

CableFAX Daily™

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What the Industry Reads First

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On the Go: Cable's Flying With Most Broadband Services

Cable's in an enviable position where home broadband services are concerned, its plant able to effectively slake consumers' desire for faster speeds as more and more content migrates to the Web. To many industry pundits, telcos' DSL is being left in the dust as a result. "The 'need for speed' puts the cable industry in an increasingly powerful position to leverage the infrastructure investments made over the past decade," said **BTIG's Richard Greenfield**. "We expect cable industry broadband market share to continue to rise." Evidence of this hand strengthening seems to arise each day. **Time Warner Cable** said last week that its 4Q residential HSD adds included more orders for wideband services than lower levels for the 1st time, for example, and **Charter**—given a shout out by **Netflix** last week as the country's best-performing ISP—just ramped its HSD speeds for free for the 2nd time in the past year. "Every member of the household has multiple devices and each wants to experience the full wealth of Internet applications available," said Charter vp, Internet and phone product management **Carl Leuschner** in a release. "By increasing Internet speeds, Charter Internet provides each member of the family with the ability to work and play simultaneously at the speed they need." Also, **Comcast** successfully activated its 1st group of cable modem customers using IPv6, an Internet protocol designed to accommodate Web growth, and expand and facilitate the development of services for the platform. All this good news may render the primary Web-related challenge for cable moot, but lackluster adoption of mobile broadband services appears to remain. Comcast launched its **XFINITY** Internet 2go service in CO Mon, adding to a growing list of available markets that includes Chicago, D.C. and Pittsburgh. The service, however, offers speeds of approx 1-1.4Mbps, according to a spokesperson, and that makes Greenfield nervous. "We remain concerned about the impact of mobility and how many consumers would sacrifice some degree of speed for the portability of wireless data," he said. "We suspect the pace of bandwidth consumption across a host of devices will continue to drive consumers desire for both a wireline and wireless data subscription... but this is the most important issue to watch going forward." During Time Warner Cable's earnings call, CEO **Glenn Britt** offered a sobering assessment of the MSO's own mobile broadband service. TWC's goal with RoadRunner Mobile, now available in parts of 7 states, is to determine

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Questions: Elizabeth Brown at ebrown@accessintel.com or 301-354-1610.



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whether customers desire a bundling of wired and wireless broadband. “The results are not very impressive,” said Britt, though he did add that they’re also “pretty inconclusive” right now. Neither TWC nor Comcast would divulge the number of mobile broadband customers they serve.

On the Hill: In a letter to legislative leadership including Sen Commerce Cmte chmn *Jay Rockefeller* (D-WV) and House Commerce Cmte chmn *Fred Upton* (R-MI), **NAB** pres/CEO *Gordon Smith* cites comments by **Time Warner Cable** COO *Rob Marcus* last week in encouraging “passage of thorough spectrum inventory legislation that identifies what companies and government agencies may be sitting on unused airwaves.” Marcus said the MSO has no plans to sell, lease or use its AWS spectrum licenses, leaving Smith to say that “allowing companies the size of Time Warner to hoard airwaves should not be permitted” at a time the **FCC** is looking at ways to mitigate potential US spectrum shortages.

Net Neutrality: And so it continues. **Verizon** wasted little time responding to the **FCC**’s Fri filing of motions seeking dismissal by a DC Appeals Court of the telco’s and **MetroPCS**’ challenges of the Commission’s Open Internet Order, and of Verizon’s request for a particular panel of judges. The FCC said the challenges were filed before the Order has been released and therefore prematurely, but VZ countered in asking for denial of the Commission’s dismissal request that its intention to file a Protective Notice of Appeal following the Order’s release would cure the prematurity claim. Regarding what court might end up hearing the challenge case, VZ argued that its Open Internet appeal “must ultimately be heard” by the DC Appeals Court because the appeal “would not be properly included” in any court assignment lottery that may arise.

Comcast-NBCU: The deal is in the books at last, giving **Comcast** 51% ownership of **NBCU**. “This transaction brings together the rich traditions of some of the world’s most well known and respected entertainment, news and sports brands at NBCUniversal with the technology and consumer reach of Comcast, creating the ideal entertainment and distribution company,” said Comcast chmn/CEO *Brian Roberts* over the weekend. **GE** chmn/CEO *Jeff Immelt* said NBCU has generated an avg annual return of 11% over the past 2 decades. GE can sell half of its 49% stake during a 6-month period beginning Jul 28, ’14. In addition to Steve Burke assuming oversight of NBCU and NBCU Holdings as pres/CEO while vacating his Comcast COO post, *Neil Smit* was appointed evp, Comcast and will remain pres, Comcast Cable. Comcast shares declined 0.4% Mon, GE’s 0.3%.

Advertising: Through a strategic pact with **Viamedia**, **Google TV** Ads will gain access beginning later this year to Viamedia’s ad inventory on 68 nets across 2mln homes represented by Viamedia’s 18 MSO/Telco partners.

OTT: **Amazon** is nearing a rollout of an unlimited streaming service for TV shows and movies, according to *Engadget*. The service would ostensibly be part of the Web company’s \$79/yr Amazon Prime offering, which gives customers free 2-day shipping for items purchased at the site. -- **Sportskool** launched new VOD channels Sportskool Yoga and Sportskool Fitness on the **Roku** streaming video player.

Technology: **Insight** selected from **Arris** software that uses customer experience monitoring and performance tools to improve its subscribers’ experience with DOCSIS-based network services.

Earnings: **Gannett** reported 4Q TV rev of \$220.2mln (+26%) on 15.9% growth in retrans rev to \$16.4mln and a 1.2% rise in ad rev, excluding political. Op income increased 46.9%, op cash flow 41.3%. The company’s digital segment delivered a 45.3% increase in op income.

Ratings: The Fri premiere of “Working Class,” **CMT**’s 1st scripted sitcom, became the most-watched and highest-rated series debut in the net’s history among total viewers (1.2mln) and 18-49s (0.50 rating). -- The 2nd season finale of **Style Net**’s “Jerseylicious” garnered more than 925K total viewers to become the channel’s most-watched telecast ever. It also now ranks as Style’s highest-rated telecast in history among women 18-34 (1.33) and women 18-49 (1.18).

Programming: **Spike** picked up originals “Repo Games,” in which repo men give debtors 1 last chance to have their cars paid off by answering 3 of 5 questions correctly, and “Bar Rescue,” featuring restaurant/bar consultant *Jon Taffer*’s help of struggling establishments. -- **RLTV**’s “Our Pack” will spotlight the mania gripping Green Bay as the

BUSINESS & FINANCE

Packers prepare to play for the Super Bowl title on Sun. The doc airs Thurs, Fri, Sat and Sun. -- Featuring music from the popular story scrolling across the TV, "Grease Sing-A-Long" hits **Bravo** Fri (7pm) to kick off the net's 1st Gleekend, a 12-hour marathon of eps from seasons 1 and 2 of "Glee."

Honors: **HBO** cleaned up at the **SAG** Awards Sun night by taking home 5 honors, including for drama ensemble performance ("Boardwalk Empire"), drama actor (*Steve Buscemi*, "Boardwalk Empire"), TV movie/miniseries actor (*Al Pacino*, "You Don't Know Jack"), TV movie/miniseries female actor (*Claire Danes*, "Temple Grandin") and TV series ensemble stunt performance ("True Blood"). *Betty White* of **TV Land's** "Hot in Cleveland" won for comedy female actor, preventing a broadcast sweep of the comedic awards.

People: **Comcast** tapped *Rich Jennings* as regional VP, Mile High Region. -- **Turner Sports** appointed *Paul Volen* vp/gm, SI Digital. -- **Ovation** upped *Dan Casciato* to vp, national accounts.

New at CableFAXDaily.com: **CableFAX Daily** subs can stay abreast of the latest ratings and VOD info at CableFAXDaily.com. Just posted: New linear ratings numbers from **Nielsen** and new data on the top VOD movie titles from **Reentrak**. That and more available in our Data Points section at www.cablefaxdaily.com.

CableFAX Daily Stockwatch

Company	01/31 Close	1-Day Ch	Company	01/31 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	42.39	0.22	BLNDER TONGUE:	2.37	(0.05)
DISH:	21.11	0.08	BROADCOM:	45.09	0.77
DISNEY:	38.87	0.02	CISCO:	21.15	0.22
GE:	20.14	(0.06)	CLEARWIRE:	5.29	UNCH
NEWS CORP:	16.58	(0.12)	CONCURRENT:	5.16	(0.04)
MSOS					
CABLEVISION:	33.85	(0.2)	CONVERGYS:	14.24	0.28
CHARTER:	42.00	(0.04)	CSG SYSTEMS:	19.45	0.19
COMCAST:	22.75	(0.09)	ECHOSTAR:	27.25	0.36
COMCAST SPCL:	21.44	(0.02)	GOOGLE:	600.36	(0.63)
GCI:	12.11	0.07	HARMONIC:	8.44	0.29
KNOLOGY:	14.63	0.14	INTEL:	21.46	UNCH
LIBERTY CAPITAL:	65.66	0.61	JDSU:	16.97	0.05
LIBERTY GLOBAL:	40.56	(0.02)	LEVEL 3:	1.23	0.06
LIBERTY INT:	15.84	(0.01)	MICROSOFT:	27.73	(0.03)
MEDIACOM:	8.77	0.14	RENTRAK:	27.45	0.47
SHAW COMM:	21.11	0.05	SEACHANGE:	8.28	(0.09)
TIME WARNER CABLE:	67.83	0.71	SONY:	34.34	(0.44)
VIRGIN MEDIA:	25.16	0.23	SPRINT NEXTEL:	4.52	0.07
PROGRAMMING					
CBS:	19.83	0.55	THOMAS & BETTS:	51.39	4.11
CROWN:	2.40	0.01	TIVO:	9.67	0.31
DISCOVERY:	39.00	0.34	TOLLGRADE:	9.28	(0.1)
GRUPO TELEVISIA:	24.06	0.60	UNIVERSAL ELEC:	26.33	(0.45)
HSN:	28.16	(0.27)	VONAGE:	3.28	0.10
INTERACTIVE CORP:	28.29	0.12	YAHOO:	16.12	0.29
LIBERTY:	40.05	0.09	TELCOS		
LIBERTY STARZ:	66.67	(0.33)	AT&T:	27.52	0.03
LIONSGATE:	6.20	0.12	QWEST:	7.13	0.08
LODGENET:	3.44	UNCH	VERIZON:	35.62	(0.01)
NEW FRONTIER:	1.98	0.10	MARKET INDICES		
OUTDOOR:	8.00	0.05	DOW:	11891.93	68.23
PLAYBOY:	6.14	0.01	NASDAQ:	2700.08	13.19
SCRIPPS INT:	46.50	0.51	S&P 500:	1286.12	9.78
TIME WARNER:	31.45	(0.27)	TECHNOLOGY		
VALUEVISION:	6.19	(0.26)	ADDVANTAGE:	2.97	(0.09)
WWE:	12.05	0.08	ALCATEL LUCENT:	3.31	UNCH
TECHNOLOGY					
AMDOCS:	29.14	(0.37)	AMPHENOL:	55.34	0.32
AOL:	23.52	(0.3)	APPLE:	339.32	3.22
ARRIS GROUP:	12.48	0.13	AVID TECH:	16.65	0.15
BIGBAND:	2.65	0.07			



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Cesar Conde
President, Univision Communications

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EYE ON INNOVATION

One Defining Number

Turner's Christmas Eve-like anticipation of accurate on-line viewership measurement is nearing satisfaction. Not until late Apr will **Nielsen** offer its so-called **TVandPC** data, mind you, but the company and cable—bent on effectively monetizing **TV Everywhere** initiatives—are chomping at the bit for the spring bloom.

"This is the last piece of the TV Everywhere puzzle," said Turner chief research officer *Jack Wakshlag*. TVandPC will allow for treatment of "time-shifted viewing the same way no matter where it happens."

Once unfurled, the data will importantly give programmers the power to sell advertising for a particular show based on a total C3 viewership number comprising linear, the Web and DVRs.

"The collection of our [TVandPC] data is obviously a very big deal," said Nielsen evp, media product leadership *Matt O'Grady*. "It's the first step in providing one-to-one viewership" across the TV and Web.

Approx half of Nielsen's TV panel, or 9K people and 25K homes, will participate in online video measurement. A meter will tally the viewing of encoded online content just as it does with TV programming, but there is an important catch. In order to be tabulated, the online content must carry the same commercial load the original linear airing did. And O'Grady stressed that in order for the initiative to be successful, programmers must do 3 things: make sure their content is properly encoded (complexities on this front led to a delay in rollout), have related carriage agreements in place and apprise consumers of the specific availability of fresh content on the Web.

"We do believe it will be very successful," said O'Grady, noting how TVandPC can engender trading by ad buyers and sellers on avg commercial minutes.

And the way Turner tells it, all parties will benefit from the data. Last month, Turner chmn/CEO *Phil Kent* asserted

the new data and TV Everywhere will be "terrific for advertisers," what with expectations of ad rates based on 1K online viewers and originality in campaigns. Wakshlag said the company's research show that viewers aren't averse to online ads, and added that accurate measurement of online video will spur programmers to give their MVPD partners in TV Everywhere "access to the freshest content." Plus, he noted some important flexibility for programmers as well.

"The demand for online ad inventory may [become] so strong that we charge a price greater than TV CPMs," he said, referring to cases whereby a content provider could bypass the same ad load requirement of TVandPC altogether in favor of more attractive monies.

Wakshlag's comment begs several questions on the future of content monetization, and brings to mind an apt analogy. In many urban US areas, once a major road construction project is completed, another is already required. In this case, by the time TVandPC data becomes ubiquitous currency, will the C3 ratings on which it's based be close to obsolescence?

The concern cropped up alongside the rise in DVR use, of course, and at least on that platform C3 remains highly relevant. According to Nielsen, 92% of DVR playback occurs within 3 days after the recording, and more than half occurs on the same day. Still, only the future knows how viewing habits will change going forward.

"Technology's the one thing you really have to keep up with... it has made our life more complicated," said O'Grady. In short order, he said, programmers will no doubt demand the ability to credit online programming without using the same commercial load, and advertisers will demand to know exactly who viewed particular commercials.

First things first, though. And as far as online video is concerned, TVandPC will be a cool and much needed first.

-Chad Heiges



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