

CableFAX Daily™

Wednesday — February 24, 2010

What the Industry Reads First

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Programming Party: Cable Heavyweights Discuss Industry, Nets

The Hollywood Radio and TV Society's annual cable summit Tues harbored no particular theme, but its group of all-star participants offered various wisdom. Noting that the availability of movies continues to proliferate beyond premium nets, **Rainbow Media** pres/CEO *Josh Sapan* said "people are a little confused about where to see what," adding that "if movies are aggregated around a type, then people remember that." Branding is important too, he said, a sentiment shared by **NBCU Women and Lifestyle Ent Nets** pres *Lauren Zalaznick*. "If you can brand the movies you select... you have a better promotional platform," she said. All told, movies are "a really important [way] to help us grow our reach," said **Turner Ent Nets** pres *Steve Koonin*, who often floods the weekend schedules of TNT and TBS with films. HBO's deluge of movies may be ebbing—series now fill approx 30% of the net's programming lineup, up from 20% in recent years—but they remain the cornerstone of HBO, said pres, programming and West Coast ops *Michael Lombardo*. Films were "absolutely devoured" on the net in '09, he said, adding that some 5-yr-old titles continue to garner hale ratings. Meanwhile, at **MTVN** and **Discovery Comm**, where movies aren't big business, changes are afoot. MTVN pres, Music/Films/Logo Group *Van Toffler* noted MTV's initiative to integrate more scripted content with the net's traditional reality fare—even if shows such as "Jersey Shore" and "Teen Mom" have become major hits. The "audience told us they wanted more diversity" said Toffler. At Discovery, new COO *Peter Liguori* has designs on spreading content as far and wide as possible. One of the critical parts of his job is to "keep international in daily dialogue," he said, noting that the intl pay TV market is progressing toward growth rates seen here in the US approx 8 or 9 years ago. Regardless of their content initiatives, all the panelists cited improvement of both the economic and ad markets, and said cable's growth in content quantity and quality is good for the industry—even if it does intensify competition among nets.

Return Serve: You'll remember that 1 week after **Comcast** announced its proposed jv with **NBCU**, **Tennis Channel** sent a letter to Comcast threatening litigation unless it agreed to reposition the network on a more widely penetrated tier. That's one of the MSO's claims in its response to Tennis' program access complaint at the FCC. Comcast said Tennis broke off discussions about moving the channel in June and was silent for 6 months. Comcast and NBCU announced their deal in Dec. Tennis chmn/CEO *Ken Solomon* has said the timing of the complaint (filed Jan 5) is in no way related to Comcast-NBCU (*Cfax*, 1/7). The complaint claims Comcast discriminates against Tennis by relegating it to a sports tier, while its own nets get better distribution. Comcast is asking the FCC to deny and dismiss the complaint, saying it's substantively without merit. The gist of its lengthy response is that Tennis has a long-term contract with Comcast and should abide to it. Comcast also notes that **DirecTV**, which more broadly distributes Tennis, reportedly obtained an equity interest in the net. It believes Tennis should be required to disclose this interest if it exists. Other tidbits of note: the MSO claims Tennis refused to consider "more reasonable proposals" for potential expanded distribution in certain individual Comcast markets.

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Fact #1: Fastest growing ad-supported cable network among women 25-54.

Fact #2: 24 consecutive months of year-over-year prime and total day gains.

Source: Nielsen, L+SD, TP-based Dayparts, Prime & Total Day Delivery
(Fact #1 = Prime 01/30/06-01/26/08 vs. 01/27/08-1/31/10, Fact #2 = HH monthly 01/29/07-1/31/10)

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 (for entries sent between March 5, 2010 and March 12, 2010)
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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 Rebecca Stortstrom at 301-354-1610; rebecca@accessintel.com.

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Talking Broadband: 93mln Americans don't have broadband (80mln adults; 13mln kids over the age of 5), with cost and digital literacy the main barriers, according to a newly released **FCC** survey. Expect a lot of these types of announcements in the days leading up to the FCC's Mar 17 presentation of its National Broadband Plan to Congress. On Thurs, FCC chmn *Julius Genachowski* will preview the plan's spectrum recommendations at the **New America Foundation**. While affordability (36%) and digital literacy (22%) were the main reasons for not adopting broadband, another 19% of non-adopters in the survey said they feel like the Internet is a waste of time or, for dial-up users, they are content with their current service.

In the Courts: **C-SPAN** filed a friend of the court brief, supporting **Cablevision's** effort to have the Supreme Court revisit must carry (*Cfax*, 1/29). This isn't surprising given that C-SPAN has steadfastly fought all versions of the must-carry rule over the years. Expect more briefs, including one in support from **NCTA**, to be filed by the end of the week. "The gamesmanship that the must-carry regime has created, in which a home shopping station can manipulate the must-carry rules to reach a whole new cable audience far beyond its broadcast market and thereby bump a cable programmer like C-SPAN, should not be permitted to continue," the net told the court, arguing the rules violate 1st Amendment rights and that the case for revisiting the issue is even more ripe given today's competitive landscape. Cablevision's petition stems from a Court of Appeals upholding the must carry for home shopping net **WRNN** of Kingston, NY. It wants the Court to look at whether must-carry is consistent with the US Constitution.

On the Hill: *Brian Roberts* and *Jeff Zucker* are on the witness list for Thurs' House Judiciary **Comcast-NBCU** hearing. Joining the fun will be **CWA** pres *Larry Cohen*, **Independent Film and Television Alliance** pres *Jean Prewitt*, former **FCC** chief economist/George Mason law prof *Thomas Hazlett* and **Consumer Federation's** *Mark Cooper*. Meanwhile, written questions from senators from this month's Sen Judiciary subcmte hearing on the subject continue to eke out. Harsh critic of the deal *Al Franken's* (D-MN) list includes queries over whether the merged company will agree to place any future shows it owns on the Net and if it will guarantee that they won't only be provided to the company's cable subs. He also presses Comcast on whether it will withdraw from litigation with Cablevision over the extension of program access rules and on whether it will agree to net neutrality conditions.

At the Portals: Responding to requests by **MPAA** and others, the **FCC** extended the comment filing deadline in its net neutrality NPRM to Apr 8 from Mar 5.

Honors: Cable is well represented among the **American Women in Radio & Television's** 35th annual Gracie Awards winners, which will be honored May 25 in L.A. Cable winners include **WE's** "Adoption Diaries," *Drew Barrymore* in **HBO's** "Grey Gardens," **Style's** "Fight with Style" breast cancer PSA, **Lifetime's** "Georgia O'Keeffe," *Glenn Close* of **FX's** "Damages," **ESPN's** "Her Story" and many more.

Earnings: **Knology** reported 4Q rev of \$107.1mln (+3.5%) and an approx 12K increase in net connections, including 2,822 video, 3,590 voice and 5,539 HSD.

Ratings: After a disappointing opening weekend, Olympic Games coverage on cable improved dramatically during the event's 1st full week. In fact, **MSNBC's** Sun night coverage of the US men's hockey team led all cable telecasts with a 5.4/4.98mln, and its 13-min post-game block notched 2nd with 4.4/4.04mln. **USA's** top-rated Games block (Tues, noon-6pm) earned a respectable 1.6/1.52mln, and **CNBC's** (Sat, 5-8pm) notched a 1.4/1.36mln. In prime, meanwhile, **USA** (2.1/2.05mln) took the win with big help from **WWE** content and "NCIS," and was followed by **Disney Channel** (1.7/1.68mln). In a 3-way tie for bronze were **TNT** (1.5/1.51mln), **Fox News** (1.5/1.46mln) and **Nick at Nite** (1.5/1.46mln).

Programming: *Sarah Palin's* daughter *Bristol* will appear in a summer ep of **ABC Family's** "The Secret Life of the American Teenager," as herself and a friend of a character at a music program for teen mothers. -- Exhibiting the pair's planned synergistic programming slates, **Fox Soccer** will feature Tues an intl friendly match between Brazil and Ireland, with **Fox Soccer Plus** to air a day later an England-Egypt match. -- The 2nd season of **MLB Net's** Spring Training and season-preview series "30 Clubs in 30 Days" returns Mar 3 with a look at the Detroit Tigers.

Public Affairs: With partners including the **Bill & Melinda Gates Foundation** and US Dept of Education, **Univision** launched Tues *Es El Momento* (The Moment is Now), a 3-yr multiplatform initiative aimed at improving academic achievement among K-12 Hispanic students with a specific focus on increasing high school graduation rates, col-

BUSINESS & FINANCE

lege readiness, college completion and engaging Hispanic parents and the broader community. More info at www.EsEIMomento.com.

On the Circuit: Register for **The Cable Show** by Mar 19 for a chance to win 2 backstage passes to the set of **Showtime's "Dexter,"** plus airfare and hotel. -- Wed is the deadline for Vanguard nominations. Details at the **Cable Show's** website (2010.thecablesow.com).

People: **Outdoor Channel** upped **Greg Harrigan** to evp, ad sales. -- **MTVN** tapped **Suzanne McDonnell** as svp, **Digital Fusion** and **Heather Hopkins** as svp, marketing and sales dev in addition to her current role as gm, **Tribes** vertical network. -- **Inspiration Nets** evp, programming **Ron Shuping** will retire Feb 28 after 40 years in the TV and communications industry. -- **Ovation** CEO **Charles Segars** was named chair of **The Campaign to Save Arts Education in the L.A. Unified School District.**

Business/Finance: **Walmart** expects to close within the next few weeks on a deal to purchase **Vudu**, whose service allows consumers to purchase/rent movie and TV content directly through broadband-connected HDTVs and Blu-ray players. -- **News Corp** agreed to acquire a 9.09% stake in Middle Eastern media co **Rotana Group** for \$70mln in newly-issued shares, and received an option to double its stake in the 18 months following the deal's completion.

CableFAX Daily Stockwatch

Company	02/23 Close	1-Day Ch	Company	02/23 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	33.15	(0.52)	AMPHENOL:	41.23	(0.53)
DIRECTV:	33.42	(0.29)	AOL:	24.88	0.17
DISH:	19.89	0.05	APPLE:	197.06	(3.36)
DISNEY:	30.92	(0.2)	ARRIS GROUP:	10.22	(0.2)
GE:	15.95	(0.3)	AVID TECH:	13.61	(0.09)
NEWS CORP:	15.61	(0.3)	BIGBAND:	2.81	(0.14)
MSOS					
CABLEVISION:	22.54	(0.51)	BLNDER TONGUE:	1.09	(0.01)
COMCAST:	16.14	(0.05)	BROADCOM:	30.73	(0.66)
COMCAST SPCL:	15.26	(0.04)	CISCO:	24.05	(0.25)
GCI:	5.72	0.10	CLEARWIRE:	6.98	(0.06)
KNOWLOGY:	11.31	(0.19)	COMMSCOPE:	24.10	(3.48)
LIBERTY CAPITAL:	30.97	(0.03)	CONCURRENT:	4.76	0.00
LIBERTY GLOBAL:	26.10	(0.45)	CONVERGYS:	12.34	(0.11)
LIBERTY INT:	11.17	(0.19)	CSG SYSTEMS:	20.82	(0.16)
MEDIACOM:	4.49	0.17	ECHOSTAR:	19.65	0.05
RCN:	10.93	0.05	GOOGLE:	535.07	(7.73)
SHAW COMM:	18.86	(0.29)	HARMONIC:	6.47	(0.1)
TIME WARNER CABLE:	46.59	(0.33)	INTEL:	20.39	(0.48)
VIRGIN MEDIA:	15.04	(0.4)	JDSU:	9.85	(0.03)
WASH POST:	412.51	(2.82)	LEVEL 3:	1.54	(0.02)
PROGRAMMING					
CBS:	13.02	(0.34)	MICROSOFT:	28.33	(0.4)
CROWN:	1.50	(0.12)	MOTOROLA:	6.78	(0.09)
DISCOVERY:	32.07	(0.02)	OPENTV:	1.53	0.00
GRUPO TELEVISIA:	19.35	(0.31)	PHILIPS:	29.36	(0.96)
HSN:	19.99	(0.89)	RENTRAK:	19.07	0.16
INTERACTIVE CORP:	22.05	0.17	SEACHANGE:	7.16	(0.1)
LIBERTY:	36.06	(0.64)	SONY:	34.61	(0.17)
LIBERTY STARZ:	47.05	0.10	SPRINT NEXTEL:	3.34	(0.14)
LIONSGATE:	5.30	0.03	THOMAS & BETTS:	36.14	(0.55)
LODGENET:	6.73	(0.26)	TIVO:	9.64	0.02
NEW FRONTIER:	1.87	0.02	TOLLGRADE:	6.24	(0.01)
OUTDOOR:	5.27	(0.03)	UNIVERSAL ELEC:	22.05	0.27
PLAYBOY:	3.38	0.02	VONAGE:	1.71	(0.08)
RHI:	0.30	(0.02)	YAHOO:	15.38	(0.11)
SCRIPPS INT:	40.16	0.66	TELCOS		
TIME WARNER:	28.48	(0.53)	AT&T:	24.83	(0.19)
VALUEVISION:	4.13	(0.14)	QWEST:	4.45	0.04
VIACOM:	31.12	(0.41)	VERIZON:	28.74	(0.26)
WWE:	16.27	(0.01)	MARKET INDICES		
TECHNOLOGY					
3COM:	7.65	(0.01)	DOW:	10282.41	(100.97)
ADC:	6.60	(0.24)	NASDAQ:	2213.44	(28.59)
ADVANTAGE:	2.28	0.06			
ALCATEL LUCENT:	2.98	(0.03)			
AMDOCS:	28.73	(0.27)			

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