

CableFAX Daily™

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What the Industry Reads First

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Retrans Repeat: Mediacom-Sinclair Saga Continues as Deadline Nears

With 3 weeks remaining in **Mediacom's** retrans consent pact with **Sinclair**, the MSO has assembled a list of letters from public officials and municipalities to the **FCC** that it thinks helps its case. In addition to filing a complaint that alleges Sinclair is not negotiating in good faith, Mediacom is asking the FCC to allow carriage of the Sinclair stations while the 2 talk. Not surprisingly, local leaders are enthusiastic about that idea because it would keep the stations on the air for constituents. West Des Moines, IA, mayor *Steven Gaer* wrote the FCC asking that interim carriage be granted because with stations broadcasting in digital only, "Many of our citizens, particularly the elderly and low-income populations, rely on Mediacom to convert Sinclair's digital broadcast signals to analog so they can continue using their older analog television," he wrote. The expense of upgrading to a digital set or purchasing a converter makes it unlikely that receiving Sinclair free over-the-air would be a realistic option for many homes this time around, added Gaer. Letters from several state reps echoed the sentiment. When 700K Mediacom subs in 12 states lost access to 22 Sinclair stations 3 years ago, the MSO handed out thousands of free rabbit ears. That won't help if stations go dark Dec 31 because of the June 12 digital transition. Asked if MCCC would consider giving out converter boxes if Sinclair stations go dark, a rep said the boxes are in short supply and too expensive for the MSO to give them away. Other letters, including one from Univ of IA pres *Sally Mason*, expressed concern that Sinclair controls more than 1 of the Big 4 broadcast affiliates in a market. As **Cfax** previously reported, **Time Warner Cable** has weighed in on the dispute, telling the FCC that Sinclair is violating its duty to negotiate in good faith by granting **Fox** veto power over a deal that doesn't extract a "satisfactory kickback" for the network (**Cfax**, 12/10). Retrans-wary **ACA** quickly jumped on TWC's coattails, calling the MSO's filing further proof that the retrans consent process is broken. "ACA urges the Federal Communications Commission to endorse a new understanding of what it means to bargain in good faith as required by the statute and insist that broadcasters may not pull their signals from a distributor that has a retransmission consent complaint pending before the agency," said ACA pres/CEO *Matt Polka*.

Leaner TWX: Time Warner ended its 1st day of trading sans **AOL** with a 4.3% gain (AOL shed 0.6%), evidence that CEO *Jeff Bewkes* may get the last laugh after reversing a merger that many believe was a comic failure. "We think we're going to do very well next year," said Bewkes Tues, noting "very steady, solid, enviable progress at both Turner and HBO." Going forward, the company plans to increase its 2.4% dividend yield as earnings improve and will continue to repurchase shares—and has no acquisition plans. "In our case, we feel that we have adequate position, scale and resources, so there's really nothing out there that we would have to do," said Bewkes. **Collins Stewart** agrees, calling TWX "one of the best positioned large cap entertainment companies with an industry leading stable of cable networks and the most consistent film studio among the majors." The firm has a 'buy' rating on TWX shares with a \$38 price target. Speaking of the **Comcast/NBCU** deal, Bewkes said it won't notably affect Time Warner, adding that "we actually see [it] as a ratification of the value of networks." Meanwhile, Bewkes remains bullish on the

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cable business, **TV Everywhere** and viewership trends. “Subscriptions are up, ratings are up, time spent viewing is up, price paid by advertisers is up, willingness to pay for packages of content it up, everything’s up,” he said.

Advertising: Ad spending for cable and Spanish-language cable nets are 2 of only 3 media measured by **Nielsen** that posted any growth in the first 3 quarters of '09. Cable spending is up 9.1%, while Spanish-language cable TV is up nearly 37% and free-standing insert coupons is up 11.2%. 9 of the top 10 cable TV advertisers have increased their spending in the medium so far this year. Overall, US ad spending fell 11.5% for the first 3 quarters compared to the same period in '08, Nielsen said. That works out to a total spend of \$83.4bln (-\$10.9bln).

Competition: **DISH** crowed Thurs about its passing of the 14mln sub plateau, a milestone representing approx 150K customer adds this quarter. The DBS op's on pace to add approx 200K subs in 4Q, which would fall short of its industry-leading 3Q total of 241K. Yesterday, **AT&T** said it has added approx 200K U-verse TV subs so far this quarter, which puts the telco on pace to beat its 3Q tally of 240K. -- **FiOS TV** bowed in MA, TX and RI Caller ID on TV, and in NJ, DE and Philly added new interactive features such as remote control purchases of **ESPN PPV** events, shortcuts to DVR options and full-screen program info.

Versus: Free previews of **Versus** that made it available to 9mln more viewers through **DISH, Cox** and **Time Warner Cable** came to an end earlier this month—Dec 1 to be exact. But Versus is hoping that it might be able to keep some of that distribution on more broadly penetrated tiers. “We’re currently in conversations with these TV providers to finalize a more permanent increased level of distribution for the network,” a spokesperson said. The previews launched after Versus was dropped from DirecTV’s lineup Sept 1. There have been talks between DirecTV and Versus since then, but still no deal.

Trade Winds: *The Hollywood Reporter, Mediaweek, Adweek* and 5 other **Nielsen** pubs have a new owner. The buyer is newly formed **e5 Global Media**, a jv from **Pluribus Capital** and **Guggenheim Ptnrs**. The pubs will remain in their current NY and L.A. offices, with the deal set to close Dec 31.

Ratings: Ending its extensive run with a record-breaking 9.5mln total viewers, **USA’s “Monk”** officially earned a 6.3/6.28mln to rank 2nd among telecasts behind **ESPN’s** MNF tilt featuring the Patriots and Saints, which scored the 2nd-highest cable viewership ever and propelled ESPN (3.4/3.40mln) to an easy prime victory. 3rd among telecasts was **Nickelodeon’s** “iCarly Movie: iQuitCarly” (5.4/5.34mln). **USA** (2.5/2.48mln) notched 2nd among nets, and was followed by **Disney Channel** (1.8/1.78mln) and **Fox News** (1.8/1.73mln) in a tie for 3rd. Making a rare appearance among the prime elite was **FX** (1.6/1.50mln), paced by the season finale of “Sons of Anarchy” (3.2/3.10mln). -- **Brag Book:** **Disney XD’s** premiere of “Phineas and Ferb Christmas Vacation” now ranks as the net’s best telecast ever among total viewers (2.62mln), kids 6-14 (1.30mln), boys 6-14 (774K), kids 6-11 (1.11mln), boys 6-11 (660K), tweens 9-14 (800K) and boys 9-14 (477K). -- **Hallmark** original movie “Debbie Macomber’s Mrs. Miracle” delivered a 3.3/2.90mln to become the highest-rated movie of the week on ad-supported cable. -- The latest ep of **Showtime’s** “Dexter” drew 2.11mln viewers to become the series’ most-watched ever and the net’s best telecast in more than 10 years. -- Movie classic “Dirty Dancing” delivered **TV Guide Net’s** highest Fri night rating in history, a 0.4 coverage rating for each back-to-back airing.

CableFAX 100: Congrats to this year’s **CableFAX 100** honorees, many of whom were on hand in NYC Thurs for our annual CableFAX 100 luncheon. An industry panel turned to subjects ranging from reaching the youth market to con-

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BUSINESS & FINANCE

tent piracy to how business schools might help us avoid another financial meltdown in the future (TV Guide Network pres Ryan O'Hara noted that the last year will yield plenty of useful case studies for future business leaders to digest). Meanwhile, the room was at rapt attention as WE tv pres/gm Kim Martin took the stage to accept the Social Action award for the net's great work with its WE Empowers Women and WE Volunteer initiatives. It was also especially nice to see the late Bill Bresnan's brother Pat on hand. Meanwhile, IFC's Whitest Kids U'Know comedy troupe took the stage to rattle off a litany of reasons why they—not the CableFAX 100—are the real innovators, even shoving Exec Editor Michael Grebb from the podium to do it. Oh, you had to be there, folks. Check out the 2009 CableFAX 100 magazine online at: <http://www.cablefaxmag-digital.com/cablefaxmag/cablefax200912#pg1>

People: Former Consumers Union evp Joel Gurin was named chief of the FCC's Consumer and Governmental Affairs bureau. He most recently served as acting pres of NARSAD. Duke Law prof Stuart Benjamin will join as the FCC's 1st Distinguished Scholar in Residence, working on spectrum reform and 1st Amendment issues. -- Carl Vogel joined Ascent Media's board. -- News Corp vp, content Anthea Disney will retire at the end of the month.

CableFAX Daily Stockwatch

| Company | 12/10 Close | 1-Day Ch | Company | 12/10 Close | 1-Day Ch |
|------------------------------|-------------|----------|-----------------------|-------------|----------|
| BROADCASTERS/DBS/MMDS | | | | | |
| BRITISH SKY: | 36.60 | 1.05 | APPLE: | 196.43 | (1.37) |
| DIRECTV: | 32.88 | (0.08) | ARRIS GROUP: | 10.94 | (0.11) |
| DISH: | 21.48 | 0.35 | AVID TECH: | 11.82 | (0.13) |
| DISNEY: | 31.30 | 0.95 | BIGBAND: | 3.53 | (0.06) |
| GE: | 15.61 | (0.05) | BLNDER TONGUE: | 1.02 | (0.02) |
| NEWS CORP: | 14.81 | 0.21 | BROADCOM: | 31.39 | 0.12 |
| MSOS | | | | | |
| CABLEVISION: | 26.16 | 0.33 | CISCO: | 23.94 | 0.08 |
| COMCAST: | 17.58 | 0.04 | CLEARWIRE: | 5.84 | 0.11 |
| COMCAST SPCL: | 16.68 | (0.04) | COMMSCOPE: | 25.89 | (0.1) |
| GCI: | 6.20 | (0.18) | CONCURRENT: | 3.67 | 0.03 |
| KNOWLOGY: | 10.43 | 0.16 | CONVERGYS: | 11.17 | (0.05) |
| LIBERTY CAPITAL: | 23.18 | 0.18 | CSG SYSTEMS: | 18.08 | (0.11) |
| LIBERTY GLOBAL: | 21.39 | 0.48 | ECHOSTAR: | 19.75 | 0.00 |
| LIBERTY INT: | 10.75 | 0.26 | GOOGLE: | 591.50 | 2.48 |
| MEDIACOM: | 4.58 | (0.06) | HARMONIC: | 5.58 | 0.07 |
| RCN: | 9.16 | (0.25) | INTEL: | 20.15 | 0.14 |
| SHAW COMM: | 20.91 | 0.31 | JDSU: | 8.15 | 0.01 |
| TIME WARNER CABLE: | 42.89 | (0.37) | LEVEL 3: | 1.40 | (0.05) |
| VIRGIN MEDIA: | 16.50 | (0.5) | MICROSOFT: | 29.87 | 0.16 |
| WASH POST: | 414.12 | 5.62 | MOTOROLA: | 8.46 | (0.03) |
| PROGRAMMING | | | | | |
| CBS: | 13.81 | 0.26 | OPENTV: | 1.53 | 0.00 |
| DISCOVERY: | 31.71 | 1.00 | PHILIPS: | 29.31 | 0.33 |
| GRUPO TELEvisa: | 20.94 | 0.02 | RENTRAK: | 16.45 | 0.35 |
| HSN: | 17.90 | (0.07) | SEACHANGE: | 5.79 | (0.02) |
| INTERACTIVE CORP: | 19.00 | 0.01 | SONY: | 28.34 | (0.09) |
| LIBERTY: | 35.43 | 0.38 | SPRINT NEXTEL: | 4.03 | (0.1) |
| LIBERTY STARZ: | 48.64 | 0.22 | THOMAS & BETTS: | 36.11 | (0.29) |
| LIONSGATE: | 5.79 | 0.08 | TIVO: | 9.87 | 0.19 |
| LODGENET: | 5.10 | (0.39) | TOLLGRADE: | 5.86 | (0.21) |
| NEW FRONTIER: | 1.90 | 0.02 | UNIVERSAL ELEC: | 23.05 | 0.69 |
| OUTDOOR: | 5.93 | 0.05 | VONAGE: | 1.27 | 0.00 |
| PLAYBOY: | 3.95 | 0.18 | YAHOO: | 15.49 | 0.31 |
| RHI: | 0.73 | (0.07) | TELCOS | | |
| SCRIPPS INT: | 41.08 | 0.73 | AT&T: | 27.76 | 0.20 |
| TIME WARNER: | 30.45 | 1.24 | QWEST: | 4.13 | (0.06) |
| VALUEVISION: | 4.40 | (0.06) | VERIZON: | 33.66 | 0.36 |
| VIACOM: | 32.50 | 0.72 | MARKET INDICES | | |
| WWE: | 16.17 | (0.24) | DOW: | 10405.83 | 68.78 |
| TECHNOLOGY | | | NASDAQ: | 2190.86 | 7.13 |
| 3COM: | 7.46 | 0.12 | | | |
| ADC: | 6.46 | 0.07 | | | |
| ADDVANTAGE: | 2.01 | (0.07) | | | |
| ALCATEL LUCENT: | 3.34 | (0.06) | | | |
| AMDOCS: | 27.00 | (0.58) | | | |
| AMPHENOL: | 43.82 | (0.29) | | | |

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Critical 96 Hours

TV Everywhere has programmers scrambling to find ways to collectively (and efficiently) monetize TV and online viewership, a hunt critical to establishing fair ad rates going forward. Yet the buzz has overshadowed another important issue: the steps C3 ratings are taking toward obsolescence. C3 remains the ad bellweather for cable and broadcast nets, but Live+7 probably should be. Amid a new media landscape, I suspect an increasing amount of time-shifted viewing is occurring subsequent to the 3-day window and believe Live+7 is more representative of consumers' viewing habits (it fits mine better). Unfortunately, it remains difficult to parse that 4-day gap between C3 and Live+7. In any event, myriad numbers show time-shifted viewing continues to grow, and quickly. Per Nielsen, the monthly time spent by viewers watching time-shifted programming in 3Q grew 21% YOY, a far greater percentage than those corresponding to home TV watching (-0.4%), Internet use (+0.9%) or mobile video viewing (-10%). Internet video viewing led with 35% growth, although it still lags almost 4 hours/month behind time-shifting. For some cable shows, time-shifted viewing is hale and commonplace. From Nov 16-23, for example, 49% of USA's "White Collar" audience was time-shifted, according to Nielsen's Live+7, while three-quarters of Bravo's "Top Chef" caught the ep after its linear premiere. That's nutty. Broadcasters too are aware of the time-shifting trend, as CBS boss Les Moonves said this week that the net's highest-rated shows on Fri night are ones that aired the previous night. Although that's consistent with C3, Disney chief Bob Iger said that while ABC's ratings are off slightly this year based on C3, they're "off even less" regarding Live+7. Of course, once a change to Live+7 occurs the metric will likely be outdated itself. Live+21 anyone? CH

Highlights: "Dexter" and "Californication," season finales, Sun, 9p & 10p, **Showtime**. These 2 had their most-watched eps ever Sun, with Dex's 2.1mln good for Showtime's top telecast in 10+ years. That excellent ep's cliffhanger had Dexter face to face with Jon Lithgow's sick serial killer Arthur, who waltzed into the Miami PD untouched by security. Unbelievable? Ever crashed a White House dinner? -- "The Jazz Baroness," Wed, 1:30p, **HBO2**. A small doc about a Rothschild researching her relative's friendship with jazz pianist *Thelonius Monk*; fabulous footage and music. -- "The U," Sat, 9p ET, **ESPN**. Another fine "30 for 30" film shows how *Howard Schnellenberger* established U of Miami football by recruiting in the inner city. Within 5 years he'd won a championship. SA

Worth a Look: "Santa Baby 2: Christmas Maybe," Sun, 8p, **ABC Family**. Cute holiday nonsense about a retiring Santa (*Paul Sorvino*), his capitalist daughter Mary (*Jenny McCarthy*) and the elves going on strike. -- "The Jack5ons," premiere, Sun, 9p, **A&E**. Sans *Michael*, this 6-part reality series about his brothers' comeback—begun 1 month before his death—seems flat, unless you're an avid Jackson 5 fan. SA

Notable: Finalists compete to host a **TV One** comedy special in the finale of "Bill Bellamy's Who's Got Jokes?" (TV One, Sat, 10p ET). SA

| Basic Cable Rankings (11/30/09-12/06/09) Mon-Sun Prime | | | |
|--|------|-----|------|
| 1 | ESPN | 3.4 | 3401 |
| 2 | USA | 2.5 | 2478 |
| 3 | DSNY | 1.8 | 1784 |
| 3 | FOXN | 1.8 | 1728 |
| 5 | FX | 1.6 | 1499 |
| 6 | FAM | 1.5 | 1519 |
| 6 | A&E | 1.5 | 1505 |
| 6 | TNT | 1.5 | 1504 |
| 6 | NAN | 1.5 | 1482 |
| 6 | HALL | 1.5 | 1340 |
| 11 | TBSC | 1.2 | 1204 |
| 12 | HGTV | 1.1 | 1042 |
| 12 | AMC | 1.1 | 1037 |
| 14 | LIFE | 1 | 991 |
| 14 | HIST | 1 | 985 |
| 14 | SYFY | 1 | 919 |
| 17 | SPK | 0.9 | 920 |
| 17 | TOON | 0.9 | 911 |
| 17 | TRU | 0.9 | 843 |
| 20 | FOOD | 0.8 | 843 |
| 20 | DISC | 0.8 | 795 |
| 20 | TLC | 0.8 | 775 |
| 20 | NKJR | 0.8 | 600 |
| 24 | CMDY | 0.7 | 673 |
| 24 | CNN | 0.7 | 672 |
| 24 | BRAV | 0.7 | 624 |
| 24 | LMN | 0.7 | 485 |
| 24 | NFLN | 0.7 | 374 |
| 29 | TVLD | 0.6 | 580 |
| 29 | MSNB | 0.6 | 569 |
| 29 | MTV | 0.6 | 567 |
| 29 | BET | 0.6 | 521 |
| 33 | ESP2 | 0.5 | 496 |
| 33 | HLN | 0.5 | 481 |
| 33 | VH1 | 0.5 | 466 |
| 33 | EN | 0.5 | 444 |
| 33 | APL | 0.5 | 436 |
| 33 | ONGY | 0.5 | 376 |
| 33 | NGC | 0.5 | 361 |
| 33 | DXD | 0.5 | 337 |
| 41 | TRAV | 0.4 | 372 |
| 41 | WGNA | 0.4 | 285 |
| 41 | GSN | 0.4 | 277 |
| 41 | SOAP | 0.4 | 276 |
| 41 | ID | 0.4 | 209 |
| 46 | CMT | 0.3 | 293 |

*Nielsen data supplied by ABC/Disney



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