

# CableFAX Daily™

Friday — March 19, 2010

What the Industry Reads First

Volume 21 / No. 053

## Report & Comment: Indie Stars in GAO Study, Comcast-NBCU Review

The GAO released a report this week on independent programming that describes the debate on well known issues—retrans, program carriage, finite bandwidth, etc. It doesn't contain any specific recommendations, but it's worth noting given the proposed Comcast-NBCU jv and serves as a primer on the concerns that will be brought up during that review. The FCC opened up the transaction for public comment Thurs, officially starting the 180-day shot clock—a rather meaningless timetable considering that many FCC reviews take much longer (Comcast and Time Warner Cable's Adelphia acquisition took more than 400 days). The report also comes as the FCC embarks on a review of media ownership rules. A lot of different companies may own cable nets, but major broadcasters and their affiliated companies own about half of the most widely distributed cable nets, said the GAO report, which was requested by Sen Judiciary chmn Patrick Leahy (D-VT), Antitrust subcmte chmn Herb Kohl (D-WI) and Sen Byron Dorgan (D-ND). Viacom was crowned the top owner with 26 nets in '08 based on SNL Kagan data, followed by Disney (20), Hearst (16), News Corp (13) and Discovery (13). And those numbers haven't changed much over the past decade. Interestingly, NBCU wasn't listed in the top 5 even though it had ownership interest in 7 basic cable nets and GE had ownership in 11. GAO said the analysis didn't attribute ownership in the 7 NBCU-owned nets to parent company GE. Other stats: the number of top 20 cable nets owned by broadcasters ranged from 6 in '98 to a high of 12 in '04 before declining to 8 in '08. Cable ops owned 5 of the top 20 nets in '98, but that number fell to zero in '07 and '08. The study, which also looks at independent programming among TV and radio broadcasting, told Congress that indie nets and some video providers said economic factors affected carriage of independent cable nets, while nets affiliated with major broadcasters, cable ops or other media companies were more able to finance the development of an affiliated network. As for Comcast-NBCU, initial comments and petitions are due May 3; responses are due June 2; responses to opposing opinions are due June 17.

**Net Power:** MSG's 1st earnings call as a distinct entity was relatively brief and short on granularity, yet also informed positively on the recent performance and future prospects of the co's media segment. Including MSG Nets and Fuse Nets, the segment reported impressive rev of \$128.5mln (+13.8%), operating income of \$35.2mln (+102.5%) and AOCF of \$41.2mln (+73.5%). As the improvement was attributed largely to increased affil fee rev based on rate increases, pres/

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CEO **Hank Ratner** declined to break out the segment's ad rev results. He did, however, laud the co's complementary structure and underscore **Fuse** as a growth engine. "Fuse is a wonderful opportunity," said Ratner. "We think we're uniquely positioned... in that we're the only company that has the major live venues that are aligned with a 24/7 cable network devoted to music." Also, MSG is an investor in artist management firm **Front Line**, which Ratner said only enhances the co's opportunity "to create something very special in the music space." Think more symbiotic deals similar to the 1 last year that produced "Dave Matthews Band: Live from the Beacon Theatre" for Fuse, which afterward featured 7 days of original content about the band. Ratner said Fuse is "fairly fully distributed," but declined to expound on the net's distribution beyond saying it benefitted from sub growth and rate increases in '09. Though little distribution upside exists for **MSG Net** and **MSG Plus** because of **NBA** and **NHL** market restrictions—each is carried in approx 8mln homes—competitive improvements by the NY Knicks and Rangers, also owned by MSG, could increase ad and sponsorship rev. Ratner said each franchise is poised for long-term prosperity, and particularly cited the Knicks, which he said will be below the league salary cap this summer for the 1st time in 15 years, setting itself up for a potentially big splash in free agency.

**At the Portals:** More than 150K unique users took 300K+ tests in the less than a week since the **FCC** launched its Consumer Broadband Test tool. The FCC also received 4K addresses with no broadband options for its "Dead Zone Report." -- The **FCC** beta released its Spectrum Dashboard, which lets users review how spectrum bands are allocated and used as well as identify license holders in specific areas. The initial version covers frequencies between 225 MHz and 3.7 GHz.

**Competition:** **DISH** exclusively added Indian news channel **GPunjab-Newstime** and Urdu channels **Hum TV** and **Masala TV** from Pakistan. -- **Qwest** is offering small biz customers \$50-150 incentives for each referral ordering services.

**Technology:** **Google** is working with **Intel** and **Sony** to develop **Google TV**, a platform featuring software to help users navigate Web offerings on TVs and intended to be inclusive of all software developers, according to numerous reports. The collaboration tapped **Logitech** to develop peripheral devices such as a remote with a small keyboard.

**Research:** Among Internet users in the 13-54 and 18-34 demos, viewing of full TV eps through streaming or download tripled in the past 3 years, according to **Knowledge Networks**, while 7% and 11% used a TV to watch Web video. A respective 6% and 9% have either reduced or cancelled TV service in the past year, or plan to do so over the next 12 months.

**Online:** To augment the 3rd season of "Breaking Bad" (Sun), **AMC** is creating a special 5min video for each ep that will 1st be featured at **AMCTV.com** before hitting iTunes and iPhone as a free download.

**Honors:** **ESPN** led all nets in **Sports Emmys** nominations, earning a total of 29 and 7 alone for "E:60," the most decorated program. **HBO** followed with 21, its "Real Sports with Bryant Gumbel" garnering 5 noms and "Hard Knocks: Training Camp with the Cincinnati Bengals" 4. **ESPN2** (17) completed cable's podium dominance while ahead of **NBC** (15) and **Fox** (13). As **Showtime's** "Inside the NFL" (5) and **MLB Net's** "MLB Tonight" (4) finished the list of those with at least 4 noms, other cable tallies include **TNT** (12), **MLB Net** (11), **NFL Net** (5), **Showtime** (5), **FSN** (3), **ESPN.com** (3), **FX** (2) and **TBS** (2).

**Programming:** "It's a Mad, Mad, Mad, Mad World" makes its high-def debut on **MGM HD** Apr 1 (no fooling).

**Advertising/Marketing:** With "Life" debuting on **Discovery** Sun, the 11-part series will literally take over the Yahoo home page Sun, with users able to select a "Life"-themed design that will remain up on the search engine all day. Even Yahoo

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# BUSINESS & FINANCE

Messenger is in on the act, allowing users to change their icons to adopt the different animals featured in the series. -- **Charter** enlisted **Concurrent** to ramp its rollouts of next-generation interactive content and data-driven ads. The EBIF-based product provides anonymous usage data covering linear, DVR and interactive platforms.

**Obit:** Cable Pioneer *Paul Braun*, vp of programming & public affairs at **Time Warner Cable National**, passed away Mon after several months of illness. He was 58. Braun will be remembered for his contributions to cable, particularly his involvement with the Denver Chapter of **Cable Positive**. He leaves behind his wife, *Susan* and three daughters, *Emma, Abby* and *Molly*.

**On the Circuit:** Who is *Joe Wong*? We had to **Google** him too, but turns out the comedian at Wed night's Radio & Television Correspondents' dinner was deemed funny by many (including some **C-SPANers**). "Tonight is my 1st time on C-SPAN, which is a channel I always, always watch when I can't stand the sensationalism and demagoguery of **PBS** and **QVC**," Wong deadpanned. "If I still can't fall asleep after watching C-SPAN, there's the **C-SPAN2** and **C-SPAN3**." You can check out video from the night at none other than C-SPAN.org.

**People:** **Scripps Nets** promoted *Lisa Choi Evans* to svp, digital media. -- **MSG** tapped *Gregg Palesky* as svp, internal audit and compliance and *Ari Danes* as vp, investor relations.

## CableFAX Daily Stockwatch

Company	03/18 Close	1-Day Ch	Company	03/18 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	35.85	(0.26)	AMPHENOL:	44.26	(0.31)
DIRECTV:	34.60	0.25	AOL:	25.84	(0.16)
DISH:	21.32	0.01	APPLE:	224.65	0.53
DISNEY:	33.78	0.03	ARRIS GROUP:	12.26	(0.01)
GE:	18.19	0.15	AVID TECH:	14.00	(0.17)
NEWS CORP:	16.70	0.05	BIGBAND:	3.30	0.04
<b>MSOS</b>					
CABLEVISION:	23.76	(0.12)	BLNDER TONGUE:	1.12	(0.03)
COMCAST:	17.67	0.09	BROADCOM:	33.99	0.38
COMCAST SPCL:	16.83	0.03	CISCO:	26.34	0.08
GCI:	6.01	0.11	CLEARWIRE:	7.99	(0.15)
KNOLLOGY:	13.98	0.32	COMMSCOPE:	29.40	(0.14)
LIBERTY CAPITAL:	34.73	(0.12)	CONCURRENT:	5.30	(0.11)
LIBERTY GLOBAL:	28.44	(0.49)	CONVERGYS:	12.74	(0.08)
LIBERTY INT:	14.65	0.11	CSG SYSTEMS:	22.09	0.16
MEDIACOM:	6.02	(0.08)	ECHOSTAR:	19.97	(0.08)
RCN:	15.24	(0.07)	GOOGLE:	566.40	0.84
SHAW COMM:	19.94	(0.28)	HARMONIC:	6.46	0.02
TIME WARNER CABLE:	48.85	(0.17)	INTEL:	22.20	(0.04)
VIRGIN MEDIA:	17.29	(0.15)	JDSU:	11.27	(0.19)
WASH POST:	449.58	0.76	LEVEL 3:	1.75	0.07
<b>PROGRAMMING</b>					
CBS:	14.37	(0.13)	MICROSOFT:	29.61	(0.02)
CROWN:	1.99	0.01	MOTOROLA:	7.35	0.08
DISCOVERY:	32.55	(0.02)	OPENTV:	1.54	0.00
GRUPO TELEVISA:	20.85	0.02	PHILIPS:	33.34	(0.14)
HSN:	29.49	(0.15)	RENTRAK:	20.48	(0.68)
INTERACTIVE CORP:	24.27	0.18	SEACHANGE:	7.15	(0.1)
LIBERTY:	37.45	(0.15)	SONY:	38.36	0.56
LIBERTY STARZ:	51.38	(0.43)	SPRINT NEXTEL:	3.80	0.19
LIONSGATE:	5.97	0.02	THOMAS & BETTS:	38.13	(0.65)
LODGENET:	6.46	0.16	TIVO:	15.95	0.10
NEW FRONTIER:	2.24	(0.11)	TOLLGRADE:	6.50	(0.12)
OUTDOOR:	6.51	(0.15)	UNIVERSAL ELEC:	23.25	0.07
PLAYBOY:	3.66	(0.12)	VONAGE:	1.36	(0.03)
RHI:	0.31	0.01	YAHOO:	16.56	0.06
SCRIPPS INT:	41.28	(0.19)	<b>TELCOS</b>		
TIME WARNER:	31.16	(0.04)	AT&T:	26.06	0.16
VALUEVISION:	3.59	(0.04)	QWEST:	4.97	(0.03)
VIACOM:	33.51	0.19	VERIZON:	30.30	0.15
WWE:	17.11	(0.01)	<b>MARKET INDICES</b>		
<b>TECHNOLOGY</b>					
3COM:	7.70	0.07	DOW:	10779.17	45.50
ADC:	7.37	(0.08)	NASDAQ:	2391.28	2.19
ADVANTAGE:	2.18	(0.03)			
ALCATEL LUCENT:	3.24	(0.16)			
AMDOCS:	30.10	(0.39)			

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**PROGRAMMER'S PAGE** with Chad Heiges and Seth Arenstein

**Thawing 3D Ice**

While recent and imminent initiatives in 3DTV continue to strike me as too much too soon, another notable development regarding the tech is set to emerge Wed evening. That's when **MSG Net's** Rangers-Islanders telecast will become the 1st hockey game ever produced in 3D—as well as the initial live 3D sports telecast ever to hit American homes. The feature will be available through a dedicated channel to every **MSG HD** customer who owns a 3DTV, with veteran sportscaster *Al Trautwig* to serve as the special telecast's studio host. I wouldn't expect a flood of viewers, but this plan is undeniably cool. I suspect fast-moving hockey will benefit handsomely from the tech, if only through an increase in sponsorship dollars from a dentistry field horrified by the prevalence of missing teeth in players. Plaudits to **MSG** for bringing **Cablevision's** spirit of innovation along when it split from the MSO last month, and extra back pats for not featuring the Knicks in this endeavor. They're merely one-dimensional, as in rotten. We'll have to wait and see if NY-area residents become bombarded by MSG with urgent messages to run out and purchase 3DTVs (and glasses) for the unveiling, but the group also has the option to score \$20 tickets for a 3D screening of the game at the **Theater at Madison Square Garden**. The contest will be shot using **3ality Digital's** tech that integrates with existing broadcast equipment. 3ality also powered **BSkyB's** live 3D broadcast in Jan of an English Premier League soccer match, as well as the 1st live 3D broadcasts of **NFL** and college football games shown in theaters. Ugh, again with firsts tied to 3D. I continue to return for seconds and thirds on the growing HD content smorgasbord, but I doubt an appetite for in-home 3D will strike any time soon. It is difficult, however, to deny the coolness of recent innovations. *CH*

**Highlights:** "Breaking Bad," season III debut, Sun, 10p ET, **AMC** and "Nurse Jackie," season II debut, Mon, 10p, **Showtime**. Sometimes series write themselves into a corner; the fun is seeing how they escape. The "corner" in "Breaking Bad" is Skyler (*Anna Gunn*) knows husband Walter (*Bryan Cranston*) is enmeshed in the drug trade. While it's addressed, much of BB's initial focus is on hit men who've targeted Walter. "Nurse Jackie" faces the corner directly, since Eddie (*Paul Schulze*) has learned girlfriend Jackie (*Edie Falco*) is married. Each series delivers delicious complications. -- "Life," premiere, Sun, 8p, **Discovery**. Discovery chief *David Zaslav* says this animal-based follow-on to "Planet Earth" is Discovery's "best work." Agreed, in spades. *SA*

**Worth a Look:** "US Marines: 1st to Fight," Sat, 8p, **Military Channel**. There's plenty of Marines-related programming this weekend, with ep 2 of "The Pacific" (Sun, **HBO**, 9p) and this premiere, which gives a detailed account of the equipment and training of the 11th Marine Expeditionary Unit (MEU). At first, the contrast between the well-equipped modern Marines and The Pacific's grunts seems stark. Yet certain basics remain—as the title says, Marines are first to fight. "We were cannon fodder," writes *Eugene Sledge* in "With The Old Breed," which HBO used for part of The Pacific's plot. *SA*

Basic Cable Rankings			
(3/08/09-3/14/09)			
Mon-Sun Prime			
1	USA	1.9	1844
2	DSNY	1.8	1797
2	FOXN	1.8	1747
4	TBSC	1.4	1414
5	TNT	1.3	1313
5	NAN	1.3	1300
5	ESPN	1.3	1254
5	HIST	1.3	1253
9	A&E	1.2	1146
10	FAM	1.1	1091
10	HGTV	1.1	1068
10	FX	1.1	1015
13	LIFE	1.0	1018
13	TOON	1.0	959
13	TRU	1.0	902
16	FOOD	0.9	875
16	AMC	0.9	869
18	DISC	0.8	833
18	SYFY	0.8	795
18	SPK	0.8	786
18	TLC	0.8	784
18	CMDY	0.8	742
18	BRAV	0.8	707
18	NKJR	0.8	564
25	HALL	0.7	664
25	MTV	0.7	652
25	LMN	0.7	532
28	TVLD	0.6	616
28	MSNB	0.6	597
28	EN	0.6	546
28	BET	0.6	521
32	CNN	0.5	515
32	CMT	0.5	475
32	APL	0.5	460
32	VH1	0.5	448
32	OXYG	0.5	396
32	NGC	0.5	349
32	ID	0.5	292
39	ESP2	0.4	441
39	HLN	0.4	399
39	TRAV	0.4	397
39	WGNA	0.4	272
39	SOAP	0.4	266
44	GSN	0.3	243
44	DXD	0.3	231
44	TNNK	0.3	218

\*Nielsen data supplied by ABC/Disney

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