

# CableFAX Daily™

Tuesday — March 29, 2011

What the Industry Reads First

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## Comment Period: Retrans NPRM Takes Next Step

While popular thought continues to be that the **FCC** won't do too much on the retrans front, there is one positive sign. The Notice of Proposed Rulemaking passed at its Mar 3 meeting was published Mon in the Federal Register. That's relatively fast in the world of bureaucratic red tape. It also means that comments will be due May 27 and reply comments June 27. Those should be pretty good deadlines for cable, with neither date falling in the midst of the Cable Show. It's less clear how **NAB** will feel as May 27 is the date for reply comments on the FCC's spectrum proposals. The retrans NPRM expresses the FCC's view that it doesn't have the authority to require broadcast stations to provide their signals to operators or to require binding arbitration, but it does seek comment on eliminating the Commission's network non-duplication and syndicated exclusivity rules. After contentious negotiations that finally resulted in a retrans pact between **Time Warner Cable** and **Sinclair** this year, the broadcaster this month involved a non-duplication rule that forced the MSO to blackout most programming on the **Fox** affil in Rochester in favor of the Buffalo Fox affil—a change impacting TWC customers in Genesee, Wyoming, Orleans and Niagara counties NY. The FCC's also suggested providing more guidance on good-faith negotiation requirements and improved customer notice of possible service disruptions caused by retrans. The rulemaking came in response to a petition by **Time Warner Cable, Cablevision, ACA** and others, who had hoped the FCC might go further and impose binding arbitration when an impasse was reached. As for the current retrans battleground, all eyes are on **LIN**. After a showdown earlier this month that kept its stations off **DISH** for a week, the broadcaster's pact with **Cox** expires Thurs. LIN stations that could be impacted include Providence, RI-New Bedford, MA's **CBS** and **Fox** affils, Springfield, MA's **NBC** affil, Hartford-New Haven, CT's **ABC** affil, Mobile, AL-Pensacola, FL's **Fox** and **CW** affils and Norfolk-Portsmouth-Newport News, VA's **NBC** and **Fox** affils. Cox said Mon that it continues to actively work toward reaching an agreement. Time Warner Cable has received multiple extensions from LIN—the latest expiring Apr 15.

**Carriage:** **ESPN2**'s distribution will surpass 100mln homes on Fri, just 2 months after **ESPN** hit the milestone. -- **DISH** added **RFD HD** to its America's Top 200 programming package and above.

**In the States:** **Cablevision**'s the latest MSO to have kicked the tires of **LightSquared**, according to *Bloomberg*, which also reported that **Time Warner Cable** is talking to the LTE network player too. Cablevision declined to comment. For more info on LightSquared, see page 4. -- Cable's gearing up for the longest free preview of **MLB Extra Innings** ever, Mar 31-Apr 10, and knocking \$20 off the regular full-season price of \$179 if customers order the out-of-market games package before Apr 11. The package added this year delivery of both the home and visiting team broadcasts of games whenever possible and a multi-screen mosaic.

**OTT:** **Warner Bros** expanded its test offering of movies for rental through its **Facebook** movie pages by adding the



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availability of 5 additional films, including "Inception" and 2 Harry Potter movies. Facebook members use Facebook Credits to rent the films for up to 48 hours. -- **Netflix** and **Miramax** are close to streaming deal covering more than 700 films from the studio's library, according to the *WSJ*. **NFLX**, meanwhile, inked a licensing agreement with Paramount Pictures to offer hundreds of films to Canadian customers.

**Bang for Your Buck:** A Hamilton, MT, **Radio Shack** Super Store is offering new **DISH** customers the choice of a Hi Point 380 pistol or a 20-gauge shotgun when they sign up for service, reports the *Billings Gazette*. "Protect yourself with **Dish Network**. Sign up now, get free gun," reads the sign out front. Don't worry. If someone's a convicted felon or just doesn't want a firearm, they can get a \$50 **Pizza Hut** gift card. The paper said the promo has run since Oct, with qualified customers getting a gift card for a local gun & ammo shop. Said **DISH**: "DISH Network has worked with independent satellite TV retailer *Steve Strand* to ensure he's in compliance with DISH Network's business and marketing rules. Mr. Strand has opted to provide a gift card that can be redeemed for a variety of gifts, including a firearm or pizza from other local stores."

**Online:** Total visits have surged 60% to 41.6mln across **NCAA March Madness on Demand** and iPad and iPhone apps for the 1st 2 weeks of the tourney, with the platforms registering 12.7mln total hours of streaming video. -- Corporate blog **ESPNFrontRow.com** debuts Wed and will be updated daily to cover topics including ESPN news and people, the employee experience and behind-the-scenes activity.

**Ratings:** **CBS'** coverage of the **March Madness** regional finals Sun averaged 12.6mln total viewers, up 6% YOY, and helped the overall tourney coverage including through **TBS**, **TNT** and **truTV** average 9.4mln viewers (+11%). Though Turner's tourney run is over, the decision to air every game across 4 channels has clearly paid viewership dividends. Shocking tourney results such as VCU's Final Four appearance and the ouster of all #1 and #2 seeds has likely also helped. Just how madcap has March Madness been? Out of more than 5.9mln brackets submitted at **ESPN.com**, only 2 picked all Final Four teams correctly. -- The Sun ep of **Lifetime's** "Army Wives" became the series' most-watched ever across several demos, including total viewers (4.8mln), adults 18+ (4.5mln) and women 18+ (3.4mln). -- **MTV's** "Jersey Shore" scored its highest-rated and most-watched season finale through a 7.3 rating among 12-34s and 7.6mln total viewers. -- The season 1 finale of **Showtime's** "Shameless" garnered 1.2mln total viewers, the season 4 finale of "Californication" 547K.

**Programming:** *Alton Brown* and **Food** agreed to a new 3-year deal that will have the chef developing new ongoing series for the net. -- **Sportsman Channel** will bow 13 new series during 2Q, including "Dead Dog Walkin'" and "Canada in the Rough." -- **Comedy Central** picked up 26 new eps of "Futurama" to begin airing in summer '12. -- **AMC** tapped **ABC** legal analyst and author *Dan Abrams* to explore 6 unsolved crimes including the murder of *Jon Benet Ramsey* in a series of doc-style, 3-5min vignettes to air nightly through Sat as a lead-in to the net's Sun premiere of "The Killing." -- **Fox Sports Net's** set to tip off "Ball Up" (Sun), a bi-weekly series from the **Pro Streetball League** that will include 10 basketball games featuring streetball celebs from around the country. -- **Outdoor Channel's** 2Q slate includes "Fear No Evil" (Sun) a hunting show hosted by country star *Zac Brown* and *Chris Brackett*, and "Wardens" (Mar 28), chronicling the lives of conservation officers in the US. -- **Discovery Channel** commissioned "Moonshiners" (wt) and "Mountain Men of Alaska" (wt) for summer premieres, the former series about an Appalachian tradition.

**Social Media:** **Comcast** made *Time's* list of 140 Best **Twitter** Feeds that are "shaping the conversation." It's asking read-

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# BUSINESS & FINANCE

ers to vote on the top Tweepers (at press time, the majority said Comcast shouldn't be on the list). Also making Time's cut: *Stephen Colbert*, *Conan O'Brien*, *Sean Hannity*, *Chelsea Handler* and **CNN Breaking News**.

**Public Affairs:** Nickelodeon and Common Sense Media are partnering on a digital citizenship and anti-bullying campaign designed to provide kids with tools to help them practice responsible digital behavior. Part of Nick's long-term effort to connect kids to issues and information important in their lives, the new campaign will include PSAs featuring Nick stars such as *Miranda Cosgrove*.

**People:** Nielsen's *David Kaplan* was named vp, **Bravo Media** ad sales research. -- *Courtenay Palaski* was named vp, pr for **Turner's** animation, young adults and kids media group. -- *Michael Pohl* joined **Black-Arrow's** board. Pohl is also chmn of **BigBand**, an **Ascent Media** board member and sits on **Canoe Ventures'** advisory board. -- **Lionsgate** tapped *Julie Fontaine* as evp, theatrical publicity. -- **Miramax** welcomed *Joe Patrick* as svp/head of domestic TV and digital sales.

**Memorial Service:** A memorial service is planned for journalist *Dawson "Tack" Nail* Thurs, 6:30pm at the National Press Club in Washington, DC. Nail, long-time exec editor of *Warren Comm News* and *Comm Daily*, will be buried at Arlington National Cemetery later this year.

## CableFAX Daily Stockwatch

Company	03/28 Close	1-Day Ch	Company	03/28 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	46.16	(0.92)	BLNDER TONGUE:	2.02	0.16
DISH:	24.17	(0.23)	BROADCOM:	40.57	(0.38)
DISNEY:	42.52	(0.45)	CISCO:	17.19	(0.09)
GE:	19.75	UNCH	CLEARWIRE:	5.51	0.10
NEWS CORP:	18.10	0.02	CONCURRENT:	6.31	(0.14)
<b>MSOS</b>					
CABLEVISION:	34.35	(0.5)	CONVERGYS:	14.20	(0.14)
CHARTER:	49.21	(0.6)	CSG SYSTEMS:	19.29	0.06
COMCAST:	24.43	(0.59)	ECHOSTAR:	37.03	(0.02)
COMCAST SPCL:	23.02	(0.52)	GOOGLE:	575.36	(4.38)
GCI:	10.77	0.09	HARMONIC:	8.87	(0.11)
KNOWLEDGE:	12.76	(0.33)	INTEL:	20.34	(0.03)
LIBERTY CAPITAL:	74.03	(0.43)	JDSU:	19.37	(0.42)
LIBERTY GLOBAL:	42.10	(0.12)	LEVEL 3:	1.47	0.05
LIBERTY INT:	15.78	0.13	MICROSOFT:	25.41	(0.21)
SHAW COMM:	20.52	UNCH	RENTRAK:	26.73	(0.09)
TIME WARNER CABLE:	69.91	(0.76)	SEACHANGE:	9.00	(0.28)
VIRGIN MEDIA:	27.03	(0.16)	SONY:	31.65	(0.56)
WASH POST:	436.12	(3.38)	SPRINT NEXTEL:	4.78	0.10
<b>PROGRAMMING</b>					
CBS:	24.43	(0.24)	THOMAS & BETTS:	56.66	(0.42)
CROWN:	2.38	(0.02)	TIVO:	8.59	(0.15)
DISCOVERY:	39.00	(0.34)	TOLLGRADE:	10.01	(0.02)
GRUPO TELEVISA:	23.69	(0.2)	UNIVERSAL ELEC:	28.79	(0.46)
HSN:	31.16	0.07	VONAGE:	4.20	0.06
INTERACTIVE CORP:	30.21	(0.2)	YAHOO:	16.58	(0.38)
LIBERTY:	42.67	(0.37)	<b>TELCOS</b>		
LIBERTY STARZ:	76.81	(0.71)	AT&T:	29.36	0.51
LIONSGATE:	6.09	(0.01)	QWEST:	6.80	0.01
LODGENET:	3.59	0.08	VERIZON:	37.75	0.46
NEW FRONTIER:	1.88	0.06	<b>MARKET INDICES</b>		
OUTDOOR:	7.26	(0.14)	DOW:	12197.88	(22.71)
SCRIPPS INT:	48.98	(1.47)	NASDAQ:	2730.68	(12.38)
TIME WARNER:	35.01	(0.29)	S&P 500:	1310.19	(3.61)
VALUEVISION:	6.60	(0.35)			
VIACOM:	51.81	0.33			
WWE:	12.74	0.19			
<b>TECHNOLOGY</b>					
ADVANTAGE:	3.02	UNCH			
ALCATEL LUCENT:	5.81	0.47			
AMDOCS:	29.16	UNCH			
AMPHENOL:	53.97	(0.42)			
AOL:	19.65	(0.39)			
APPLE:	350.44	(1.1)			
ARRIS GROUP:	12.16	UNCH			
AVID TECH:	22.06	0.31			
BIGBAND:	2.50	UNCH			

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# EYE ON INNOVATION

## Exponential Expectations

**LightSquared** chmn/CEO *Sanjiv Ahuja* touted his company's commitment to providing nationwide access to mobile broadband services in a keynote at **CTIA Wireless** last week, and news from *Bloomberg* of partnership discussions between LightSquared and both **Time Warner Cable** and **Cablevision** buttressed the presentation. Although unconfirmed by the MSOs, the reports are likely true, what with the decided underperformance of TWC's relationship with **Clearwire** and the believed superiority of LTE, which LightSquared will use, over WiMAX. And perhaps most importantly, with mobile broadband use exploding in the US cable must pursue every avenue available to try and play in the field on multiple levels. LightSquared makes for a logical cable partner and major force in the industry for several reasons, and not just because it owns important momentum due to recent deals with Best Buy and **Leap Wireless**. Other factors demand mention, too.

For starters, LightSquared has shrewdly positioned itself as the darling of the White House and **FCC**, underscoring whenever possible that it will spend billions of private money to connect everyone in America with mobile broadband while also working to improve emergency response. The FCC already conditionally waived an integrated service rule to allow LightSquared's wholesale customers to provide either dual-mode or terrestrial-only devices as part of an integrated satellite-terrestrial broadband service.

"In response to the FCC's National Broadband Plan, [we'll] democratize wireless service for the advantage of all Americans," said Ahuja last week. "For the 1st time, Americans will be able to talk and send emails wherever they are in the country, whether... in Yellowstone National Park, Grand Canyon or downtown Manhattan."

Ahuja said LightSquared will spend \$14bln over the next 8 years on network infrastructure, deployment and operations. Or, more appropriately, company backer and PE firm **Harbinger Capital Management** will open its billfold, and



reportedly has 40% of its assets tied up in LightSquared. The latter commitment alone may be the only ringing endorsement LightSquared needs as PE firms don't often take investment missteps and usually print money in profits.

Expecting to launch commercially in the latter half of this year, LightSquared, to put it mildly, has all its ducks in a row. The company's relationship with **Inmarsat** allows it to eventually use up to 50MHz of terrestrial and L-Band ATC spectrum over the continental United States and Canada, and Ahuja claims its service delivery bird "is the most powerful satellite of its type ever launched." Per its commitment to the National Broadband Plan, the company will cover at least 100mln Americans by the end of '12, 145mln by the end of '13 and 260mln by no more than two years later.

LightSquared will operate as a wholesale network alone, which importantly negates any conflicts of interest among itself and partners. Clearwire, by contrast, operates at retail as well as wholesale and is majority owned by Sprint, which dabbles in each business model as well.

"We will sell access to distribution partners who will sell services under their own brand," said Ahuja.

And, of course, demand for mobile broadband services is ramping at a breakneck pace. Ahuja said US wireless data usage is expected to increase 4,000x over the next 4 years, mobile data usage will grow from approx 2TB/yr currently to nearly 14TB/yr by '15, and that live streaming video rocketed up 600% in '10. You better believe cable's aware of the data.

Last year Ahuja claimed LightSquared would become "a disruptive force in the US wireless landscape... we're not only delivering exciting opportunities for manufacturers and retailers, but also real change for consumers."

Anyone who thought those early assertions hyperbole may want to rethink their opinion.

-Chad Heiges



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