

CableFAX Daily™

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What the Industry Reads First

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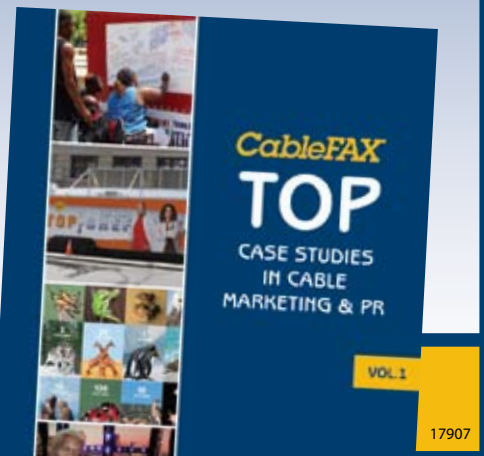
It's Official: Cable Welcomes Powell Aboard as NCTA Chief

When it comes to reflection on NCTA's hire of *Michael Powell*, *Robert Sachs* is in a unique position—having not only served as pres/CEO of the trade association, but having done so during the former FCC chmn's tenure. "I think if you were to write a job description and have all your ideal qualifications, he'd fill all of them amply," Sachs said by phone Tues. Now principal at **Continental Consulting Group**, Sachs pointed to Powell's regulatory experience, the business work he's done over the last 6 years (he's on various boards and will be resigning from **Cisco's**), investment advisory work at **Providence Equity** and antitrust law background. Plus, Powell knows the key players. "It takes time to build relationships. It's a real luxury for him to start out with relationships. He enjoys a great deal of trust," Sachs said. Those relationships include industry CEOs as well as lawmakers, including **House Commerce** chmn *Fred Upton* (R-MI), who was Telecom subcmte chmn during Powell's tenure. Like outgoing NCTA pres/CEO *Kyle McSlarrow*, he is Republican. But as with McSlarrow, Powell is not viewed as partisan. He does have a reputation as very deregulatory, which means he doesn't have friends everywhere. **Free Press** sent out a release "congratulating" Powell and stating he was perfect for the job because he "looked out for the interests of companies like **Comcast** and **Time Warner** during his tenure at the Commission... Thanks in no small part to the policies he pursued at the FCC and to the cable lobby's unyielding fight against any real competition in the broadband market, the digital divide is still with us." Not every consumer group was as venomous. "While **MAP** (Media Access Project) has rarely agreed with him on the merits, we have always considered him a friend, and look forward to working with him, and often against him, in the future," said MAP's *Andrew Jay Schwartzman*. **Public Knowledge** said it looked forward to working with him on a number of issues, adding it "sincerely hope[s] he will help the association realize the transition o a broadband economy will take many forms, as consumers wish to exercise choices of online services and service providers." One interesting bit of work for Powell will be presiding over a trade organization that now counts the recently combined **Comcast-NBCU** as its largest member. Again, Sachs pointed to relationships, saying Powell has good ones with *Brian Roberts*, Comcast board member *Decker Anstrom* and McSlarrow, who'll be joining Comcast-NBCU next month as pres, DC. "I think having those personal relationships will play a large role if there are any issues where business conflicts come into play. He will have the ability and standing to talk to executives of companies with candor," Sachs said,

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adding that Comcast is not the 1st NCTA member company to also be a broadcaster. Powell starts the job Apr 25. McSlarrow leaves Apr 1, leaving NCTA evp *James Assey* to manage the team during the transition. **Head Over Heels:** Much of the industry will get its first look at Powell as NCTA pres/CEO in June during the **Cable Show** in Chicago. No pressure, Mike, but a back flip would be a nice way to say hello. Powell, a former gymnast, amazed the audience 10 years ago when he interrupted his walk to the Cable Show podium with a somersault (he followed a troupe of tumblers onto stage).

Powell Quotables: Everyone has something to say when a new trade assoc chief is named. Here's a sample... **NAB** pres/CEO *Gordon Smith*: "I got to know Michael well during my tenure on the Senate Commerce Committee, and always found him to be thoughtful, engaging and a tremendous public servant. Though **NAB** and **NCTA** do not always agree on every issue, we look forward to working with Michael in the months ahead on public policy issues where we might find mutual agreement." **FCC** Republican commish *Robert McDowell*: "His intellect and vision will serve NCTA and its members well as the cable industry faces increasing competitive and regulatory challenges." **ACA** pres/CEO *Matt Polka*: "Everyone in the independent cable community wishes Michael the very best in his new position, and we look forward to working with him on the issues that are important to both large and small cable operators."

March Madness: Turner Sports' inclusion of **truTV** in its joint **March Madness** coverage with **CBS** has already paid dividends in the form of additional carriage of **truTV HD** by **Cox** and **FIOS TV**. Now, truTV is prepping for its glamour shot through coverage of 13 tourney games this week, including 2 each on Mar 15 and 16 as the only net featuring games. Yes, the quartet's comprised of relatively lackluster matchups—essentially play-in contests—but it'll be interesting to see how many viewers tune to truTV for the tipoff of Madness. The net averaged 1.13mln prime total viewers in '10 and 1.19mln in Feb, and while the 1st game on each night starts at 6:30 ET, it's a safe bet that the viewership of all 4 tilts will exceed those averages. Things get cooking for truTV later this week when it covers games featuring well-followed programs such as Duke and Syracuse. The trick for truTV, however, will be to translate that increased exposure into new regular viewers. -- Both **Turner** and **CBS** have raved about the performance of Madness ad sales in recent weeks, indicating the overall haul may trump the impressive totals from past years via **CBS** alone. According to **Kantar Media**, **CBS** harnessed approx \$614mln in TV ad rev from last year's tourney (including pre-game, game and post-game programming), up 4.3% over '09 and 29.2% over '05 but down 4.6% compared to '08. Still, the total was 2nd only to the **NFL** among sports post-seasons. Steadily growing Web ad rev tallied approx \$37mln last year for **CBS**, up 15.6% over '09 and nearly 61% over '08. **Turner** brings its Web prowess to the **MMOD** party this year, but the feature this year of all tourney games on TV could dilute any improvement. -- **CBS College Sports Net** kicks off Mar 15 more than 85 hours of Madness programming, anchored by studio shows "Bracket Breakdown" and "Full Court Press Presented by Buick."

On the Hill: House Commerce voted along party lines Tues to nullify the **FCC's** open Internet order. Don't look for the resolution to go anywhere in the Democrat-controlled Senate.

Another Departure: The past week has been full of cable departures, and here is yet another... *Marwan Fawaz* has resigned as CTO and evp, strategy at **Charter**. He leaves Mar 25 to pursue other opportunities. Charter evp/pres, commercial services *Don Detampel* has assumed additional responsibilities to now serve as evp, tech as well as pres, commercial services. Former **Cox** CTO *Chris Bowick* will provide advisory services as Charter's interim CTO during a transition period. "Marwan was instrumental in developing Charter's next generation strategy and launching **DOCSIS 3.0** and switched digital video across the majority of our footprint to deliver enhanced products and services to our customers," Charter pres/CEO *Mike Lovett* said in thanking Fawaz for his contributions.

At the Portals: The **FCC** announced the 1st of a small number of open, public workshops to identify solutions to key issues in its USF/Intercarrier Compensation proceeding. It'll take place Apr 6 at the **FCC** and focus on **ICC** issues. At least one of the workshops will take place outside DC and all will be streamed on the Web.

Competition: DISH will offer out-of-market games package **MLS Direct Kick** for \$79 beginning Sat.

In the States: Cox is offering free calls to Japan made through its digital phone and wireless services through Mar 31. **Comcast's** Xfinity Voice and Business Class customers can make free calls to Japan through Apr 10.

Sub Improvement: Cable's aggregate loss of 526K basic subs in 4Q marked an improvement over the previous 2 quarters, according to data from **SNL Kagan**, but the industry's percentage of combined multichannel video subs

BUSINESS & FINANCE

continued to fall, to 59.8% from 60.3% in 3Q, 61.6% in 2Q and 64.9% in 4Q08. DBS ops added 133K subs in 4Q and now own 33.3% market share, while telcos' welcomed 458K for a 6.9% share. The overall multichannel universe gained 65K subs in the quarter to tally 100.1mln overall.

OTT: Irrespective of its perceived threat to cable ops and programmers, **Netflix** remains a force in the digital movie market. According to **The NPD Group**, Netflix's share of digital movie units (streamed or downloaded) climbed to 61% between Jan and Feb, well ahead of **Comcast** at 8% and **DirecTV**, **Time Warner Cable** and **Apple** at 4%. NPD said customers view **iTunes** as having the most current releases and Netflix streaming as providing the best "overall shopping experience" and "value for price paid." NFLX shares rose 7.91% Tues on an upgrade to 'buy' from **Goldman Sachs' Ingrid Chung**. [For more info go to CableFAXDaily.com].

Business/Finance: **DISH** got bankruptcy court approval to buy 100% of the equity of reorganized **DBSD North America** and it affils for up to approx \$1.4bln after increasing its original offer by approx \$400mln (**Cfax**, 2/2). The DBS op also agreed to pay approx \$325mln to DBSD capital stockholder **ICO Global Comm** as part of a pact including restructuring support and ancillary agreements related to transitional services, certain intellectual property rights and spectrum coordination.

CableFAX Daily Stockwatch

Company	03/15 Close	1-Day Ch	Company	03/15 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	45.34	(0.63)	BLNDER TONGUE:	1.97	(0.03)
DISH:	23.46	0.19	BROADCOM:	39.92	(0.64)
DISNEY:	41.62	(0.62)	CISCO:	17.39	(0.46)
GE:	19.61	(0.31)	CLEARWIRE:	5.50	(0.08)
NEWS CORP:	17.25	(0.5)	CONCURRENT:	5.84	(0.01)
MSOS					
CABLEVISION:	34.91	(0.15)	CONVERGYS:	13.57	(0.09)
CHARTER:	45.55	(0.97)	CSG SYSTEMS:	19.19	(0.51)
COMCAST:	24.16	(0.33)	ECHOSTAR:	34.68	(0.79)
COMCAST SPCL:	22.72	(0.32)	GOOGLE:	569.56	(0.43)
GCI:	10.00	(0.4)	HARMONIC:	8.73	(0.06)
KNOWLOGY:	13.01	(0.18)	INTEL:	20.18	(0.66)
LIBERTY CAPITAL:	72.10	(1.21)	JDSU:	21.11	(0.37)
LIBERTY GLOBAL:	40.99	(0.83)	LEVEL 3:	1.29	(0.05)
LIBERTY INT:	15.58	(0.44)	MICROSOFT:	25.39	(0.3)
SHAW COMM:	20.41	(0.49)	RENTRAK:	23.61	(0.06)
TIME WARNER CABLE:	68.50	0.42	SEACHANGE:	9.26	0.01
VIRGIN MEDIA:	26.63	(0.19)	SONY:	30.90	(0.18)
WASH POST:	418.70	(8.73)	SPRINT NEXTEL:	4.95	(0.07)
PROGRAMMING					
CBS:	23.15	(0.46)	THOMAS & BETTS:	55.44	(0.17)
CROWN:	2.10	UNCH	TIVO:	8.67	(0.23)
DISCOVERY:	39.73	(0.44)	TOLLGRADE:	10.01	0.02
GRUPO TELEVISIA:	23.38	(0.13)	UNIVERSAL ELEC:	26.36	(0.19)
HSN:	31.11	0.05	VONAGE:	3.93	(0.06)
INTERACTIVE CORP:	29.65	(0.31)	YAHOO:	16.33	(0.98)
LIBERTY:	41.54	(0.23)	TELCOS		
LIBERTY STARZ:	76.62	0.13	AT&T:	27.81	(0.38)
LIONSGATE:	5.92	(0.07)	QWEST:	6.61	(0.07)
LODGENET:	3.07	0.13	VERIZON:	34.87	(0.31)
NEW FRONTIER:	1.89	(0.05)	MARKET INDICES		
OUTDOOR:	7.05	(0.04)	DOW:	11855.42	(137.74)
SCRIPPS INT:	48.78	(0.06)	NASDAQ:	2667.33	(33.64)
TIME WARNER:	35.79	(0.49)	S&P 500:	1281.87	(14.52)
VALUEVISION:	6.99	(0.17)	TECHNOLOGY		
VIACOM:	50.24	(0.41)	ADDVANTAGE:	3.06	0.04
WWE:	12.30	(0.13)	ALCATEL LUCENT:	5.20	(0.11)
TECHNOLOGY					
AMDOCS:	28.40	(0.68)	AMPHENOL:	55.76	(0.56)
AOL:	18.95	(0.23)	APPLE:	345.43	(8.13)
ARRIS GROUP:	12.26	(0.06)	ARRIS GROUP:	12.26	(0.06)
AVID TECH:	22.10	(0.38)	AVID TECH:	22.10	(0.38)
BIGBAND:	2.42	(0.06)	BIGBAND:	2.42	(0.06)

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