

CableFAX Daily™

Monday — November 3, 2008

What the Industry Reads First

Volume 19 / No. 213

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MSNBC DEFEATS CNN



OCTOBER PROVES IT'S OUT WITH THE OLD, IN WITH THE NEW

Hardball with Chris Matthews beats CNN at 7p
Countdown with Keith Olbermann beats CNN at 8p
The Rachel Maddow Show beats CNN at 9p

**MSNBC IS THE FASTEST-GROWING
NETWORK IN ALL OF CABLE**

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Source: Nielsen Media Research, 9/29/08-10/26/08, L+SD, A25-54, (000), Hardball- M-F 7p-8p vs. CNN's M-F 7p-8p Program Average. Countdown- M-F 8p-9p vs. CNN's M-F 8p-9p Program Average. The Rachel Maddow Show- M-F 9p-10p vs. CNN's M-F 9p-10p Program Average. Fastest-Growing, (9/29/08-10/26/08) vs. (10/1/07-10/28/07), L+SD, P2+, A25-54, (000), M-Su 6a-6a, % Change vs. All Cable. Subject to qualifications available on request.

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Cable Wins: Presidential Race an Industry Boon

Irrespective of which Presidential candidate proves victorious Tues night, it's a lock that cable will be sorry to see the election wrapped up. **Fox News**, **CNN** and **MSNBC** have enjoyed explosive viewership growth while on the lengthy campaign trail, and even nets such as **Comedy Central** have capitalized on the novel and important race. Comedy's "The Daily Show with Jon Stewart," for example, delivered its biggest audience ever Wed night (avg of 3.6mIn total viewers), owing to an appearance by Sen *Barack Obama*. But it's the news nets that have seen their audience ballot boxes stuffed handsomely for months on end. As Fox News leads in overall related viewership, coverage of the party conventions, candidate debates and election analyses helped CNN achieve 68% YOY growth in total prime viewership in 3Q and a whopping 200% in Oct, according to Nielsen data. Fox News earned respective increases of 59% and 141%, and MSNBC tallied growth of 62% and 223%. Among ad-friendly 18-49s, CNN garnered a 104% increase in 3Q prime and 302% growth in Oct prime; Fox News earned rises of 63% and +164%; and MSNBC delivered growth of 54% and 215%. Now, the stage is set for culminating coverage on Tues night, when viewers will tune in to see the blue or red hue assumed by each state. MSNBC's coverage kicks off at 5pm ET, anchored by *David Gregory* and supplemented with *Chris Matthews*, *Keith Olbermann*, *Rachel Maddow* and *Eugene Robinson*. *Chris Jansing* anchors continuing live coverage from 2-6am ET. Fox News goes live at 6pm ET, for the 1st time from its new HD studio. Anchor *Brit Hume* will be joined by *Chris Wallace*, *Fred Barnes*, **NPR's** *Juan Williams* and *Nina Easton* from *Fortune*, with net personalities *Sean Hannity*, *Alan Colmes*, *Bill O'Reilly* and *Greta Van Susteren* set to offer perspective. *Wolf Blitzer*, *Campbell Brown* and *Anderson Cooper* head CNN's coverage beginning at 6pm ET. *Soledad O'Brien* and *Bill Schneider* will showcase for the 1st time exit-polling data simultaneously from all 50 states with demo comparisons.

In The Courts: A US Court of Appeals in DC dismissed Fri a petition from a group of cable programmers challenging as unconstitutional the **FCC's** requirement that most cable ops carry both analog and digital versions of local broadcast signals for at least 3 years after the Feb '09 DTV transition. **C-SPAN**, **Discovery**, **Weather Channel**, **TV One**, **AETN** and **Scripps Nets** fear that access to cable systems will become more difficult because of the FCC's viewability rules, which they contend are arbitrary and capricious and in violation of their 1st Amendment rights. The court disagreed. "While petitioners ask the court to assume that the Viewability Order will burden their speech, the casual connection between the Viewability Order and the claimed injury is tenuous at best," wrote the judge. Petitioners have "failed to show how carriage of a handful of must-carry channels would have any impact on cable operators' programming choice." The nets could not be reached for comment.

Competition: **AT&T** has plans to fill 100 positions in CT, primarily in the areas of customer service and new tech-



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Source: Beta Research 2008 Digital Cable Subscriber Study. Rankings based on digital cable music networks. Excludes audio music channels. © 2008 Gospel Music Channel. All rights reserved.

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nologies. -- **DISH** has launched local affils of **The CW** in L.A. and Denver.

In the States: **Time Warner Cable's** local channel NY1 News is enhancing its news gathering and prod facilities through a newsroom and automation system from **Dalet News Suite** and servers from **Omneon**.

Carriage: **Wave Broadband** has added **Comcast SportsNet NW** to its channel lineup.

Earnings: **The Washington Post Co's CableONE** delivered a 15% rise in 3Q rev to \$182mln and a 40% increase in operating income to \$42mln. RGUs grew 7%, and the MSO's telephony service is now being offered in all or part of systems representing 94% of homes passed. As of Sept 30, the MSO counted 702K basic subs (flat), 224K digital (flat), 369K HSD (+12%) and 91K phone (+126%). -- **Outdoor Channel Holdings** reported 18% growth in total rev to \$15mln, aided by an impressive 32% increase in ad rev to \$11mln. Net income was \$2.4mln, compared to \$1.5mln a year ago, and sub fees fell 5% to \$5mln.

Deals: **Comcast Ent Group** inked with **ABC Radio Nets** a product development and distribution agreement that will bring branded content from **E!**, **Style Net** and **G4** to terrestrial radio audiences for the 1st time. Included: celebrity and ent news from E!, women's lifestyle programming from Style and tech, Web and video game content from G4.

Research: While DVR ownership has risen uniformly across all age groups, Internet downloading is notably popular only with consumers under 30, according to **ABI Research**. As for VOD, 65% of 65+ consumers have never used VOD, while only 30% of those in the 25-29 age range haven't. Surprisingly, game console penetration among 18-25s showed no gain over last year, but penetration among the 65+ segment grew more than 200%. -- The top one-fifth of Internet users spend more than 250min/day watching TV, compared to 220min of TV viewing by people who do not use the Internet at all, **Nielsen** said, adding that nearly 31% of in-home Internet activity takes place while the user is watching TV. Teens are the most likely demo to have simultaneous TV/Web usage, but 35-54s have the most simultaneous usage minutes.

Programming: **Bravo** greenlit fashion-design creative competition series "The Fashion Show," which has similarities to "Project Runway" that is now tied up in litigation. -- **USA** has commenced production for the 2nd season of original "In Plain Sight." -- Outspoken personality **Tom Green** will host **Planet Green's** "Go for the Green" (Nov 8), an elimination game show featuring a green getaway as top prize.

Milestone: **Gospel Music Channel** debuted 4 years ago, and now counts distribution in 40mln homes. The net's viewership is comprised of 44% Caucasians, 41% African-Americans and 15% Latinos/others.

Business/Finance: **Vonage** has received notification for falling below the **NYSE's** continued listing standard, which requires a minimum average closing price of \$1.00 per share over 30 consecutive trading days.

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

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HISTORY MADE EVERY DAY. **SUNDAYS 9/8C**

CableFAX Week in Review

Company	Ticker	10/31 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	24.39	18.90%	(46.6%)
DIRECTV:	DTV	21.89	17.20%	(5.3%)
DISNEY:	DIS	25.91	14.60%	(19.7%)
ECHOSTAR:	DISH	15.74	(2.8%)	(53.6%)
GE:	GE	19.51	9.40%	(39.8%)
HEARST-ARGYLE:	HTV	14.98	(3.7%)	(30%)
ION MEDIA:	ION	1.44		11.60%
NEWS CORP:	NWS	10.62	23.50%	(48.6%)
MSOS				
CABLEVISION:	CVC	17.73	26.50%	(27.2%)
CHARTER:	CHTR	0.44	10.00%	(62.4%)
COMCAST:	CMCSA	15.76	21.50%	(11.7%)
COMCAST SPCL:	CMCSK	15.42	20.90%	(12.9%)
GCI:	GNCMA	7.68	35.00%	(12.2%)
KNOLOGY:	KNOL	4.84	15.00%	(62.1%)
LIBERTY CAPITAL:	LCAPA	6.81	(9.8%)	(70.8%)
LIBERTY ENT:	LMEDIA	16.10	(3.8%)	(33.4%)
LIBERTY GLOBAL:	LBTYA	16.49	22.50%	(57.9%)
LIBERTY INT:	LINTA	4.88	(22.8%)	(74.4%)
MEDIACOM:	MCCC	4.44	35.80%	(3.3%)
SHAW COMM:	SJR	17.80	13.70%	(19.5%)
TIME WARNER CABLE:	TWC	19.58	7.00%	(29.1%)
VIRGIN MEDIA:	VMED	5.76	40.10%	(63.5%)
WASH POST:	WPO	426.80	21.80%	(43.9%)

Company	Ticker	10/31 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	9.71	24.60%	(57.7%)
CROWN:	CRWN	3.11	24.40%	(52.2%)
DISCOVERY:	DISCA	13.64	32.70%	(40.3%)
EW SCRIPPS:	SSP	4.65	6.90%	(94.8%)
GRUPO TELEVISIA:	TV	17.66	31.80%	(22.7%)
HSN:	HSNI	6.15	26.00%	(58.7%)
INTERACTIVE CORP:	IACI	16.76	4.60%	(37.7%)
LIBERTY:	L	33.20	6.00%	(33.8%)
LODGENET:	LNET	1.00	(12.3%)	(94.3%)
NEW FRONTIER:	NOOF	1.92	12.90%	(50.9%)
OUTDOOR:	OUTD	8.00	14.30%	15.90%
PLAYBOY:	PLA	2.47	120.50%	(72.9%)
RHI:	RHIE	13.40	16.00%	6.10%
SCRIPPS INT:	SNI	28.40	21.40%	(30%)
TIME WARNER:	TWX	10.09	10.90%	(36.3%)
VALUEVISION:	VVTV	0.69	13.10%	(89%)
VIACOM:	VIA	21.45	5.50%	(51.2%)
WWE:	WWE	14.24	3.40%	11.90%

Company	Ticker	10/31 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	2.73	23.50%	(39.6%)
ADC:	ADCT	6.34	42.50%	(59.2%)
ADDVANTAGE:	AEY	2.00	9.90%	(67.6%)
ALCATEL LUCENT:	ALU	2.57	26.60%	(64.9%)
AMDOCS:	DOX	22.56	7.40%	(34.6%)
AMPHENOL:	APH	28.65	17.90%	(37.9%)
APPLE:	AAPL	107.59	11.60%	(45.7%)
ARRIS GROUP:	ARRS	6.91	43.40%	(30.8%)
AVID TECH:	AVID	14.83	9.40%	(47.7%)
BIGBAND:	BBND	3.70	19.40%	(28%)

Company	Ticker	10/31 Close	1-Week % Chg	YTD %Chg
BROADCOM:	BRCM	17.08	9.20%	(34.7%)
C-COR:	CCBL	11.00		
CISCO:	CSCO	17.77	9.00%	(34.4%)
COMMSCOPE:	CTV	14.71	(20.6%)	(70.1%)
CONCURRENT:	CCUR	3.67	2.80%	(55.4%)
CONVERGYS:	CVG	7.69	(24.7%)	(53.3%)
CSG SYSTEMS:	CSGS	16.63	11.60%	13.00%
ECHOSTAR HOLDING:	SATS	19.42	2.90%	(41%)
GOOGLE:	GOOG	359.36	5.90%	(48%)
HARMONIC:	HLIT	7.11	(1.3%)	(32.2%)
JDSU:	JDSU	5.46	(1.4%)	(59%)
LEVEL 3:	LVL	1.05	40.00%	(65.5%)
MICROSOFT:	MSFT	22.33	1.70%	(35.1%)
MOTOROLA:	MOT	5.37	7.20%	(63.7%)
NDS:	NNDS	47.69	0.50%	(19.5%)
NORTEL:	NT	1.25		(91.7%)
OPENTV:	OPTV	1.33	29.10%	0.80%
PHILIPS:	PHG	18.50	7.20%	(49.6%)
RENTRAK:	RENT	11.35	(3.2%)	(21.5%)
SEACHANGE:	SEAC	7.64	16.10%	5.70%
SONY:	SNE	23.24	17.30%	(56.2%)
SPRINT NEXTEL:	S	3.13	(0.9%)	(76.2%)
THOMAS & BETTS:	TNB	23.75	16.90%	(51.6%)
TIVO:	TIVO	6.86	31.40%	(17.7%)
TOLLGRADE:	TLGD	4.40	33.30%	(45.1%)
UNIVERSAL ELEC:	UEIC	21.13	22.70%	(36.8%)
VONAGE:	VG	0.88	14.30%	(61.7%)
YAHOO:	YHOO	12.82	6.00%	(44.9%)

Company	Ticker	10/31 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	26.77	11.70%	(25%)
QWEST:	Q	2.89	26.20%	(51.9%)
VERIZON:	VZ	29.67	22.00%	(21.7%)

Company	Ticker	10/31 Close	1-Week % Chg	YTD %Chg
MARKET INDICES				
DOW:	INDU	9325.01	11.30%	(29.7%)
NASDAQ:	COMPX	1720.95	10.90%	(35.1%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. PLAYBOY:	2.47	120.50%
2. ARRIS GROUP:	6.91	43.40%
3. ADC:	6.34	42.50%
4. VIRGIN MEDIA:	5.76	40.10%
5. LEVEL 3:	1.05	40.00%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. CONVERGYS:	7.69	(24.7%)
2. LIBERTY INT:	4.88	(22.8%)
3. COMMSCOPE:	14.71	(20.6%)
4. LODGENET:	1.00	(12.3%)
5. LIBERTY CAPITAL:	6.81	(9.8%)

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MaxFAX...

My Political Wish List

It is almost over... The counting climaxes Tuesday night (I hope—no reruns of 2000 please!).

We'll then know the outcome and winners and losers all up and down the political ladders. If you haven't



Paul S. Maxwell

voted yet, please do. (But only if you are an informed voter. Maybe we should bring back the literacy test—just kidding).

No more over-the-top political ads.

No more insulting

insinuations. No more—for a few months anyway—politics of fear.

One TV station in Denver has instituted a random 30-second “politics-free-zone.” Instead of commercials, they run some nice music with snow falling.

My main conclusion after this two-year non-stop campaign? Ain't no saints in American politics. Of course, there never were any. Conflict breeds extremists. Sort of a shame.

No doubt, though, whoever wins will bring more and different kinds of regulations... better to get out in front of it. So, here's what I'd like to see after all the votes are counted and the new folks take office in January:

1) No more retransmission consent... just no charge must carry of all local signals for all video providers... provid-

ing a better antenna (albeit a “network antenna”) shouldn't be grounds to charge for free, over-the-air signals. Seems like the argument for a “network DVR” should apply for delivering a cleaner signal, too. “Where” the antenna is should not be the justification for the confiscation of fees.

2) A serious, non-partisan Congressional, Federal Confusion Commission (as re-constituted next year) and every other Federal agency with any remote jurisdiction taking a new collective look at the mass and mess of regulations and edicts and coming up with a more sensible—and logical—over-arching regulatory scheme (in the British sense of the word) to enable robust growth of ALL telecommunications services—with, of course, an emphasis on driving more and better broadband services. (Think of it as the lobbyists' and journalists' employment act). Today's hodge-podge makes no sense in a world that brings more new technologies every few months.

3) No false caps on size.

4) No ad hoc or worse discrimination against the little guys—the “Matt Polka Commemorative Regulatory Act of 2009.” Of course, it would also cover the **NRTC** and other small guys!

5) A regulatory scheme that encourages growth but stifles rampant excesses (and maybe even avoids big, bad bubbles).

6) Common grounds among com-

peting technological infrastructures.

7) May we all see around the corners to avoid unintended consequences.

8) Regulators, like too many militarists, tend to regulate yesterday like soldiers fighting the last war. May American politicians finally figure out how to create an environment for tomorrow.

Random Notes:

• **Radio and TV?** One car of ours has the surviving satellite radio provider... it came with the car. I like it. I live outside most radio signals and outside the reach of all television station signals. The Continental Divide is between my house and the closest over-the-air TV signals; we do have a couple of radio stations and a repeater or two for **NPR**. So, I pay for TV and radio. No complaint. But I also have a small place inside the Denver market where I can get over-the-air TV and radio. I also pay for TV there... but I resent paying for otherwise free signals that blanket my TV sets with signals via retransmission consent fees that **Comcast** has to “pay” to carry... and I cannot refuse them! Is that fair? Why can't I refuse those signals and those charges?

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CableFAX Webinar

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