

# CableFAX Daily™

Friday — January 14, 2011

What the Industry Reads First

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## Selling Value: Charter Tests Low-Cost Programming Package

In a bid to keep subscribers from cutting the cord, **Charter** is testing a low-cost programming package containing a limited number of cable channels. "It's a pretty small trial in a couple of small locations," a rep told us. Charter's trial, which is similar to the "TV Essentials" programming package **Time Warner Cable** is testing in New York and NE Ohio, began in late Dec. Charter wouldn't reveal the pricing for the programming package or the nets it contains. The biggest challenge for MSOs looking to market smaller and cheaper programming packages is getting major programmers to allow them to move their nets out of expanded basic. **ESPN** isn't included in the TV Essentials pack TWC launched in Ohio and NYC, but it does include ESPNews. The Essentials package includes over-the-air channels and about a dozen cable networks, including **A&E, BET, CNN, Cartoon, Discovery, Disney, FX, HGTV, Lifetime** and **Nick**. TWC will expand TV Essentials to other markets in the first half of '11, and the channel lineups vary by market, said a Time Warner Cable spokesperson. Another retention tactic: some MSOs are offering a credit to subs that call to disconnect or complain about the prices. Time Warner and **Verizon** acknowledged that their CSRs have the power to give subs a credit on their bills to keep them happy but declined to detail the price range. "There are some times when we'll look and see if a credit makes sense," said *Mike Metzger*, Verizon exec dir, customer relationship management. But Verizon's bundling strategy is helping it avoid cord cutting, Metzger said. It counted 3.3mln FiOS TV subs at end of Q3, up 27.3% year over year. **DirectTV** was more cryptic when asked if it'll give subs a monthly credit on their bills if they threaten to cancel service. "There are customers who have become more budget conscious, and we work with each of them to find a programming package that will satisfy their financial needs depending on their situation," said a DirectTV rep. — *Steve Donohue*

**Comcast-NBCU: Disney** surfaced in the **FCC's** transaction docket this week, with svp, government affairs *Susan Fox* expressing concern about "any merger conditions that may be dependent on or that would affect the marketplace negotiations of independent third-parties" and interest in online program access conditions. -- **Viacom** reiterated its fear that **Comcast** may favor its own content to the detriment of indie programmers, and backed **WealthTV's**

## 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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recently proposed program access-related merger conditions (**Cfax**, 1/13). **Stifel Nicolaus** believes FCC commissioners are still considering the transaction draft order's proposed conditions on program access—regarding competitive pay TV providers, emerging online video distributors and indie programmers. The firm continues to expect approval of the deal this month.

**Room to Run Needed:** The recent **CES** underscored how cable and media is clearly in innovation mode, so a heavy-hitting panel hosted by **The Brookings Institution** Wed looking at the industry's tech advancements and how best to promote them for economic growth proved a cogent complement to a couple show themes. **Time Warner** boss **Jeff Bewkes** was on hand to trumpet **TV Everywhere** initiatives and media's mass migration to multiplatform video, arguing that "the Internet and TV is the same thing" in the current world of media consumption. **Comcast** and **Time Warner Cable** helped bolster that assertion last week through plans to provide subs with access to live video via tablets and other devices [*Editor's Note: We'll tackle authentication in our Webinar this Wed. Register at [http://www.cablefax.com/cfp/webinars/2011\\_jan19.html](http://www.cablefax.com/cfp/webinars/2011_jan19.html)]. Yet FCC chmn Julius Genachowski, as he did at CES (**Cfax**, 1/10), and AT&T chmn/CEO **Randall Stephenson** carped on a black cloud that could scuttle important media innovation. "The one brick wall we're looking at is [a dearth of] spectrum," said Stephenson, noting how 4 years ago it would have taken 4-5 years for AT&T to get 10MHz of spectrum up to capacity. Now, that amount is burned up in 10 months. Genachowski believes it's already a pressing problem. Regarding WiFi and mobile broadband use at CES, he said, "congestion was high, spectrum was being heavily used and a lot of people there had pretty frustrating experiences." Voluntary incentive auctions, whereby broadcasters give up spectrum in return for a portion of auction proceeds, represent "a smart, non-partisan, marketplace approach to deal with our country's spectrum needs," said Genachowski, though he isn't sure Congress will grant the FCC the authority to oversee such auctions. "I'm hopeful but not certain," he said. Later in the day, **House Commerce** chmn **Fred Upton** (R-MI) said that "finding additional spectrum to auction for broadband will be a priority this year," adding that legislation will likely include voluntary spectrum auctions.*

**Competition:** **DISH** added Indian nets **Times Now** and **zoOm** to its \$50/month Hindi Mega Pack.

**Carriage:** **Outdoor Channel HD** earned distribution on **Time Warner Cable's** sports tier in Corpus Christi, Laredo and Dallas.

**Skinned:** **MTV's** new series "Skins" is "the most dangerous program that has ever been foisted" on children, said **the Parents TV Council** Thurs, noting the show's involvement of high school-aged characters with graphic depictions of drinking, drug use, violence and sex. The show's TV-MA rating underscores its inappropriateness for young people, claims the org, which is using "Skins" to urge parents to sign its petition seeking a la carte channel choice. **MTV** failed to respond to a request for comment. For a clip of the show, debuting Mon at 10pm ET, go to **youtube.com/watch?v=5C1qr\_lIugA**.

**Intl:** In the coming weeks, **TLC** will launch in Russia and Romania and expand its distribution in Sweden, and is on track to reach 75 intl markets and 100mln homes this year.

**Ratings:** Seems **BET** played "The Game" smartly, as the former **CW** series' debut on the net lured 7.7mln total viewers and a 4.87 coverage rating to become the top sitcom telecast in ad-supported cable history. No show ep on **CW** ever received as much viewership. -- **Comedy Central's** "Tosh.0" returned Tues to deliver a series-high 3.6mln total viewers and lift the net to its highest-rated and most-watched Tues prime ever among 18-49s (1mln), 18-34s (703K) and men 18-34 (449K). -- The season finale of **Bravo's** "Millionaire Matchmaker" earned a series best 2.2mln total viewers and 1.4mln 18-49s.

**Programming:** Part of the net's plan to increase original programming by 20% this year, **Bravo** announced a slate of forthcoming shows. Included are "Million Dollar Decorators," "Pregnant in Heels" and music competition series "Platinum Hit," featuring **Jewel**, **Kara DioGuardi** and 12 aspiring songwriters. Also, the net greenlit new seasons of "The Millionaire Matchmaker," "The Rachel Zoe Project," "Flipping Out" and "Work of Art: The Next Great Artist." -- To commemorate the 10th anniversary of the World Trade Center attacks, **USA** will premiere "The Space Between" on Sept 11. The original film focuses on the importance of tolerance, redemption, acceptance and hope through the interaction between a grounded flight attendant and 10-year-old Pakistani-American boy on the morning of the at-

# BUSINESS & FINANCE

tacks. -- **G4** is now the official broadcast partner of the **14th Annual Interactive Achievement Awards**, and will surround the event with a live same-day Webcast (Feb 10) and a 1-hr linear special (Feb 12) hosted by *Jay Mohr*.

**Honors:** **TBS** is a standout regarding nominations for **NAACP Image Awards**, scoring 11 of the 25 noms related to comedy series, including 5 for "Tyler Perry's House of Payne," 4 for "Are We There Yet?" and 2 for "Tyler Perry's Meet the Browns." Broadcast dominated in the drama categories.

**On The Circuit:** Yes, that was **Investigation Discovery** talent *Paula Zahn*, ID chief *Henry Schleiff* and staffers ringing **NASDAQ's** closing bell Thurs. The honor pays tribute to cable's fastest-growing network and its record-breaking anchor series, "On The Case with Paula Zahn."

**People:** **Syfy** tapped *Mark Stern* as pres, original programming. Stern also serves as co-head, original content, **Universal Cable Productions**. -- **Disney Junior** named *Joe D'Ambrosia* vp, programming. -- **Motorola Mobility** appointed *Nike* exec *Jeanne Jackson* a board member.

**Business/Finance:** **Cox Digital Solutions** acquired the **IB Local Network** business and ad sales group of **Internet Broadcasting** to enhance its foothold in the online ad industry.

## CableFAX Daily Stockwatch

Company	01/13 Close	1-Day Ch	Company	01/13 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	42.22	0.39	AVID TECH:	17.82	0.28
DISH:	21.46	(0.07)	BIGBAND:	2.81	0.01
DISNEY:	39.26	0.09	BLNDER TONGUE:	2.53	(0.02)
GE:	18.60	(0.07)	BROADCOM:	45.86	(0.19)
NEWS CORP:	15.97	(0.19)	CISCO:	21.08	(0.04)
<b>MSOS</b>					
CABLEVISION:	33.41	(0.35)	CLEARWIRE:	5.67	(0.03)
CHARTER:	40.02	0.15	COMMSCOPE:	31.48	0.01
COMCAST:	22.54	0.01	CONCURRENT:	4.88	(0.06)
COMCAST SPCL:	21.24	(0.02)	CONVERGYS:	13.21	(0.85)
GCI:	13.02	(0.14)	CSG SYSTEMS:	19.30	(0.35)
KNOLLOGY:	15.20	0.02	ECHOSTAR:	26.65	0.05
LIBERTY CAPITAL:	63.90	(0.05)	GOOGLE:	616.69	(0.18)
LIBERTY GLOBAL:	37.32	(0.2)	HARMONIC:	8.32	(0.12)
LIBERTY INT:	16.05	(0.18)	INTEL:	21.29	(0.01)
MEDIACOM:	8.61	0.01	JDSU:	17.46	0.74
SHAW COMM:	20.79	0.27	LEVEL 3:	1.28	0.01
TIME WARNER CABLE:	65.14	0.23	MICROSOFT:	28.19	(0.36)
VIRGIN MEDIA:	25.19	(0.75)	RENTRAK:	28.53	(0.07)
WASH POST:	421.30	2.12	SEACHANGE:	8.66	(0.27)
<b>PROGRAMMING</b>					
CBS:	19.87	0.09	SONY:	35.62	(0.78)
CROWN:	2.52	(0.11)	SPRINT NEXTEL:	4.48	0.07
DISCOVERY:	38.83	(0.83)	THOMAS & BETTS:	48.99	UNCH
GRUPO TELEVISA:	25.90	0.23	TIVO:	9.77	(0.19)
HSN:	28.65	(0.39)	TOLLGRADE:	9.49	0.14
INTERACTIVE CORP:	29.90	0.19	UNIVERSAL ELEC:	26.79	(0.3)
LIBERTY:	40.47	(0.33)	VONAGE:	3.18	(0.08)
LIBERTY STARZ:	66.94	(0.63)	YAHOO:	16.75	0.10
LIONSGATE:	6.61	(0.14)	<b>TELCOS</b>		
LODGENET:	4.45	(0.05)	AT&T:	28.08	0.04
NEW FRONTIER:	1.79	(0.01)	QWEST:	7.37	0.05
OUTDOOR:	7.59	(0.19)	VERIZON:	35.80	0.33
PLAYBOY:	6.10	UNCH	<b>MARKET INDICES</b>		
SCRIPPS INT:	47.68	(0.15)	DOW:	11731.00	(23.54)
TIME WARNER:	33.60	(0.09)	NASDAQ:	2735.29	(2.04)
VALUEVISION:	7.15	0.90	S&P 500:	1283.76	(2.2)
VIACOM:	47.41	(0.08)	<b>TECHNOLOGY</b>		
WWE:	13.94	(0.17)	ADVANTAGE:	3.11	0.02
<b>TECHNOLOGY</b>					
ALCATEL LUCENT:	3.24	(0.02)	AMDOCS:	28.30	0.43
AMPHENOL:	52.60	(0.22)	ARRIS GROUP:	12.42	0.03
AOL:	24.13	(0.23)			
APPLE:	345.68	1.26			
ARRIS GROUP:	12.42	0.03			



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**PROGRAMMER'S PAGE** with Chad Heiges and Seth Arenstein

**Shop Pop**

Shares of **shopNBC** operator **ValueVision Media** are flying off the shelves. The stock closed at \$7.15 Thurs after trading for \$1.46 in mid Aug—begging a traditional retail question: fad or trend? Operations show steady improvement this year after a recession-driven downturn—annual sales plummeted from \$782mln in '07 to \$528mln in '09—and **Piper Jaffray** analyst *Neely Tamminga* initiated coverage last month with a 'buy' rating and \$8 price target. Still, the net trails industry behemoths **QVC** and **HSN** in annual rev by billions of dollars. According to a recent conference presentation, the company plans to increase its customer base and rev in part by focusing on interactive users, or those who engage with the brand across platforms including the Web and mobile. shopNBC's interactive shoppers generate near 4x the avg annual rev received from both linear and Web customers. That interactive mission may be enhanced by the company's relatively high percentage of Web purchases compared to overall rev (40% of sales versus 31% for QVC and 30% for HSN), as Web-savvy shoppers are more apt to use other platforms as well. Also requiring attention are the net's carriage negotiations. It's in approx 77mln multichannel homes, including 40mln basic cable, but must pay for distribution. And with more than half of its carriage agreements expiring by the end of '12, management would like to slash related costs by nearly half. A \$24mln reduction was achieved in '09. The net couldn't be reached for specific comments. All the above, of course, doesn't address perhaps the main issue for retailers: the wares on display. While offering more national and proprietary brands is 1 of shopNBC's goals, I can't comment on their product mix because I've never used a linear shopping net. It's interesting to note the net's avg sales price is well above QVC's and HSN's, implying a tailwind as the economy recovers. *CH*

**Highlights:** "Skins," pilot, Mon, 10p, **MTV**. The savvy, sexually active, drug-popping teens of this well-done drama adapted from the UK aren't as cleverly conceived as their British brethren, but they're close enough to worry parents, who are so lame here. -- "James Ellroy's LA," pilot, Wed, 10p, **Investigation Discovery**. ID's most entertaining show, "LA Confidential" author Ellroy is a hoot as he seductively spins murder tales. *SA*

**Worth a Look:** "Onion Sports Dome," Tues, 10:30p, **Comedy Central**. The Onion's parody of "SportsCenter" looks (we loved the HD frame) and sounds (the inflections and language of 'anchors' *Mark Shepard* and *Alex Reiser* are spot on) great. -- "Brooklyn Kinda Love," pilot, Sat, 10p, **Playboy TV**. Aiming to expand its brand to couples, PTV kicks off the 'TV for Two' bloc with this relationship-heavy reality series. But will enough viewers find these 4 young couples' relationships compelling? We didn't. *SA*

**Notable:** Cable's longest-running doc series "Explorer" examines *Terry Anderson's* 7-year hostage ordeal in Lebanon (Nat Geo, Mon, 10p). -- **Golf Channel's** "Haney Project" (Tues, 9p ET) premiere pulled a 0.3 HH and 310K avg total viewers, as swing guru *Hank Haney* tutored *Rush Limbaugh*. Only *Charles Barkley's* '09 series kickoff did better. No truth to reports Limbaugh repeatedly pulled his ball far right. *SA*

Basic Cable Rankings (01/03/11-01/09/11)			
Mon-Sun Prime			
1	ESPN	3.2	3212
2	DSNY	2	1976
3	FOXN	1.6	1533
4	TNT	1.5	1506
5	USA	1.4	1362
6	AMC	1.3	1216
7	A&E	1.2	1183
7	NAN	1.2	1156
7	LIFE	1.2	1152
10	HIST	1.1	1108
10	HGTV	1.1	1075
10	FX	1.1	1031
13	TBSC	1	1053
13	DISC	1	1047
13	MTV	1	1029
13	FAM	1	1010
17	TLC	0.9	920
17	ADSM	0.9	905
17	TRU	0.9	839
17	BRAV	0.9	826
21	FOOD	0.8	797
21	SPK	0.8	760
21	TVLD	0.8	745
21	SYFY	0.8	745
21	HALL	0.8	692
21	NKJR	0.8	611
27	MSNB	0.7	644
27	LMN	0.7	557
29	CMDY	0.6	615
29	BET	0.6	579
29	EN	0.6	549
29	NGC	0.6	410
29	ID	0.6	408
34	CNN	0.5	534
34	APL	0.5	470
34	OXYG	0.5	364
34	HMC	0.5	194
38	VH1	0.4	440
38	ESP2	0.4	429
38	TRAV	0.4	365
38	OWN	0.4	323
38	WE	0.4	282
38	GSN	0.4	273
44	HLN	0.3	327
44	CMT	0.3	293
44	TWC	0.3	290

\*Nielsen data supplied by ABC/Disney

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