

CableFAX Daily™

Tuesday — April 20, 2010

What the Industry Reads First

Volume 21 / No. 075

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Double or triple-digit P25-54 delivery gains



#1 in total day length of tune

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IN 1Q10, EACH NIGHT OF THE WEEK POSTED DOUBLE OR TRIPLE-DIGIT P25-54 DELIVERY GAINS OVER THE SAME TIME PERIOD LAST YEAR (MONDAY +66%, TUESDAY +118%, WEDNESDAY +57%, THURSDAY +49%, FRIDAY +68%, SATURDAY +26%, SUNDAY +34%)
Source: The Nielsen Company, Live + SD, NHI Calendar, Time-Period Dayparts, 12/28/09-03/28/10 vs. 12/29/08-03/29/09, P25-54, M-Su 8P-11P
IN 1Q10, ID IS #1 IN TOTAL DAY LENGTH OF TUNE FOR P25-54 IN AD-SUPPORTED CABLE
Source: The Nielsen Company, Live data, NHI Calendar, 12/28/2009 - 03/28/2010, P25-54, M-Su 6A-6A

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Not So Right: Comcast Spends Day Explaining It's Not Involved with RightNetwork

Interesting to watch the blogosphere light up over the weekend with a report that **Comcast** was involved in a new venture dubbed the **RightNetwork**, which has a video promo featuring Republican celeb *Kelsey Grammer* decrying things such as big govt, trillion dollar deficits and cats on leashes. Politico, Drudge and Gawker all picked up on the story, and Comcast-NBCU opponents latched on to it as a reason why the transaction could give Comcast too much control of media voices. The problem is the story wasn't accurate. "We have no partnership with this venture and have no plans to launch or distribute the network," said a Comcast spokeswoman, who made a blog post of her own at Comcast Voices. "As we have done with hundreds of other content providers, we have met with the network's representatives. We do carry a number of independent networks on Comcast representing a wide variety of interests and diverse viewpoints." RightNetwork backed up the MSO, saying it is not "owned by any cable company, satellite company or multiple system operator" and that it currently has no distribution agreement with Comcast—though COO *Kevin McFeeley* said the net's talking to it and others. "I don't know how this started," McFeeley told *Cfax* Mon. Blog *CrooksandLiars.com* was apparently the 1st to report it, citing a promo document discovered online in which Comcast was called a TV partner, according to the *NY Times*. **Comcast-Spectacor** chmn *Ed Snider* is a personal investor in the RightNetwork and was quoted in the doc, perhaps adding to the confusion. McFeeley said Snider is one of a group of investors but declined to provide other names. Asked if this would be a right-wing focused net, he said, "this is entertainment. The tagline is 'All That's Right With the World.' It's an opportunity for us to put a point of view out there." A microsite with trailers is available now at rightnetwork.com, with plans for a full Website launch this summer, McFeeley said. As far as MVPD partners, there are no distributors "at this time that we want to discuss," he said, adding that the net does plan to be at next month's **Cable Show** in some capacity. Guess it'll now have pretty good name recognition...

Coast to Coast: Epix landed a distribution deal with **DISH**, earning its 6th overall affil (**FiOS TV, Cox, Charter, Mediacom** and **NCTC**) and importantly its 1st with a national footprint. By next month, EPIX will be available in more than 30mln homes. DISH is offering Epix within its Platinum HD package, which features 12 other nets, including **HDNet Movies, Mav TV** and **Universal HD**, and is now being offered as a special bonus to customers who upgrade and add



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HD to their programming package for \$10/month. The deal further underscores EPIX's flexibility in carriage arrangements—Mediacom's current launch plans encompass only 2 states, for example, and Cox offers Epix as a standalone net and within its digital movie pack—part of an overall attempt "to reinvent what the premium category is," said CEO *Mark Greenberg*. That effort also includes **EpixHD.com** and the site's authentication tech now live for FiOS TV subs and slated for use by other affils this summer. "We're trying to make TV Everywhere a reality and not a press release," said Greenberg. "It's the nature of who we are." A spokesperson said Verizon is seeing "a fast rate of adoption with Epix... and more FiOS customers access the content both on TV and online."

Competition: DISH added to its full-time HD lineup nets including **Nat Geo Wild HD**, **Headline News** and **Epix HD**, and now bills itself as the only provider to feature 200 high-def channels. -- **Verizon** bowed a slew of **FiOS TV** and HSI triple-play bundles with long-term price guarantees, including: FiOS TV Prime HD+FiOS Internet speeds of up to 15Mbps+FiOS voice for \$100/month for 24 months; HSI offering up to 3 or 7Mbps+**DirecTV Choice Xtra** (and free **Showtime** for 1 yr and **Starz** for 3 months) for \$90/month for the 1st year; and the La Conexion package featuring Spanish- and English language nets, FiOS Internet and FiOS phone starting at \$90/month for 2 years. Also, new video subs may choose from a free multi-room or standard DVR for 6 months, or 1 of several movie channel packages also free for 6 months. New business bundles are available too.

Carriage: CatholicTV inked a distribution deal with **Comcast**.

Broadband \$: BET wants a broadband stimulus grant from **NTIA** to increase adoption of broadband tech among African Americans through its National Sustainable Broadband Adoption Project. Under the project, BET would partner with best-in-class organizations, including the **National Urban League**, **One Economy** and **Kaplan Ventures**. The 2-year campaign aims to increase awareness of broadband's promise, increase the relevance of broadband to marginalized African Americans and increase the digital literacy of those "left behind" in "as many targeted communities as possible."

Earnings: Hasbro banked \$500K in 1Q earnings from **The Hub**, its jv kids net with **Discovery Comm** that's slated to launch Oct 10. Pres/CEO *Brian Goldner* said Hasbro-branded content (Transformers, My Little Pony, etc) will constitute approx 25% of The Hub's diverse programming lineup slated to feature several preschool- and kids-targeted day parts during the day and programming aimed at families in the evening. "We really are going to celebrate... what kids and families are looking for in terms of entertainment, and both consumers as well as advertisers are seeing that as unique in the marketplace—certainly something worth supporting," said Goldner during a conference call, noting how The Hub is viewed widely as an augmentation to the kids genre and not dilutive.

Upfronts: VH1 is set to produce a record 44 original series this year, many of which reflect feedback from 25-34s who told the net they "want more storylines that reflect the issues and challenges they are experiencing in their own lives," said pres *Tom Calderone* in a release. The net's slate now focuses on the 3 distinct areas of music, celebrities and real life stories, and includes: "Money Hungry" (summer), a weight-loss competition series whose participants vie for a \$100K grand prize but with \$10K of their own money at stake; "You're Cut Off!" (Jun 14), featuring 9 spoiled women who are removed from all cash and conveniences, forced to live as "normal" people do and encouraged to become productive members of society; and "Diary of a Hip Hop Girlfriend," a docu-soap chronicling 4 women who are in love with famous rappers.

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BUSINESS & FINANCE

Marketing: To promote Thurs' season finale of "Project Runway," **Lifetime** has teamed with **Interpolls** to launch a digital campaign with interactive ad units that feature behind-the-scenes footage from the series during Fashion Week. Consumers also will be able to use the spots to vote on who they think will win. Lifetime said it also is conducting a beta test by which iPad users will experience the 1st browser-based rich media unit on the tablet. This test will also serve the first advertiser supported rich media unit on the Android and iPhone platforms.

People: Nick vet **Marjorie Cohn** was promoted to pres, dev and original programming and dev at **Nick/MTVN Kids and Family Group**. -- **Debra Goetz**, formerly of **Univision**, joined **NBCU's** Integrated Sales Marketing team as vp, **Green is Universal** and **Healthy at NBCU**. -- **Lisa Fischer** joined **ION Media Nets** as svp, network sales. -- **Motorola** promoted **Mark Shockley** to svp, Global G-to-Market.

Business/Finance: **NDS Group** joined existing investors including **Comcast Interactive Capital** in helping advanced advertising provider **BlackArrow** close \$20mln in Series C financing. Also, **BlackArrow** and **NDS** formed a strategic alliance to offer an integrated suite of advanced ad solutions and services, with **NDS** gaining a seat on **BlackArrow's** board.

CableFAX Daily Stockwatch

Company	04/19 Close	1-Day Ch	Company	04/19 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	38.24	0.01	AOL:	27.09	(0.77)
DIRECTV:	36.16	0.61	APPLE:	247.07	(0.33)
DISH:	21.50	(0.02)	ARRIS GROUP:	12.80	0.00
DISNEY:	36.17	0.34	AVID TECH:	17.23	(0.1)
GE:	18.94	(0.03)	BIGBAND:	3.56	(0.01)
NEWS CORP:	18.20	0.08	BLNDER TONGUE:	1.08	0.03
MSOS					
CABLEVISION:	25.53	(0.18)	BROADCOM:	34.99	(0.12)
COMCAST:	18.58	0.26	CISCO:	27.07	0.09
COMCAST SPCL:	17.66	0.17	CLEARWIRE:	7.26	(0.13)
GCI:	6.10	(0.05)	COMMSCOPE:	30.27	(0.33)
KNOWLOGY:	13.34	(0.09)	CONCURRENT:	5.92	0.03
LIBERTY CAPITAL:	43.27	0.37	CONVERGYS:	13.25	0.06
LIBERTY GLOBAL:	28.55	(0.4)	CSG SYSTEMS:	22.05	0.10
LIBERTY INT:	16.33	(0.06)	ECHOSTAR:	19.46	(0.26)
MEDIACOM:	6.60	0.34	GOOGLE:	550.10	(0.04)
RCN:	14.68	(0.1)	HARMONIC:	7.00	(0.08)
SHAW COMM:	19.44	0.18	INTEL:	24.00	0.08
TIME WARNER CABLE:	52.20	0.56	JDSU:	13.11	(0.27)
VIRGIN MEDIA:	17.52	0.11	LEVEL 3:	1.64	(0.03)
WASH POST:	531.99	(3.71)	MICROSOFT:	31.04	0.37
PROGRAMMING					
CBS:	15.50	(0.01)	MOTOROLA:	7.39	0.08
CROWN:	1.88	0.03	PHILIPS:	33.53	0.71
DISCOVERY:	35.34	0.15	RENTRAK:	20.83	(0.05)
GRUPO TELEVISA:	21.10	0.15	SEACHANGE:	8.31	0.05
HSN:	30.81	(0.78)	SONY:	36.11	0.55
INTERACTIVE CORP:	23.64	(0.02)	SPRINT NEXTEL:	4.19	0.11
LIBERTY:	38.20	0.40	THOMAS & BETTS:	42.17	1.05
LIBERTY STARZ:	54.77	(0.58)	TIVO:	17.26	(0.47)
LIONSGATE:	6.80	(0.07)	TOLLGRADE:	6.82	0.20
LODGENET:	6.76	(0.02)	UNIVERSAL ELEC:	22.55	(0.21)
NEW FRONTIER:	2.01	0.03	VONAGE:	1.58	(0.01)
OUTDOOR:	7.11	0.04	YAHOO:	18.39	0.22
PLAYBOY:	4.22	0.07	TELCOS		
RHI:	0.37	(0.07)	AT&T:	26.38	0.45
SCRIPPS INT:	43.55	0.17	QWEST:	5.32	(0.03)
TIME WARNER:	32.71	(0.29)	VERIZON:	29.73	0.15
VALUEVISION:	3.29	0.30	MARKET INDICES		
VIACOM:	38.42	(0.16)	DOW:	11092.05	73.39
WWE:	17.56	(0.02)	NASDAQ:	2480.11	(1.15)
TECHNOLOGY					
ADC:	8.10	(0.22)			
ADDVANTAGE:	2.31	0.01			
ALCATEL LUCENT:	3.29	(0.05)			
AMDOCS:	30.48	(0.14)			
AMPHENOL:	44.02	0.20			

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Mergers and Retransmissions

This week marks the American Cable Association's 17th Annual Summit in Washington, D.C., a forum that celebrates the honorable cause of providing world-class communications service to Hometown America. ACA truly believes that a people connected is a nation united.

This year's ACA Summit is the fruition of work that began 17 years ago with a commitment by independent cable operators to shape our own destiny.

Today, Washington officials know ACA members are playing a vital role in the Internet economy and have a unique perspective on how best to make broadband access universal and affordable. The Federal Communications Commission's newly released National Broadband Plan sets high expectations for ACA members. ACA looks forward to working with the FCC on crafting many broadband-friendly regulations, whether the topic is pole attachments, set-top boxes, or Universal Service Fund reform.

Near term, ACA has laser-like focus on two matters: The Comcast-NBC Universal merger and retransmission consent reform. ACA has made conditioning the Comcast-NBCU deal a priority because it is the most significant media transaction in at least a decade. Putting these two companies together would give Comcast control over major media outlets critical to the success of independent cable operators. Our lawmakers and regulators need to take action.

The Comcast-NBCU marriage deserves careful review by the FCC, the Department of Justice, and Members of Congress to ensure that it does not harm consumers or competition. Without reasonable regulatory constraints, this integration of programmer, broadcaster and cable operator will lead to higher programming costs, ignite expensive fights over access to broadcast and cable content, and reduce the ability of pay-TV rivals to compete against Comcast.

Assurances of good behavior are not enough when so much is at stake for millions of consumers served by inde-

pendent cable operators, who will simultaneously compete against Comcast for cable and broadband subscribers and rely on Comcast-NBCU to supply "must-have" cable and broadcast content on fair and reasonable terms. Sole reliance on FCC program access rules is equally insufficient because they neither prohibit discriminatory pricing nor provide for compulsory arbitration.



Matt Polka

While Comcast and NBCU look to "Dream Big," we must ensure the deal does not become a nightmare for independent cable operators that do not have the resources to launch credible legal actions against deep-pocketed media conglomerates whose actions cause harm to consumers and competition.

On retransmission consent, I'm not going out a limb here by saying that the politics of "retrans" have changed dramatically and that broadcasters have only themselves to blame. Disney's decision to pull its ABC signal from 3 million innocent New York City-area cable viewers on the eve of the Academy Awards was a brazen act of Hollywood media power that tipped the balance of power in favor of consumers and change.

Because of Disney's maladroit maneuver, retrans reform went from being an option to a necessity. We see change coming at the FCC with support from key Members of Congress. We urge FCC Chairman Genachowski to adopt rules that treat consumers with the respect they deserve and purge all abuses from the system, especially the broadcasters' ability to coerce smaller cable operators into paying much more per-subscriber than larger rivals in the same local market.

The FCC needs to send a clear signal that when consumers turn on their TVs to see which film won the Oscar for Best Picture, they shouldn't find out that Disney or other broadcasters have decided they won't be getting any picture at all.

(Matthew M. Polka is President and CEO of the American Cable Association)

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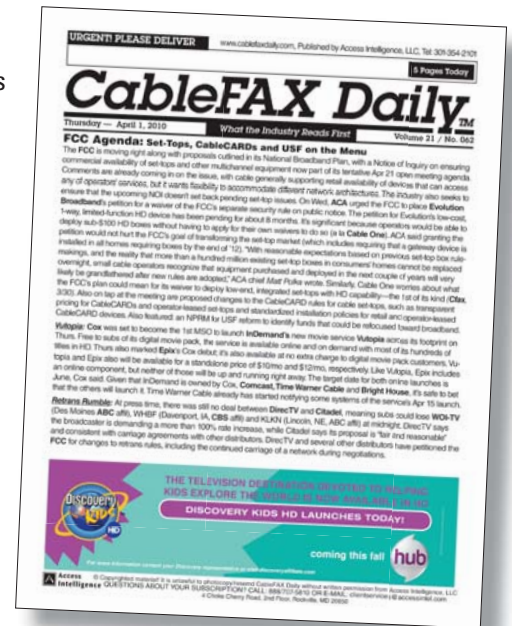
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