

CableFAX Daily™

Monday — December 1, 2008

What the Industry Reads First


Volume 19 / No. 231

Ad Tales: BBB Division Examines FiOS Ads—Again

The Natl Advertising Div of the Council of Better Business Bureaus has recommended that Verizon modify or discontinue some of the ad claims it's using for FiOS, following a challenge by Cablevision. NAD examined studies, head-to-head comparisons and more to determine that some of the claims regarding superior picture quality weren't supported. It said evidence was insufficient to support the claims: "so much more bright," "channels came on quicker," "colors were more vivid" and "no pixelation" (but "less pixelation" would be OK). On the other hand, NAD found there was reasonable basis for the claim "Pure Uncompressed High Definition," and customer testimonial claims of "the best TV picture, period," and "the best picture and sound you're ever gonna get. It's insane." The squabbling is evidence of the competition in NY and surrounding areas. "We're not surprised that Cablevision would attempt to prevent Verizon from bringing the facts about FiOS TV to the attention of consumers," a Verizon spokeswoman said. "The bottom line is the NAD's study found that FiOS TV's 'picture was clearer,' that 'you can really see the difference between cable and FiOS' picture quality,' and—most importantly—that Verizon can make the claim of 'the best TV picture, period' and 'the best picture and sound you're ever gonna get.' Rather than compete on the merits of the service we offer, Cablevision hopes to prevent consumers from getting the truth, and the fact is that Verizon FiOS offers 'the best TV picture, period.'" NAD said Verizon "respectfully disagrees" with certain findings, but "in the interest of the self-regulatory process, Verizon will take the NAD's recommendations into consideration in future advertising." Cablevision has brought complaints against FiOS advertising before, which have resulted in NAD recommending Verizon modify its FiOS Internet advertising to clearly convey that it isn't available to the broad market (*Cfax*, 7/1). "This is at least the 3rd time that the NAD has scrutinized Verizon's advertising and ordered the phone company to make significant changes in the claims it is making to promote its FiOS services, a record that should obviously be considered by consumers in this competitive market," a Cablevision rep said.

At the Portals: It looks like Mar 17 is the day for the start of hearings on program access complaints against Comcast, Cox, Time Warner Cable and Bright House. At a status conference Tues, newly appointed administrative law judge Richard Sippel indicated that a hearing would begin on Mar 17, that it wouldn't be constrained by formal time limits and that a recommended decision would follow at some unspecified time thereafter, according to an FCC motion filed by MASN. The ALJ is hearing complaints filed against the ops by MASN, NFL Net and Wealth TV. Presumably, he would begin hearing the complaints from all the programmers that day, but they would be continued on different dates. MASN filed a motion Wed requesting that its complaint against Comcast be heard by the full Commission or Media Bureau in light of an order throwing out a 60-day deadline for decisions and the ALJ requiring "re-litigation of disputes in the case and review all evidence de novo." A similar motion was filed this week by WealthTV.

Earnings: TiVo posted a 3Q profit of \$100.6mln, helped by the \$105mln DISH Network paid it in a patent lawsuit.



Tune in to America's Christmas Channel

Gospel Music Channel delivers the most Christmas music programming for your subscribers all through the season. Exclusive all-star performances and world premiere videos include Jars of Clay, the American Idols George Huff and Mandisa, Sixpence None the Richer, Brian McKnight, Ledisi, Take 6 and the much-anticipated MercyMe Christmas World Premiere Concert.

To request a spot and take advantage of this marketing and local ad sales opportunity, contact Tracey Took at (770) 692-4562 or ttook@gospelmusicchannel.com

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Revenue fell nearly 15% to \$64.5mln, while subs from MSOs (including **Comcast**, **DirecTV**, **Cablevision Mexico** and others) declined by 135K subs sequentially. **Cox** plans to make a TiVo service available to non-employees in its testing of the product in the next few months, execs said. TiVo also gave more details on last weeks layoff announcement (**Cfax**, 11/19), saying it involves 7% of its workforce. -- **SeaChange's** 3Q net income was up to \$3.4mln from \$3.3mln a year ago, while revenue climbed about 6% to \$51.8mln. Revenue for the software segment was up 29% \$37.6mln, which execs attributed to higher **Comcast** software upgrade revenue.

Deck the Walls: Comcast was slated to open to the public Thurs a 15-min holiday show on the giant video wall at its Philly HQ. The video, which plays through New Year's, is on an 83ft-wide, 25-ft high LED screen. It features Santa flying through Philly and cheery scenes from the city. The MSO will also collect toys and books for children in its lobby.

Drama Mamas: Bravo's "Real Housewives of Atlanta" reunion special Tues notched a 2.55 HH coverage rating. With 2.05mln 18-49 viewers, it's the 1st Bravo docu-series to crack the 2mln mark.

5Qs with Debbie Myers, Discovery Emerging Networks svp, programming: New series "Punkin' Chunkin'" and "Brink" aren't typical science shows. How do they reflect Science Channel's current programming mission?

These shows are going to be the birth of a much more fun, interactive, yet rich Science Channel where there's a sense of humor, there's a sense of playfulness. Science is all around us, and it affects our everyday lives, so let's celebrate the scientists and have fun with science. It's not spinach TV anymore. We make it relevant to the viewer [by creating] true entertainment programming that has an entertainment spine, and wrapping that knowledge and that deeper quest for science information around that. That's our mission. **Under what overall mission is Discovery Emerging Nets (Science, ID and Military) operating?** It's important for us to be very entrepreneurial with each brand. Think out-of-the-box business-wise, think out-of-the-box creatively, go deep into each initial brand because you have a loyal, passionate audience for each one. It's really cracking that code of what the audience expects you to deliver and delivering that in spades. What we look to do is also experiment in different ways of delivering that information, to be very strategic with viewers. **What can be expected from Whoopi Goldberg's recent development deal with Discovery Emerging Nets?** She has a lifelong love of knowledge and of learning, and what I see as her amazing strength is to be able to bring entertainment value and fun and playfulness to some arenas. So we're developing 2 big projects for Science Channel with her that just add that playfulness to bringing science to life. **How Does Science Channel plan to incorporate more well-known talent?** One way has been to bring in the great rock stars of science, wonderful innovators that just play to their own beat. Then we started a program to bring in the bright new shining stars that are out there, and we will work to groom them as the next wave of talent. The last part is to bring in A-level personalities, but they have to be passionate or involved in some way in science and innovation because it's the authenticity of that passion that the audience craves. Whoopi is 1 of 3 that are involved, so look for more to come. **Amid very difficult economic times, how are you as a programmer working to provide advertisers with additional value?** Your job as a programmer is to not only create shows that serve the viewers and get ratings, but to also look at revenue. The wonderful thing about emerging nets is it's very entrepreneurial, so we partner with advertisers all the time. Before this meeting, I had a 2-hour brainstorm with our ad sales department because we really pride ourselves on innovation. It's all about coming up with really creative ways, while keeping the editorial fair and balanced, to work with our advertising partners and do things that we hope have never been done before.



NEXT...

**SHATNER'S
RAW NERVE**

**TUESDAYS 10E/11P
PREMIERES DEC. 2**

bio.HD
TRUE STORY.

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www.mlbnetwork.com

Our National Pastime Goes Full Time.



CableFAX Week in Review

| Company | Ticker | 11/26 Close | 1-Week % Chg | YTD %Chg |
|------------------------------|--------|-------------|--------------|----------|
| BROADCASTERS/DBS/MMDS | | | | |
| BRITISH SKY: | BSY | 24.91 | 16.50% | (42.6%) |
| DIRECTV: | DTV | 22.40 | 18.10% | (3.1%) |
| DISNEY: | DIS | 22.50 | 12.90% | (30.3%) |
| ECHOSTAR: | DISH | 10.52 | 9.40% | (69%) |
| GE: | GE | 16.19 | 12.00% | (48.8%) |
| HEARST-ARGYLE: | HTV | 7.78 | (19%) | (62.6%) |
| ION MEDIA: | ION | 1.44 | | 11.60% |
| NEWS CORP: | NWS | 7.60 | 16.00% | (62.8%) |

| Company | Ticker | 11/26 Close | 1-Week % Chg | YTD %Chg |
|--------------------|--------|-------------|--------------|----------|
| MSOS | | | | |
| CABLEVISION: | CVC | 14.50 | 18.10% | (40.4%) |
| CHARTER: | CHTR | 0.19 | (17.4%) | (83.8%) |
| COMCAST: | CMCSA | 16.65 | 20.90% | (6.8%) |
| COMCAST SPCL: | CMCSK | 16.10 | 21.50% | (9.2%) |
| GCI: | GNCMA | 7.77 | 29.30% | (11.2%) |
| KNOLGY: | KNOL | 5.90 | 23.90% | (53.8%) |
| LIBERTY CAPITAL: | LCAPA | 3.52 | 25.70% | (84.9%) |
| LIBERTY ENT: | LMDIA | 11.29 | (11.8%) | (53.3%) |
| LIBERTY GLOBAL: | LBTYA | 13.36 | 11.20% | (65.9%) |
| LIBERTY INT: | LINTA | 2.60 | (1.1%) | (86.4%) |
| MEDIACOM: | MCCC | 2.57 | (4.8%) | (44%) |
| ROGERS COMM: | RG | 42.97 | | |
| SHAW COMM: | SJR | 16.98 | 2.60% | (22.4%) |
| TELEWEST: | TLWT | 24.20 | | |
| TIME WARNER CABLE: | TWC | 19.57 | 8.80% | (29.1%) |
| VIRGIN MEDIA: | VMED | 4.38 | 14.10% | (71.9%) |
| WASH POST: | WPO | 381.50 | 3.00% | (49.4%) |

| Company | Ticker | 11/26 Close | 1-Week % Chg | YTD %Chg |
|--------------------|--------|-------------|--------------|----------|
| PROGRAMMING | | | | |
| CBS: | CBS | 6.55 | 21.50% | (69.2%) |
| CROWN: | CRWN | 2.11 | (4.5%) | (67.5%) |
| DISCOVERY: | DISCA | 14.15 | 14.60% | (43.7%) |
| EW SCRIPPS: | SSP | 2.88 | (9.4%) | (88.3%) |
| GRUPO TELEVISIA: | TV | 15.00 | 8.80% | (33.9%) |
| HSN: | HSNI | 4.35 | 2.10% | (70.8%) |
| INTERACTIVE CORP: | IACI | 15.01 | 3.60% | (36.4%) |
| LIBERTY: | L | 27.35 | 15.40% | (45.4%) |
| LODGENET: | LNET | 0.50 | (28.6%) | (97.1%) |
| NEW FRONTIER: | NOOF | 1.46 | (1.4%) | (59.3%) |
| OUTDOOR: | OUTD | 6.12 | 14.80% | (11.3%) |
| PLAYBOY: | PLA | 1.19 | (7.8%) | (87%) |
| RHI: | RHIE | 4.40 | 24.30% | (65.2%) |
| SCRIPPS INT: | SNI | 25.97 | 6.80% | (35.7%) |
| TIME WARNER: | TWX | 8.65 | 6.30% | (45.1%) |
| UNIVISION: | UVN | 36.23 | | |
| VALUEVISION: | VVTV | 0.50 | (12.3%) | (92.1%) |
| VIACOM: | VIA | 16.50 | 9.90% | (62.5%) |
| WWE: | WWE | 11.30 | 9.40% | (8%) |

| Company | Ticker | 11/26 Close | 1-Week % Chg | YTD %Chg |
|-------------------|--------|-------------|--------------|----------|
| TECHNOLOGY | | | | |
| 3COM: | COMS | 1.97 | 22.40% | (56.4%) |
| ADC: | ADCT | 7.12 | 25.30% | (54.3%) |
| ADDVANTAGE: | AEY | 1.29 | (15.7%) | (79.1%) |
| ALCATEL LUCENT: | ALU | 2.17 | 6.90% | (70.4%) |
| AMDOCS: | DOX | 18.68 | 4.20% | (45.8%) |
| AMPHENOL: | APH | 22.66 | 7.60% | (50.8%) |
| APPLE: | AAPL | 95.00 | 10.10% | (52%) |
| ARRIS GROUP: | ARRS | 7.01 | 17.80% | (29.8%) |

| Company | Ticker | 11/26 Close | 1-Week % Chg | YTD %Chg |
|-------------------|--------|-------------|--------------|----------|
| AVID TECH: | AVID | 12.57 | 3.40% | (55.6%) |
| BIGBAND: | BBND | 3.56 | (0.3%) | (30.7%) |
| BLNDER TONGUE: | BDR | 0.90 | 20.00% | (45.8%) |
| BROADCOM: | BRCM | 16.01 | 16.40% | (38.7%) |
| C-COR: | CCBL | 11.00 | | |
| CISCO: | CSCO | 16.39 | 8.70% | (39.5%) |
| COMMSCOPE: | CTV | 11.37 | 31.60% | (76.9%) |
| CONCURRENT: | CCUR | 3.13 | | 287.50% |
| CONVERGYS: | CVG | 4.71 | 4.20% | (71.4%) |
| CSG SYSTEMS: | CSGS | 16.33 | 18.10% | 10.90% |
| ECHOSTAR HOLDING: | SATS | 15.77 | 12.60% | (52.1%) |
| GOOGLE: | GOOG | 292.09 | 4.30% | (57.8%) |
| HARMONIC: | HLIT | 5.17 | 19.10% | (50.7%) |
| JDSU: | JDSU | 2.64 | 3.10% | (80.1%) |
| LEVEL 3: | LVT | 0.90 | 20.00% | (70.4%) |
| MICROSOFT: | MSFT | 20.49 | 12.00% | (40.3%) |
| MOTOROLA: | MOT | 4.15 | 20.60% | (71.3%) |
| NDS: | NNDS | 48.12 | 13.50% | (18.8%) |
| NORTEL: | NT | 0.50 | | (96.7%) |
| OPENTV: | OPTV | 1.20 | 21.20% | (9.1%) |
| PHILIPS: | PHG | 16.99 | 6.70% | (53.1%) |
| RENTRAK: | RENT | 9.89 | 1.50% | (31.6%) |
| SEACHANGE: | SEAC | 8.17 | 12.80% | 13.00% |
| SONY: | SNE | 20.33 | 7.00% | (61.5%) |
| SPRINT NEXTEL: | S | 2.50 | 33.00% | (81%) |
| THOMAS & BETTS: | TNB | 18.41 | (1.6%) | (62.5%) |
| TIVO: | TIVO | 4.89 | (12.5%) | (41.4%) |
| TOLLGRADE: | TLGD | 4.85 | (0.6%) | (39.5%) |
| UNIVERSAL ELEC: | UEIC | 16.54 | 20.90% | (50.5%) |
| VONAGE: | VG | 1.10 | 26.40% | (52.2%) |
| YAHOO: | YHOO | 10.58 | 15.80% | (54.5%) |

| Company | Ticker | 11/26 Close | 1-Week % Chg | YTD %Chg |
|---------------|--------|-------------|--------------|----------|
| TELCOS | | | | |
| AT&T: | T | 28.39 | 12.50% | (21.1%) |
| QWEST: | Q | 3.10 | 18.80% | (48.9%) |
| VERIZON: | VZ | 32.54 | 20.80% | (15.5%) |

| Index | Value | % Chg | YTD %Chg | |
|-----------------------|-------|---------|----------|---------|
| MARKET INDICES | | | | |
| DOW: | INDU | 8726.61 | 9.10% | (34.2%) |
| NASDAQ: | COMPX | 1532.10 | 10.50% | (42.2%) |

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

| COMPANY | CLOSE | 1-WK CH |
|---------------------|-------|---------|
| 1. SPRINT NEXTEL: | 2.50 | 33.00% |
| 2. COMMSCOPE: | 11.37 | 31.60% |
| 3. GCI: | 7.77 | 29.30% |
| 4. VONAGE: | 1.10 | 26.40% |
| 5. LIBERTY CAPITAL: | 3.52 | 25.70% |

THIS WEEK'S STOCK PRICE LOSERS

| COMPANY | CLOSE | 1-WK CH |
|-------------------|-------|---------|
| 1. LODGENET: | 0.50 | (28.6%) |
| 2. HEARST-ARGYLE: | 7.78 | (19%) |
| 3. CHARTER: | 0.19 | (17.4%) |
| 4. ADDVANTAGE: | 1.29 | (15.7%) |
| 5. TIVO: | 4.89 | (12.5%) |

Six versions of this holiday classic battle it out as viewers vote online for their favorite.

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Greg Bunch, VP Western Region 310-430-7548



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Dan Casciato, VP Eastern Region 630-379-8555

MaxFAX...

Let's Hear It For "Calm"!

Deadlines and commitments.

This is an "in-advance" mea culpa... the date on this issue of **CableFAX Daily** is Monday, December 1st... this was written (if that's the right



Paul S. Maxwell

word—everything after this and the next paragraph might be dead wrong) before Thanksgiving.

So, I'm hereby giving thanks to once again having spent a long Thanksgiv-

ing weekend in Santa Fe where the food is fantastic and the ambiance is just fine. And, by the way, the art is pretty cool. And the air is nice and cool. And I couldn't find an Internet connection worth a damn. And I forgot and left my iPhone at the office. And my MacBook Air floated away.

And, so, who cares?

Nevertheless, here goes:

I'm now cautiously optimistic.

The President-elect seems to be making personnel decisions (the ones that truly count) in a manner that eschews simple ideological knee jerks (a process that, 8 years ago and mostly since, has led to a startlingly large number of jerks in office—some doing a heckuva job) in favor of pick-

ing something akin to intellectuals.

OMG!

So this isn't going to be a "new" New Deal, but it is going to be Keynesian in implementation... which, whenever I've attended a concert at Red Rocks, I've noted that the CCC of the '30s did a pretty good infrastructure job.

Bridges, post offices, roads, national parks—that's just some of what that New Deal wrought.

Meanwhile, the Republicans shouldn't be too torn up about the not-quite-planned continuation of Keynesian economics—they started it this round and, as the sitting Vice President once remarked, "Deficits don't matter."

But they do... which makes me even more cautiously—but still—optimistic. The President-elect is showing he knows how to govern "from the middle"... so far.

The test will be whether or not he actually knows when to step on the accelerator and when it is best to let the car coast... too much hands-on regulation would be a true disaster. And, yes, I do know how to spell "Markey." Hence the caution.

And it sure ain't gonna be easy... so trust your customers, maybe they'll trust you, too. Maybe.

Random Notes:

- **Get Wirth from Turner!** A wild idea... draft former Congressman and Senator *Tim Wirth* as the next

chairman of the Federal Confusion Commission—he could single-handedly take that "Confusion" out of there. But I doubt *Ted Turner* would be pleased... maybe all the cable operators and networks could donate free advertising for Ted's Montana Grills? And, just to make Ted even happier, free PSAs for the United Nations, too.

- **Redstone Lament:** It's a new country song.

- **Trust:** I heard half the banks that'll get bailed out this year will change their names soon: CitiTRUST, for example.

- **Black Friday?** Why did it get painted black? I thought the purpose of all the great sales on the day after Thanksgiving was to generate lots of "green"?

- **Holiday Specials:** Is this the year to do something special for your subscribers? Like a free month of service next year for sticking with you? Or a premium net (or three) or "free upgrade to digital"? With some MSOs trending below 50% of homes passed and with a trendline that continues to point down, isn't it time to do something for your customers?

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Bash

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