

CableFAX Daily™

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What the Industry Reads First

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Orange Squeeze: Bowl Concerns Fail to Spur a Mediacom-Sinclair Deal

The heavily publicized **Mediacom/Sinclair** retrans impasse continues despite recent proposals from both teams. Last week, University of Iowa pres *Sally Mason* sent a letter to Mediacom chmn/CEO *Rocco Commisso* and Sinclair pres/CEO *David Smith*, imploring the men to forge an agreement so that affected Iowa residents will have access to the Orange Bowl on **CBS (Cfax, 12/21)**. Barring a pact, Mason asked the pair to “find a way to broadcast the Orange Bowl to Iowans as you continue to try and come to terms.” In response, Commisso wrote Smith on Fri to propose a 3-month extension of the current agreement that expires Dec 31, agreeing “to pay Sinclair the monthly consideration Sinclair demanded in its last offer dated October 28, 2009.” If an extension were to be reached by the end of the extension period, said Commisso, each party would settle any differences in the monthly fees; if not, Sinclair would be free to keep all fees paid by the MSO during the period. Smith declined the offer, comparing it to Mediacom’s past attempt to extend the current contract through Mar 31. “It was clear to Sinclair during those negotiations that Mediacom’s interest in extending the date... [was a] belief that this would provide Mediacom with greater leverage in negotiations” because “less popular programming was upcoming,” wrote Smith. But he did tender a counteroffer consisting of a 1-yr extension at the financial terms proposed in Commisso’s letter, plus Mediacom’s reimbursement of Sinclair’s legal fees and dismissal of its FCC complaint. Mediacom declined and continues to push for mediation that doesn’t involve the FCC. The MSO said it has offered Sinclair other deal options as well but declined to elaborate. Look for additional offense from both sides next week, if not before the holiday.

Back Home in Cable: Former **HBO** boss *Chris Albrecht*’s return to cable occurs Jan 1 when he takes over as pres/CEO, **Starz**, replacing retiring chmn/CEO *Bob Clasen*. “With his extensive experience and success in creating compelling original content and building a premium pay channel, Chris is a recognized visionary in the creative community and uniquely qualified to lead Starz into the future,” said **Liberty Media** pres/CEO *Greg Maffei* in a release. Albrecht’s publicist did not respond an interview request. Earlier this decade, Albrecht was soaring at HBO, having presided over the production of hits including “The Sopranos” and “Entourage” during a career at the premium net that spanned more than 20 years. In ’07, police arrested Albrecht on suspicion of assaulting his girlfriend in Las Vegas, and he subsequently resigned. Albrecht briefly worked with talent agency **IMG** afterward, and continues with his own content development company **Foresee Ent.** Starz enters ’10 with the Jan launch of its highest profile original series to-date, “Spartacus: Blood and Sand,” and as the operational meat of publicly traded company **Liberty Starz (LSTZA)**. “I have always seen Starz as a bold, entrepreneurial and growth-oriented brand—one that I believe will be a great home for me,” said Albrecht in the Liberty release.

In the Courts: **Comcast** agreed to settle a consolidated class action lawsuit alleging the MSO impaired the use of some P2P traffic on its HSD network, and will pay up to \$16mln, less settlement costs, to eligible class members.

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"Although we continue to believe that our network management practices were appropriate and in the best interests of our customers, we prefer to put this matter behind us and avoid a potentially lengthy and distracting legal dispute that would serve no useful purpose," said Comcast in a statement. Of note: Oral arguments in Comcast's appeal of an FCC order that found the MSO violated the Commission's open Internet principles by blocking P2P traffic is set for Jan 8.

At the Portals: The NCTA on Tues urged the FCC to launch a broad NOI to explore economic, technical and regulatory issues around creating a retail marketplace for set-top boxes. In comments on the FCC's public notice seeking more info on the set-top market, the NCTA said many current proposals "raise a host of technical, economic, practical, legal and regulatory questions that will require input from all stakeholders and are not yet ripe for rulemaking. The Commission should focus on whether and to what extent such proposals reflect current and projected marketplace realities and truly accommodate demonstrated consumer preferences." NCTA also said the Commission should continue granting waivers to promote the widespread availability of low-cost digital-to-analog set tops. -- As of Nov 30, the top 10 MSOs have deployed more than 456K CableCARDS for use in retail set-top boxes, according to the NCTA's new quarterly report to the FCC on CableCARD deployment. However, NCTA noted that since the Commission's integration ban went into effect Jul 1, 2007, those same ops have deployed 17.75mln of their own CableCARD-equipped set tops. "Therefore, in just over 27 months, cable operators have deployed almost 39 times as many CableCARD-enabled devices than the total number of CableCARDS requested by customers for use in retail devices in over the last five years," wrote NCTA vp/gen counsel *Neal Goldberg* in a letter to the agency.

Competition: DirecTV added Russian-language news channel RTVi Net, available within the DBS op's RussianDirec Plus (\$32) and RussianDirectII (\$46) packages. -- Verizon's V CAST Mobile TV added TLC to its roster.

Apple TV: Apple's \$229 set-top hasn't caught much fire since its launch nearly 3 years ago, but that may soon change as the WSJ reported that Disney and CBS are interested in a proposed Apple service that would offer some TV nets and shows to consumers for approx \$30/month. Disney's pique isn't surprising given chief *Bob Iger's* repeated stabs at TV Everywhere and the Mouse's current in-house development of a subscription-based Internet service. Disney declined to comment. Apple TV currently offers HD and standard-def movie rentals, more than 50K TV eps (\$2.99/each for HD), and synchs with online content from iTunes accounts.

Retrans: Senate Comm Subcmte chair *John Kerry* (D-MA) has written Time Warner Cable CEO *Glenn Britt* and News Corp COO *Chase Carey* in hopes the MSO and Fox can forge a retrans deal ahead of key Fox football contests such as the Sugar Bowl, Cotton Bowl and some NFL games. "If both parties conclude that the best alternative to a negotiated agreement is to have screens go dark for consumers, then they will have neglected the core interests of the millions of households that subscribe to Time Warner Cable in affected markets," wrote Kerry, who urged the parties to agree on an extension under current terms and/or "strongly consider entering arbitration rather than having consumers lose access to programming." -- Pali analyst *Rich Greenfield* updated his blog to say 1-866-Keep-Fox now properly connects callers to Time Warner Cable customer service (*Cfax*, 12/22).

Advertising/Marketing: A strategic partnership between Gospel Music Channel and Christian social network Tangle.com calls for a combination of the pair's ad sales, marketing and promotional efforts across all platforms. The net's national ad sales teams will oversee the partnership's sales efforts.

Ratings: Big change at the top of the channel heap last week, as NFL Net (2.8/1.51mln) notched a weekly prime victory thanks to its Thurs night feature of *Peyton Manning's* undefeated Colts (8.0/4.36mln) and Sun night spotlight of *Drew Brees'* then undefeated Saints facing the Cowboys (12.0/6.59mln). Also, the net's 22min Sat pre-game content ranked 4th among telecasts with a 6.3/3.42mln, while 37min of post-game coverage took 6th (3.8/2.07mln). Helped yet again by MNF (9.6/9.53mln), ESPN (2.2/2.16mln) followed NFL Net among nets, with USA (2.1/2.13mln) taking 3rd. Disney Channel (1.7/1.68mln) and Fox News (1.7/1.63mln) tied in 4th position. -- **Brag Book:** Disney Channel delivered its most-watched year ever in total day among total viewers (1.65mln), kids 6-11 (615K), and matched its '07 historical best rating among tweens 9-14 (2.1).

Programming: TNT and People will jointly present a special live pre-show telecast (Jan 23) targeting the Screen Actors Guild Awards. A Webcast of red carpet doings on TNT.tv and TBS.com will precede the show. -- *Joan Rivers*

BUSINESS & FINANCE

is returning to E! for new "Fashion Police" specials covering the Golden Globes and SAG Awards. -- **HD-Net's** 4-part doc series "Baker Boys: Inside the Surge" (Jan 5) chronicles an elite group of Army soldiers on an extended tour in Iraq as they rush a notoriously dangerous Al Qaeda stronghold. -- **Nickelodeon** inked a talent and series dev deal with 13-yr-old performer *Cymphonique*.

People: **Berkshire Hathaway** elected **Comcast** COO *Steve Burke* a board member. -- Chief Admin Officer *Grier Raclin* has departed **Charter**, which according to a FCC filing will pay him the amount of two times his base salary, calculated at an annual rate of \$487K and his annual target bonus of \$365K until Dec 15, '11.

Business/Finance: **Clearwire** commenced its previously announced rights offering that gives Class A shareholders, including **Comcast**, **Time Warner Cable** and **Bright House**, one subscription right for each share owned as of Dec 17. Each right will be exercisable to purchase 0.4336 shares at an exercise price of \$7.33 per. -- **Discovery Comm** agreed to participate in **Ascent Media's** Global Media Exchange as a content seller on a trial basis, part of an extension of Ascent's role as Discovery's tech solutions provider in Asia.

Editor's Note: Your next issue of **CableFAX** will be dated Dec 29. Happy Holidays!

CableFAX Daily Stockwatch

Company	12/22 Close	1-Day Ch	Company	12/22 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/			AMPHENOL:	44.64	0.83
BRITISH SKY:	36.00	(0.14)	AOL:	23.18	(0.1)
DIRECTV:	33.69	(0.11)	APPLE:	200.36	2.13
DISH:	20.96	(0.1)	ARRIS GROUP:	11.10	0.14
DISNEY:	32.31	(0.09)	AVID TECH:	12.52	0.06
GE:	15.48	(0.09)	BIGBAND:	3.32	(0.18)
NEWS CORP:	15.77	(0.16)	BLNDER TONGUE:	1.15	0.07
MSOS					
CABLEVISION:	25.91	(0.22)	BROADCOM:	32.00	0.03
COMCAST:	17.20	(0.17)	CISCO:	23.75	0.11
COMCAST SPCL:	16.35	(0.25)	CLEARWIRE:	6.85	(0.12)
GCI:	6.54	0.12	COMMSCOPE:	26.81	0.23
KNOWLOGY:	11.10	0.05	CONCURRENT:	3.82	0.08
LIBERTY CAPITAL:	24.18	0.49	CONVERGYS:	10.92	0.10
LIBERTY GLOBAL:	21.56	0.47	CSG SYSTEMS:	18.88	(0.28)
LIBERTY INT:	10.56	0.07	ECHOSTAR:	19.63	0.28
MEDIACOM:	4.43	(0.01)	GOOGLE:	601.12	2.44
RCN:	10.67	0.00	HARMONIC:	5.96	0.01
SHAW COMM:	20.42	(0.12)	INTEL:	20.04	(0.05)
TIME WARNER CABLE:	41.92	(0.49)	JDSU:	8.23	0.24
VIRGIN MEDIA:	17.31	0.13	LEVEL 3:	1.45	0.00
WASH POST:	441.82	1.32	MICROSOFT:	30.82	0.30
PROGRAMMING					
CBS:	13.86	(0.04)	MOTOROLA:	8.10	(0.29)
CROWN:	1.35	0.01	OPENTV:	1.39	(0.01)
DISCOVERY:	31.46	(0.24)	PHILIPS:	29.31	0.21
GRUPO TELEVISA:	20.80	0.14	RENTRAK:	17.44	(0.75)
HSN:	18.89	0.11	SEACHANGE:	6.26	(0.04)
INTERACTIVE CORP:	19.77	0.05	SONY:	29.13	0.55
LIBERTY:	36.09	0.02	SPRINT NEXTEL:	3.83	0.06
LIBERTY STARZ:	47.39	0.10	THOMAS & BETTS:	35.93	0.06
LIONSGATE:	6.00	0.20	TIVO:	9.39	(0.16)
LODGENET:	5.42	(0.05)	TOLLGRADE:	6.00	(0.11)
NEW FRONTIER:	1.88	0.05	UNIVERSAL ELEC:	22.93	(0.27)
OUTDOOR:	5.76	(0.1)	VONAGE:	1.44	0.24
PLAYBOY:	3.21	0.03	YAHOO:	15.98	0.10
RHI:	0.71	0.02	TELCOS		
SCRIPPS INT:	41.95	0.13	AT&T:	27.90	0.36
TIME WARNER:	29.53	(0.84)	QWEST:	4.29	(0.01)
VALUEVISION:	4.77	0.14	VERIZON:	33.20	0.18
VIACOM:	31.40	(0.56)	MARKET INDICES		
WWE:	15.22	0.00	DOW:	10464.93	50.79
TECHNOLOGY					
3COM:	7.48	(0.04)	NASDAQ:	2252.67	15.01
ADC:	6.35	0.23			
ADVANTAGE:	1.99	0.00			
ALCATEL LUCENT:	3.27	0.05			
AMDOCS:	27.97	0.24			

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CORPORATE LICENSES



CableFAX Daily™

WHAT THE INDUSTRY READS FIRST.

Think about that for a minute...

Are We There Yet?

Yes, Virginia, we've reached the end of the year, but as to being "there," that's not so clear.

Anyone with small children has heard the impatient cry from the back seat "...are we there yet?" Actually, it's usually much more of a demanding complaint on the order of "why aren't we there yet?" as though the folks in the front seat could do anything about the distance, the weather, the traffic and the passage of time. We all know that, and since they're kids, we try to humor them, at least for a little while until it gets on our nerves enough to start giving short and sometimes sharp responses.



Steve Effros

Well, it seems the whine of "are we there yet" has become an ever-present theme. Unfortunately, in some ways we in the cable industry will have to take some responsibility for

that. It flourished with the 24-hour news cycle.

Every morning we get up and listen to the news pointing out that since yesterday the deficit has not gone down.

The objective of stopping job losses? Well, since yesterday, there are still a lot of folks out of work.

The battle against extremists? Hey, we're still in a battle.

The wrangling over health care (or pick any other legislation you choose and insert that one)? It's still going on.

Bipartisanship? Are we there yet? You've got to be kidding.

It seems like the "news" has in some ways been turned upside down. It is a report on what has not happened yet based on someone's expectations or desires, rather than what is happening. I'm getting really tired of it.

I know that no matter what anyone does, the jobless rate will not miraculously change course and suddenly cause millions of new jobs to appear between yesterday's newscast and today's. I know that the turnaround of the recession will be like turning a huge supertanker out at sea. It doesn't make a sudden ninety-degree turn; it slowly arcs over miles and miles of ocean until finally it is "there" in its new path. I know that politics is, by its very nature, partisan. Could we have more cooperation and seek a "middle ground" rather than run to the extremes and simply shout at each other? Sure. But it isn't going to happen in one year, or even one term of Congress or a President. It's a mind-set, not a destination.

So why write about all this just before Christmas and New Years, when all other columnists are writing their "wrap up" of 2009 or their guesses for 2010? Well, I thought someone ought to inject a little reality into our experience of reaching a milestone. That's all it is, a milestone along the way, and we have a long way to go on a lot of different issues. The one I focus on here is telecommunications, and we're really only at the beginning of several long and very important journeys.

The biggest ones have to do with the FCC starting to take a serious look at whether the current structures we have for video delivery make sense, and if they need to be modified, how to do it. That's really what the questions about "net neutrality," and a reconsideration of the broadcast spectrum allocations are all about. But we're only at the beginning. It's going to be a long ride. I think it will be safe to say we will hear lots of complaints from partisans on all sides that "...we're not there yet." Take them in stride. Have a happy holiday.

Steve

T:703-631-2099
steve@effros.com

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