

CableFAX Daily™

Monday — December 22, 2008

What the Industry Reads First

Volume 19 / No. 246

Spell That: May Be Hard to Find Nicknames for New FCC Chmn

It's all over, but the waiting. At least that was the word around DC Fri, as reports trickled out that *Julius Genachowski* will be appointed chmn of the **FCC** any moment now. "He is the choice," an insider told **Cfax** following a *Washington Post* report. Genachowski, a former **IAC** exec, most recently served as cofounder and managing dir of venture capital firm **Rock Creek Ventures**. According to his **Facebook** page, he's a fan of *Arianna Huffington*, **Craigslist** founder *Craig Newmark* and **Slate.com** (we're sure he'll add **CableFAX** to the list after he gets the job). Genachowski previously served as chief counsel to former FCC chmn *Reed Hundt*. This is a guy who is very familiar with cable, having served as svp, gen counsel of **USA Networks** back in 2000. Of course, nothing's ever a sure bet, but our money is on Genachowski for the post. Hopes were raised that *Obama* might announce his pick at a news conference Fri, but instead he revealed Rep *Ray LaHood* (R-IL) for transportation secretary, House Commerce member *Hilda Solis* (D-CA) for labor secretary, former Dallas Mayor *Ron Kirk* for US trade representative and venture capitalist *Karen Mills* to head the Small Business Administration. All of those picks, along with Obama's FCC appointment will have to be approved by the US Senate, which means an interim chmn might be appointed in the meantime. FCC commish *Michael Copps* is viewed as the most likely candidate should that need arise.

Inside the Beltway: As we predicted, former **Comcast** svp, corporate affairs *David Krone* has landed a job back inside the beltway, and it's a biggie (**Cfax**, 10/29). Krone will join Sen Majority Leader *Harry Reid*'s staff as senior adviser, where he'll oversee and coordinate the integration of the policy, message and outreach operations. Before joining Comcast in Jan, Krone was evp of **NCTA**. Speculation has already started on what Krone's appointment might mean for net neutrality, which its supporters are hoping might be a condition in *Obama*'s broadband stimulus package.

VOD: After its initial launch on **Charter** this summer, **Disney Family Movies** SVOD service has picked up some new distribution. **AT&T U-Verse** added the service this week, pricing it at \$7/month vs the \$4.99/month Charter charges. **Comcast** is slated to launch it in Jan at \$5.99/month. The service, which **Disney-ABC Domestic TV** created with Charter, features a dozen Disney movies and animated shorts, with titles in rotation for about a month.

DTV Doings: With the digital transition 60 days away, House Telecom subcmte chmn *Ed Markey* (D-MA) is again probing the heads of the **FCC** and **NTIA** on their plans for the Feb 17 switch. One of many questions put to FCC chmn *Kevin Martin* is whether the FCC needs more funds for consumer education or additional call center operations to deal with the volume of calls expected nationally. Meanwhile, **Nielsen** reported Fri that while the level of US homes completely unready for the transition dropped from 7.4% in Nov to 6.8% in Dec.

Research: Not surprisingly, broadband and phone service adds continue to slow across the multichannel industry, according to **Leichtman Research**, but cable is offsetting the trend by taking healthy shares from telcos. To wit: as total 3Q

OUTDOOR CHANNEL HD
America's Leader In Outdoor TV

**THE GREAT OUTDOORS
NEVER LOOKED SO GOOD!**

www.outdoorchannel.com

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, 240/753-5696, dvodenos@accessintel.com ● Advertising Mgr: Erica Gottlieb, 212/621-4612 ● Marketer: Doreen Price, 512/934-7857, dprice@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: Angela Gardner, 757/531-1369, cfaxgroupsub@accessintel.com

broadband adds amounted to 61% of those added in '07, cable's haul slipped 18% while telcos' plummeted 60%. Also, the top cable ops added in 3Q more than 870K broadband subs, or 67% of the overall total, and over the last 2 Qs have accounted for 71% of net additions. As for residential phone, cable's net 3Q adds fell 11% to 965K while telcos' net loss was 2.25mln, up from 2.06mln in 2Q and 1.51mln a year ago. -- Citing downward revisions in forecasted '09 TV prices and shipments, **DisplaySearch** expects global '09 LCD TV rev to slip YOY for the 1st time since the sets were introduced in '00 amid "the most difficult year yet" for the TV industry and supply chain. The firm lowered by 11.5mln units to 120mln its forecast for next year's global LCD TV market, with 2% growth expected in developed nations such as the US, Japan and Western Europe. The Plasma TV segment is now expected to tally 14.6mln units, a 5% reduction of the previous forecast.

In the Courts: Fox Business filed a federal lawsuit in NY against the **US Treasury** over the dept's alleged refusal to provide info on the use of federal bailout funds for **AIG**, **Bank of NY Mellon** and **Citigroup**. The net wants Treasury to identify the troubled assets purchased, collateral extended, and any restrictions placed on participating financial institutions.

5Qs with Bob Rose, evp, distribution, CBS College Sports: You recently added 4mln subs. How did you do it? It's creative deal making, which is built on recognizing that each distribution partner has its own competitive challenges and would like to differentiate their video from what their competitors offer. It's de-commoditization. The worst thing you can hear from any client is that you're a commodity. So, client by client, we're trying to offer a unique product. **This is localization?** Right. We're able to tap into the sports rights that we [or **CBS**] own and work out various sub-licensing and production agreements with our clients to give them marketplace advantage. For example, **Bright House** wants to be the home of U of Central Fl. We sub-licensed our UCF content to them [in the Conference USA deal]. **With college endowments down amid the bad economy, will athletics suffer, and might that extend to your network?** It will make investments that networks are making in college sports programming more important than ever since [college sports] is a huge driver of revenue [for the schools]. **You're constantly seeking additional carriage. Has the economy made it tougher to get meetings?** I don't see a difference... the minute you begin a conversation with an MSO, you're negotiating. They want to spend less money, we want to bring in more money. That's hidden between the lines of every conversation... but if you have something that's unique and they feel creates a competitive advantage for them, they're going to listen. You know [MSO's businesses] seem pretty good right now. I'm not hearing them say, 'Oh, my God, people aren't paying their bills, and they're downgrading and buying less.' That pipe into the home may be more valuable than it's ever been when you look at the cost of going out of the home for entertainment... **Compare your old gig, selling Court TV, with selling CBS College Sports TV.** The sameness approach to doing business isn't going to work. Certainly we'll carry forward some fundamentals in the way we sell and manage, but the tactics are different, we've added a lot of pages to the playbook we used at Court TV. We have to be smarter and listen more than we ever have... You have to constantly come up with new ideas. That's what motivates me in this business... And we have to do all this with a much leaner organization. I had about 30 people on my team at Court. We have 7. [Rose's comments on sports tiers can be found at cable360.net/blog]

On the Circuit: The Cable Show '09 (Apr 1-3) speakers include **Time Warner Cable** pres/CEO *Glenn Britt*, **Comcast** chmn/CEO *Brian Roberts*, **Disney** pres/CEO *Robert Iger* and **News Corp** chmn *Rupert Murdoch*. Register at TheCableShow.com. -- **WICT** will hold a pair of concurrent Rising Leaders classes from Apr 20-24 in Delray Beach, FL.

People: Liberty Global's board elected **CableLabs** CEO *Dick Green* to fill the seat of *Gene Schneider*, who is resigning.

HAPPY HOLIDAYS

from your friends at AETN



CableFAX Week in Review

Company	Ticker	12/19 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	28.51	1.80%	(35.3%)
DIRECTV:	DTV	21.91	(4.5%)	(5.2%)
DISNEY:	DIS	22.43	(0.8%)	(30.5%)
ECHOSTAR:	DISH	11.73	6.70%	(65.5%)
GE:	GE	16.50	(3.6%)	(48%)
HEARST-ARGYLE:	HTV	5.88	3.90%	(71.2%)
NEWS CORP:	NWS	9.19	8.60%	(55.3%)

Company	Ticker	12/19 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	14.75	2.30%	(38.6%)
CHARTER:	CHTR	0.15	15.40%	(87.2%)
COMCAST:	CMCSA	15.76	0.70%	(11.7%)
COMCAST SPCL:	CMCSK	15.04	1.00%	(15%)
GCI:	GNCMA	7.65	(1.9%)	(12.6%)
KNOLOGY:	KNOL	5.65	(0.4%)	(55.8%)
LIBERTY CAPITAL:	LCAPA	3.40	12.60%	(85.4%)
LIBERTY ENT:	LMDIA	17.87	37.90%	(26.1%)
LIBERTY GLOBAL:	LBTYA	13.99	7.60%	(64.3%)
LIBERTY INT:	LINTA	3.10	28.60%	(83.8%)
MEDIACOM:	MCCC	3.51	21.50%	(23.5%)
SHAW COMM:	SJR	17.33	1.50%	(20.4%)
TIME WARNER CABLE:	TWC	19.91	0.80%	(27.9%)
VIRGIN MEDIA:	VMED	4.71	8.80%	(69.9%)
WASH POST:	WPO	394.00	2.00%	(47.8%)

Company	Ticker	12/19 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	7.71	(6%)	(65%)
CROWN:	CRWN	1.88	(9.6%)	(71.1%)
DISCOVERY:	DISCA	14.06	7.60%	(38.3%)
EW SCRIPPS:	SSP	2.27	22.80%	(55%)
GRUPO TELEVISIA:	TV	15.06	(3%)	(33.6%)
HSN:	HSNI	5.57	121.00%	(62.6%)
INTERACTIVE CORP:	IACI	16.35	(1.1%)	(30.4%)
LIBERTY:	L	27.98	2.00%	(44.2%)
LODGENET:	LNET	0.62	(1.6%)	(96.4%)
NEW FRONTIER:	NOOF	1.88	(0.5%)	(51.6%)
OUTDOOR:	OUTD	7.18	15.80%	4.10%
PLAYBOY:	PLA	2.19	(8.8%)	(76%)
RHI:	RHIE	6.21	18.70%	(50.8%)
SCRIPPS INT:	SNI	21.07	(1.7%)	(47.7%)
TIME WARNER:	TWX	10.03		(36.7%)
VALUEVISION:	VVTV	0.35	(16.7%)	(94.4%)
VIACOM:	VIA	19.31	7.50%	(56.1%)
WWE:	WWE	11.88	1.30%	(4.1%)

Company	Ticker	12/19 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	2.31	9.50%	(48.9%)
ADC:	ADCT	5.11	9.00%	(67.1%)
ADVANTAGE:	AEY	2.20	22.90%	(64.3%)
ALCATEL LUCENT:	ALU	2.06	(10%)	(71.9%)
AMDOCS:	DOX	18.65	5.10%	(45.9%)
AMPHENOL:	APH	23.58	9.80%	(48.8%)
APPLE:	AAPL	90.00	(8.4%)	(54.6%)
ARRIS GROUP:	ARRS	7.38	4.70%	(26.1%)
AVID TECH:	AVID	10.77	(1.1%)	(62%)
BIGBAND:	BBND	5.44	11.90%	5.80%
BLNDER TONGUE:	BDR	0.97	15.50%	(42.9%)

Company	Ticker	12/19 Close	1-Week % Chg	YTD %Chg
BROADCOM:	BRCM	17.59	(1.1%)	(32.7%)
CISCO:	CSCO	16.64	(2.1%)	(38.5%)
COMMSCOPE:	CTV	14.31	2.30%	(70.9%)
CONCURRENT:	CCUR	3.52	2.90%	(85.2%)
CONVERGYS:	CVG	6.54	4.00%	(60.3%)
CSG SYSTEMS:	CSGS	17.27	6.00%	17.30%
ECHOSTAR HOLDING:	SATS	14.01	(4.6%)	(57.4%)
GOOGLE:	GOOG	310.17	(1.8%)	(55.1%)
HARMONIC:	HLIT	5.86	4.60%	(44.1%)
JDSU:	JDSU	3.99	6.40%	(69.9%)
LEVEL 3:	LVLTL	0.64	(14.7%)	(78.9%)
MICROSOFT:	MSFT	19.12	0.10%	(43.4%)
MOTOROLA:	MOT	4.45	6.20%	(69.5%)
NDS:	NNDS	48.36	(3.4%)	(18.4%)
NORTEL:	NT	0.22	(50%)	(98.7%)
OPENTV:	OPTV	1.23	(3.1%)	(6.8%)
PHILIPS:	PHG	18.82	1.20%	(48.8%)
RENTAK:	RENT	10.97	13.10%	(24.1%)
SEACHANGE:	SEAC	6.56	(3.4%)	(9.3%)
SONY:	SNE	20.09	(5.4%)	(62%)
SPRINT NEXTEL:	S	1.94	(1%)	(85.2%)
THOMAS & BETTS:	TNB	23.85	9.20%	(51.4%)
TIVO:	TIVO	6.70	0.30%	(19.7%)
TOLLGRADE:	TLGD	5.05	11.20%	(37%)
UNIVERSAL ELEC:	UEIC	15.58	(2.3%)	(53.4%)
VONAGE:	VG	0.62	(42.6%)	(73%)
YAHOO:	YHOO	13.03	(0.9%)	(44%)

Company	Ticker	12/19 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	28.12	(0.2%)	(21.8%)
QWEST:	Q	3.45	9.90%	(41.7%)
VERIZON:	VZ	33.19	1.20%	(14%)

Company	Ticker	12/19 Close	1-Week % Chg	YTD %Chg
MARKET INDICES				
DOW:	INDU	8579.11	(0.6%)	(35.3%)
NASDAQ:	COMPX	1564.32	1.50%	(41%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. HSN:	5.57	121.00%
2. LIBERTY ENT:	17.87	37.90%
3. LIBERTY INT:	3.10	28.60%
4. ADVANTAGE:	2.20	22.90%
5. EW SCRIPPS:	2.27	22.80%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. NORTEL:	0.22	(50%)
2. VONAGE:	0.62	(42.6%)
3. VALUEVISION:	0.35	(16.7%)
4. LEVEL 3:	0.64	(14.7%)
5. ALCATEL LUCENT:	2.06	(10%)



CABLE360.NET
CableJobs
 The place for talent

We've got the next **cable job** — or the **candidate** — for you!

Choose the Cable360.net job board today!

Employers save 20% on your next job posting or package — Enter JOBS08.

MaxFAX...

Peace on Earth...

Goodwill to all mankind. Nothing like being hopeful. For almost 20 years, I've been making this prayer every year in this space. Maybe someday.

In the meantime, Happy Holidays! Merry Christmas! Happy Hanukkah! Komfy Kwanzaa!

May you and yours prosper and share.



Paul S. Maxwell

Random "Gift" Notes:

- **For the NCTA and Kyle McSlarrow:** A new, moderate and much smarter set of Federal Confusion Commissioners and a "moderate" set of Congressional overseers.
- **For Kevin Martian:** A one-way ticket out of Washington, DC to ... well, anywhere a long way away. I wouldn't want to even name a place... I can't think of anywhere that might deserve him.
- **For the Economic World:** Rational markets. And reliable risk raters.
- **For Everyone with an Old Television Set:** Patience... and a good offer from the local cable company.
- **For Every "Antenna" (and, Yep, I Mean Cable, Satellite, Telco and Rabbit Ears Too):** No charge for delivering viewers to "free" over-the-air broadcasters.
- **For Dr John Malone:** Continued

success with manipulation of his growing quiver of media and media-related assets.

- **For Summer Redstone:** Free movie tickets for life.
- **For the National Association of Broadcasters:** An understanding of the concept of "irony."
- **For Cable Operators:** A Canoe that paddles. A TRA-Global that opts-in. A stimulus package that drives healthy advertising.
- **For Local Television Stations:** A chance for "transmission consent" and a dual revenue stream... IF they give up the spectrum.
- **For Original Reporting Enterprises:** A better value from readers and advertisers than the aggregators get. They remind me of the house guest that won't leave. Or the uncle that sponges off the rest of the family. Or the kid who copies another's test answers.
- **For All "Cable" Networks:** More viewers (and better ratings) and/or more paying subscribers. And continued success with dramas and comedies from basics (TNT, USA, FX) and premiums (Showtime, Starz).
- **For Anyone in the Cable Industry with 20 Years and Significant Accomplishments:** Admission to the Cable TV Pioneers! But first, you have to find someone to nominate you, someone to "second" you and file an application. For instructions

on how and what and copies of the applications, call or email me ASAP!

- **For Cable Operators:** More proof that the business is recession resistant.
- **For the Incoming Administration:** Only the very best of luck! We could all use that!
- **For All the Sports Leagues with Network Envy:** Get smarter... work with—not in spite of—the industry, the bandwidth and the fact that nothing goes up forever... witness the last few months as a lesson to learn from.
- **For a Quad-Play:** To work. Seamless broadband at home or away is a great dream to pursue.
- **For Bill Bresnan:** Health and happiness—few deserve it as much.
- **For Michael Willner & Bob Miron:** Great success with the Cable Center and its renewed purpose.
- **For the Kable Kid:** New York at her feet.
- **For Steve Burke:** Lots of snow but a bit of "calm" in Montana.
- **For Tom Rutledge:** Recognition.
- **For ALL:** That Peace on Earth bit...

Paul Maxwell

T: 303/271-9960

F: 303/271-9965

maxfax@mediabiz.com

The CableFAXIES awards

Now Accepting Entries

www.CableFaxiesAwards.com

Entry Deadline: January 16, 2009

Saluting Cable's Top Marketing & PR Programs and People

Your hard work is done — now it's time for you and your team to get recognized for it! CableFAX will salute the winners of the CableFAXIES Awards on March 30, 2009 at the National Press Club in Washington, DC.

We look forward to seeing your entry and saluting cable's best PR & marketing efforts of the year.