

# CableFAX Daily™

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What the Industry Reads First

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## Well Oiled: Cablevision's Operations Continue to Impress

During 4Q, **Cablevision** delivered eye-opening results nearly across the board. To cite a few highlights, broadband and phone adds soundly beat Street expectations, churn for every product was at the lowest level in 6 Qs, and overall ad rev jumped 13% (+20% at Rainbow). "Cable highlights were solid... again," said **Sanford Bernstein** analyst *Craig Moffett*. "Indeed, it is difficult to find any bad number in Cablevision's fourth quarter telecom group results. The company is, in short, a machine." Indeed, the MSO's current focus is decidedly tech heavy and trained on innovation—RS-DVR, WiFi, wireless voice, PC to TV Media Relay—which leads to products "that customers appreciate" and "enhance the value of the cable subscription," said COO *Tom Rutledge*. The MSO's network DVR will roll out on a limited basis in Apr, he said, offering functionality such as pause/start live TV and caller ID on the screen that's currently featured in some employees' homes. Toward the end of the year Cablevision will stop buying physical DVRs altogether as deployment ramps across its footprint. In addition to being a value add for subs, said Rutledge, the network DVR offers "a fundamentally better ROI" than physical ones. Approx 50% complete, the MSO's WiFi network garners 5mln min/day in usage, and plans this year call for additional access points plus connection capabilities inside NY-area commuter trains. Currently in trials are mobile phones that can hop from WiFi to cellular networks and back. Promising early results give "us some hope that we'll be able to launch additional products using the WiFi network that will look like what some people think of as cellular phones," said Rutledge. PC to TV (*Cfax*, 2/25) entails rollout to all digital subs and will include myriad Internet apps. "We think it's a breakthrough service for us," said Rutledge. "Consumer behavior will be enhanced by making it very simple to operate." Interactive and targeted advertising initiatives, meanwhile, continue to yield solid results and repeat business, he said, and remain "material to our growth." While Rutledge declined to say just how much oomph the new ad tech is providing the MSO, he intimated that it helped nicely with the aforementioned ad results. "The fourth quarter I don't think is a fluke," he said. **Wells Fargo Securities** analyst *Marci Ryvicker* cited another positive in CVC's tech focus. "CVC continues to aggressively invest in the business via various products... yet its capital intensity continues to decline," she said. The focus has also aided the MSO competitively, as Moffett said CVC has "weathered the storm from **Verizon FiOS** with remarkable success." Rutledge said to expect similar products and services from other MSOs going forward. "When you get to an all-

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digital format... your network is much more capable and robust and functional," he said. "We are at that stage where we can do things that some companies will ultimately do several years down the road."

**Trust But Verify:** Some House Judiciary Committee members on Thurs grilled **Comcast** chmn/CEO *Brian Roberts* and **NBCU** pres/CEO *Jeff Zucker* on whether their proposed jv will hurt indie producers and threaten content diversity. *Jean Prewitt*, pres of the Independent Film & Television Alliance, argued that the deal means Comcast-NBCU cable nets will be even more reluctant to take shows coming "from outside the system." She suggested conditions that would guarantee slots for indie-produced shows across all the jv's nets—not just on isolated networks (Comcast has vowed to add 2 independently owned nets to its lineup per year for 3 years after completing its all-digital upgrade). Prewitt bandied the "trust but verify" phrase after Roberts and Zucker both said they're open to content from all sources. Later, Rep *Maxine Waters* (D-CA) criticized what she framed as little diversity among company directors and senior execs. On the content side, she especially zeroed in on Zucker, who acknowledged NBC's lack of shows geared toward African Americans but said finding such shows has been one of his top priorities since taking over NBCU. "It doesn't necessarily happen immediately," he said. Waters then pointedly asked both Zucker and Roberts to meet with Prewitt so she could introduce them to black indie producers; they agreed. In addition, Rep *Sheila Jackson Lee* (D-TX) secured a similar commitment for both to meet with **CWA** pres *Larry Cohen*, who at the hearing noted lack of union representation at Comcast and said he had yet to get a meeting with either to discuss CWA's merger concerns. Later, Rep *Steve Cohen* (D-TN) came to NBC's diversity defense by touting *Al Roker* and "Tonight Show" band leader *Kevin Eubanks*. "I think we've done a good job. It'll never be perfect," Zucker said.

**Spectrum Redux:** FCC chmn *Julius Genachowski* was asked by reporters Thurs what would happen if broadcasters don't voluntarily participate in a spectrum auction—one of the recommendations in the agency's National Broadband Plan (*Cfax*, 2/25). He didn't really entertain the thought. "Our job has been to lay out a strategic plan for the country for broadband, built on this significant record, extensive participatory process that we have," Genachowski said. "These recommendations are built on the record, conversations, discussions that cause us to believe that they are the right thing for the country and that they are doable." Broadcasters appear skeptical of the plan. During Thurs' House Judiciary hearing on **Comcast-NBCU**, *Jeff Zucker* said that while his company believes furthering broadband deployment is important, it shouldn't look to broadcast spectrum to facilitate that growth. If the jv gets done, *Brian Roberts* said the merged company would like to be treated like all other broadcasters, but said he didn't really have a point of view on the subject yet.

**Competition:** **Verizon** and **Showtime** bow this week Showtime Sports Interactive, which the pair is calling the 1st nationwide, high-def iTV app using EBIF. During the net's "Strikeforce Challengers" MMA telecast (Fri, 11pm ET), FiOS TV's Showtime subs with HD set-tops will gain access through the remote to on-screen voting and polling functionality, fighter profiles, trivia and a fight calendar. Other select MMA and boxing events on the net will also feature the app.

**Broadband Plan:** The FCC's Broadband Plan will recommend the govt fund an interoperable, nationwide public safety communications network (an est \$12-\$16bln over 10 years). License holders in the 700Mhz band would be required to make roaming and priority service available to 1st responders if they wanted it. The spectrum holders would be compensated, but at a most-favored rate, FCC officials said. The plan is to re-auction the D-block but not restrict it to public safety. The plan also will focus on increasing cybersecurity and propose measures to advance next generation 911 services.

**Help Wanted:** **SCTE** created a CTO post and has tapped **T.D. Madison** to identify candidates. The post reports directly to pres/CEO *Mark Dzuban*. Candidates can send resumes to SCTE human resources via hr@scte.org, ATTN: *Cathy Oakes*.

**In the States:** Some **Discovery Comm** employees (less than 10, we hear) were recently given pink slips—a result of that Dec reorg (*Cfax*, 12/21) that saw *John Ford's* departure. Among those leaving are **Planet Green** PR maven *Annie Howell* (Discovery's loss, as she's one of the best). The reorg tethered **Discovery** and **Science** under *Clark Bunting*; **Planet Green** with **Discovery Health** and **FitTV**; and combined **ID**, **Military** and **HD Theater**. The layoffs were a result of efficiencies between each of these network hubs, a spokesperson said.

**Complaint Dept:** **Comcast** dismissed **Wave Broadband**, **Horizon Cable** and **San Bruno Municipal's** FCC program access complaint as baseless, saying that **Comcast Sports Net Bay** area has been offered to them on the same terms and conditions as other local distributors. The MSO says its cable systems only overlap with 1 of the 3 and does not overlap at all with the others. The 3 filed their complaint in Dec, claiming Comcast artificially linked the Bay Area and Sacramento

# BUSINESS & FINANCE

DMA (CSN CA) to create 1 regional sports market that requires separate RSN deals to receive the same level of programming, with substantially higher prices. Comcast said the trio's request that the FCC restore the programming content pre-realignment oversteps the Commission's authority, conflicts with programming obligations under the new team right agreements, ignores the interests of local sports fans and is wholly unjustified.

**Earnings:** Liberty Starz 4Q rev climbed 6% YOY to \$304mln, while adjusted OIBDA dipped 2% to \$74mln primarily due to higher marketing and production costs—particularly for “Spartacus” and “Crash.” Starz is working on renewals with **Time Warner Cable** and **Comcast**, and it's working on reupping **Disney** on the programming side. Starz saw average subscription unit increases of 3% for '09, and **Encore's** average subscriptions were essentially flat for the year. **Liberty Interactive** and **Liberty Capital** were up 14% to \$2.7bln and 18% to \$154mln respectively. QVC's consolidated rev grew 14% to \$2.4bln; adjusted OIBDA increased 27% to \$530mln.

**Honors:** **Rainbow Media** is the sole cable programming group listed in *Fast Company's* just-released Most Innovative Companies issue as a Top 10 Most Innovative Company in Film & TV. **Disney** (which includes much more than just cable) ranked #3 on the list, with **Hulu** and **Netflix** taking the #1 and #2 spots.

## CableFAX Daily Stockwatch

Company	02/25 Close	1-Day Ch	Company	02/25 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	33.08	(0.23)	AMPHENOL:	41.47	(0.16)
DIRECTV:	33.53	(0.06)	AOL:	24.78	(0.14)
DISH:	19.87	(0.09)	APPLE:	202.00	1.34
DISNEY:	31.36	(0.03)	ARRIS GROUP:	10.16	(0.12)
GE:	15.92	(0.1)	AVID TECH:	13.48	(0.25)
NEWS CORP:	15.82	(0.1)	BIGBAND:	2.86	0.04
<b>MSOS</b>					
CABLEVISION:	23.58	0.75	BLNDER TONGUE:	1.07	(0.02)
COMCAST:	16.14	(0.28)	BROADCOM:	31.40	(0.25)
COMCAST SPCL:	15.25	(0.26)	CISCO:	24.33	(0.01)
GCI:	5.67	(0.23)	CLEARWIRE:	6.47	(0.15)
KNOLGY:	11.40	(0.15)	COMMSCOPE:	25.12	(0.02)
LIBERTY CAPITAL:	34.20	2.44	CONCURRENT:	4.63	(0.09)
LIBERTY GLOBAL:	26.07	(0.42)	CONVERGYS:	12.42	(0.09)
LIBERTY INT:	12.40	0.94	CSG SYSTEMS:	19.94	0.38
MEDIACOM:	4.42	(0.09)	ECHOSTAR:	19.93	0.18
RCN:	10.94	(0.04)	GOOGLE:	526.43	(5.04)
SHAW COMM:	18.73	(0.13)	HARMONIC:	6.58	0.02
TIME WARNER CABLE:	46.20	(0.04)	INTEL:	20.63	(0.07)
VIRGIN MEDIA:	16.25	0.78	JDSU:	10.26	(0.04)
WASH POST:	419.26	(1.04)	LEVEL 3:	1.52	(0.01)
<b>PROGRAMMING</b>					
CBS:	13.14	(0.06)	MICROSOFT:	28.60	(0.03)
CROWN:	1.62	0.09	MOTOROLA:	6.85	0.06
DISCOVERY:	31.39	(0.61)	OPENTV:	1.54	0.00
GRUPO TELEVISA:	18.76	(0.53)	PHILIPS:	29.17	(0.29)
HSN:	21.94	1.48	RENTRAK:	18.80	(0.19)
INTERACTIVE CORP:	22.48	0.38	SEACHANGE:	7.16	(0.04)
LIBERTY:	36.66	0.11	SONY:	34.00	(0.6)
LIBERTY STARZ:	49.98	1.61	SPRINT NEXTEL:	3.29	0.01
LIONSGATE:	5.41	0.07	THOMAS & BETTS:	35.94	(0.53)
LODGENET:	6.34	(0.15)	TIVO:	9.61	(0.06)
NEW FRONTIER:	1.83	(0.02)	TOLLGRADE:	6.48	0.23
OUTDOOR:	5.40	0.09	UNIVERSAL ELEC:	22.58	0.45
PLAYBOY:	3.36	0.02	VONAGE:	1.68	(0.04)
RHI:	0.30	(0.01)	YAHOO:	15.24	(0.35)
SCRIPPS INT:	39.53	(0.11)	<b>TELCOS</b>		
TIME WARNER:	28.86	0.18	AT&T:	24.77	(0.14)
VALUEVISION:	4.22	0.21	QWEST:	4.44	(0.07)
VIACOM:	31.44	0.14	VERIZON:	28.88	(0.08)
WWE:	17.01	0.58	<b>MARKET INDICES</b>		
<b>TECHNOLOGY</b>					
3COM:	7.64	0.02	DOW:	10321.03	(53.13)
ADC:	6.39	(0.15)	NASDAQ:	2234.22	(1.68)
ADVANTAGE:	2.25	0.02			
ALCATEL LUCENT:	2.99	(0.04)			
AMDOCS:	28.93	(0.05)			

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**April 13-15**



**PROGRAMMER'S PAGE** with Chad Heiges and Seth Arenstein

**Flipping the Script**

Whether regarding format, name or programming mix, myriad changes are afoot among cable nets—healthy consequences of a burgeoning race for additional viewers and ratings as ad dollars funnel to cable over broadcast. **History** smartly changed its tag line to “history made every day” to encompass its rash of reality fare, for example, and **MTV** recently unveiled a commitment to scripted content even as “*Jersey Shore*” delivered a ratings tsunami. “The key for us is to be creatively diverse,” said MTV pres, programming and dev *Tony Disanto* earlier this month of the net’s slate change. Now, **Bravo’s** measuring an alteration to its lineup and calling for scripts to augment shows such as “*Top Chef*” and the “*Real Housewives*” franchise. But there’s a slight impediment. It’s “very difficult” to find scripted shows that the net’s audience would find believable when many of the lead-in programs feature real-life characters that lead extreme lives, **NBCU Women and Lifestyle Ent Nets** pres *Lauren Zalaznick* said this week in L.A. Indeed, *Housewives* to many must come across as fantasy, what with the riches and opportunities. It’s nothing like my world, that’s for sure; I’m not even a blip on the radars of women like *Bethenny Frankel* and *Gretchen Rossi*. Dreams or no, it’s entirely fictional to me and likely to most of Bravo’s audience as well. So what to do? The net’s looking for “a version of a world that really doesn’t exist that’s mapped in an inspirational way,” said Zalaznick, who couldn’t be reached to expound on the scripted topic. Judging by Bravo’s recent prime ratings (flat in ’09 and last month), though, the change is likely a stab at programming diversity instead of an imperative. But it may lead, of course, to a larger audience and more money from advertisers. And who doesn’t need moolah, save for *Housewives*. **CH**

**Highlights:** “The Providence Effect,” Sun, noon, **TVOne**. Inspirational doc about a school in a rough section of Chicago whose president and faculty brook no resistance and believe education “breaks the back” of poverty. **SA**

**Worth a Look:** “nip/tuck,” series finale, Wed, 10p, **FX**. While it was a leader in production design and cameos, it’s time to go. This 100th ep doesn’t rank with great cable finales (“*The Sopranos*,” “*6 Ft Under*,”) but has its moments, particularly when *Hiro Yoshimura* tells us ‘what he doesn’t like about himself’ and the end, when *Christian (Julian McMahon)*, bless his eyebrows, shows he hasn’t changed. -- “*Southland*,” season II premiere, Tues, 10p, **TNT**. The next few weeks will be critical for “*Southland*,” the police series *Steve Koonin* resuscitated after **NBC** killed it. These next 6 eps were made by NBC but haven’t been seen, the first 2 are votes in favor of Turner renewing *Southland*. Despite flaws—it’s predictable in places and the characters beyond Det Lydia Adams (*Regina King*) and officers Cooper (*Michael Cudlitz*) and the rookie Sherman (*Ben McKenzie*) don’t hold one’s interest—“*Southland*” is a gritty drama depicting the risks and thanklessness of police work. **SA**

**Notable:** As they seek the dead, “*Ghost Hunters*” celebrates its 100th ep with (ironically) a live show, from Alcatraz (Wed, 9p, Syfy). **SA**

Basic Cable Rankings			
(2/15/09-2/21/09)			
Mon-Sun Prime			
1	USA	2.1	2054
2	DSNY	1.7	1684
3	TNT	1.5	1512
3	FOXN	1.5	1461
3	NAN	1.5	1458
6	TBSC	1.2	1162
7	A&E	1.1	1116
7	HIST	1.1	1094
7	ESPN	1.1	1056
7	MSNB	1.1	1025
11	TOON	1	962
11	FX	1	958
13	FAM	0.9	884
13	TRU	0.9	867
13	HGTV	0.9	838
16	EN	0.8	778
16	SYFY	0.8	760
16	AMC	0.8	718
16	LMN	0.8	632
20	TLC	0.7	733
20	DISC	0.7	732
20	LIFE	0.7	722
20	SPK	0.7	714
20	FOOD	0.7	686
20	CMDY	0.7	682
20	MTV	0.7	665
20	CNBC	0.7	643
20	HALL	0.7	583
20	NKJR	0.7	530
30	BET	0.6	526
31	BRAV	0.5	508
31	TVLD	0.5	476
31	VH1	0.5	448
31	OXYG	0.5	384
31	ID	0.5	299
36	ESP2	0.4	413
36	CNN	0.4	402
36	HLN	0.4	398
36	APL	0.4	384
36	NGC	0.4	282
36	SOAP	0.4	277
36	HI	0.4	209
43	TRAV	0.3	310
43	CMT	0.3	268
43	DXD	0.3	241
43	WGNA	0.3	239

\*Nielsen data supplied by ABC/Disney

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