

CableFAX Daily™

Friday — February 24, 2012

What the Industry Reads First

Volume 23 / No. 036

FCC As Dealer: DISH Awaits A Hand to Play

DISH's 4Q snapshot produced a relatively pretty picture, with rev (+13%) and net income (+24%) both increasing nicely and 22K net sub adds reversing a lamentable recent trend while marking just the DBS op's 2nd quarter of growth in the last 2 years. Attributed in part to the Blockbuster@Home package by pres/CEO *Joe Clayton*, churn improvement drove the net adds instead of a rise in gross adds, which were flat both YOY and sequentially. And it appears that distinction will play a key role in the attractiveness of DISH's future. Pressured by cable's broadband plant, DISH/DirectTV's sub growth fell to a historical low of 1.5% over the last 12 months, which "clearly appears to refer to share shifts within the satellite category, and not for the satellite category as a whole (i.e. versus cable)," said **Sanford Bernstein's Craig Moffett**. But "a model that is light on gross adds but better on churn rate is an encouragingly profitable one," he added, an assessment that—when joined by DISH's stabilizing core business and *Charlie Ergen's* enduring refusal to chase subs with steep discounts—implies a comely picture for the DBS op going forward. But Ergen's keenly aware such sexiness hinges on the **FCC's** approval of waivers allowing DISH to use its spectrum for terrestrial wireless services without a required satellite component. Expected in the next couple of weeks, such approval would "transform not only our business but the way people use wireless," said Ergen, noting how it would increase DISH's ability to compete with OTT and broadband plays and induce "a greater likelihood of keeping [our] customers" both now and after contracts expire. Given the quashing of the **AT&T/T-Mobile** deal and **Lightsquared's** troubles, Ergen said DISH is "kind of the country's best hope [to bring spectrum to market], and that's a good position to be in." Yet he allowed he'd "go broke betting on Washington," saying any and all long-term alternatives for DISH would require consideration should the company's wireless hopes dissolve. Citing **Comcast's** enviable position at the intersection of wireless and video, Ergen said it's "really kind of a package deal... you have to put those two together." As the market awaits the FCC's move, it also looks forward to how DISH might ignite wireless if approved or react if declined. Network buildout, partnership(s) or a sale of the company are but a few of the possibilities. **Wells Fargo Securities, S&P, Collins Stewart** and **ICI** all have 'buy' or 'outperform' ratings on DISH shares, which gained 1.58% Thurs.

On the Hill: The Obama Administration unveiled the "Consumer Privacy Bill of Rights" Thurs, which aims to give consumers more control over how their personal info is used on the Internet. At the same time, leading Internet companies and

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Source: Beta Research Local Ad Sales Executive Study, January 2012. Ranked #1 for Promotions, based on means among total respondents.

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online ad networks (**Google, Yahoo, Microsoft, AOL**) said they are committed to act on Do Not Track technology in most major Web browsers, making it easier for users to control online tracking. The ad community also agreed not to release consumers' browsing data to companies who might use it for purposes other than advertising. The Commerce Dept will meet with companies, privacy advocates and other stakeholders to develop enforceable policies based on the blueprint. The Admin also will work with Congress on legislation based on these rights as well as extending baseline privacy protections. **NCTA** pres/CEO *Michael Powell* said the cable industry stands ready work with the admin and stakeholders on these efforts, calling cable ops and programmers leaders in protecting privacy and explaining data practices to customers. House Commerce, Manufacturing and Trade subcmte chair *Mary Bono Mack* (R-CA) said her committee would work with the pres, but warned a rush to judgment could have a chilling effect on the economy and online innovation. "Once we have heard from all the stakeholders, we can make an informed decision about the need for legislation," she said.

See Ya NFLX: **Starz** content officially vacates **Netflix** on Tues, yet the expected end of the pair's deal has already led to "renewed energy with distributors on our new premium strategy," said **Starz LLC** CEO *Chris Albrecht*. Starz rev increased 8% in 4Q while Starz and **Encore** grew subs by 8% and 1% YOY, respectively. After gaining 600K subs sequentially, Starz counted 19.6mln total as of Dec 31, Encore 33.2mln. Growth in the quarter, however, was tempered by a lack of access to MVPD marketing, but Albrecht noted improvement on this front as well. With "Spartacus: Vengeance" performing well and "Magic City" on deck, "I certainly think [our] originals strategy is paying off," Albrecht said, adding that "we see growth in the existing universe." An authenticated digital Starz service is coming this year, with talks underway with affils about beta tests. "We're anxious to get it out," said Albrecht. **Comcast's** new **Streampix** service won't serve Starz's needs because it doesn't include a premium tier, but Albrecht called it a "step in the right direction."

Research: **Facebook** ranks as the top Website visited while watching TV, followed by **YouTube, Zynga, Google Search** and **Yahoo Mail**, according to **Nielsen** and **NM Incite's** 1st US Consumer Report. During a program, tablet and smart phone users are most likely to use the devices to check email (57%), surf for unrelated info (44%) and visit social networks (44%). During a commercial, email was still the number 1 use of tablets and smart phones (59%). Other findings: avg time spent watching TV each month totals 146 hours and 45 mins among users of at least 2 mediums. The avg time watching online video was 4 hours, 31mins, with mobile phone online video accounted for 4 hours, 20 mins/month.

VOD: Just in time for Sun's Academy Awards, **ShortsHD** announced the collection of Oscar nominated films will be available to cable subs on demand. The films are offered in 2 categories, Best Animated Short Films and Best Live Action Short Films (suggested retail price \$6.99 for each package). They're presented by ShortsHD in conjunction with **In Demand**.

Technology: **Pace** is working with **TiVo** to build a verified platform to provide ops licensing the TiVo solution the choice of using Pace set-tops and gateways. The solution features TiVo's whole-home capabilities including mobile apps.

On CableFAX.com: Reviews of blockbuster movies and Oscar contenders are a dime a dozen, right? That's why **Time Warner Cable's** new monthly program "Talking Pictures On Demand" highlights lesser-known films on the operator's MVID repertoire. *Jeremy Bitz*, vp, local programming and new media, discusses what would be a home run for his year-old programming group. – Is there a secret sauce for customer service via social media? Experts in the field from **Cox, Comcast, Suddenlink** and **Charter** weigh in. Turns out going social is improving customer relations and building

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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
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- 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

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Category of Award: _____

Name of Award Candidate: _____

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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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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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BUSINESS & FINANCE

trust. -- **CableFAX** Executive Editor *Michael Grebb* reflects on this week's decision by **Canoe Ventures** to scrap iTV ads and what cable can learn from the company's bold experiment. -- Do you have the department everyone wants to work for? Find out by asking 8 quintessential questions for cable leaders, compiled by leadership expert *Shawn Doyle*. What movie established a VOD revenue record while also leading **Comcast's** '11 on demand movie list? For the answer and more VOD info, go to **CableFAX-Daily.com**.

On the Circuit: **NAMIC** Mid-Atlantic holds a general membership mixer Mar 15, 6-8pm at **Sirius XM's** HQ in DC. For more info, contact *Pam Ford* (202)222-2356 or pford@ncta.com.

People: Former Republican NY Congresswoman *Susan Molinari* was tapped to head up **Google's** DC policy and lobbying office. You may recall a few years back that she headed **Broadband Everywhere**, a group supported by NCTA and that fought the Bells on national franchising efforts. -- *William Strahan* was promoted to evp, HR for **Comcast Cable**. -- Former **Fandango** CEO *Chuck Davis* joined **Invidi's** advisory board. -- **AMC Nets** announced several legal dept promotions: *Meg Bogdan* was named vp, legal & biz affairs; *Aileen Brophy* was named vp, legal, affil sales; and *Madhu Goel Southworth* was made vp, legal & biz affairs.

CableFAX Daily Stockwatch

Company	02/23 Close	1-Day Ch	Company	02/23 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	45.63	0.58	CLEARWIRE:	2.27	0.14
DISH:	29.62	0.46	CONCURRENT:	3.75	0.10
DISNEY:	41.48	0.21	CONVERGYS:	13.22	0.21
GE:	19.31	0.09	CSG SYSTEMS:	16.40	0.04
NEWS CORP:	20.24	0.20	ECHOSTAR:	30.95	0.35
MSOS					
CABLEVISION:	15.65	0.58	GOOGLE:	606.11	(1.83)
CHARTER:	63.50	0.78	HARMONIC:	6.39	0.29
COMCAST:	29.81	0.53	INTEL:	26.66	(0.07)
COMCAST SPCL:	28.88	0.45	JDSU:	14.15	0.23
GCI:	10.90	(0.01)	LEVEL 3:	23.51	2.62
KNOLGY:	15.69	0.24	MICROSOFT:	31.37	0.10
LIBERTY GLOBAL:	48.49	0.12	MOTOROLA MOBILITY:	39.73	(0.01)
LIBERTY INT:	18.39	0.42	RENTRAK:	22.33	0.93
SHAW COMM:	20.20	UNCH	SEACHANGE:	7.14	0.16
TIME WARNER CABLE:	77.24	0.92	SONY:	21.19	0.31
VIRGIN MEDIA:	24.99	0.09	SPRINT NEXTEL:	2.52	0.29
WASH POST:	388.81	3.81	THOMAS & BETTS:	72.00	0.01
PROGRAMMING					
AMC NETWORKS:	44.93	0.81	TIVO:	12.00	0.17
CBS:	29.44	0.01	UNIVERSAL ELEC:	19.66	0.68
CROWN:	1.26	0.05	VONAGE:	2.46	(0.02)
DISCOVERY:	44.16	(0.09)	YAHOO:	14.78	0.28
GRUPO TELEVISA:	20.63	(0.08)	TELCOS		
HSN:	36.94	0.58	AT&T:	30.46	0.18
INTERACTIVE CORP:	45.53	(0.29)	VERIZON:	38.13	(0.08)
LIONSGATE:	12.90	0.35	MARKET INDICES		
LODGENET:	3.72	(0.12)	DOW:	12984.69	46.02
NEW FRONTIER:	1.13	0.01	NASDAQ:	2956.98	23.81
OUTDOOR:	7.29	0.25	S&P 500:	1363.46	5.80
SCRIPPS INT:	44.36	0.33			
TIME WARNER:	37.31	0.23			
VALUEVISION:	1.88	(0.01)			
VIACOM:	53.86	UNCH			
WWE:	9.40	(0.16)			
TECHNOLOGY					
ADVANTAGE:	2.13	0.02			
ALCATEL LUCENT:	2.57	0.13			
AMDOCS:	30.84	0.07			
AMPHENOL:	56.09	(0.08)			
AOL:	18.44	0.11			
APPLE:	516.39	3.35			
ARRIS GROUP:	11.76	0.26			
AVID TECH:	11.77	0.13			
BLNDER TONGUE:	1.36	(0.03)			
BROADCOM:	37.00	(0.83)			
CISCO:	20.23	0.11			



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PROGRAMMER'S PAGE

Golf Channel's Primo Monday

Enjoying both a recent ratings hot streak and an ad-friendly audience composed chiefly of wealthy men, **Golf Channel** is on the tee with a dynamic new driver. Its Mon night lineup starting next week features "The Haney Project" and "Feherty" in succession, 2 series importantly toting compelling hosts in renowned swing coach *Hank Haney* and former pro/commentator *David Feherty* along with guests holding appeal beyond the ropes of golf. Haney doesn't have the technicolor personality of Feherty, but he does, in giving lessons to celebs including *Angie Everhart* and *Sugar Ray Leonard*, help provide insight into what his pupils are really like. If you don't play golf, you'll have to trust me on this: no endeavor in the world enlightens true personalities quite like the exasperating, humbling yet enjoyable sport of golf does. Also, Haney's on-air instruction, essentially free, is invaluable to viewers. Feherty's treasure derives from his quirky, comedic bearing and unabashed honesty, which congeal to often produce equal traits from his guests. Political correctness "is just a euphemism for b.s.," said Feherty during a conference call this week. "I'm more comfortable asking awkward questions because I feel like an awkward person." PGAer *Sergio Garcia* in his native Spain is 1st up on this season of 18 eps, a testament to the net's backing of Feherty. Offering a good indication of the show's ethos: with Sergio, Feherty plays tennis, dresses up as a matador and learns flamenco dancing, the latter activities "immensely degrading to me," Feherty joked. Asked which celebs he would most like to interview, Feherty mentioned *Bill Murray* and *Jessica Biel*. But "it's difficult to find out what planet" Murray is on because he doesn't own a mobile phone, said Feherty, noting his Biel choice has "nothing to do with golf... it's just selfish." *CH*

Worth a Look: "Witchslayer Gretl," Sat, 9p, **Syfy**. Yes, it's that Gretl, but this is one of Syfy's best and campiest. But you'll need to ignore the electronic devices our protagonists use despite their medieval surroundings. Witchcraft pro *Shannen Doherty* is convincingly evil. -- "La Reina del Sur," Fri, 7p, **mun2**. With subtitles and great ratings (4.2 on **Telemundo** last year), this 63-ep novella follows a simple girl as she ascends a drug cartel. It's hot, violent and a total hoot. The Fri marathon replays Mon-Thurs eps.

Notable: What happens during the 61st "NBA All-Star Game" (Sun, 7p ET, **TNT**) may seem anticlimactic compared to the dunk contest (Sat, 8p). Still the defense-free game often devolves into a garden-variety free-for-all that's highly entertaining. -- For years we joked that TV coverage of the "NFL Scouting Combine" reflected poorly on the state of American entertainment. How can sane people spend hours watching wind sprints? It's stood the test of time and is a joke no longer. **NFL Network** televises the marathon, providing 50 hours beginning Thurs (2:30p ET), going to live coverage Sat, 9aET, lasting through Tues. -- **Golf Channel** hit "The Haney Project" returns Mon, 9p ET, with a twist. The swing guru foregoes tutoring a single celeb for a quartet of *Adam Levine*, *Sugar Ray Leonard*, *Mario Batali* and *Angie Everhart*.

Basic Cable Rankings (2/13/12-2/19/12) Mon-Sun Prime			
1	USA	2.2	2154
2	DSNY	1.8	1754
3	TBSC	1.5	1511
3	HIST	1.5	1450
3	FOXN	1.5	1448
6	FX	1.2	1213
6	TNT	1.2	1198
8	ESPN	1.1	1106
9	LIFE	1	961
9	ADSM	1	951
9	A&E	1	946
9	SYFY	1	934
9	DSE	1	71
14	AMC	0.9	899
14	DISC	0.9	893
14	HGTV	0.9	886
14	MTV	0.9	885
14	FOOD	0.9	852
14	FAM	0.9	839
14	BET	0.9	804
21	TRU	0.8	779
21	BRAV	0.8	755
21	NKJR	0.8	603
24	TLC	0.7	727
24	CMDY	0.7	671
24	TVLD	0.7	664
24	NAN	0.7	661
24	MSNB	0.7	649
29	SPK	0.6	641
29	CNN	0.6	610
29	ID	0.6	507
29	LMN	0.6	496
33	APL	0.5	511
33	EN	0.5	510
33	HALL	0.5	468
33	HLN	0.5	448
33	NGC	0.5	371
38	VH1	0.4	354
38	TRAV	0.4	335
38	DXD	0.4	318
38	OWN	0.4	288
38	H2	0.4	239
38	NKTN	0.4	222
44	ESP2	0.3	301
44	WE	0.3	266
44	CNBC	0.3	266

*Nielsen data supplied by ABC/Disney



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