

CableFAX Daily™

Tuesday — November 11, 2008

What the Industry Reads First

Volume 19 / No. 219

Behind the Curtain: Canoe Hoping to Reach 10mln in 2 Years

Canoe Ventures should reach 10mln addressable subs in the next 18-24 months. That projection came from Canoe vp, product development *John Collins* after some prodding during an info session on Canoe Mon. It was a late addition to **CTAM Summit's** schedule, with much of the audience standing for an hour to hear what's in store for Canoe. One of the first things the MSO jv is working on is creative versioning, creating ways for advertisers to place different ad spots in each existing cable zone. Tests for this will be underway in the next 60-90 days. "This is a baby step to household addressability," explained Canoe's newly named CMO *Vicki Lins*. Ultimate addressability would give advertisers the ability to put cat litter ads only in homes with cats, and so forth. At another panel, **Group M**, North America pres/CEO *Marc Goldstein* said Canoe's efforts to make targeted ad insertion work across millions of addressable boxes "are the kinds of steps...that will get us to the kind of distribution numbers that we know our advertisers are looking for." *Michael Kubin*, evp, **Invidi Technologies**, said he expects delays as the industry works through "understandable" privacy concerns because it "doesn't get any more sensitive" than to track set-top data. Other interesting Canoe tidbits shared include that while the venture is working with MSOs now, it eventually plans to reach out to other distribution platforms, including satellite. Canoe, owned by **Comcast**, **Time Warner Cable**, **Cox**, **Charter**, **Cablevision** and **Bright House**, was created to provide interactive and targeted ad services across MSOs and networks. Lins acknowledged that some have questioned how successful a jv will be given the history of other joint ventures (think **Pivot**), but said the mandate here is what makes it so viable. "This is it. This is our shot as an industry to stay in the game," she said. The session was created to help explain what Canoe is—and what it isn't. Canoe CEO *David Verklin*, who has been on the job for about 3 months, has said that some are looking to him to cure world hunger, Collins joked, referring to how some expect Canoe to solve everything related to VOD and more. One thing Canoe is most definitely not, Lins said, is a sales organization. The main idea behind Canoe is to help networks enhance commercial inventory, with 3 areas of focus—addressability, interactive advertising and data. If the standing-room-only crowd doesn't give you a clear picture of how excited the industry is about Canoe, perhaps this will: Canoe sent requests for information to 60 companies and received responses from 55. -- *Dana Runnells* of **Comcast Spotlight** will be joining Canoe, where she'll head up PR.

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4 Choke Cherry Road, 2nd Floor, Rockville, MD 20850

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax:301/738-8453 ● Editor-in-Chief: Amy Maclean, 301/354-1760, amaclean@accessintel.com ● Exec Editor, Michael Grebb, 301/354-1790, mgrebb@accessintel.com ● Assoc Editor, Chad Heiges, 301/354-1828, cheiges@accessintel.com ● Asst VP, Ed Director, Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Debbie Vodenos, 240/753-5696, dvodenos@accessintel.com ● Advertising Mgr: Erica Gottlieb, 212/621-4612 ● Marketer: Doreen Price, 512/934-7857, dprice@accessintel.com ● Marketing Director: Carol Bray, 301/354-1763, cbray@accessintel.com ● Prod: Joann Fato, 301/354-1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Paul Maxwell/Columnist ● Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs : Angela Gardner, 757/531-1369, cfaxgroupsub@accessintel.com

Tough Times: Not much changed for **DISH** in 3Q, and 1 key issue that doesn't bode well for '09. The DBS op reported a net sub loss (10K) for a 2nd consecutive Q, churn of more than 2% and a dip in profit, and now finds itself poised to lose **AT&T** as a resale partner Jan 31 after the situation remained unresolved in Aug. CEO *Charlie Ergen* admitted that churn "could go up next year" as the 1mln subs DISH services through AT&T will face "some advantage to switch to U-verse" come Feb. As a result, Wall St hammered DISH shares Wed, sending them down 14.7% to close at \$13.24, a new 52-week low. Much improvement is needed in customer service and tackling piracy, said Ergen, noting that DISH must "quit getting worse" operationally. Currently, execs are determining just how much to spend on customer acquisitions going forward, he said, as the market isn't recognizing the net present value of subs. In '09, Ergen said DISH may begin targeting non-satellite customers for sub acquisitions, a departure from its typical focus. As for positives, the DBS op's Turbo HD offering "puts us back into the HD game," said Ergen, adding that its MPEG-4 delivery system may now deliver benefits through customer upgrades. Separately, DISH has inked an deal to use **Invidi Technologies** for delivery of addressable, targeted national and local TV ads, and plans to launch Russian-language movie channel **TV1000 Russian Kino**.

Competition: **FiOS TV** has agreed to carry **MLB Net** as part of its Essentials and Extreme HD packages when the net launches in Jan. The service will also feature **MLB Extra Innings** package, offering up to 80 out-of-market games/week.

In the States: **ION Media Nets** announced 2 successful mobile digital TV field trials in Chicago and Denver enabling broadcasters to deliver live, over-the-air video to next-generation mobile devices such as battery-powered digital TVs, cell phones, laptops and personal media players. The tests are using 1 station in each city, which carry digital feeds of **ION TV**, **Qubo** and **ION Life**.

DTV Transition: With approx 100 days until the Feb transition, the **FCC** is working on new orders to address technical issues such as natural interference of broadcast signals, said commish *Deborah Taylor-Tate* during a Mon press event. To date, 34mln converter box coupons have been mailed and 14mln redeemed, said Commerce Sec *Carlos Gutierrez*, who joined others in noting that most people erroneously believe the boxes won't work until Feb. As FCC commish *Robert McDowell* advocated for market-by-market public awareness campaigns, **Univision** announced a multi-platform education campaign that will leverage the net's Thurs telecast of the Latin Grammys and other programs.

CTAM Notebook: Forget the notion that the 30-sec spot is dead. Instead, "the bad 30-sec spot is dead," *David Droga*, creative chmn of **Droga5**, told Summit attendees Mon. In fact, he confessed that he loves TV advertising, saying there is no more effective medium. Droga, the Aussie ad man who has earned more Golden Lions than anyone, urged the industry to come up with an idea first and a medium later, saying not everything needs to be viral, TV, etc. "You have to tell stories that get people involved," he explained. Examples of his work included a video dubbed "The Great Schlep," which features *Sarah Silverman* encouraging young Jews to reach out to their grandparents in FL and push for them to vote for Obama. -- **Time Warner Cable** evp, communications *Ellen East* said free TV shows on the Internet are a "threat" to cable's business model and suggested that content owners and cable ops work together to "find a way to authenticate that experience online." That way, a cable sub would automatically be able to watch cable shows on any device once authenticated as a paying subscriber. *David Pugliese*, svp, product management at **Cox**, said he's actually fine with programmers putting content on the Internet for free but with one major caveat: "It would seem to make sense that it would be free to the distributor."

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BUSINESS & FINANCE

Advertising/Marketing: Beginning Jan 1, **Cablevision** will strategically pair **Optimum Autos** and **Newsday** to provide a local automotive shopping experience for regional buyers and sellers across multiple platforms, including a digital channel, **Newsday's** print edition and **OptimumAutos.com** and **Newsday.com**. -- **TRA** announced a single source database featuring 370K anonymous nationwide homes, allowing advertisers to match TV viewing to actual purchases. Separately, **Discovery Comm** has joined the client list for **TRA's** Media **TRAnalytics**, which measures second-by-second audience live and time-shifted exposure in 1.5mln HHs.

Online: **ESPN360.com** launched Mon in beta the 2.0 version of its video player and homepage. New features include chat functions; synchronized live statistics, more complete and sortable scheduling information; and remote access for fans who receive **ESPN360.com** via their home Internet service. -- **Lifetime Nets** has acquired **RoiWorld.com**, a Korean site combining UGC, social networking and casual virtual world experiences through fashion. The site will go live in the US early next year, and the deal includes the creation of **Lifetime Game Studios Korea**.

People: **Rainbow Media** promoted **Charlie Collier** to pres, **AMC**. -- **Nielsen** promoted **Susan Whiting** to vice chairperson.

CableFAX Daily Stockwatch

Company	11/10 Close	1-Day Ch	Company	11/10 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	25.82	(0.91)	AMDOCS:	19.12	(0.82)
DIRECTV:	22.17	0.23	AMPHENOL:	25.46	(0.76)
DISNEY:	22.08	(1.28)	APPLE:	95.88	(2.36)
ECHOSTAR:	13.24	(2.28)	ARRIS GROUP:	6.09	(0.22)
GE:	18.45	(0.41)	AVID TECH:	14.44	(0.14)
HEARST-ARGYLE:	13.14	(0.22)	BIGBAND:	4.43	(0.14)
NEWS CORP:	8.25	(0.23)	BLNDER TONGUE:	1.05	(0.04)
MSOS					
CABLEVISION:	15.46	(0.13)	BROADCOM:	16.07	(0.52)
CHARTER:	0.42	(0.01)	CISCO:	17.57	(0.01)
COMCAST:	16.54	(0.87)	COMMScope:	13.84	(1.47)
COMCAST SPCL:	16.12	(0.85)	CONCURRENT:	3.89	(0.08)
GCI:	6.85	(0.63)	CONVERGYS:	6.12	(0.71)
KNOLOGY:	4.70	(0.01)	CSG SYSTEMS:	15.51	(0.15)
LIBERTY CAPITAL:	5.47	(0.6)	ECHOSTAR HOLDING:	18.05	(0.35)
LIBERTY ENT:	14.69	(1.7)	GOOGLE:	318.78	(12.36)
LIBERTY GLOBAL:	15.50	(0.62)	HARMONIC:	5.52	(0.57)
LIBERTY INT:	4.24	(0.33)	JDSU:	4.71	(0.08)
MEDIACOM:	4.20	(0.02)	LEVEL 3:	0.90	(0.04)
SHAW COMM:	18.48	(0.17)	MICROSOFT:	21.30	(0.2)
TIME WARNER CABLE:	18.49	(0.6)	MOTOROLA:	4.50	(0.29)
VIRGIN MEDIA:	5.70	(0.4)	NDS:	49.47	1.29
WASH POST:	428.60	(10.4)	NORTEL:	0.95	(0.22)
PROGRAMMING					
CBS:	8.00	(0.16)	OPENTV:	1.23	(0.03)
CROWN:	2.51	(0.15)	PHILIPS:	17.81	(1.4)
DISCOVERY:	14.07	(0.02)	RENTRAK:	10.86	(0.34)
EW SCRIPPS:	3.60	(0.21)	SEACHANGE:	7.89	0.26
GRUPO TELEvisa:	15.93	(0.25)	SONY:	23.41	0.12
HSN:	4.75	0.37	SPRINT NEXTEL:	3.23	(0.14)
INTERACTIVE CORP:	15.96	(0.68)	THOMAS & BETTS:	23.45	(0.44)
LIBERTY:	29.33	(0.86)	TIVO:	6.12	(0.09)
LODGENET:	0.78	(0.09)	TOLLGRADE:	4.73	0.14
NEW FRONTIER:	1.79	(0.15)	UNIVERSAL ELEC:	16.97	0.65
OUTDOOR:	7.04	(0.22)	VONAGE:	0.86	(0.07)
PLAYBOY:	1.90	(0.04)	YAHOO:	11.87	(0.33)
RHI:	7.95	(1.69)	TELCOS		
SCRIPPS INT:	24.79	(0.27)	AT&T:	27.47	0.47
TIME WARNER:	9.89	(0.21)	QWEST:	3.14	0.16
VALUEVISION:	0.47	(0.06)	VERIZON:	30.49	0.44
VIACOM:	20.20	0.35	MARKET INDICES		
WWE:	12.89	(0.19)	DOW:	8870.54	(73.27)
TECHNOLOGY					
3COM:	2.13	(0.1)	NASDAQ:	1616.74	(30.66)
ADC:	6.65	(0.15)			
ADVANTAGE:	1.90	0.15			
ALCATEL LUCENT:	2.48	(0.23)			



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GUEST COLUMNIST

CTAM Retrospective

As outgoing CTAM Chairman, I admit I've really enjoyed leading this amazing organization for two years. I am very proud of CTAM. I'm proud because of all that we have accomplished. And I am appreciative of the volunteers and dedicated staff that made it possible.

The first thing you should know is that this organization reinvented itself. Not too long ago, CTAM's revenue was tied to the CTAM Summit and individual membership dues, requiring members to attend the Summit, enter Mark Awards, receive Pulse research and appear in the Member Directory.

Today CTAM is multi-faceted. One-third of revenues come from traditional, individual membership dues, one-third from MSO, programmer and supplier corporate dues, which support initiatives such as the On Demand Consortium, and one-third from the MSO Co-op, which supports Mover initiatives and cooperative marketing efforts. This diversification was a successful strategy, allowing CTAM to remain strong in a down economy, relevant as the industry deals with competition, and solid when stand-alone conferences were consolidated into more efficient fall and spring weeks.

Collaborating for Success

Char and the CTAM team have an uncanny ability to "herd cats" and get people together for the common good. A great example is an enhancement to the Mover Initiative we worked on for two years. When 99% of U.S. residents move, they fill out a change of address form for the post office. Through a special program, the U.S. Postal Service allows service providers to market to these movers. Previously, telcos and satellite providers had the advantage in participating, and cable was largely left out. Through CTAM, we worked together and won a collective bid to be represented in all markets for video. In some markets, we were even able to get triple-play representation. This is a perfect example of how CTAM helps the

MSOs be more effective working together than alone.

In addition, the Cable Mover Hotline continues to make strides. The Hotline began in 2001 as a partnership between the MSOs, CableLabs and CTAM, and continued to perform well even in a volatile housing market. We've increased the focus with a CSR Awareness Webcast, produced by HGTV, which received almost 500 viewings. CTAM educated 40,000 CSRs, and PR efforts garnered 113 million earned media impressions—all worthwhile results, as the Cable Movers Hotline has handled millions of calls over the years.

The Jewels in the Crown—CTAM Chapters

CTAM Chapters are another key to success. In fact, I selected the Chapters as the 2008 recipients of the Chairman's Award. This award honors extraordinary contributions to CTAM and the cable business as a whole—and the

chapter volunteer leaders are being honored for their exceptional efforts to take their organizations to the next level.

There are a total of 15 CTAM Chapters, with 12 in the continental U.S. and one each in the Caribbean, Europe and Canada. They offer members local seminars, informational programs, fundraising events and networking opportunities. In 2007, they produced 84 events attended by 6,836 members. These programs engage and educate members about the industry and marketing, and today chapter member satisfaction ratings are at an all-time high.

I know it's a bit unorthodox choosing the Chapters over an individual, but these leaders extend the impact of CTAM well beyond what we would otherwise reach. They richly deserve this recognition.

The Chairman's Award will be presented at the Summit on November 11 during the closing General Session at 12:15 pm.

See you at there!

(Joe Rooney is Cox Communications' Chief Marketing Officer and outgoing CTAM Chairman).



Joe Rooney



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