

# CableFAX Daily™

Thursday — April 8, 2010

What the Industry Reads First

Volume 21 / No. 067

## Incomplete Grade: NCTA's A+ Broadband Program in Limbo

When NCTA announced in Dec its Adoption Plus program, aimed at providing discounted computers and broadband to low income middle schoolers and their families, it created much fanfare. The FCC's commissioners as well as members of Congress praised the cable measure. If partners—including computer makers and school districts—got on board, NCTA said the program could be up and running by this fall. But for whatever reason those partners never materialized. No school districts, which would need to provide digital literacy training for the program, applied for 2nd round broadband stimulus funding (applications were due last month). No manufacturers offered up computers at reduced prices. Adoption Plus is still alive and NCTA continues to pursue conversations with potential partners, but at least for the near-term, none appear on the horizon. Under the program, cable operators would offer 2-year, 50% broadband discounts and free installation for up to 3.5mln middle school-aged children eligible for the National School Lunch Program and without broadband. While Adoption Plus is currently orphaned, cable is still pursuing ways to increase broadband adoption through public-private partnership. NCTA and several cable operators joined the **Digital Adoption Coalition**, which includes **AT&T** and **Dell** (*Cfax*, 3/24). Global nonprofit **One Economy** filed an application with **NTIA** last month on behalf of the coalition for funding through the Broadband Technology Opportunities Program to support digital literacy training, discounted computers, and project administration. The Coalition said it would work with HUD to increase broadband outreach efforts in public housing, project-based Section 8 properties and multi-family assisted communities. If the funding is approved, the group said its efforts would improve broadband access, service and technology in approximately 250K low-income HHs nationwide. That figure is significantly less than the 1.8mln estimated households that could be helped by NCTA's A+ program. But if the Coalition's efforts are successful, it could encourage partners to step up to the larger A+ program, an NCTA rep said. Digital Adoption Coalition members include **BendBroadband, Bresnan, Bright House, Cablevision, Charter, Comcast, Cox, Eagle, Mediacom, Sjoberg's Cable, Suddenlink, US Cable** and **Time Warner Cable**.

**Comcast-NBCU:** Saying they are disappointed the FCC Media Bureau didn't extend comment deadlines in the Comcast-NBCU deal, **Media Access Project** and other groups wrote the FCC chmn Wed to also complain that no

**WEST COAST FEED**  
**THE PROGRAMS YOUR SUBSCRIBERS WANT  
 WHEN THEY WANT THEM**

**BBC AMERICA**

FOR MORE INFORMATION, CONTACT YOUR BBC AMERICA REPRESENTATIVE AT [AFFILIATESALES@BBC.COM](mailto:AFFILIATESALES@BBC.COM)

# 100 MILLION SUBSCRIBERS

**THAT SOUNDS LIKE  
PERFECT WEATHER TO US.**

Thanks to all of our affiliate partners  
who helped us reach this milestone.

**TV. Web. Mobile. The cross-platform leader.**

[weatheraffiliate.com](http://weatheraffiliate.com)

**The  
Weather  
Channel**

[weather.com](http://weather.com)

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

public hearings on the acquisition have been announced. "It is imperative that the public be given open fora to have conversations with the Commission about how this merger will affect local communities," said the letter, which also was signed by **Consumer Federation of America, Free Press** and **Consumers Union**. It has been 10 years since the FCC held a public hearing in a transaction review, but the groups say such a move is entirely appropriate given the Commission's repeated commitment to greater transparency and public outreach.

**Softer Voice:** To satisfy a **FCC** condition of **Liberty Media's** '08 acquisition of its interest in **DirecTV**, *John Malone* agreed to resign as chmn of the DBS op and reduce his voting interest to approx 3% from approx 24%. Malone will exchange 21.81mln Class B shares for 26.55mln Class A shares, a swap that retires all of DirecTV's B shares. Liberty Media CEO *Greg Maffei* will also resign from the board. As DirecTV expects these actions will satisfy the FCC condition and enable it to resume control and retain ownership of its subsidiary in Puerto Rico, both **Collins Stewart** analyst *Tom Eagan* and **Wachovia Securities'** *Marci Ryvicker* view them positively. Ryvicker believes DirecTV's "simplified capital structure should lead to multiple expansion" and accordingly raised the valuation range of DTV shares to \$38-40 from \$35-37. Eagan contends the simplified cost structure "makes DTV more attractive to potential suitors," and believes Malone's departure from the board makes the DBS op "more likely to issue a regular dividend."

**Broadband:** In a blog post Wed, **FCC** gen counsel *Austin Schlick* outlined some of the implications of the Commission's loss in the Comcast/BitTorrent case (<http://blog.broadband.gov/?entryId=356610>). While the decision has no effect on most of the Plan, it may affect a significant number of plan recommendations, he wrote. Among them are recommendations aimed at accelerating broadband access and adoption in rural America and connecting low-income Americans. The FCC is assessing the decision to ensure it has authority to execute the mission laid out in the plan, Schlick said. -- **NTIA** received 867 applications requesting \$11bln in funding for proposed broadband projects. That's well above the \$2.6bln NTIA has allocated for the 2nd round of funding for broadband stimulus money. NTIA's goal is to make the first grant awards for this go-round this summer. 355 applications (requesting \$8.4bln in grants) are for comprehensive community infrastructure projects, such as middle mile broadband infrastructure. 251 applications (\$1.7bln) are to promote sustainable demand for broadband services, including projects to provide broadband education, training and equipment. Another 261 applications (\$922mln) are for public computer centers. NTIA said applicants have pledged \$4.5bln in matching funds.

**Competition:** **LIN TV's** preliminary 1Q results include a 23% increase in net rev to \$91.8mln, a 17% rise in combined local/national ad rev (excluding political) and digital rev (retrans and Web ad rev) of \$13.2mln (+47%). -- **AZ State University's** the 1st client to adopt **Qwest's** new comm service platform that allows enterprise businesses, government agencies and educational institutions to merge traditional telephony networks with IP-based data networks.

**In the States:** **Time Warner Cable Business Class** sr dir, corporate marketing *Alee Rouhani* repped the MSO at a Wed kickoff in D.C. of a **SCORE**-led public-private consortium aimed at developing training, tools and resources to help US small businesses compete by using broadband technologies. Other founders include **AT&T, Cisco** and **Google**. -- **Sirius XM Radio** will begin Mon carrying **MSNBC's** full schedule. -- **Time Warner Cable's** set to pitch more than 110 MLB games in Spanish this season to digital basic customers in TX (43 Rangers games) and L.A (39 Dodgers and 32 An-

## TRUE OR FALSE: MORE CREDIT CARD OWNERS WATCH CABLE THAN YOU THINK.

TRUE: According to Nielsen, 70.5% of people who own at least one credit card are watching cable, but cable accounts for only 21% of TV adspend for credit card companies. From credit cards to cruises to cars, Nielsen can help you find your ideal advertisers and increase the value of your inventory. Need to supercharge your spots? Just Ask Nielsen.™

For more  
info, visit  
[www.nielsen.com  
/media](http://www.nielsen.com/media)

Just ask  
**nielsen**  
.....

# BUSINESS & FINANCE

gels matchups. FSN will produce the games in Spanish for local distribution by TWC systems.

**Intl:** New Frontier expects to bow 3 linear pay-TV channels in Latin America and parts of Europe, including Spain, on May 1, bringing intl distribution to 35mln+ homes.

**Programming:** Jerry Seinfeld and "Mad Men" star Jon Hamm will serve as panelists for TV Guide Net's "Curb: The Discussion," the net's companion feature to its run of "Curb Your Enthusiasm" that begins Jun 2. -- **Cartoon Net** ordered additional eps of original animated series "Adventure Time," which debuted Mon and delivered triple-digit gains among key demos compared to the year-ago period. -- **MSG Plus** entered the live MMA content ring through a pact to feature 2 full seasons of the **Bellator Fighting Championships** beginning Thurs.

**Public Affairs:** Univision is running a 60-sec editorial message from Univision Nets pres Cesar Conde encouraging Hispanics to participate in the Census at 8:15pm ET, Thurs on Univision, **TeleFutura**, **Galavisión Networks**, **Univision Móvil**, **Univision.com**, **Univision Radio** and social media platforms.

**People:** Frank N. Magid Assoc hired Steve Males as managing dir, focused on supporting the cable industry. He has worked in sr level marketing roles for **Bloomberg**, **Univision**, **NFL Net**, **Comedy Central** and **MTVN**.

## CableFAX Daily Stockwatch

Company	04/07 Close	1-Day Ch	Company	04/07 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	37.14	(0.72)	AMPHENOL:	42.79	(0.18)
DIRECTV:	34.68	(0.06)	AOL:	27.44	1.05
DISH:	20.78	(1.23)	APPLE:	240.60	1.06
DISNEY:	35.32	(0.15)	ARRIS GROUP:	12.58	0.21
GE:	18.50	(0.1)	AVID TECH:	16.11	0.91
NEWS CORP:	17.14	(0.2)	BIGBAND:	3.57	0.10
<b>MSOS</b>					
CABLEVISION:	24.91	(0.37)	BLNDER TONGUE:	1.09	0.00
COMCAST:	18.29	(0.47)	BROADCOM:	34.13	(0.27)
COMCAST SPCL:	17.53	(0.41)	CISCO:	26.34	0.12
GCI:	5.85	0.02	CLEARWIRE:	7.02	(0.07)
KNOLGY:	13.67	(0.06)	COMMSCOPE:	31.42	0.52
LIBERTY CAPITAL:	38.44	0.71	CONCURRENT:	5.85	0.00
LIBERTY GLOBAL:	29.07	(0.29)	CONVERGYS:	12.62	(0.08)
LIBERTY INT:	16.08	0.00	CSG SYSTEMS:	20.92	(0.26)
MEDIACOM:	5.95	0.04	ECHOSTAR:	20.65	(0.04)
RCN:	15.14	0.01	GOOGLE:	563.54	(4.68)
SHAW COMM:	19.49	(0.43)	HARMONIC:	6.66	0.23
TIME WARNER CABLE:	51.53	(0.94)	INTEL:	22.45	0.05
VIRGIN MEDIA:	17.32	(0.5)	JDSU:	13.31	(0.01)
WASH POST:	484.89	0.05	LEVEL 3:	1.65	0.00
<b>PROGRAMMING</b>					
CBS:	14.47	(0.12)	MICROSOFT:	29.35	0.03
CROWN:	1.97	0.05	MOTOROLA:	7.23	(0.05)
DISCOVERY:	34.11	(0.51)	PHILIPS:	32.25	(0.55)
GRUPO TELEVISA:	21.10	(0.4)	RENTRAK:	21.59	(0.08)
HSN:	30.49	(0.46)	SEACHANGE:	8.01	(0.02)
INTERACTIVE CORP:	23.08	0.18	SONY:	36.87	(0.55)
LIBERTY:	38.06	(0.22)	SPRINT NEXTEL:	3.88	0.00
LIBERTY STARZ:	55.50	(0.59)	THOMAS & BETTS:	40.39	0.28
LIONSGATE:	6.14	(0.09)	TIVO:	17.16	(0.38)
LODGENET:	7.17	(0.04)	TOLLGRADE:	6.39	(0.2)
NEW FRONTIER:	2.07	0.03	UNIVERSAL ELEC:	23.28	(0.02)
OUTDOOR:	6.83	0.33	VONAGE:	1.45	(0.03)
PLAYBOY:	3.76	0.10	YAHOO:	16.87	(0.05)
RHI:	0.18	-0.00	<b>TELCOS</b>		
SCRIPPS INT:	43.43	(1.14)	AT&T:	25.65	(0.24)
TIME WARNER:	32.09	0.10	QWEST:	5.33	0.08
VALUEVISION:	3.60	0.00	VERIZON:	30.24	(0.48)
VIACOM:	38.04	0.20	<b>MARKET INDICES</b>		
WWE:	17.18	(0.07)	DOW:	10897.52	(72.47)
<b>TECHNOLOGY</b>					
3COM:	7.89	0.15	NASDAQ:	2431.16	(5.65)
ADC:	7.73	0.11			
ADVANTAGE:	2.23	(0.02)			
ALCATEL LUCENT:	3.05	(0.1)			
AMDOCS:	30.25	(0.35)			

**CableFAX**  
INNOVATION • LEADERSHIP • THE CABLE COMMUNITY  
[www.cablefax.com](http://www.cablefax.com)

**Cable Connection | Spring 2010 LOS ANGELES, CA**

**Now Booking Space in CableFAX Daily and CableFAX: The Magazine!**

Advertise with CableFAX to reach multiplatform partners and executives in cable, telco, satellite, mobile, network programming and advertising during Spring Cable Connection week.

Ask about our premium position and integrated packages with e-media opportunities.

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)

## Think about that for a minute...

### Nuance

There certainly was very little of it, nuance, that is, in the reporting and comments issued the other day about the DC Appeals Court decision in the Comcast case. Here are a few examples:

*The New York Times* lead on the story said; "...the decision will allow Internet service companies to block or slow specific sites and charge video sites like YouTube to deliver their content faster to users."

FCC Commissioner Cops said: "...it's a blow to all Americans who rely on an open Internet that serves all comers without discrimination,"



**Steve Effros**

Really? Did the decision "allow" Internet Service Companies to do anything? Well, no, not really. This was a decision about FCC jurisdiction and power, not about what companies can, cannot, or will or won't do. Most of the "horrors"

cited could have been done for years. They haven't been.

American Internet users, as I suspect Commissioner Cops knows full well, won't see any substantive "blow" to the service they are provided, and there has never been any substantive showing of the Internet not being "open" (except, of course, when it comes to certain devices like the Apple iPad or the Amazon Kindle). Evidence of any significant problem regarding "discrimination" is virtually non-existent and was so well before the Commission attempted any assertion of jurisdiction.

So my suggestion is that everyone should step back a little and look at what is really going on here, what the debates are really about, and maybe include a little nuance in their commentary. Just throwing polarizing verbal bombs is what has gotten us in so much trouble on so many issues in Washington. We don't need it to bloody this debate. There are reasonable questions being asked by reasonable folks

on all sides. Is there any chance we can explore those questions in a reasonable manner? I hope so.

Just suggesting that the Commission make a logical "about-face" and reverse it's long-held position that broadband internet service is not appropriately regulated under the old "Title II" common carrier rules that were originally applied to the monopoly telephone industry, the so-called "nuclear option," is both bad logic and bad policy. It would create the exact opposite incentives from the ones folks like Commissioner Cops have been espousing of getting private industry to invest billions more in a massive expansion of the infrastructure.

Do you really think that would happen if "Title II" common-carrier rate regulation hung like a Sword of Damocles over the industry? Wouldn't happen. Just doing a regulatory logic reversal to gain power and jurisdiction would be counter-productive.

On the other hand, there are legitimate concerns about "openness" and "non discrimination" with regard to ISPs. So let's address them. The "transparency" that the Commission espouses seems to work very well in this context. You didn't need a rule to get Comcast to change its approach to the BitTorrent network management issue. All that had to happen was sunlight. Comcast engineers thought they were doing something beneficial for the majority of their customers. Complaints arose, and they changed. That worked. Both the FCC and the FTC have jurisdiction to deal with consumer issues. Maybe that's one way to deal with one of the "problems."

Another is the antitrust law for egregious instances of abuse. But that abuse has not happened and I don't think it will. A nuanced discussion is going to be far more productive than bomb throwing.

*Steve*

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



**INDEPENDENT CABLE:**

*It's Your Move!*

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

ACA's 17<sup>TH</sup>  
**SUMMIT**  
APRIL 19-21, 2010  
WWW.ACASUMMIT.ORG

**MAKE A STRATEGIC IMPACT ON THESE ISSUES!**