

CableFAX Daily™

Monday — December 8, 2008

What the Industry Reads First

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Driving Distribution: AT&T Partnering on New In-Car Service

In-car entertainment enthusiasts such as parents and tailgaters will soon gain access to 22 cable nets through **AT&T CruiseCast**, a service for vehicles that's set to also include 20 satellite radio channels. Call it yet another, er... window for content providers. Nets to be featured at launch (Mar) include **Disney Channel, USA, CNBC** and **Comedy Central**. Some of the nets will provide a complete simulcast, while others will offer their mobile feed, said *Winston Guillory*, pres of **RaySat Broadcasting**, which is spearheading the rollout. AT&T has invested money and marketing resources in the service, he said, and has collaborated closely in forging the content deals. "As these content guys see what we're doing, they get excited," said Guillory, noting that the service is technically capable of a far greater channel mix. CruiseCast's current lineup is kids programming-focused, but plans call for the future inclusion of myriad sports content and traffic and weather news, he said. The idea of in-car entertainment isn't a new one, of course, as **DirectTV** offers a portable service and **Comcast** continues "to investigate portability solutions that would support in-home, in-vehicle and other devices," said the MSO. What sets CruiseCast apart, said Guillory, is the service's small antenna, programming breadth, and nationwide coverage enhanced by tech that overcomes obstacles such as overpasses, buildings and trees. The service's vehicle equipment will run approx \$1.3K, available through after-market dealers initially, with big box retailers a possibility going forward. A monthly sub charge of approx \$28 will apply.

Retrans: Move along, nothing to see here... On Fri, **Gray's WITN**, the **NBC** affil for Eastern Carolina based in Washington, NC, began running a crawl stating that **Mediacom** subs may no longer receive the channel as of Jan 1. But just before 3pm Fri, the station changed its tune and removed the crawl. "We are now optimistic that WITN will remain on... cable on all major systems in eastern North Carolina," WITN's website said. No word on why, but judging by the FAQ, it sounds like parts of Mediacom's WITN footprint aren't served by satellite—always problematic when pulling signals... Meanwhile, another Gray station, **WIBW** in Topeka, KS, is warning subs via its Website that it hasn't reached agreements with 14 video providers, who could lose its signal after Dec 31. Providers without deals include Mediacom, **Sunflower Broadband, Eagle Comm** and **Blue Valley Telecom**, the site said.

Competition: **Verizon** plans to roll out next year broadband services of 100Mbps and greater, said the telco's tech dir *Vincent O'Byrne* at a Thurs event sponsored by *Lightwave*. Verizon has been testing the services in the last year, he said.

Carriage: **RCN** has launched Greek-language net **Antenna Satellite** throughout its digital footprint. The 24-hour channel features news, series and Greek movies. -- **Cox** has added 14 additional HD channels in South Hampton Roads, VA, where 46 HD nets are now available. The launch includes **Lifetime, Hallmark Movie, USA** and **Planet Green**.

In the States: **NewWave Comm, Mediacom, Comcast** and **Murray State University** have partnered to air 4 of the school's men's basketball games through the **Racer TV Network**. The 1st game aired Thurs night, the 2nd goes live



The Highest Rated Movie of the Week Drives
Hallmark Channel to #1 in Prime Time.

Moonlight & Mistletoe
Tom Arnold Candace Cameron Bure

Hallmark CHANNEL

Nielsen Galaxy Explorer (11/24-11/30/08). Live+SD coverage area HR rating for all ad-supported cable telecasts; #1 rankings vs Sat 8-11p time period competition. Subject to qualifications upon request.

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Dec 6 and the remaining contests are slated for Feb 4 and 17. NewWave picked up the exclusive rights to the contests, which can be accessed by approx 50K of its subs in Western KY. Then Mediacom signed on to distribute the games to 8K of its own area subs, and Comcast Spotlight was brought in to help sell advertising for the telecasts. Local broadcaster WKAG is handling production. Both NewWave and Mediacom said Racer TV is a great way to engender localism. NewWave will look to add away football games and possibly additional roundball tilts next season.

Sign of the Times: On 2nd thought, it won't be such a high-tech holiday after all. That's basically what **CEA** said when it revised its 4Q estimates for projected industry growth. It sees 4Q wholesale shipment revenues only increasing 0.1% from 4Q07. It previously forecasted 3.5% growth. Among other things, the revised forecast reflects data that holiday shoppers are opting for smaller, less expensive TVs and other CE products from discount retailers.

Research: Magna forecasts DVR HHs by YE '14 of 52.3mln (44% of TV homes), up from 28.6mln (25% of TV HHs) at the end of 3Q08. While the firm estimates that DVRs will contribute to a 4% erosion in total viewing impressions across all dayparts, it says rising DVR penetration will be more than offset by increases in TV consumption and in total HHs. Magna anticipates that true VOD will hit 68.8mln homes by '14 vs 40.4mln at the end of 3Q. During 3Q, DVRs were added to 1.3mln homes while 1.5mln gained access to VOD.

In the Courts: Barry Nolan is suing **Comcast** and **CN8** for \$1.2mln after he was fired, saying the company violated his constitutional right to lambaste **Fox News'** *Bill O'Reilly*. The former TV host says he was fired after protesting the Boston Emmy chapter honoring O'Reilly. "As a matter of policy we do not comment on litigation or other legal matters, but we stand by our actions and intend to defend this lawsuit vigorously," a Comcast spokesman said.

Programming: **Fox News'** *Bill O'Reilly* will stop hosting his radio program in 1Q09, saying he can no longer give both TV and radio the time they deserve. -- **HD Net** co-founder/Dallas Mavericks' owner *Mark Cuban* appears (in cartoon form) on Sun's ep of "The Simpsons" (Fox, 8:30pm ET). Mr Burns decides to emulate Cuban's antics to win over the hearts of Springfield's basketball fans after he wins the Boston Celtics in a casual game of poker.

On the Circuit: **NAMIC Mid-Atlantic** and **WICT's** DC-Baltimore chapter turned their Thurs holiday party into a fundraiser for Metro TeenAIDS. A silent auction raised \$2,595 on 36 out of 40 donated items, including everything from iPods to a meal with **NCTA** svp *Rob Stoddard* ("genteel conversation" included). About 100 people packed the back room at a Ruth's Chris steakhouse in DC where food and wine flowed freely. In this economy, how nice to mix festivity with charity. Kudos!

People: Effective Dec 1, cable vet *Marc Nathanson* resigned from **Charter's** board to pursue other personal and business interests. The MSO will not replace Nathanson at this time. -- *The Hollywood Reporter* laid off several Thurs, including TV reporter *Kimberly Nordyke* and TV critic *Barry Garron*. -- *Bob Sitrick*, formerly svp, live events and special production services at **Discovery US Nets**, will serve as exec producer for the **NAB** Show Content Theater.

Business/Finance: Pali analyst *Richard Greenfield* cut his '09 rev and EBITDA projections for **Comcast** and **Time Warner Cable**, positing a drop in RGU net adds of at least 20% and a slowing of ARPU growth to the low- to mid-single digits. Of particular concern, said Greenfield, is the slowdown in net telephony adds "given the inherently high margin of the RGU, as well as the positive impact they have on overall churn." Neither Comcast nor Time Warner Cable "offers a compelling valuation at current levels," he wrote while maintaining 'neutral' tags on each MSO.

WELCOME TO THE JUNGLE.

MANHUNTERS
FUGITIVE TASK FORCE

TUESDAYS AT 10/9C
PREMIERES DECEMBER 9

A&E HD

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CableFAX Week in Review

Company	Ticker	12/05 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	25.55	(5.3%)	(41.3%)
DIRECTV:	DTV	22.01		(4.8%)
DISNEY:	DIS	22.77	1.10%	(29.4%)
ECHOSTAR:	DISH	11.03	(0.5%)	(67.5%)
GE:	GE	17.85	4.00%	(44.3%)
HEARST-ARGYLE:	HTV	7.31	(8.9%)	(64.7%)
NEWS CORP:	NWS	8.76	7.00%	(57.4%)

Company	Ticker	12/05 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	14.35	(2.1%)	(41%)
CHARTER:	CHTR	0.17	(10.5%)	(85.5%)
COMCAST:	CMCSA	16.16	(6.8%)	(9.5%)
COMCAST SPCL:	CMCSK	15.62	(6.9%)	(11.8%)
GCI:	GNCMA	7.38	(5.7%)	(15.7%)
KNOLOGY:	KNOL	5.35	(5.8%)	(58.1%)
LIBERTY CAPITAL:	LCAPA	2.50	(24.5%)	(89.3%)
LIBERTY ENT:	LMDIA	10.88	(8.3%)	(55%)
LIBERTY GLOBAL:	LBTYA	12.74	(12.1%)	(67.5%)
LIBERTY INT:	LINTA	2.35	(10.6%)	(87.7%)
MEDIACOM:	MCCC	2.75	8.70%	(40.1%)
SHAW COMM:	SJR	17.06	0.20%	(21.8%)
TIME WARNER CABLE:	TWC	20.80	2.50%	(24.6%)
VIRGIN MEDIA:	VMED	4.03	(14.8%)	(74.1%)
WASH POST:	WPO	402.32	1.60%	(46.7%)

Company	Ticker	12/05 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	7.39	11.00%	(66.2%)
CROWN:	CRWN	1.98	(7%)	(69.5%)
DISCOVERY:	DISCA	13.79	(8.1%)	(39.5%)
EW SCRIPPS:	SSP	2.20	(24.6%)	(55.6%)
GRUPO TELEVISIA:	TV	15.24	2.60%	(32.8%)
HSN:	HSNI	1.82	(51.3%)	(87.8%)
INTERACTIVE CORP:	IACI	15.16	2.50%	(35.5%)
LIBERTY:	L	25.98	(5.1%)	(48.1%)
LODGENET:	LNET	0.48	(22.6%)	(97.2%)
NEW FRONTIER:	NOOF	1.56	9.10%	(57.5%)
OUTDOOR:	OUTD	6.58	8.40%	(4.6%)
PLAYBOY:	PLA	1.75	40.00%	(80.8%)
RHI:	RHIE	4.99	22.00%	(60.5%)
SCRIPPS INT:	SNI	23.88	(14.1%)	(40.9%)
TIME WARNER:	TWX	9.51	5.10%	(39.9%)
VALUEVISION:	VVTV	0.48	(4%)	(92.4%)
VIACOM:	VIA	16.21	(7.8%)	(63.1%)
WWE:	WWE	11.60	(0.3%)	(6%)

Company	Ticker	12/05 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	1.99	(1%)	(56%)
ADC:	ADCT	5.42	(23.6%)	(65.1%)
ADVANTAGE:	AEY	1.41	8.50%	(77.1%)
ALCATEL LUCENT:	ALU	1.97	(7.9%)	(73.1%)
AMDOCS:	DOX	16.91	(10%)	(50.9%)
AMPHENOL:	APH	20.93	(9.9%)	(54.5%)
APPLE:	AAPL	94.00	1.40%	(52.5%)
ARRIS GROUP:	ARRS	7.05	(1.9%)	(29.4%)
AVID TECH:	AVID	10.82	(13.6%)	(61.8%)
BIGBAND:	BBND	4.67	28.30%	(9.1%)
BLNDER TONGUE:	BDR	0.90		(47.1%)

Company	Ticker	12/05 Close	1-Week % Chg	YTD %Chg
BROADCOM:	BRCM	14.94	(2.4%)	(42.8%)
CISCO:	CSCO	15.94	(3.6%)	(41.1%)
COMMSCOPE:	CTV	11.20	(0.8%)	(77.2%)
CONCURRENT:	CCUR	3.30		(86.1%)
CONVERGYS:	CVG	5.97	(5.1%)	(63.7%)
CSG SYSTEMS:	CSGS	16.46	(2.3%)	11.80%
ECHOSTAR HOLDING:	SATS	14.37	(15.8%)	(56.3%)
GOOGLE:	GOOG	283.99	(3.1%)	(58.9%)
HARMONIC:	HLIT	4.74	(8%)	(54.8%)
JDSU:	JDSU	2.90	5.90%	(78.3%)
LEVEL 3:	LVLTL	0.80	(14.9%)	(73.7%)
MICROSOFT:	MSFT	19.87	(1.7%)	(42%)
MOTOROLA:	MOT	4.36	1.20%	(70%)
NDS:	NNDS	46.54	(2.4%)	(21.4%)
NORTEL:	NT	0.55		(96.4%)
OPENTV:	OPTV	1.20	3.40%	(9.1%)
PHILIPS:	PHG	16.13	(1.5%)	(55.1%)
RENTRAK:	RENT	9.36	(5.5%)	(35.3%)
SEACHANGE:	SEAC	7.47	(5.7%)	3.30%
SONY:	SNE	18.94	(2.3%)	(64.1%)
SPRINT NEXTEL:	S	2.60	(6.8%)	(80.2%)
THOMAS & BETTS:	TNB	19.32	1.70%	(60.6%)
TIVO:	TIVO	6.43	28.10%	(22.9%)
TOLLGRADE:	TLGD	4.46	(8%)	(44.4%)
UNIVERSAL ELEC:	UEIC	16.88	1.70%	(49.5%)
VONAGE:	VG	1.12	6.70%	(51.3%)
YAHOO:	YHOO	11.66	1.30%	(49.9%)

Company	Ticker	12/05 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	28.15	(1.4%)	(21.7%)
QWEST:	Q	3.03	(0.3%)	(47.6%)
VERIZON:	VZ	33.19	1.60%	(14%)

Company	Ticker	12/05 Close	1-Week % Chg	YTD %Chg
MARKET INDICES				
DOW:	INDU	8635.42	(2.2%)	(34.9%)
NASDAQ:	COMPX	1509.31	(1.7%)	(43.1%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. PLAYBOY:	1.75	40.00%
2. BIGBAND:	4.67	28.30%
3. TIVO:	6.43	28.10%
4. RHI:	4.99	22.00%
5. CBS:	7.39	11.00%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. HSN:	1.82	(51.3%)
2. EW SCRIPPS:	2.20	(24.6%)
3. LIBERTY CAPITAL:	2.50	(24.5%)
4. ADC:	5.42	(23.6%)
5. LODGENET:	0.48	(22.6%)



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Dumb Moves?

Times are tough.

The markets act like bad plays on Broadway—crashing daily.

The government is either in hiding, re-writing rules on deadline or bailing out the wrong guys.



Paul S. Maxwell

Public companies are scared of... well, everything!

So, what should cable operators, programmers and vendors do?

Easy: cut costs!

Like freeze hiring!

Freeze raises!

Cut head count!

No holiday parties!

Cancel advertising!

Fire all the salespeople!

Cut indiscriminately 33% or more!

Dumb.

Smart moves?

Concentrate on keeping customers happy... that'll pay in the long run.

But, you say, gotta survive to get to the long run!

True...

So do what so many do: panic!

Nah, bad idea.

Now is the time to be thoughtful and

judicious.

Not that you shouldn't watch every penny... just that you shouldn't stop being able to do (smart) business.

And think about smart retention marketing... for operators, subscribers; for programmers, better carriage packages; and for vendors, products that make businesses work better.

And, in a short note of pure survival avarice: advertise!

Random Notes:

• **RIP Ted Rogers:** He was larger than life. Hell of a guy, hell of a success, eh? Wasn't easy, though. Through ups and downs, he was what you call a real leader.

• **One Other Thing To Plan for Now:** Time to seriously think through, as a cable operator, how to raise more revenue out of broadband in lieu of raising video rates... gotta plan for the further migration of content "over-the-top" (really, through your pipes). Charging for more bytes is just one option. Offer wireless modems? And how will "Clear" integrate? Might just send a couple of engineers to Canada for a closer look, too. Maybe charge for Xbox connections? "Whole house" plans?

• **Oh, and Another Thing:** The markets will rebound. I hope.

• **"Call Me Ted":** Speaking of "real" leaders, I just finished reading *Bill Burke's* channeling of Ted (\$18 on

Amazon along with a video of Ted). Quick read—even at over 440 pages. Amazingly candid; amazingly self-centered (but NOT self-aggrandizing). Also amazingly, Ted fails to mention *Bill Daniels* or *Dan Ritchie* or *Irving Kahn* as he launched **CNN**. That day in June, 1980 was something to behold—and I sat with Bill and Irving that day as Ted turned on the channel and said it would keep going until the end of the world. Dan was instrumental in blinking first as he asked Bill to sell **Satellite News Channel** to Ted and inadvertently saved Turner. You'll be able to check out the book at the **Cable Center** library soon. Our offices are moving in February, and I've just donated a rather large number of hardback books about cable and the media to the Cable Center. When I finish *Michael Wolfe's* new biography of *Rupert Murdoch*, it will join the collection, too. And maybe be stacked alongside?

• **Oh, and Yet Another Thing:** "Growth" will be an anachronism until 2011. Maintenance is the key. There will be pressure (an understatement) on margins; but slimmer margins beat shrinking any day.

Paul Maxwell

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