

# CableFAX Daily™

Thursday — April 19, 2012

What the Industry Reads First

Volume 23 / No. 075

## KnowWology: WOW! Spending \$1.5bln on Knology

In a deal that bodes well for cable values, **WOW!** plans to acquire **Knology** for \$1.5bln (\$750mln cash). The \$19.75/ share price represents a 9.4% premium to Tues' closing price and implies a 7.65x forward EV/EBITDA multiple, according to **Wells Fargo Securities'** *Marci Ryvicker*. "We view today's news as positive as the transaction multiple was significantly greater than our cable coverage's trading average, reinforcing our belief that there is still room for multiple expansion within the cable sector," she wrote in a note to clients. **Miller Tabak's** *David Joyce* pegged the deal at a 7.3x multiple, noting that the market typically discounts the value of overbuilders somewhat. "That 7.3x multiple is for assets that private bidders consider inferior to pure incumbent cable operators, so even higher multiples and equity prices would be rational," Joyce said, estimating that given the enterprise multiple **Cablevision** shares should be 56% higher, **Comcast** 27%, **Time Warner Cable** 32% and **Charter** 8% (because it has higher leverage). Reached by phone Wed, Knology pres *Todd Holt* said that in addition to the very favorable return to shareholders, WOW! has a business that is run in a very similar fashion to Knology. "It helps [that WOW! is a fellow overbuilder] because we have that same competitive mentality. We have the same newer, robust networks. The same focus on customer service. We're both the guys who have been most successful going out there and competing with the large MSOs and the large telcos," he said. "The cultures are so similar because the operating environments are so similar." In a statement, WOW! CEO *Colleen Abdoulah* echoed the sentiment: "Together, our people, network and operating infrastructure will combine to provide a strong platform for continued growth." It's too early to talk about integration plans, but it's a change for Knology to be on the sell side of a deal. It's made about 6 acquisitions in the past 5 years, including **Sunflower Broadband** in '10. Knology's board unanimously approved the deal, which is expected to close in 7-9 months. WOW!, which is controlled by **Avista Capital Partners**, operates in MI, IL, OH and IN, while Knology serves the Southeast and Midwest. The combined entity will have more than 800K customers, with services available to more than 2.8mln homes in 13 states. Knology shares closed up about 7.5% Wed. Still on the block: **Wave Broadband**.

**Spectrum Speak:** **Verizon Wireless'** announcement that it would conduct an open sale process for all of its 700MHz A and B spectrum licenses to rationalize its spectrum holdings did little to placate critics of its pending spectrum deal with



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cable operators. The sale is contingent on the close of Verizon Wireless' purchase of AWS licenses from **SpectrumCo**, **Cox** and **Leap Wireless**, which are under review by the **FCC** and **DOJ**. "Until today's announcement, Verizon denied that it was hoarding spectrum. This sale demonstrates that Verizon has in fact warehoused spectrum and the company will likely profit handsomely from this spectrum speculation strategy," said **Free Press** research dir *Derek Turner*. **NAB**, whose members are facing voluntary spectrum incentive auctions, also accused the company of warehousing "beach-front property" and continued to question whether a spectrum shortage actually exists. Verizon obtained the licenses, which cover dozens of major cities and a number of smaller, rural markets, in an '08 FCC auction. Also acquired in that auction were nationwide 700 MHz upper C licenses. The company said if it's successful in acquiring additional AWS spectrum, it will use that spectrum in conjunction with the upper C band spectrum to deploy additional 4G LTE capacity. In other words, *if* the FCC approves the AWS deals, Verizon says it will have spectrum to sell (and would thus argue that it isn't warehousing). **Stifel Nicolaus** believes the sale could help with the AWS purchase from cable. "By putting its 700 MHz band lower A&B block licenses on sale, Verizon could ease potential regulatory concerns about its concentration of spectrum holdings, though there could be concerns that **AT&T** would be the main buyer," the firm said.

**On the Hill:** Interesting hearing planned in **Senate Commerce** next Tues. It's titled "The Emergence of Online Video: Is it the Future?" No immediate word on witnesses, but chmn *Jay Rockefeller* (D-WV) sent this Tweet out into the ether this week: "Look forward to thoughtful discussion w/ top-notch witnesses next week on future of TV in Commerce Cmte hearing. Stay tuned for more info."

**TV Everywhere:** **NBCOlympics.com** relaunched Wed. During the Games, it will live stream more than 3500 total programming hours, including the awarding of all 302 medals. That compares to 2200 hours of live streaming for the '08 Beijing Olympics. The vast majority of the streaming will only be available to authenticated MVPD customers. In a first, NBCOlympics.com will provide multiple concurrent streams for select sports, including gymnastics and tennis. -- **Cartoon Net** said it would soon begin streaming its content live across multiple platforms, including CartoonNetwork.com. "It is our commitment to the TV Everywhere strategy to let our audiences enjoy our shows whenever and wherever they want," said *Stuart Snyder*, pres/COO, **Turner Broadcasting's** Animation, Young, Adults & Kids Media (AYAKM).

**Competition:** **DirectTV** is now offering HD DVRs as part of its "Residential Experience" service for the lodging industry. The service will now also support local content insertion (hotels can customize the in-room experience with the ability to insert up to 50 of their own content channels into the channel guide).

**Makeover:** Naturally the focus of **Style Network's** upfront this year was its upcoming rebrand. "We're way too young for a facelift, but we are going through a major makeover," said *Frances Berwick*, pres, **Bravo & Style Media**. And with a record year in 2011 and its best Q1 ever in 2012, momentum is strong. The event's choice of venue, the Diane von Furstenberg Studio in the Meatpacking District, was significant, said *Salaam Coleman Smith*, pres, Style Media. Nearly 40 years ago Furstenberg created the "enduring classic" wrap dress, a black and white version of which Smith herself donned for the occasion. Style's rebrand aims to position the net as a "multimedia staple for women across the globe," but staying true to the network's "enduring classic look" is equally important. Evidenced by the net's interim tagline "Work it. Live it. Buy it." and the formation of Style Media, a new global, multimedia company to focus on digital, merchandizing and consumer brand experiences, the rebrand-to-come is markedly focused on consumerism. As Smith put it, "it's more than fashion, more than TV—Style is big business." Style talent will offer up tips and advice on everything from cars, beauty salons, restaurants and Internet searching. A new visual look, tagline and Website will launch this summer. On the programming front, execs announced a 25% increase in originals, including 5 new series. "Betsey + Lulu" is a docu-series on fashion icon *Betsey Johnson* and her daughter *Lulu*. Home makeover show "Ultimate Home with Bill Rancic" follows Bill as he flips properties into high-end homes. "Empire Girls: Julissa & Adrienne," (premieres June 3) features 2 Latina best friends and their quest to make it in show business. The series will speak to the next generation of Style viewers, said Smith. "Tia & Tamera," and "Glam Fairy" are the net's returning series. Series in dev include "The Cat Deeley Celebrity Project," "House of Fab," "Celebrity Closet Confidential," "Absolutely Marvelous," "Pop Style" and "Built." A promo reel of the latter, which follows a group of male models moonlighting as handymen, drew the most laughs. Rightly so.

**Programming:** It's not unusual for former lawmakers to go on to TV careers. More unusual is current politicians moonlighting on the tube. The Lt Gov of CA will launch a weekly talk show on **Current TV** next month. "The *Gavin Newsom Show*"

# BUSINESS & FINANCE

will feature interviews with notables from Silicon Valley, Hollywood and beyond, with former CNN exec *Mia Haugen* serving as exec producer. Newsom, a Democrat, was elected in Nov '10, having served as mayor of the city and county of San Francisco before that. He also is an entrepreneur, having started more than 17 small businesses.

**Online:** FoxSports.com launched a special site Wed marking the 100-day countdown to the Summer Olympics (msn.foxsports.com/Olympics). FOXSports.com will be the exclusive provider of Olympics content to **MSN.com**. -- Nielsen and AdSafe announced a deal to integrate AdSafe's ad safety ratings, contextual analysis and viewability measurement into Nielsen Online Campaign Ratings.

**Honors:** Suddenlink vp, tech ops *Andy Parrott* receives this year's **SCTE** Excellence in Cable Telecommunications Learning and Development Award. He was honored for his emphasis on tools, training and SCTE certification that have helped drive customer satisfaction for the MSO.

**Public Affairs:** Sat marks the 11th **Comcast** Cares Day, with more than 67K Comcast and **NBCU** volunteers set to give back to their communities. 650 projects are planned in 39 states and DC, including repainting the inside of a Miami-Dade public school.

**Oops:** The stock chart in Wed's issue reflected Fri's close. Our apologies!

## CableFAX Daily Stockwatch

Company	04/18 Close	1-Day Ch	Company	04/18 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	48.72	(0.17)	CLEARWIRE:	1.76	(0.13)
DISH:	30.75	(1.08)	CONCURRENT:	3.68	(0.1)
DISNEY:	42.49	(0.19)	CONVERGYS:	13.33	(0.16)
GE:	19.10	(0.24)	CSG SYSTEMS:	14.60	(0.29)
NEWS CORP:	19.63	(0.15)	ECHOSTAR:	27.43	(0.12)
<b>MSOS</b>					
CABLEVISION:	13.74	0.12	GOOGLE:	607.45	(2.12)
CHARTER:	61.16	(0.15)	HARMONIC:	4.70	(0.16)
COMCAST:	29.86	(0.23)	INTEL:	27.95	(0.52)
COMCAST SPCL:	29.50	(0.17)	JDSU:	13.29	(0.02)
GCI:	7.93	(0.18)	LEVEL 3:	24.58	(0.93)
KNOLOGY:	19.40	1.35	MICROSOFT:	31.14	(0.3)
LIBERTY GLOBAL:	49.51	0.02	MOTOROLA MOBILITY:	38.87	(0.14)
LIBERTY INT:	18.89	0.15	RENTRAK:	19.39	(0.13)
SHAW COMM:	20.17	0.21	SEACHANGE:	8.27	(0.02)
TIME WARNER CABLE:	81.80	0.02	SONY:	16.89	(0.61)
VIRGIN MEDIA:	23.90	(0.31)	SPRINT NEXTEL:	2.52	(0.09)
WASH POST:	372.96	(6.43)	THOMAS & BETTS:	71.92	0.07
<b>PROGRAMMING</b>					
AMC NETWORKS:	43.00	0.02	TIVO:	10.83	(0.06)
CBS:	32.92	0.10	UNIVERSAL ELEC:	16.24	(0.61)
CROWN:	1.50	(0.04)	VONAGE:	2.11	(0.01)
DISCOVERY:	52.16	(0.25)	YAHOO:	15.49	0.48
GRUPO TELEVISA:	20.36	(0.14)	<b>TELCOS</b>		
HSN:	37.55	(0.39)	AT&T:	30.75	(0.14)
INTERACTIVE CORP:	49.02	(0.06)	VERIZON:	37.66	(0.08)
LIONSGATE:	12.20	0.06	<b>MARKET INDICES</b>		
LODGENET:	3.69	(0.02)	DOW:	13032.75	(82.79)
NEW FRONTIER:	1.50	UNCH	NASDAQ:	3031.45	(11.37)
OUTDOOR:	7.12	(0.22)	S&P 500:	1385.14	(5.64)
SCRIPPS INT:	48.60	(0.24)			
TIME WARNER:	36.22	(0.11)			
VALUEVISION:	1.70	0.05			
VIACOM:	50.86	0.43			
WWE:	7.96	(0.1)			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.47	0.01			
ALCATEL LUCENT:	1.92	(0.08)			
AMDOCS:	31.60	(0.18)			
AMPHENOL:	58.09	(1.86)			
AOL:	25.36	(0.25)			
APPLE:	608.34	(1.36)			
ARRIS GROUP:	11.28	(0.13)			
AVID TECH:	8.27	(0.2)			
BLNDER TONGUE:	1.21	(0.01)			
BROADCOM:	36.86	(0.37)			
CISCO:	20.06	(0.02)			

2012

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#### Ad/Series of Ads - Distributor

- ▶ Comcast Spotlight - *Comcast Spotlight Eye-Con Campaign*
- ▶ Time Warner Cable Media - *2011 New York International Auto Show / Automotive On Demand*

#### Ad/Series of Ads - Programmer

- ▶ A&E - *The Glades Season 2 - Axe Unit*
- ▶ Starz Entertainment, LLC - *Spartacus: Gods of the Arena Digital Online Campaign*
- ▶ Turner Sports - *NBA.com/ESPN Fantasy Basketball*
- ▶ Turner Sports - *NBA TV "Bobble Heads"*

#### Best Overall Website - Cable Network - Large

- ▶ AMC - *AMCtv.com*
- ▶ CNBC - *CNBC.com*
- ▶ E! Entertainment - *E! Online*
- ▶ G4 - *G4tv.com*

#### Best Overall Website - Cable Network - Small and MidSize

- ▶ FEARnet - *FEARnet.com*
- ▶ MSG Varsity - *MSGVarsity.com*
- ▶ nuvoTV - *mynuvotv.com*
- ▶ Outdoor Channel - *OutdoorChannel.com*

#### Best Overall Website - Cable Operator

- ▶ Comcast Cable - *Comcast.com*
- ▶ Cox Communications Inc - *Customer Centered Online Experiences*
- ▶ Time Warner Cable - *TimeWarnerCable.com*

#### Best Overall Website - Regional/Local Programmers

- ▶ BayNews 9 - *baynews9.com*
- ▶ Central Florida News 13 - *cfnews13.com*
- ▶ Comcast SportsNet Mid-Atlantic - *CSNWashington.com*
- ▶ Comcast SportsNet Philadelphia - *CSNPhilly.com* (online home of Comcast SportsNet Philadelphia)
- ▶ YES Network - *YESNetwork.com*

#### Best TV Everywhere App

- ▶ AT&T U-verse - *AT&T U-verse App*
- ▶ CNN - *The CNN App*
- ▶ Comcast Corporation - *The XFINITY TV app*
- ▶ MSG Varsity - *MSG Varsity*

#### Blog or Series of Blogs

- ▶ AMC - *HanksBlog*
- ▶ BBC Worldwide Limited - *Anglophenia*
- ▶ CNBC - *NetNet with John Carney*
- ▶ RLTV - *Good Food, Good Deeds*

#### Blogger/Tweeter/Social Networking Facilitator

- ▶ Central Florida News 13 - *Jennifer Cook*
- ▶ CNBC - *John Carney*
- ▶ Turner Sports - *John Kim*
- ▶ Time Warner Cable - *Jeff Simmermon*

#### Community/Social Networking

- ▶ 360i - *USA Network - Bruce Campbell/The Fall of Sam Axe Ask Me Anything Reddit Campaign*
- ▶ Scripps Networks Interactive - *Food Network's Communal Table: Thanksgiving Edition*
- ▶ The Weather Channel - *The Weather Channel Social*

#### Contest / Online Games

- ▶ AMC - *Breaking Bad Games*
- ▶ Charter Communications - *Charter Center Stage*
- ▶ A&E - *Breakout Kings' Catch a Con Sweepstakes*
- ▶ National Geographic Channel - *Expedition Week's MISSION EXPEDITION*
- ▶ IFC - *Rhett & Link: Commercial Kings Loco Awards*
- ▶ WE tv - *Cake Staker Game*

#### Digital Marketing Campaign - Distributor

- ▶ Charter Communications - *Charter Center Stage*
- ▶ Comcast Spotlight - *Comcast Spotlight Take Five for Your Future 2011*
- ▶ Time Warner Cable Media - *Summertime is Cabletime*
- ▶ Time Warner Cable Media - *Domino's/ClickedIn*

#### Digital Marketing Campaign - Programmer

- ▶ EPIX - *The Long Khan, an interactive promotion for EPIX Pictures Presentation: The Captains*
- ▶ Starz Entertainment, LLC - *Scandalous Dirt, political aggregator site for the STARZ Original series Boss*
- ▶ Turner Sports - *RaceView Launch*

#### Digital Team of the Year

- ▶ AMC Networks
- ▶ Comcast - NBCU
- ▶ Discovery Communications
- ▶ ESPN
- ▶ Time Warner Cable
- ▶ Turner Sports

#### Editorial Excellence

- ▶ AMC - *AMCtv.com*
- ▶ Central Florida News 13 - *cfnews13.com*
- ▶ History - *CIVIL WAR 150 interactive*
- ▶ The Weather Channel - *The Weather Channel - Hurricane Irene coverage*

#### Official Show Website

- ▶ BBC Worldwide Limited - *Doctor Who - www.bbcamerica.com/doctorwho*
- ▶ nuvoTV - *Model Latina Las Vegas Website: mynuvotv.com/model-latina-las-vegas*
- ▶ Oxygen Media, LLC - *The Glee Project Digital Campaign*
- ▶ WE tv - *Braxton Family Values Show Section*

#### Original Content

- ▶ AMC - *The Trivial Pursuits of Arthur Banks*
- ▶ E! Entertainment - *E! News Now*
- ▶ FEARnet - *FEARnet's Jobs of the Damned*
- ▶ G4 - *G4 Films Epictober Fil Festival*
- ▶ History - *CIVIL WAR 150 interactive*
- ▶ Scripps Networks Interactive - *HGTVRemodels' Bathroom Planning Guide*

#### Podcast or Videocast

- ▶ Comcast SportsNet Mid-Atlantic - *Football Friday - CSNWashington.com*
- ▶ Turner Sports - *NCAA March Madness On Demand*
- ▶ Turner Sports - *PGA Championship LIVE Streaming Player*
- ▶ YES Network - *Off the Wall*

#### Smartphone App

- ▶ AMC - *AMC iPhone App*
- ▶ Bravo Media - *Bravo Now App*
- ▶ CNBC - *CNBC PRO*
- ▶ ESPN - *WatchESPN*
- ▶ Turner Sports - *93rd PGA Championship iPhone Mobile App*

#### Social Media Campaign

- ▶ 360i - *Bravo Top Chef Just Desserts: Surprise & Delight*
- ▶ Central Florida News 13 - *The Case Against Casey Anthony*
- ▶ Crown Media Networks - *Hallmark Channel's Countdown to Christmas*
- ▶ Discovery Communications - *Science's An Idiot Abroad Social Media Campaign*
- ▶ IN DEMAND - *Movies On Demand Facebook App*
- ▶ Oxygen Media, LLC - *The Glee Project Social Media Campaign*

#### Supplemental Web Campaign

- ▶ AMC - *The Walking Dead*
- ▶ Bravo Media - *Bravo Digital Media*
- ▶ RLTV - *Making Medicine Work for You*

#### Tablet App

- ▶ Comcast Spotlight - *1 + iPad App*
- ▶ E! Entertainment - *Live from the Red Carpet App*
- ▶ ESPN - *WatchESPN*
- ▶ National Geographic Channel - *Locked Up Abroad*
- ▶ The Weather Channel - *The Weather Channel App for iPad redesign*

#### Use of Facebook

- ▶ E! Entertainment - *E! Royal Wedding*
- ▶ IN DEMAND - *Movies On Demand Facebook App*
- ▶ National Geographic Channel - *9/11 Facebook Application*
- ▶ TLC - *TLC's Cake Boss Facebook Page*

#### Use of Twitter

- ▶ Discovery Communications - *Discovery Channel's @SharkWeek*
- ▶ E! Entertainment - *E! Celebri-tweet*
- ▶ Oxygen Media, LLC - *The Glee Project Social Media Campaign*
- ▶ Turner Sports - *NCAA March Madness On Demand Social Arena*
- ▶ WICT - *@WICT*

#### Use of Video/Moving Image

- ▶ AMC - *Video Inside Breaking Bad*
- ▶ CNBC - *CNBC Explains*
- ▶ Starz Entertainment, LLC - *Camelot NY Post Animated Rich Media Interstitial & Takeover*
- ▶ Turner Sports - *NASCAR.COM RaceBuddy*
- ▶ Turner Sports - *NASCAR.COM's Garage Cam*

#### Video Editor/Producer

- ▶ Discovery Communications - *James Williams*
- ▶ Travel Channel - *Jim Morley*
- ▶ YES Network - *Joe Auriemma*

#### Web Content Director

- ▶ MSG Varsity - *Jonathan McCarthy*
- ▶ WE tv - *Andrea Macey*
- ▶ YES Network - *Kevin Sullivan*

#### Web Site Design/Redesign

- ▶ FEARnet - *FEARnet's Trick 'r Treat Campaign*
- ▶ MSG Varsity - *MSGVarsity.com*
- ▶ WE tv - *WETv.com*

**ANNOUNCED: The TV Everywhere Leadership Awards: Comcast & Turner Broadcasting System**

Winners announced and Mid-Day Report released during the May 21st awards breakfast. Congratulations to all of the finalists!

To register for the event, visit [www.CableFAX.com/events](http://www.CableFAX.com/events)

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SVP, Digital Media and Business Strategy, Sundance Channel

**Nomi Bergman**

President, Bright House

**Mike Biard**

EVP, Distribution, Fox Networks

**Michael Bonner**

EVP, NBCUniversal Digital Distribution, NBCU

**Eric Bruno**

SVP, Consumer Product Management, Verizon FIOS

**Greg Calvert**

Director of Video Product Management, Time Warner Cable

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EVP, Digital Media, Disney/ABC Television Group

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SVP, CNN Digital, CNN

**Andy Forssell**

SVP, Content, Hulu

**Mark Garner**

SVP, Distribution, Marketing and Business Development, AETN

**Robert Gessner**

President, Massillon Cable TV

**Rebecca Glashow**

SVP, Digital Media Distribution, Discovery Communications

**Marc Goldberg**

CTO, Epix

**Greg Hickman**

Director of Interactive Media, WICT

**Sarah Hofstetter**

SVP, Brand Strategy and Emerging Media, 360i

**Rhonda Holt**

SVP, Audience Multi-Platform Technologies, TBS

**Matthew Hong**

SVP/GM, Sports Operations for Turner Sports, Turner Sports

**Lisa Hsia**

EVP, Digital Media, Bravo Media

**Neil Hunt**

Chief Product Officer, Netflix

**Jeff Husvar**

EVP/GM, Fox Sports Interactive

**Marcien Jenckes**

SVP & General Manager of Video Services, Comcast

**Yvette Kanouff**

EVP, Engineering & Software Design, Cablevision

**Jennifer Kavanagh**

VP, Digital and New Media, Oxygen

**Eric Kessler**

Co-President, HBO

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SVP, Editorial for Digital and Print Media, ESPN

**Patrick Knorr**

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**Mac McKean**

SVP, Digital Media, AMC

**Stephanie Mitchko**

VP, Interactive Platform Development, Cablevision Systems

**Adam Naide**

Executive Director of Marketing – Social Media, Cox

**John Najarian**

EVP/GM, Digital and Business Development, E! Entertainment

**Lisa Choi Owens**

GM, Scripps Networks Digital, Scripps Networks

**JB Perrette**

Chief Digital Officer, Discovery Communications

**Drew Pisarra**

VP, Digital Media, AMC

**Jennifer Robertson**

SVP, Digital Media and Business Development, WE tv

**Jeff Simmermon**

Director of Digital Communications, Time Warner Cable

**Michael Spirito**

VP, Business Development and Digital Media, YES Network

**Meredith Stark**

VP/Executive Producer, CNBC.com, CNBC

**Matt Strauss**

SVP and GM, Comcast Interactive Media

**Dan Suratt**

EVP, Digital, AETN

**Brooks Tobey**

SVP, Sales Solutions, Multi-Screen Development & Delivery, TBS

**Julia Veale**

SVP, Business/Product Development & Management, Showtime

**Steve Youngwood**

EVP of Digital, Nickelodeon Kids and Family Group, MTVN Kids & Family

## Think about that for a minute...

### On The Other Hand...

Commentary by Steve Effros

There's usually a simple structure to the political and policy debates we engage in. Unfortunately, that structure is so often ritualized that you can be virtually assured of guessing the various positions and postures of the players without even having to hear their outraged pleas.

When it comes to telecommunications, it's pretty clear that the "big is bad" position, or the "competition lowers price" position is going to be taken by what I usually refer to as the "so-called public interest groups" because this is a group of policy lobbyists who self-proclaim to be representing the "public" or "consumers." And from that position they seem to consistently believe that lower prices and more competition, which they believe always brings about lower prices, are invariably in the "public interest."



On the "other" side, folks who represent "the industry"—whatever industry that is—are almost always simply called "paid lobbyists." Ok, that's all part of the game. It is, after all, a form of theatre. But now things are getting far more complicated, and the inevitable unintended consequences and nuances of various positions are starting to make the players a lot more hesitant about knowing what their lines should be.

The best example came the other day when Apple and several of the major book publishers were charged with antitrust violations by the Justice Department. The allegation; they "conspired" to design a new way of setting prices for books, particularly e-books, that resulted in higher prices for those books. The "injured party"; well, the buying public, and Amazon.

But wait! Amazon had corralled over 90 percent of the e-book business before these miscreants came along! It was only because of their actions that Apple was able to

successfully challenge Amazon in the selling of e-books. Amazon had such power in the market that the book publishers had lost the ability to price their own product and their business—particularly on the physical book selling side, they said—was being jeopardized.

Meanwhile, as everyone seems to acknowledge, Amazon was setting those low rates on the e-books because they, in turn, fueled the purchase of Amazon's e-reader, the Kindle, which is where Amazon really makes its money! So we now have a situation where the "big" company is the hero for lowering consumer prices (at least for a while) but the result is the likely demise of local book stores, less competition, and the creation of a market dominated by one company... exactly what the "public interest" folks usually abhor! Sort of like WalMart and the local Mom and Pop grocery stores. Consumer advocates are now confused about which side of the argument they want to pick.

This, to my mind, is healthy. It forces consumers and their advocates to consider the "on the one hand, and on the other hand" nature of what they are so often espousing. The bottom line; price and size are not everything. It's just not that simple. Yes, lower prices are usually a good thing for consumers, but if those prices are artificially impacted by the government or a competitor to levels where service or infrastructures cannot be maintained, products are not created, where entire business models are changed... then the alleged "benefit" has to be seriously questioned.

Those questions are rarely asked. The siren call of lower consumer cost is so often heard that the "consumer press" and policy makers often neglect to consider "...the other hand." That, hopefully, is starting to change, and that will be good for all of us.

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