

CableFAX Daily™

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What the Industry Reads First

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Re-transitive: Despite Recent Headway, Retrans Issues Move On To '11

Late last week, the **FCC**—apparently preparing for some retrans spats to spill over into '11—posted online info for affected consumers about how they could view local TV stations in the event of a blackout. Not surprisingly, some retrans impasses continued Mon following missed Dec 31 deadlines—although many major deals got signed or extended over the last few days. **Time Warner Cable's** spat with **Smith Media** (and **Nexstar**) hasn't been resolved, but the MSO agreed Fri evening to an extension with **Sinclair** that runs through Jan 14 and allows for continued negotiations. That's good news for customers, many of whom were able to catch key college and pro football games over the weekend as a result, and, according to **BTIG** analyst *Richard Greenfield*, for TWC as well. "We believe Sinclair must have realized it did not have much leverage over Time Warner Cable as Sinclair's leverage would appear to drop significantly two weeks from now," blogged Greenfield Mon, noting how **ABC** and **CBS** stations will no longer have college bowl games in 2 weeks, and all NFL games will be nationally televised. "In turn, we expect terms of TWC's retrans deal with Sinclair to be notably better (less expensive) than the deals it has done with owned and operated (O&O) station groups over the past year." Like TWC, both **DirectTV** and **DISH** offered good and bad news in recent days. DirectTV completed 6 retrans deals with broadcasters including **Hearst** and **Gannett**, but its subs in Binghamton, NY; Medford, OR, Yakima and Spokane, WA and Laredo, TX, are without local **Northwest Broadcasting** stations because, according to DirecTV, the company is "attempting to 'extort' a more than 600 percent fee increase to carry its local channels." Northwest countered that the increase it's asking for "is only a substantial increase when you take into account how little they have been paying us for our licensed and copyrighted programming for the past ten years." DISH, meanwhile, inked a deal with **Chambers Comm** covering 3 ABC affil stations in OR to prevent blackouts, but said **Frontier Radio Management** has blocked DISH subs from accessing **Fox** and ABC affils in Central GA "after refusing to negotiate a fair agreement." Of course, Frontier said DISH was the 1 who decided to "draw a line in the sand." On the related carriage front, DISH and **E!** and **Style Net** have agreed to a short-term extension in hopes of reaching a long-term solution, and **Suddenlink** was able to reach a deal with **Viacom** covering a raft of nets. The MSO also said it will begin offering

The CableFAXIES awards

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The CableFaxies Awards salute the year's most outstanding communications initiatives and programs in the highly competitive and dynamic Cable arena. The coveted awards set the industry benchmark for excellence across all areas of PR and marketing.

The Winners of the CableFAXIES Awards are from networks, operators, PR firms, vendors, corporations, agencies and other entertainment companies who took chances, made tremendous strides and understand the power of PR and marketing in the cable industry. The winners and honorable mentions will be saluted during an awards event in April 2011 in New York City.

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premium channel **Epix** in the next few months. Despite a lot of positive developments, the **American TV Alliance** wants the FCC to follow through quickly with its plan to issue a Notice of Proposed Rulemaking on retrans reform in '11. "The FCC cannot act soon enough in the New Year... Congress should also continue to monitor progress," said ATA. On Jan 21, the **Technology Policy Institute** will host "Retrans Redux: The Economics of Retransmission Consent" at the Rayburn House Office Building in D.C. The event seeks to explore the impact of economics and regulation on retrans negotiations.

Competition: **DISH** added **OWN** to its America's Top 200 programming package or above. -- **Verizon** chmn/CEO *Ivan Seidenberg* will launch CES Thurs with a keynote address, and the telco's touting its first-ever large booth on the show floor to demonstrate dozens of products, apps and services.

In the States: **MetroPCS** intro'd 3 new 4G LTE service plans with no annual contracts required, starting at \$40/month for unlimited talk, text, Web browsing and unlimited YouTube access. A \$60/month plan features the previous offerings plus turn-by-turn navigation, 1GB of additional data access, corporate email and premium content such as 18 video-on-demand channels and audio downloads.

Comcast-NBCU: **Stifel Nicolaus** believes the **FCC** will require the combo to make affiliated programming available to traditional multichannel and emerging online video providers under conditions of the transaction proposed by FCC chmn Genachowski, with online subject to more limitations. As these program-access conditions would benefit competitors such as **DirectTV** and **Verizon** along with OTT plays, the firm notes how they "would be the first government mandates regarding online program access and distribution, increasing their potential importance." Most conditions will likely last for 7 years, said Stifel, but **Comcast** would have the future right to ask the FCC for removal of certain ones should circumstances warrant a change. The deal could very well receive approval this month. "Our sense is the Republican commissioners will not want to hold up the deal even if they don't like some of the draft's proposals, particularly if Comcast-NBCU accepts them," said Stifel.

Technology: **Intel** plans to announce at CES this week new microchips offering piracy protection and performance enhancement to Hollywood studios such as **Warner Bros** and that are preparing to give consumers direct access to HD movies online. According to reports, Warner will use the tech, planned for embedment in hundreds of PCs, as part of its plan to offer more than 300 titles to consumers in Feb—ostensibly through the **UltraViolet Consortium**, which **Time Warner** CEO *Jeff Bewkes* touted in Nov.

Editor's Note: Did you know that **CableFAX Daily** subscribers can access extra data and expanded coverage at www.CableFAXDaily.com? Check it out. Also, don't forget to nominate your favorite people and PR/marketing campaigns for our CableFAXIES awards program before the Jan 21 deadline. More info: <http://www.cablefax.com/cfp/awards/cablefaxies2011/>.

Ratings: Viewers smelled the sweetness of the Rose Bowl's inaugural feature on cable en masse, with **ESPN's** Sat coverage of TCU-Wisconsin averaging a 13.1HH coverage rating (11.3 US rating), 13.05mln homes and a robust 20.56mln total viewers, according to **Nielsen** Fast Nationals. The ratings marked ESPN's highest ever outside of NFL games. -- **OWN** launched Sat to avg a 0.93 among women 25-54, 1mln total viewers and a 1.1 HH rating from 8-11pm, also according to **Nielsen** Fast Nationals. In women 25-54, the net ranked 3rd in delivery among ad-supported cable nets behind **ESPN** and **USA** at both 8pm and 9pm. On Sun night, the channel ranked 14th in ad-supported cable in prime, earning a 0.64 among women 25-54, 822K total viewers and a 0.86 HH rating.

Programming: **USA** picked up 10 eps of "WWE Tough Enough" (Apr 4), featuring 12 competitors vying for a spot on the WWE star roster. -- **Nickelodeon** opted for a 9th season of "SpongeBob SquarePants," with 26 new eps and the series' 200th overall set for a '12 premiere. -- Dec 31 marked **Speed's** 15th anniversary, and the net, now available to more than 82mln North American homes, is kicking off its 16th year with 4 major Jan events: live coverage of the AMA Supercross opener (Jan 8), NASCAR testing from the newly resurfaced Daytona International Speedway (Jan 20-22), the Rolex 24 at Daytona (Jan.29-30), and the 40th Annual Barrett-Jackson Collector Car Auction (beginning Jan 18). -- **The Africa Channel** co-founder *Jacob Arback* is part of the team behind **MUSL**

BUSINESS & FINANCE

TV, a planned HD net devoted to all levels of fitness, training and competitive performance. For info see mustltv.com. -- Slated for a Jun premiere, **DIY Net's** "Hollywood Hi-Tech" (wt) features lifestyle-tech expert *Janna Robinson's* work upgrading the home electronics of celebs including *Jeremy Piven* and *Khloe Kardashian*.

On the Circuit: NCTA is offering a \$100 discount to the normal Cable Show price to early registrants at 2011. thecableshow.com. This year's confab is slated for Jun 14-16 in Chicago.

People: Clearwire chmn *Craig McCaw* resigned from the company's board, a decision not due to disagreements on any operational matters, according to an SEC filing. Owning the right to nominate a replacement, McCaw's **Eagle River Holdings** wants CLWR co-founder and former CEO *Benjamin Wolff* to sit on board. -- **Turner Broadcasting** tapped *Amy Cohn* as vp, corp comm.

Business/Finance: Miller Tabak's *David Joyce* listed several favorite cable-related stocks for '11 based on various parameters, including **Discovery Comm's** Series C shares (DISCK) based on upside to short-term price target and **Lionsgate** based on upside to long-term price target. His list of best-performing stocks includes **Time Warner Cable, Time Warner, CBS, Cablevision, Comcast, Viacom, News Corp** and **Discovery**.

CableFAX Daily Stockwatch

Company	01/03 Close	1-Day Ch	Company	01/03 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	40.98	1.05	AVID TECH:	18.08	0.62
DISH:	19.56	(0.1)	BIGBAND:	2.85	0.05
DISNEY:	37.82	0.31	BLNDER TONGUE:	2.17	0.07
GE:	18.28	(0.01)	BROADCOM:	44.23	0.68
NEWS CORP:	16.48	0.06	CISCO:	20.49	0.26
MSOS					
CABLEVISION:	33.91	0.07	CLEARWIRE:	5.29	0.14
CHARTER:	38.46	(0.48)	COMMSCOPE:	31.29	0.07
COMCAST:	22.37	0.49	CONCURRENT:	4.98	(0.08)
COMCAST SPCL:	21.07	0.35	CONVERGYS:	13.77	0.60
GCI:	13.12	0.46	CSG SYSTEMS:	19.22	0.28
KNOWLOGY:	15.96	0.33	ECHOSTAR:	26.37	1.40
LIBERTY CAPITAL:	63.77	1.21	GOOGLE:	604.35	10.38
LIBERTY GLOBAL:	36.45	1.07	HARMONIC:	8.71	0.14
LIBERTY INT:	15.85	0.08	INTEL:	20.85	(0.18)
MEDIACOM:	8.45	(0.02)	JDSU:	14.95	0.47
SHAW COMM:	21.49	0.11	LEVEL 3:	1.04	0.06
TIME WARNER CABLE:	67.19	1.16	MICROSOFT:	27.98	0.07
VIRGIN MEDIA:	27.01	(0.23)	MOTOROLA:	9.11	0.04
WASH POST:	440.27	0.77	RENTRAK:	30.89	0.73
PROGRAMMING					
CBS:	19.28	0.23	SEACHANGE:	8.74	0.19
CROWN:	2.65	0.03	SONY:	36.38	0.67
DISCOVERY:	42.01	0.31	SPRINT NEXTEL:	4.51	0.28
GRUPO TELEVISA:	26.50	0.57	THOMAS & BETTS:	48.79	0.49
HSN:	31.47	0.82	TIVO:	8.77	0.14
INTERACTIVE CORP:	30.04	1.34	TOLLGRADE:	9.38	0.10
LIBERTY:	39.40	0.49	UNIVERSAL ELEC:	28.90	0.53
LIBERTY STARZ:	66.75	0.27	VONAGE:	2.30	0.06
LIONSGATE:	6.53	0.02	YAHOO:	16.75	0.12
LODGENET:	4.36	0.11	TELCOS		
NEW FRONTIER:	1.72	UNCH	AT&T:	29.67	0.29
OUTDOOR:	7.35	0.18	QWEST:	7.69	0.08
PLAYBOY:	5.29	0.07	VERIZON:	36.43	0.65
SCRIPPS INT:	51.83	0.08	MARKET INDICES		
TIME WARNER:	32.39	0.22	DOW:	11670.75	93.24
VALUEVISION:	5.96	(0.15)	NASDAQ:	2691.52	38.65
VIACOM:	46.10	0.24	S&P 500:	1271.89	14.25
WWE:	14.36	0.12	TECHNOLOGY		
TECHNOLOGY					
ADVANTAGE:	3.10	(0.04)			
ALCATEL LUCENT:	3.01	0.05			
AMDOCS:	27.58	0.11			
AMPHENOL:	53.41	0.63			
AOL:	23.78	0.07			
APPLE:	329.57	7.01			
ARRIS GROUP:	11.52	0.30			

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EYE ON INNOVATION

Rounding Out the Tech Field

SCTE president/CEO *Mark Dzuban* doesn't refute the common belief that tech-focused people, or techies, are often devoid of the social graces required of effective leaders. Heck, his mother used to worry about the lack of sunlight he was getting because of long hours spent tinkering in the family basement. But with the importance of technology ever growing in the cable industry—affecting everything from new products and services to the bottom line—Dzuban thought he had better do something to help transform techies into leaders. Spur some personal innovation among the innovators, if you will. “Being very smart is not necessarily conducive to good social behaviors,” said Dzuban. And since the cable industry features “a very complex puzzle of parts and the important question of ‘how do we compete effectively,’” he said, cable's tech workforce requires an upgrade.

Enter the inaugural SCTE Leadership Institute with Tuck at Dartmouth (Apr 26-30). Open to tech and operations execs from industry players including vendors, ops and programmers, the intensive course features a focus, in part, on: communications strategies to take strategic visions from concept to reality, leadership skills for the influence and management of organizational optimization, and business/operations skills to maximize efficiency and ROI.

“A lot of great tech folks need this because they're so engrossed in technology, they miss out on the primary thinking from a leadership perspective,” said Dzuban, noting how tech and ops execs create and manage more than half of the cable industry's capital and operating budgets. “I've seen hundreds of millions misspent without business acumen.”

When searching for an educational partner, Dzuban initially thought Dartmouth “was too high brow for SCTE.” Ultimately, though, he was at a loss for a good reason not to take full advantage of a renowned executive dev

school. After all, adding leadership and operational skills to a tech-heavy skill set is an exercise driven by “mentoring and development,” he said.

And those additions may be more imperative now than ever before, said Dzuban, noting the large number of people in the cable tech field who have recently retired or are preparing to end their working lives soon. The resulting attrition is contributing to a void of fundamental business knowledge among the techie set at a time when no one would dare arise and oppose a marriage between technology and transformative leadership. At SCTE, he said, problem solvers meet to tackle and solve tech problems. Many of the members, however, must learn how to better articulate those problems. “Expanding the scope of tech people is only a benefit to the industry,” said Dzuban. “They need to be part of the solution, ambassadors and catalysts to the business side.”

Adding cachet to the program are **Time Warner Cable** pres/CEO *Glenn Britt* and evp/CTO *Mike LaJoie*, who will serve as guest presenters. Britt is a Tuck School of Business alumnus. Other presenters will be added to the program, which Dzuban said resembles **WICT's Betsy Magness** Leadership Institute in content and intention. Industry collaboration is a key to its success.

Dzuban's pleased with the large number of inquiries he's received already regarding participation, which will be limited to 30-40 attendees. Available at SCTE.org, applications are due by Feb 15. The program's not cheap, but judging from Dzuban's comments, the price the industry would have to pay for neglecting this important educational process would be far greater.

“This program will help the next generation of leaders succeed,” said Dzuban. “Good leaders make great investments.”

-*Chad Heiges*



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