

# CableFAX Daily™

Monday — November 2, 2009

What the Industry Reads First

Volume 20 / No. 210

## Roll Tape: After Months of Preamble, Epix Takes Center Stage

Premium net **Epix** launched Fri night (8pm ET) with a compelling programming lineup featuring “Iron Man” and original *Madonna* concert special “Sticky & Sweet: Live from Buenos Aires.” Yet while net pres *Mark Greenberg* and partners including **Viacom** and **Lionsgate** insist that Epix’s content and multiplatform thrust is “sweet,” its message to date hasn’t proved particularly “sticky.” “We’re here to build a value and brand that’s lasting,” said Greenberg, noting that advanced discussions are ongoing with several operators. “We’ll get those [deals] done,” he said, adding that current talks are keeping him “busy enough that sometimes my head is spinning.” A survey of ops found that **Cox** has “no current plans to launch Epix,” **Time Warner Cable** is “trying to keep the door open” with semi-regular discussions (though nothing meaningful), and **Comcast** and **Charter** declined to comment. Other sources noted talks, albeit early-stage. **Verizon**, Epix’s only current distribution partner, will feature a free preview of the net this weekend—including the HD & SD channels, VOD and EpixHD.com—before rolling it out to subs for \$10/month beginning Mon. Come next week, to access the online content VZ customers must subscribe to both **FIOS TV** and **FIOS Internet**. The telco has been offering a free Epix preview for weeks through its VOD service, and a spokesperson said “we have been pleased with the usage. In fact, during the free period, Epix has been one of our top performers.” Even so, said **Pali** analyst *Rich Greenfield*, “we believe EPIX is well below the revenue goal it needs to pay for the cost of the movies it is buying from its three studio partners.” Epix’s Greenberg remains heartened by 15K-title film library, original series “Tough Trade” from Lionsgate that will begin production shortly, in-development mini-series including 1 based on *Ayn Rand’s* novel “Atlas Shrugged” and, perhaps most importantly, EpixHD.com. “Our broadband offering is extraordinary,” he said, noting that it will join with numerous originals to “drive a younger audience... you always want to regenerate the next user base.” Viacom pres/CEO *Philippe Dauman* said earlier this year that “we’re agnostic about how people view our content as long as we get paid for it,” and Greenberg echoed that sentiment. VZ’s a la carte carriage of the net isn’t the goal, but rather various distribution modes based on individual ops’ needs and desires. “We’re finding different ways to monetize content, and that is a key feature,” he said.

**On the Hill:** There’s a new lobbying group on the block—**Sports Fans Coalition** ([www.sportsfanscoalition.org](http://www.sportsfanscoalition.org)). **Verizon** is the group’s sole corporate sponsor. One of the coalition’s concerns is the inability to view some RSN pro-



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gramming because of the terrestrial programming exemption—a complaint Verizon has lodged repeatedly on the Hill and at the **FCC**. SFC says its positions in no way reflect the views of the corporate sponsors or the non-profit organizations on its advisory boards. **Media Access Project** and the **Computer & Communications Industry Assoc** are on SFC's nonprofit advisory board, while **Public Knowledge's Gigi Sohn**, former **DISH** vp, law & public policy **David Goodfriend** and sports writer **Dave Zirin** are on the board of directors.

**Deals:** The latest scuttle on the long-awaited **Travel Channel** sale has talks focused on forming a jv, with **Cox** having a minority stake in the company, according to reports. **News Corp** and **Scripps Networks Interactive** are still viewed as the leading bidders, with bids reportedly topping \$900mln.

**Technology: Comcast** is reportedly working on an IPTV and video convergence project that aims to develop a “services overlay” putting all IP services, including video, into a common provisioning and management system, *Cable Digital News* reports, quoting unnamed sources. The project is code-named “Excalibur.”

**The Hunt for a Black October:** Of the nets that recorded at least a 0.5 prime rating in Oct, just 9 posted YOY gains while 15 suffered declines and 12 recorded identical numbers. Leading the rash of decliners were the top 3 news nets, although last year's presidential election was a tough act to follow. **CNN's** ratings plummeted to a 0.5 from a 1.6 (-69%), **MSNBC's** to a 0.6 from a 1.3 (-54%) and **Fox News'** to a 1.7 from a 2.7 (-37%). Others in the red include **Hallmark Channel** (-36%), **Lifetime** (-25%) and **Cartoon Net** (-23%). Leading the small black brigade were **Nick Jr** (+33%), **Food Net** (+29%) and **ESPN** (+27%). The latter's monthly surge, swelled by 4 **MNF** games that led the month and averaged an 11.53/11.44mln, helped it earn the Oct prime title with a 2.8/2.76mln. Playoff baseball drove **TBS'** 2nd-place finish (2.4/2.36mln), and **USA** (2.2/2.22mln) followed in 3rd. **Disney Channel** (2.1/2.07mln) and Fox News (1.7/1.66mln) completed the top 5.

**People: Comcast** lost svp, content acquisition **Allan Singer** to the upcoming **OWN: The Oprah Winfrey Network**. He'll serve as evp, distribution and strategy, leading content distribution and sales strategy. -- **Charter's Keith Hayes** was re-elected as pres, **SCTE Foundation. CommScope's Jim Hughes** was elected vp; **Jones/NCTI** was re-elected sec and **BSI's Bob Macioch** was named treas. -- Former **TeenNick** svp, gm **Sarah Tomassi Lindman** was named evp, program strategy for **MTV**. -- **Beliefnet.com** co-founder, editor-in-chief and pres **Steven Waldman** was named to lead an agency-wide initiative at the **FCC** to assess the state of media in challenging economic times.

**On the Circuit: ACC** members can access and download FORUM '09 podcasts for free by visiting www.cablecommunicators.org. Included is a CEO panel with **Mediacom's Rocco Commisso**, **Rainbow's Josh Sapan**, **Starz's Robert Clasen** and **CableLab's Paul Liao**. The latest numbers had 238 registered for the conference in Denver.

**Earnings: Cable One's** 3Q rev rose 4% to \$189.6mln from \$181.8mln a year ago—thanks in part to a \$4/mo rate increase for most basic subs in June. Operating income fell 3% to \$40.3mln, while RGUs grew 1%. The **Washington Post Co** division added nearly 24K basic subs since 3Q08, 20K HSD customers, 14K phone subs and 2600 digital subs.

**Business/Finance: GCI** priced \$425mln of new 8% sr notes due 2019 at a price of 99.17%. Net proceeds will be used to retire all outstanding amounts under its existing senior secured credit facility, and the remainder will be used for general corporate purposes. The transaction was led by **Deutsche Bank**, with **RBC Capital Markets, Calyon Securities** and **Morgan Stanley** acting as joint bookrunners.

**100**  
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2008 Issue

## ADVERTISE IN THE CABLEFAX 100 ISSUE

The CableFAX 100 issue represents the definite “Who's Who” in cable, profiling the CableFAX 100 and the Top Regional Executives.

### CableFAX: The Magazine

Publication Date: **December 10, 2009**  
Space Deadline: **November 13**  
Artwork Deadline: **November 16**  
Print/ Online Distribution: 10,000+ print, 40,000+ online at [www.CableFAX.com](http://www.CableFAX.com)  
Event Distribution: The CableFAX 100 Luncheon, **December 10**

Sponsor The CableFAX 100 Awards Luncheon, December 10, from 12-2:30pm in New York City. Go to [www.cablefax.com/cablefax100](http://www.cablefax.com/cablefax100) for details on registration and sponsorship opportunities.

**CableFAX Week in Review**

Company	Ticker	10/30 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
BRITISH SKY:	BSY	34.70	(3.8%)	25.20%
DIRECTV:	DTV	26.30	(0.5%)	14.80%
DISH:	DISH	17.40	(3.7%)	56.90%
DISNEY:	DIS	27.37	(5.3%)	22.10%
GE:	GE	14.26	(6.2%)	(4.4%)
NEWS CORP:	NWS	13.60	(5.7%)	43.80%
<b>MSOS</b>				
CABLEVISION:	CVC	22.96	(2.3%)	38.70%
COMCAST:	CMCSA	14.50	(3.3%)	(11.8%)
COMCAST SPCL:	CMCSK	14.02	(2.7%)	(10.7%)
GCI:	GNCMA	6.15	(1.6%)	(24%)
KNOLOGY:	KNOL	10.05	(7.5%)	94.80%
LIBERTY CAPITAL:	LCAPA	20.69	(7.7%)	339.30%
LIBERTY ENT:	LMEDIA	30.82	(1.2%)	76.30%
LIBERTY GLOBAL:	LBTYA	20.53	(5.8%)	29.00%
LIBERTY INT:	LINTA	11.32	(6.2%)	262.80%
MEDIACOM:	MCCC	4.78	(5.2%)	11.20%
RCN:	RCNI	8.34		
SHAW COMM:	SJR	17.75	(6.5%)	6.20%
TIME WARNER CABLE:	TWC	39.44		
VIRGIN MEDIA:	VMED	13.97	1.60%	184.80%
WASH POST:	WPO	432.00	(7.5%)	12.90%

Company	Ticker	10/30 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
CBS:	CBS	11.77	(9.7%)	46.80%
CROWN:	CRWN	1.54	(12.5%)	(46%)
DISCOVERY:	DISCA	27.50	(7.5%)	94.20%
EW SCRIPPS:	SSP	6.36	(16.7%)	188.40%
GRUPO TELEVISIA:	TV	19.36	(4.6%)	38.30%
HSN:	HSNI	14.94	(13.9%)	105.50%
INTERACTIVE CORP:	IACI	18.94	(0.3%)	20.40%
LIBERTY:	L	33.10	(7.7%)	18.10%
LODGENET:	LNET	4.85	(13.1%)	592.90%
NEW FRONTIER:	NOOF	1.94	(4%)	14.10%
OUTDOOR:	OUTD	6.92	7.80%	(7.6%)
PLAYBOY:	PLA	3.07	(16.6%)	42.10%
RHI:	RHIE	2.62	(15.5%)	(67.7%)
SCRIPPS INT:	SNI	37.76	(3.8%)	73.10%
TIME WARNER:	TWX	30.12	(2.1%)	38.00%
VALUEVISION:	VVTV	3.17	(14.3%)	860.60%
VIACOM:	VIA	29.18	(2.3%)	45.00%
WWE:	WWE	13.28	(5.4%)	39.40%

Company	Ticker	10/30 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
3COM:	COMS	5.14	(10.5%)	125.40%
ADC:	ADCT	6.49	(11.5%)	18.60%
ADDVANTAGE:	AEY	2.26	(6.6%)	27.00%
ALCATEL LUCENT:	ALU	3.69	(19.1%)	71.60%
AMDOCS:	DOX	25.20	(0.4%)	37.80%
AMPHENOL:	APH	40.12	(2.8%)	67.70%
APPLE:	AAPL	188.50	(7.6%)	120.90%
ARRIS GROUP:	ARRS	10.20	(9.6%)	28.30%
AVID TECH:	AVID	12.63	(4.9%)	15.80%
BIGBAND:	BBND	3.70	(8.2%)	(33%)
BLNDER TONGUE:	BDR	1.14	(8.8%)	12.90%
BROADCOM:	BRCM	26.61	(6.6%)	56.90%
CISCO:	CSCO	22.81	(5.6%)	39.90%

Company	Ticker	10/30 Close	1-Week % Chg	YTD %Chg
CLEARWIRE:	CLWR	6.26	(11.2%)	57.70%
COMMSCOPE:	CTV	27.02	(5.9%)	73.90%
CONCURRENT:	CCUR	3.84	(15.6%)	11.80%
CONVERGYS:	CVG	10.85	1.20%	69.30%
CSG SYSTEMS:	CSGS	16.34	2.80%	(6.5%)
ECHOSTAR:	SATS	18.16	(11.1%)	22.10%
GOOGLE:	GOOG	536.12	(3.2%)	74.30%
HARMONIC:	HLIT	5.25	(18.1%)	(6.4%)
INTEL:	INTC	19.11	(3.4%)	43.40%
JDSU:	JDSU	5.59	(12.5%)	52.20%
LEVEL 3:	LVLIT	1.18	(13.2%)	68.60%
MICROSOFT:	MSFT	27.73	(1%)	45.30%
MOTOROLA:	MOT	8.57	4.00%	94.60%
OPENTV:	OPTV	1.54		25.20%
PHILIPS:	PHG	25.09	(7%)	35.50%
RENTRAK:	RENT	15.37	(9.8%)	30.40%
SEACHANGE:	SEAC	6.77	(3.3%)	(6.1%)
SONY:	SNE	29.39	1.70%	34.40%
SPRINT NEXTEL:	S	2.96	(8.9%)	61.70%
THOMAS & BETTS:	TNB	34.21	(0.8%)	42.40%
TIVO:	TIVO	10.88	(13.5%)	52.00%
TOLLGRADE:	TLGD	5.95	0.80%	24.50%
UNIVERSAL ELEC:	UEIC	20.60	(1.4%)	27.00%
VONAGE:	VG	1.58	9.00%	139.40%
YAHOO:	YHOO	15.90	(7.7%)	30.30%

Company	Ticker	10/30 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	25.67	1.30%	(1.3%)
QWEST:	Q	3.59	0.30%	7.40%
VERIZON:	VZ	29.59	4.20%	(4.5%)

Company	Ticker	10/30 Close	1-Week % Chg	YTD %Chg
<b>MARKET INDICES</b>				
DOW:	INDU	9712.73	(2.6%)	10.70%
NASDAQ:	COMPX	2045.11	(5.1%)	29.70%

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. VONAGE:	1.58	9.00%
2. OUTDOOR:	6.92	7.80%
3. VERIZON:	29.59	4.20%
4. MOTOROLA:	8.57	4.00%
5. CSG SYSTEMS:	16.34	2.80%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. ALCATEL LUCENT:	3.69	(19.1%)
2. HARMONIC:	5.25	(18.1%)
3. EW SCRIPPS:	6.36	(16.7%)
4. PLAYBOY:	3.07	(16.6%)
5. CONCURRENT:	3.84	(15.6%)

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## MaxFAX...

### Snowy Show(s)...

The NCTA Board of Directors learned (yet again) that it snows in Colorado. And often in the “wrong” places... by early Thursday, we had gotten over a foot of wet snow at my downtown apartment and even more at our offices on the Platte



Paul S. Maxwell

River (hard to find our patio) and all of that with more to come. Meanwhile, we got just a couple of inches at my mountain home on the other side of the Continental Divide.

Bummer.

The Board also learned that the Spring and Fall Cassandras were all off base... Spring worked well and Fall brought no disasters; but there are many changes on the way for the two cable weeks next year (more below). Attendance in Denver beat (downplayed) expectations for most events, sessions, panels and parties.

• **For Operators:** I'm pretty sure I saw a “few.” But because of the actions of one big operator, some grumbling was heard as the op hosted its own command performance meetings and dinner and then took everyone home... no show floor opportunities for those ops.

• **For Programmers:** CTAM featured the best and most comfortable venue (the Wells Fargo Theater) ever with a solid program. And the Fall week (still Fall, still New Orleans) next year will be shorter. La La Land remains the Spring destination, of course, and CTAM will be there with research (speaking of research, check out <http://tinyurl.com/yf2hvke> - the *Financial Times* has a great roundup). One other note on CTAM: every other year Cable TV Hall of Fame'r Char Beales gathers former board chairs and others intimately involved with CTAM's creation together for one of the best dinner events in the business. Always a highlight.

• **For Suppliers:** Still Fall, still New Orleans; and a shorter week. And maybe some operators will be allowed to stick around.

• **For “Broadcasters”:** Couldn't find any here... just heard nasty things about the usual suspects (like **Sinclair**? who knows?). Let's just take their spectrum and see if the leverage shifts back.

• **For Public Policy and Association Folks:** Good news, “diversity” will return to New York next year (detailed planning already underway). NAMIC saw a drop in attendance; Kaitz looked busy (Wednesday evening). But both have done and will do much better in New York City. --- Still, the NCTA Board has its work cut out for it as it moves—

sometimes gingerly, sometimes not—to take more “control” (on policy, financial and more levels) of the membership-based and other non-profits. --- **ACC** had one of the best panels (*Steve Effros* and some real decision-makers) and not quite enough attendance. --- **The Cable Center** is on a roll with a successful Hall of Fame dinner and a very successful (and short) board meeting.

### Random Notes:

• **As the (Cable) World Turns, Part 2:** Last week's column generated quite a lot of comments on the show floors, hallways, parties and sidewalks. “You're crazy,” was just one of the many comments. “Take it all back,” said one network affiliate executive... “or I'll put you out of a job, too.” So, I take it all back. (Not really).

• **DVR Programming:** USA's “White Collar” and AMC's “The Prisoner” (with the great *Ian McKellen*)... the original of the latter series featured the absolutely fantastic, late *Patrick McGoochan* (also Longshanks in *Braveheart*) and you can catch up with that at <http://tinyurl.com/a7m6y2>.

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## Coming Soon:

### Targeting Viewers and Ad Dollars: What You Need to Know Now

Wednesday, November 11, 2009, 1:30-3:00pm.

To register go to:

[http://www.cablefax.com/cfp/webinars/ad\\_dollars.html](http://www.cablefax.com/cfp/webinars/ad_dollars.html)

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### 2009 Year to Date CableFAX Webinars ON-DEMAND

The following Webinars are available On Demand.

- ▶ Tweeting Cable's Horn: Leveraging Twitter to Enhance Your Bottom Line
- ▶ The 'TV Everywhere' Debate: Will Authentication Save the Online Video Model?
- ▶ How Cable Can Monetize Web Video, Social Networking & Other Online Activities
- ▶ The New FCC- The Genachowski Era: What Will it Mean for Cable?

For a complete list of upcoming and past Webinars go to  
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