

# CableFAX Daily™

Tuesday — February 21, 2012

What the Industry Reads First

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## Over the Mountain: The Mtn. Faces Uphill Battle to Endure

Precipitated by designs on increased TV dollars, the constant realignment of college sports conferences has produced a lot of winners and losers. Now it points to the end of **MountainWest Sports Net (The Mtn.)**. **Conference USA** and the **Mountain West Conference** recently agreed to work on forming a new athletic assoc for the '13-'14 academic year that could include more than 20 institutions stretching from NC (East Carolina) to HI (Univ of HI). Expected "in the near future," said MWC board chmn and UNLV pres *Neal Smatresk* in a release, the plan's fruition almost assuredly means the new entity will seek to advantageously work through a tangle of current TV deals—and it's rumored the conferences believe dissolution of each would allow for unscathed movement away from existing contracts with partners including The Mtn. Smatresk declined comment. Involved officials including Fresno State athletic dir *Thomas Boeh* and Tulane pres *Scott Cowen* have said publicly the new assoc would gain additional leverage in TV talks. While The Mtn. co-owners **Comcast** and **CBS** also declined comment, the net has struggled to meet expectations since launching in '06. It has no deal with **DISH**, limited distribution on Comcast and couldn't ink deals with ops including **Time Warner Cable** in key markets even before football heavyweights Utah, BYU, TCU and Boise State decided to jump ship from the once-rising MWC. The net ended '11 with 11.3mln subs, according to **SNL Kagan**, fewer than **YES Net** (12mln) but more than virtually every other RSN, seemingly a solid position. Yet the top traditional RSNs typically focus on individual markets, or at least areas that are neither as sweeping nor disjointed as The Mtn.'s (CA, NV, WY, HI, CO and NM). And the most apt comparison, **Big Ten Net**, sports approx 49mln subs after enjoying distribution success across the conference's multi-state footprint. By contrast, The Mtn.'s relatively limited carriage likely means little to an entity aiming to align schools across myriad states and time zones. All of which engenders an "interesting situation," said **LHB Sports, Ent & Media** pres/CEO *Lee Berke*, adding The Mtn. "does have value... but it has to be positioned differently." The rub, however, stems from the parties currently aligned with the MWC and C-USA. **CBS Sports Net** holds contracts with both the MWC and C-USA through '16, **Fox Sports** is tied to C-USA over the same time period, and **NBC Sports Net** also airs MWC football games. Given the desires of Comcast and CBS to grow the distribution of their national sports nets, plus the truly national footprint pitched by the MWC/C-USA entity, it makes little sense to maintain or expand The Mtn. beyond next season. Sure, the MWC and C-USA must still forge concrete details, but expect heated wrangling over TV rights going forward and ultimately an end to MountainWest Sports Net.

**TWC-MSG:** At deadline, **Time Warner Cable** and **MSG** announced that a verbal agreement was reached for carriage of MSG in time for Fri night's Knicks-Hornets tip-off. The deal also includes carriage of MSG+ and **Fuse**. It's certain is that *Jeremy Lin* played a part in the end of the standoff. But it sounds like NBA commish *David Stern* also had a role in helping break the impasse. Lin's hotness put pressure on both organizations—TWC because of fans desire to see him, and MSG to strike while the fire is hot. As is typical with these sorts of high-profile disputes, the politicians made an appearance. "I applaud both Mr. Dolan and Mr. Britt and their companies. I thank them for being responsive to the needs of New York-



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ers,” said a statement by Gov Andrew Cuomo. And NY AG Eric Schneiderman noted that his office has “worked diligently” with the 2 over the last month to bring about a resolution. Probably more beneficial to actually getting a deal struck though were the 2 meetings this week between TWC CEO Glenn Britt and **Madison Square Garden** exec chmn Jim Dolan. Both politicians made their statements before MSG and Time Warner Cable offered up comments or even confirmation of the deal. The *NY Times* broke the story Fri afternoon, and a heated **Twitter** throw down soon followed between NYT sports columnist Richard Sandomir and **CNBC** sports biz report Darren Rovell (Sandomir took issue with Rovell writing “Confirmed @RichSandomir’s report on MSG-TWC deal” instead of just RT-ing—Twitter speak for retweeting). MSG went dark on TWC Jan 1, with the MSO claiming that the MSG reneged on a 6.5% increase and then demanded a 53% rate hike. MSG pres Mike Bair took issue with those figures, calling them inaccurate during last week’s earnings call.

**Test Pattern:** The FCC is expanding its broadband speed testing to a nationwide test, issuing the call Fri for volunteers to participate in measuring broadband performance. The 1st “Measuring Broadband America Report” examined offerings from the 13 largest wireline broadband providers last Mar, establishing that most providers were delivering at or above advertised speeds. (One exception was **Cablevision**, which balked at FCC results released in Aug that put its sustained peak performance download speed at 50% of it advertised rate. Oct results were much better, showing Cablevision’s 15Mbps service saw average peak-hour download speeds at more than 90% of the advertised speed. Dec results were even better, at 107% of advertised speeds during peak periods). This year, the FCC plans to issue 2 reports and expand the study to include more technologies and new regions of the country. The 1st round of testing begins next month.

**On the Hill:** Congress passed the compromise payroll tax break bill Fri, which includes spectrum incentive auctions. The House voted 293-132, while it passed the Senate 60-36. **Stifel Nicolaus** believes auction-wary broadcasters came out “reasonably well” with provisions to preserve signal coverage and rights and pay for relocation costs. “But questions remain about how much spectrum they will return in exchange for compensation from wireless auction proceeds, and how quickly it can be auctioned and cleared,” Stifel said. “It could take several years; the statutory deadline is 2022.” The firm noted that **Dish** avoided a mandatory incentive auction of its MSS spectrum if repurposed for terrestrial use.

**Game Play:** **Cablevision** says customers play more than 10mln casual multiplayer games each month through its free **ActiveVideo** TAG Games (channel 610). That translates to 1.7mln hours on the channel each month, 275K HHs playing each month and more than 1K new HHs playing for the first time each day.

**Programming:** **Discovery Channel** greenlit a 3rd season of “Gold Rush,” which has averaged 4.5mln viewers/week in S2.

**Trade Winds:** Bittersweet news in the **CableFAX** office. Senior online editor *Chad Heiges* is leaving the pub and moving into the world of finance. The good news? He’ll be working as a financial analyst for our parent company, **Access Intelligence**. Chad’s last day is Mar 16. We wish him the best and are glad to know he’ll be just down the hall.

**People:** **Mighty Software** founder *Gina Bianchini* was elected a member of **Scripps Nets**’ board.

**Business/Finance:** Shares of online video platform provider **Brightcove** began NASDAQ trading Fri, surging 30% above the \$11 initial price to close at \$14.30.

**Editor’s Note:** Your next issue of **CableFAX Daily** will arrive Tues evening in observance of President’s Day.

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**CableFAX Week in Review**

Company	Ticker	2/17 Close	1-Week % Chg	YTD %Chg
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**BROADCASTERS/DBS/MMDS**

DIRECTV:	DTV	44.98	(1.16%)	5.19%
DISH:	DISH	29.02	1.82%	1.90%
DISNEY:	DIS	41.75	0.72%	11.33%
GE:	GE	19.28	2.12%	7.65%
NEWS CORP:	NWS	20.25	2.02%	11.39%

**MSOS**

CABLEVISION:	CVC	15.37	3.71%	8.09%
CHARTER:	CHTR	62.85	7.27%	10.38%
COMCAST:	CMCSA	29.17	7.32%	23.03%
COMCAST SPCL:	CMCSK	28.39	8.82%	20.50%
GCI:	GNCMA	11.36	5.97%	16.04%
KNOLOGY:	KNOL	16.08	3.08%	13.24%
LIBERTY GLOBAL:	LBTYA	49.32	1.59%	20.20%
LIBERTY INT:	LINTA	18.03	(0.72%)	11.16%
SHAW COMM:	SJR	20.09	3.03%	3.72%
TIME WARNER CABLE:	TWC	77.66	2.90%	22.16%
VIRGIN MEDIA:	VMED	25.44	0.55%	18.99%
WASH POST:	WPO	395.39	1.64%	4.93%

**PROGRAMMING**

AMC NETWORKS:	AMCX	45.31	7.40%	20.57%
CBS:	CBS	29.59	(1.04%)	9.03%
CROWN:	CRWN	1.20	1.69%	(0.83%)
DISCOVERY:	DISCA	45.22	0.96%	10.37%
GRUPO TELEVISIA:	TV	21.26	7.43%	0.95%
HSN:	HSNI	36.80	4.13%	1.49%
INTERACTIVE CORP:	IACI	45.81	1.69%	7.54%
LIONSGATE:	LGF	12.04	1.69%	44.71%
LODGENET:	LNET	3.44	1.78%	43.93%
NEW FRONTIER:	NOOF	1.10	1.85%	6.80%
OUTDOOR:	OUTD	7.34	3.67%	(1.61%)
SCRIPPS INT:	SNI	43.99	2.33%	3.70%
TIME WARNER:	TWX	37.70	0.48%	4.32%
VALUEVISION:	VVTV	1.68	9.09%	(10.64%)
VIACOM:	VIA	54.79	(0.85%)	2.74%
WWE:	WWE	9.69	(2.22%)	3.97%

**TECHNOLOGY**

ADVANTAGE:	AEY	2.13	(6.58%)	1.43%
ALCATEL LUCENT:	ALU	2.45	11.87%	57.05%
AMDOCS:	DOX	30.68	3.06%	7.54%
AMPHENOL:	APH	56.31	2.72%	24.06%
AOL:	AOL	18.73	2.07%	24.04%
APPLE:	AAPL	502.12	1.76%	23.98%
ARRIS GROUP:	ARRS	11.82	(1.09%)	9.24%
AVID TECH:	AVID	11.81	4.79%	38.45%
BLNDER TONGUE:	BDR	1.40	2.19%	14.75%
BROADCOM:	BRCM	37.66	1.78%	28.27%
CISCO:	CSCO	20.29	2.01%	12.22%
CLEARWIRE:	CLWR	2.21	6.25%	13.92%
CONCURRENT:	CCUR	3.78	2.44%	(0.26%)
CONVERGYS:	CVG	13.26	3.67%	3.84%
CSG SYSTEMS:	CSGS	16.13	2.48%	9.65%
ECHOSTAR:	SATS	31.78	1.37%	51.77%
GOOGLE:	GOOG	604.64	(0.21%)	(6.39%)
HARMONIC:	HLIT	6.33	(0.16%)	25.60%

Company	Ticker	2/17 Close	1-Week % Chg	YTD %Chg
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INTEL:	INTC	27.37	2.51%	12.87%
JDSU:	JDSU	14.93	7.10%	43.01%
LEVEL 3:	LVL	21.25	0.47%	25.07%
MICROSOFT:	MSFT	31.25	2.46%	20.38%
MOTOROLA MOBILITY:	MMI	39.70	0.63%	2.32%
RENTRAK:	RENT	21.81	3.46%	52.73%
SEACHANGE:	SEAC	7.06	(2.89%)	0.43%
SONY:	SNE	20.60	5.48%	14.19%
SPRINT NEXTEL:	S	2.30	0.44%	(1.71%)
THOMAS & BETTS:	TNB	71.93	0.06%	31.74%
TIVO:	TIVO	12.01	0.42%	33.89%
UNIVERSAL ELEC:	UEIC	19.69	0.36%	16.72%
VONAGE:	VG	2.45	(20.2%)	0.00%
YAHOO:	YHOO	15.01	(5.72%)	(6.94%)

**TELCOS**

AT&T:	T	30.01	0.57%	(0.76%)
VERIZON:	VZ	38.46	2.04%	(4.14%)

**MARKET INDICES**

DOW:	DJI	12950.10	1.16%	6.00%
NASDAQ:	IXIC	2951.78	1.65%	13.31%
S&P 500:	GSPC	1361.23	1.38%	8.24%

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. ALCATEL LUCENT:	2.45	11.87%
2. VALUEVISION:	1.68	9.09%
3. COMCAST SPCL:	28.39	8.82%
4. GRUPO TELEVISIA:	21.26	7.43%
5. AMC NETWORKS:	45.31	7.40%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. VONAGE:	2.45	(20.2%)
2. ADVANTAGE:	2.13	(6.58%)
3. YAHOO:	15.01	(5.72%)
4. SEACHANGE:	7.06	(2.89%)
5. WWE:	9.69	(2.22%)

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# CableFAX

## Top Ops AWARDS

### Who are cable's best operators?

**Nomination Deadline March 30, 2012 – Free to Enter!**

Help us compile this influential list of MSOs and Independent Operators by nominating the companies and executives you think should be included in our annual list of leading cable operators. The categories recognize excellence in a variety of areas, including marketing, technology, finance, lifetime achievement, customer service and community involvement. The winners will be honored in our annual Top Operators magazine and during CableFAX awards events later in the year.

#### Independent Operator Awards\*

- Independent Operator of the Year
- Independent Marketer of the Year
- Independent System Executive of the Year
- Independent Customer Service Award
- Independent Technology Award
- Independent Project Launch of the Year
- Independent Financial Exec of the Year
- Independent Lifetime Achievement Award

\* In Conjunction with NCTC and ACA

#### MSO Awards Categories

- MSO of the Year
- Sales Team of the Year
- Community Service Award System-level
- Technology Award
- Financial Exec of the Year
- Regional Executive of the Year
- Customer Care
- Project Launch of the Year
- Leadership Award
- Lifetime Achievement Award

Fill out Form or Enter Online at: [www.cablefax.com/awards](http://www.cablefax.com/awards)

Category of Award: \_\_\_\_\_

Name of Award Candidate: \_\_\_\_\_

Title of Person or Campaign: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Name of Nominator: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

In 400 words or fewer, why does this person/campaign deserve to win an award? (Please be specific and include as much detail as possible.)

Please support the candidacy with any additional material (testimonials, press clippings etc) that you see fit.

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## Top Ops AWARDS

#### Send Entry to:

Mfrench@accessintel.com or  
Mary Lou French  
CableFAX Top Ops  
4 Choke Cherry Rd, 2nd Floor  
Rockville MD 20850

Our Top Ops list will be honored in CableFAX: The Magazine's July issue and during an awards luncheon in September coinciding with CableFAX's annual Program Awards.



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