

CableFAX Daily™

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What the Industry Reads First

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Lighting the Lamp: Comcast Scores NHL Deal

With **Comcast** now in charge, **NBC Sports Group** inked a 10-yr TV and media rights deal with the **NHL**, extending a partnership that along with new sibling **Versus** dates back 6 years and has led to the league's resurgence in ratings and financial health. Such a positive and entrenched relationship makes Comcast's win over other NHL suitors including **Turner** and **ESPN** logical and unsurprising, yet it importantly underscores the MSO's willingness to leverage its expanded portfolio in the sports arena—and pay up to do so. The deal reportedly calls for \$200mln in annual rights fees, a hefty raise for the NHL after, according to the *Sports Business Journal*, **Versus** paid \$75mln/yr during the previous contract and NBC shared rev but paid no rights fees. **Versus**, which will be rebranded with a "strong utilization of the NBC brand" within 90 days, will pony up most of annual monies and NBC the remainder, said NBC Sports Group chmn *Dick Ebersol*, noting how the div enjoys greater clout with Comcast aboard. "There is an attractiveness now to NBC Universal largely because of the presence of our parent and its inordinate success as a national distributor, and more importantly in the sports business with the RSNs, with **The Golf Channel** and with **Versus**," said Ebersol. "We have a way to talk to the audience that nobody has had before." That voice, he said, is spoken through 20 combined TV channels and 125mln unique digital homes/month. NHL commish *Gary Bettman* said the league always felt is "could be the greatest beneficiary of synergies" that were expected to result from Comcast-NBCU, adding that despite his enormous respect for ESPN, "the promise of... NBC Universal-Comcast I think is extraordinarily exciting." Ebersol's particularly excited about 2 things: increased access to the coveted young male demo that dominates hockey fandom—"you can't beat it," he said—plus the postseason exclusivity included in the deal. **Versus**, for example, will exclusively cover the conference semifinal round starting next season, and its regular season game coverage will rise from approx 50 games to 90. When "scheduling anomalies" occur, said Ebersol, some playoff games will air on other Comcast cable nets. As for his new bosses, Ebersol said Comcast chmn/CEO *Brian Roberts* and NBCU CEO *Steve Burke* are completely accessible and willing to go after sports deals provided money can be made. Comcast is currently discussing a deal with the **PAC-12** for TV rights and likely a new dedicated conference net, as are **Fox Sports** and **ESPN** and reportedly **Turner**—the new fearsome foursome in sports rights, as it were. Bidding for the Olympic Games beginning in '14 may become a battle among the group as well, even if NBCU lost money on the Vancouver event last year. Digital rights have become a key factor in potential rights deals for both sports entities (what can you offer?) and their suitors (what platforms can we exploit?), a factor that seems destined to only grow going forward. Last year, a source said the **ACC** awarded ESPN the TV rights to conference football and men's and women's basketball games because of its multiplatform prowess, despite a higher bid from Fox Sports. NBC Sports Group got digital rights across all platforms and devices for the NHL games it televises and perhaps, as Ebersol intimated, now enjoys a highly potent digital offense.

USF Reform: Everybody's got an opinion. The satellite guys (**DISH, EchoStar, WildBlue, Hughes**) argue that capacity limitations provide no reason to exclude satellite broadband providers from direct participation in Phase I of the "Connect

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America Fund” or limiting participation in Phase II. Comments on how to best structure the fund for broadband support were due late Mon at the **FCC**. **ACA** called for the new fund to be competitively neutral via reverse auctions and for a hard cap on the high-cost fund. ACA, whose membership includes some current USF recipients, suggests an 8-year transition for current recipients with fewer than 100K access lines. “These smaller providers are most reliant on current High-Cost funding to provide service to consumers and will suffer most if funding is reduced significantly and precipitously,” ACA said. **NCTA** wants the FCC to immediately cap both the overall size of USF and the amount of annual high-cost support at '10 levels and to repurpose approx \$2bln in high-cost support for broadband deployment through the Connect America fund (leaving some \$2.5bln in the high-cost fund for an interim 3-year period after which there would be further reform).

DISHing It: As news comes that **DISH** may keep 500 or so **Blockbuster** stores open, we learn that *Charlie Ergen* has been interested in the embattled movie rental chain for some time. DISH has “been working with us for I believe over 2 years, looking for strategic opportunities to collaborate,” Blockbuster CEO *Jim Keyes* told employees in a recorded message shortly after the acquisition was announced and that was obtained by **Cfax**. “We have been working quite closely with them on ways to integrate their opportunities and ours.” The \$320mln acquisition is expected to close Thurs.

Deals: **Sprint** and **Clearwire** concluded Tues their long-standing disagreement over wholesale pricing, forging a deal that gives Clearwire a minimum of \$1bln from Sprint to be paid this year and next for 4G wholesale services. The deal also includes usage-based pricing and volume discounts covering Sprint devices that operate on both its own network and Clearwire's, aligning the interests of each company. Clearwire and Sprint also plan further collaboration to expand Sprint's capability to offer customized solutions using 4G tech. Many analysts view the deal as positive but wonder: who will pay for Clearwire's needed network expansion? **Sanford Bernstein's** *Craig Moffett* believes it will be Sprint, which already owns 54% of Clearwire, while **Citadel Securities** was “disappointed that today's announcement did not include additional funding (either an equity investment or spectrum sale).” **S&P** maintained its 'buy' rating and \$6 price target on Sprint shares.

Competition: **DirectTV** made it official, announcing that it will bow “Home Premiere” movies—movies before they're available on DVD—for \$29.99. *Adam Sandler's* “Just Go With It” is the 1st flick available.

Carriage: **Time Warner Cable** systems in the SC counties of Union, Cleveland, York, Horry, Georgetown, Lancaster and Williamsburg (75K subs) will begin carrying **Inspiration Nets'** flagship **INSP**. The net is now on all NC/SC TWC systems.

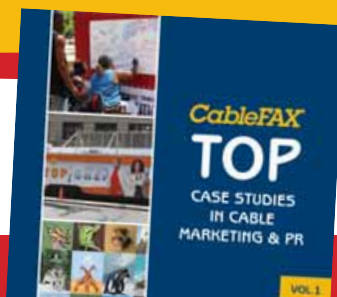
Ratings: 2 notable storylines emerged last week, the 1st being **Disney Channel's** defeat of **USA** in prime total viewership with 2.89mln. The margin was a mere 31K viewers, and USA squeaked out the prime HH win, 2.14mln to 2.08mln, but Disney deserves recognition nonetheless—as does a key driver for the net, “Lemonade Mouth.” The original movie's debut scored 5.7mln total viewers to become cable's top original movie this year in the metric, and its 3.5/3.53mln was followed by a 3.1/3.10mln for a Sun encore. The 2nd storyline involves the new inclusion of premium net programming within the telecast rankers that are part of Disney's codification of **Nielsen** data. The change sparked a weekly win for **HBO's** “Game of Thrones,” which earned a 5.1/1.55mln to outlast **Starz'** feature of “Toy Story 3” (4.9/1.71mln). An ep of **History's** “Pawn Stars” ranked 3rd (4.6/4.55mln) to lead shows on the more heavily distributed basic nets.

On the Circuit: The 1st **Cable Show** general session has been confirmed. **Cablevision's** *John Bickham*, **Cox's** *Leo Brennan*, **Time Warner Cable** East Region evp *Carol Hevey*, **Midcontinent's** *Patrick McAdaragh*, **Sudden-**

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Midcontinent Communications

Tom McMillin
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BUSINESS & FINANCE

link's Tom McMillin and Media-com's John Pascarelli will take the stage June 16 in Chicago to talk about winning in a competitive environment.

People: NBCU upped Salil Mehta to the newly created post of COO and CFO of NBCU's Ent & Digital Networks and Integrated Media div. -- Wayne Rustin was named vp, HR for Comcast's Western New England region. -- Ex-ESPN exec Eric Conrad was named vp, programming for Univision Deportes. -- Ex-Discovery exec Chris Rantamaki joined Spike as vp, original series. -- After 23 years with the co, QVC svp affil sales Al Ulozas will retire in May. He'll be succeeded by Dave Apostolico, currently vp, affil sales and marketing. Andy Cellucci was upped to vp, affil sales and marketing. -- MTV upped Jackie French to svp, series development. French is an exec prod of "Jersey Shore."

Business/Finance: Liberty Media, Liberty Capital and Liberty Starz shareholders will vote May 23 on the proposed spinoffs of the Liberty Capital and Liberty Starz tracking stocks into 2 distinct, publicly traded companies: 1 holding a controlling interest in the Atlanta Braves and minority investments in Sirius XM, Live Nation, Time Warner, Time Warner Cable and Sprint, the other Starz Ent, Starz Media and Liberty Sports Interactive. Liberty Media Interactive will remain trading under the ticker LINTA.

CableFAX Daily Stockwatch

Company	04/19 Close	1-Day Ch	Company	04/19 Close	1-Day Ch
BROADCASTERS/DBS/MMDs					
DIRECTV:	46.10	0.25	BLNDER TONGUE:	2.18	(0.02)
DISH:	23.87	0.77	BROADCOM:	38.19	0.63
DISNEY:	41.35	0.15	CISCO:	16.61	(0.12)
GE:	20.27	0.29	CLEARWIRE:	5.53	(0.25)
NEWS CORP:	18.07	(0.07)	CONCURRENT:	5.79	(0.02)
MSOS					
CABLEVISION:	33.34	0.37	CONVERGYS:	13.81	0.05
CHARTER:	54.76	0.02	CSG SYSTEMS:	20.14	0.03
COMCAST:	24.29	0.33	ECHOSTAR:	35.44	0.09
COMCAST SPCL:	22.86	0.27	GOOGLE:	521.53	(5.31)
GCI:	10.98	(0.03)	HARMONIC:	8.65	(0.02)
KNOLGY:	14.02	(0.07)	INTEL:	19.86	0.24
LIBERTY CAPITAL:	75.34	(0.1)	JDSU:	18.04	UNCH
LIBERTY GLOBAL:	44.80	1.44	LEVEL 3:	1.62	(0.01)
LIBERTY INT:	16.15	(0.02)	MICROSOFT:	25.15	0.07
SHAW COMM:	20.54	0.15	RENTRAK:	22.80	(0.65)
TIME WARNER CABLE:	72.41	0.06	SEACHANGE:	10.00	(0.13)
VIRGIN MEDIA:	28.09	0.68	SONY:	29.71	0.46
WASH POST:	416.69	(15.81)	SPRINT NEXTEL:	4.74	0.04
PROGRAMMING					
CBS:	24.02	(0.04)	THOMAS & BETTS:	57.70	(0.29)
CROWN:	2.10	UNCH	TIVO:	8.37	(0.26)
DISCOVERY:	40.53	0.53	TOLLGRADE:	10.08	0.01
GRUPO TELEVISA:	22.91	0.51	UNIVERSAL ELEC:	27.33	(0.27)
HSN:	31.66	(0.24)	VONAGE:	4.72	(0.07)
INTERACTIVE CORP:	31.65	(0.1)	YAHOO:	16.12	(0.23)
LIBERTY:	42.12	0.01	TELCOS		
LIBERTY STARZ:	74.92	(0.98)	AT&T:	30.31	UNCH
LIONSGATE:	6.25	(0.18)	VERIZON:	37.24	(0.07)
LODGENET:	3.22	0.02	MARKET INDICES		
NEW FRONTIER:	1.77	UNCH	DOW:	12266.75	65.16
OUTDOOR:	6.79	(0.17)	NASDAQ:	2744.97	9.59
SCRIPPS INT:	49.11	(0.33)	S&P 500:	1312.62	7.48
TIME WARNER:	35.59	0.03			
VALUEVISION:	5.05	(0.24)			
VIACOM:	53.01	0.08			
WWE:	11.13	(0.18)			
TECHNOLOGY					
ADDVANTAGE:	3.07	0.02			
ALCATEL LUCENT:	5.76	0.06			
AMDOCS:	29.66	0.23			
AMPHENOL:	51.58	(0.2)			
AOL:	19.81	0.09			
APPLE:	337.86	6.01			
ARRIS GROUP:	12.42	(0.01)			
AVID TECH:	20.59	(0.09)			
BIGBAND:	2.50	0.01			

CableFAX PROGRAM AWARDS

From the most outstanding cable programs to the best surprise ending, the annual CableFAX Program Awards honor the best in cable programming, content and people. This unique awards program from the industry's most trusted brand, CableFAX, raises the bar on what's good on and about cable. Now's your chance to win a CableFAX Program Award and get recognized for bringing value to your viewers.

It's simple to compete, as your content and people speak for themselves. But you have to enter to be considered, so don't let your competitors steal the show. We'll be honoring the winners and honorable mentions in September and in the annual CableFAX Program Awards Issue.

Sponsorship Opportunities: Debbie Vodenos at 301.354.1695 or dvodenos@accessintel.com
Entry Questions: Mary Lou French at 301.354.1851 or mfrench@accessintel.com

