

CableFAX Daily™

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What the Industry Reads First

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Clear Visibility: Clearwire Gains Funding to Meet Initial Buildout Phase

Owing to several financial machinations, **Clearwire** is now prepared to meet its initial goal of covering 120mln Americans with 4G mobile broadband services by the end of '10. Still, this question remains: with the buildout, will customers continue to come? **Sprint** (\$1.18bln) and MSOs including **Time Warner Cable** (\$103mln), **Comcast** (\$196mln) and **Bright House** (\$19mln) appear to believe they will, as the group is participating in a new funding round for Clearwire in exchange for newly issued shares priced at \$7.33 per. Wall St also seems confident, sending Clearwire shares up approx 11% since Fri's close. Palpable praise came last week from Comcast COO *Steve Burke*, who said the MSO's Clear-based mobile broadband product has become "a pretty good acquisition tool" for HSD customers. On Tues, Clearwire CEO *Bill Morrow* said the investor pool has been "so supportive of us... they believe in what we're doing," and added that he's "more confident than ever" in his company's prospects. Clearwire's 4G network coverage increased by 67% in 3Q through 11 market launches and now covers 29mln people. 4Q launches in Maui, Honolulu and Seattle will push that number to more than 30mln. Net 4G sub additions tallied 49K for an aggregate 173K, the bulk in Atlanta, Portland and Las Vegas. Morrow is particularly pleased with wireless industry trends showing that one-quarter of wireless rev now stems from data services, and with Clearwire's burgeoning wholesale business that has opened access to 100mln customers. Also, online sales offerings and retail outlets continue to ramp. "We continue to believe we are in the right place at the right time," he said.

Salary Survey: Belts are tightening in the industry, but it could be worse. Fewer than a quarter of the 60 companies participating in a new compensation survey instituted pay freezes for the year, said the **Cable and Telecommunications Human Resources Assn**. 18% of MSO participants in CTHRA's survey and 24% of programmers issued budget freezes this year—with only 5 (all of whom were programmers/broadcasters) implementing a full freeze. On average, MSOs budgeted for a 3.3% salary increase in '09 vs 4% last year. Programmers budgeted for a 3% increase vs 3.9% last year. Both are above the 2.8% avg reported by a **Hay Group** survey in Mar. CTHRA's surveys determined that actual base salary movement was slightly lower than salary adjustment budgets among MSOs, and slightly higher among the programmers and broadcast networks. Programmers and broadcasters notched a 7.8% decline in bonus awards over the last year, double the 3.7% decline for MSOs. Long-term incentives declined 9.2% among MSOs and 14% among the programmers. 60 cable ops, satellite providers, programmers and broadcasters participated, including 7 of the top 10 MSOs (including all of the top 5), all of the top 25 national cable nets and 5 national broadcast nets. Survey data was collected in March '09, thus reflecting 2009 budgets for base compensation.

Two's Enough: To the surprise of few, **NTIA** and **RUS** are scrapping a 3rd round of applications for broadband stimulus funding. There will be just 1 more round of application requests for grant and loans funded by the Ameri-

100



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can Recovery and Reinvestment Act. Round 1 brought in requests for nearly \$28bln, well above the \$7.2bln the 2 agencies have to dole out. The agencies expect to begin announcing 1st round awards next month, awarding up to \$4bln in loans, grants and loan/grant combos. None of the top 5 MSOs participated, but some smaller operators did, including **Mediacom** and **Bresnan**. There will also be changes on how the 2nd round is handled. "We are listening to applicants, reviewing applications received, and all indications suggest a need to revisit the application process," said RUS administrator *Jonathan Adelstein*. "We will consider changes in the next NOFA to make the process more 'applicant friendly' from beginning to end." A Request for Information was released Tues, seeking feedback on procedural and policy aspects of the programs. The agencies specifically seek comment on how to strike a better balance between transparency and stakeholders' interest in maintaining the confidentiality of proprietary data. They also want to know how to best target the remaining funds. **NCTA** has said more money needs to go to increasing broadband adoption.

In the States: The **MA Dept of Telecommunications and Cable** reported that **Verizon's FiOS** subs in the state totaled 159.8K last year, up from 78.4K in '07. Comcast's sub base in the state dropped nearly 2% to 1.62mln during the period. The figures caught the eye of **Sanford Bernstein** analyst *Craig Moffett*, who said the large gap between FiOS gains and Comcast losses indicates that Verizon is gaining a disproportionate share of its subs from satellite rather than cable. Moffett expects Verizon's video gains are likely to peak this year or next. -- **Crawford Satellite Services** launched **Wazoo Sports**, a new regional net devoted to KY sports. -- **DISH** will close its McKeesport, PA, call center, which employs 600 people, in Mar, reports the *Pittsburgh Post-Gazette*. DISH said it doesn't meet the company's business needs, adding it will help employees find other jobs.

Charter Tragedy: A **Charter** cable employee was beaten to death with a hammer while working on the cable service at a home in Victorville, CA, reports local station **KTLA**. *Trevor Neiman*, 25, died after being taken to an area hospital. Police arrested 45-year-old *Johnny Acosta* of Hesperia, CA, for the murder. Neiman had served 3 tours of duty in Iraq as a Marine, Charter said. Neiman, a broadband technician, had been with Charter since '08. His father, Neal Neiman, is a construction supervisor and has been with Charter for 10 years and with **Falcon** before that. "Our thoughts are with the Neiman family and Trevor Neiman's colleagues and friends," Charter said Tues. "He was a well-liked and valuable member of the Charter team. The safety of our employees and customers is our top priority, and our primary concern at this point for the people affected by this event. We are working closely with Victorville authorities who are investigating the incident."

Tube Time: Folks might complain about nothing being on TV, but they sure are watching it. The '08-'09 TV season marked an all-time high in TV watching, with Americans spending an avg of 4 hours and 49 mins in front of the tube, according to **Nielsen**. That's up 4 mins from last year and 20% from 10 years ago.

Ratings: **Nickelodeon's** big Fri included the premiere of **SpongeBob SquarePants'** "Truth or Square," which with 7.7mln total viewers became cable's top ent show for the week, and the premiere of "Fanboy and Chum Chum," now the net's highest-rated series premiere ever among kids 6-11 and 2-11 while garnering 5.8mln total viewers. -- Driven by special "Keeping Up with the Kardashians: The Wedding," **E!** established Sun its most-watched day ever among total viewers (914K) and highest-rated day among 18-49s (0.57), 18-34s (0.73), women 18-34 (1.08) and women 18-49 (0.84). -- The premiere of **TBS'** "Lopez Tonight" pulled in 1.7mln total viewers on the net alone

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and along with simulcasts on TNT and TruTV 3.2mln total viewers and 1.8mln 18-49s. -- Fox Sports en Espanol's World Series coverage notched a 3.43 HH coverage rating (1.74 among 18-49s), up 81% YOY in total HHs and 240% over '07.

Obit: Radio, TV and cable leader Peter Francis Storer died Sun in Saratoga, WY, after a battle with cardiovascular and pulmonary disease. He was 81. Storer served as CEO of **Storer Communications**, which he helped grow into the 4th largest MSO in the country at the time. Services will be held Sat at the Platte Valley Community Center in Saratoga.

Honors: NCTA's Rob Stoddard, A&E Nets' Nani Shin-Wannemacher and Comcast Blue Ridge's Troy Fitzhugh were inducted into VA Cable Telecommunications Assn's Hall of Fame Mon night.

Earnings: With the help of \$28mln in new rev from TV Guide Net and TVGuide.com, Lionsgate reported net income of \$31.7mln and adjusted EBITDA of \$54.4mln, compared to a net los of \$51.8mln and adjusted EBITDA of -\$35.9mln a year ago. During a Mon conference, execs said TV Guide is expected to remain profitable as programming increases, and that Epix is headed for additional distribution deals early next year. TV prod rev rose 30% to \$89mln, owing in part to a 14% increase in domestic series licensing through Showtime's "Weeds," AMC's "Mad Men" and Starz's "Crash."

CableFAX Daily Stockwatch

Company	11/10 Close	1-Day Ch	Company	11/10 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	36.65	(0.28)	AMPHENOL:	43.14	0.24
DIRECTV:	29.11	0.54	APPLE:	202.98	1.52
DISH:	20.44	0.30	ARRIS GROUP:	10.65	(0.02)
DISNEY:	29.10	0.10	AVID TECH:	12.18	(0.52)
GE:	15.78	(0.07)	BIGBAND:	3.51	(0.2)
NEWS CORP:	14.66	0.06	BLNDER TONGUE:	1.25	0.02
MSOS					
CABLEVISION:	25.21	(0.17)	BROADCOM:	28.73	0.44
COMCAST:	14.85	(0.3)	CISCO:	23.65	(0.34)
COMCAST SPCL:	14.44	(0.15)	CLEARWIRE:	7.25	0.45
GCI:	6.23	(0.19)	COMMSCOPE:	29.09	0.32
KNOLGY:	10.59	0.44	CONCURRENT:	3.83	0.06
LIBERTY CAPITAL:	24.01	(0.31)	CONVERGYS:	11.76	0.15
LIBERTY ENT:	33.96	0.61	CSG SYSTEMS:	16.96	(0.09)
LIBERTY GLOBAL:	23.03	0.48	EHOSTAR:	19.57	(0.43)
LIBERTY INT:	11.36	(0.04)	GOOGLE:	566.76	4.25
MEDIACOM:	4.56	(0.13)	HARMONIC:	4.80	(0.14)
RCN:	8.13	(0.2)	INTEL:	19.50	0.04
SHAW COMM:	18.98	0.26	JDSU:	6.88	(0.06)
TIME WARNER CABLE:	42.50	0.40	LEVEL 3:	1.24	0.01
VIRGIN MEDIA:	15.97	0.46	MICROSOFT:	29.01	0.02
WASH POST:	423.44	(7.03)	MOTOROLA:	8.85	(0.13)
PROGRAMMING					
CBS:	13.05	(0.24)	OPENTV:	1.55	0.01
CROWN:	1.70	0.14	PHILIPS:	27.12	(0.1)
DISCOVERY:	30.41	(0.38)	RENTRAK:	15.95	(0.05)
EW SCRIPPS:	6.71	(0.13)	SEACHANGE:	6.84	(0.13)
GRUPO TELEVISA:	21.15	0.10	SONY:	29.21	(0.28)
HSN:	15.61	0.53	SPRINT NEXTEL:	3.24	(0.19)
INTERACTIVE CORP:	19.65	0.04	THOMAS & BETTS:	37.24	0.34
LIBERTY:	35.54	0.06	TIVO:	10.96	(0.19)
LODGENET:	5.35	(0.3)	TOLLGRADE:	6.03	(0.05)
NEW FRONTIER:	2.00	UNCH	UNIVERSAL ELEC:	23.08	(0.41)
OUTDOOR:	6.43	(0.22)	VONAGE:	1.34	0.02
PLAYBOY:	2.78	(0.07)	YAHOO:	16.04	0.02
RHI:	1.09	(1.76)	TELCOS		
SCRIPPS INT:	40.09	0.50	AT&T:	26.32	(0.02)
TIME WARNER:	31.75	0.11	QWEST:	3.79	0.09
VALUEVISION:	3.49	(0.06)	VERIZON:	30.30	0.13
VIACOM:	32.40	0.21	MARKET INDICES		
WWE:	15.30	0.07	DOW:	10246.97	20.03
TECHNOLOGY			NASDAQ:	2151.08	(2.98)
3COM:	5.41	(0.08)			
ADC:	6.45	(0.29)			
ADVANTAGE:	2.25	(0.05)			
ALCATEL LUCENT:	3.64	(0.32)			
AMDOCS:	26.25	(0.34)			

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