

CableFAX Daily™

Friday — December 18, 2009

What the Industry Reads First

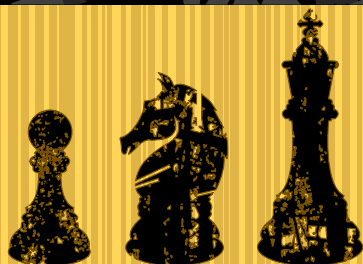
Volume 20 / No. 242

Broadband Bonanza: Speed, Grants and Photo Ops

Busy broadband day with **House Communications** subcommittee chairman *Rick Boucher* (D-VA) encouraging the **FCC** to promote higher Internet speeds with its broadband plan and the kickoff of the \$7.2bn broadband grants. In addition to seeking universal availability of broadband, Boucher believes the Commission should endorse minimum broadband speeds of 50Mbps downstream/20Mbps upstream for 80% of the population by '15. "Without committing to such ambitious, but achievable, levels of speed and service, the promises of telemedicine, distance learning and telecommuting may remain a far-off dream rather than a near-term reality," Boucher wrote in a letter to the FCC Thurs. If the US doesn't adopt such a goal, the country could take more than a decade to match the current speeds in South Korea, he said. Meanwhile, VP *Joe Biden* was in Dawsonville, GA, Thurs to announce an initial \$183mln investment in 18 broadband projects—the 1st to receive funding in the \$7.2bn programs administered through **NTIA** and **RUS**. The projects benefit 17 states and already have been matched by \$46mln+ in public and private sector capital. A few cable operators, including **Bresnan** and **Bend Cable**, applied for funds but weren't among these initial winners. Nearly \$122mln will go toward middle mile projects, while last mile is getting \$51.4mln and public computing \$7.3mln. Grant winners include **Petz Cooperative Phone**, which will receive a \$1.5mln grant for the expansion of existing infrastructure to make broadband available to as many as 550 locations in CO and NE. **South Dakota Network LLC** will receive a \$20.6mln grant with an additional \$5.1mln in matching funds to add 140 miles of backbone network and 219 miles of middle mile spurs to existing network. The aim is to enable delivery of at least 10Mbps service to more than 220 existing anchor institution customers in rural and underserved parts of the state. This was just the 1st wave of grant announcements, with much more money still available. Other winners are to be announced between now and Feb.

On the Offensive: **NFL Net** is again using its seasonal leverage to tweak certain cable ops, this time through a multi-platform ad campaign that both touts separate net games this week (Thurs and Sat) featuring the undefeated Colts and Saints, and in certain markets addresses subs of **Time Warner Cable** and **Cablevision**, which still don't carry the net. In the college arena, NFL Net's carriage of this year's **Insight Bowl** (Dec 31) is making waves, as the game's inclusion of Iowa State means some fans of the school could miss the game if they're **Mediacom** customers. As sources say the Bowl and university are working with NFL Net to allow carriage via local broadcast TV, the net said it offered Mediacom a special "freeview" of the game, but that the MSO "has refused to respond to the freeview offer in conjunction with a new deal to provide its customers with NFL Network." Mediacom didn't comment by press-time. Meanwhile, **Massillon Cable TV** agreed to carry NFL Net and **NFL RedZone**, joining **Comcast**, **AT&T** and **Verizon** in carriage of the latter channel.

Tough Talk: Those that supplied their email addresses at **Time Warner Cable's** rolloverorgettough.com Website got



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the MSO's 1st email missive Wed night. The opening greeting sounds ominous. "You've heard the news by now. In a few short days, some of your favorite shows could disappear from your TV," the email begins before again hammering home that some networks are demanding increases of up to 300% more than what TWC currently pays. TWC has deals expiring at the end of the year with several programmers, including **Fox** (including O&Os and most cable nets), **Scripps** and **Weather Channel**. Its email warns that some networks "have threatened to pull the plug on their sports, entertainment—even family holiday specials—at midnight New Year's Eve" and says the MSO will continue to negotiate for a fair agreement.

In the Courts: Washington State Attorney General *Robert McKenna* has sued **DirectTV** for allegedly failing in its ads to adequately inform potential new subs about service and equipment rental fees and planned rate changes. The state seeks injunctive relief, civil penalties and restitution to customers. "... We are talking about less than one percent of our customer base in the entire state," said DirectTV in a statement, calling the allegations meritless. "The vast majority of our customers in Washington, and the U.S. for that matter, understand our lease agreement and are happy with our overall service."

Competition: **FiOS TV** added **Black Broadcasting Net** to its VOD lineup.

In the States: **Virgin America's** new in-flight TV service features 19 cable nets, including **ESPN**, **TNT**, **Disney Channel** and **FX**. -- **Comcast** joined with the DC Police Department to launch **Police Blotter On Demand**, offering residents the chance to provide info or tips on criminals.

Online: **Hulu** agreed to stream each weekly ep of "If I Can Dream" ('10), a series from *Simon Fuller's 19 Ent* that follows 3 aspiring actors, a model and a musician as they search for Hollywood stardom. **MySpace**, **Pepsi** and **Ford** are launching integrated partnerships surrounding the show. -- **Morgan Stanley** said mobile Internet is ramping faster than did desktop Internet and believes more users will connect via mobile networks than desktop PCs within 5 years.

Ratings: **Hallmark Channel** received a nice holiday present in the form of original movie "Christmas in Canaan," which earned a 3.2/2.78mIn to help give the net its highest weekly prime ranking (#3) ever. Hallmark's 1.8/1.62mIn, however, couldn't upset the 2 juggernauts of late, **ESPN** (2.4/2.42mIn) and **USA** (2.1/2.07mIn). The sports giant's MNF telecast, of course, delivered yet again, earning the top spot with a 9.7/9.57mIn. But ESPN also received notable help from its Sat Heisman Trophy telecast, which notched a 4.1/4.05mIn to set a viewership record for the annual presentation. 2 hours of **WWE** content that averaged a 3.65/3.2mIn paced **USA**. 4th among nets was **Disney Channel** (1.7/1.71mIn), powered by "Phineas and Ferb" (3.2/3.17mIn), and **TNT** (1.6/1.62mIn) and **Fox News** (1.6/1.59mIn) landed in a tie for 5th.

Programming: **Insight** agreed to make Sat's Kentucky-Austin Peay men's basketball game available in areas of KY and IN, including Lexington and Louisville, to all of its subs, regardless of package. **Comcast/Charter Sports SE**, which is carrying the game, is "one of the few channels we don't regularly carry here at Insight," said Insight chief *Michael Willner* through his blog. -- **ESPN** and **ABC** will together feature 5 **NBA** games on Christmas Day, and *Mariah Carey* recorded a music video for "All I Want for Christmas is You" that will air throughout the day on both nets. -- *Snoop Dogg* and former NBAer *Gary Payton* will join host *Matt Iseman* for **Versus'** "'09 Sports Soup Countup Countdown" (Dec 22), providing a recap of the year in sports. -- Animated series "The Goode Family," which premiered on **ABC** in May, will air on **Comedy Central** Jan 4 in secondary run (Mon nights, 10pm). -- **Comedy Central's** "Daily Show" and "Stephen Colbert" launch in HD on Jan 4.

VOD: **Gravitas Ventures** added **Suddenlink**, **Mediacom**, **Bresnan**, **Cogeco** and **Atlantic Broadband** to its list of on-demand partners that now totals more than 40 cable, satellite and telco ops. -- **Comcast** partnered with **Stand Up to Cancer** to create a VOD destination aimed at broadening awareness and raising funds for innovative cancer research. Featured at no cost to viewers are hundreds of music videos from artists including *Bruce Springsteen*, *Dave Matthews Band* and *Sting*, with viewers encouraged to make donations at **SU2C.org/give**. -- **Time Warner Cable** expanded its VOD platform with holiday offerings including a Winter Green forest setting and Snowman to go along with the Holiday Yule Log, HD movies such as "Elf," pre-coverage of the Vancouver Games and a holiday TV reference guide.

Honors: **HBO** notched 7 **SAG Awards** noms to lead cable and the industry's 23 overall, compared to broad-

BUSINESS & FINANCE

casters' 16. Also honored were **Showtime (4), TNT (4), Lifetime (4), AMC (3), USA and FX.** Cable fare with multiple nods: Showtime's "Dexter," HBO's "Curb Your Enthusiasm," AMC's "Mad Men," TNT's "The Closer" and Lifetime's "Georgia O'Keeffe."

People: E! upped *Annemarie Batur* to vp, marketing & advertising. -- **Cox** promoted *Phil Meeks* to svp, **Cox Business.** *Kristine Faulkner* was named a corporate officer and will continue as vp, prod dev and mgmt for Cox Business. The MSO also announced that *Johannes Eckert* joined as vp, communications tech. *Philip Nutsugah* was upped to vp, voice strategy & product mgmt, and *Vic Syracuse* joined as vp, product ops.

Business/Finance: Time Warner's board approved a \$126.5mln investment to acquire a 92% stake in Indian ent firm **NDTV Imagine.**

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CableFAX Daily Stockwatch

Company	12/17 Close	1-Day Ch	Company	12/17 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	36.39	(0.6)	AMPHENOL:	42.58	(0.82)
DIRECTV:	32.75	(0.33)	AOL:	23.36	(0.87)
DISH:	21.00	(0.18)	APPLE:	191.86	(3.17)
DISNEY:	31.93	(0.5)	ARRIS GROUP:	10.58	(0.1)
GE:	15.79	0.10	AVID TECH:	11.98	(0.09)
NEWS CORP:	15.43	(0.13)	BIGBAND:	3.39	(0.09)
MSOS					
CABLEVISION:	25.80	(0.18)	BLNDER TONGUE:	1.03	0.04
COMCAST:	17.11	(0.4)	BROADCOM:	31.16	(0.57)
COMCAST SPCL:	16.24	(0.39)	CISCO:	23.18	(0.27)
GCI:	6.19	(0.1)	CLEARWIRE:	6.79	(0.09)
KNOWLOGY:	10.61	(0.3)	COMMSCOPE:	25.93	(0.47)
LIBERTY CAPITAL:	23.28	(0.34)	CONCURRENT:	3.95	0.19
LIBERTY GLOBAL:	20.48	(0.45)	CONVERGYS:	10.39	(0.21)
LIBERTY INT:	10.27	(0.31)	CSG SYSTEMS:	18.78	0.11
MEDIACOM:	4.41	(0.05)	ECHOSTAR:	19.13	(0.11)
RCN:	9.68	(0.1)	GOOGLE:	593.94	(3.82)
SHAW COMM:	20.04	(0.11)	HARMONIC:	5.76	(0.08)
TIME WARNER CABLE:	42.66	(0.84)	INTEL:	19.07	(0.31)
VIRGIN MEDIA:	16.81	(0.12)	JDSU:	7.78	(0.1)
WASH POST:	434.60	(5.9)	LEVEL 3:	1.42	0.00
PROGRAMMING					
CBS:	13.74	(0.53)	MICROSOFT:	29.60	(0.5)
CROWN:	1.32	(0.01)	MOTOROLA:	8.11	(0.16)
DISCOVERY:	31.53	0.11	OPENTV:	1.40	(0.03)
GRUPO TELEVISIA:	20.53	(0.32)	PHILIPS:	28.58	(0.59)
HSN:	18.21	0.23	RENTRAK:	18.23	(0.38)
INTERACTIVE CORP:	19.03	(0.21)	SEACHANGE:	5.92	(0.11)
LIBERTY:	35.84	(0.09)	SONY:	28.58	(0.43)
LIBERTY STARZ:	47.70	(0.15)	SPRINT NEXTEL:	3.77	(0.16)
LIONSGATE:	5.51	(0.08)	THOMAS & BETTS:	35.69	(0.44)
LODGENET:	5.17	(0.01)	TIVO:	9.30	(0.35)
NEW FRONTIER:	1.83	(0.01)	TOLLGRADE:	5.99	(0.05)
OUTDOOR:	5.72	(0.15)	UNIVERSAL ELEC:	23.53	0.45
PLAYBOY:	3.25	(0.21)	VONAGE:	1.21	(0.03)
RHI:	0.65	(0.07)	YAHOO:	15.82	0.03
SCRIPPS INT:	40.77	(0.18)	TELCOS		
TIME WARNER:	29.50	(0.54)	AT&T:	27.22	(0.3)
VALUEVISION:	4.45	(0.05)	QWEST:	4.25	(0.01)
VIACOM:	31.70	(0.51)	VERIZON:	32.81	0.10
WWE:	15.25	0.05	MARKET INDICES		
TECHNOLOGY					
3COM:	7.46	(0.02)	DOW:	10308.26	(132.86)
ADC:	6.03	(0.2)	NASDAQ:	2180.05	(26.86)
ADVANTAGE:	2.10	0.00			
ALCATEL LUCENT:	3.29	(0.06)			
AMDOCS:	27.23	(0.23)			

2009 Year to Date CableFAX Webinars ON-DEMAND

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- Targeting Viewers and Ad Dollars: What You Need to Know Now
- Tweeting Cable's Horn: Leveraging Twitter to Enhance Your Bottom Line
- The 'TV Everywhere' Debate: Will Authentication Save the Online Video Model?
- How Cable Can Monetize Web Video, Social Networking & Other Online Activities
- The New FCC- The Genachowski Era: What Will it Mean for Cable?

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

You're a Mean One, DVR

As time-shifted viewership sits as a lump of coal in many programmers' holiday stockings (see last week's item), don't expect the Grinch-like feelings over the related growth to abate. "It's a significant problem in terms of lost revenue," said **FX** pres/gm *John Landgraf*. "The DVR has very little value to us." For many of the net's series, the percentage of total viewership that occurs outside the 3-day post-premiere window demands attention: "Damages" 22%, "Nip/Tuck" 19% and "Rescue Me" 17%, to name a few. While **FX** no longer allows **TiVo** subs to receive a "record this content" icon during its shows, the net and other cable channels, said Landgraf, can really only do their best to create compelling, appointment-based programming. **USA** is "concerned" about the increase in time-shifting as well, said **NBCU Cable Ent** pres *Bonnie Hammer*. In response, the net is rolling out revamped scheduling next month that features "White Collar" on Tues night and "Psych" on Wed night while "Burn Notice" remains in its Thurs slot. The goal is to provide more accessibility to viewers and use nights on which more people are home watching TV. "We can be more competitive this way [too]" said Hammer, who echoed Landgraf when saying nets must have content that spurs people to come "in a scheduled way." **Syfy** pres *Dave Howe* admits to the double-edged sword that is the net's typically tech-savvy audience, leading to a great deal of DVR usage. "It's probably not something most networks would choose," said Howe of the audience characteristic before lamenting that "there's no magic bullet there" to tackle time-shifting. Howe said live events better promote live tune-ins, and the net has one surrounding "Ghost Hunters" set for early next year. Efficient stacking of shows can also help, he said, as the gambit promotes "streamlined viewership from one show to the next." *CH*

Highlights: "Dr Who: Waters of Mars," Sat, 9p, **BBC A**. Ours was a simple test. Could a viewer without knowledge of "Dr Who" become engulfed in this special? Indubitably so. The high emotional level of this special and its dark ending made it a fine start to the farewell of star *David Tennant*, who gives way to a new Who following a 2-part finale (Dec 26, 9p and Jan 2, 8p). *SA*

Worth a Look: "DogTown," season premiere, Jan 1, 10pm, **Nat Geo**. Intense viewing as the dogs—some overly aggressive, others deathly fearful—found at *Michael Vick's* home are rehabilitated. — "WildRecon," Jan 5, premiere, 9p, **Animal Planet**. You can see herpatologist *Donald Schultz's* passion and love for animals as he searches for bio samples from dangerous species. — "Demons," series premiere, Jan 2, 10p, **BBC A**. The Brits take on the vampire craze with this update to *Bram Stoker's "Dracula"*. It seems Dracula nemesis *Van Helsing* has a relative, a London teen, who's taking on the vamps. *Philip Glenister* and his uneven American accent leads the teen, whose initial enemy is *Mackenzie Crook*, far from his gig at "The Office." *SA*

Notable: "Dirty Dancing" Marathon, Dec 25, noon-midnight, **TV Guide Network**. Non-traditional for Xmas day, but that's why we love cable. *SA*

Basic Cable Rankings (12/07/09-12/13/09)			
Mon-Sun Prime			
1	ESPN	2.4	2419
2	USA	2.1	2070
3	HALL	1.8	1623
4	DSNY	1.7	1706
5	TNT	1.6	1624
5	FOXN	1.6	1590
7	FAM	1.5	1441
8	A&E	1.4	1351
9	NAN	1.3	1317
10	TBSC	1.2	1249
10	FX	1.2	1157
12	LIFE	1	984
12	TOON	1	977
12	SYFY	1	917
12	AMC	1	910
12	NFLN	1	521
17	DISC	0.9	936
17	HGTV	0.9	917
17	FOOD	0.9	845
17	TRU	0.9	836
17	LMN	0.9	671
22	HIST	0.8	830
22	SPK	0.8	750
22	NKJR	0.8	563
25	TLC	0.7	725
25	CMDY	0.7	717
25	BRAV	0.7	691
25	MTV	0.7	657
29	EN	0.6	622
29	MSNB	0.6	529
29	BET	0.6	494
32	TVLD	0.5	527
32	HLN	0.5	514
32	CNN	0.5	486
32	VH1	0.5	471
32	APL	0.5	435
32	OXYG	0.5	371
38	ESP2	0.4	429
38	TRAV	0.4	380
38	NGC	0.4	301
38	GSN	0.4	292
38	WGNA	0.4	292
38	ID	0.4	200
44	CMT	0.3	301
44	DXD	0.3	252
44	SOAP	0.3	245

*Nielsen data supplied by ABC/Disney

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EXCLUSIVE Q&A

Talking Change

As part of our ongoing interview series with MVPD programming execs, **CableFAX** editor Amy Maclean chatted with Cox svp, programming Bob Wilson about what he sees for the end of the year and beyond. In the excerpt below, Wilson discusses Cox's membership in NCTC and the number of network rebrands.

Dec. 31 is coming up, and it's famous for flare ups over retrans and cable network renewals. How's your New Year's Eve looking?

It's looking very busy.

Anything you're worried may come down to the wire or that will cost you programming?

We're always worried about that. We're always worried about situations when we're being asked for price increases that exceed our ability to recapture them. It's a matter of the extent to which that's happening. Suffices to say, there continues to be a strong amount of concern about the impact of retail prices as a result of higher than capturable rate increases, licensing fee increases.

Cox is a member of NCTC. What was your reasoning for joining the co-op? Do you feel like you can get better deals in some instances through the co-op?

To me, I don't think the NCTC was as much about the level of rates as the level of volume discounts. We're finding as bigger distributors get bigger, we're getting asked to pay for their discounts. The more that we sense that bigger distributors are getting bigger volume discounts and as the probability of competing more directly against those bigger distributors increases, then we've become more sensitive to volume discounts.

Given the economy and all the networks out there, do new channels pitch you any less than 5 years ago?

We still get a lot of new pitches. It's really pretty easy to answer those most of the time. We just don't see any value in more content. We think we have enough content that we

just need to use in a more effective way—all the discussions about TV Everywhere, On Demand, wireless and all that. Pretty much almost anything that can be done is being done, and certainly anything that can be done and economically be rewarding for a programmer is being done.

Most of the stuff you see is just slicing and dicing what's already there, and we don't want to have to pay additionally for that.

What about these new/old nets in the works? Fine Living to the Cooking Channel. Fox Reality to Nat Geo Wild. Discovery Health to OWN. Are we seeing an increasing number of these?

I think you are. I think it speaks to the lack of success of what's been there in the past. Networks are very loathe to give up the capacity, so they try to figure out something to do with the bandwidth. Unfortunately, I think going forward there are a lot of channels that we are paying for that probably, from the standpoint of value to consumers, the value really isn't there. I think both sides of the industry have to come to grips with what we do with those.

Then is it welcome when you see these changes?

It could be. You take a couple examples of Fine Living changing to Cooking and Discovery Health changing to Oprah. There are widely varying arguments in terms of which one of those you think is valuable and which one of those might not be valuable. If something has a really well-defined business model, then we're willing to entertain and look at those. But [some] of them unfortunately have kind of been retooling without a whole lot of, certainly from our part, expectation that it was going to be anything different or anything more valuable than what we're already carrying. Everyone is different. It's really hard to generalize.

Favorite show?

"Mad Men." It's one of the few shows I actually watch regularly... Having grown up in the late 50s, early 60s, it's interesting to see how they kind of capture the feelings of that era.



Bob Wilson

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WHAT THE INDUSTRY READS FIRST.