

CableFAX Daily™

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What the Industry Reads First

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Retrans Radar: FCC Chmn Tells Broadcasters There Are Legitimate Questions

Yes, most of FCC chmn *Julius Genachowski's* speech to NAB focused on reclaiming broadcast spectrum, but he didn't ignore retrans. "I'm concerned about sudden program interruptions, and about the potential for rising cable rates," he said during his NAB Show address. "Some ask: is 'free TV' really free when cable rates go up because of retransmission fees?" While the chmn said the market is the preferred method to determine broadcast-cable deals, he believes there are "legitimate questions" about whether to update the 20-year-old framework for retrans consent and must carry. Comments are due May 18 on a petition from **Time Warner Cable, Cablevision, DirectTV** and others to change the retrans consent process. Filings have been trickling into the FCC on the issue, including a recent one from **Bevcomm** and its affiliated company **Cannon Valley Cablevision**, which competes directly with Comcast and Mediacom in some communities and has about 4500 subs. Agreeing that the retrans process is broken, Bevcomm took issue with a recent **CBS** notice of ex parte communication with FCC commissioners and staff that said few negotiations have threatened to disrupt signal carriage and "very recently only one has led to an actual disruption of service—and that for less than 9 hours' duration," a reference to the Cablevision-ABC showdown (*Cfax*, 3/25). "The undersigned can not speak to other MVPD's experiences, but after the last retransmission consent cycle negotiation period, the result was that many Bevcomm customers have continuously lost access to the broadcast signals of CBS, NBC and Fox affiliates for 15 months," the provider wrote, saying that broadcasters pay little or no attention to the loss of 4500 viewers and suffer no significant financial hardship. A NAB spokesman said the group will work with Genachowski and his colleagues on the issue. "We're hopeful that policymakers will allow these free market negotiations to continue on behalf of consumers, and not tilt the scales of power in favor of giant cable operators," he said. As for spectrum, Genachowski said that the voluntary incentive auctions for broadcasters that give back spectrum under the Broadband Plan are "voluntary. Period." For the plan to work, he said the FCC doesn't need all, more "or even very many" licensees to participate. A NAB spokesman said the group welcomes an ongoing dialogue with the chmn and called his remarks Tues on spectrum reclamation "reassuring."

Advertising/Marketing: As it expects media suppliers to generate \$165bln of ad rev this yr—including a 2% YOY increase in 2Q—**Magna** upped to 1.6% from flat its forecast for '10 US ad growth (excluding political and Olympics ads), and to 3.5% from 2.3% the industry's expected avg growth from '10-'15. The TV segment is now expected to grow by 10.2% this yr, up from 8.5%, while online ad rev, led by 16.8% growth in paid search, is expected to swell by 12.8%. Continued innovation and rising levels of Internet access will spur sustained growth of 10.7% for the latter medium through '15, when online ad rev should tally \$42.7bln, or 22% of total industry activity. -- The blogosphere remains abuzz with reaction to *Conan O'Brien's* move to **TBS**, and according to the net the news has created positive buzz in the ad community as well. "We've already received a very large number of advertiser and agency support and inquiries about the show," said a spokesperson. Always the jokester, O'Brien began a multi-city comedy

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tour Mon night in OR, telling the audience he landed a new job at a local Banana Republic store.

Deals: **Interactivation Health Networks** acquired in-hospital networks **The Patient Channel** and **The Newborn Channel** from **NBCU's iVillage** for an undisclosed amount. iVillage said the channels—available in more than 2700 hospitals nationwide—don't fit with its focus to grow its core online and mobile women's audience.

At the Portals: Rep **Maxine Waters** (D-CA) asked the **FCC** to extend the deadline for public comments on the proposed **Comcast-NBCU** transaction. The FCC Media Bureau already denied Media Access Project's request to extend the comment period by 45 days. Waters wants the FCC to reconsider, as an "extension of time is especially important in these proceedings given the Commission's request that petitioners raise all issues in their initial filings..." -- The **Open Internet Coalition**, which includes **Skype, Google, Public Knowledge** and others, wants the FCC to reclassify broadband service under the more burdensome Title II common carrier status. Coalition exec dir **Markham Erickson** said he's not aware of any Coalition members who disagree, and the group will file comments at the FCC calling for reclassification.

Greener Cable: **NBCU** will recognize this year's 40th anniversary of Earth Day with more than 200 hours of content on 40 brands, including an organic garden-themed episode of "Tori & Dean" on **Oxygen** and **Bravo's** special about water conservation, "Live Earth Run from Water." On a press tour of 30 Rock Tues, the company highlighted how its "Green is Universal" initiative has impacted internal operations across all its properties since launching in 2007. "Late Night with **Jimmy Fallon**," the first studio to go green, has refurbished theater seats from Radio City Music Hall, carpet of recycled plastic water bottles and bamboo floors and desk—Fallon's desk was even repurposed from a set designer at his request (tour highlight was Fallon singing "Bringing Bottles Back" to the **Justin Timberlake** tune). NBCU's "Green is Universal Film Production Guide," advice on eco-standards, is available as a free resource (http://www.greenisuniversal.com/guide/nbcu_film_guide.pdf). -- More than 40 engineering and technical professionals attended **SCTE's** Smart Energy Management Initiative forum last week in Philly. Highlights: a case study showing how consolidating electricity expense under a single utility allowed a mid-sized op to reduced cost by 7.6% (\$700K+) in the 1st year and a presentation on how heat generated by data centers can be used to heat adjacent offices during colder periods.

Research: Cable controlled 22% of the residential wireline phone market as of Dec 31, and that percentage is expected to swell to 27% by YE'10, according to **The Convergence Consulting Group**, even as wireless-only homes will likely rep 27.5% of all HHs by Dec, up from 24% last yr. After 2mln US pay-TV subs were added in '09, up from 1.46mln in '08, the firm believes adds will total 1.8mln this yr and 1.65mln in '11. And cord-cutting, it said, will grow to 1.6mln homes in '11.

Upfronts: **CNN's** presentation highlighted a slate of original special investigations and docs, including a week-long (May 10-16) look at American Al Qaeda by **Anderson Cooper**, "Haiti – Rescued" (May 8), featuring a **Soledad O'Brien** investigation into the plight of Haitian children following the country's earthquake, and "The Atlanta Child Murders (wt)" (Jun), chronicling the murders of more than 25 Black children nearly 30 years ago. **CNN.com** announced the following: a new tech section featuring categories/beats such as social media, gaming and mobile; plans to launch a blog network; and integration beginning later this spring of **Facebook Connect** throughout the site.

Programming: **Comcast Ent Group** acquired the basic cable rights to **HBO** series "Sex and the City" for air on **E!** and **Style Net** beginning in Jan. -- **Syfy** inked with **WWE** a deal to air "Friday Night SmackDown" beginning in Oct, and will



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BUSINESS & FINANCE

move its original dramas “Stargate Universe,” “Sanctuary” and “Caprica” to Tues and cease airing “WWE NXT” as a result. -- **Planet Green** announced the pickup of 14 series, specials and feature films, with the former genres to air during the net’s prime Verge destination for conscious living and the films during its weekly Reel Impact doc strand on Sat nights. Included are *Morgan Spurlock’s* “30 Days” (2Q), “Famous, Rich and Homeless” (2Q), in which 5 British celebs spend 10 days and 10 nights on the streets of London, stripped of their cash and possessions, and doc “Shark Water” (3Q).

On the Circuit: Retiring Rep *Bart Stupak* (D-MI) will deliver the Capitol Hill keynote speech at **ACA Summit**, Apr 20, 1:15pm, National Harbor, MD.

-- **Comcast** chmn/CEO *Brian Roberts* will talk about the future of ent and content delivery at the Cable Show’s Newsmaker Brunch (May 11, 10-11:30am), sponsored by **NCTA** and the **Hollywood Radio & TV Society**.

People: **Fox Soccer Channel** promoted *Joshua Glassel* to vp, programming and acquisitions.

Business/Finance: **S&P** maintained its ‘buy’ rating on **Discovery Comm** shares, saying the co’s “cable TV upfront last week suggests notable recovery in ads sentiment from 2009, with core brands like **Discovery**, **TLC** and **Animal Planet** poised to drive DISCA’s likely conservative ’10 guidance for mid single-digit U.S. ads growth.”

CableFAX Daily Stockwatch

Company	04/13 Close	1-Day Ch	Company	04/13 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	37.99	0.33	AOL:	28.51	0.40
DIRECTV:	35.40	0.10	APPLE:	242.43	0.14
DISH:	21.77	0.15	ARRIS GROUP:	12.41	0.05
DISNEY:	35.84	(0.05)	AVID TECH:	16.95	0.11
GE:	18.95	0.24	BIGBAND:	3.52	0.00
NEWS CORP:	18.00	0.34	BLNDER TONGUE:	1.13	0.06
MSOS					
CABLEVISION:	26.04	0.12	BROADCOM:	34.51	0.45
COMCAST:	18.67	0.04	CISCO:	26.44	(0.09)
COMCAST SPCL:	17.75	(0.06)	CLEARWIRE:	7.06	0.04
GCI:	5.99	0.05	COMMSCOPE:	31.37	(0.09)
KNOLGY:	13.03	(0.17)	CONCURRENT:	5.68	(0.24)
LIBERTY CAPITAL:	40.09	(0.06)	CONVERGYS:	12.84	(0.15)
LIBERTY GLOBAL:	29.20	(0.44)	CSG SYSTEMS:	21.28	0.10
LIBERTY INT:	16.38	0.02	EHOSTAR:	19.63	(0.11)
MEDIACOM:	6.15	(0.03)	GOOGLE:	586.77	14.04
RCN:	14.88	(0.2)	HARMONIC:	6.94	0.01
SHAW COMM:	19.69	0.09	INTEL:	22.77	0.23
TIME WARNER CABLE:	52.88	0.14	JDSU:	13.46	(0.1)
VIRGIN MEDIA:	17.35	(0.1)	LEVEL 3:	1.69	(0.03)
WASH POST:	513.01	20.91	MICROSOFT:	30.45	0.13
PROGRAMMING					
CBS:	15.50	0.30	MOTOROLA:	7.41	(0.01)
CROWN:	1.92	0.03	PHILIPS:	33.44	0.03
DISCOVERY:	34.96	0.27	RENTRAK:	20.48	0.20
GRUPO TELEVISA:	21.58	0.13	SEACHANGE:	8.06	0.28
HSN:	31.36	0.66	SONY:	36.60	0.06
INTERACTIVE CORP:	23.46	0.56	SPRINT NEXTEL:	4.15	0.00
LIBERTY:	38.50	0.04	THOMAS & BETTS:	41.71	0.06
LIBERTY STARZ:	55.34	(0.03)	TIVO:	17.59	0.13
LIONSGATE:	6.24	0.02	TOLLGRADE:	6.58	0.12
LODGENET:	6.77	(0.1)	UNIVERSAL ELEC:	22.83	0.10
NEW FRONTIER:	2.04	(0.03)	VONAGE:	1.43	(0.03)
OUTDOOR:	6.91	0.02	YAHOO:	18.18	0.54
PLAYBOY:	4.19	0.09	TELCOS		
RHI:	0.18	0.01	AT&T:	26.20	(0.18)
SCRIPPS INT:	43.60	(0.17)	QWEST:	5.40	0.01
TIME WARNER:	32.77	0.07	VERIZON:	30.07	0.13
VALUEVISION:	3.32	(0.06)	MARKET INDICES		
VIACOM:	39.04	(0.06)	DOW:	11019.42	13.45
WWE:	17.48	0.26	NASDAQ:	2465.99	8.12
TECHNOLOGY					
ADC:	8.21	0.39			
ADVANTAGE:	2.31	(0.07)			
ALCATEL LUCENT:	3.27	0.06			
AMDOCS:	30.95	0.14			
AMPHENOL:	43.53	0.05			

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