

CableFAX Daily™

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What the Industry Reads First

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Forbidden Fruit? Time Warner Cable iPad App Source of Controversy

Consumer demand for **Time Warner Cable's** new free iPad app featuring live viewing of several nets ran so hot Tues that the service crashed, leaving some seekers without access. In response, the MSO reduced the number of channels accessible through the app to 15 from 32 in order to ease the strain on the authentication process. But because the reasoning behind the constriction of nets remained unknown until the MSO posted a blog entry early Wed, speculation was rampant that certain disgruntled nets had demanded removal. Concerns have almost assuredly been voiced, with *AdWeek* reporting that some affiliates were upset, charging that such distribution is not covered by affiliate agreements. A TWC rep said he's "not inclined to confirm" any pushback from nets. But it wouldn't be the 1st time TWC's seen such resistance. Recall that when TWC launched an IPTV trial in '05 offering online access of nets to a small number of homes, programmers disputed its right to do so. And TWC's rebuttal then was very similar to the one TW issued Wed, albeit regarding different tech: "We believe we have the rights" to stream nets to the iPad. **Disney Channel, Animal Planet, MTV, Nickelodeon, FX, Nat Geo, AMC, Galavision and Hallmark** were among the nets removed Tues, according to **BTIG's Richard Greenfield**. The TW spokesman said engineering factors played the primary role in deciding which nets to drop from the app, nothing else. He also addressed the absence of ESPN from the app—notable because ESPN and TWC offer live online viewing of the net—by saying the app doesn't yet have the requisite tech to black out programming in instances where ESPN is required to do so. Also not on the initial launch are popular general entertainment nets **USA, TNT and TBS**. The rep said the MSO "selected the [included] nets based on broad appeal to a diverse array of customers." As for who stays on the app, time will tell. Greenfield believes "cease and desist letters will be coming to TWC in the near future." If that happens, he said, it will show "how content owners are struggling to meet consumers needs for content anywhere/anytime." With OTT plays deepening, that struggle may end up more important to cable than any individual iPad app.

On the Hill: The **Commerce Dept** cited benefits of setting a "clearer set of rules for the road for business and consumers." That came during testimony from **NTIA's Lawrence Strickling** at a **Sen Commerce** hearing on online privacy Wed. **Sen Communications** subcmte chmn **John Kerry** is drafting privacy legislation, dubbing it a "Commercial Privacy Bill of Rights." "The status quo cannot stand," said Kerry, who was the only Senator present for the 2nd half of Tues' hearing. "We cannot continue to allow the collector's of people's information to dictate the level of privacy protection Americans get when they engage in commerce." Strickling said key elements would be to strengthen the FTC's authority to enforce baseline privacy principles and to create a framework that provides incentives for the development of codes of conduct as well as continued innovation around privacy protections. Sen Commerce chmn **Jay Rockefeller** (D-WV) said that "self-regulation, by and large, has been a failed experiment."

Spectrum Talk: **FCC** chmn **Julius Genachowski** stood up for cable Wed, saying claims that cable and wireless compa-

The Royal Wedding
April 29th, 2011

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nies are hoarding unused spectrum are “just not true.” Speaking at the **Mobile Future** conference, the chmn stressed that a looming spectrum crunch is real. Last month, **NAB** chief *Gordon Smith* asked Congress to investigate reports that companies were hoarding airwaves with no plans to use spectrum. “It is not hoarding if a company paid millions or billions of dollars for spectrum at auction and is complying with the FCC’s build-out rules. There is no evidence of non-compliance,” Genachowski said. The chmn said the FCC will be vigilant in any cases of non-compliance, but the shortage won’t be solved by the build-out of already allocated spectrum. Smith said Wed that NAB would like an independent study to confirm that spectrum suitable for wireless broadband is not lying fallow, “given recent verbatim remarks to the contrary from current FCC licensees.” Genachowski said the FCC has completed a baseline spectrum inventory that “tells us more than enough to conclude that incentive auctions are an essential item to add to the FCC’s toolkit.”

OTT Originality: As reports of moves by **Netflix** and **Hulu** into original content swarmed the Internet Wed, at least cable can stick to its reasoning that OTT plays aren’t sledgehammers to its business model because they must use broadband pipes to distribute content. But the pair’s foray may challenge the notion that cable, in contrast to Netflix, offers content that people want to watch. In fact, according to Wed reportage, Netflix scored the rights to political drama “House of Cards,” a project featuring the undeniably appealing actor *Kevin Spacey* and dir *David Fincher*. Meanwhile, **Facebook**, though not yet in the originals game, continues to ramp its OTT presence. After forging a deal with **Warner Bros** to allow movie rentals through its site, Facebook is offering members access to select live MLB pre-season games through the end of the month.

VOD: Comcast, AETN, Discovery Comm and CBS are among the participants in the **Advanced Advertising Media Project**, a research initiative spearheaded by the **4A’s** and **BlackArrow** to measure the impact of advanced advertising with FVOD programming. The multiphase initiative will test, measure, analyze and compare consumer perceptions and responses to advertising within VOD versus traditional TV environments. In-depth interviews of more than 20 media industry leaders are done, with results due in the coming months. Then it’s lab tests followed by a live consumer trial.

Upfronts: **Disney** unveiled some content that will launch its 24-hour **Disney Junior** channel next year. “Doc McStuffins” is an animated series about a 6-year-old who communicates with and heals stuffed animals and toys. Another Disney Junior series stars a feline sheriff (“Oki’s Oasis”). New series for **Disney Channel** include “Jessie,” starring “Suite Life” actress *Debby Ryan* and animated “Gravity Falls” about kids sent to spend the summer with a crusty, old uncle. New programming for **Disney XD** includes “Ultimate Spider-Man,” which will be the centerpiece of an upcoming **Marvel** programming block.

Earnings: **LIN TV** reported 24% growth in net 4Q rev to \$125.1mln, helped by a 28% increase in digital rev (including retrans and Web advertising), and op income of \$44.2mln, up 50% YOY.

Technology: **NDS** renewed its agreement with **DirectTV** to provide the DBS op with set-top software and DVR tech through ‘16. -- **Motorola Mobility** announced the Mar 27 retail availability of the WiFi edition of its Xoom tablet.

Ratings: Consider it a hard-fought victory, not a rout. **truTV’s** coverage of the initial 2 March Madness games exceeded the net’s ‘10 (1.13mln) and Feb (1.19mln) prime total viewership averages, but perhaps not by as much as many expected. The UNC Asheville-Arkansas Little Rock tilt delivered 1.2mln total viewers and a 0.8 HH rating, Clemson-UAB a respective 1.35mln and 0.9. Last year’s opening round tourney game on **ESPN** delivered 1.05mln total viewers and a 0.8 rating.

Programming: **Spike** ordered 2 new unscripted series: tattoo competition series “InkMasters” (debuts summer)

CableFAX’s Customer Experience Management Guidebook

Lessons and Insights for the Cable Industry

CableFAX and The Cable Center collaborated to publish this 150-page guidebook on customer experience management for the cable industry. The guidebook includes case studies, tips and articles on understanding the foundations of customer experience management and gaining insight to use it to improve your business. You also will learn about the latest measurement strategies, research insights, personnel and compensation strategies, social media tactics and communications techniques for implementing customer experience management in your company.



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BUSINESS & FINANCE

and car salesman chronicler “Car Boss” (‘12 premiere). -- **BBC America** will carry a live, commercial free simulcast of **BBC One’s** coverage of the royal wedding, Apr 29. --

Comcast SportsNet Mid-Atlantic extended its partnership with D.C. United and will air 17 of the team’s regular season games this year.

-- As **ESPN 3D’s** 1st feature piece, “The Great Throwdini” (Thurs) spotlights the fastest knife thrower in the world and will later air on the season premiere of ESPN’s “E:60.”

-- **Syfy** greenlit a 2nd season of competition series “Face Off.”

People: *Alexandra MacDowell* was upped to **AETN** vp, production mgmt.

-- **NBC Broadcasting** chmn *Ted Harbert* will fill the broadcaster’s seat on **NAB’s** TV board, *TVNewsCheck* reported. -- *Ran Oz* will step down as CTO of **Big Band**. He’ll also leave the board, but will remain with the company to advise mgmt on tech strategy. -- Former **FCC** commish *Tyrone Brown* is resigning as **MAP’s** pres after nearly a year of service. A search will begin for a new head. --

Disney XD Worldwide upped *David Levine* to gm/vp, programming.

Editor’s Note: We’re still taking nominations for our annual “Sweet 16” list of key brand and agency execs supporting cable. To nominate your favorite brand advocate or Madison Ave guru, go to <http://www.cablefax.com/cfp/2011Sweet16.html>. Deadline is Mar 22.

CableFAX Daily Stockwatch

Company	03/16 Close	1-Day Ch	Company	03/16 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	44.63	(0.71)	BLNDER TONGUE:	1.97	-0.00
DISH:	23.27	(0.19)	BROADCOM:	38.89	(1.03)
DISNEY:	40.60	(1.02)	CISCO:	17.05	(0.34)
GE:	18.95	(0.66)	CLEARWIRE:	5.47	(0.03)
NEWS CORP:	16.93	(0.32)	CONCURRENT:	5.99	0.15
MSOS					
CABLEVISION:	34.34	(0.57)	CONVERGYS:	13.46	(0.11)
CHARTER:	45.98	0.43	CSG SYSTEMS:	19.01	(0.18)
COMCAST:	23.44	(0.72)	ECHOSTAR:	34.56	(0.12)
COMCAST SPCL:	22.10	(0.62)	GOOGLE:	557.10	(12.46)
GCI:	9.68	(0.32)	HARMONIC:	8.51	(0.22)
KNOWLOGY:	12.80	(0.21)	INTEL:	19.81	(0.37)
LIBERTY CAPITAL:	71.51	(0.59)	JDSU:	21.08	(0.03)
LIBERTY GLOBAL:	40.62	(0.37)	LEVEL 3:	1.26	(0.03)
LIBERTY INT:	15.35	(0.23)	MICROSOFT:	24.79	(0.6)
SHAW COMM:	20.24	(0.17)	RENTRAK:	22.63	(0.98)
TIME WARNER CABLE:	67.69	(0.81)	SEACHANGE:	9.25	(0.01)
VIRGIN MEDIA:	26.43	(0.2)	SONY:	29.88	(1.02)
WASH POST:	417.51	(1.19)	SPRINT NEXTEL:	4.86	(0.09)
PROGRAMMING					
CBS:	22.85	(0.3)	THOMAS & BETTS:	54.65	(0.79)
CROWN:	1.90	(0.2)	TIVO:	8.41	(0.26)
DISCOVERY:	38.76	(0.97)	TOLLGRADE:	9.98	(0.03)
GRUPO TELEVISIA:	22.78	(0.6)	UNIVERSAL ELEC:	26.20	(0.16)
HSN:	30.78	(0.33)	VONAGE:	3.92	(0.01)
INTERACTIVE CORP:	28.94	(0.71)	YAHOO:	15.91	(0.42)
LIBERTY:	41.39	(0.15)	TELCOS		
LIBERTY STARZ:	77.50	0.88	AT&T:	27.33	(0.48)
LIONSGATE:	5.84	(0.08)	QWEST:	6.55	(0.06)
LODGENET:	3.11	0.04	VERIZON:	34.30	(0.57)
NEW FRONTIER:	1.85	(0.04)	MARKET INDICES		
OUTDOOR:	6.87	(0.18)	DOW:	11613.30	(242.12)
SCRIPPS INT:	48.75	(0.03)	NASDAQ:	2616.82	(50.51)
TIME WARNER:	35.03	(0.76)	S&P 500:	1256.88	(24.99)
VALUEVISION:	6.98	(0.01)			
VIACOM:	49.48	(0.76)			
WWE:	12.06	(0.24)			
TECHNOLOGY					
ADDVANTAGE:	3.05	(0.01)			
ALCATEL LUCENT:	5.01	(0.19)			
AMDOCS:	27.97	(0.43)			
AMPHENOL:	54.49	(1.27)			
AOL:	18.68	(0.27)			
APPLE:	330.01	(15.42)			
ARRIS GROUP:	11.96	(0.3)			
AVID TECH:	21.34	(0.76)			
BIGBAND:	2.41	(0.01)			

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Think about that for a minute...

Short Takes

By Steve Effros

There's so much talk right now I thought I would just try to react to some of it, after consideration, in some short, quick responses. Not necessarily the 140-character "Tweets" that are seem so popular these days... they, unfortunately, tend to be made before folks really consider what they're saying. But that's an issue for another column.

Michael Powell: The NCTA Board did the industry a great favor by choosing former FCC Chairman Michael Powell as the next President/CEO of the NCTA. I have long admired Powell, and said so in this column many times. That doesn't mean that during his FCC tenure I agreed with him all the time, far from it. But in meetings, discussions, debates, etc., he has always been notably civil, very intelligent and always thoughtful about the issues. In other words, he's a smart, nice guy. I'm just a little confused as to what we should call him. I always referred to him as "Mr. Chairman."

Anyway, the good news about the Powell appointment is that the industry has a new, highly qualified, experienced leader. He has tough shoes to fill, since Kyle McSlarrow was one of the best NCTA chiefs we have had in the forty-plus years I have been working with them. Powell can hit the ground running. He knows the issues and the personalities, at least on the government side, he will be working with. His real challenge will be within the industry; keeping us all moving in the same direction as the business plans and technologies change among the programmers, operators and equipment suppliers, and between the big and smaller companies, the diversified companies and the "plain old cable operators." It's not going to be easy, but with Powell there's a good chance it can work. Congratulations.

Michael Cops: The Commissioner came out with a state-

ment the other day lauding a piece of legislation proposing to change the "Sunshine Laws." It would allow more than two Commissioners to sit down together and actually talk about the issues they face. I, too, have been pointing to the Sunshine Laws as a well intentioned "prophylactic" effort that has actually had "pernicious and unintended consequences," as Copps said, of making government decision-making less effective, more cumbersome and less considered. Now if he would only look at that statement again and consider substituting the term "Net Neutrality" for "Sunshine Laws," maybe he would understand why many of us think the unintended consequences of the prophylactic laws he is promoting are likely to be just as pernicious as the ones he has had to live under.

Barry Diller: Now Barry is another very smart, and very wealthy guy. The head of IAC, he is usually well informed and out front on the issues. Of course being from the content side, he sees things from a slightly skewed perspective. This week he was quoted explaining why "net neutrality," and presumably government regulation of the Internet, is critical. He said that "we should be screaming for net neutrality," explaining that "the Internet came together as a miracle, really." Really? And there I was thinking it came together because a lot of folks spent a lot of time, effort and money to build a broadband system that provided the foundation for this new telecommunications platform. Silly me. He then said broadband has an 80% to 90% margin! Well, maybe if you leave out the capital costs and debt, but unfortunately we can't! Hopefully Barry's protégé, Julius Genachowski, understands the broadband infrastructure math better than his mentor.

And so it goes.

Steve

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