

CableFAX Daily™

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What the Industry Reads First

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Game On: Fox Calls TWC Out in Marketing Campaign

After staying quiet for weeks, **Fox** has officially launched an ad campaign warning **Time Warner Cable** subs that they may lose Fox programming on Jan 1. **KeepFoxOn.com** is one element of the campaign, which includes prints ads and hotline 1-866-KEEP-FOX. "While negotiations are ongoing, we have a responsibility to prepare our viewers for the very likely possibility that Time Warner Cable may choose to no longer carry **Fox Broadcasting**, **Fox Cable** and Fox regional sports programming," Fox said in a statement, adding that for 9 months it has "attempted to negotiate in good faith." A TWC spokesperson said negotiations are ongoing, calling Fox's demands "unreasonable and excessive, especially in this economic climate." TWC has its own Website (RollOverOrGetTough.com) on escalating programming costs, but the site doesn't single out Fox or any other programmer by name. TWC acknowledged it may lose subs because of the spat, but the rep said "they need to understand that every provider, including satellite and telephone companies, faces rising programming costs and potential disputes." There's no crawl (yet) on Fox stations, but Fox O&Os, such as NY and L.A. (markets unused to such fights), are running TV ads. KeepFoxOn.com warns TWC subs that they stand to lose "American Idol," NFL, and college football bowls (ie, Allstate Sugar Bowl is Jan 1 and the Cotton Bowl is Jan 2), not to mention Fox cable nets, including RSNs. Nearly 4mln subs would be impacted if the Fox O&Os were dropped. Some **Bright House** customers could also be affected since TWC negotiates programming/retrans for them, but the initial marketing blitz is only aimed at TWC. "Going forward, we will continue actively negotiating with Time Warner Cable in hopes of reaching a fair agreement and will attempt to keep our viewers informed of the situation every step of the way," Fox said. On Fri, **Pali** analyst *Rich Greenfield* pointed to Fox inking a 1-year extension in Oct with **Cablevision** shortly before it could have pulled its channels (with the Yankees in the playoffs on Fox). "News Corp was in the ultimate retrans negotiation position, and they simply 'blinked,'" Greenfield wrote in a research note, saying it was their all-time best opportunity to get \$1/sub/month if not substantially more. His bet is that Fox feared the political attention such a move would generate. Another possibility for the CVC deal is that Fox wanted to focus all its efforts on TWC and would come back to CVC with its deal being tied to TWC's negotiations. Greenfield predicts Fox broadcast and cable signals will be dropped (**Fox News**, **Fox Business** and **Nat Geo** will not be impacted), and the 2 will ultimately settle at a price closer to 50-60 cents/sub/month within days. Get ready for a contentious 2 weeks.

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The Zaslav Effect: Discovery Comm pres/CEO David Zaslav made immediate moves to increase synergies when he joined in '07, and the reorg announced by Discovery Fri aims to further that initiative. But once again, it comes with the departure of a high-profile exec. The company said **Discovery Channel** pres/gm John Ford is leaving, as did **Discovery Nets** US pres Billy Campbell back in '07. The new structure, said sources, is much more about achieving content and ad synergies than financial streamlining or going after distribution bumps. It calls for a tethering of Discovery Channel and **Science Channel** under former pres/gm, emerging nets Clark Bunting, who will serve as acting pres/gm of the pair while Science gm Debbie Myers continues in her role. **Investigation Discovery** gm Henry Schleiff adds **Military Channel** and **HD Theater** to his purview, and will report directly to Zaslav. **Planet Green** joins other female-skewing nets **Discovery Health** and **FitTV** under Laura Michalchyshyn as gm. Michalchyshyn also assumes the additional responsibility of transitioning Discovery Health into **OWN**. Current Health/FitTV gm Carole Tomko will report to incoming COO Peter Liguori (Jan 19) as pres, **Discovery Studios**. **TLC** and **Animal Planet** will remain "standalone" nets, with Eileen O'Neill and Marjorie Kaplan remaining pres/gm of the channels, respectively. All Discovery nets remain profitable. To streamline external comm, svp, Government Relations/Public Policy and Standards and Practices Alexa Verveer will now report to evp, Corporate Affairs and Global Comm David Leavy. CFO Brad Singer will oversee evp David Kline's Enterprise Operational Services group.

Set-Top Talk: The FCC's interest in opening up competition for set-top boxes has excited public interest groups and CE makers. **Media Access Project**, **Public Knowledge** and others are asking the Commission to start a formal rulemaking process that would create a new, open standard. They also want the Commission to freeze requests for waivers from existing rules (such as waivers from the set-top integration ban) and to consolidate all the box proceedings into one. "It is high time for the FCC to reexamine these issues and move beyond the previous, piecemeal approach to set-top boxes," MAP's assoc dir Matt Wood said. **NCTA** supports a broader inquiry into spurring set-top development of devices that will work across all MVPD platforms. "We agree that current rules have not facilitated a vibrant retail marketplace for video devices. We also agree that today's marketplace is nothing like the 'cable-centric' world that existed when the statute was adopted," NCTA pres/CEO Kyle McSparrow said. But the cable group doesn't agree with freezing waiver requests. "Approval of the waivers has benefitted consumers by enabling cable to go all digital, which frees up bandwidth that can then be used to offer faster broadband, more HD channels and other interactive services," an NCTA spokesman said. Earlier this month, the FCC issued a public notice seeking more info on the set-top market. Having long complained about the lack of a retail set-top market, **CEA** applauded the public interest groups' call, urging the FCC to act quickly "so that pay TV subscribers can finally benefit from Section 629's promise of innovation, competition and consumer choice," CEA said.

Football Conundrum: Iowa and Iowa State picked inopportune years to receive bids to their respective Bowl games, the Orange and Insight, as fans who are **Mediacom** customers may not see both contests. While the MSO does not carry **NFL Net**, which will feature the Insight (**Cfax**, 12/18), Rep Bruce Braley (D-IA) asked FCC chmn Julius Genachowski in a letter Thurs to make sure Mediacom's Des Moines subs won't miss the Orange on Jan 5 if the MSO and Sinclair haven't reached a retrans deal by game time. Sinclair's **Fox** affil in the city will carry the game. "At a minimum, the FCC should authorize interim carriage of the stations while the parties sort out their differences," wrote Braley. The other station to which Braley refers is Sinclair's **CBS** affil in Cedar Rapids, which will feature the Super Bowl on Feb 7. Braley also suggested the FCC consider having Mediacom and Sinclair submit to binding arbitration.

Broadband Dollars: **ACA** member **Pine Telephone Co** is among those receiving initial grants from the \$7.2bln broadband stimulus program. Pine got a \$9.5mln grant to deploy broadband infrastructure in remote areas of southeast OK. ACA pres/CEO Matt Polka said he hopes the RUS and NTIA agree "to award new funding to the 82 other ACA members that have applied for support in the first round" and "adopt all of ACA's recommended changes to the program for the second funding round to stimulate even more ACA members to take advantage of the program."

Ratings: Adam Lambert helped **E!**'s "Chelsea Lately" set series records Wed with a 1.08 HH rating and 1.3mln total viewers. -- **Syfy**'s "Ghost Hunters" was the net's most-watched original series ever among 18-34s (825K) and 18-49s (1.83mln).

Programming: **Sportsman Channel** begins Dec 28 a rollout of more than 400 hours of original programming slated for 1Q, including 9 premieres. Among the premiere group: "Pigman: The Series" (Dec 28), chronicling one man's pursuit of wild hogs; "Big Game in Argentina" (Dec 29) and fly fishing series "Hooked on the Fly" (Dec 29). -- Next month, 7-time Grammy winner John Mayer is the subject of "**VH1** Storytellers" (Jan 28).

CableFAX Week in Review

Company	Ticker	12/18 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	35.73	(4.57%)	25.81%
DIRECTV:	DTV	33.04	0.12%	44.22%
DISH:	DISH	20.96	(1.41%)	89.00%
DISNEY:	DIS	31.95	0.73%	40.81%
GE:	GE	15.59	(2.07%)	(3.77%)
NEWS CORP:	NWS	15.70	4.67%	63.88%

Company	Ticker	12/18 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	25.84	(0.92%)	53.44%
COMCAST:	CMCSA	17.24	(2.27%)	2.13%
COMCAST SPCL:	CMCSK	16.49	(2.14%)	2.11%
GCI:	GNCMA	6.40	0.31%	(20.89%)
KNOLOGY:	KNOL	10.69	(0.47%)	107.17%
LIBERTY CAPITAL:	LCAPA	23.31	(0.17%)	394.90%
LIBERTY GLOBAL:	LBTYA	20.66	(2.13%)	29.77%
LIBERTY INT:	LINTA	10.43	(3.96%)	234.29%
MEDIACOM:	MCCC	4.36	(5.22%)	1.40%
RCN:	RCNI	10.40	11.95%	76.27%
SHAW COMM:	SJR	20.54	(0.15%)	16.18%
TIME WARNER CABLE:	TWC	42.14	(0.57%)	96.46%
VIRGIN MEDIA:	VMED	16.76	0.12%	235.87%
WASH POST:	WPO	438.47	4.46%	12.36%

Company	Ticker	12/18 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	13.87	(1.35%)	69.35%
CROWN:	CRWN	1.34	1.52%	(52.98%)
DISCOVERY:	DISCA	31.48	(1.41%)	122.32%
GRUPO TELEVISIA:	TV	20.55	(1.44%)	37.55%
HSN:	HSNI	17.98	0.17%	147.32%
INTERACTIVE CORP:	IACI	19.58	3.11%	24.48%
LIBERTY:	L	36.12	1.46%	27.86%
LIBERTY STARZ:	LSTZA	47.55	(0.44%)	1.82%
LIONSGATE:	LGF	5.74	(0.69%)	4.36%
LODGENET:	LNET	5.42	0.18%	674.29%
NEW FRONTIER:	NOOF	1.88	0.00%	10.59%
OUTDOOR:	OUTD	5.80	(1.53%)	(22.56%)
PLAYBOY:	PLA	3.29	(18.36%)	52.31%
RHI:	RHIE	0.73	1.39%	(91.01%)
SCRIPPS INT:	SNI	41.53	0.63%	88.77%
TIME WARNER:	TWX	29.45	(3.7%)	192.74%
VALUEVISION:	VVTV	4.43	0.91%	1242.42%
VIACOM:	VIA	31.74	(2.64%)	57.75%
WWE:	WWE	15.42	(2.34%)	39.17%

Company	Ticker	12/18 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	7.52	0.53%	229.82%
ADC:	ADCT	6.05	(7.35%)	10.60%
ADVANTAGE:	AEY	2.03	(1.46%)	14.04%
ALCATEL LUCENT:	ALU	3.25	(2.69%)	51.16%
AMDOCS:	DOX	27.44	1.11%	50.03%
AMPHENOL:	APH	43.18	(1.28%)	80.07%
AOL:	AOL	23.49	(3.53%)	(0.13%)
APPLE:	AAPL	195.43	0.39%	128.97%
ARRIS GROUP:	ARRS	10.83	(0.91%)	36.23%
AVID TECH:	AVID	12.08	2.11%	10.72%
BIGBAND:	BBND	3.49	(0.57%)	(36.78%)
BLNDER TONGUE:	BDR	1.05	0.96%	3.96%

Company	Ticker	12/18 Close	1-Week % Chg	YTD %Chg
BROADCOM:	BRCM	31.55	4.61%	85.92%
CISCO:	CSCO	23.33	(1.85%)	43.13%
CLEARWIRE:	CLWR	6.95	12.46%	40.97%
COMMSCOPE:	CTV	25.69	0.08%	65.32%
CONCURRENT:	CCUR	3.93	5.08%	15.59%
CONVERGYS:	CVG	11.00	(0.36%)	71.61%
CSG SYSTEMS:	CSGS	18.95	4.06%	8.47%
ECHOSTAR:	SATS	19.36	(0.77%)	30.20%
GOOGLE:	GOOG	596.42	1.00%	93.86%
HARMONIC:	HLIT	5.82	1.93%	3.74%
INTEL:	INTC	19.63	(1.36%)	33.90%
JDSU:	JDSU	7.83	(1.01%)	114.52%
LEVEL 3:	LVL	1.47	2.80%	110.00%
MICROSOFT:	MSFT	30.36	1.71%	56.17%
MOTOROLA:	MOT	8.53	(0.23%)	92.55%
OPENTV:	OPTV	1.42	(4.05%)	15.45%
PHILIPS:	PHG	28.72	(3.2%)	44.54%
RENTRAK:	RENT	18.26	10.53%	63.04%
SEACHANGE:	SEAC	6.12	0.99%	(15.12%)
SONY:	SNE	28.64	(1.24%)	30.96%
SPRINT NEXTEL:	S	3.72	(8.6%)	103.28%
THOMAS & BETTS:	TNB	35.70	(2%)	48.63%
TIVO:	TIVO	9.40	(4.37%)	31.28%
TOLLGRADE:	TLGD	5.98	(4.32%)	25.10%
UNIVERSAL ELEC:	UEIC	23.19	(0.69%)	42.97%
VONAGE:	VG	1.18	(7.09%)	78.79%
YAHOO:	YHOO	16.14	2.54%	32.30%

Company	Ticker	12/18 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	27.32	(2.46%)	(4.14%)
QWEST:	Q	4.24	3.41%	16.48%
VERIZON:	VZ	32.80	(2.76%)	(3.24%)

Index	Value	% Chg	YTD %Chg
MARKET INDICES			
DOW:	DJI	10328.89	(1.36%) 17.69%
NASDAQ:	IXIC	2211.69	0.98% 40.24%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. CLEARWIRE:	6.95	12.46%
2. RCN:	10.40	11.95%
3. RENTRAK:	18.26	10.53%
4. CONCURRENT:	3.93	5.08%
5. NEWS CORP:	15.70	4.67%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. PLAYBOY:	3.29	(18.36%)
2. SPRINT NEXTEL:	3.72	(8.6%)
3. ADC:	6.05	(7.35%)
4. VONAGE:	1.18	(7.09%)
5. MEDIACOM:	4.36	(5.22%)



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