

CableFAX Daily™

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What the Industry Reads First

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Adopting Kids: Cable Proposes Low-Priced Broadband for Some Low-Income Families

It sounds like the **FCC** is pretty pleased with **NCTA's** just announced plan to bring broadband to millions of middle school students in low-income families. FCC Broadband czar *Blair Levin* delivered FCC chmn Julius Genachowski's "profound thanks" for the project during a conference call with reporters Tues. While Levin said there was still work to be done, he congratulated the industry on the plan, which is the product of discussions with Genachowski and Levin. "You're making a tremendous contribution... We think you have targeted what may be the most important segment—school-age kids who don't have access to the Internet," Levin said. The "Adoption Plus (A+)" initiative is a proposed 2-year public-private partnership to promote broadband adoption for up to 3.5mln middle school-aged children eligible for the National School Lunch Program in approximately 1.8mln low-income HHs that do not currently receive broadband. Its components include digital media literacy training, discounted computers and discounted home broadband service. It was modeled after a similar program by **Cox** in Santa Barbara. Adoption Plus is open to other broadband ISPs, but the top cable broadband providers (representing 86% of US HHs) have already said they would provide eligible homes broadband and a cable modem at a 50% discount for 2 yeas along with free installation. NCTA pegs the potential value at \$572mln. Is it all a bit self serving? "As an industry we have an interest in driving broadband adoption, and we're going to market as we always do to every HH in America in the hopes they'll take our services. But I also should point out that our industry has had a pretty long-standing and proud tradition of doing things for the public benefit in education, particularly when it comes to education and broadband" NCTA pres/CEO *Kyle McSllarrow* said, noting that cable has wired thousands of schools and libraries for free. "I'm not going to deny that if we're able to drive greater adoption we may benefit in some sense, but... the most important point is that if we can drive broadband adoption in these communities... not only do they benefit, America benefits. Closing the digital divide is the most important task at hand." School districts would be responsible for providing federally funded digital media literacy training to eligible students, with the A+ proposal suggesting schools be eligible for an estimated \$100mln of federal funding over the 2-year program. The idea is that participating computer manufacturers would provide a discount (none are on board yet, but McSllarrow said folks are interested), but the proposal also contemplates using federal funds to further discount machines. NCTA outlined the plan in filings late Mon with **NTIA** and **RUS** (which distribute broadband stimulus

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funding) as well as with the FCC in conjunction with its development of a National Broadband Plan. If the govt, schools and computer companies get behind the plan, it could be ready to roll out at early as fall '10. Participating cable providers are **Comcast, Time Warner Cable, Cox, Charter, Cablevision, Bright House, Mediacom, Suddenlink, Insight, Bresnan, Midcontinent, GCI, US Cable, Bend Broadband, Eagle Comm and Sjoberg's Cable.**

Hurdle Cleared: According to numerous reports, **GE** has reached a tentative agreement to purchase **Vivendi's** 20% stake in NBCU for \$5.8bln, a move that would likely put **Comcast's** plan to gain control of NBCU on a fast track. In fact, **CNBC's David Faber** said Tues evening that a deal between GE and Comcast is already forged in principle, with completion expected Thurs morning. **Collins Stewart** believes Comcast will invest \$6bln in cash and its cable nets for a 51% stake in NBCU, and that the MSO will "be in limbo for more than 12 months" because of regulatory deliberations and attempts by Wall St to determine resultant synergies between content and distribution ownership. Collins doesn't foresee major synergistic benefits, and continues to prefer shares of **Time Warner Cable** "as it will become the only large cap cable pure play." Comcast shares rose 2.1% Tues. Meanwhile, **Media Access Project**, as has **Free Press**, expressed concern over potential threats to competition and diversity if a Comcast/NBCU merger consummates. "I am strongly concerned about the market power enjoyed by a Comcast/NBC combination, [particularly] about the effects the merger would have on evolving technologies for delivering video over the Internet," said MAP pres/CEO **Andrew Jay Schwartzman**. "Consolidation of this kind would give Comcast further incentive to strangle such new forms of competition before they can gain a toehold in the market."

Meter Reader: **Comcast** is piloting its promised bandwidth-usage meter in Portland, OR, letting subs check how much bandwidth they're using from any browser. Last fall, Comcast instituted a 250GB monthly usage cap. The Web-based app tracks each GB used from a customer's modem, updating every 3 hours. Comcast says the average customer uses 2-4GB of data in a month, meaning most probably won't care too much about the tool. The meter is not a prelude to consumption-based billing, a spokesman said. "Sometimes a meter is just a meter," he said. After backing off a plan to roll out consumption based billing in Apr, **Time Warner Cable** announced it would make a bandwidth usage gauge available to all TWC subs so they can better understand how much they use. There is no word yet on when that tool will be available.

At the Portals: During a speech at the Innovation Economy Conference in DC Thurs, **FCC** chmn **Julius Genachowski** reiterated that the Commission will examine spectrum allocations and "evaluat[e] them against current technologies and consumer demand." For the US to be the global leader 10 years from now, it will have to lead the world in wireless broadband, the chmn said in prepared remarks. "This won't be simple," he said. "There are no easy pickings on the spectrum chart. It will be a test for our commitment to long-term innovation policy for the US—but we have to meet the challenge." -- Just like **NCTA** and **ACA**, **Comcast** is telling the **FCC** that the **Mediacom** retrans complaint against **Sinclair** raises valid questions over whether the broadcaster's exercise of retrans consent rights for another top 4 station in a Sinclair market through LMAs is consistent with "good faith" bargaining requirements. Mediacom filed a complaint against Sinclair at the FCC in Oct and asked that it be allowed to keep carrying Sinclair stations while the 2 negotiate.

Clear Expansion: **Clearwire's** Clear-branded mobile broadband services launched in 10 additional markets Tues. Included are Dallas-Fort Worth and Charlotte, Greensboro and Raleigh, NC—**Time Warner Cable** simultaneously bowed its Clear-based **Road Runner Mobile** services in those markets—and Chicago, where **Comcast** launched its related **High-Speed 2go** services. High-Speed 2go is also available in Philly, Atlanta and Portland. Also Tues, **Level 3** said it ex-

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BUSINESS & FINANCE

panded its relationship with Clearwire to provide network transport services for Clear deployment in major metro markets, and **Sprint** rolled out its 4G mobile broadband offering in Seattle, another new Clear market.

Trade Winds: TV Technology publisher **NewBay Media** acquired *B&C*, *Multi* and *TWICE* from **Reed Business Information** for an undisclosed price. NewBay, backed by private equity firm the **Wicks Group of Cos**, has more than 40 pubs and show dailies, including *Television Broadcast* and *Guitar Player*. RBI-US parent **Reed Elsevier** announced plans earlier this year to sell most RBI-US trade pubs, save *Variety* and a handful of other titles.

Competition: FiOS TV launched Korean news channel **YTN** (\$25/month), Mandarin channel **Phoenix North America** (\$16/month) and Greek net **Antenna** (\$15/month), bringing to 35 the number of intl channels now offered through the telco service. Separately, **Verizon** added new interactive features for FiOS TV in NY, MA and RI.

People: **Suddenlink** tapped **James Fox** as chief accounting officer. -- **CBS College Sports** svp for affiliate marketing & distribution **Ellen Schned** is leaving the network, **CableFAX** has learned. One of our favorites, the former **Court TV** exec, **Betsy Magness** alum and a member of CableFAX's Most Powerful Women for '09 is known for creative dealmaking and successful affiliate events.

CableFAX Daily Stockwatch

Company	12/01 Close	1-Day Ch	Company	12/01 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	36.19	1.17	AMPHENOL:	42.26	1.06
DIRECTV:	31.50	(0.13)	APPLE:	196.97	(2.94)
DISH:	20.96	0.25	ARRIS GROUP:	9.96	(0.03)
DISNEY:	30.73	0.51	AVID TECH:	12.14	0.24
GE:	16.17	0.15	BIGBAND:	3.61	0.02
NEWS CORP:	13.95	0.26	BLNDER TONGUE:	0.99	(0.05)
MSOS					
CABLEVISION:	25.17	0.15	BROADCOM:	30.18	0.98
COMCAST:	14.96	0.30	CISCO:	23.92	0.52
COMCAST SPCL:	14.12	0.31	CLEARWIRE:	6.07	0.41
GCI:	6.23	0.19	COMMSCOPE:	25.70	0.57
KNOWLOGY:	9.72	(0.14)	CONCURRENT:	3.56	0.07
LIBERTY CAPITAL:	22.94	0.85	CONVERGYS:	11.26	0.08
LIBERTY GLOBAL:	19.31	0.02	CSG SYSTEMS:	18.85	(0.51)
LIBERTY INT:	10.99	0.35	ECHOSTAR:	19.37	(0.06)
MEDIACOM:	4.01	(0.03)	GOOGLE:	589.87	6.87
RCN:	8.71	0.14	HARMONIC:	5.10	0.04
SHAW COMM:	19.79	0.47	INTEL:	19.66	0.46
TIME WARNER CABLE:	42.18	0.29	JDSU:	7.60	0.21
VIRGIN MEDIA:	16.13	(0.33)	LEVEL 3:	1.24	(0.01)
WASH POST:	409.65	(3.96)	MICROSOFT:	30.01	0.60
PROGRAMMING					
CBS:	13.15	0.34	MOTOROLA:	8.22	0.21
CROWN:	1.49	(0.05)	OPENTV:	1.57	0.00
DISCOVERY:	32.39	0.44	PHILIPS:	28.86	1.40
GRUPO TELEVISA:	21.07	0.50	RENTRAK:	14.95	0.00
HSN:	18.23	0.31	SEACHANGE:	5.80	0.22
INTERACTIVE CORP:	19.42	(0.03)	SONY:	27.44	0.75
LIBERTY:	35.71	0.29	SPRINT NEXTEL:	3.78	0.07
LIBERTY STARZ:	48.78	0.93	THOMAS & BETTS:	37.37	0.87
LIONSGATE:	5.22	0.23	TIVO:	10.00	0.10
LODGENET:	4.47	(0.02)	TOLLGRADE:	5.97	0.07
NEW FRONTIER:	1.84	0.00	UNIVERSAL ELEC:	21.45	(0.06)
OUTDOOR:	6.03	0.16	VONAGE:	1.29	0.01
PLAYBOY:	3.98	0.05	YAHOO:	15.13	0.16
RHI:	0.57	(0.07)	TELCOS		
SCRIPPS INT:	39.44	(0.11)	AT&T:	27.18	0.24
TIME WARNER:	31.21	0.49	QWEST:	3.85	0.20
VALUEVISION:	3.66	0.13	VERIZON:	32.34	0.88
VIACOM:	31.65	0.33	MARKET INDICES		
WWE:	15.86	(0.21)	DOW:	10471.58	126.74
TECHNOLOGY			NASDAQ:	2175.81	31.21
3COM:	7.36	(0.01)			
ADC:	5.99	(0.14)			
ADVANTAGE:	2.01	(0.11)			
ALCATEL LUCENT:	3.44	0.10			
AMDOCS:	27.26	0.83			



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