

# CableFAX Daily™

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What the Industry Reads First

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## Martin's Menu: FCC Chief Pitching Program Access Changes

Kevin Martin's days as FCC chmn may be numbered, but he continues to try and push through proposals aimed at the cable industry. He confirmed Wed that he is proposing for the Dec 18 meeting a program access order that would require the Commission to act on program access complaints within 6 months. But it also would reportedly lower the standards for filing a complaint and broaden the program access statute so that video providers who carry vertically integrated programming associated with other cable ops are subject to complaints—even though they have no ownership stake in the programmer. "The combination of widening the net and watering down the very real, fairly high threshold... would inevitably result in more and more programming being forced onto a tier and higher and higher prices," NCTA chief Kyle McSarrow told *Cfax*. But rising cable prices are exactly what Martin wants to avoid, which is why he said he's also putting forth a notice of further proposed rulemaking on unbundling. He cited **Cablevision's** recent proposal that programmers not be allowed to require carriage on a particular tier of service, such as expanded basic (*Cfax*, 11/26). The proposal would apply to cable programmers and broadcasters choosing retrans consent. "Some of the small operators through **ACA**, and some of the mid-size and larger carriers, like **Mediacom** and **Cablevision**, have said that they would have more flexibility to lower the retail rate because if a programmer or broadcaster who is renegotiating retransmission consent wanted to charge additional prices for it, then that cable operator could say, 'That's fine, but then I'm not going to put you in expanded basic,'" Martin said. "This is the very argument that several of the cable operators, including the largest ones, have made in context of the sports programming negotiations. **Comcast** has made this very same argument in context with the **NFL** complaint." McSarrow, who has pushed for retrans reform at the Congressional level, contends that the FCC has no authority to tackle to the issue. Martin has proposed a notice on unbundling, not an order, so the FCC would only seek comments. **Disney** filed its own response Wed to Cablevision's proposal, noting that in an a la carte lawsuit brought against programmers and operators Cablevision denied that consumers have been hurt because they are required to purchase products they don't want. Opponents of the program access and unbundling proposals are arguing that the FCC should be focused on the impending digital transition, not major, controversial reform with a new president about to take office. But some consumer groups, such as **Consumers Union**, cheered the news. "Cable companies have been leveraging their enormous market power to shut out independent content," said **Free Press** deputy policy dir *Shawn Chang*. "We are also pleased that the chairman has launched a new inquiry into the anti-competitive activities that drive up consumer rates and limit the diversity of voices on cable systems."

**Competition:** Verizon's city-to-city FiOS TV march continues, as the **DC Council** granted preliminary approval Tues night to a plan calling for the telco to service the entire city within 10 years. Meanwhile, the **Philadelphia City Council** held a meeting Wed afternoon to discuss a proposed 15-yr video franchise agreement with Verizon. The telco told

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the council that it's prepared to offer video service to more than 600K HHs throughout Philly within 7 years of franchise approval. Other franchise provisions include payment to the city of \$2mln for a tech and education fund and \$9.2mln in grants to support the city's PEG channels. -- **DirectTV** has launched local **PBS** stations in HD in 14 markets including Chicago, L.A. and Miami, and will continue to roll the programming out in additional markets ahead of the Feb DTV transition.

**At the Portals:** FCC chmn *Kevin Martin* is proposing that the Dec 18 Commission meeting include an omnibus notice of apparent liability against various companies for apparent violations of the FCC's DTV consumer education requirements. He said it involves 7 companies and is for about \$11mln, but he declined to name the companies involved.

**New Discovery:** After 16 years at **Discovery**, *Clint Stinchcomb* is leaving his post as evp, gm **HD Theater** and **Turbo Media**. He'll be starting a media company in Silver Spring, MD. More details to come. HD Theater and Turbo Media will become part of Discovery Emerging Nets, which is headed by *Clark Bunting*. "I consider myself exceedingly fortunate to have been afforded the unique opportunities to help create and operate some wonderful businesses for Discovery," Stinchcomb said. "I learned at the feet of one of the greatest media entrepreneurs of all time [John Hendricks]... as well as from a few other cable giants."

**Advertising:** An agreement between **Hallmark Channel** and **Google** will allow advertisers beginning early next year to use the **Google TV Ads** platform to place ads on both Hallmark Channel and **Hallmark Movie Channel**. Platform advertisers only pay for impressions delivered to their spots and receive digital reporting within 24 hours. The Hallmark nets join 6 **NBCU** nets and **Bloomberg** as inventory partners of Google TV Ads.

**In the Courts:** **NCTA**, several MSOs and various state cable associations filed a brief in DC Circuit court this week in support of **Comcast's** appeal of the FCC's 30% horizontal ownership cap. Their filing claims that the FCC failed to perform the market power analysis that the court required in setting the cap, adding that if it had been done, the Commission would have found that video competition has intensified.

**Online:** **Cablevision** has launched at **Optimum.net** a Web channel delivering Spanish-language content to the MSO's broadband customers. The channel features news, ent and sports, plus the **Terra TV** platform that includes 15 content nets. Also, CVC has bowed at **OptimumStore.com** an exclusive shopping service for its customers featuring CE products such as HDTVs, cordless phones and Bluetooth devices.

**VOD:** Beginning Mon, **In Demand's** again stoking the free on demand offerings of **Comcast**, **Cox**, **Time Warner Cable** and **Bright House** with "Yule Log," featuring a crackling fire along with holiday music. The company also devised 2 new offerings this year: "Winter Green" and "Snow Man" show a snowy, pine forest setting and a snowman in top hat and scarf, respectively, along with music.

**Ratings:** Football and political content has been kind to cable this year. The month's top 20 telecasts didn't include anything besides the 2 content types (12 political, 8 football), and collectively averaged 6.57mln HHs. Comparatively, last Nov's top 20 featured 5 pigskin telecasts, zero political, and averaged 4.52mln HHs. -- "MNF" games on **ESPN** dominated last month, as 5 hit the top 10 and the Nov 3 Steelers-Redskins contest earned the overall win with a 10.2/10.02mln. 4 1-hour election night blocks on **CNN** earned 4 top 10 slots, led by the net's 11pm-midnight coverage (9.6/9.48mln). **NFL Net's** Jets-Patriots tilt notched the last top 10 slot with a 7.5/3.14mln. -- Owing to pro football's prowess, ESPN won the

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# BUSINESS & FINANCE

month among nets in prime, garnering a 2.4/2.33mln. **USA** (2.1/2.07mln) and **Fox News** (2.1/1.96mln) tied for 2nd, followed by **Disney Channel** (1.8/1.75mln) and **TNT** (1.5/1.49mln).

**On the Circuit:** Less than 2 weeks to get applications in for the Cable's Leaders in Learning Awards, administered by **Cable in the Classroom**. Submit online at [www.LeadersIn-LearningAwards.org](http://www.LeadersIn-LearningAwards.org), by 3pm ET, Wed.

**People:** **Fox Sports Nets** named *Steve Liverani* svp/gm, **Fox Sports FL** and **Sun Sports**, and with **IMG College** tapped *Cathy Weeden* as gm, **Gator Sports Marketing**, the IMG div that helps manage the marketing and media rights for Univ of FL athletics on behalf of Sun Sports. -- GA-based operator **NuLink** upped *Lana Mobley* to vp, gm and *Steve Barnette* to vp, CFO.

**Business/Finance:** Economic, competitive and regulatory pressures will weaken the credit profile of most US cable and telecom ops in '09, said **Fitch**, noting expectations of slowing rev and EBITDA growth for the group, flat overall aggregate capex, weakening free cash flow and increased leverage. Fitch also posits: greater erosion of access lines and basic subs for telcos and MSOs, respectively, and a materially slowing of commercial rev for larger MSOs. -- **Vivendi** has no plans to sell its 20% stake in **NBCU** this year, according to reports. The European ent group holds the option through '16 to sell its stake each year (Nov-Dec) to **GE**.

## CableFAX Daily Stockwatch

Company	12/03 Close	1-Day Ch	Company	12/03 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
AMDOCS:	17.38	0.31	AMPHENOL:	22.33	0.77
BRITISH SKY:	26.37	1.02	APPLE:	95.90	3.43
DIRECTV:	21.38	0.99	ARRIS GROUP:	6.97	0.33
DISNEY:	21.94	0.48	AVID TECH:	11.13	(0.3)
ECHOSTAR:	10.77	0.17	BIGBAND:	4.80	0.75
GE:	18.13	0.52	BLNDER TONGUE:	0.86	0.00
HEARST-ARGYLE:	7.40	(0.17)	BROADCOM:	15.51	1.27
NEWS CORP:	8.37	0.36	CISCO:	16.01	0.69
<b>MSOS</b>					
CABLEVISION:	13.90	0.53	COMMSCOPE:	11.25	0.33
CHARTER:	0.17	0.00	CONCURRENT:	2.95	(0.34)
COMCAST:	16.06	0.06	CONVERGYS:	5.84	0.13
COMCAST SPCL:	15.31	(0.09)	CSG SYSTEMS:	15.98	0.97
GCI:	7.47	(0.35)	ECHOSTAR HOLDING:	14.98	0.23
KNOLOGY:	5.18	(0.06)	GOOGLE:	279.43	4.32
LIBERTY CAPITAL:	2.91	(0.12)	HARMONIC:	4.74	0.18
LIBERTY ENT:	11.19	0.25	JDSU:	2.73	0.12
LIBERTY GLOBAL:	12.79	0.23	LEVEL 3:	0.83	0.03
LIBERTY INT:	2.41	0.05	MICROSOFT:	19.87	0.72
MEDIACOM:	2.39	0.17	MOTOROLA:	4.37	0.10
SHAW COMM:	17.01	0.20	NDS:	47.10	(0.18)
TIME WARNER CABLE:	20.80	0.35	NORTEL:	0.57	(0.06)
VIRGIN MEDIA:	4.16	0.04	OPENTV:	1.13	0.01
WASH POST:	400.05	20.35	PHILIPS:	16.89	1.06
<b>PROGRAMMING</b>					
CBS:	7.31	0.90	RENTRAK:	9.61	0.01
CROWN:	2.12	(0.03)	SEACHANGE:	7.70	0.05
DISCOVERY:	13.86	0.16	SONY:	19.45	0.23
EW SCRIPPS:	2.33	0.15	SPRINT NEXTEL:	2.57	(0.09)
GRUPO TELEVISA:	15.55	0.88	THOMAS & BETTS:	18.84	0.69
HSN:	1.95	(0.82)	TIVO:	5.89	0.53
INTERACTIVE CORP:	14.94	0.55	TOLLGRADE:	5.12	0.21
LIBERTY:	26.58	1.08	UNIVERSAL ELEC:	16.36	0.61
LODGENET:	0.56	(0.04)	VONAGE:	1.30	0.04
NEW FRONTIER:	1.57	0.01	YAHOO:	11.50	0.00
OUTDOOR:	6.38	0.51	<b>TELCOS</b>		
PLAYBOY:	1.59	0.03	AT&T:	29.08	1.04
RHI:	4.77	0.27	QWEST:	3.16	0.17
SCRIPPS INT:	24.23	(0.57)	VERIZON:	33.19	1.06
TIME WARNER:	9.11	0.11	<b>MARKET INDICES</b>		
VALUEVISION:	0.46	(0.05)	DOW:	8591.69	172.60
VIACOM:	16.01	(0.2)	NASDAQ:	1492.38	42.58
WWE:	11.23	0.18	<b>TECHNOLOGY</b>		
<b>TECHNOLOGY</b>					
3COM:	2.11	0.02			
ADC:	6.86	0.12			
ADVANTAGE:	1.41	(0.04)			
ALCATEL LUCENT:	2.06	(0.03)			



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