

CableFAX Daily™

Tuesday — December 15, 2009

What the Industry Reads First

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Retrans Ramp Up: Sinclair Starts Crawling, DBS Raises Duopoly Concerns

Over the weekend, **Sinclair** started running crawls and airing commercials warning **Mediacom** customers that they may lose broadcast stations. An ad running on **KGAN**, the **CBS** affil for Cedar Rapids, IA, warned that subs risk losing the Super Bowl, "Survivor" and local news/weather. "Mediacom is expected to stop carrying this station on Dec 31, 2009. KGAN 2 will continue to be available through **DISH Network, DirecTV, "I'm On" Cable** and of course, over-the-air for free," the ad states, urging MCCC customers to take action now to avoid losing their favorite shows. "We are running the ads and crawls because we believe it is important that the public knows what is going on so they have the opportunity to make alternative arrangements to continue watching our stations if, as expected, Mediacom is no longer carrying them after Dec 31," Sinclair evp **Barry Faber** said Mon. Meanwhile, DirecTV and DISH have joined with **Insight** in asking the FCC to carefully examine the competitive aspect of duopolies, after Mediacom argued to the FCC that Sinclair unfairly used local marketing agreements and other pacts to negotiate retrans rights for more than 1 station in a market. "We have no particular insight as to the factual merits of the allegations made by Mediacom in this proceeding, and make no particular claims in that regard," the 3 said in a FCC filing, "As a legal matter, however, we appreciate the public interest concerns that arise where a single station conducts retransmission consent negotiations for more than one of the 'Big Four' national broadcast networks (i.e., **ABC, CBS, FOX, and NBC**) in a particular market." If the FCC determines this has occurred, the trio believes it should consider it when determining whether a broadcaster negotiated in good faith. Meanwhile, Time Warner Cable, whose deals with **Fox O&Os, RSNs** and several cable nets expire Dec 31, rolled out new print ads as part of its "Roll Over or Get Tough" campaign. The ads appearing in large and small papers across its footprint say that some programmers are threatening to institute 300% price increases and to pull the channel if TWC doesn't pay up. The MSO also has added features to the rolloverorgettough.com, including a Spanish-language version (www.cederoponersefirme.com), FAQs, customer comments and a media room that will include access to campaign materials and media coverage.

Presto(n) Change-o: **Disney** lobbyist **Preston Padden** will be trading in his Hugo Boss suits for scholarly tweeds as he's retiring in Jan and joining the Univ of CO Law School. Padden has worked in the media business for 38 years, becoming evp, govt relations for Disney in '98. Before that, he also served as pres, **ABC Television Network**. He'll

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serve as a sr fellow at the school's Silicon Flatirons Center and as an adjunct professor for the Interdisciplinary Telecommunications Program. Beginning in Jan, Disney's govt relations will report to Disney's Gen Counsel (a successor is expected to be named by then). Padden, who will moving from Oxford, MD, to Boulder, CO, will assist Disney evp, corporate strategy business dev, and technology *Kevin Mayer's* strategic planning group on projects of interest.

From the Street: Every time a Bell rings, analysts wonder if a DBS merger has wings. **DirectTV's** spin-off from **Liberty** has renewed discussion over whether **Verizon** or **AT&T** may try to go after **DISH** or **DirectTV**. The regulatory tea leaves aren't good, according to **Stifel Nicolaus**. "In contrast to the situation 2 years ago, we believe a Bell-DBS merger would now face significant antitrust/regulatory risks because of the increasing market penetration of telco multichannel video offerings over their own facilities, a new administration, which would likely be more skeptical of allowing a Bell acquisition that would diminish video competition and the fact that the deal would be reviewed against the backdrop of a **Comcast-NBCU** merger," the firm said in a research note Mon.

MSG Spin: Originally slated for this month, **Cablevision's** planned spin-off of its **MSG** business (MSG nets, **Fuse**, Madison Square Garden and the NY Rangers and Knicks) is now expected to close in 1Q. To that end, MSG successfully obtained commitments from a group of banks for a new \$375mln revolving credit facility that will be undrawn at closing. The spin's expected to include a tax free pro rata distribution to all CVC shareholders, with holders of Class A and B shares receiving respective shares in Madison Square Garden. Both CVC and the new MSG would be controlled by the *Dolan* family through their ownership of Class B shares. **S&P** maintained its 'sell' rating on CVC shares. The firm's awaiting "post-transaction clarity on CVC's capital allocation (and dividend policy), as well as potential update on strategic outlook for the Rainbow programming networks, particularly in the wake of" the **Comcast-NBCU** deal.

At the Portals: The start time for Wed's **FCC** hearing has been pushed back to 11am ET from 10am. On the agenda is a presentation on the status of the National Broadband Plan. -- The FCC will hold a filed hearing at the Univ of Chicago Mon (1:30-3:30pm CT) on broadband and small business.

Competition: **U-verse TV** added 5 new HD nets to its lineup, including **Cartoon Net**, **MSNBC**, **TV One**, **WFN: World Fishing Net** and **TBN HD**. The moves bring to more than 115 the number of high-def nets offered by the service. Also, U-verse launched **VivaTV Plus** as part of its Filipino Package and **TVBe** (\$17/month) for Cantonese viewers. AT&T said the service is available to more than 500K homes in GA. -- **FIOSTV** added **HDNet** and **HDNet Movies** to its VOD service. -- **Verizon Wireless'** new **V Cast Media Manager** allows customers to manage photos, videos, and music between their wireless phones and PCs. -- **DirectTV** launched **TBN Enlace USA** as part of its **DirectTV Mas** Spanish-language package.

Carriage: **Sportsman Channel** inked a carriage renewal with **Time Warner Cable**. -- **The Africa Channel** is now available throughout **Time Warner Cable's** Southern CA footprint that includes L.A. and Orange and Ventura Counties.

Advertising/Marketing: Through appointment by **Comcast-Spectacor**, **ABC Regional Sports & Ent Sales** is now the exclusive national sales rep for **CSN Philly**, and is also packaging sales opps that extend to the Flyers and 76ers Websites, the Wachovia Center and other team-related platforms. -- **CNBC** and **Nat Geo** with the **World Travel & Tourism Council** will provide commercial airtime, online marketing and direct engagement in a global campaign to help promote awareness of the economic and social importance of the worldwide Travel & Tourism industry. -- **CBS Interactive** plans

The CableFAXIES awards

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The CableFaxies Awards salute the year's most outstanding communications initiatives and programs in the highly competitive and dynamic Cable arena. The coveted awards set the industry benchmark for excellence across all areas of PR and marketing.

The Winners of the CableFAXIES Awards are from networks, operators, PR firms, vendors, corporations, agencies and other entertainment companies who took chances, made tremendous strides and understand the power of PR and marketing in the cable industry. The winners and honorable mentions will be saluted during an awards event in April 2010 in New York City.

BUSINESS & FINANCE

to eschew 3rd-party ad networks and some online ad exchanges to instead launch **Madison**, its own ad serving platform, according to reports. -- A **Gannett/Tribune** jv, **Metromix** expanded its online ad network into 27 new markets to achieve a presence in the country's top 50 markets. -- **David's Bridal** and **Geico** have become the first 2 national advertisers for **Rainbow's** new kid on the block, **Wedding Central**. Both will be featured throughout the on-air schedule, beginning in 1Q. See "Eye on Advertising" (p4) for more.

Ratings: The season 4 premiere of "Keeping Up with the Kardashians" delivered **E!**'s highest-rated telecast ever among women 18-34 (5.64 rating) and 18-34s (3.90). -- The season 4 finale of "Dexter" earned 2.58mln viewers to become **Showtime's** most-watched original ep in history. The 3rd season finale of "Californication" delivered a series ep high of 1.06mln viewers. -- **TV Guide Net's** singing after "I Dreamed a Dream: The Susan Boyle Story" delivered a 1.0 coverage rating (789K HHs) to become its highest-rated special ever.

People: **Michael Eisner's** new media studio **Vuguru** named **Larry Tanz** pres. -- **Tribune Co** tapped **Gerry Spector** as COO, effective immediately.

Business/Finance: **Liberty Global** and **Samsung Ventures** have invested in **Widevine**, whose software platform aims to optimize content delivery over any network to any device.

CableFAX Daily Stockwatch

Company	12/14 Close	1-Day Ch	Company	12/14 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/			AMPHENOL:	44.13	0.41
BRITISH SKY:	37.19	(0.25)	APPLE:	196.98	2.31
DIRECTV:	33.09	0.09	ARRIS GROUP:	10.79	(0.14)
DISH:	21.18	(0.08)	AVID TECH:	12.12	0.29
DISNEY:	31.83	0.13	BIGBAND:	3.54	0.03
GE:	15.95	0.03	BLNDER TONGUE:	1.01	0.01
NEWS CORP:	15.12	0.12	BROADCOM:	30.56	0.40
MSOS					
CABLEVISION:	25.98	(0.1)	CISCO:	23.84	0.07
COMCAST:	17.57	(0.07)	CLEARWIRE:	6.49	0.31
COMCAST SPCL:	16.65	(0.2)	COMMSCOPE:	26.04	0.37
GCI:	6.42	0.04	CONCURRENT:	3.69	(0.05)
KNOLLOGY:	10.76	0.02	CONVERGYS:	10.64	(0.4)
LIBERTY CAPITAL:	23.42	0.07	CSG SYSTEMS:	18.47	0.26
LIBERTY GLOBAL:	21.08	(0.03)	ECHOSTAR:	19.54	0.03
LIBERTY INT:	10.99	0.13	GOOGLE:	595.73	5.22
MEDIACOM:	4.66	0.06	HARMONIC:	5.88	0.17
RCN:	9.45	0.16	INTEL:	19.98	0.08
SHAW COMM:	20.46	(0.11)	JDSU:	8.02	0.11
TIME WARNER CABLE:	42.93	0.55	LEVEL 3:	1.45	0.02
VIRGIN MEDIA:	16.93	0.19	MICROSOFT:	30.11	0.26
WASH POST:	429.82	10.06	MOTOROLA:	8.30	(0.25)
PROGRAMMING					
CBS:	14.05	(0.01)	OPENTV:	1.47	(0.01)
CROWN:	1.32	0.00	PHILIPS:	29.79	0.12
DISCOVERY:	31.76	(0.17)	RENTRAK:	17.98	1.46
GRUPO TELEVISA:	20.89	0.04	SEACHANGE:	6.17	0.11
HSN:	18.06	0.11	SONY:	29.30	0.30
INTERACTIVE CORP:	19.30	0.31	SPRINT NEXTEL:	4.00	(0.07)
LIBERTY:	35.98	0.40	THOMAS & BETTS:	36.44	0.01
LIBERTY STARZ:	48.57	0.81	TIVO:	9.73	(0.1)
LIONSGATE:	5.69	(0.09)	TOLLGRADE:	6.08	(0.17)
LODGENET:	5.38	(0.03)	UNIVERSAL ELEC:	23.46	0.11
NEW FRONTIER:	1.93	0.05	VONAGE:	1.26	(0.01)
OUTDOOR:	5.82	(0.07)	YAHOO:	15.81	0.07
PLAYBOY:	3.98	(0.05)	TELCOS		
RHI:	0.71	(0.01)	AT&T:	28.05	0.04
SCRIPPS INT:	40.41	(0.86)	QWEST:	4.08	(0.02)
TIME WARNER:	30.42	(0.16)	VERIZON:	33.55	(0.18)
VALUEVISION:	4.70	0.31	MARKET INDICES		
VIACOM:	32.15	(0.45)	DOW:	10501.05	29.55
WWE:	15.46	(0.33)	NASDAQ:	2212.10	21.79
TECHNOLOGY					
3COM:	7.47	(0.01)			
ADC:	6.46	(0.07)			
ADVANTAGE:	2.06	0.00			
ALCATEL LUCENT:	3.34	0.00			
AMDOCS:	27.16	0.02			

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EYE ON ADVERTISING

Going to the Chapel

New **Rainbow** network **Wedding Central** has announced its first national advertisers—**David's Bridal** and **Geico**. This week, **Cfax** editor Amy Maclean chats with David Campanelli, vp & dir, national television for Horizon Media, which brokered the deals.

David's Bridal is an obvious fit for Wedding Central. Geico is a bit more surprising. Why is it also a good fit for them?

It was initially introduced to us through David's Bridal. One of the key incentives for people to change their auto insurance is life stages. Getting married, moving, having a baby—prompts you to change your insurance, particularly your auto insurance. Wedding Central is all about life changes. Marriage is a key life stage where people get together and shop for car insurance.

Is there anything unique about David's Bridal's sponsorship?

It's exciting for David's Bridal to have this network that's all about what they're about. There aren't all that many opportunities out there where there is such a perfect synergistic fit between a network and an advertiser. There's a mutual benefit as David's Bridal is seen as an authority. It's a good mutual relationship, and one we really hope to grow.

There are a lot of wedding-focused shows out there already. What advantage does a network have over them?

Any kind of wedding programming or home network is a source of information—a place where people getting married go to get information about getting married. It puts Wedding Central in the position as a trusted source. You have an engaged audience that responds not only to the programming, but to advertising on that network. It's a level of engagement

that you don't normally get in a more passive viewing environment.

How do you decide whether to recommend a cable or broadcast buy to clients?

At Horizon, we have always been strong supporters of cable in general. In 2009, the distinction between cable and broadcast is as slim as ever. It's been proven through out the years that you can have an extremely successful campaign with the appropriate reach through cable only. We have several advertisers who are 100% cable.

Is there anything cable could be doing to better meet your needs?

I can't think of anything off the top of my head that is a big need that they could do, especially versus broadcast or syndication. Moving forward, finding ways to keep viewers engaged—stopping them from fast-forwarding with their DVRs through commercials so there are no huge gaps in live versus playback viewing. [Cable will have] to make sure DVR drop-off isn't severe in coming years.

Is DVR drop-off a concern now?

Yes. Any TV buyer or advertiser has to be aware of the impact. Switching over to C3 measurement helped. Once that happened, there was a difference in how networks positioned breaks to keep viewers entertained through breaks. It made a huge difference in commercial ratings drop-off. We have to continue to fine-tune that. DVR is the question we most often get from advertisers.

Anything else you want to note?

Well, one of the things with Wedding Central is the success of that kind of programming on **WE** and other networks. It's not an unproven programming genre. It's a proven programming genre, which always makes us more confident when you have a new network.



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