

CableFAX Daily™

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What the Industry Reads First

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Mired Media: Common Problems Face Uncertain Answers

What a difference a year makes. **NAB** pres/CEO *David Rehr* spent much of his industry address last Apr marshalling support for legislative battles against cable on multicast must carry and down conversion. But on Mon at this year's con-fab, he focused on common challenges facing broadcast and cable: the DTV transition, content digitization, multiplatform, etc. Rehr will even join with **NCTA** boss *Kyle McSarrow* to inform attendees of transition-related partnering opportunities between the 2 camps. And amid this change, actor *Tim Robbins*, who delivered a roaringly funny (and un-PC) speech, may have best described the difficult media environment when sarcastically admitting that he's "not sure what that [media digitization]... means." Sure, content owners and distributors are aware of the definition, but best practices in content delivery are certainly not uniformly defined. Take content across mobile handsets, for example, which Rehr said will offer broadcasters \$2bln in additional revenue by '12. Some show panelists said the technology improvements are vital to telling better stories on smaller screens, while others argued device compatibility is more important. "Fragmentation of technology certainly affects ease of use for customers," argued **ESPN** svp, digital production *John Zehr*. Meanwhile, business models around online video evoked diffuse views, with some predicting the failure of direct-to-consumer models like **Hulu** and others forecasting the surefire success of any model offering a great user experience. "We just don't know enough to dive in head first" said **20th Century Fox TV** svp, brand and franchise management *Mark Pearson* of digital content initiatives. "We rolled the dice with [Hulu's] direct-to-consumer model." Rehr's main message: digital technology hasn't made content providers less relevant but rather presents opportunity for future growth. Of course, the pathways to such growth remain varied while the destination—content delivery where and when consumers want it—is largely agreed upon. After all, "you may be carrying around your cable box in your pocket before too long," said ESPN's Zehr. -- Amid widespread concern that US consumers aren't adequately informed about the DTV transition, Rehr said the NAB "will leave no TV set behind." He estimates that every US household will be exposed to 642 transition-related messages before Feb. -- **Accenture** advises media companies to expect a 4-fold increase in digital revenue over the next 2 years.

Retention Marketing: Having lost a complaint over **Verizon's** marketing efforts at the **FCC**, look for cable to press the issue with states. Operators, including **Comcast**, **Bright House**, **Time Warner Cable**, **Atlantic Broadband** and **RCN**, have argued that Verizon illegally uses carrier proprietary info to mount customer win-back efforts. But the FCC Enforcement Bureau late Fri denied a cable complaint, saying the rules are unclear. It recommended the FCC open a proceeding on customer retention marketing practices. "We are very disappointed that the FCC staff disregarded its established rules on retention marketing," Bright House said. "We are reviewing the staff recommendation to determine the next steps at the FCC. The **Florida Public Service Commission** is also reviewing the matter. As Verizon controls the change of services processes, it seems like a skewed result to inhibit developing competition to their phone mo-



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nopoly.” Comcast also said it was evaluating its legal options at the federal level and will keep pursuing complaints with state PUCs. While the full Commission could weigh in on the matter, **Stifel Nicolaus** noted that “we believe Verizon now has the inside track in the complaint proceeding, given the staff recommendation, which appears to have the backing of Chairman *Kevin Martin*.” Cable claims Verizon is breaking the rules by launching retention efforts when it learns a customer is leaving after a competitor calls to have the telco port the customer’s number.

Carriage: Outdoor Channel renewed its affiliation agreement with **Charter** for a multi-year term, according to an SEC filing. -- **Comcast** will add **HRTV** to the Greater Chicago region’s digital sports tier on Apr 30.

NAB Notebook: ABC’s 10 O&O stations will continue to offer their SD feeds via wires after the Feb 17 DTV transition. The additional cable-only feeds will be available for ops to transmit from an ABC-owned station to their cable system headends. The idea is that it will ensure the highest quality signal is provided to viewers with analog sets. The end date for the feeds will depend upon progress made in converting sets for digital reception, but it’s expected they will be available for at least a year. -- **MSG Interactive** announced an expanded broadband player that will, for the 1st time, stream live all NY Liberty games produced by MSG on www.MSG.com. -- **DirecTV** is using **Motorola’s** multiplexing and video compression tech to offer local TV channels in select US cities. Each Moto encoder features a terrestrial receiver so that TV signals are received and converted to MPEG-4 in a single unit. The encoder transmits its signals to a Motorola multiplexer in DirecTV’s Broadcast Center and then via satellite to customers.

In the States: NC’s Gen Assembly is the latest legislature to hold a hearing on **NFL Net’s** carriage dispute with cable. The Joint Legislative Utility Review Cmte holds a public hearing Tues. The NFL wants state governments to intervene in carriage negotiations with **Time Warner Cable** and other cable ops. -- NYC on Fri said it’s seeking new video service providers—opening the doors for **Verizon** to seek permission to launch **FIOS** in the Big Apple.

Competition: **Verizon** added **The Worship Network**, **qubo** and **ION Life** to **FIOS TV** in Boston, NY and northern NJ.

Ratings: **TNT** scored double-digit **NBA** ratings growth this season, averaging a 1.1 US rating—a 13% increase over the prior season. -- “The Memory Keeper’s Daughter” became **Lifetime’s** most-watched original movie since ’95, with Sat’s premiere delivering 4.5mln homes and 4.5mln women 18+.

Programming: **The Documentary Channel** snagged a deal to televise a collection of 21 **IMAX** films for the 1st time in the US. -- **ESPN Films** will team with **Robert Redford** and **Baldwin/Cohen Prod** to co-produce a theatrical release about **Jackie Robinson** and Brooklyn Dodgers gm **Branch Rickey**. Redford will star as Rickey. -- Potential First Lady **Michelle Obama** is slated to make her 1st late night TV appearance Tues on **Comedy Central’s** “The Colbert Report,” 11:30pm ET. -- **MSG** and **NESN** acquired the exclusive rights to televise the Little League Baseball Mid-Atlantic and New England regional tournaments in Aug. -- **Lifetime** will become the 1st net to ever develop **Patricia Cornwell’s** novels for TV. “At Risk” and upcoming sequel “The Front” have been optioned by the net.

Upfronts: **Lifetime** already announced its big programming deal (**Bravo’s** “Project Runway” is supposed to move to its lineup in Nov ’08), but it had plenty of other programming announcements at its upfront presentation Mon. “How to Look Good Naked” will expand to 1-hour when it returns for Season 2 in July. For the 1st time in a decade, the net will develop a half-hour prime comedy series to bow this fall. Picked up for pilots are “Mistresses” and “Drop Dead Diva.”

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BUSINESS & FINANCE

Also on the development slate is "Trump Tower," a nighttime soap set in the Trump apartment and condo complexes. Lifetime is also expanding its digital initiatives, with 15 original broadband Webisode series planned for this year alone. Also new is a partnership with **Glam Network** that kicks off this month.

People: **Versus** chose *Jamie Davis* to succeed *Gavin Harvey* as pres of the network in Sept. Harvey, who chose not to relocate with the net as it moves from Stamford, CT, to Philly, will consult for **Versus** through '08. Davis joins **Versus** from **ESPN Star Sports**, Asia's leading sports broadcaster. -- *Stacy Isenhower* was upped to svp, programming and scheduling for **Cartoon**. -- *Gary Bonilla* takes the new post of svp, creative strategy for **Nick/MTVN Kids** and Family Group. -- *Susan Malfa* was upped to svp, ad sales for **Bravo** and **Oxygen**.

Business/Finance: Online HD service provider **Move Networks** announced a \$46mIn Series C funding round led by **Benchmark Capital**, which includes **Comcast Interactive Media**, **Cisco**, **Televisa** and previous investors **Steamboat Ventures** and **Hummer Winblad**. -- Video processing firm **RGB Networks** raised an additional \$20mIn in funding, with **Institutional Venture Partners** leading the round. Also participating were **Comcast Interactive**, **Accel Partners**, **Kleiner Perkins Caufield & Byers** and **Focus Ventures**.

CableFAX Daily Stockwatch

Company	04/14 Close	1-Day Ch	Company	04/14 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	42.93	(0.42)	ALCATEL LUCENT:	5.87	0.01
DIRECTV:	25.54	(0.2)	AMDOCS:	27.50	0.02
DISNEY:	30.04	(0.14)	AMPHENOL:	41.61	0.52
ECHOSTAR:	30.74	(0.08)	APPLE:	147.78	0.64
GE:	31.75	(0.3)	ARRIS GROUP:	6.12	(0.03)
HEARST-ARGYLE:	19.95	0.04	AVID TECH:	24.00	(0.32)
ION MEDIA:	1.45	0.00	BIGBAND:	6.55	0.14
NEWS CORP:	18.14	(0.86)	BLNDER TONGUE:	1.40	0.05
MSOS					
CABLEVISION:	22.43	0.00	BROADCOM:	20.15	(0.85)
CHARTER:	0.93	(0.01)	C-COR:	11.00	0.00
COMCAST:	19.77	0.12	CISCO:	23.31	(0.07)
COMCAST SPCL:	19.52	0.11	COMMSCOPE:	36.90	0.35
GCI:	6.21	(0.01)	CONCURRENT:	0.71	(0.01)
KNOLOGY:	13.03	0.06	CONVERGYS:	14.99	0.01
LIBERTY CAPITAL:	15.55	(0.26)	CSG SYSTEMS:	10.97	(0.01)
LIBERTY ENTERTAINMENT:	24.43	(0.39)	ECHOSTAR HOLDING:	28.43	0.06
LIBERTY GLOBAL:	33.70	(1.04)	GEMSTAR TVG:	4.77	(0.03)
LIBERTY INTERACTIVE:	15.47	(0.04)	GOOGLE:	451.66	(5.79)
MEDIACOM:	4.31	(0.06)	HARMONIC:	7.59	0.01
ROGERS COMM:	42.97	0.00	JDSU:	13.37	(0.09)
SHAW COMM:	19.81	(0.9)	LEVEL 3:	2.06	(0.01)
TELEWEST:	24.20	0.00	MICROSOFT:	28.06	(0.22)
TIME WARNER CABLE:	26.39	(0.14)	MOTOROLA:	8.96	(0.08)
VIRGIN MEDIA:	12.47	0.09	NDS:	47.22	0.71
WASH POST:	677.62	(0.88)	NORTEL:	6.93	(0.07)
PROGRAMMING					
CBS:	20.96	(0.44)	OPENTV:	1.16	0.07
CROWN:	4.50	0.01	PHILIPS:	36.31	(1)
DISCOVERY:	21.56	(0.12)	RENTRAK:	13.01	0.07
EW SCRIPPS:	41.41	(0.01)	SEACHANGE:	6.84	(0.05)
GRUPO TELEVISA:	23.32	(0.2)	SONY:	39.86	(0.9)
INTERACTIVE CORP:	20.41	(0.19)	SPRINT NEXTEL:	6.42	(0.05)
LIBERTY:	8.32	0.06	THOMAS & BETTS:	38.73	0.48
LODGENET:	5.60	(0.15)	TIVO:	8.80	(0.11)
NEW FRONTIER:	5.05	0.01	TOLLGRADE:	5.03	0.04
OUTDOOR:	6.98	(0.03)	UNIVERSAL ELEC:	25.40	0.50
PLAYBOY:	8.41	0.00	VONAGE:	1.79	(0.02)
TIME WARNER:	14.17	(0.1)	WEBB SYS:	0.04	(0.01)
UNIVISION:	36.23	0.00	WORLDGATE:	0.30	0.00
VALUEVISION:	4.99	0.11	YAHOO:	27.80	(0.54)
VIACOM:	39.34	(0.28)	TELCOS		
WWE:	18.98	0.07	AT&T:	37.20	(0.1)
TECHNOLOGY					
3COM:	2.35	0.02	QWEST:	4.54	(0.11)
ADC:	12.42	(0.08)	VERIZON:	35.34	(0.25)
ADVANTAGE:	3.76	0.05	MARKET INDICES		
			DOW:	12302.06	(23.36)
			NASDAQ:	2275.82	(14.42)

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