

# CableFAX Daily™

Wednesday — November 18, 2009

What the Industry Reads First

Volume 20 / No. 222

## **Spectrumpalooza: Smith Defends Broadcasters' Spectrum But Keeps Open Mind**

Now in his 3rd week on the job, **NAB** pres/CEO *Gordon Smith* said the association is "open to ideas" regarding the **FCC's** potential reclamation of broadcast spectrum—adding that he doesn't "even know what to argue for or against at this point." But don't take that to mean he's completely on the fence. Any plan that relegates TV broadcasters to a single standard definition channel would be a "nonstarter" he said. While the NAB's position isn't formed yet, he said NAB would fight to ensure that broadcasters can broadcast in HDTV, multicast programming and mobile DTV. He referred to taking broadcaster's spectrum for wireless services as major policy "hatched outside of political reality." "When you start talking about 800 MHz that is potentially worth billions of dollars and saying we're going to take that for other purposes, and those purposes will no longer be free over-the-air, but we'll take them for fee service, I think I know how that argument plays out politically," Smith told the crowd. Broadcasters are using spectrum in ways that add value to consumers, he said, urging policymakers to recognize the millions of dollars broadcasters spent on the DTV transition (and intimating they've earned the right to keep their spectrum). Meanwhile, Rep *John Dingell* (D-MI) is voicing concerns about proposals to reallocate broadcasters' spectrum to mobile providers. In a letter to **FCC** chmn *Julius Genachowski*, the senior member said he believes the Commission can complete a national broadband plan and promote the expansion of broadband infrastructure while preserving free, over-the-air broadcasting. As for retransmission consent issues, Smith said the NAB will help broadcasters and their local stations "resolve this family fight" concerning fee sharing with networks but won't pick sides, sticking to his Republican focus of "letting the market decide." Cash appears to be the mode du jour, but **News Corp** chief *Rupert Murdoch* recently mentioned a possible push for ad rev sharing.

**Charter:** A NY Bankruptcy Court has confirmed **Charter's** Reorg Plan, paving the way for the MSO's exit from Chapter 11 with expectations of positive free cash flow generation through a reduction of more than \$830mln in annual interest expense. The plan reduces Charter's overall debt by approx \$8bln, and *Paul Allen* will retain the largest voting interest in the co. Existing shares of Charter's common stock will be cancelled. "Going forward, Charter will continue to provide simple, customer-oriented entertainment and communications solutions and upon emergence, will have an improved capital structure," said pres/CEO *Neil Smit*. Although Charter anticipates an appeal from certain parties, it expects the Plan to become effective even if an appeal is pending.

**New Traveler:** *Jonathan Sichel*, svp, commercial affairs and ops for **Travel Channel Media**, was tapped to serve as interim gm of Travel (**Cfax**, 11/6). Pres/gm *Pat Younge* is leaving at the end of the year to return to London (**Cfax**, 5/28). **Scripps** is acquiring 65% interest in Travel with **Cox Comm** retaining a 35% stake. That deal is expected to close by year-end, and the 2 will jointly decide who ultimately runs the network and its associated businesses. Before joining Travel, Sichel was vp, biz affairs at **Discovery Comm**. Our favorite tidbit on Sichel: he graduated cum laude from Princeton, where he super-

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Source: NAB, L4-3D.54 11/17/09. WE tv ad-supp cable nets 8p-11p & daily 8p-11p WE avar (12/31/01-11/17/09) 82.9p vs all WE tv channels 75-54(000)MREV. 10p vs all (000) TVSV 18-49(WVZ5-54(000). Plug to query.

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vised construction of the world's longest banana split (4.39miles). Smells like an ep of "Man vs Food."

**On the Hill:** The **House Committee on Small Business** leaders are asking **NTIA** and **RUS** to target broadband stimulus funds to unserved areas first, and only dole out money to underserved areas if funding remains. The letter to the agencies is signed by the chair, ranking member and several other members. It comes after a hearing last month on stimulus funding from the Recovery Act. **ACA** applauded the move, saying it incorporates many of the concerns **ACA** board member **NewWave Comm** pres/CEO *James Gleason* raised at that hearing. Those issues include a first-lien rule and the prohibition on the sale of funded infrastructure for 10 years. **NewWave** has applied for \$10.1mIn in stimulus funds to upgrade fiber and cable facilities in 11 communities in IL, IN, MO and SC.

**Reform Time:** Just about everyone agrees that the Universal Service Fund needs overhauling; it's the how that trips folks up. Tues' **House Communications Subcmte** hearing on Reps *Rick Boucher* (D-VA) and *Lee Terry's* (R-NE) draft proposal, which would, among many other things, apply USF to broadband deployment. That raised some concerns for Republican *Joe Barton* (TX). "We are already going to spend over \$7bln in 'stimulus' money to fund new broadband projects," he said in his formal statement. With broadband mapping so nascent, he said "adding broadband to universal service now would mean putting the cart before the horse." Barton pushed for a cap on the fund. **NCTA's** *Kyle McSarrow* testified that a tailored broadening of USF could "include carefully targeted subsidies" for broadband but also advocated a meaningful cap on the fund and a reduction in support where the fund is no longer needed. **NCTA** wants the fund to stop subsidizing incumbent telcos in competitive areas (including from cable voice service). **Verizon** threw its support behind the draft, saying it moves closer to addressing the most pressing matters—an overall budget for the fund, a new contribution method, competitive bidding for wireless support, a date certain for related reform of intercarrier compensation and an end to traffic pumping.

**Competition:** **AT&T U-verse** bowed 2 new free apps: **Offers On Demand**, which allows viewers to redeem on-screen coupon codes for discounts on movie rentals, and **Caller ID on TV**, available now in Austin and slated to roll out on a market-by-market basis in all U-verse markets. The discount codes are available linearly, online and via wireless handsets. Separately, AT&T tapped **Language Line Services** to provide customer service assistance in more than 170 languages. -- **Nexstar** chose **Cable Audit Associates** to help financially manage its retrans deals with cable, satellite and telco ops.

**Interactive Advertising:** **Cox** and **NBC Universal** have launched a dynamic ad trial in Phoenix for VOD eps of **NBC's** "The Office" and **USA's** "Monk." This follows a successful Cox technology trial earlier this year in Kansas that tested dynamic ad insertion with Cox-owned **Travel Channel** VOD content. During the trial, up to four ads and/or promos in both programs are refreshed several times per week, including ads at the beginning of the program as well as ads within the program, known as interior breaks. **Avail-TVN**, **SeaChange** and **Texscan** collaborated to support the end-to-end workflow required for dynamic ad insertion. -- 24 companies participated in **CableLabs'** week-long Advanced Advertising Interop, held in conjunction with **SCTE DVS/Working Group 5** and **Canoe Ventures**. The companies demo'd interoperability using the Advanced Advertising 1.0 spec for a variety of ad formats, including interactivity, VOD ad insertion in content, ad insertion in linear content and telescoping. Participating companies included: **Alcatel-Lucent**, **Arris**, **Avail-TVN**, **BigBand**, **BlackArrow**, **Cisco**, **Concurrent**, **Ensequence**, **FourthWall Media**, **Motorola**, **NBCU**, **NDS**, **Nielsen Claritas**, **OpenTV**, **RGB Networks**, **SeaChange**, **Sigma**, **Softel**, **Strategy and Technology**, **Tandberg Television**, **ThinkAnalytics**, **ThisTechnology**, **UniSoft** and **Visible World**.

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# BUSINESS & FINANCE

**In the States:** Paul Allen was diagnosed earlier this month with non-Hodgkin's lymphoma and is undergoing chemo, the *WSJ* reported. In an email to **Vulcan** employees, Vulcan CEO *Jody Allen* (Allen's sister) said it is "tough news," but her brother is "optimistic he can beat" the disease as he previously did with Hodgkin's disease.

-- **Buckeye Cablevision** deployed a fiber-to-the-home trial in its Toledo system comprised of 150K subs.

**At the Portals:** The **FCC** holds a field hearing in Memphis (Dec 5, 11am) examining broadband deployment.

**Ratings:** Weekly ratings and rankers were delayed Tues for local and national audience estimates because of a power outage at **Nielsen's** data center in Oldsmar, FL. Ratings weren't expected to be available until Wed morning at the earliest.

**People:** A slate of sr execs was named Tues for **Discovery** and **Hasbro's** kids jv, set to launch late next year. *Amber Fredman-Tarshis* of **Victoria's Secret** was brought on board as chief marketing officer. *Discovery's Dan Pimentel* was tapped as CFO. *Brooke Goldstein*, most recently of **Mediacom Comm**, was named svp, ad sales, and **Hasbro's Lorrie Copeland** was named svp, consumer insights and research. -- *Eileen Kieran* was named vp, integrated sales marketing for **Green is Universal** and **Healthy at NBCU**, and *Sandra Cordova Micek* was named vp, integrated sales marketing, **Women at NBCU**.

## CableFAX Daily Stockwatch

Company	11/17 Close	1-Day Ch	Company	11/17 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	36.76	0.30	AMPHENOL:	43.32	0.13
DIRECTV:	30.93	0.62	APPLE:	207.00	0.37
DISH:	22.15	0.44	ARRIS GROUP:	11.09	0.03
DISNEY:	30.87	0.17	AVID TECH:	12.40	(0.52)
GE:	16.02	0.02	BIGBAND:	3.75	(0.06)
NEWS CORP:	14.95	(0.14)	BLNDER TONGUE:	0.97	(0.02)
<b>MSOS</b>					
CABLEVISION:	26.16	(0.01)	BROADCOM:	30.15	0.15
COMCAST:	15.51	(0.34)	CISCO:	24.09	0.22
COMCAST SPCL:	14.80	(0.31)	CLEARWIRE:	6.23	(0.19)
GCI:	6.22	(0.13)	COMMSCOPE:	29.34	0.03
KNOLGY:	10.00	(0.2)	CONCURRENT:	3.76	0.07
LIBERTY CAPITAL:	24.85	0.04	CONVERGYS:	11.93	0.01
LIBERTY ENT:	35.80	0.88	CSG SYSTEMS:	17.30	(0.11)
LIBERTY GLOBAL:	21.53	(0.27)	ECHOSTAR:	20.22	(0.33)
LIBERTY INT:	11.06	0.16	GOOGLE:	577.49	1.21
MEDIACOM:	4.53	(0.17)	HARMONIC:	5.44	(0.01)
RCN:	8.93	0.05	INTEL:	20.32	0.09
SHAW COMM:	18.99	0.09	JDSU:	7.73	(0.1)
TIME WARNER CABLE:	42.94	(0.13)	LEVEL 3:	1.23	(0.01)
VIRGIN MEDIA:	16.72	0.07	MICROSOFT:	30.00	0.46
WASH POST:	435.96	2.12	MOTOROLA:	8.85	0.15
<b>PROGRAMMING</b>					
CBS:	13.85	0.11	OPENTV:	1.55	0.00
CROWN:	1.69	0.10	PHILIPS:	27.68	(0.34)
DISCOVERY:	31.88	0.31	RENTRAK:	15.85	(0.55)
EW SCRIPPS:	6.93	(0.03)	SEACHANGE:	5.75	(0.22)
GRUPO TELEVISA:	21.19	(0.94)	SONY:	28.45	(0.18)
HSN:	18.39	0.10	SPRINT NEXTEL:	3.70	0.20
INTERACTIVE CORP:	20.06	0.13	THOMAS & BETTS:	37.98	(0.37)
LIBERTY:	36.07	(0.13)	TIVO:	11.06	(0.15)
LODGENET:	5.49	(0.01)	TOLLGRADE:	6.19	0.04
NEW FRONTIER:	1.92	0.01	UNIVERSAL ELEC:	22.40	(0.78)
OUTDOOR:	6.19	(0.06)	VONAGE:	1.28	(0.03)
PLAYBOY:	4.10	(0.68)	YAHOO:	16.05	(0.02)
RHI:	0.78	(0.04)	<b>TELCOS</b>		
SCRIPPS INT:	40.78	(0.23)	AT&T:	26.28	(0.01)
TIME WARNER:	32.55	0.20	QWEST:	3.81	0.04
VALUEVISION:	3.70	0.10	VERIZON:	30.65	0.32
VIACOM:	32.90	(0.11)	<b>MARKET INDICES</b>		
WWE:	15.95	(0.04)	DOW:	10437.42	30.46
<b>TECHNOLOGY</b>					
3COM:	7.50	0.00	NASDAQ:	2203.78	5.93
ADC:	7.07	0.10			
ADVANTAGE:	2.21	(0.18)			
ALCATEL LUCENT:	3.91	(0.03)			
AMDOCS:	27.01	(0.03)			

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