

CableFAX Daily™

Monday — November 23, 2009

What the Industry Reads First

Volume 20 / No. 225

Happy Trails: CableFAX Bids Farewell to Paul Maxwell

Today we tip our cowboy hats to Paul Maxwell, who hangs up his **CableFAX** pen after more than 20 years. His final "Max-Fax" column appears on page 4. Maxwell, who launched Cfax and Multichannel News in the '80s, has delivered plenty of scoops over the years (Westinghouse buying Teleprompter, the creation of the US Football League) and more than a few funny nicknames. Wouldn't you agree, Martin(et)? What follows is a bit of an exit interview. **There have obviously been a lot of changes in the cable industry since you started CableFAX. But what's stayed the same?** There are still a lot of great people. It's got a great social aspect to it. There are tons of friends in this business, and I've been lucky enough to make a lot of them and intend to keep them. I'm not leaving the business. It's just things run their course. **What changes in the industry surprise you the most today?** The overbuilding from the telephone companies. They have a need to do it. Overbuilding has proven that you can't really ever dominate, but [WOW's] Colleen Abdoulah sort of proved that you can do it and do it right. To watch the phone companies get to cherry pick and have the politics of change so they didn't have to build out 12 franchise areas gives them kind of an upper hand, and that surprised me. **What column have you written that has generated the most letters?** Well, [last] week's generated about 80 of them (it contained a line noting that this week's column would be his last). It started Fri night. People read **CableFAX**, that's for sure. They always have. **Who is the smartest cable executive you ever met?** Bill Daniels, because he had a vision. He was always looking around the corner at what's next. He was such a wonderful evangelist for cable. He's responsible for building it into a modern thing. John Malone then turned it into one of the greatest business growth engines that anybody's ever seen. Because he understood first of all, that they aren't building any more cities, so let's amass as many franchises as we can. And secondly, he understood the power of helping start networks. **So, which 3 members of the industry would you want to have at your dinner table?** Ted [Turner], Bill Daniels and Bill Bresnan. Bresnan epitomizes the classy approach to running the business. Ted epitomizes the let's all take chances. And Bill was the original visionary and a wonderful mentor to me. **Predictions for next year and beyond?** I'm going to presume that Comcast manages to do what it wants to do, and that is gain control of the programming assets of NBC Universal. They're probably going to spin off the television stations I would think, but cross-ownership and the remaking of the entire information entertainment industry in one sense might already be under-



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way. With newspapers and local news under such pressure, it might be an entirely different landscape. **Cablevision** is doing very interesting integrated things with *Newsday*. On an operating basis today, *Tom Rutledge* might be the smartest cable operator because they know what their goals are and they go get them... They don't seem to have to answer to anybody. Across the next decade, the entire landscape of information and entertainment is going to change. How it's going to turn out is anybody's real guess. You might see people do things like Cablevision does, which is literally dominate a market with every outlet. They're letting a lot of other voices in because of the network aspect of things, but truly dominating locally.

Malone Mania: **Liberty Starz** began **NASDAQ** trading Fri with a rush, closing at \$50.25/share after completing its when-issued run Thurs at \$47.84. As the 1st equity ever with dominant ties to a premium cable net, it will provide transparency as **CBS** and **Time Warner** rarely delve deeply into the details of **Showtime** or **HBO**, respectively. But with that openness, of course, comes scrutiny, and on Fri **Pali's Rich Greenfield** offered additional views of **LSTZA** after tagging it with an initial 'neutral' rating. As **Starz Ent** execs on Thurs noted **Encore's** month-to-month carriage deal with **Comcast**, Greenfield suggested the MSO drop that net in favor of **Epix** for myriad reasons. "Not only would Comcast be able to save money, boosting its near-term profits, it would also be able to work with a content provider (Epix) that is trying to help multichannel distributors versus one that is disintermediating distributors (Starz Encore)," said Greenfield. He estimated that Comcast currently pays \$0.75/sub/month for Encore. Comcast and Starz have a deal that runs through '12. Meanwhile, **Liberty Ent's** merger with **DirecTV** also has Wall St implications, with **Wells Fargo Securities' Marci Ryvicker** dropping her '09 EPS estimates for DTV to \$1.14 from \$1.45 based on assumed debt. However, citing various future growth catalysts, Ryvicker raised DTV's valuation range to \$34-\$36 from \$32-\$34. DTV shares were basically flat Fri. As part of the merger, Liberty Sports Group has been rebranded **DirecTV Sports Networks**, comprised of **FSN NW**, **FSN Pittsburgh** and **FSN Rocky Mountain**.

Ohhprah: *Oprah Winfrey* changed the face of network TV, and big change will come when her cable net **OWN**, a joint venture with **Discovery Comm**, launches in Jan '11. Then in Sept, Oprah ends her 25-yr broadcast run and could create her own new show for OWN. Specific content announcements are expected in the coming weeks. "We congratulate her and our friends at Harpo for their many achievements," said Discovery pres/CEO *David Zaslav*. "We look forward to bringing her and her creative vision, programming and unique voice to approximately 80 million homes on OWN."

ESPN Shakeup: **ESPN** svp, marketing *Katie Lacey* and evp, programming, planning dev *David Berson* are out. "At the expiration of their contracts, neither will be renewed," an ESPN spokesperson said, declining further comment. Lacey has already left the network, and Berson has been placed on special assignment until his contract ends, according to sources.

New Guidance: **TV Guide Net** scored a key carriage extension with **Comcast**, marking its 1st major deal since instituting sweeping content changes under **Lionsgate's** majority ownership. In recent months, the net has picked up cable rights for **HBO's** "Curb Your Enthusiasm," **ABC's** "Ugly Betty" and *Ashton Kutcher's* "Punk'd."

Competition: **Verizon** is slated to hold a press event Mon announcing the launch of **FiOS TV** in **Comcast's** backyard of Philly. The telco has a 15-year video franchise agreement with the city.

People: **Outdoor Channel** named *Jim Wilburn* chmn, *Jason Keys* CEO and *Marc Kidd* pres, media sales at **Winnercomm**.

The CableFAXIES awards

DEADLINE: FEBRUARY 5, 2010

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Sponsorship Opportunities: Debbie Vodenos at 301-354-1695;
dvodenos@accessintel.com

Entry Questions: Saun Sayamongkhun at 301-354-1610;
ssayamongkhun@accessintel.com

The CableFaxies Awards salute the year's most outstanding communications initiatives and programs in the highly competitive and dynamic Cable arena. The coveted awards set the industry benchmark for excellence across all areas of PR and marketing.

The Winners of the CableFAXIES Awards are from networks, operators, PR firms, vendors, corporations, agencies and other entertainment companies who took chances, made tremendous strides and understand the power of PR and marketing in the cable industry. The winners and honorable mentions will be saluted during an awards event in April 2010 in New York City.

CableFAX Week in Review

Company	Ticker	11/20 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	35.70	(1.33%)	25.70%
DIRECTV:	DTV	31.54	5.77%	37.67%
DISH:	DISH	19.99	(4.85%)	80.25%
DISNEY:	DIS	30.01	(1.41%)	32.26%
GE:	GE	15.59	(0.45%)	(3.77%)
NEWS CORP:	NWS	14.13	(4.59%)	47.49%

Company	Ticker	11/20 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	25.60	1.99%	52.02%
COMCAST:	CMCSA	15.01	(2.72%)	(11.08%)
COMCAST SPCL:	CMCSK	14.27	(4.1%)	(11.64%)
GCI:	GNCMA	6.14	(0.16%)	(24.1%)
KNOLOGY:	KNOL	9.94	(2.83%)	92.64%
LIBERTY CAPITAL:	LCAPA	23.11	(4.43%)	390.66%
LIBERTY GLOBAL:	LBTYA	20.39	(4.09%)	28.08%
LIBERTY INT:	LINTA	10.63	(1.3%)	240.71%
MEDIACOM:	MCCC	4.25	(2.97%)	(1.16%)
RCN:	RCNI	8.64	4.73%	46.44%
SHAW COMM:	SJR	18.62	(0.8%)	5.32%
TIME WARNER CABLE:	TWC	42.39	0.50%	97.62%
VIRGIN MEDIA:	VMED	16.40	0.74%	228.66%
WASH POST:	WPO	414.30	(2.41%)	6.16%

Company	Ticker	11/20 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	12.84	(1.31%)	56.78%
CROWN:	CRWN	1.67	7.05%	(41.4%)
DISCOVERY:	DISCA	31.16	1.96%	120.06%
GRUPO TELEVISIA:	TV	20.76	(1.38%)	38.96%
HSN:	HSNI	18.64	7.37%	156.40%
INTERACTIVE CORP:	IACI	19.41	(1.07%)	23.39%
LIBERTY:	L	35.50	0.06%	25.66%
LIBERTY STARZ:	LSTZA	50.25	6.89%	7.60%
LIONSGATE:	LGF	5.08	(3.24%)	(7.64%)
LODGENET:	LNET	5.28	2.13%	654.29%
NEW FRONTIER:	NOOF	1.90	(2.06%)	11.76%
OUTDOOR:	OUTD	6.10	(4.98%)	(18.56%)
PLAYBOY:	PLA	3.84	(15.6%)	77.78%
RHI:	RHIE	0.73	(5.19%)	(91.01%)
SCRIPPS INT:	SNI	40.24	(1.01%)	82.91%
TIME WARNER:	TWX	31.64	(0.97%)	214.51%
VALUEVISION:	VVTV	3.37	(5.34%)	921.21%
VIACOM:	VIA	31.52	(3.16%)	56.66%
WWE:	WWE	16.09	3.87%	45.22%

Company	Ticker	11/20 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	7.45	(0.8%)	226.75%
ADC:	ADCT	5.91	(12.7%)	8.04%
ADDVANTAGE:	AEY	2.09	(15.04%)	17.42%
ALCATEL LUCENT:	ALU	3.62	(4.74%)	68.37%
AMDOCS:	DOX	26.43	(0.79%)	44.51%
AMPHENOL:	APH	42.04	(0.54%)	75.31%
APPLE:	AAPL	199.92	(2.22%)	134.24%
ARRIS GROUP:	ARRS	10.08	(6.75%)	26.79%
AVID TECH:	AVID	11.78	(2.56%)	7.97%
BIGBAND:	BBND	3.66	(1.08%)	(33.7%)
BLNDER TONGUE:	BDR	0.95	(5%)	(5.94%)
BROADCOM:	BRCM	28.76	(0.45%)	69.48%

Company	Ticker	11/20 Close	1-Week % Chg	YTD %Chg
CISCO:	CSCO	23.46	(1.05%)	43.93%
CLEARWIRE:	CLWR	5.67	(6.59%)	15.01%
COMMSCOPE:	CTV	26.97	(6.19%)	73.55%
CONCURRENT:	CCUR	3.59	(0.28%)	5.59%
CONVERGYS:	CVG	11.45	(1.46%)	78.63%
CSG SYSTEMS:	CSGS	16.83	(0.94%)	(3.66%)
ECHOSTAR:	SATS	20.15	(1.66%)	35.51%
GOOGLE:	GOOG	569.96	(0.36%)	85.26%
HARMONIC:	HLIT	5.22	(0.19%)	(6.95%)
INTEL:	INTC	19.24	(2.93%)	31.24%
JDSU:	JDSU	7.29	(4.46%)	99.73%
LEVEL 3:	LVL	1.21	0.00%	72.86%
MICROSOFT:	MSFT	29.62	(0.03%)	52.37%
MOTOROLA:	MOT	8.28	(5.69%)	86.91%
OPENTV:	OPTV	1.50	(2.6%)	21.95%
PHILIPS:	PHG	26.76	(1.98%)	34.68%
RENTRAK:	RENT	15.45	(1.21%)	37.95%
SEACHANGE:	SEAC	5.67	(10.57%)	(21.36%)
SONY:	SNE	26.80	(5.47%)	22.54%
SPRINT NEXTEL:	S	3.76	21.29%	105.46%
THOMAS & BETTS:	TNB	37.09	(1.33%)	54.41%
TIVO:	TIVO	10.66	(2.74%)	48.88%
TOLLGRADE:	TLGD	5.96	(2.77%)	24.69%
UNIVERSAL ELEC:	UEIC	22.19	(3.73%)	36.81%
VONAGE:	VG	1.16	(11.45%)	75.76%
YAHOO:	YHOO	15.38	(3.45%)	26.07%

Company	Ticker	11/20 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	26.02	(0.88%)	(8.7%)
QWEST:	Q	3.74	(1.84%)	2.75%
VERIZON:	VZ	30.43	1.00%	(10.24%)

Index	Value	% Chg	YTD %Chg	
MARKET INDICES				
DOW:	DJI	10318.16	0.46%	17.57%
NASDAQ:	IXIC	2146.04	(1.01%)	36.08%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. SPRINT NEXTEL:	3.76	21.29%
2. HSN:	18.64	7.37%
3. CROWN:	1.67	7.05%
4. LIBERTY STARZ:	50.25	6.89%
5. DIRECTV:	31.54	5.77%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. PLAYBOY:	3.84	(15.6%)
2. ADDVANTAGE:	2.09	(15.04%)
3. ADC:	5.91	(12.7%)
4. VONAGE:	1.16	(11.45%)
5. SEACHANGE:	5.67	(10.57%)

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MaxFAX...

Time for Thanks... & So Long...

It's been good to know you these past 20+ years of appearing on this page dated Monday mornings – not to mention the 20 or so years that went before with *CATV Newsweekly*,



Paul S. Maxwell

TV Communications, *CableVision*, *Multichannel News* and *MSO*. This is my last column. My thanks to all of you who read these missives, liked some, hated some, dissed me a bit and even sent a compliment

or two this way. My thanks also to **Access Intelligence** (particularly the great writers I've worked with including *Mike Grebb*, *Amy Maclean*, *Seth Arenstein*, *Marc Smith*, *John Ourand*, *Steve Donohue*, *Jeff Baumgartner* and all the others plus those on the business side including *Nancy Maynard*, *Paul McPherson*, *Diane Schwartz*, *Carol Brault*, *Scott Gentry*, *Dave Decker* and *Debbie Vodenos*) for allowing me to continue to contribute to one of the best ideas I (and *Paul Levine*) ever had. The one good news part, a long time ago when I sold **CableFAX** to what was then **Phillips Business Information**, part of the compensation was a lifetime (mine and/or the newsletter's) subscription... so, ya'll all stick with it, too... best day-in, day-out cable

coverage there was, is or ever will be.

I'd write that I was "resigning to spend more time with my family" but you'd know that I already have a vigorous family (and exotic vacation) life... I'm already often late to work because it snowed heavily or *Brigadier* (the rescued Shelltie) wanted to go for a hike.

I'm quitting this column because the world has changed. Cable ain't what it was; it is a very complicated and maturing business. Some years ago, my other world (**Media Business Corp** – aka **MEDIABIZ**) got started tracking subscribers to DBS in a very granular manner (the ECTRs)... now it is growing into a major provider of business intelligence across all platforms. So, I find that I need to pay close attention to it. I don't plan to disappear, but to become more active (new email: max@mediabiz.com - other info at www.mediabiz.com) in the industries.

So leaving this page gives me the chance to even a lot of scores and maybe write that book with the treasure maps showing where all the dead bodies are buried... just kidding, but I'd like to file a few last missives aimed at the various parts of this great cable industry and its gathering remora...

• **For Operators:** ain't inertia wonderful? – lead the charge to IPTV – enable great content (hide the rest) – think beyond "TV Everywhere" to "everywhere there's 'TV'" – don't get greedy.

• **For Programmers:** know that content isn't quite "king" – it takes two to tango (really three, don't forget the subscriber) – and, don't get greedy.

• **For Suppliers:** keep innovating – don't give up.

• **For "Broadcasters":** give back that spectrum, pay the distributors instead.

• **For "Other" Competitors:** keep trying; competition has made every distributor better.

• **For Public Policy Wonks:** take that spectrum – make broadband literally ubiquitous and wireless – just don't freeze out the original distributors – regulate, but don't over-regulate (remember, history shows that rule makers tend to regulate yesterday and not today or tomorrow).

• **For Association Folks:** watch those tensions between content and conduit... or else there will be different associations. (NOTE: **NCTA** has always harbored – and managed to represent – both. Makes a compelling case for continued cooperation even as the businesses changes).

Random Notes:

• **No more:** Happy Thanksgiving.

Paul Maxwell

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