

CableFAX Daily™

Wednesday — February 1, 2012

What the Industry Reads First

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Adding to Essentials: Comcast Updates Broadband Adoption Program

Armed with the initial data from its broadband adoption program "Internet Essentials," Comcast is tweaking the \$9.95/mo broadband service in an effort to open it up to more families. 41K families have signed on since the program was announced 6 months ago (families started signing up for the program as school started in late Aug). Previously, it was only available to families with children who are eligible to receive free school lunches, but in 2Q Comcast will extend eligibility to children eligible for reduced price lunches. The MSO believes that will make another 300K additional HHs in its service area eligible for Internet Essentials (an estimated 2.3mln families are eligible). Also in 2Q, Comcast will double the speeds of the broadband connection to 3Mbps downstream and 768Kbps upstream from 1.5Mbps and 385Kbps. Starting immediately, it will have an instant approval process for students who attend schools with the highest percentage of students participating in the National Student Lunch Program. One of the most surprising bits of data from Comcast's first few months of the program: of the 41K families who signed on, only 5500 opted for the \$150 computers being offered. Why? More than 80% said they had a working computer at home. Even so, Comcast evp *David Cohen* said the company is looking to work with **Connect to Compete** to lower the price point for PCs. So, what does all this mean for Connect to Compete, cable's FCC-backed initiative to spread broadband? In Nov, the FCC announced the Connect to Compete non-profit, which will offer any HH with at least 1 child receiving free lunch a \$9.95/mo HSD service, along with a free rental or low-cost cable modem. "I think it's too early to tell whether there would be any tweaks to those programs," Cohen said. "I understand exactly where they are. They're running 100mph, trying to launch an incredibly ambitious program. The last thing they need right now is somebody throwing a monkey wrench into their work. Frankly, if anyone asks my advice, I'd keep my eye on the ball and focus on getting the program launched." **BendBroadband, Bright House, Cablevision, Charter, Comcast, Cox, Eagle Comm, GCI, Insight, Mediacom, Midcontinent, Sjoberg's Cable, Suddenlink and Time Warner Cable** are among the providers who have committed to C2C or similar broadband adoption efforts. Comcast believes C2C will result in even more sign-ups for Internet Essentials because it will give the initiative national messaging—especially big given that digital literacy is seen as the biggest barrier to broadband adoption. During a call with reporters Tues, Cohen repeated several times that although the program is a condition in the FCC's **NBCU** order, the company was working on it "2 years before anyone heard about NBCU." "We would have done this with or without [the NBCU] transaction," he said. The program's "early progress report" is available at blog.comcast.com. A few noteworthy stats: Comcast received more than 400K from Aug-Dec, with more than 91K callers requesting an application. Of that number, nearly 51K (over 55%) submitted the application, and 94% of the completed applications were approved. -- Comcast estimates that the 41K low-income families on board represent 80K students and 160K people online—2% of the estimated eligible free lunch students in its footprint. -- 3.5% of apps requested were denied—most for incomplete or erroneous info. Comcast has followed up with the majority of those families and provided a replacement application.

**RANKED #1 AMONG ALL
MID-SIZED NETWORKS IN
TOTAL DAY AND PRIME TIME
DURING Q4 2011**



The Nielsen Company (9/26-12/25/11), M-Su 6a-6a and M-Su 8p-11p Live+SD W25-54 impressions, HH impressions, HH coverage area ratings.
Ranked among mid-sized ad-supported cable networks (35-55 million homes). Subject to qualifications upon request. ©2012 Crown Media United States, LLC. All Rights Reserved.



Sales Executive of the Year Awards

saluting cable sales leadership

The CableFAX Sales Executive of the Year Awards recognize sales forces across cable who work tirelessly behind the scenes to drive revenue and keep our dynamic marketplace growing and business moving forward. CableFAX honors the distinguished leaders who set the bar. CableFAX will salute the winners and honorable mentions during an awards luncheon in Spring 2012 in New York City.

Deadline: February 3, 2012

More Information: www.CableFAXSalesAwards.com

Enter as many categories as you like but please tailor your entry to the category you are entering.

- Sales Person of the Year (VP and above)
- Sales Person of the Year (Below the VP level)
- Sales Team of the Year
- Most Creative Sales Pitch
- Rookie Sales Person of the Year
- Affiliate Sales Person of the Year (VP and above)
- Affiliate Sales Person of the Year (Below the VP level)
- Launch Team of the Year

- Brand Integration Team of the Year
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NEW Out of the Box Categories:

- The Relentless
- The Renewer
- The Woo-er
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- Most Creative Program Sold to Client

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What to Send

At the beginning of your two page synopsis, include the following information for all categories:

- Category entered • Title of entry • Key contact for entry • Organization submitting entry • Budget

Synopsis should include:

- Areas of Responsibility • Specific Successes (include metrics) • Sales or Leadership Hurdles/Challenges Overcome • Description of your Best Client Relationships • Testimonials and References, if you have them • Supporting materials as necessary

How To Enter: Use this form or visit www.CableFAXSalesAwards.com for additional category information and to enter online.

Mary Lou French
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Deadline: February 3, 2012
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Entry Fees

- Primary entry: \$300 each \$300 each \$ _____
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- Check (payable to Access Intelligence/CableFAX) Money Order
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The awards are presented by the most trusted information source in cable: CableFAX Daily and sister brand CableFAX: The Magazine.

Questions? Contact Awards Coordinator Mary Lou French at 301-354-1851; mfrench@accessintel.com.

Sponsorship Opportunities: Debbie Vodenos at 301-354-1695; dvodenos@accessintel.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, 818.945.5309, mgrebb@accessintel.com ● Assoc Editor: Chad Heiges, 301.354.1828, cheiges@accessintel.com ● Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Contributor: Seth Arenstein ● Publisher: Debbie Vodenos, 301.354.1695, dvodenos@accessintel.com ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Marketing Dir: Barbara Bauer, 301.354.1796, bbauer@accessintel.com ● Prod: Joann Fato, 301.354.1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Subs/Client Services: 301.354.2101, fax 301.309.3847 ● Group Subs: Barbara Bauer, 301.354.1796, bbauer@accessintel.com

At the Portals: While **Comcast** updated the industry on its broadband adoption efforts Tues, the **FCC** took another step toward transforming phone subsidies to broadband support. The Commission approved a rulemaking and Notice of Inquiry to reform its Lifeline/Linkup program. It includes establishing a Broadband Adoption Pilot program that uses up to \$25mln in savings from other reforms to test and determine how Lifeline can best be used to increase broadband adoption among Lifeline-eligible consumers. Starting this year, the program will solicit applications from broadband providers and will select a number of projects to fund.

In the States: **Suddenlink** finished a nearly \$4mln installation of a 162-mile fiber network for its AR customers. It's now live.

In the Courts: **Voom HD** may no longer operate domestically, but the litigation continues between **Cablevision/AMC Nets** and **DISH** that started back in '08 when CVC's **Rainbow** alleged breach of contract after DISH dropped Voom's 15 high-def nets. On Tues, the NY State Supreme Court, Appellate Div, affirmed a judge's prior finding that a jury (the case is heading to trial) can be instructed to draw an adverse inference from DISH's destruction of critical evidence. "This is a clear negative for Dish Network, and significantly strengthens the hands of AMC and Cablevision, either in court or in a potential settlement," said **Sanford Bernstein's Craig Moffett**. Said Cablevision: "We are very pleased with today's ruling and look forward to putting the case to a jury." DISH failed to respond to requests for comment. CVC and AMC are sharing the costs of the litigation and any potential settlement monies from DISH.

Carriage: **INSP** received distribution in the Chicago area through **Comcast**, and is now available in more than 70mln homes. -- **Mnet** now offers 24/7 programming on **FiOS TV**, which previously offered only 10 hours/day of the English-language net targeting Asian Americans. The net replaces **Sound Track Channel**.

OTT: With **Hulu** set to give more love to originals—fittingly 1st with political campaign-focused "Battleground" on Feb 14 (**Cfax**, 1/24)—the site can deliver on its \$500mln investment for such content this year without raising additional capital, said CEO **Jason Kilar** at **D: Dive Into Media**. "It's important to have some exclusive content," he said. "We want to tell great stories that aren't being told right now." **Hulu Plus** ended '11 with 1.5mln subs, and the site overall notched \$420mln in rev. Kilar said ad softness arose in 3Q but that the market rebounded in 4Q and '12 has started strong.

Digital Discovery: Though it does own a licensing agreement with **Netflix**, **Discovery Comm** has not made a lot of noise about providing its content to alternative platforms. That may change after the company announced a new **Digital Strategy & Emerging Businesses** team charged with developing digital plays. As evp, **Gabe Vehovsky** will lead the unit described as "part think tank and part product and partnership development." Vehovsky previously oversaw the development and strategies of DISCA's portfolio of Websites.

Earnings: **Suddenlink's** preliminary 4Q results include rev of \$489.7mln (+9.7%) and adjusted EBITDA of \$188-191mln (+16-17.9%), plus a net loss of 16,100 basic video subs compared to 4Q10 and net gains of 13,700 digital video, 14,200 Internet and 12,500 phone. As of Dec 31, the MSO counted 1.37 total customer relationships, up 7.9% versus the prior year.

Technology: The latest version of the **SlingPlayer** place-shifting device is now available at the Amazon App Store, allowing live TV viewing via the **Kindle Fire** for owners of the tablet and either a Slingbox Solo or Pro-HD. -- The Standardization Sector of the **Intl Telecom Union** approved 8 advanced advertising tech standards developed by **SCTE**.

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BUSINESS & FINANCE

Ratings: ESPN easily led all cable nets in Jan prime ratings with a 2.7/2.67mln, owing to month's top telecast, the BCS title game (24.43mln P2+), and 6 more pigskin-related features that completed the Jan top 7. **USA** (2.1/2.05mln) took 2nd, followed by **Disney Channel** (1.8/1.74mln) and **History** (1.6/1.62mln), while **TNT** (1.5/1.53mln), **Fox News** (1.5/1.51mln) and **TBS** (1.5/1.50mln) tied for 5th. -- **Nickelodeon's** ratings woes continued in Jan. The net's delivery in total day homes and total viewers fell 24% and 23%, respectively, although it outlasted Disney Channel for the total day title.

Programming: HBO picked up a 2nd season of "Luck."

Advertising/Marketing: Music and video net **Music Choice** has been re-branded as **MC**, and is aiming to offer a more engaging experience across MC Audio Channels (52mln homes), MC On Demand (51mln) and interactive channel **SWRV** (9mln).

On the Circuit: ACA announced Sen **Mark Pryor** (D-AR) will deliver the Congressional Keynote Address at its **Annual Summit** in D.C. (Mar 13-15).

People: AT&T appointed **John Starkey** to the new post of group pres/ chief strategy officer, **Ralph de la Vega** as pres/CEO, **AT&T Mobility**, **Andy Geisse** as sr evp, AT&T Business and Home Solutions, and **John Donovan** as sr evp, AT&T Technology and Network Operations. All 4 men report to chmn/CEO **Randall Stephenson**.

CableFAX Daily Stockwatch

Company	01/31 Close	1-Day Ch	Company	01/31 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	45.01	0.10	CLEARWIRE:	1.69	(0.09)
DISH:	27.92	(0.49)	CONCURRENT:	3.76	(0.22)
DISNEY:	38.90	(0.09)	CONVERGYS:	13.31	0.04
GE:	18.71	(0.19)	CSG SYSTEMS:	16.27	0.08
NEWS CORP:	19.47	(0.11)	ECHOSTAR:	26.24	0.79
MSOS					
CABLEVISION:	14.55	(0.15)	GOOGLE:	580.11	2.42
CHARTER:	57.64	0.81	HARMONIC:	5.88	(0.03)
COMCAST:	26.58	0.22	INTEL:	26.42	(0.32)
COMCAST SPCL:	25.51	0.16	JDSU:	12.69	(0.14)
GCI:	10.41	0.42	LEVEL 3:	18.55	(0.41)
KNOLOGY:	15.07	(0.12)	MICROSOFT:	29.53	(0.08)
LIBERTY GLOBAL:	45.88	0.10	MOTOROLA MOBILITY:	38.63	(0.24)
LIBERTY INT:	17.12	(0.13)	RENTRAK:	17.11	0.09
SHAW COMM:	19.83	0.15	SEACHANGE:	7.18	(0.04)
TIME WARNER CABLE:	73.72	0.13	SONY:	18.22	0.11
VIRGIN MEDIA:	23.84	(0.16)	SPRINT NEXTEL:	2.12	(0.04)
WASH POST:	378.71	(10.75)	THOMAS & BETTS:	71.39	0.08
PROGRAMMING					
AMC NETWORKS:	42.76	1.14	TIVO:	10.38	(0.14)
CBS:	28.48	(0.2)	UNIVERSAL ELEC:	18.50	(0.1)
CROWN:	1.19	(0.02)	VONAGE:	2.53	0.13
DISCOVERY:	42.88	(0.14)	YAHOO:	15.47	(0.08)
GRUPO TELEVISIA:	19.72	(0.04)	TELCOS		
HSN:	35.69	(0.21)	AT&T:	29.41	0.07
INTERACTIVE CORP:	43.07	(0.06)	VERIZON:	37.66	0.05
LIONSGATE:	10.08	0.03	MARKET INDICES		
LODGENET:	3.60	(0.23)	DOW:	12632.91	(20.81)
NEW FRONTIER:	1.10	0.01	NASDAQ:	2813.84	1.90
OUTDOOR:	7.05	(0.12)	S&P 500:	1312.41	(0.6)
SCRIPPS INT:	43.36	(0.61)			
TIME WARNER:	37.06	(0.37)			
VALUEVISION:	1.58	0.08			
VIACOM:	52.48	(1.14)			
WWE:	9.49	0.03			
TECHNOLOGY					
ADVANTAGE:	2.25	0.04			
ALCATEL LUCENT:	1.74	(0.04)			
AMDOCS:	29.44	(0.16)			
AMPHENOL:	54.43	0.24			
AOL:	16.21	0.06			
APPLE:	456.48	3.47			
ARRIS GROUP:	11.69	(0.06)			
AVID TECH:	9.69	(0.21)			
BLNDER TONGUE:	1.39	(0.01)			
BROADCOM:	34.35	(0.1)			
CISCO:	19.64	0.09			

The CableFAXIES awards

LATE DEADLINE: FEBRUARY 3, 2012

Entry Questions: **Mary-Lou French** at 301-354-1851; mfrench@accessintel.com

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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.**

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