

# CableFAX Daily™

Monday — April 25, 2011

What the Industry Reads First

Volume 22 / No. 078

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## Filed: AT&T Focuses on Spectrum Need with T-Mobile Filing

Let the games officially begin. AT&T's filing Thurs of its application at the FCC for its \$39bn acquisition of T-Mobile will ratchet up the amount of criticism (and support) of the mega deal. In the meantime, everyone's combing through the lengthy, heavily redacted document for interesting nuggets—one of which is the "capacity constraints" the telco complains of several times, saying that in many markets where T-Mobile has spectrum, AT&T's constraints prevent it from dedicating enough spectrum to launch LTE. What's more, AT&T finally admitted (sort of) being unprepared for the iPhone's launch. "A smartphone generates 24 times the mobile data traffic of a conventional wireless phone, and the explosively popular iPad and similar tablet devices can generate traffic comparable to or even greater than a smartphone," read AT&T's public interest statement. "AT&T's mobile data volumes surged by a staggering 8000% from 2007 to 2010, and as a result, AT&T faces network capacity constraints more severe than those of any other wireless provider." In making the case that the purchase would help alleviate capacity woes, AT&T attempts to assure the FCC that the loss of T-Mobile as a carrier would be no big deal. "T-Mobile USA's absence from the marketplace will not have a significant competitive impact, particularly vis-à-vis AT&T. AT&T is more focused on Verizon and Sprint than on T-Mobile USA, and AT&T too is seeing increased competitive threats from rapidly growing mavericks like MetroPCS and Leap and other providers," AT&T said. Those mavericks include Cox, which AT&T notes plans to launch wireless across 50% of its cable footprint by year-end, and cable and Sprint consortium Clearwire, with AT&T pointing to a quote from Clearwire CTO that its LTE trials are producing "mind blowing" results. "The arrangements that spectrum wholesalers (such as Clearwire and LightSquared) have struck with retailers (like Best Buy) and cable companies (like Comcast and Time Warner Cable) illustrate the growing competitive role of MVNOs in the mobile marketplace," AT&T said. AT&T's focus on the spectrum the deal would provide fits perfectly with the FCC's push for more mobile spectrum. Now the wait to see if it the Commission goes for it.

**On the Court:** Testimony starts Mon morning before an FCC Administrative Law Judge in Tennis' program carriage complaint against Comcast. Tennis filed its complaint at the Commission in Jan '10, claiming discrimination because it's stuck on a premium sports tier while Comcast-owned Golf and Versus are available on widely distributed tiers. The complaint came after Comcast melted NBA, NHL and NFL to its D1 tier. Comcast has said it's honoring Tennis' distri-

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## PROGRAM AWARDS

**Sponsorship Opportunities:** Debbie Vodenos at 301.354.1695 or [dvodenos@accessintel.com](mailto:dvodenos@accessintel.com)

**Entry Questions:** Mary Lou French at 301.354.1851 or [mfrench@accessintel.com](mailto:mfrench@accessintel.com)

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.

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bution agreement, which allows for such carriage, and that it's open to talks with the net, but that thus far, melting the channel would be too costly. The FCC Media Bureau ruled in Oct that Tennis' complaint raised enough "substantial and material" questions to warrant an ALJ hearing. The 2 then tried to avoid the ALJ and solve the dispute in mediation, but were unsuccessful, notifying the FCC in Nov that they would proceed with the ALJ hearing.

**At the Portals:** The FCC will hold the 2nd of 3 workshops on Universal Service reform and the Connect America Fund on Wed. Panelists include ACA's Ross Lieberman, CableLabs CTO Ralph Brown and Verizon's Maggie McCready.

**L.A. Story:** Time Warner Cable's bold move into the L.A. sports scene with a 20-yr rights deal to distribute all locally-available Lakers games beginning in '12-'13 (Cfax, 2/15) appears to have Fox on edge. According to the L.A. Times, Fox, whose TV deal with the Dodgers on Prime Ticket runs through the '13 baseball season, loaned previous club owner Frank McCourt \$30mln last week after learning he had approached TWC about a similar loan. McCourt and TWC are also rumored to have been close to reaching a sponsorship deal. The MSO declined to comment. Major League Baseball has since taken over the Dodgers, and according to reports has yet to rule on a tentative new TV deal forged between McCourt and Fox. Fox also declined comment. The thinking goes that Fox doesn't want TWC to snare another area sports team and is doing all it can to maintain its relationship with the Dodgers. With Prime and Fox Sports West, however, Fox has a veritable choke hold on local pro sports through deals with the L.A. Clippers, Anaheim Angels, L.A. Kings and Anaheim Ducks. TWC's deal with the Lakers includes the formation of 2 RSNs in HD to feature the team's games, 1 of them Spanish-language. No word on whether TWC is also looking to get involved in the bidding for PAC-12 rights and the likely dedicated RSN—conference members USC and UCLA are in L.A.—but Fox, Comcast, ESPN and reportedly Turner are all in play. TWC also has a CO system and Colorado is joining the PAC-12 next season.

**Advertising/Marketing:** 17% of all 1Q TV ads were delivered in HD, up from 13% in 4Q, according to Extreme Reach, but the number of advertisers that have adopted HD remained unchanged over the period. 1 of the key reasons for the flat adoption is the disconnect between national and local support of HD ads, said the firm, as 71% of network broadcast and cable media accept HD ads while just 42% of local broadcast/cable do the same. The disconnect is further magnified when looking at local market size: the Big 4 broadcasters offer full HD penetration in 65% of the top 20 local markets, including NYC, L.A. and D.C., and three-quarters penetration in 35%. As such, 53% of advertisers surveyed by Extreme Reach noted inconsistent HD adoption among TV media as "a significant or prohibitive hurdle to their own adoption of high-definition advertising." [For more subscriber-exclusive info, go to CablefaxDaily.com]. -- ESPN inked Corona to a multimedia sponsorship agreement surrounding the net's Spanish- and English-language boxing content and includes presenting sponsorship of "Friday Night Fight" studio telecasts on ESPN2 and ESPN Deportes.

**Measurement:** comScore launched in beta a Media Metrix Total Universe report providing audience measurement for 100% of a Website's traffic, including usage via mobile phones, apps, tablets and shared computers like Internet cafes.

**Editor's Note:** Join our expert panelists on Apr 27 as they share insight and advice on how cable operators and programmers can capitalize on the growing Hispanic market. More info: [http://www.cablefax.com/cfp/webinars/2011\\_april27.html](http://www.cablefax.com/cfp/webinars/2011_april27.html)

**Ratings:** TNT's NBA playoffs coverage is off to a hot start, averaging 4.37mln total viewers, 3.20mln homes and 2.8 HH rating. Compared with last year, the totals represent increases of 36%, 32% and 33%, respectively. The net's Apr 17 coverage of Knicks-Celtics (3.29mln) and Nuggets-Thunder (3.11mln) ranked 2nd and 4th, respectively, among all cable telecasts last week in 18-49 delivery. -- The Wed ep of Syfy's "Fact or Faked: Paranormal Files" became the series' most-watched ever with 873K 18-49s, 886 25-54s and 1.58mln total viewers.

**Programming:** BBC America picked up all 4 seasons of "Battlestar Galactica" for air beginning June 18. -- Speed's "The Car Show" (July) features Adam Carolla and former NBAer John Salley offering a mix of comedy and "car stuff."

**People:** Nick vet Sharon Lieblein was named to the new post of vp, casting and talent dev for Cartoon Net Studios.

**Business/Finance:** Cable kicks off 1Q earnings season next week with Thurs reportage from Time Warner Cable and Discovery Comm. TWC shares are up approx 12% since late Jan and hit a new 52-wk high of \$74.01 this week, while DISCA shares are up approx 4.7% over the same period. -- Miller Tabak's David Joyce downwardly revised his News Corp estimates primarily related to publishing, and kept his 'buy' rating on both NWS (\$21 target) and NWSA (\$19) shares.

**CableFAX Week in Review**

Company	Ticker	4/21 Close	1-Week % Chg	YTD %Chg
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**BROADCASTERS/DBS/MMDS**

DIRECTV:	DTV	47.00	0.23%	40.93%
DISH:	DISH	24.37	5.04%	17.33%
DISNEY:	DIS	42.27	1.81%	31.07%
GE:	GE	19.95	0.45%	31.86%
NEWS CORP:	NWS	18.59	0.70%	16.77%

**MSOS**

CABLEVISION:	CVC	34.56	2.77%	33.85%
CHARTER:	CHTR	54.88	(0.76%)	0.00%
COMCAST:	CMCSA	25.34	3.47%	50.30%
COMCAST SPCL:	CMCSK	23.74	2.90%	48.28%
GCI:	GNCMA	10.70	(4.89%)	67.71%
KNOLLOGY:	KNOL	14.40	1.84%	31.87%
LIBERTY CAPITAL:	LCAPA	78.52	2.90%	228.81%
LIBERTY GLOBAL:	LBTYA	44.95	3.86%	105.34%
LIBERTY INT:	LINTA	16.49	(1.26%)	52.12%
SHAW COMM:	SJR	20.56	2.95%	(0.05%)
TIME WARNER CABLE:	TWC	74.00	1.63%	78.79%
VIRGIN MEDIA:	VMED	29.76	6.63%	76.83%
WASH POST:	WPO	424.51	(2.65%)	(3.43%)

**PROGRAMMING**

CBS:	CBS	24.80	1.89%	76.51%
CROWN:	CRWN	2.30	(2.95%)	58.62%
DISCOVERY:	DISCA	41.37	3.27%	34.89%
GRUPO TELEVISIA:	TV	23.41	4.18%	12.76%
HSN:	HSNI	31.96	(0.71%)	58.30%
INTERACTIVE CORP:	IACI	32.08	2.69%	56.64%
LIBERTY:	L	43.28	1.88%	19.06%
LIBERTY STARZ:	LSTZA	76.21	(1.7%)	65.14%
LIONSGATE:	LGF	6.26	(2.95%)	7.75%
LODGENET:	LNET	3.51	5.72%	(36.53%)
NEW FRONTIER:	NOOF	1.78	1.14%	(5.82%)
OUTDOOR:	OUTD	6.73	(4.54%)	16.03%
SCRIPPS INT:	SNI	49.49	(0.9%)	19.25%
TIME WARNER:	TWX	36.51	1.28%	25.29%
VALUEVISION:	VVTV	5.52	(3.66%)	15.00%
VIACOM:	VIA	53.66	1.15%	70.35%
WWE:	WWE	11.32	0.53%	(26.16%)

**TECHNOLOGY**

ADVANTAGE:	AEY	3.09	2.32%	56.85%
ALCATEL LUCENT:	ALU	6.14	3.02%	84.94%
AMDOCS:	DOX	30.35	3.41%	6.38%
AMPHENOL:	APH	54.80	3.34%	18.67%
AOL:	AOL	19.49	(1.47%)	(16.28%)
APPLE:	AAPL	350.70	7.10%	66.42%
ARRIS GROUP:	ARRS	12.75	1.03%	11.55%
AVID TECH:	AVID	21.32	(0.33%)	67.08%
BIGBAND:	BBND	2.49	0.81%	(27.62%)
BLINDER TONGUE:	BDR	2.20	(1.35%)	92.97%
BROADCOM:	BRCM	40.40	5.68%	28.38%
CISCO:	CSCO	16.94	(0.53%)	(29.24%)
CLEARWIRE:	CLWR	5.42	(8.91%)	(19.82%)
CONCURRENT:	CCUR	6.01	2.56%	51.77%
CONVERGYS:	CVG	14.05	0.21%	30.70%
CSG SYSTEMS:	CSGS	20.46	0.69%	7.18%

Company	Ticker	4/21 Close	1-Week % Chg	YTD %Chg
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ECHOSTAR:	SATS	37.05	1.48%	83.96%
GOOGLE:	GOOG	525.10	(1.06%)	(15.3%)
HARMONIC:	HLIT	9.13	1.56%	44.46%
INTEL:	INTC	21.46	8.66%	5.20%
JDSU:	JDSU	20.00	8.11%	142.42%
LEVEL 3:	LVL3	1.63	(5.78%)	6.54%
MICROSOFT:	MSFT	25.52	(2.11%)	(16.27%)
RENTRAK:	RENT	22.68	(5.14%)	28.35%
SEACHANGE:	SEAC	10.36	(0.29%)	57.93%
SONY:	SNE	30.50	2.73%	5.17%
SPRINT NEXTEL:	S	4.81	0.00%	31.42%
THOMAS & BETTS:	TNB	59.05	(0.08%)	64.99%
TIVO:	TIVO	10.12	17.13%	(0.59%)
TOLLGRADE:	TLGD	10.06	0.00%	64.65%
UNIVERSAL ELEC:	UEIC	26.94	(6.07%)	16.02%
VONAGE:	VG	5.15	3.00%	267.86%
YAHOO:	YHOO	16.85	1.38%	0.42%

**TELCOS**

AT&T:	T	30.68	0.10%	9.45%
VERIZON:	VZ	36.91	(2.48%)	11.41%

**MARKET INDICES**

DOW:	DJI	12505.99	1.33%	19.93%
NASDAQ:	IXIC	2820.16	2.01%	24.28%
S&P 500:	GSPC	1337.38	1.34%	16.83%

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. TIVO:	10.12	17.13%
2. INTEL:	21.46	8.66%
3. JDSU:	20.00	8.11%
4. APPLE:	350.70	7.10%
5. VIRGIN MEDIA:	29.76	6.63%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. CLEARWIRE:	5.42	(8.91%)
2. UNIVERSAL ELEC:	26.94	(6.07%)
3. LEVEL 3:	1.63	(5.78%)
4. RENTRAK:	22.68	(5.14%)
5. GCI:	10.70	(4.89%)

**CableFAX WEBINAR**

**Capitalizing on Cable's Growing Latino Market**

Wednesday, April 27 ● 1:30 – 3:00pm

The U.S. Census couldn't be more clear: The fastest growing demographic both in numbers and economic power is the Latino population. Join CableFAX as we dissect this trend and what it means for cable in a special Webinar designed to give you the tools you need to reach this growing demographic.

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