

# CableFAX Daily™

Thursday — May 14, 2009

*What the Industry Reads First*

Volume 20 / No. 091

## Portal Porting: Phone Cos Have 1 Day to Transfer Numbers

The FCC did cable one better Wed, voting unanimously to require wireline, wireless and certain VoIP providers to transfer a customer's existing phone number within 1 business day instead of the current 4-day requirement. NCTA, complaining that the Bells were taking too long with such requests, had initially asked the FCC to trim the porting time to 2 days. "There's no doubt we can do better than 4 days," Commissioner *Jonathan Adelstein* said at Wed's open meeting. The telcos had argued that such a rule was unnecessary, with **Verizon** telling the agency that if the rules are enacted, cable should have the same requirements for cancellation of video, voice and data bundles and that the terrestrial exemption, which lets cable withhold terrestrially delivered programming from rivals, should be struck down. Large carriers have to implement the new 1-day porting within 9 months after the FCC receives input from the **North American Numbering Council**, the federal advisory committee charged with advising the FCC on numbering matters. Smaller carriers have 15 months. A Verizon spokesman said the telco meets the current 4-day requirement more than 99% of the time, and will aim to continue that record. While the telco said it will try to make the new system work well for consumers, it also urged the FCC to "complete the job of ensuring parity when customers switch providers." Cable, of course, was pleased. "Today's decision is a win for consumers who have already saved billions of dollars a year because of the entry of cable companies into the local phone business," said *Cathy Avgiris*, **Comcast** svp, gm voice services. "This makes it even easier for consumers to switch providers and take advantage of the growing competitive market." The commission also passed new requirements for interconnected VoIP providers, saying the must notify subs before they discontinue, reduce or impair service (just like conventional providers). They also can't close up shop, leaving customers unexpectedly without phone service.

**Crossed Lines:** **Frontier Comm** agreed to acquire from **Verizon** approx 4.8mln access lines across 14 states, including 1mln HSI customers (110K of which are FiOS Internet subs), 164K **DirectTV** customers and 69K **FiOS TV** subs. The \$8.6bln deal calls for VZ to establish **SpinCo**, a new entity that will be simultaneously spun off to VZ shareholders and merged with Frontier, and features \$5.25bln in Frontier stock and \$3.33bln in assumed debt. The transaction will make Frontier the nation's 5th-largest ILEC with more than 7mln access lines and 8.6mln voice and broadband subs across 27 states. **Sanford Bernstein** estimates that VZ is divesting approx 500K FiOS passings. VZ chmn/CEO *Ivan Seidenberg*



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said the deal is part of a “multi-year effort to transform our growth profile and asset base to focus on wireless, broadband, and global IP.” Frontier chmn/CEO *Maggie Wilderotter* said she’s “confident that we can dramatically accelerate the penetration of broadband in these new markets during the first 18 months.” Maintaining its “buy” rating on VZ shares, **S&P** downgraded Frontier to “buy” from “strong buy,” as “we believe the deal adds execution risk that would pressure margins.”

**DTV Doings:** Now 30 days out from the DTV transition, about 3.5mln HHs (3.1% of US homes with TVs) are still not ready, reports **Nielsen**. The FCC outlined Wed what it’s doing to prep consumers in these final days. Efforts include its 1st foray into paid advertising, which will primarily be with ethnic media. The agency’s even texting info about the switch. “We haven’t found another govt agency that has used this kind of new media before, so this is a little test for everybody,” **NTIA’s Bernadette McGuire-Rivera** told FCC commissioners Wed. Other activities: about 180 FCC staffers went to communities in 49 markets deemed with the most unprepared; a May 21 nationwide soft test with broadcasters is planned; and the DTV help line, currently manned by several hundred workers, will go to as many as 4K as the June 12 deadline nears.

**Competition:** **DISH** and **HRTV** teamed to **Racetrack TV Net**, a subscription racing package consistent of 80 channels of live thoroughbred, quarterhorse, harness and greyhound racing. Individual racetracks will receive a dedicated channel for their simulcast feeds that includes wagering info, paddock shots and post parades. The package will feature up to 700 live races/day, for \$50/month, and DISH subs may also subscribe to a **Best of RTN** package including live simulcast feeds of 12 of the top RTN racetracks running at any given time, for \$30/month.

**Carriage:** **DISH** inked a deal Tues evening to carry **Comcast SportsNet CA’s Oakland A’s** telecasts for the remainder of the season, just in time to provide its Bay Area subs access to the team’s 12-3 win (**Cfax**, 5/13). All of the net’s affils now carry the games. -- **mun2** now reaches 30.4mln US homes, and its Hispanic HH coverage is now 6mln homes.

**In the Courts:** A MO court granted Wed a temporary restraining order against a **DirecTV** campaign that **Charter** alleges creates a false impression that its financial restructuring will adversely affect subs.

**Mobile Broadband:** **Clearwire** tapped **Cisco** as the natl IP network solution provider for its WiMAX rollout, and Cisco also plans to build new WiMAX devices for consumers and businesses in Clear markets. Clearwire CEO *Bill Morrow* during a Wed conference call said that Clear services in Atlanta, the service’s 2nd market, cover approx 1200-sq-miles and more than 3mln people, and will be offered at 6 area retail outlets. Las Vegas is set to launch in late summer, he said. Also, CTO *John Saw* assumes additional responsibility overseeing Clearwire’s broadband network and tech deployment, and *Perry Satterlee* is stepping down as COO. -- In early Jun, **Sprint** begins offering for \$100 with a new 2-yr service agreement the **Novatel Wireless MiFi 2200** mobile hot spot device letting users surf the Web by connecting WiFi devices with the telco’s mobile broadband network. Sprint will bow the service under the **Sprint Mobile Hotspot** name.

**Broadband:** **Leichtman Research’s** latest data reiterates the slowing broadband growth. The top cable ops added 837K broadband subs in 1Q, or 70% of the corresponding 1Q08 total, while the top telcos added 775K, or 77% of last year’s tally. The good news, however, is that 1Q delivered 600K more overall net broadband adds than did 4Q08—although Leichtman pres *Bruce Leichtman* said “given the traditional seasonality of the broadband industry, it should not be a surprise if net adds in 2Q09 are half of what they were in 1Q.” After cable ops earned 67% of overall broadband adds in 3Q and telcos came back and notched 55% of the overall adds last Q, cable earned 52% of the overall 1Q adds. The

**CableFAX Daily** will publish a special supplemental Mid-Day Report, June 11, profiling the winners of the Sales Executive of the Year Awards and the Sweet 16—with special mention of the 2009 Hall of Fame Inductees. For event information and list of Honorees go to: [www.CableFAX.com/SEOY](http://www.CableFAX.com/SEOY).

**A Generous Distribution of the Mid-Day Report Will Include:**

- Printed copies at the event for all attendees • CableFAX Daily Subscribers
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For your Mid-Day advertisement booking and sponsorship opportunities contact:

Debbie Vodenos, Publisher

Erica Gottlieb, Account Manager

301-354-1695; dvodenos@accessintel.com

212-621-4612; egottlieb@accessintel.com

Publication Date: June 11  
Sales Close Date: June 3  
Artwork Deadline: June 5



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# BUSINESS & FINANCE

top 5 providers in net 1Q broadband adds: **AT&T** (359K), **Comcast** (329K), **Verizon** (252K), **Time Warner Cable** (225K) and **Cox** (80K, estimated).

**Upfronts:** With an eye on further audience growth following a best-ever '08 among 25-54s and 18-49s, plus increases so far this year in each demo, **History** announced its most substantial programming investment ever (no word on how much). The star of the slate is 12-part project from former **Discovery** chief *Jane Root*, "America the Story of US," which will span from Jamestown to the election of *Barack Obama*. Despite the softness in advertising, History gm *Nancy Dubuc* feels pretty good as her channel continues to draw in younger viewers. "History is so well differentiated and has such a hard-to-find audience in the upscale male viewer that we're in a better place than most," she told us. "I say that in full appreciation of what's going on out there... There's a lot of reality to what people are saying. It is a difficult market, but I think there's also a lot of opportunity out there if you have the right brand, with the right message, with the right momentum behind you." Greenlit series include "WWII in HD," "Madhouse" (wt), focused on a quarter-mile racetrack in NC carrying a colorful history of car competitions and customization, and "Pawning America," featuring the only family-owned pawn shop in Las Vegas.

## CableFAX Daily Stockwatch

Company	05/13 Close	1-Day Ch	Company	05/13 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	27.59	(1.57)	AMPHENOL:	30.65	(0.65)
DIRECTV:	24.54	0.41	APPLE:	119.49	(4.93)
DISH:	15.75	(1.39)	ARRIS GROUP:	10.03	(0.18)
DISNEY:	23.60	(0.72)	AVID TECH:	12.32	(0.62)
GE:	12.91	(0.77)	BIGBAND:	5.12	(0.24)
HEARST-ARGYLE:	4.48	(0.02)	BLNDER TONGUE:	1.42	0.10
NEWS CORP:	9.91	(0.75)	BROADCOM:	20.53	(0.86)
<b>MSOS</b>					
CABLEVISION:	17.99	(0.72)	CISCO:	18.05	(0.67)
COMCAST:	14.96	(0.24)	CLEARWIRE:	5.09	(0.6)
COMCAST SPCL:	14.09	(0.13)	COMMSCOPE:	21.98	(1.72)
GCI:	6.90	(0.34)	CONCURRENT:	4.15	(0.16)
KNOLOGY:	7.90	(0.05)	CONVERGYS:	9.11	(0.76)
LIBERTY CAPITAL:	12.31	(0.82)	CSG SYSTEMS:	13.01	(0.51)
LIBERTY ENT:	24.90	(0.15)	EHOSTAR:	15.76	(0.85)
LIBERTY GLOBAL:	14.82	(1.05)	GOOGLE:	389.54	(9.47)
LIBERTY INT:	5.36	(0.62)	HARMONIC:	5.11	(0.32)
MEDIACOM:	5.36	(0.18)	INTEL:	15.13	(0.08)
SHAW COMM:	16.51	(0.06)	JDSU:	4.45	(0.31)
TIME WARNER CABLE:	31.02	(0.64)	LEVEL 3:	1.07	(0.08)
VIRGIN MEDIA:	6.92	(0.41)	MICROSOFT:	19.75	(0.14)
WASH POST:	365.51	1.40	MOTOROLA:	5.66	(0.41)
<b>PROGRAMMING</b>					
CBS:	6.52	(0.53)	NDS:	62.93	0.00
CROWN:	2.97	(0.02)	OPENTV:	1.50	0.00
DISCOVERY:	19.17	(0.39)	PHILIPS:	18.62	(0.58)
EW SCRIPPS:	1.66	(0.24)	RENTRAK:	10.33	0.32
GRUPO TELEVISA:	16.64	(0.17)	SEACHANGE:	6.06	(0.19)
HSN:	8.57	(0.03)	SONY:	25.85	(0.99)
INTERACTIVE CORP:	15.15	(0.5)	SPRINT NEXTEL:	4.97	(0.36)
LIBERTY:	25.65	(1.17)	THOMAS & BETTS:	29.38	(1.33)
LODGENET:	4.63	(0.36)	TIVO:	7.57	(0.37)
NEW FRONTIER:	2.12	0.02	TOLLGRADE:	5.17	(0.16)
OUTDOOR:	7.47	(0.05)	UNIVERSAL ELEC:	19.94	(1.26)
PLAYBOY:	2.51	(0.25)	VONAGE:	0.45	(0.05)
RHI:	3.01	(0.01)	YAHOO:	14.52	(0.58)
SCRIPPS INT:	28.00	(0.96)	<b>TELCOS</b>		
TIME WARNER:	24.42	0.80	AT&T:	25.24	(0.49)
VALUEVISION:	0.55	(0.05)	QWEST:	4.11	(0.22)
VIACOM:	20.62	(1.32)	VERIZON:	29.75	(0.65)
WWE:	11.04	(0.24)	<b>MARKET INDICES</b>		
<b>TECHNOLOGY</b>					
3COM:	3.94	(0.15)	DOW:	8284.89	(184.22)
ADC:	6.59	(0.05)	NASDAQ:	1664.19	(51.73)
ADVANTAGE:	1.58	(0.17)			
ALCATEL LUCENT:	2.21	(0.31)			
AMDOCS:	20.15	(0.43)			



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## Think about that for a minute...

### Call Them Now

I know that the **CableFAX** office distribution often doesn't make it to the engineering department. Make sure this one does. We're entering a critical time, the "last mile" as it were, for the DTV transition. And the broadcasters—or at least a lot of them—are finally going to do something that they should have done a long time ago: run a national test.

Of course they didn't do it on their own. It took a lot of good work on the part of the remaining Commissioners of the FCC, who have all been calling for more coordinated efforts, and more national testing for a long time now. Those calls were pretty much ignored by the past Chairman. I don't think anyone can really explain why, but he's gone now, and the Acting Chairman *Michael Copps* has consistently been saying that one of the



**Steve Effros**

best ways the over-the-air dependent public can find out if they are ready for the transition to digital is to test that proposition in the market.

Well, now it appears it's going to happen on a nationwide basis on May 21. Granted, at least as of this writing it's going to be "voluntary" on the part of the broadcasters. That's too bad, but it's better than nothing. The DTV Transition Delay has, I admit, proven its value by allowing more time to get coupons into the hands of those who need them, and more information out to that part of the community that is still not prepared.

There's a continuing need to do that, since there are still an estimated 3 million or so broadcast-television-only viewers who are not prepared for the analog cut-off date now scheduled for June 12. I have long believed that even the unprepared will be capable of solving their own problem as soon as the cut-off happens, that there is no real "crisis" here. But giving a little

more time, and more publicity, and now a nationwide test are useful.

So what does it mean for the engineering department of every cable system? It means you darn-well better be ready for the five-minute long tests coming, probably during the local newscasts in the morning, afternoon and evening of the 21st! You don't want cable customers to suddenly be staring at a screen that says something like "...if you see this screen, you are not ready for the digital TV transition that takes place just 22 days from now!" Systems have to be ready to either be delivering the digital feed of that broadcast station—which presumably will not have that notice on it—or be ready to change to some other notice saying you will be taking care of the transition for them when it happens.

I say all this because, to the broadcaster's credit, there have been tests run in a lot of markets in the past. Some have even been coordinated. But some have not, and when that happened, and the local cable operators were not informed, their customers sometimes got the wrong notice, and all sorts of confusion ensued.

Since this is going to be a voluntary set of tests, YOU have to make sure you know what your local broadcasters are planning to do.

DON'T wait for them to call you! We've made that mistake in the past, and sometimes the calls never happened. Call them now!

#### Odds and Ends:

The chief technology officer for Seattle reportedly said the other day that only fiber optic systems can deliver 100Mbps service. Someone should explain DOCSIS 3.0 to him!

*Steve*

T:703-631-2099  
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- Best Tech Innovation or Innovator (By Individual System or System-Wide)
- Best Customer Service Innovation (By An Individual System or MSO-Wide)
- Best Commercial Sales Team of the Year
- Project Launch of the Year (could be in sales, technology, community service, customer service, employee relations or anything else; the project must have been launched in calendar year 2008)
- Regional Executive of the Year
- Lifetime Achievement

## INDEPENDENT OPERATOR AWARDS

- Independent Operator of the Year
- Marketer of the Year
- System Executive of the Year
- Strategic Thinker of the Year
- Best Community Service
- Customer Service Innovation or Innovator
- Project Launch of the Year
- Lifetime Achievement

Category details available at  
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**How To Enter:** There is no fee to enter. Use this form or visit [www.CableFAX.com/TopOps](http://www.CableFAX.com/TopOps) for entry form copies, additional category information, and to view the 2008 Winners. Fax or Mail your entries and supporting materials by May 15, 2009 to:

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**What to Enter:** You should submit an essay of not longer than 500 words explaining, with as much specificity as possible, why the candidate or team should be considered. You can supplement your essay with news clips, photos or other materials. When submitting multiple entries please use a separate entry form for each.

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Winners will be honored in the July 2009 issue of CableFAX: The Magazine Top Operators Issue

