

# CableFAX Daily™

Thursday — April 1, 2010

What the Industry Reads First

Volume 21 / No. 062

## FCC Agenda: Set-Tops, CableCARDS and USF on the Menu

The FCC is moving right along with proposals outlined in its National Broadband Plan, with a Notice of Inquiry on ensuring commercial availability of set-tops and other multichannel equipment now part of its tentative Apr 21 open meeting agenda. Comments are already coming in on the issue, with cable generally supporting retail availability of devices that can access any of operators' services, but it wants flexibility to accommodate different network architectures. The industry also seeks to ensure that the upcoming NOI doesn't set back pending set-top issues. On Wed, **ACA** urged the FCC to place **Evolution Broadband's** petition for a waiver of the FCC's separate security rule on public notice. The petition for Evolution's low-cost, 1-way, limited-function HD device has been pending for about 8 months. It's significant because operators would be able to deploy sub-\$100 HD boxes without having to apply for their own waivers to do so (a la **Cable One**). ACA said granting the petition would not hurt the FCC's goal of transforming the set-top market (which includes requiring that a gateway device is installed in all homes requiring boxes by the end of '12). "With reasonable expectations based on previous set-top box rule-makings, and the reality that more than a hundred million existing set-top boxes in consumers' homes cannot be replaced overnight, small cable operators recognize that equipment purchased and deployed in the next couple of years will very likely be grandfathered after new rules are adopted," ACA chief *Matt Polka* wrote. Similarly, Cable One worries about what the FCC's plan could mean for its waiver to deploy low-end, integrated set-tops with HD capability—the 1st of its kind (**Cfax**, 3/30). Also on tap at the meeting are proposed changes to the CableCARD rules for cable set-tops, such as transparent pricing for CableCARDS and operator-leased set-tops and standardized installation policies for retail and operator-leased CableCARD devices. Also featured: an NPRM for USF reform to identify funds that could be refocused toward broadband.

**Vutopia:** Cox was set to become the 1st MSO to launch **InDemand's** new movie service **Vutopia** across its footprint on Thurs. Free to subs of its digital movie pack, the service is available online and on demand with most of its hundreds of titles in HD. Thurs also marked **Epix's** Cox debut; it's also available at no extra charge to digital movie pack customers. Vutopia and Epix also will be available for a standalone price of \$10/mo and \$12/mo, respectively. Like Vutopia, Epix includes an online component, but neither of those will be up and running right away. The target date for both online launches is June, Cox said. Given that InDemand is owned by Cox, **Comcast**, **Time Warner Cable** and **Bright House**, it's safe to bet that the others will launch it. Time Warner Cable already has started notifying some systems of the service's Apr 15 launch.

**Retrans Rumble:** At press time, there was still no deal between **DirectTV** and **Citadel**, meaning subs could lose **WOI-TV** (Des Moines **ABC** affil), **WHBF** (Davenport, IA, **CBS** affil) and **KLKN** (Lincoln, NE, **ABC** affil) at midnight. DirecTV says the broadcaster is demanding a more than 100% rate increase, while Citadel says its proposal is "fair and reasonable" and consistent with carriage agreements with other distributors. DirecTV and several other distributors have petitioned the **FCC** for changes to retrans rules, including the continued carriage of a network during negotiations.



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# CableFAX 2010 Calendar

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## APRIL

April 28: **CableFAXIES and Best of Web Awards and Digital Hot List 2010 Luncheon in NYC**

**CableFAX Daily Special Mid-Day Issue – FAXIES/Best of Web**

(Space Close: 4/19 • Ads Due 4/21)

## MAY

**CableFAX: The Magazine – Spring Connection Week: Spring/Summer Program Guide, Special Innovation Coverage: TV Everywhere, 3D, Customer Care, Advanced Advertising**  
(Space Close: 4/12 • Ads Due: 4/20)

**CableFAX Daily Spring Connection Issues:**  
May 11, 12, 13 (Space Close: 5/3 • Ads Due: 5/5)

## JUNE

June 4: **Program Awards Deadline**

June 15: **SEOY/Sweet 16 Breakfast, NYC**

**CableFAX Daily Special Mid-Day Issue**

(Space Close: 6/4 • Ads Due: 6/8)

June 17: **Webinar**

## JULY

July 21: **Webinar**

**CableFAX: The Magazine – Top Ops Issue**

(Publication Date: 7/25 • Space Close: 6/28 •

Ads Due: 7/7)

## SEPTEMBER

Sept. 22: **Webinar**

**CableFAX: The Magazine – Diversity/Best Places to Work** (Publication Date: 9/13 •

Space Close: 8/16 • Ads Due: 08/24)

## OCTOBER

Oct.: **Program Awards/Top Ops Luncheon, NYC**

**CableFAX: The Magazine – Fall Connection Week: Program Guide & Program Awards Issue**

(Publication Date: 10/17 • Space Close: 9/9 •

Ads Due: 9/17)

**CableFAX Daily Fall Connection Issues:**

October 18, 19 (Space Close: 10/11 • Ads Due: 10/13)

## NOVEMBER

Nov. 5: **Best of the Web Awards Deadline**

Nov. 17: **Webinar**

**CableFAX: The Magazine – Most Powerful Women in Cable Issue** (Publication Date: 11/22 •

Space Close: 10/18 • Ads Due: 10/26)

## DECEMBER

Dec. 9 (tentative): **CableFAX 100 Luncheon**

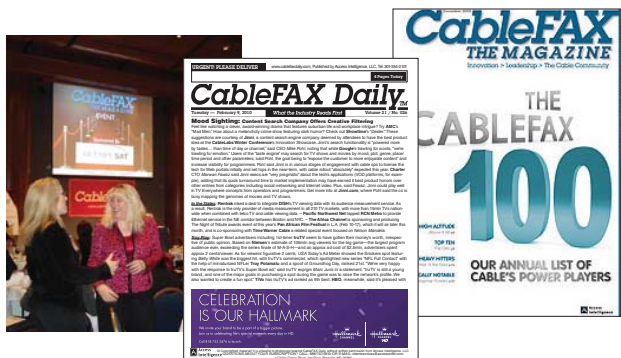
Dec. 10 (tentative): **Most Powerful Women Breakfast**

Dec. 15: **Webinar**

**CableFAX: The Magazine – CableFAX 100 Issue**

(Publication Date: 12/9 • Space Close: 11/9 •

Ads Due: 11/17)



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- **Debbie Vodenos, Publisher**  
dvodenos@accessintel.com, 301.354.1695
- **Erica Gottlieb, Sales Executive**  
gottlieb@accessintel.com, 212.621.4612

**Questions: Rebecca Stortstrom, rebecca@accessintel.com, 301.354.1610**

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax: 301.738.8453 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 301.354.1790, mgrebb@accessintel.com ● Assoc Editor: Chad Heiges, 301.354.1828, cheiges@accessintel.com ● Asst VP, Ed Director: Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Debbie Vodenos, 301/354-1695, dvodenos@accessintel.com ● Advertising Mgr: Erica Gottlieb, 212.621.4612 ● Marketing Director: Carol Brault, 301.354.1763, cbrault@accessintel.com ● Prod: Joann Fato, 301.354.1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Subs/Client Services: 301.354.2101, fax 301.309.3847 ● Group Subs: Carol Brault, 301.354.1763, cbrault@accessintel.com

**More Retrans:** NAB is asking the FCC for a 30-day extension to respond to a petition by Time Warner Cable and others for changes to the retrans process. If granted, it would push the deadline for comments to May 18 from Apr 19 and the reply deadline to June 3 from May 4. The group said the extension would allow it to prepare a "more robust record," while still participating in significant FCC proceedings with coinciding timelines (including an Apr 20 workshop in connection with its review of media ownership rules). Furthermore, the deadline immediately follows the NAB Show in Las Vegas.

**Competition:** FiOS TV's newest free widget offers subs instant access to MLB headline news, scores, league standings and player updates, with the service's MLB Extra Innings customers able to customize on-screen game alerts for up to 10 teams. -- DirecTV added Pasioness, a 24-hr channel dedicated to telenovelas from several South American countries.

**In the States:** Insight confirmed plans to launch local news and info net Commonwealth Net, or CN2, in 5 KY markets late next month, including Louisville and Lexington. COO Dinni Jain told Business Lexington that the net will be "unabashedly centrist" while featuring approx 5 stories in a half-hr period. -- Sprint plans to add approx 125 call center positions in the Sacramento area, citing anticipation of increased customer expectations due to its rollout of 4G network services and devices. -- CommScope plans to shutter its Connectivity Solutions Manufacturing subsidiary in Omaha in late '11, resulting in 400 layoffs. 70 non-manufacturing workers are expected to relocate to a new Omaha location before the plant's closing.

**Get Moving:** A day after Verizon urged the FCC to act on its program access complaint against Cablevision over MSG HD, Sens Richard Burr (R-NC) and Kay Hagan (D-NC) and 4 NC Reps sent a letter to the commission asking for a resolution to the MASN-Time Warner Cable carriage dispute in NC stretching back to '07. The sextet stated that as "opening day for the 2010 Major League Baseball season is nearly upon us, further delay in a resolution could jeopardize another season." In Oct '08, the FCC upheld an arbiter's decision calling for the MSO's launch of MASN in the state, finding that the MSO unlawfully discriminated against the net by refusing carriage. In Jan '09, a Time Warner Cable appeal was circulated to the full commission. MASN settled a similar carriage disagreement with Comcast last week (Cfax, 3/24).

**At the Portals:** The FCC holds a workshop on public and noncommercial media in the digital era, Apr 30, 9am ET, DC.

**VOD:** Plantation Cable, Cass Cable TV, Mediatstream and MTC selected the VOD in a Box solution from HITS and Arris to deliver and manage on demand content.

**Marketing:** The marketing campaign for TNT's "Win or Go Home" NBA playoff coverage includes a promo for Regal Cinemas featuring Jamie Foxx and Justin Timberlake, a comprehensive presence on Facebook and spot ads.

**Programming:** Planet Green ordered 8 eps of "Shareen Vintage" ('11), offering a look at vintage clothing designer Shaheen Mitchell. -- Syfy's 1st-ever Thurs night reality block premieres this summer and includes new shows "Mary Knows Best" (wt, Jul 15), a docu-soap following a radio host and psychic, and scripted series "Haven" (wt, Jul 15), based on a Stephen King novella in which a female FBI agent attempts to solve the murder of an ex-con in small-town ME.

**Honors:** A few cable honorees are among the 36 recipients of the 69th annual Peabody Awards: BBC America for nightly newscast "BBC World News America" and Badakshan province report "Where Giving Life is a Dead Sentence," Current TV doc "The OxyContin Express," HBO's fictional series "In Treatment" and "No. 1 Ladies' Detective Agency," Sundance Channel's 5-hr doc series "Brick City," and HBO doc "Thrilla in Manila." -- NAMIC announced the following winners of its

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# BUSINESS & FINANCE

'10 Next Generation Leaders Awards: **Time Warner Cable** vp, customer care, NYC Region *Imani Breaker*; **TNT/TBS** vp, alt programming *David Hudson*; and **Turner Sports** svp/gm *Matthew Hong*. Honors will be presented at the NAMIC Annual Awards Breakfast, May 13 in L.A.

**On the Circuit:** **WICT** launched WICT Connects ([wictconnects.org](http://wictconnects.org)), an online member community. Education, networking and professional development within WICT Connects are facilitated by blogs, discussions, and public and private Shared Interest Groups. Members create their own profiles.

**Business/Finance:** **TV One** is "doing extraordinarily well," said **Radio One** CEO *Alfred Liggins* during a Wed conference call, citing the net's positive EIBTDA and improving contributions to the co. Forthcoming are numerous put and call options surrounding the net's ownership structure that features **Comcast** and private equity firms, he said, the goal for Radio to ultimately gain 51% ownership of TV One. Also, the co and Comcast have the option to become sole owners in the future. -- **Charter Comm Operating** announced the effectiveness of an amendment to its \$8.18bln credit facility that extends by 30 months to Sept '16 \$3bln of existing term loan maturities. The Charter subsidiary also entered into a new revolving credit facility totaling \$1.3bln in commitments which will mature in March '15.

## CableFAX Daily Stockwatch

Company	03/31 Close	1-Day Ch	Company	03/31 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	36.39	1.37	AMPHENOL:	42.19	(0.03)
DIRECTV:	33.81	0.88	AOL:	25.28	(0.4)
DISH:	20.82	0.25	APPLE:	235.00	(0.84)
DISNEY:	34.91	(0.19)	ARRIS GROUP:	12.01	(0.14)
GE:	18.20	(0.1)	AVID TECH:	13.78	(0.44)
NEWS CORP:	17.01	(0.02)	BIGBAND:	3.51	0.06
<b>MSOS</b>					
CABLEVISION:	24.14	0.19	BLNDER TONGUE:	1.06	(0.04)
COMCAST:	18.83	0.09	BROADCOM:	33.20	(0.02)
COMCAST SPCL:	17.97	0.09	CISCO:	26.03	(0.62)
GCI:	5.77	(0.08)	CLEARWIRE:	7.16	(0.06)
KNOLGY:	13.44	(0.24)	COMMSCOPE:	28.02	(0.41)
LIBERTY CAPITAL:	36.37	(0.15)	CONCURRENT:	5.75	(0.16)
LIBERTY GLOBAL:	29.16	(0.01)	CONVERGYS:	12.26	(0.31)
LIBERTY INT:	15.30	0.09	CSG SYSTEMS:	21.00	(0.41)
MEDIACOM:	5.95	(0.07)	ECHOSTAR:	20.28	0.27
RCN:	15.08	(0.05)	GOOGLE:	567.12	0.41
SHAW COMM:	19.87	0.02	HARMONIC:	6.31	(0.03)
TIME WARNER CABLE:	53.31	(0.14)	INTEL:	22.29	(0.05)
VIRGIN MEDIA:	17.26	0.29	JDSU:	12.52	0.53
WASH POST:	444.18	2.93	LEVEL 3:	1.62	0.04
<b>PROGRAMMING</b>					
CBS:	13.94	(0.21)	MICROSOFT:	29.29	(0.48)
CROWN:	1.92	(0.04)	MOTOROLA:	7.02	(0.18)
DISCOVERY:	33.79	(0.45)	PHILIPS:	32.02	0.00
GRUPO TELEVISA:	21.02	(0.01)	RENTRAK:	21.55	(0.1)
HSN:	29.44	(0.56)	SEACHANGE:	7.18	0.02
INTERACTIVE CORP:	22.78	0.00	SONY:	38.32	(0.52)
LIBERTY:	37.28	0.05	SPRINT NEXTEL:	3.80	(0.02)
LIBERTY STARZ:	54.67	0.77	THOMAS & BETTS:	39.24	0.11
LIONSGATE:	6.24	0.02	TIVO:	17.13	0.35
LODGENET:	6.97	(0.15)	TOLLGRADE:	6.29	(0.08)
NEW FRONTIER:	2.00	0.05	UNIVERSAL ELEC:	22.34	(0.15)
OUTDOOR:	6.59	(0.01)	VONAGE:	1.35	0.03
PLAYBOY:	3.66	(0.07)	YAHOO:	16.53	(0.08)
RHI:	0.17	(0.02)	<b>TELCOS</b>		
SCRIPPS INT:	44.35	(0.23)	AT&T:	25.84	(0.11)
TIME WARNER:	31.27	(0.12)	QWEST:	5.22	(0.01)
VALUEVISION:	3.32	0.00	VERIZON:	31.02	(0.21)
VIACOM:	36.68	0.55	<b>MARKET INDICES</b>		
WWE:	17.30	(0.12)	DOW:	10856.63	(50.79)
<b>TECHNOLOGY</b>					
3COM:	7.67	(0.05)	NASDAQ:	2397.96	(12.73)
ADC:	7.31	(0.14)			
ADVANTAGE:	2.29	0.02			
ALCATEL LUCENT:	3.12	(0.06)			
AMDOCS:	30.11	(0.19)			



### INDEPENDENT CABLE:

*It's Your Move!*

- Net Neutrality Rules
- Comcast/NBCU Merger
- Retransmission Consent
- Universal Service Fund Reform

ACA's 17<sup>TH</sup>  
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## Think about that for a minute...

### Blurred Transparency

Look out the window of an airplane flying across country. It's often an awesome sight as you look down and see clearly the mountains, the canyons, the manicured fields. But looking out of a similar transparent window sitting in a train whisking across the landscape, the view is often a blur, especially the closer you get to what you are trying to see.

The FCC has just completed a study and made broad recommendations in the National Broadband Report.



**Steve Effros**

Blair Levin, who led the effort, and his team did an incredible job. But even he acknowledges that this was a look at the issues from "35,000 feet." From there, things are transparent and sometimes clear. At ground level, the devil, as they say, is in the details. It's now up to the Commission to start looking at those details and consid-

ering, after seeking public input, what, if anything, they should do.

The first few indications of how the Commission will go about this suggest both good and bad news. The first indicator was the release of the inquiry into the Comcast/NBCU merger, which, whether we like it or not, is going to play out right in the middle of the broader inquiry into Broadband's regulatory future. The Commission did a very commendable thing, something that has not been done in quite a while by administrations of either party: They said they were not going to let people play games with the process.

In any contentious proceeding the "game playing" includes seeing how long you can stretch the process out. In some cases, it's done by the Commission, or some Commissioners, themselves. Delay is part of the game, and particularly in cases like major mergers, that delay can last a year or more. That's not the way the system

is supposed to work, and the FCC said the other day that they weren't going to play. They said if folks had information or objections or suggestions that they should make them right up front, in the initial comment period, that more complaints, comments, data, proposals, etc., should not be showered on the Commission later in the proceeding, and that they wouldn't accept them.

This is a good and smart thing to say, not only in this proceeding, but in most of them. There is a procedure, a time constraint, and to the degree it can be reasonably adhered to, it should be.

But the other thing the Commission did leads me to pause a little. Many of the "public interest" groups and others asked for a longer time period within which to formulate and submit those comments. The Commission turned them down. The argument the groups made is one we are going to hear, I suspect, quite a bit as the Commission launches 10 or 20 or even more Notices of Inquiry and Rulemakings (the first is supposed to happen before the second) on the Broadband Plan. Many groups, particularly the smaller ones who have interests across many of the subjects being investigated, simply don't have the resources to respond to all of those inquiries at the same time.

I don't think it would make much difference in the Comcast/NBCU case, because the policy positions have been well aired already, but discretion is the better part of valor for the Commission. They say they want "transparency." If they speed along on multiple tracks all at once and ask groups that do not have hundreds of employees to give them the "valuable" input they need to make intelligent decisions, all they'll get is a transparent blur.

*Steve*

T:703-631-2099  
steve@effros.com

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Debbie Vodenos, CableFAX Publisher, 301-354-1695, [dvodenos@accessintel.com](mailto:dvodenos@accessintel.com) • Erica Gottlieb, Account Manager, 212-621-4612, [egottlieb@accessintel.com](mailto:egottlieb@accessintel.com)