

CableFAX Daily™

Monday — March 14, 2011

What the Industry Reads First

Volume 22 / No. 048

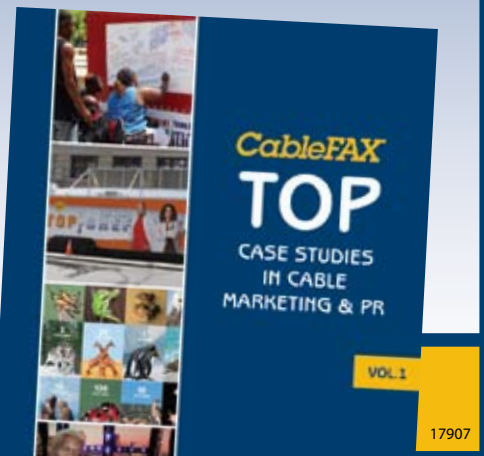
NCTA Watch: Michael Powell Then and Today

With the chatter increasing this week that *Michael Powell* is at the top of the list for the **NCTA** pres/CEO job (*Cfax*, 3/10), here's a look at what the former Republican **FCC** chmn brings to the table. **Smooth Sailing:** Before the choppy waters associated with *Kevin Martin*, cable enjoyed years of favorable FCC rulings under Powell. Known as The Deregulator, he has a cable mindset, making many of the same private sector vs regulation arguments NCTA makes in his role as honorary co-chair of **Broadband for America**. He serves on the board of **Cisco** (something he'd presumably have to give up if he gets the gig) and is a sr adviser for **Providence Equity** (which sold its majority interest in **Bresnan** to **Cablevision** last year). One of the few losses cable wonks cited during Powell's reign was the Commission's extension of program access rules by 5 years in '02 instead of letting them sunset. But a lot has happened in terms of competition since then, so it would be easy to reverse course after nearly 10 years. The rules, adopted under the '92 Act, require cable ops with satellite-delivered networks to sell the channels to multichannel competitors. If tapped, Powell could plead a different case on program access soon as the rules will expire next year unless extended by the Commission again. **History Making:** Given the recent hullabaloo over a possible Title II reclassification, it's important to note that Powell made one of the most important legal decisions in cable history by classifying cable modem service as an information service under Title I. Not only did it set the deregulatory precedent, but it did away with millions (possibly billions) in franchise fees for cable modem service. Then there is the Powell Plan that had MSOs embrace the launch of HD broadcast and cable nets—something the industry initially resisted somewhat, but benefited from in the long run. **Reputation:** When **NCTA** hired then deputy sec of Energy *Kyle McSarrow* as pres/CEO, the reaction from many in cable was, "Who is that?" If Powell ends up with the job, he'll come with plenty of recognition for better or worse. To the public, he may forever be known as the guy who regulated *Janet Jackson's* nipple. Viewed as a moderate, Republicans and Dems on the Hill will have their own preconceived notions. Insiders we spoke to Fri, felt he was a big name that would probably serve NCTA well. With McSarrow exiting the post next month and the **Cable Show** set for June, look for final word on who is the trade group's next chief sooner rather than later.

NFL Trouble: Players and owners couldn't agree on the framework of a new collective bargaining agreement Fri and failed to again extend the deadline. As a result, the **NFLPA** filed to decertify, giving players the option to sue owners for

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antitrust violations if their locked out and leaving everyone wondering whether all 16 or any games will be played this fall/winter. In the near-term, league-owned **NFL Net** will continue to invite players to appear on the net, said a spokesperson, while kicking off Arena Football coverage Mar 11 and focusing on the upcoming draft, which will happen as scheduled. But the net must continue to program 24/7 even into the fall, so a work stoppage would obviously pose problems and potentially affect its late-season 8-game slate. A truncated or cancelled season would also affect **ESPN**, of course, as well as **News Corp (Fox)**, **Comcast (NBC)** and **CBS**, although **Well Fargo Securities' Marci Ryvicker** contends the group faces limited financial risk. "It is not the end of the world as the ad dollars have to go somewhere, and we would guess that advertisers will look to replace their football money with shows that provide the greatest reach," she said. **DirectTV** may face gross ad pressure without NFL Sunday Ticket, but **Citadel Securities** said a lack of rev or costs from the service may reduce the DBS op's ARPU and rev, yet may mean higher EBITDA and EPS.

Absolved: A DE Court of Chancery dismissed with prejudice this week a lawsuit against **Crown Media**, its board and **Hallmark Cards** brought by minority Crown shareholder **S. Muoio & Co** alleging Crown and Hallmark's recapitalization deal was consummated at an unfair price and undervalued Crown. In early '10, Crown and Hallmark agreed to recapitalize approx \$1.1bln of Crown debt owed to Hallmark, a deal in which Class A stock of Crown became the company's only outstanding common shares and Hallmark emerged with ownership of at least 90.1% of the sum of Crown's outstanding common stock subject to outstanding options. The plaintiff has 30 days to appeal. Crown shares shed 10.59% Fri.

Inside the Beltway: **BET** chmn/CEO *Debra Lee* and **Motorola Solutions** pres/CEO *Greg Brown* were named members of Pres *Obama's* management advisory board. The board provides advice on how to implement best business practices on matters related to federal gov mgmt and operations.

Carriage: **U-verse TV** added **MLB Net** in both SD and HD as part of the U300 programming package.

Earnings: **Suddenlink** reported an 8.7% increase in pro forma 4Q rev to \$434.4mln, helped by rev growth for video (+2.8%), HSD (+11%), phone (+24.2%) and advertising (+24.9%). Net income tallied \$3.9mln, compared to an \$18.8mln loss in 4Q09. The company lost approx 9,800 basic subs in the Q and 28,500 in '10, achieving improvement in both metrics versus the respective '09 periods. Digital customers grew by 20,500 in 4Q and 104,500 in '10—"by far a record year for us," said COO *Tom McMillin*—residential HSD subs by 12,800 and 75,500, and phone subs by 13K and 78K. Suddenlink expects to close on its purchase of **NPG Cable** next month, and CEO *Jerry Kent* sounded bullish about additional acquisitions. Suddenlink has been encountering "very aggressive" competitive offers in the marketplace, said Kent, noting 1 from **CenturyLink** featuring 3Mbps Internet and phone for \$60/month for 5 years.

Programming: As the news nets scrambled to get reporters, including *Anderson Cooper*, to Japan Fri, Japanese premium language channel **TV JAPAN** temporarily opened up a free preview of its signal to US cable ops. Some, including various **Comcast** systems, had the signal available to digital subs since early Fri morning. A special secondary audio programming option is available for non-Japanese speakers. More details at www.tvjapan.net.

Nat Geo added a special earthquake-related world premiere, "Countdown to Catastrophe: Mega Quake," to Sun's schedule (8pm). -- **Nat Geo** heads into upfront season with 10 series set to return during '11-'12 including record-setters "Alaska State Troopers" and "Wild Justice," plus with a net record 13 new shows in prod. The slate features "The Indestructibles," which explores the science of defying death through people who've done so, and "The Witch Doctor Will See You Now," in which host *Piers Gibbon* takes people afflicted with serious medical conditions to seek advice from alternative healers, priests and even witch doctors. Not returning to Nat Geo is "Dog Whisperer with Cesar Millan," which is moving to **Nat Geo Wild** next month to join 3 returning series including "Swamp Men" and 6 in prod. The new slate features "America the Wild with *Casey Anderson*," centered on the host's travels across America and into national parks, and "Bush Cowboy with *Matt Wright*," spotlighting the Aussie's interactions with dangerous animals down under. -- **TNT's** robust summer lineup includes new series "Franklin & Bash" (June 1), a light-hearted legal drama centered on 2 attorney friends, and "Falling Skies" (June 19), a post-alien invasion drama from exec prod *Steven Spielberg*. -- **Ovation's** 3-part series "In Search of Food" (May 10) will spotlight the popularity and resurgence of the "locavore" movement, or cooking with locally sourced ingredients.

People: **CNN Worldwide** tapped *Janet Rolle* as evp/chief marketing officer.

CableFAX Week in Review

Company	Ticker	03/11 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

DIRECTV:	DTV	45.88	(0.37%)	37.57%
DISH:	DISH	23.43	(0.09%)	12.81%
DISNEY:	DIS	42.93	(1.42%)	33.12%
GE:	GE	20.36	(0.05%)	34.57%
NEWS CORP:	NWS	17.95	(4.11%)	12.75%

MSOS

CABLEVISION:	CVC	35.43	(2.5%)	37.22%
CHARTER:	CHTR	47.81	(0.38%)	0.00%
COMCAST:	CMCSA	24.95	(2.35%)	47.98%
COMCAST SPCL:	CMCSK	23.53	(2.28%)	46.97%
GCI:	GNCMA	10.92	(7.54%)	71.16%
KNOLOGY:	KNOL	13.28	(2.06%)	21.61%
LIBERTY CAPITAL:	LCAPA	72.98	(2.18%)	205.61%
LIBERTY GLOBAL:	LBTYA	42.69	(2.22%)	95.02%
LIBERTY INT:	LINTA	16.34	0.80%	50.74%
SHAW COMM:	SJR	20.84	(1%)	1.31%
TIME WARNER CABLE:	TWC	68.79	(4.47%)	66.20%
VIRGIN MEDIA:	VMED	27.18	(0.62%)	61.50%
WASH POST:	WPO	424.11	(2.85%)	(3.52%)

PROGRAMMING

CBS:	CBS	23.80	(0.67%)	69.40%
CROWN:	CRWN	2.28	(15.87%)	57.24%
DISCOVERY:	DISCA	40.93	(2.41%)	33.45%
GRUPO TELEVISIA:	TV	23.68	(0.04%)	14.07%
HSN:	HSNI	30.67	1.12%	51.91%
INTERACTIVE CORP:	IACI	30.14	(4.32%)	47.17%
LIBERTY:	L	41.97	(1.87%)	15.46%
LIBERTY STARZ:	LSTZA	76.62	0.42%	66.02%
LIONSGATE:	LGF	6.02	(4.14%)	3.61%
LODGENET:	LNET	3.06	(9.2%)	(44.67%)
NEW FRONTIER:	NOOF	1.93	(6.76%)	2.12%
OUTDOOR:	OUTD	7.31	(4.32%)	26.03%
SCRIPPS INT:	SNI	49.95	(3.27%)	20.36%
TIME WARNER:	TWX	36.33	(2.47%)	24.67%
VALUEVISION:	VVTV	6.59	(3.09%)	37.29%
VIACOM:	VIA	51.63	(2.95%)	63.90%
WWE:	WWE	12.67	(3.87%)	(17.35%)

TECHNOLOGY

ADVANTAGE:	AEY	3.06	13.33%	55.33%
ALCATEL LUCENT:	ALU	5.33	(5.83%)	60.54%
AMDOCS:	DOX	29.28	(3.53%)	2.63%
AMPHENOL:	APH	56.28	(3.75%)	21.87%
AOL:	AOL	19.37	(3.39%)	(16.8%)
APPLE:	AAPL	351.99	(2.23%)	67.03%
ARRIS GROUP:	ARRS	12.40	(5.78%)	8.49%
AVID TECH:	AVID	22.17	2.59%	73.75%
BIGBAND:	BBND	2.54	(4.15%)	(26.16%)
BLINDER TONGUE:	BDR	2.00	(2.91%)	75.44%
BROADCOM:	BRCM	40.15	(4.5%)	27.58%
CISCO:	CSCO	17.95	(2.45%)	(25.02%)
CLEARWIRE:	CLWR	5.76	3.78%	(14.79%)
CONCURRENT:	CCUR	5.85	0.17%	47.73%
CONVERGYS:	CVG	13.88	(0.64%)	29.12%
CSG SYSTEMS:	CSGS	19.65	(0.71%)	2.93%

Company	Ticker	03/11 Close	1-Week % Chg	YTD %Chg
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ECHOSTAR:	SATS	35.31	(4.05%)	75.32%
GOOGLE:	GOOG	576.71	(3.98%)	(6.98%)
HARMONIC:	HLIT	8.84	(8.77%)	39.87%
INTEL:	INTC	20.87	(3.2%)	2.30%
JDSU:	JDSU	21.26	(22.32%)	157.70%
LEVEL 3:	LVLTL	1.37	(2.84%)	(10.46%)
MICROSOFT:	MSFT	25.68	(1.04%)	(15.75%)
RENTRAK:	RENT	24.16	(9.48%)	36.73%
SEACHANGE:	SEAC	9.26	(0.96%)	41.16%
SONY:	SNE	33.45	(6.95%)	15.34%
SPRINT NEXTEL:	S	5.00	11.11%	36.61%
THOMAS & BETTS:	TNB	56.75	1.29%	58.56%
TIVO:	TIVO	8.78	(5.29%)	(13.75%)
TOLLGRADE:	TLGD	10.01	0.10%	63.83%
UNIVERSAL ELEC:	UEIC	26.49	(3.22%)	14.08%
VONAGE:	VG	4.36	3.81%	211.43%
YAHOO:	YHOO	17.42	1.99%	3.81%

TELCOS

AT&T:	T	28.46	1.93%	1.53%
QWEST:	Q	6.68	0.45%	58.67%
VERIZON:	VZ	35.85	(0.64%)	8.21%

MARKET INDICES

DOW:	DJI	12044.40	(1.03%)	15.50%
NASDAQ:	IXIC	2715.61	(2.48%)	19.68%
S&P 500:	GSPC	1304.28	(1.28%)	13.94%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. ADVANTAGE:	3.06	13.33%
2. SPRINT NEXTEL:	5.00	11.11%
3. VONAGE:	4.36	3.81%
4. CLEARWIRE:	5.76	3.78%
5. AVID TECH:	22.17	2.59%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. JDSU:	21.26	(22.32%)
2. CROWN:	2.28	(15.87%)
3. RENTRAK:	24.16	(9.48%)
4. LODGENET:	3.06	(9.2%)
5. HARMONIC:	8.84	(8.77%)

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CORPORATE LICENSES

