

CableFAX Daily™

Friday — March 4, 2011

What the Industry Reads First

Volume 21 / No. 042

Consent-ual Beginning: FCC Approves Parsing of Retrans Rules

In recognizing it lacks the authority to either order interim carriage of broadcast signals during retrans disputes or require binding arbitration of at-odds parties, the **FCC** unanimously approved a Notice of Proposed Rulemaking Thurs to consider possible amendments to rules concerning the negotiation process. Much centers on the requirements surrounding “good faith” negotiations, and the Notice looks at some potential violations. First, the Commission established a list of 7 objective good faith negotiation standards, the violation of which is considered a per se breach of the good faith negotiation obligation. Second, even if the 7 specific standards are met, the Commission may consider whether, based on the totality of the circumstances, a party failed to negotiate retransmission consent in good faith. Also addressed are possible revisions to rules covering the notification of consumers with respect to disputes. But perhaps most importantly to cable, the Notice considers an elimination of the Commission’s network non-duplication and syndicated exclusivity rules. Under current law, MSOs have 60 days to comply with a broadcaster’s request to cease importing alternate signals into markets affected by retrans impasses. **Stifel Nicolaus** believes elimination of the rule “could significantly alter the bargaining leverage” but remains skeptical that the FCC will make any sweeping changes. FCC chmn *Julius Genachowski* and commish *Robert McDowell* cautioned parties against using the Notice as an excuse to prolong or postpone retrans negotiations, with McDowell adding that it would be folly to assume the Commission will act in any particular way or within any particular timeframe. Commish *Michael Copps* likes how early termination fees that are a part of pay TV contracts will be addressed, and remains concerned that smaller ops continue to “get rolled” by the retrans process. To that end, in commending the FCC for its Thurs action, **ACA** pres/CEO *Matt Polka* called retrans “a badly outdated system that inflicts serious economic harm on consumers served by independent cable operators put on the defensive by the aggressive cash demands of market-dominant TV stations.” Commish *Mignon Clyburn* noted the **Cablevision-Fox** standoff that affected the World Series this past fall “reverberated” throughout Capitol Hill. Commish *Meredith Atwell Baker* said the “vast majority” of retrans deals are nonetheless achieved quietly (see **Comcast-Sinclair** item on p 2). **NAB**, however, was anything but quiet Thurs. Evp, comm *Dennis*

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- Independent Lifetime Achievement Award

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- Community Service Award MSO-wide
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- Technology Award
- Financial Exec of the Year
- Regional Executive of the Year
- Customer Care
- Project Launch of the Year
- Leadership Award
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Category of Award: _____

Name of Award Candidate: _____

Title of Person or Campaign: _____

Address: _____

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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.)

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CableFAX Top Ops AWARDS

Send Entry to:

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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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Wharton called out “the rank hypocrisy of the pay TV industry” in the retrans arena, citing recent comments made by **Time Warner** CFO *John Martin* on how Turner nets expect rising profit margins in part due to escalating affil fees. The NAB’s official statement: “Broadcasters will continue working earnestly to ensure that consumers receive no TV service disruptions, mindful that even the threat of injecting government into a market-based process only incentivizes pay TV providers to game the process.” As **Cablevision** has outlined 3 reforms to the good faith requirements that it says offer a market-based approach to resolving disputes, COO *Tom Rutledge* said the FCC’s Notice “is an important first step for consumers, because it recognizes that consumers are the ones who are harmed when programming is pulled—or threatened to be pulled—from cable systems.” Grab a seat. This one could take a while.

On the Hill: In a letter to the Senate and House Commerce Cmtes, **NCTA** evp *James Assey* called **NAB**’s accusations that cable ops are hoarding wireless spectrum “flat wrong.” Cable ops have spent tens of billions of dollars over the past decade to bring innovative wireline broadband services to Americans, he said, and several including **Cablevision**, **Cox**, **Comcast** and **Time Warner Cable** have invested in wireless tech. While a comprehensive spectrum is “entirely appropriate... the NAB’s groundless accusation of spectrum hoarding by other licensees does nothing to advance the public debate,” he said. Since NAB questioned **DISH**’s spectrum plays as well, **DISH** evp/general counsel *R. Stanton Dodge* also wrote the cmtes to protest. Through its spectrum, **DISH** makes local channels available to all 210 local markets in the US and provides at least 90% of the homes in each DMA with 99.7%+ signal availability, said Dodge, adding that’s “something the broadcasters, themselves, are not doing today.” -- The House Commerce Comm and Tech Subcmte scheduled a Wed hearing on the **FCC**’s net neutrality order and the resolution of disapproval to snub them out. A vote on the resolution scheduled for Mar 2 was postponed due to requests for another hearing following Feb 16 testimony by all 5 FCC commissioners.

At the Portals: The **FCC** on Thurs issued 3 Notices of Proposed Rulemaking that would increase telecom accessibility for disabled citizens. It’s part of ongoing efforts to implement the 21st Century Communications and Video Accessibility Act passed by Congress last year and aimed at making it easier for the blind and deaf to access the Web, TV and other tech (**Cfax**, Sept 30). The 1st NPRM focuses on how to enforce new rules requiring manufacturers and service providers offer connected devices accessible to the disabled. The 2nd NPRM deals with video description, including how broadcasters and pay TV distributors must “pass through” video descriptions in broadcasts. The 3rd NPRM deals with how to extend the Telecommunications Relay Fund to VoIP providers as required by the Act.

Retrans: **Comcast** reached an agreement-in-principle with **Sinclair** for continued carriage of 36 stations in 22 markets for multiple years. **Wells Fargo Securities**’ *Marci Ryvicker* estimated the deal’s coverage at 5.2mln duplicated homes, and said its completion without public argument—not so with **Time Warner Cable** and **Sinclair**—perhaps bodes well for a timely resolution to a Cox/Sinclair agreement that must be reached in the 1st half of ’11.

Earnings: **Crown Media** delivered a 17% jump in 4Q rev to \$90.7mln and net income of \$18.7mln, compared to \$373K a year ago. Sub fee and ad rev increased by a respective 34% and 13%, the latter negatively impacted by ratings declines across demos. 4Q ad rev for **Hallmark Movie Channel** alone totaled \$6.1mln, up 103%. All the metrics cited herein achieved greater growth in 4Q than in ’10 overall, signaling steady improvement at Crown. Investors responded in kind, driving Crown shares to \$2.61 Thurs, up 6.97%. -- **Radio One** said **TV One** achieved 17.1% growth in 4Q rev to \$28.7mln and a 12.5% increase in EBITDA to \$5.9mln. On Feb 25, the net completed a \$119mln private debt offering, funds from which were used to repurchase 15.4% of its outstanding membership interests and upped Radio One’s stake in the net to 44.6% from 36.8%. **TV One** also plans to repurchase **DirectTV**’s 12.4% interest. -- Slated for acquisition by **Echostar**, **Hughes** reported record gross sub adds of 59K and net adds of 20K in 4Q, good for respective **YOU** growth of 29% and 40%. Overall rev increased 13%, service rev 17%. The company shipped more than 327K broadband satellite terminals in ’10, an annual record that brings its cumulative number shipped worldwide to more than 2.5mln.

Advertising: Combined national and local cable ad rev surged by \$2.9bln in ’10, marking 12% growth to reach a historical-best total of \$27.9bln, according to **CAB**. Driven by increases in non-linear spots and the auto, retail

BUSINESS & FINANCE

and political segments, local ad rev tallied \$6.6bln (+20%). National posted rev of \$20.5bln (+9.6%), led a record highs across all sectors and measures and through a boost from original programming.

Programming: A veritable cash cow for **USA** through syndicated "NCIS" eps, actor *Mark Harmon* will star in a 2-hour movie the net's developing based on the best-selling series of "Prey" novels by *John Sandford*. Said USA pres, original programming *Jeff Wachtel*, "Mark Harmon could read the phone book, and we'd probably want to put it on the air!" -- **MSG's** 1st live music event in history will feature a performance by The Allman Brothers Band (Mon). -- **Fox Business Net's** weeknight (7pm ET) program "Lou Dobbs Tonight" debuts Mar 14. -- **WFN: World Fishing Network** announced its 1st-time and exclusive coverage of the '11 Oakley Big Bass Tour, a series of 6 tourneys beginning Sat.

People: *Julio Marengi* was upped to evp/gm, **WGN America** -- L.A.-based PR guru *Cindy Ronzoni* has re-branded her firm **Social Spread Media** with an aim to help clients capitalize on "an integrated, spread-media approach to raising your profile and profitability in an ever-evolving marketplace," Ronzoni said. Ronzoni's current client base includes the **Television Critics Assn.**

CableFAX Daily Stockwatch

Company	03/03 Close	1-Day Ch	Company	03/03 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	46.26	0.87	AVID TECH:	21.87	0.41
DISH:	23.77	0.80	BIGBAND:	2.60	0.06
DISNEY:	44.07	0.78	BROADCOM:	42.21	0.55
GE:	20.75	0.43	CISCO:	18.53	0.03
NEWS CORP:	18.49	0.34	CLEARWIRE:	5.22	0.44
			CONCURRENT:	5.85	(0.01)
MSOS			CONVERGYS:	14.05	0.18
CABLEVISION:	37.14	0.68	CSG SYSTEMS:	19.71	0.27
CHARTER:	47.85	(0.97)	ECHOSTAR:	36.31	1.04
COMCAST:	25.77	0.70	GOOGLE:	609.56	8.77
COMCAST SPCL:	24.33	0.62	HARMONIC:	9.74	0.16
GCI:	11.89	0.07	INTEL:	21.79	0.30
KNOLLOGY:	13.90	0.62	JDSU:	25.14	0.61
LIBERTY CAPITAL:	75.21	1.69	LEVEL 3:	1.38	0.03
LIBERTY GLOBAL:	43.74	1.65	MICROSOFT:	26.20	0.12
LIBERTY INT:	16.34	0.33	RENTRAK:	26.55	0.64
MEDIACOM:	8.82	0.01	SEACHANGE:	9.33	0.29
SHAW COMM:	21.16	UNCH	SONY:	36.36	0.17
TIME WARNER CABLE:	72.48	2.58	SPRINT NEXTEL:	4.33	0.08
VIRGIN MEDIA:	27.19	0.41	THOMAS & BETTS:	56.54	2.01
WASH POST:	431.56	1.16	TIVO:	9.45	0.52
			TOLLGRADE:	9.99	(0.01)
PROGRAMMING			UNIVERSAL ELEC:	27.99	0.74
CBS:	24.35	0.47	VONAGE:	4.25	(0.01)
CROWN:	2.61	0.17	YAHOO:	16.86	0.23
DISCOVERY:	42.75	0.51	TELCOS		
GRUPO TELEvisa:	23.76	0.40	AT&T:	28.13	(0.04)
HSN:	30.77	UNCH	QWEST:	6.75	0.01
INTERACTIVE CORP:	31.73	0.56	VERIZON:	36.36	0.02
LIBERTY:	43.03	0.50	MARKET INDICES		
LIBERTY STARZ:	76.01	3.27	DOW:	12258.20	191.40
LIONSGATE:	6.33	0.27	NASDAQ:	2798.74	50.67
LODGENET:	3.48	0.16	S&P 500:	1330.97	22.53
NEW FRONTIER:	2.09	0.04			
OUTDOOR:	7.66	0.01			
PLAYBOY:	6.13	(0.02)			
SCRIPPS INT:	52.91	1.22			
TIME WARNER:	37.92	0.68			
VALUEVISION:	6.74	0.32			
VIACOM:	52.73	1.70			
WWE:	13.14	0.17			
TECHNOLOGY					
ADDVANTAGE:	3.19	0.03			
ALCATEL LUCENT:	5.37	0.12			
AMDOCS:	29.95	0.19			
AMPHENOL:	58.60	1.63			
AOL:	20.14	(0.02)			
APPLE:	359.56	7.44			
ARRIS GROUP:	13.24	0.29			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Productive No More

Sorry, business managers. Your task to maintain employee productivity levels during **March Madness** just became more onerous. Blame it on **Turner Sports**, whose digital prowess makes the colloquial moniker of the **NCAA** basketball tourney appear more reflective of managers' dismay than shocking on-the-court occurrences. Last year, 8.3mln uniques consumed 11.7mln hours of live streaming video and audio via **March Madness On Demand**, and with Turner joining the tourney's media lineup this season, expect those numbers to rise like a 40-inch vertical leap. No disrespect to **CBS Sports**, but there's a reason Turner Sports ranked in the top 20 of *Fast Company's* list of the 50 most innovative global firms: it knows what digital sports consumers desire, delivers it, and does a fantastic job of integrating content across the TV and Web (and mobile). Let's start with MMOD's new game center view, which offers a cornucopia of smartly-arranged content. All tourney games will stream live at **MMOD.NCAA.com** amid in-game stats and select video highlights of any current contest, all part of an intuitive dashboard featuring digital tickets to the game destinations tourney fans covet. It's not HDTV, of course, but it sure is sweet. Less important to me is a new **Coke Zero**-sponsored social arena offering fan interaction along with live hosts and **TBS** and **CBS** courtside reporters, but that's what the overwhelming majority of Web junkies find indispensable. Then there's the free mobile app available for the iPhone, iPod Touch and iPad (for the 1st time). Perhaps non-**Apple** product users can commiserate with managers. Or, just stick to the online version of MMOD and the TV coverage, which this year spans **CBS**, **TBS**, **TNT** and **truTV** and features all games live. There's nothing quite like March Madness in American sports, and Turner, CBS and the NCAA have opened up the offensive media playbook with rival uniqueness. Sorry, business managers. At least it's really only 4 afternoons that have become more worrisome. *CH*

Worth a Look: "Breakout Kings," pilot, Sun, 10p, **A&E**. *Lloyd Lowery* dominates as a genius con who helps the feds in this "Dirty Dozen"-inspired series. — "Daniel Tosh: Happy Thoughts," Sun, 9p, **Comedy**. It takes Tosh 30 secs to unleash f-bombs as he crosses his "personal line of decency," which he does "from time to time... that's how I know I still have one." No worries, an uncensored version of his no-holds-barred special goes on sale Tues. Yet his f-free jokes are funnier than the f-laden ones. — "Nothing Personal," debut, Wed, 10p ET, **Investigation Discovery**. Having *Steve Schirippa* (Bobby Bacala from "The Sopranos") provide throaty narration of a gangster tale works beautifully in ID's latest and best pairing of celebs with crime stories. — "Celebrity Tennis: *David Hasselhoff*," Sun, 7p ET, **Tennis Channel**. Never mind the tennis, check The Hoff's San Fernando Valley digs and the 750-lb replica of himself. The ball girls in "Baywatch" bathing suits aren't bad either. — "He Loves Me," Mon, 9p, **Lifetime**. *Heather Locklear* at 49 still may have the best legs in show biz. This decent film can only hope to age as well. *SA*

Notable: **ABC Family's** "Greek" wraps its final season Mon, 9p. — **Animal Planet** shows *Mike Tyson's* softer side as he races pigeons in "Taking on Tyson" (Sun, 10p). *SA*

Basic Cable Rankings

(1/31/11-2/27/11)

Mon-Sun Prime

1	USA	2.3	2342
2	DSNY	2	1942
3	TNT	1.6	1649
4	FOXN	1.5	1510
4	HIST	1.5	1479
6	NAN	1.2	1214
6	ESPN	1.2	1209
6	FX	1.2	1176
9	A&E	1.1	1131
9	TBSC	1.1	1083
9	MTV	1.1	1074
12	DISC	1	1022
12	ADSM	1	970
12	HGTV	1	952
15	FAM	0.9	898
15	AMC	0.9	888
15	TRU	0.9	867
15	SYFY	0.9	861
15	TLC	0.9	851
15	NKJR	0.9	655
21	FOOD	0.8	786
21	LIFE	0.8	764
21	CMDY	0.8	748
24	TVLD	0.7	713
24	BRAV	0.7	685
24	MSNB	0.7	684
24	SPK	0.7	664
24	BET	0.7	639
24	HALL	0.7	617
30	LMN	0.6	486
30	ID	0.6	440
32	CNN	0.5	548
32	EN	0.5	529
32	NGC	0.5	368
32	HMC	0.5	181
36	APL	0.4	434
36	TRAV	0.4	359
36	OXYG	0.4	336
36	GSN	0.4	281
36	HI	0.4	238
36	NKTN	0.4	231
42	VH1	0.3	338
42	HLN	0.3	308
42	ESP2	0.3	301
42	CMT	0.3	263
42	TWC	0.3	260

*Nielsen data supplied by ABC/Disney

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