

# CableFAX Daily™

Tuesday — June 16, 2009

What the Industry Reads First

Volume 20 / No. 113

## 3 Days on the Contour: Some Broadcasters Having Reception Issues

While cable was branding its DTV transition as smooth Mon, there were some hiccups for broadcasters—including in Philly, Chicago, NYC and Baltimore. Execs from **ABC** were at the **FCC** Mon afternoon to discuss contour issues—ie, over-the-air viewers in a station's DTV contour who should have been able to see stations after the transition, but couldn't, particularly if the station moved from broadcasting digitally on UHF to VHF. "There are reports in certain markets that some viewers who were previously able to receive UHF DTV channels are not able to receive high VHF DTV channels," said *Jonathan Collegio*, **NAB's** vp, digital television. "NAB, **MSTV** and the **FCC** are investigating the situation and both the national DTV hotline and local stations are answering consumer questions about this issue." One possibility may be for stations to apply for power increases in affected markets to see if it improves the situation. Another thing being looked at is whether consumers have antennas that pick up VHF frequencies. It should be noted that the majority of TV stations nationwide are broadcasting in the UHF frequency band. No immediate details on the number impacted. The largest volume of calls to the **FCC** on Fri came from Chicago, followed by Dallas-Ft Worth, NY, Philly and Baltimore. Cable kept in touch over the weekend with a series of conference calls and email blasts. "I think that cable operators and systems saw the kind of garden variety issues that they might expect," said **NCTA's** *Rob Stoddard*, who noted that there were some broadcast stations Mon that were still off the air or transmitting at low power. That could be due to signal power or other issues, with the number "shrinking every day," he said. Cable's problems appeared minute, with a limited number of reports of analog nightlight stations causing some minor interference to cable plants, according to **NCTA**. That issue is being addressed. *Stoddard* also mentioned some various center cut safe problems with **PBS** stations. Basically, a broadcaster's HD signal is shrunk to fit on a 4X3 screen. The broadcasting community has produced content so that if you lost the edges of a picture, it wouldn't impact the viewing. Apparently, a few **PBS** producers may not have followed those guidelines, and the pic may be distorted, *Stoddard* said. But he added that it was such a minor issue, it was "really reaching" to call it a problem. The **FCC's** DTV call center received more than 317K calls on Fri, with that number steadily dropping through the weekend (nearly 30% of Fri's calls concerned the operation of digital converter boxes; more than 20% dealt with reception issues). Sat's calls totaled 145K, Sun's 62.9K and as of noon Mon, just over 22K calls had come in. The aver-



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# CableFAX

## THE MAGAZINE



*is proud to announce the  
2009 Selections of Top Operators*



### **NPG Cable, Inc as Independent Operator of the Year**

Award presented in partnership with ACA and NCTC

**&**

### **Mediacom as MSO of the Year**

#### **Honorees Celebrated in this Issue:**

Lifetime Achievement (Independent): Gene Hager, Antietam Cable Television, Inc.  
System Executive of the Year (Independent): Greg Lathum, NewWave Communications  
Tech Innovation (Independent): Sunflower Broadband

Lifetime Achievement (MSO): Pam Euller Halling, Insight Communications  
Technology Award (MSO): Comcast  
Commercial Sales Team of the Year (MSO): Cox Business

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#### **More category winners celebrated in CableFAX: The Magazine Top Ops Issue**

Bonus Distribution: Independent Show in Grapevine, Texas

Special Section: 2009 Faith & Values Report- an advertorial section profiling leading faith-based programmers.

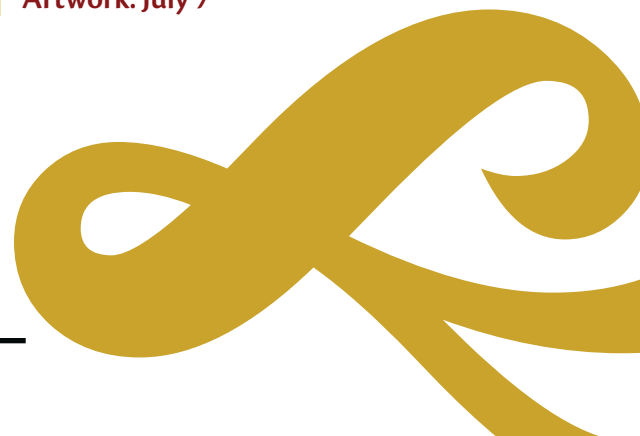
We invite you to celebrate your most important partners' successes and your achievements with a brand ad or a congratulatory ad in the July, Top Ops issue of CableFAX: The Magazine.

Call us for a full list of all the honorees as well as for advertising packages.

**Publication Date: July 26 | Ad Close: July 2 | Artwork: July 7**

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CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax:301/738-8453 ● Editor-in-Chief: Amy Maclean, 301/354-1760, amaclean@accessintel.com ● Exec Editor, Michael Grebb, 301/354-1790, mgrebb@accessintel.com ● Assoc Editor, Chad Heiges, 301/354-1828, cheiges@accessintel.com ● Asst VP, Ed Director, Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Debbie Vodenos, 301/354-1695, dvodenos@accessintel.com ● Advertising Mgr: Erica Gottlieb, 212/621-4612 ● Marketer: Patrick Benko, 301/354-1789, pbenko@accessintel.com ● Marketing Director: Carol Bray, 301/354-1763, cbray@accessintel.com ● Prod: Joann Fato, 301/354-1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Paul Maxwell/Columnist ● Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs: Carol Bray, 301/354-1763, cbray@accessintel.com

age wait time was 4.6 mins, the FCC said. On Mon, **Commerce Sec Gary Locke** assured consumers that DTV converter box coupons are still available. Last week, the gov't's coupon program received nearly 1.7mln requests, with about 428K requested on Fri—the day of the nationwide switch. During that period, retailers redeemed more than 1mln coupons.

**At the Portals:** The **FCC** has dropped the remaining **News Corp** conditions that dated back to when it acquired its stake in **DirectTV** (News transferred that stake to **Liberty** last year). Specifically, the FCC dropped conditions requiring News to participate in arbitration of disputes concerning carriage of RSNs and a condition requiring arbitration of retrans disputes. The FCC said that Liberty's acquisition of the DirecTV stake rendered the conditions no longer necessary in the public interest. **ACA**, **DISH** and a few others opposed the FCC dropping the conditions. They did win a small victory in that existing arbitration demands were grandfathered in. "Although we are disappointed that the Commission decided to lift the consumer friendly conditions prior to the previously adopted January 2010 sunset, the American Cable Association applauded the FCC for insisting that ACA members that had filed formal demands or provided notice to commence arbitration with News Corp. through today would retain their rights under the News Corp.-Hughes/DirecTV order approved in 2003," ACA pres/CEO **Matt Polka** said.

**TV Guide Changes:** **Lionsgate** confirmed earlier reports of 38 layoffs at **TV Guide Net**, or 11% of the net's workforce. Sources said the cuts— affecting 15 full-time staffers, 15 temporary, 2 on-air talent and 6 unfilled posts—are mainly related to programming alterations, including the cancellation of "TV Watercooler," the movement of "inFAN-ity" to a special from a weekly series and the daily-to-weekly move of "Hollywood 411." "The reductions represent a reallocation of resources and a shift in programming priorities away from some of the network's existing in-house productions," said a Lionsgate spokesperson. "The cost savings will provide TV Guide Network with increased buying power for major acquisitions and other productions in the immediate future." Any additional programming and possibly employment changes this year for the net will preface a Jan 1 relaunch that may feature a new name.

**In the Courts:** The **US Supreme Court** refused to hear an appeal from local govts that claim the **FCC** exceeded its authority when it ruled that they have to respond to franchise applications within 90 days. **NATOA** and the **Alliance for Community Media** had sought SCOTUS' opinion.

**Advertising:** **Hallmark Channel** created the "Fast Break" commercial format, which features shorter commercial pods exclusively sponsored by a client that aim to break through the clutter. **Mutual of Omaha** signed on as the 1st sponsor. -- **Turner** announced custom promotions for **Miller Lite**, **Twix** and **Kia Motors** during its inaugural "TBS Presents a "Very Funny" Festival: Just for Laughs," Wed-Sun in Chicago. Included are an on-site interactive presence, branded online exposure and cross-network promos. **TBS** will tape 3 prime specials during the event.

**VOD:** As part of its '08 trend report, **Rentrak** said approx 13% of all VOD-enabled set tops purchase on demand content in a given month and that VOD customers order an avg of 18 assets/month. VOD orders increased 21% last year, with free on demand content accounting for 74% of all non-adult orders, SVOD for 23% and transactional VOD 3%.

**Technology:** Now available publicly through **Java.net** is **CableLabs' tru2way Reference Implementation**, offering device manufacturers and app developers a consistent interpretation of CL's **OpenCable** middleware spec. The implementation includes the spec's DVR extension, and a future version will integrate other extension such as home networking.

## Operators and Programmers- Don't Miss This!

CableFAX Webinar • Wednesday, June 17, 2009 • 1:30-3:15 p.m. (EST)

**Topic: The 'TV Everywhere' Debate: Will Authentication Save the Online Video Model?**

The topic of Authentication drew much discussion at the 2009 Cable Show. Now our expert panel will inform you about where this debate is heading and how it may change your current revenue models.

[www.cablefax.com/webinars](http://www.cablefax.com/webinars)

# BUSINESS & FINANCE

**Obit:** NATOA exec dir *Libby Beaty* lost her battle with lung cancer. NATOA will establish the NATOA Education Fund for her 2 children, *Jonathon* and *Nicholas*. Details of the fund and funeral arrangements are pending.

**NCTA** pres/CEO *Kyle McStarrow* said “all of us in the cable industry will remember her dedication and ability to make a difference.” **ACA’s** *Matt Polka* echoed those sentiments, saying “she will always be remembered in our thoughts and prayers for her grace and courage, her easy laugh and bright smile, and her dedication and professionalism.”

**Business/Finance:** **Pali** initiated coverage of **DirecTV** with a ‘buy’ rating and a \$32 price target, citing the DBS op’s innovation and attractiveness to suitors among its reasons for the lofty rating. Analyst *Rich Greenfield* even pooh-pooed the value of cable’s bundle, saying that wireless voice substitution has made wireline voice services “less and less of a threat” to DirecTV. Plus, he said, the DBS op has “weathered the worst of the broadband threat,” noting that a proliferation of wireless broadband “may further mitigate cable’s bundling power.” -- To comply with an IL court ruling, **Sprint** said it’s looking to unload assets related to its Integrated Digital Enhanced Network in parts of IL, IA, MI and NE. The court ruled the network in violation of Sprint’s exclusivity pact with **iPCS** in those areas, and imposed a Jan 25 deadline for divestiture.

## CableFAX Daily Stockwatch

Company	06/15 Close	1-Day Ch	Company	06/15 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	28.36	(0.83)	AMPHENOL:	33.00	(0.96)
DIRECTV:	22.35	(0.42)	APPLE:	136.09	(0.88)
DISH:	14.80	(0.53)	ARRIS GROUP:	12.29	(0.38)
DISNEY:	24.25	(0.81)	AVID TECH:	13.41	(0.79)
GE:	13.15	(0.36)	BIGBAND:	5.20	(0.34)
HEARST-ARGYLE:	4.50	0.00	BLNDER TONGUE:	1.45	(0.17)
NEWS CORP:	11.06	(0.67)	BROADCOM:	26.07	(0.23)
<b>MSOS</b>					
CABLEVISION:	19.04	0.13	CISCO:	19.36	(0.55)
COMCAST:	13.82	(0.53)	CLEARWIRE:	4.24	(0.35)
COMCAST SPCL:	13.19	(0.54)	COMMSCOPE:	24.21	(0.82)
GCI:	6.96	(0.4)	CONCURRENT:	5.41	(0.14)
KNOLOGY:	8.18	(0.24)	CONVERGYS:	9.13	(0.15)
LIBERTY CAPITAL:	14.52	(0.42)	CSG SYSTEMS:	14.11	(0.23)
LIBERTY ENT:	24.19	(0.51)	EHOSTAR:	15.83	(0.35)
LIBERTY GLOBAL:	14.81	(0.32)	GOOGLE:	416.77	(8.07)
LIBERTY INT:	5.76	(0.17)	HARMONIC:	6.65	0.04
MEDIACOM:	5.46	(0.52)	INTEL:	15.98	(0.33)
SHAW COMM:	16.63	(0.32)	JDSU:	6.08	(0.04)
TIME WARNER CABLE:	30.83	(0.2)	LEVEL 3:	1.49	(0.05)
VIRGIN MEDIA:	8.54	(0.12)	MICROSOFT:	23.42	0.09
WASH POST:	334.52	(14.7)	MOTOROLA:	6.48	(0.25)
<b>PROGRAMMING</b>					
CBS:	7.81	(0.33)	OPENTV:	1.30	(0.02)
CROWN:	1.90	(0.05)	PHILIPS:	18.41	(0.8)
DISCOVERY:	21.72	(0.4)	RENTRAK:	14.50	0.75
EW SCRIPPS:	2.10	0.01	SEACHANGE:	7.24	(0.31)
GRUPO TELEVISA:	17.33	(0.3)	SONY:	26.24	(1.05)
HSN:	11.38	(0.41)	SPRINT NEXTEL:	5.34	0.05
INTERACTIVE CORP:	16.29	(0.12)	THOMAS & BETTS:	30.81	(1.17)
LIBERTY:	27.48	(0.65)	TIVO:	11.31	(0.13)
LODGENET:	4.68	(1.22)	TOLLGRADE:	5.60	0.03
NEW FRONTIER:	2.56	(0.04)	UNIVERSAL ELEC:	19.64	(1.04)
OUTDOOR:	6.05	(0.32)	VONAGE:	0.41	(0.01)
PLAYBOY:	2.59	(0.24)	YAHOO:	16.40	0.00
RHI:	3.33	0.17	<b>TELCOS</b>		
SCRIPPS INT:	28.97	(0.47)	AT&T:	24.63	(0.38)
TIME WARNER:	25.40	(0.6)	QWEST:	3.98	(0.34)
VALUEVISION:	1.48	(0.02)	VERIZON:	29.73	(0.19)
VIACOM:	24.04	(0.96)	<b>MARKET INDICES</b>		
WWE:	13.06	(0.53)	DOW:	8612.13	(187.13)
<b>TECHNOLOGY</b>					
3COM:	4.70	(0.33)	NASDAQ:	1816.38	(42.42)
ADC:	8.23	(0.04)			
ADVANTAGE:	1.85	0.00			
ALCATEL LUCENT:	2.69	(0.15)			
AMDOCS:	21.31	(0.55)			

**CableFAX** Onsite Workshop

Space is limited to 20 attendees.  
Visit [www.cablefaxworkshop.com](http://www.cablefaxworkshop.com)

## Social Media Boot Camp for Cable

Thursday, July 16, 2009  
8:30 a.m. to 4:30 pm  
New York City – at the offices of CableFAX

Learn how cable businesses, programmers and operators are using the changing social media environment to generate new forms of promotion, communication, and revenue.

For more information, contact Carol Bray  
at [cbray@accessintel.com](mailto:cbray@accessintel.com) or 301-354-1763

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# EYE ON ADVERTISING

## Mixing it Up

As cable operators move toward true interactive television advertising, they find themselves awash in a sea of potentially complementary Internet solutions that are here for the taking today. Relative newcomer **Mixpo** has been providing its VideoAd platform to **Comcast Spotlight** for the past year and, according to Mixpo CEO **Anupam Gupta**, has turned up some interesting results. Gupta told *Cathy Applefeld Olson* that VideoAds wants to help cable operators sell a holistic solution of bundled television spots and video Internet ads to local advertisers. The goal is to ultimately provide more meaningful metrics.

### What cemented the Comcast Spotlight relationship?

AG: The motivations were aligned. Comcast has advertisers they wanted to move online, and they've got the audience with Comcast.net. We monetize local advertisers a lot more than on the national side. So it came down to what was going to be the simplest, most effective way for them to adopt and sell efficiently across all markets in the U.S.

### How much is Comcast using VideoAds?

AG: It's the core of their online advertising offering. Based on what they were doing with banners, this becomes a way to have a much more enhanced experience and a way to complement their existing ad solutions.

### You are also courting local broadcast stations. What differences do you notice between them and cable?

AG: Firstly, cable operators get video advertising. That's their core business. Secondly, they get local, because that's what their distributed footprint is all about. The combination of those two things means they already have the kind of advertisers that can work well to drive things like online video, but they may just not have done it so far. A lot of the same [conditions] exist on the

broadcast side, but where cable operators are showing some deeper insight is that they are already micro-targeting within a given DMA.

### With the VideoAds platform, who controls the content?

AG: One of the key parts of our platform is that we want them to be in control of their own stuff, and this system brings control to their fingertips. Cable operators have sales teams, creative services teams, ad operations, etc. They can adopt our platform in-house, and they already have all the capabilities to control it.

### What patterns are you seeing in terms of driving customers from one medium to the other?

AG: So far, what we've seen is that it's television—existing TV spots—that are driving viewers online. There are many studies that have been done that show online extends the reach of TV campaigns. But there are now really two different demographics. And the younger demographic, which the operators often want to reach and are more inclined to take some action on an ad, are [online]. The opportunity to reach this highly rated target audience is very important to them. They are all trying to figure out how to monetize the online audience.

### How do you envision VideoAds dovetailing with interactive advertising on the television screen, which cable operators are clearly very excited about?

AG: The two are completely complementary. You've got different screens, different dayparts... and let's not forget that third screen—mobile. The value... is engagement measurement, and that's exactly what we do. Being online just allows us to do it today.

*(Longtime entertainment industry reporter Cathy Applefeld Olson is delighted to be documenting media's wild ride into the 21st century).*



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