

CableFAX Daily™

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What the Industry Reads First

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MSO Roundtable: Usage-Based Billing Not As Popular as You Might Think

With the FCC's net neutrality order paving the way for metered billing and AT&T jumping in headfirst, you might think every cable operator is gearing up to launch usage-based billing in the near future. But that was not the case Thurs during the closing CEO panel at the **Broadband Cable Assoc of PA's** annual confab. "I don't see it in our short-term horizon," said **Atlantic Broadband** CEO *Dave Keefe*, explaining that his systems just haven't seen the need (yet) to go there. But that day could be coming, with **Harron (MetroCast)** chmn/CEO *Jim Bruder* noting that his bandwidth usage this year already has increased 100% from where it was last year. "We have been able to fortunately scale our bandwidth purchasing, but I think that is going to be an issue going forward," he said. MetroCast, like many other operators, has already put an acceptable use policy out there. Now it's trying to figure out bandwidth measuring tools, Bruder said. **Service Electric Cablevision** svp *Mark Walter* worried that a metered system could make the industry more of a utility-style business. "I don't want us to become a dumb pipe, although that dumb pipe is really, really valuable," he said. No CEO panel is complete without a walk down retrans lane. "We're not asking for regulation. We're asking that you look at the regulation that was put in place. It's being abused," said Bruder. The panelists are hoping the FCC's NPRM at the least addresses non-duplication and syndication rules. They were less excited about the possibility of a requirement to notify customers of upcoming contract expirations. "Unmanageable" is how Keefe described it, while Walter called it straight up "unfair... It's going to create a whole other set of problems... Broadcasters are going to do what they want anyway. If they want to notify, they'll notify." Bruder called sports the biggest problem today, with leagues' "exploitation of antitrust exemptions." And now colleges are getting into the game, noted Keefe. He argued that while big players' contracts are often blamed for the high costs, the sports nets are extremely profitable—saying that **NESN** was valued at more than the Red Sox (\$400mIn) when the team was sold in '02. So how has programmer and operator relations changed in the past 10 years? "We got launch money to put channels on [then]," Walter said. "It has obviously changed. But is the product more valuable today than it was 10 years ago? I don't know. You have other entertainment that you didn't have 10 years ago and still the product gets priced higher and higher."

VZ Earnings: The explosion of smartphone penetration and mobile broadband use has rendered telcos' video and wired broadband plays nearly a footnote, at least where most Street analysts and media outlets are concerned. The reason is

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“The Park”...

the meaning, methods and messages behind
The Cable Show’s newest industry spotlight.

Yes, The Park is new and sure to get a lot of play in the weeks and months before, during, and after the Industry’s signature event in Chicago this June—The Cable Show 2011. But what exactly is The Park and why is it so important? This column takes a stab at covering the options, optics, and opportunities around this year’s front-and-center Cable Show newcomer.

The Park, simply put, will be a live-events stage in a park-like setting on the exhibit floor of The Cable Show 2011. During the show, The Park stage will be used for press announcements, product demonstrations, mini-panels, and focus groups. NCTA will arrange these presentations as part of several hour-long, news-style segments—each of which will be professionally hosted and distributed live on all Cable Show streaming platforms.

Why is it so important? To answer that, it might be helpful to understand what is driving the content in The Park and what the industry hopes to accomplish. The idea for The Park was seeded by the NCTA Convention Committee, which we are proud to co-chair. The mission is to seek out and stand up innovative new products, programming, and perspectives that help deliver a simple, credible message about Cable’s leadership in advanced digital technologies, powerhouse content, and innovative consumer experiences across multiple platforms. As they say, demos are powerful and a picture is worth a thousand words. Think of The Park as Cable’s three-day, multimedia show-and-tell focused on the future of media and entertainment. Cable has a great story to tell, and whether you are a content creator, distributor, or solutions provider, we need you to help us tell it.

So if you think big, are actively engaged in “what’s next,” and leverage cable’s managed network to deliver amazing consumer experiences—*we need to hear from you*. And so does the world. The audience for The Park will include national trade and consumer media, analysts, policy officials, tech bloggers, and of course, 12,000 of your industry colleagues.

Any topic of interest is eligible: from immersive, experiential entertainment to compelling new search and navigation interfaces; from cross-platform, mobile, and cloud-based content delivery to better health and living through the connected lifestyle. It’s all about innovation from those making it happen.

So come be a part of The Park. Submitting your idea is simple. Tell us what you have to say, how you’d say it, and why you think your new product, service, or point of view helps tell Cable’s unique story. Top industry technologists, strategists, and PR gurus will consider your pitch. If they agree, you will have 10 minutes in the spotlight as part of a live, hosted news and information program originating from the unique stage of The Park.

Get started here: thecablesow.com/ThePark.
Questions? Email NCTA at thepark@thecablesow.com or call NCTA Industry Affairs at 202-222-2430.

The Park: take the stage or take a seat ... either way you do NOT want to miss this!

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Chairman and CEO
Suddenlink
Communications

David Zaslav
President and CEO
Discovery
Communications



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good news for cable: wireline is still seen as a lumbering, declining business. VZ added 192K net **FIOS TV** subs in 1Q and 98K net broadband subs (-109K **DSL**), and **Miller Tabak's David Joyce** said the results, coupled with **AT&T's** from Wed, exhibit a trajectory that "is positive for cable." Yet VZ's overall consumer wireline rev (+1.9%) increased, as did FiOS rev (+23.7%) and strategic enterprise services rev (+12.8%). **Sanford Bernstein's Craig Moffett** said the wireline results provided reasons for investor optimism but said "expansion of the [FiOS] footprint is slowing dramatically." VZ CFO **Fran Shammo** contends the telco's "FiOS pipeline is very healthy," and said "we could actually see some top line growth out of the wireline segment" if the economy begins to gain traction, int'l improves and FiOS continues to gain penetration (29%). Shammo did admit, however, that cable has a decided advantage in the SMB market because of a superior product to DSL. "I'm not happy with the progress in the small business arena," he said, albeit noting that FiOS Internet's growth rate is 37%. Not-so-good news for cable remains in telcos' mobile broadband initiatives. VZ sold more than 260K **4G LTE**-enabled smartphones in less than 2 weeks, sold out of tablets in early Mar and activated 2.2mln **iPhones** in the quarter. Smartphone penetration reached 32%, with approx 60% of handset sales now smartphones. VZ also has 2 new LTE-based devices coming to market over the next couple months, and is on track to reach 185mln POPs in 175 markets with its 4G network by Jan. And "network performance has exceeded even our own high expectations," said Shammo.

Launch Pad: Comcast is in employee trials right now of an "Instant Info" service that lets customers pull up weather, news, traffic, sports and horoscopes while watching programming. Customer trials should start in the July timeframe, Comcast svp, gm of new business **Mitch Bowling** said during a presentation at the **Broadband Cable Assoc of PA** Thurs. While watching any channel, a customer can pull up a banner across the bottom of the screen and scroll through the apps. If a customer clicks on category, they are given a deeper dive of info, and the programming they are watching is minimized at the top of the screen. Customers can personalize the service. For example, they can put in favorite sports teams so that those scores are listed first in the sports apps. Asked about **Cablevision** and **Time Warner Cable's** iPad apps, Bowling said Comcast is planning to deploy such a technology but declined to provide further details. Xfinity Signature Support, which provides 24x7 technical support and equipment protection for home electronics devices, has been rolled out to about half of Comcast's footprint and with Bowling predicting that total deployment should be finished by about mid-year. Comcast plans to expand the service to include home theater installation and technical support for small businesses. Comcast has launched home automation service Xfinity Home Security in Houston and is starting to deploy it to other markets. Along with home security, it provides a 2-way network for managing home devices (like thermostats, lights, etc). "You are connected to your house all the time," said Bowling, who has set up one of the service's cameras on his dog's crate, dubbing it the "crate cam." Xfinity Home Security runs \$40 month, plus the 1-time cost for the devices, including a 7-inch, touch-screen monitoring panel that provides weather, news, sports along with serving as the core panel for operating the service.

DISH v. TiVo: Confusion reigned Thurs concerning the implications for **DISH** from yesterday's en banc court rulings regarding its ongoing litigation with **TiVo (Cfax, 4/21)**. As investors reversed course and drove DISH shares higher (+3.35%) and TiVo's lower (-6.64%), both **Sanford Bernstein's Craig Moffett** and **Collins Stewart's Thomas Eagan** said the most important question for DISH is how many of its DVRs continue to infringe TiVo patents—and the precise answer remains unknown. '08 court records implied an amount as high as 4mln, said Moffett, who noted DISH has likely sliced that number appreciably and cited *Satellite Business News'* recent estimate of 500K-1mln. "If the number is indeed that low, then DISH's negotiating position is significantly less dire than our previous estimates," he said. Eagan believes DISH's 3 options include settling with TiVo and paying a licensing fee, rolling out non-infringing boxes or to do nothing "and allow subscriber churn due to the loss of DVR functionality." If DISH opts for the latter option, he said, **DirecTV** would gain the churning subs.

Go, Go, Go: DISHOnline.com now features **HBO Go** and **Max Go**, making DISH subs the latest to join a growing list of pay TV customers who can receive the online services if they are also HBO and/or Cinemax subscribers. While DISH is touting customer access to more than 1,800 Hollywood titles and series eps after they air, plus bonus content including interviews and behind-the-scenes extras—"none of which are available through **Netflix's** online service"—HBO counts additional Go affils in **Comcast**, **FIOS TV**, **U-verse TV** and **DirecTV** (**Cox** and **Suddenlink** are in beta trials). And HBO Go will launch an **iPad** app May 2, an authenticated version strictly for its subs. **BTIG's Richard Greenfield** believes the app launch will force even more multichannel video providers to add Go.

At the Portals: The **FCC** is seeking further comment for its 14th annual video competition report, noting that it plans to

BUSINESS & FINANCE

include online video distributors in the report for the 1st time.

Curtains: A group of high-profile Hollywood directors wants the curtain dropped on premium VOD plays like **DirectTV's** new "Home Premiere" service that offer movies before they're available on DVD. In support of the **National Assoc of Theater Owners**, directors including *James Cameron*, *Peter Jackson* and *Michael Bay* wrote an open letter Wed arguing that "now is the time for studios and cable companies to acknowledge that a release pattern for premium video-on-demand that invades the current theatrical window could irrevocably harm the financial model of our film industry." Said **BTIG's Richard Greenfield**: "We are quite surprised that top filmmakers are fighting this development—we believe they are making a fundamental mistake by fighting technology." Greenfield believes PVID windows should be even shorter than 60 days and the price point lower than \$30.

Editor's Note: Join us on April 27 for our Webinar, "Capitalizing on Cable's Growing Latino Market" in which reps from cable operators and programmers will share insight, case studies and advice. Info: http://www.cablefax.com/cfp/webinars/2011_april27.html.

Business/Finance: **Time Warner Cable** completed its \$230mln acquisition of *NaviSite*, a provider of enterprise-class hosting, managed application, messaging and cloud services.

CableFAX Daily Stockwatch

Company	04/21 Close	1-Day Ch	Company	04/21 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	47.00	0.48	BLNDER TONGUE:	2.20	(0.12)
DISH:	24.37	0.79	BROADCOM:	40.40	0.86
DISNEY:	42.27	0.23	CISCO:	16.94	0.01
GE:	19.95	(0.45)	CLEARWIRE:	5.42	0.06
NEWS CORP:	18.59	0.17	CONCURRENT:	6.01	0.15
MSOS					
CABLEVISION:	34.56	0.18	CONVERGYS:	14.05	0.02
CHARTER:	54.88	0.08	CSG SYSTEMS:	20.46	(0.13)
COMCAST:	25.34	0.47	ECHOSTAR:	37.05	0.70
COMCAST SPCL:	23.74	0.45	GOOGLE:	525.10	(0.63)
GCI:	10.70	(0.29)	HARMONIC:	9.13	0.08
KNOLGY:	14.40	0.11	INTEL:	21.46	0.05
LIBERTY CAPITAL:	78.52	1.56	JDSU:	20.00	1.09
LIBERTY GLOBAL:	44.95	(0.73)	LEVEL 3:	1.63	0.03
LIBERTY INT:	16.49	0.03	MICROSOFT:	25.52	(0.24)
SHAW COMM:	20.56	(0.1)	RENTRAK:	22.68	0.04
TIME WARNER CABLE:	74.00	0.61	SEACHANGE:	10.36	0.08
VIRGIN MEDIA:	29.76	0.78	SONY:	30.50	0.36
WASH POST:	424.51	6.69	SPRINT NEXTEL:	4.81	0.01
PROGRAMMING					
CBS:	24.80	0.20	THOMAS & BETTS:	59.05	(0.65)
CROWN:	2.30	0.04	TIVO:	10.12	(0.72)
DISCOVERY:	41.37	0.01	TOLLGRADE:	10.06	UNCH
GRUPO TELEVISA:	23.41	0.29	UNIVERSAL ELEC:	26.94	(0.38)
HSN:	31.96	(0.35)	VONAGE:	5.15	0.20
INTERACTIVE CORP:	32.08	0.19	YAHOO:	16.85	(0.02)
LIBERTY:	43.28	0.45	TELCOS		
LIBERTY STARZ:	76.21	1.31	AT&T:	30.68	0.55
LIONSGATE:	6.26	(0.03)	VERIZON:	36.91	(0.88)
LODGENET:	3.51	0.01	MARKET INDICES		
NEW FRONTIER:	1.78	(0.02)	DOW:	12505.99	52.45
OUTDOOR:	6.73	(0.07)	NASDAQ:	2820.16	17.65
SCRIPPS INT:	49.49	(0.05)	S&P 500:	1337.38	7.02
TIME WARNER:	36.51	0.43			
VALUEVISION:	5.52	(0.1)			
VIACOM:	53.66	0.30			
WWE:	11.32	0.05			
TECHNOLOGY					
ADDVANTAGE:	3.09	0.02			
ALCATEL LUCENT:	6.14	0.05			
AMDOCS:	30.35	0.26			
AMPHENOL:	54.80	(0.12)			
AOL:	19.49	(0.47)			
APPLE:	350.70	8.29			
ARRIS GROUP:	12.75	0.01			
AVID TECH:	21.32	0.50			
BIGBAND:	2.49	(0.01)			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Big Break

What's next, a starring role? Following last year's giveaway of a visit to the set of Showtime's "Dexter," NCTA teamed with Investigation Discovery to help drive early registration for **The Cable Show** by offering feature in the net's series "I (Almost) Got Away with It." If you haven't registered yet, sorry, no potential stardom for you. But 1 person who did by Apr 15 will find out in a few days that they could receive casting as a convenience store clerk, drug dealer or even a pimp. OK, so the role is undecided and contingent on what ep is being shot when the "star" shows up. But Cable Show co-chair/**Discovery Comm** pres/CEO *David Zaslav* was happy to demonstrate his commitment to NCTA by casting high-flying ID in a starring role, and net chief *Henry Schleiff*, of course, relishes the close-up. "ID is heading into upfront season as the #1 fastest growing network in television, but at just three years old, we are always looking for opportunities to generate awareness," he said. "What better way to 'break out' and reinforce our fun, 'escapist' fare than giving away a cameo on one of our top-rated series—"I (Almost) Got Away with It?" Alas, the winner likely won't have any speaking lines, instead appear in 1 of the show's crime reenactments. Here's hoping the duties entail more than playing a crumpled body surrounded by police tape. Still, the opportunity is cool anyway, and comes with a flight to and 3-night hotel stay (+ guest) in San Francisco. I wonder if anyone will decline the invitation for fear or disinterest. Like hearing yourself on a voice mail—"that's how I sound?!?"—the critical assessment of an on-screen appearance would be tough to endure for many. Others would make sure all acquaintances were tuning in at the prescribed time. Even as part of the former camp, I tried to get my name into the hat Thurs. I (almost) got away with it. *CH*

Highlights: "Treme," season II premiere, Sun, 10p, **HBO**. For Treme, the excellent series about post-Katrina New Orleans, the loss of *John Goodman's* prof Creighton Bernette is substantial. Yet it leaves room for other characters and the music. Plus, as he did with "the Wire," co-creator *David Simon* can examine crime and the police. — "Cinema Verite," Sat, 9p, **HBO**. A peek behind the 1st reality series, when **PBS** cameras trailed the Loud family in '71. With *Tim Robbins* and *Diane Lane* as the parents and *James Gandolfini* in a marvelous turn as a duplicitous documentarian, viewers will wish this was a mini-series. *SA*

Worth a Look: "The Women Who Would Be Queen," Sun, 8p, **CNN**. Americans fall into 2 camps: those who will be up Apr 29 to see Kate and Will tie a Windsor knot, and everyone else. For the latter, here's CNN's primer on how Kate, with help from lingerie and her commoner family, attracted Will. And why she's likely better suited for royalty than Diana. -- "Svetlana," season II premiere, Wed, 8p ET, **HDNet**. This small gem of a comedy is worth it if only to hear *Iris Bahr's* hilarious Russian accent. As Svetlana, the diminutive proprietor of St. Petersburg House of Discreet Pleasure, her pronunciation of the letter "h" elicits several laughs per ep. *SA*

Basic Cable Rankings (4/11/11-4/17/11) Mon-Sun Prime			
1	USA	2.1	2144
1	DSNY	2.1	2084
3	TNT	1.6	1624
3	HIST	1.6	1553
5	FOXN	1.5	1515
6	ESPN	1.2	1216
6	A&E	1.2	1174
8	NAN	1.1	1114
9	ADSM	1	996
9	TBSC	1	993
9	DISC	1	984
12	FX	0.9	888
12	HGTV	0.9	886
12	AMC	0.9	869
12	SYFY	0.9	846
12	NKJR	0.9	637
17	TLC	0.8	762
17	TRU	0.8	762
17	FAM	0.8	756
20	LIFE	0.7	717
20	TVLD	0.7	697
20	FOOD	0.7	671
20	MTV	0.7	666
20	MSNB	0.7	663
20	CMDY	0.7	647
20	BET	0.7	624
27	SPK	0.6	647
27	BRAV	0.6	601
27	HALL	0.6	566
27	LMN	0.6	489
27	ID	0.6	430
32	CNN	0.5	499
32	EN	0.5	472
32	APL	0.5	470
32	VS	0.5	343
36	TRAV	0.4	381
36	VH1	0.4	362
36	OXYG	0.4	322
36	NGC	0.4	309
40	ESP2	0.3	323
40	HLN	0.3	283
40	SOAP	0.3	252
40	WGNA	0.3	242
40	OWN	0.3	234
40	CMT	0.3	234
40	GSN	0.3	233

*Nielsen data supplied by ABC/Disney

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