

CableFAX Daily™

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What the Industry Reads First

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Shopping Around: Cable One Wants More Time to Find Vendor, Sub \$50 Box

Remember when **Cable One** made history by receiving the 1st FCC waiver for a cable operator to deploy low-end, integrated set-tops that have HD (*Cfax*, May 29)? In committing to providing HD-capable all-digital devices (HD ADD) to all subs in its Dyersburg, TN, system, Cable One was working under the assumption that it could purchase a box at wholesale for \$50 or less. The problem is that at the present time there is no HD ADD device available at that price, Cable One told the FCC this week. The MSO is asking the Commission for an extension until Jan 31 to place orders for sufficient 1-way, HD ADDs for Dyersburg. Cable One said it remains optimistic that the \$50 price point can be met. Nearly all of the products being discussed aren't available yet, so additional time may be needed to deliver a prototype, conduct beta tests, etc. Therefore, it's also asking the FCC to let it transition the system to all digital within 6 months of the delivery of the necessary HD ADD components (the May FCC Media Bureau waiver said the system was to be converted within 1 year). In that initial waiver request, Cable One said it had engaged in extensive discussions with **Evolution Broadband**. Since receiving the waiver, it also has talked with hardware, software and conditional access suppliers, including **Cisco, Motorola, Coship, DMT, Homecast, Huawei, Rinatto, uBee, Pace, Thomson, EchoStar, NDS, Nagra Vision, BBT, Conax, Irdelto, Latens** and **Humax**. "Because Cable One has been afforded the flexibility to select the most appropriate vendor in each of the 3 categories, the resultant competition is likely to produce an ultimate solution with better performance and lower cost, whether that solution involves all 3 components from a traditional major vendor or from some combination of the vendors listed above," Cable One said, noting that some vendors have announced plans to develop a single-chip approach for set-tops that should lead to further cost reductions. While the MSO said the number of vendors interested was unanticipated, it did tell the FCC that it's close to making a decision. The May FCC waiver exempted Cable One from rules requiring cable ops to deploy boxes with separable security (CableCARDS) and from rules requiring HD boxes to have an IEEE 1394 interface.

Head Mouseketeer: **Disney** turned to its successful Latin America operations for a successor to *Rich Ross*, who left **Disney Channels Worldwide** to head **Walt Disney Studios** last month. *Carolina Lightcap* was promoted to pres, Disney Channel Worldwide, effective immediately. She most recently served as svp, programming and creative

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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

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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, 301/354-1695, dvodenos@accessintel.com ● Advertising Mgr: Erica Gottlieb, 212.621.4612 ● Marketing Director: Carol Brault, 301.354.1763, cbrault@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: Carol Brault, 301.354.1763, cbrault@accessintel.com

affairs, **Disney Channels Latin America**, and as CMO for **Walt Disney Company, Latin America**. She'll relocate to Burbank from Buenos Aires. "Carolina has made enormous contributions to Disney over the past decade, especially in launching and building Disney Channel Latin America into the #1 cable channel in the region," said *Anne Sweeney*, co-chair, **Disney Media Networks** and pres, **Disney/ABC Television Group**. Lightcap led the transition of Disney Channel from a premium to basic service in Latin America, where it became the pan-regional ratings leaders among kids, tweens, cable HHs and the cable universe for 4 consecutive years (FY06-FY09). Disney also announced that in recognition of his "extraordinary and continuing contribution," *Gary Marsh* will assume the new title of chief creative officer in addition to his current title of pres, entertainment, Disney Channels Worldwide. He'll remain in charge of all program development, creative and production and report to Lightcap.

Carriage: **Bright House** launched French-language net **TV5Monde** (\$10/month) in Orlando. -- **Cablevision** added Spanish-language net **Tele El Salvador** to its **iO en Espanol** package (\$7/month).

Research: According to **Frank N. Magid Assoc**, 14mln US HHs own HDTVs but receive no HD programming service. Two-thirds of HDTV owners receive a companion high-def service, but the percentage represents only modest growth over the 64% reported in '08. To capitalize on this adoption disparity, Magid suggests improved marketing centered on available HD services and demonstrating the value of those services. 13% of consumers said they've not seen or heard anything about high-def TV, the highest percentage since '02, and 42% of HDTV owners said the high-def "options are not worth the fees." On a positive note, an increasing percentage of HDTV buyers are ordering HD service directly after the purchase, and 22% of recent HDTV purchases said they may order cable HD in the next 6 months, compared to the 16% who may sign up for satellite HD. -- MMA draws fans that not surprisingly skew younger and male, but are also 15% more likely than the avg American adult to have a HH income of \$75K+ and 10% more likely to own a 2nd home, according to **Scarborough Sports Marketing**. Also, the fan base is well above the national avg for current ownership of high-tech HH items such as HDTVs, VOD service and broadband. That's good news for cable nets featuring MMA, such as **HDNet** and **Spike**. Spike's gearing up now for heavily hyped *Kimbo Slice's* debut fight with **UFC** on Dec 5.

Advertising/Marketing: **Google** agreed to license and integrate **TiVo's** TV viewing data into its audience measurement covering ads sold through the **Google TV Ads** platform. Since '07, Google TV Ads has served more than 100bln TV ad impressions.

Technology: **TiVo** will develop a converged TV and broadband interactive interface to power **Virgin Media's** next generation HD set-tops, and Virgin will become the exclusive distributor of TiVo services and tech in the UK. -- **Tandberg Television** will retire its name next year and market all of its TV solutions under the **Ericsson** brand. The change comes 2.5 years after Tandberg became part of the Ericsson group.

Ratings: Although *Mr. Monk* would no doubt feel quite uncomfortable at a football game, **USA's** "Monk" was surrounded by pigskin last week, earning a 3.8/3.75mln for the series' penultimate ep. After 8 seasons, the show wraps up with a 2-part finale this Fri and next, and last week trailed only **ESPN's** MNF and **NFL Net's** live game telecast in viewership. Also boosted by **WWE** content and "White Collar," USA led all nets in prime ratings with a 2.3/2.32mln. ESPN followed with a 2.2/2.19mln, hampered slightly by relatively low MNF ratings (7.6/7.48mln) due to inclusion of the dreadful Browns. **Fox News** (1.9/1.89mln) and **Disney Channel** (1.9/1.84mln) tied for 3rd position, and were followed by **TNT** (1.5/1.48mln) and **Nick at Nite** (1.5/1.46mln) in 5th. -- **Brag Book:** **History's** "WWII in HD" earned an avg over 5 nights of 2.4mln total viewers, 970K 25-54s, 840K 18-49s and a 2.9 HH rating. More than 24mln viewers watched at least a portion of the event, which versus the net's prime avg delivered healthy viewership increases ranging from 55% among 18-49s to 122% in HH rating. -- The season finale of **HBO's** "Curb Your Enthusiasm" garnered 1.33mln viewers, the most for a finale in more than 5 years. The show averaged a gross audience of 5.1mln viewers per ep this season (linear airings, DVR and HBO On Demand), up 36% from last season. -- **Speed's** **NASCAR Camping World Truck Series** notched its best-ever HH rating avg of 0.81 for the season, up 30% since '03. -- **TNT** continues to enjoy its most-watched **NBA** regular season in **Turner's** 26 years of coverage, delivering through 10 games averages of 2.27mln total viewers (+24%), 1.72mln HHs (+34%) and 577K males 18-34 (+31%).

Programming: **FX** earned the TV rights to the "Twilight" movies for feature beginning in '11. -- **USA** greenlit a 5th season

BUSINESS & FINANCE

of "Psych" (summer). -- **TV Guide**
Net's "I Dreamed a Dream: The Susan Boyle Story" (Dec 13) debuts in the US following its world premiere on **ITV1** in the UK. -- "Dog the Bounty Hunter" returns to **A&E** for a 6th season Dec 2, marking the show's 150th ep.

Public Affairs: **ESPN's** 3rd annual **Jimmy V Week** initiative (Dec 2-8), which strives to raise awareness and funds for cancer research, will feature special content across platforms and programs. The initiative kicks off with a simulcast across **ESPN** platforms of *Jim Valvano's '93 ESPYs* speech and concludes with the **Jimmy V Women's Basketball Classic**. In the 1st 2 years, Jimmy V Week has raised more than \$1.4mln in net proceeds for cancer research.

Editor's Note: Your next issue of **CableFAX** will be dated Mon, Nov 30. Happy Thanksgiving.

Business/Finance: **Windstream** will acquire **Iowa Telecom** and its approx 256K access lines, 95K HSD subs and 26K digital customers in IA and MN. -- **Adconion Media Group** picked up certain assets of online video portal **Joost**, which it plans to continue operating. In Jun, Joost refocused its efforts to providing online video platforms for media companies and distributors yet continued to struggle. -- The **FTC** cleared **Panasonic's** \$9bln acquisition of **Sanyo** but conditioned approval on the divestiture of Sanyo's nickel metal hydride battery business.

CableFAX Daily Stockwatch

Company	11/24 Close	1-Day Ch	Company	11/24 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	35.93	(0.22)	AMPHENOL:	42.43	(0.22)
DIRECTV:	31.91	0.32	APPLE:	204.44	(1.44)
DISH:	20.92	0.55	ARRIS GROUP:	10.13	(0.07)
DISNEY:	30.23	(0.25)	AVID TECH:	12.05	(0.09)
GE:	16.12	0.10	BIGBAND:	3.59	(0.1)
NEWS CORP:	14.09	(0.1)	BLNDER TONGUE:	1.01	0.07
MSOS					
CABLEVISION:	25.28	(0.02)	BROADCOM:	29.30	0.05
COMCAST:	15.12	0.03	CISCO:	23.74	(0.16)
COMCAST SPCL:	14.28	0.05	CLEARWIRE:	5.43	(0.12)
GCI:	6.45	0.02	COMMSCOPE:	27.24	(0.44)
KNOWLOGY:	10.02	0.02	CONCURRENT:	3.51	0.01
LIBERTY CAPITAL:	22.67	(0.44)	CONVERGYS:	11.54	(0.04)
LIBERTY GLOBAL:	20.13	(0.5)	CSG SYSTEMS:	16.98	(0.37)
LIBERTY INT:	10.28	(0.17)	ECHOSTAR:	20.22	(0.19)
MEDIACOM:	4.16	(0.21)	GOOGLE:	583.09	0.74
RCN:	9.13	0.21	HARMONIC:	5.34	0.00
SHAW COMM:	18.91	0.15	INTEL:	19.39	(0.01)
TIME WARNER CABLE:	43.33	(0.19)	JDSU:	7.40	0.00
VIRGIN MEDIA:	16.39	(0.18)	LEVEL 3:	1.21	0.03
WASH POST:	410.01	(5.9)	MICROSOFT:	29.91	(0.03)
PROGRAMMING					
CBS:	13.13	0.31	MOTOROLA:	8.19	(0.11)
CROWN:	1.53	(0.04)	OPENTV:	1.54	0.01
DISCOVERY:	31.95	0.31	PHILIPS:	27.59	0.10
GRUPO TELEVISIA:	20.71	(0.11)	RENTRAK:	15.03	(0.56)
HSN:	18.59	(0.25)	SEACHANGE:	5.74	(0.19)
INTERACTIVE CORP:	19.93	(0.04)	SONY:	26.62	(0.69)
LIBERTY:	35.60	(0.31)	SPRINT NEXTEL:	3.75	(0.15)
LIBERTY STARZ:	50.20	(0.96)	THOMAS & BETTS:	36.70	(0.69)
LIONSGATE:	5.01	0.03	TIVO:	10.97	0.24
LODGENET:	5.19	(0.23)	TOLLGRADE:	6.13	(0.06)
NEW FRONTIER:	1.90	0.00	UNIVERSAL ELEC:	22.78	(0.16)
OUTDOOR:	6.06	(0.07)	VONAGE:	1.20	0.02
PLAYBOY:	4.10	(0.02)	YAHOO:	15.24	(0.21)
RHI:	0.66	(0.02)	TELCOS		
SCRIPPS INT:	40.14	(0.3)	AT&T:	27.10	0.32
TIME WARNER:	31.45	(0.46)	QWEST:	3.78	0.00
VALUEVISION:	3.62	0.06	VERIZON:	31.87	0.54
VIACOM:	32.03	0.21	MARKET INDICES		
WWE:	15.83	(0.07)	DOW:	10433.71	(17.24)
TECHNOLOGY					
3COM:	7.44	(0.02)	NASDAQ:	2169.18	(6.83)
ADC:	6.15	0.15			
ADVANTAGE:	2.12	(0.08)			
ALCATEL LUCENT:	3.37	(0.16)			
AMDOCS:	26.90	(0.02)			

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Think about that for a minute...

It's About Time!

OK, I admit it, this is one of those "I told you so" columns, but isn't it amazing that it's taken this long to start a serious policy debate about why we are still giving away all that "ocean front" broadcast spectrum?

It's finally happened. Folks are finally asking some long-overdue questions about why so much of the "best" spectrum available is being squandered on multiple broadcast channels in each community. It's about time.

A vast majority of television viewers in the United



Steve Effros

States no longer rely on broadcast, over-the-air television reception. They rely on cable and satellite MVPD service. (By the way, unless there is a reason to, I don't distinguish between "telco" operation of a cable system and "cable" ownership of that infrastructure...they are both "cable" systems despite all the policy and

marketing hooah making believe they are different.)

So if most folks are not dependent on broadcast television spectrum use, and that spectrum is owned by the public, and it could be put to better use, why isn't it? I've been asking that question in this column and its forerunners for decades!

Some of the standard responses are now pure silliness; first there is the "localism" argument. Fine. Let's see a study of how many hours of truly "local" programming most "local broadcasters" actually produce. Take back the spectrum of all those who fall below, say, 25% primetime daily. That would be virtually every broadcaster in the country!

The second response you always hear is "local emergency" coverage. I call it the "tornado" justification. But that one doesn't fly for long either. Think about the "emergency broadcasting system." How does it work? All the stations trigger an alert, then most of them an-

nounce what channel you should turn to for emergency messages and then they turn off! So you don't really need all those broadcast channels showing reruns or home shopping for "emergency" reasons.. they tell you to stop watching them anyway. All you would need is an education campaign telling folks which one or two channels they should tune to when there is an emergency.

Of course the real broadcaster argument, other than that there are some folks who still do rely on "free" broadcast television, is that it is their spectrum and the government has no right to now take it back and use it for other good purposes. Well, sorry, that doesn't get very far either. It's the Public spectrum, and the licenses granted for its use are time limited and specifically not granted as an ownership right in perpetuity. As to those who still rely on broadcasting, they can be served in other ways, such as vouchers for MVPD, and the money made by reclaiming and reusing the broadcast spectrum would be more than sufficient to cover that bill. The voucher recipients would benefit as well by getting far more educational, instructional and government services programming than they do now.

Is any of this likely? Well, we have an FCC these days that really does look at "facts" sometimes. And the facts seem to favor reclaiming some, if not all of the broadcast spectrum. But there is also another fact: politically, this is a very difficult way to go. The broadcasters, at the very least, will have to be paid off to get them to relinquish "their" spectrum, and doomsday scenarios, which seem to be so popular today, will flourish. But could the Commission at least recommend a limited, compensated reclamation of some of the spectrum? Yes, and it would be about time!

Steve

T:703-631-2099
steve@effros.com

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