

# CableFAX Daily™

Tuesday — November 3, 2009

What the Industry Reads First

Volume 20 / No. 211

## Retrans Roundup: News Corp Ratcheting Things Up, Sinclair-MCCC Back Again

So far, **Sinclair** is the broadcaster attracting the most retrans headlines, thanks to an **FCC** complaint filed by old foe **Mediacom**. But those in the know are keeping a wary eye on **News Corp**, which has been emboldened in its quest for retrans cash by the divestiture of its **DirectTV** stake. "As the existing distribution deals expire over the [next] few years, we expect News Corp to aggressively seek cash retrans payments," said **Sanford Bernstein's Craig Moffett** in a note to clients Mon. **Time Warner Cable's** contract expires at the end of the year. **FX**, **Fox Soccer** and some **Fox RSNs** are also up at the end of '09. The **WSJ** (owned by none other than News Corp) reported last week that News Corp/Fox is reportedly seeking as much as \$1/HH in current retrans negotiations with TWC. **Cablevision** is reportedly also negotiating with News Corp. A CVC spokesperson said the company doesn't discuss contract negotiations. With News owning 27 local stations (Fox and **MyNetwork TV**) in 18 markets, Moffett predicted that CVC and TWC alone could generate an incremental \$70mln in operating income. Late last month, Mediacom filed a retrans complaint with the FCC, alleging that Sinclair (its retrans nemesis 3 years ago) is seeking an exorbitant rate. Sinclair's response is due next week, with the broadcaster saying it sees MCCC's actions as nothing more than a negotiating ploy. MCCC is also asking the FCC for interim relief, which would let it carry the Sinclair stations as it continues to negotiate. Its current deal with the broadcaster ends Dec 31. One of the issues raised by Mediacom at the Commission is whether Sinclair is using local marketing agreements to create duopolies in some markets. What, if anything, the FCC will do remains to be seen, but last month the Media Bureau started probing a similar complaint involving **Raycom** and **HITV** in HI. The **Media Council Hawaii** claims that a series of agreements between the 2 would result in an unauthorized transfer of control of HITV's **KGMB** Honolulu station to Raycom, which owns Honolulu's **KHNL** and **KFVE**. Retrans season has officially begun...

**Earnings Preview:** A busy earnings week begins Tues with **Cablevision**, **Viacom** and **Discovery**, with operator results likely to be dominated by cash flow increases and tepid sub metrics and programmers' by updates on the ad market's health. **Comcast** (Wed), **Time Warner Cable** (Thurs) and **DirectTV** (Thurs) are also on this week's schedule. **Wells Fargo Securities** analyst **Marci Ryvicker** doesn't foresee any upside surprises. "The digital transition is done, and economic recovery has been slow... we expect RGU trends to mirror Q2 rather than Q1," she said. Of the 2 DBS ops and 3 major MSOs, Ryvicker expects only **DISH** (Mon) to report consensus-beating rev and Comcast to lead in net RGU adds, noting that TWC and CVC may benefit from weaker-than-expected **FIOS** results. **Kaufman Bros** on Mon upgraded CVC to 'buy' from 'hold,' believing better basic and digital results should offset fewer HSD and voice adds, and dropped Comcast to 'hold' from 'buy' based on expectations of slowing growth. Last week, **Sanford Bernstein's Craig Moffett** raised to \$31 from \$28 his DirectTV price target based on potential value creation from the DBS op's merger with **Liberty Ent** and a trading discount relative to DISH. "Near term risks, such as weak ARPU growth

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from declines in premium subscriptions, generous promotional offers, and a more aggressive competitor in Dish Network, have been well-telegraphed by management and are likely already discounted in the stock,” said Moffett.

**In the Courts:** Oral arguments ensued Mon in **DISH's** appeal of a June decision finding it in contempt of a '06 injunction in favor of TiVo for patent infringement. Given the expedited review, it's possible a decision could come in Dec or Jan, **Stifel Nicolaus** predicted. Dow Jones reported Mon that the panel of judges questioned whether DISH and **EchoStar** waited too long to challenge a trial judge's injunction, but the panel also questioned whether injunction against the 2 was too broad. -- **NCTA** and **NBCU** continue to stand up for **Comcast** in its appeal of an FCC ruling that it violated the Commission's Internet openness principles. In a joint reply brief Mon, the 2 said the FCC through its recent NPRM on net neutrality is now acknowledging that the principles of the policy statement “are not ‘clear’ as to ‘who must comply and in what way’ and [is] expressly disavowing the ‘strict scrutiny’ standard employed in the Order as ‘unnecessarily restrictive.’” Opening arguments are set before the US Court of Appeals for the DC Circuit for Jan 8.

**Billing:** Having received more than 37K consumer complaints over the past year about communications services billing practices, the **FTC** is urging the **FCC** to adopt new consumer protection policies for phone, cable and Internet services. Suggestions include advertised prices of competing communications services to reflect the price the consumer actually pays (including taxes, fees and associated charges) and for the Commission to consider whether it would help consumers to have certain standardized information disclosures at the time an offer is made.

**In the States:** **Clear** 4G mobile broadband services are now available in Chicago, as are similar services from **Sprint**, which also intro'd them in Dallas-Fort Worth and numerous NC cities such as Charlotte and Greenboro. -- **RCN** is readying wideband cable modem offerings for the SMB market, with launches planned for Boston and Manhattan and Eastern PA.

**Carriage:** **Armstrong** inked with **NFL Net** a deal to carry the net and its 8-game package, which kicks off Nov 12 with the Bears-49ers. -- **Comcast** moved **Outdoor Channel** to its “Digital Classic” tier in MN, WI, MO and KS.

**Online:** The **Portland Trailblazers** will stream 15 live games through its Website this season, all airing linearly on the team's local broadcast affil. The move increases the likelihood that **Comcast SportsNet NW** will develop a Blazers streaming option shortly, with the net saying several announcements are imminent. Any CSN offering will require viewers to also be Comcast subscribers. Meanwhile, **CSN New England** announced plans to bolster its local sports news coverage with a relaunch of **CSNNE.com**, the creation of more than 40 newsroom/prod posts and expanded prod facilities at its MA base. -- **CBSSports.com College Network** inked a deal to host and prod the Univ of WI's official athletic site, **UWBadgers.com**. -- **Discovery** is a co-founder of **Sharecare**, a healthcare platform for consumers to ask, learn and act on the question of health. Additional co-founders include **WedMD** founder/Discovery chief of global digital strategy **Jeff Arnold**, **Dr. Mehmet Oz**, **Harpo**, **HSW Intl** and **Sony Pictures TV**. The platform is expected to launch on www.Sharecare.com in 2010.

**VOD:** Holding deals with **TiVo**, **Mediacom** and **Suddenlink**, **Blockbuster** said its On Demand movie service, now available in millions of homes, is exceeding initial expectations. Embedded in **Sonic's Roxio CinemaNow** video platform, the service is driving attach rates 50% higher than historic platform norms. -- **iN Demand's** featuring this month the most day-and-date movies ever, including “Angels & Demons” and “The Taking of Pelham 123.” Evp **David Asch** said the number of titles offered to cable VOD the same time as DVD has grown seven-fold over the last 3 years.

**100**  
CableFAX



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  
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.

# BUSINESS & FINANCE

**Programming:** Gospel Music Channel launches GMC HD on Nov 27, at 8pm with the world HD premiere of inspirational movie "Facing the Giants."

-- **Oxygen** will bring back its most-watched freshman series in network history, "Dance Your Ass Off," for a 2nd season next year. -- **TNT** picked up the rights to former **NBC** cop drama "Southland" (Jan). -- *Oprah* will narrate

**Discovery Channel's** 11-part series "Life" (Mar). -- **Speed** greenlit a 2nd season of "Bullrun" (Feb). -- Select critics who weekly receive copies of hit **AMC** series "Mad Men" in advance

were sent a friendly but firm letter Fri from creator *Matthew Weiner* telling them they'd have to watch the season 3 finale Nov 8 like everyone else, on TV. "I feel that revealing anything before the day of air would not be in the best interest of our fans," Weiner wrote,

adding he didn't make the decision "lightly" and made the request of AMC "with a combination of great excitement and deep fear of reprisals...."

## CableJobs

Armstrong has positions open for maintenance technician in the South Point, Ohio and Harrisville, WV systems. Experience in various aspects of CATV system that includes: digital, internet and CATV telephony technology applications including: troubleshooting and repair (forward and reverse), system sweep and CLI. Some headend and hub experience beneficial but not required; desire to learn headend and hubs preferred. SCTE and NCTI certifications a plus. Minimum 5 years CATV operations experience. Must possess positive attitude good work ethic and be a team player. Persons interested should apply at [www.agoc.com/careers](http://www.agoc.com/careers). Armstrong is an equal opportunity employer.

## CableFAX Daily Stockwatch

Company	11/02 Close	1-Day Ch	Company	11/02 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	35.20	0.50	AMPHENOL:	41.09	0.97
DIRECTV:	26.54	0.24	APPLE:	189.19	0.69
DISH:	17.55	0.15	ARRIS GROUP:	10.13	(0.07)
DISNEY:	27.41	0.04	AVID TECH:	12.25	(0.38)
GE:	14.47	0.21	BIGBAND:	3.63	(0.07)
NEWS CORP:	13.53	(0.07)	BLNDER TONGUE:	1.17	0.03
<b>MSOS</b>					
CABLEVISION:	23.27	0.31	BROADCOM:	26.34	(0.27)
COMCAST:	14.51	0.01	CISCO:	22.96	0.15
COMCAST SPCL:	14.04	0.02	CLEARWIRE:	5.98	(0.28)
GCI:	6.15	UNCH	COMMSCOPE:	26.84	(0.18)
KNOWLOGY:	10.10	0.05	CONCURRENT:	3.95	0.11
LIBERTY CAPITAL:	21.40	0.71	CONVERGYS:	10.69	(0.16)
LIBERTY ENT:	30.99	0.17	CSG SYSTEMS:	15.99	(0.35)
LIBERTY GLOBAL:	20.61	0.08	ECHOSTAR:	18.46	0.30
LIBERTY INT:	11.64	0.32	GOOGLE:	533.55	(2.57)
MEDIACOM:	4.61	(0.17)	HARMONIC:	5.20	(0.05)
RCN:	8.21	(0.13)	INTEL:	18.98	(0.13)
SHAW COMM:	17.99	0.24	JDSU:	5.52	(0.07)
TIME WARNER CABLE:	39.64	0.20	LEVEL 3:	1.18	UNCH
VIRGIN MEDIA:	14.39	0.42	MICROSOFT:	27.88	0.15
WASH POST:	433.50	1.50	MOTOROLA:	9.03	0.46
<b>PROGRAMMING</b>					
CBS:	12.12	0.35	OPENTV:	1.54	UNCH
CROWN:	1.59	0.05	PHILIPS:	25.09	UNCH
DISCOVERY:	27.28	(0.22)	RENTRAK:	15.46	0.09
EW SCRIPPS:	6.34	(0.02)	SEACHANGE:	6.52	(0.25)
GRUPO TELEVISA:	19.79	0.43	SONY:	28.90	(0.49)
HSN:	14.86	(0.08)	SPRINT NEXTEL:	2.87	(0.09)
INTERACTIVE CORP:	19.04	0.10	THOMAS & BETTS:	34.55	0.34
LIBERTY:	33.90	0.80	TIVO:	10.60	(0.28)
LODGENET:	4.80	(0.05)	TOLLGRADE:	6.33	0.38
NEW FRONTIER:	1.95	0.01	UNIVERSAL ELEC:	20.63	0.03
OUTDOOR:	7.14	0.22	VONAGE:	1.65	0.07
PLAYBOY:	2.95	(0.12)	YAHOO:	15.84	(0.06)
RHI:	2.85	0.23	<b>TELCOS</b>		
SCRIPPS INT:	38.03	0.27	AT&T:	25.59	(0.08)
TIME WARNER:	30.15	0.03	QWEST:	3.51	(0.08)
VALUEVISION:	3.17	UNCH	VERIZON:	29.41	(0.18)
VIACOM:	29.77	0.59	<b>MARKET INDICES</b>		
WWE:	13.51	0.23	DOW:	9789.44	76.71
<b>TECHNOLOGY</b>					
3COM:	5.07	(0.07)	NASDAQ:	2049.20	4.09
ADC:	6.30	(0.19)			
ADVANTAGE:	2.33	0.07			
ALCATEL LUCENT:	3.69	UNCH			
AMDOCS:	24.65	(0.55)			

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# EYE ON ADVERTISING

## Ford Focus on Hispanics

A few weeks before Ford posted a surprise profit of nearly \$1bln, **CableFAX** editor *Amy Maclean* chatted with Ford multicultural marketing manager *Dave Rodriguez* about the car maker's efforts to reach a Hispanic audience. Even then, Rodriguez hinted that things were looking up.

**You're working with ESPN Deportes on its Dream Job promotion, which looks for the net's next soccer reporter. What are you getting out of it?**

We've done a number of programs with them that allow us to be very targeted as it relates to some of our more male-oriented, marketing priorities. Certainly cable allows us to deliver that message in a highly targeted fashion and certainly in a cost-efficient manner. As it relates to this particular program, with 2010 being a big soccer year with World Cup, this offered us a great platform to continue our dialogue with Hispanic soccer fans and get us into a position to be associated with a lot of the excitement associated with World Cup. We're probably in the first phase of it. Beyond just being a broadcast/cable property, there were promotional elements, as well as event marketing opportunities. We're really in the initial stage. It carries through to the World Cup (June '10).

**Are you working with other cable networks to reach a multicultural audience?**

We're involved with **Galavision** and **TeleFutura**. We've also seen networks like **V-Me**—which is a little more bilingual, a little bit of a different composition. It's still relatively new, but we have found them to be very much aligned to certain initiatives that we have... The key thing is that there's certainly not as many choices in the Hispanic media landscape as there are in the general market, but what we're seeing is much more innovation, much more creativity, much more willingness to collaborate on product integrations and unique sponsorships like this ESPN Deportes program than we have in the past.

**How could cable be helping you more?**

I think the challenge is primarily as it relates to market coverage. There's always going to be the question of volume, in terms of overall market penetration and coverage. The unique aspect I think cable does offer beyond just the media science in terms of deliveries, is the ability to be a little bit more nimble than maybe other media.

**Are you looking at things like VOD ad insertion or interactive ads?**

We have so many complexities as it relates to the decision process that it isn't necessarily the sweet spot. What we do more of is cross-promoting our FordEnEspanol.com Website and try to drive most of our traffic and interest there.

**It's not been the best of times. But I've heard the Hispanic market may not have been impacted by the recession quite as much. Have you seen that?**

The Hispanic segment has been impacted similar to the general market overall. I think in certain pockets we're seeing a resilience... in terms of maybe an orientation towards cash and that sort of thing, particularly in certain regions like the Southwest. In a lot of cases, we've seen this market respond similar to the general market, but what's been encouraging to us is that as it relates to our focus nameplates, we're seeing the market respond very, very well, and we're seeing increases on a number of those vehicles... Certainly we're seeing a little bit of upswing going into 2010, and we plan to stay focused on this market.

**How has the economy changed your ad buy strategy?**

This year, we've had the opportunity to go into the market on a more spontaneous basis as we've seen some changes in terms of the amount of consumer activity out there. Coincidentally, cable has been one of the primary mediums we've gone to, and we have been able to buy on more of a scatter basis. I'd like to think we've been a little bit more responsive to market trends, and certainly cable has played a big role in that.



Deadline: December 4, 2009

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The CableFAX Best of the Web Awards will also salute the cable executives behind the scenes who make these digital initiatives shine. The awards are presented by the most trusted information source in cable: CableFAX Daily and sister brand CableFAX: The Magazine. The winners and honorable mentions will be saluted during an awards event in April 2010 in New York City.

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