman original drama has become the only cable show ever that I've initially caught in mid-season, and then felt compelled to catch up by watching previous eps online. Now, I'm current and an unabashed fan, owing to the series' biker gang theme, breakthrough characterization, and utter believability. And I'm not alone, if not rambling amid a fierce pack of Hogs. The show's averaging 5mln viewers/wk (3.7mln 18-49s) across all airings, leading FX pres/gm *John Landgraf* to believe the net's poised for a long, long ride. Initially, "I thought it had a feel and look different that anything that has ever been done as a series," said Landgraf. "It's ballsy and muscular with depth of character and writing." In a nod to SOA's fresh perspective and loyal viewership, FX renewed the series after 5 eps—1 fewer than it took with standout hits "The Shield" and "Rescue Me." Indeed, the show's already exhibiting "the most consistent [audience] trajectory in net history," said Landgraf, who favorably compares it to HBO's "The Sopranos" with respect to quality and potential reach. And with "The Shield" ending its run after this season, SOA's success couldn't have zoomed loudly down the pike at a more opportune time. There has been a "nice dovetail" in the audiences of each show, said Landgraf, with SOA's viewership currently skewing 60% male. It still has "Nip/Tuck" to overtake on FX's popularity mantel, but I expect tire tracks to appear quite soon. They're already on my TV. *CH*

Highlights: "Warriors: Napoleon," Sun, 10pm ET, **Military Channel**. Digital nets usually don't offer high-production-value films about history, much less military history. Thank goodness for the **BBC**, which thrives on period pieces such as this series about military men. Military wisely picked up this series, which kicks off with *Napoleon* and continues with *Spartacus* Nov 9. "Napoleon" looks at a small but important slice of the emperor's life, his rise in revolutionary France after arriving from Corsica. Besides the military strategy, particularly interesting is the strong influence of Napoleon's mother. Also well depicted is the watch-your-back atmosphere of the revolution, which had much in common with the McCarthy era here and the Communist secret police in Eastern Europe. *SA*

Worth a Look: "Brotherhood," season III premiere, Sun, 8pm, **Showtime**. We weren't early "Brotherhood" fans, but this series about brothers enmeshed in RI politics and organized crime has improved. Season III has much to recommend it. Ironically, it's the ladies (played by *Annabeth Gish* and *Fiona Erickson*) whose experiences are most interesting. Gish's Eileen is struggling with the work-home balance, while Erickson's Mary Rose is trying to decipher Medicare. — "First Class," pilot, Mon, 9pm, **Bravo**. Reality series about a travel agent for the rich. Much luxury and exotic scenery, but little else. *SA*

Basic Cable Rankings (10/20/08-10/26/08)

Mon-Sun Prime

1	FOXN	2.4	2242
2	ESPN	2.3	2251
3	USA	2.1	2098
3	DSNY	2.1	2035
5	NAN	1.4	1374
5	TNT	1.4	1329
7	CNN	1.3	1254
7	MSNB	1.3	1177
9	LIFE	1.1	1111
9	TOON	1.1	1086
9	TBSC	1.1	1082
9	SCIF	1.1	1005
9	HALL	1.1	926
14	A&E	1	936
14	CMDY	1	922
16	HIST	0.9	886
16	AMC	0.9	863
16	HGTV	0.9	852
16	DISC	0.9	848
16	BET	0.9	753
21	FAM	0.8	819
21	SPK	0.8	819
21	FX	0.8	744
21	TLC	0.8	739
21	TRU	0.8	701
26	FOOD	0.7	720
27	MTV	0.6	608
27	VH1	0.6	581
27	TVLD	0.6	533
27	LMN	0.6	421
27	NOGG	0.6	392
32	ESP2	0.5	532
32	HLN	0.5	517
32	APL	0.5	459
32	EN	0.5	439
32	BRAV	0.5	416
32	SOAP	0.5	320
32	NGC	0.5	311
39	TRAV	0.4	335
39	GSN	0.4	273
39	OXYG	0.4	273
39	WGNA	0.4	268
43	CMT	0.3	239
43	WE	0.3	234
43	DHLT	0.3	214
43	ID	0.3	154

*Nielsen data supplied by ABC/Disney



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