

# CableFAX Daily™

Tuesday — March 6, 2012

What the Industry Reads First

Volume 23 / No. 043

## Waiting Game: DISH's Wireless Plans Still Up in the Air

Charlie Ergen's no doubt unhappy the FCC relegated DISH to the waiting room filled to capacity with industry players seeking guidance on all manner of spectrum issues (uses, acquisitions, sales, etc), but analysts believe all is not lost for the DBS op. The Commission approved DISH's purchase from DBSD and TerreStar of a valuable 40MHz of MSS spectrum, and its denial of DISH's waiver request to offer full terrestrial mobile broadband services doesn't appear an immediate death knell. In short, the Commission said the waiver issue will be addressed in the context of the rulemaking process it plans to consider Mar 21 regarding "service, technical, assignment, and licensing rules for flexible terrestrial use" of satellite spectrum in the 2 GHz band. "We view the news as more of a delay rather than a loss given that the waiver was not denied in substance," said Wells Fargo Securities' Marci Ryvicker. "In addition, the [FCC's] filing reads as if the FCC plans to convert the entire block of frequencies from satellite use to cell phone use, which is what Mr. Ergen had requested." The critical question, then, becomes whether DISH will push onward with its wireless network designs or move to alternative plans including a network partnership or sale of the licenses. In response to the FCC's actions, DISH struck a measured tone. "Although we are disappointed that the FCC did not grant the... waivers that DISH requested, we appreciate the cooperative spirit and diligent efforts of the Commission and its staff in reviewing our applications," said the DBS op in a statement. "As we review our options, we will continue working with the FCC on the forthcoming 2 GHz Notice of Proposed Rulemaking." Stifel Nicolaus said the waiver denial deals a "setback" to DISH's plans, and continues to believe the FCC would prefer to conclude the rulemaking this year. Collins Stewart's Thomas Eagan still foresees the Commission allowing full terrestrial services in the 2GHz band at some point. "All players involved will now utilize the balance of 2012 to best position themselves for changes in the spectrum regulations," said Eagan. "In that regard, we believe DISH is still in a favorable position because of the spectrum it will soon own." DISH said it plans to close the DBSD and TerreStar transactions "as soon as practicable." DISH shares gained 0.44% Mon.

**Advertising:** Cablevision's advanced ad platform has delivered nearly 4bln impressions for advertisers, and last year alone executed more than 900 advanced campaigns for more than 600 advertisers. The MSO's suite features products including addressable ads, RFI and dedicated advertiser channels, with brands including Disney, Ford and Unilever

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having used 1 or more products. "Even with Canoe's shift in direction, advertisers should know that the cable providers, like Cablevision, continue to offer and enhance their advanced advertising products," said **Cablevision Media Sales** pres/COO *David Kline*. -- **Time Warner Cable Media** renewed its deal to use **Nagra-OpenTV's** advanced ad products, and also selected the company's latest generation campaign management product, **EclipsePlus/xG**. -- **icueTV's** full suite of interactive apps successfully tested on the **EBIF** user agent deployed by **itaas**, meaning cable ops can now deploy the suite allowing for the creation of EBIF-compliant app templates including t-commerce, RFi and electronic fulfillment.

**CTAM on the Road:** When **CTAM** chapters shuttered at the end of 2011, the national organization promised it would host a series of activities across the country bringing cable professionals together for business networking and learning (**Cfax**, 12/16). The first of those events kicks off Mar 14 in NYC at **Viacom's** HQ. Titled "**Comcast and Disney: Advancing the Concept of Anytime, Anyplace, Anywhere, Any Device**," Disney & **ESPN** svp, natl accounts *Justin Connolly* and Comcast vp, video services *Maggie McLean Suniewick* will lead the discussion on the recent Comcast-Disney agreement.

**Carriage:** **Ovation's** VOD service launch on **Comcast** markets, including Boston, San Fran, Atlanta, Philly and Detroit. Ovation on Demand is now available to more than 25mln HHs. -- **Blue Ridge** is the latest MVPD to sign a deal for **HBO Go** and **Max Go**. **Blue Ridge's** 20,500 customers who subscribe to HBO and/or **Cinemax** will now have free, unlimited access to the corresponding online services any time, anywhere. -- Spanish-language broadcast net **MundoFox**, a jv between **Fox Intl Channels** and **RCN TV Group**, secured affils in 20 DMAs covering nearly 40% of US Hispanic homes. Scheduled to launch this year, the net scored deals with **Hero Broadcasting**, **America CV Group**, and **Meruelo Group**, among others, for markets including L.A., Miami, Phoenix and San Antonio. All affiliates in the top 10 markets are full power stations or fully distributed via cable and satellite.

**In the States:** **Comcast** inked a deal with **EcoFactor** to create a new cloud-based service that optimizes homes' heating and cooling patterns and integrates with the MSO's **Xfinity Home** platform. Launch plans are expected later this year.

**On the Hill:** Actor/comedian/"America's Got Talent" host *Nick Cannon* will be a special guest at Wed's Privacy Caucus hearing on protecting the privacy of children and teens online. Caucus co-chairs *Ed Markey* (D-MA) and *Joe Barton* (R-TX) introduced legislation last year to strengthen online safeguards for kids and update the Children's Online Privacy Protection Act (COPPA) of 1998. It currently has 30 co-sponsors.

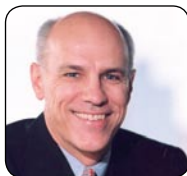
**VOD:** Cable ops must do a much better job of generating higher VOD viewing and ad rev, according to **TDG**, as total VOD use reps just 1% of all US TV viewing. Sr analyst *Bill Niemeyer* called it a "significant missed opportunity," noting how in 4Q **Netflix's** US subs watched 80% more streaming video hours than were viewed in the same period on all US pay TV VOD.

**Online:** **ESPN** launched an online **Developer Center** so software engineers and developers can join its app programming interface program, which provides access to ESPN content and data for the creation of new Web and mobile apps.

**Programming:** **GSN** pays tribute to the late *Davy Jones* with a special encore of The Monkees' lead singer's appearance on "The Newlywed Game," Tues, 7pm ET. -- **BBC America** will develop 2 series with UK indie Clerkenwell Films: sci-fi program "Wired" and paranormal crime show "Misfits." -- With 3 hours of live weekly prime content currently locked in through "Countdown with *Keith Olbermann*," "The Young Turks with *Cenk Uygur*," and "The War Room with *Jennifer Granholm*," **Current TV** announced its forthcoming spring launch of weekday morning news block comprised of live

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# BUSINESS & FINANCE

simulcasts of radio programs “The Bill Press Show” (6-9am) and “The Stephanie Miller Show” (9am-noon). -- **Starz'** original series “Magic City” immerses viewers in late-'50s Miami Beach beginning Apr 6. -- *Kelly Ripa* will host the “TV Land Awards 2012” (Apr 29), marking the 10th anniversary of the franchise that this year will honor *Aretha Franklin* with the Music Icon Award. -- The Sun ep of **OWN's** “Oprah’s Next Chapter” features an Oprah interview with *Whitney Houston's* daughter *Bobbi Kristina*, brother *Gary Houston* and sister-in-law/manager *Patricia Houston*.

**People:** *Geoff Russell* becomes svp, exec editor of **Golf Channel**, overseeing editorial direction on-air and online.

**On the Circuit:** **CTAM** issued the call for entries for its '12 Mark Awards competition, now in its 29th year. The initial deadline is Mar 27, with a final deadline of Apr 10 (additional fees apply). [www.markawards.com](http://www.markawards.com). -- **The Cable Center** will join with **NCTA** for the 2nd annual **Academic and Cable Telecom Forum**, May 20-21 in Boston prior to The Cable Show. Chaired by analyst *Stewart Schley*, the focus is intelligence for a changing telecom world. Info: [cablecenter.org](http://cablecenter.org). -- At the **SCTE Semi Forum '12** next week (Mar 15), *Mark Palazzo*, vp/GM of **Cisco's** Cable Access Business, will stump for vendor innovation during his intro of keynote speaker *Mark Coblitz*, svp, strategic planning for **Comcast**.

## CableFAX Daily Stockwatch

Company	03/05 Close	1-Day Ch	Company	03/05 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	46.48	(0.07)	CLEARWIRE:	2.17	(0.07)
DISH:	29.40	0.13	CONCURRENT:	3.75	0.01
DISNEY:	42.70	0.34	CONVERGYS:	12.35	(0.05)
GE:	18.85	(0.12)	CSG SYSTEMS:	16.10	0.25
NEWS CORP:	19.84	(0.31)	ECHOSTAR:	29.78	(0.03)
<b>MSOS</b>					
CABLEVISION:	14.29	(0.47)	GOOGLE:	614.25	(7)
CHARTER:	62.35	(0.21)	HARMONIC:	5.75	(0.25)
COMCAST:	29.10	(0.14)	INTEL:	26.54	(0.38)
COMCAST SPCL:	28.58	0.01	JDSU:	12.89	(0.52)
GCI:	10.51	0.29	LEVEL 3:	24.32	(0.1)
KNOWLOGY:	18.04	(0.12)	MICROSOFT:	31.80	(0.28)
LIBERTY GLOBAL:	50.02	(0.56)	MOTOROLA MOBILITY:	39.68	(0.05)
LIBERTY INT:	18.61	(0.02)	RENTRAK:	20.30	0.21
SHAW COMM:	20.53	(0.07)	SEACHANGE:	6.96	0.15
TIME WARNER CABLE:	78.61	(0.35)	SONY:	20.73	(0.64)
VIRGIN MEDIA:	24.98	(0.12)	SPRINT NEXTEL:	2.43	(0.07)
WASH POST:	390.48	(2.94)	THOMAS & BETTS:	72.25	0.02
<b>PROGRAMMING</b>					
AMC NETWORKS:	45.31	0.01	TIVO:	11.46	(0.17)
CBS:	29.87	(0.42)	UNIVERSAL ELEC:	19.00	0.47
CROWN:	1.20	(0.03)	VONAGE:	2.25	(0.07)
DISCOVERY:	47.52	0.16	YAHOO:	14.62	(0.1)
GRUPO TELEVISIA:	20.94	(0.32)	<b>TELCOS</b>		
HSN:	36.83	0.71	AT&T:	30.99	0.12
INTERACTIVE CORP:	46.34	(0.49)	VERIZON:	39.00	0.33
LIONSGATE:	13.80	(0.05)	<b>MARKET INDICES</b>		
LODGENET:	3.31	(0.09)	DOW:	12962.81	(14.76)
NEW FRONTIER:	1.16	(0.03)	NASDAQ:	2950.48	(25.71)
OUTDOOR:	6.52	0.19	S&P 500:	1364.33	(5.3)
SCRIPPS INT:	45.54	(0.37)			
TIME WARNER:	36.96	(0.18)			
VALUEVISION:	1.66	(0.02)			
VIACOM:	54.47	0.25			
WWE:	9.06	0.01			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.26	(0.08)			
ALCATEL LUCENT:	2.38	(0.01)			
AMDOCS:	30.54	(0.09)			
AMPHENOL:	55.79	(0.44)			
AOL:	17.75	0.08			
APPLE:	533.16	(12.02)			
ARRIS GROUP:	11.05	(0.02)			
AVID TECH:	10.52	0.07			
BLNDER TONGUE:	1.36	-0.00			
BROADCOM:	34.78	(1.4)			
CISCO:	19.60	(0.16)			

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## EYE ON INNOVATION

### The MSO TVE Pitch

One name we've seen recently in the TV Everywhere marketplace is **Azuki Systems** thanks to a few high-profile programming deals. It's a crowded space, with **RGB Networks**, **Harmonic** and other vendors competing for share. Having made some headways with content owners, Azuki is now looking to link up with operators. We spoke to pres/CEO John Clancy about the company and the overall environment for TVE.

**You've done some big deals with programmers, such as HBO and Showtime. Where are you when it comes to service providers?**

Clancy: We did start with the content owners first—ultimately because that's where the fish were biting. The content folks looked at the opportunities with over-the-top delivery and TV Everywhere as really incremental right from the get-go. We found the MSOs and service providers initially took more of a defensive stance to TV Everywhere and over-the-top... [The deals with content providers] gave us street cred with the MSOs... We found the big boys have a "let's build it in-house first" reaction, and we also found the tier 2s are a little bit more nimble.

**You recently announced a "Two-day Challenge" in which Azuki would prepare and deliver the service providers' live and VOD content to their choice of multiple screens, in less than 2 days. Did you get many takers?**

Clancy: Probably too many. That's a good problem to have. We brought that out because there are a lot of smoke and mirrors out there in the world of TV Everywhere. A lot of people claim they can do it. We had our own version of the Pepsi Challenge. It's been highly effective. We've actually got them stacked up so that right now we're oversubscribed, although we'll gladly take on new prospects as well.

**Is there a commitment to sign up for the challenge?**

Clancy: There's a commitment of time and a little bit of paperwork. But it's really more pre-sales, the beginning of the sales process. It's proof of concept. You're not necessarily

buying it, but often times it does lead to a sale.

**What's the next thing that needs to happen in the industry to get TV Everywhere going full steam?**

Clancy: The one I'd put in front is around partnering. Service providers say 'how can I monetize TV Everywhere.' And service providers don't launch a new service each year. So, we're just seeing now that service providers are budgeting and getting in place the monetization strategies.

Those range from just adding dollars to monthly subscriptions to different types of bundling, like "get it free if you're a triple-play customer." Or even ad insertion. Another issue is the access to content.

The content provider, certainly if we go back to 2010 and even parts of 2011, were real stingy with content rights for multiscreen. That's opened up quite a bit, and because we have a seat at both sides of the table, we're actually brokering some partnerships—one of which we're going to announce soon with a leading content aggregator. Think of it as a Netflix killer for MSOs. It's kind of the best of both worlds... I think the service providers are putting themselves in a tough place competitively if they don't act on this soon because there is a lot of choice for consumers now.

**Do you think there is a lot of fear from service providers about over-the-top?**

Clancy: I think we're turning the corner now. There certainly was in years past. We're showing that over-the-top is not your enemy. It can be a tremendous friend to service providers because it opens up a whole new world of reaching subscribers very cost effectively... I'd say the majority of service providers know that either they are going to leverage OTT into their subscriber base or someone else is going to leverage OTT into their subscriber base and tax their network. They're not going to make any money on that. The cable industry—MSOs, in general—don't hit in a lightning quick fashion. It tends to be more change by evolution as opposed to major shifts in direction. But TV Everywhere has been out for a couple years now, and I think 2012 will be the big year of deployment.



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