

CableFAX Daily™

Tuesday — May 4, 2010

What the Industry Reads First

Volume 21 / No. 085

Nuclear Free? Report Suggests Genachowski Won't Pursue Title II

There was jubilation and tribulation Mon over a *Washington Post* story that suggests FCC chmn *Julius Genachowski* is leaning against re-classifying broadband under Title II, often called the "nuclear option." The story is important because the chmn is viewed as the swing vote on the issue (Dems *Michael Copps* and *Mignon Clyburn* are seen as for reclassification), said **Sanford Bernstein's** *Craig Moffett*. The Post's 3 sources were not identified, and an FCC spokeswoman said Mon that "no decisions have been made." While the report was certainly heartening to broadband providers wary of more burdensome regulations that would come with reclassification, some consumer interest groups were up in arms. "We simply cannot believe that Julius Genachowski would consider going down this path," **Free Press** exec dir *Josh Silver* said. "Failing to reclassify broadband means the FCC is abandoning the signature communications and technology issues of the Obama administration. Such a decision would destroy net neutrality." The issue of reclassification arose after the DC Circuit Appeals court ruled the FCC overstepped its authority in applying sanctions against **Comcast** in '08 for its network management practices. Clarifying the FCC's authority will be key in its pending open Internet proceeding. Copps reiterated in an interview with **C-SPAN's** "Communicators" just last week that he thought reclassification was the most viable option, while Republican commish Robert McDowell told reporters he didn't think Title II or even the current Title I structure would work for the Commission. The Post story suggests the chmn is weighing tweaking the current regulatory framework, though he is concerned about legal challenges by going that route. **NCTA's** *Kyle McSarrow* has said he believes there is some latitude available under Title I. "Assuming he can finesse the current regulatory regime is a fool's assumption," said *Art Brodsky* of **Public Knowledge**, which is pushing for Title II classification. Another possibility would be for Congress to step in, but aides have said that the Hill would prefer to leave this to the Commission.

Shuffling the Deck: **Time Warner Cable** will move from 5 divisions to just 2—East and West, sources confirmed. East div head *Carol Hevey* will keep her job, with NYC and Midwest expected to move under her purview. The West will continue to be headed by *Bill Goetz*, which is expected to add TX. It's unclear whether Midwest chief *Terry O'Connell*, TX head *Barry Rosenblum* and NYC's *Howard Szarfarc* will leave the company or move onto other jobs within TWC. The MSO declined comment. Several months ago, TWC moved its National Div (a hodge-podge of systems in various states)



Contact your Scripps Networks affiliate representative or go to affiliate.scrippsnetworks.com

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax: 301.738.8453 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 301.354.1790, mgrebb@accessintel.com ● Assoc Editor: Chad Heiges, 301.354.1828, cheiges@accessintel.com ● Asst VP, Ed Director: Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Debbie Vodenos, 301/354-1695, dvodenos@accessintel.com ● Advertising Mgr: Erica Gottlieb, 212.621.4612 ● Marketing Director: Carol Brault, 301.354.1763, cbrault@accessintel.com ● Prod: Joann Fato, 301.354.1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Subs/Client Services: 301.354.2101, fax 301.309.3847 ● Group Subs: Carol Brault, 301.354.1763, cbrault@accessintel.com

into the West div. Expect other personnel changes as part of the realignment.

In the Courts: Still no word on whether the Supreme Court will take up **Cablevision's** must-carry challenge. A conference was held Fri on the case. The next most likely chance to find out how the Court may act is May 17.

At the Portals: Various reports suggest the **FCC** may hire someone outside the agency to oversee review of the proposed **Comcast-NBCU** transaction. An FCC spokeswoman declined comment Mon.

ITV: OneLink San Juan in Puerto Rico has teamed with **FourthWall Media** to deploy advanced advertising powered by EBIF. Through remotes, subs can find out more about a product or push "Click-to-call" for immediate merchant contact.

Carriage: ReelzChannel added more than 5mln homes in the past year to push its overall distribution level past the 50mln HH plateau. -- **Comcast** on Wed will launch **Univision HD, TeleFutura HD** and **Univision HD** in the San Francisco Bay area, and the former 2 nets in Central CA. In Nashville, the MSO added **SportSouth**.

Competition: DISH tapped **Widevine** to provide adaptive streaming and DRM for its "TV Everywhere" service slated to bow this summer as a Web-based portal. -- **Belo's** reported 15.6% growth in 1Q rev included a 19% rise in retrans rev to \$11.6mln and 17% increase on total spot rev (+9.2% local, +18% nat). It expects slower retrans rev growth through year-end.

In the States: Houston software engineer *Glen Fullerton* is nearly a millionaire thanks to **CNBC**. Fullerton was the sweepstakes winner of the net's "Call the Close" contest, which asked viewers to predict the **Dow's** closing price for certain trading days. After receiving \$100K to bet a single horse to win the KY Derby, Fullerton opted to back 9-1 shot Super Saver, who took home the roses Sat. -- **Cox Business** launched free Cox WiFi hotspots across RI.

News State: MSNBC's news coverage indeed leans toward blue-state sensibilities, net chief *Phil Griffin* told the *Chicago Tribune* recently. Griffin also said such stance taking is critical to success in the space and credited **Fox News** boss *Roger Ailes* for pioneering the concept of standing for something in news. Perhaps the pair is onto something good, what with Fox News continuing to deliver ratings consistent with top cable ent nets and MSNBC passing **CNN** in prime audience draw this year. Importantly, though, a new **60 Minutes/Vanity Fair** poll found that Americans view CNN as the most trustworthy news source overall, ahead of Fox News, the 3 major broadcasters, the *NY Times*, *WSJ* and **Comedy Central's** "The Daily Show with Jon Stewart." The positive vote for CNN was dominated by Democrats, for Fox News by Republicans.

Advertising: Arris and **Clearlap** have integrated proprietary tech in order to deploy a content management system for VOD and ad services. The system aims to let MSOs, advertisers and content providers target and reach audiences dynamically via daypart, geography, profile and other broadcast or VOD metadata.

Programming: FX greenlit a 2nd season of "Justified." -- **TV One's** slate of new series includes "*Donald J. Trump Presents The Ultimate Merger*" (Jun 10), featuring reality show personality *Omarosa's* search for a mate in a competition-style program, and "K-Ci and Jojo... Come Clean" (fall), in which the familial R&B duo battle for sobriety.

Technology: Concurrent launched software to deliver commercial video to any device over any network from a uniform hardware-agnostic platform. It will demonstrate the tech at The Cable Show next week. -- **Showtime** chose **Ensequence** as the developer of choice for interactive **EBIF** apps surrounding its sports programming. -- The **NBA** extended the availability of its **NBA Game Time** mobile app to include the **VIZIO Internet Apps** platform and all **Roku** digital video players.

TRAVEL CHANNEL'S ON THE MOVE...TO A NEW SATELLITE

Travel Channel is moving satellites and the deadline for completion is May 17. Get more information at **1-800-211-6671.**

 scrippsnetworks
Passionate Viewers Live Here



BUSINESS & FINANCE

On the Circuit: A collaboration between NCTA, SCTE and CableLabs, the inaugural **Spring Technical Forum** at The Cable Show will spotlight solutions aimed at increasing rev, reducing costs and improving the customer experience. SCTE pres/CEO **Mark Dzuban** will moderate panel discussion "Getting Energized: Good Ideas (& Profitable Approaches) for Managing Energy Consumption" (May 13), for example, with other in-focus topics at the event to include 3D, IP service delivery, DOCSIS 3.0 and iTV. -- **SCTE** announced its slate of candidates vying for the 10 board seats up for election this year. Members may cast their votes from May 15-Jul 30, with info available at **SCTE.org**.

People: **Fox Sports TV Group** promoted **Eric Markgraf** to chief marketing officer. -- **DIY Net** promoted **Ross Babbit** to vp, programming partnerships and special projects, **Julie Taylor** to vp, program planning and **Kevin Chorlins** to vp, consumer marketing. -- **Bright House** appointed **Karen Broach** regional vp, operations, Indianapolis and Birmingham.

Business/Finance: **Shaw** will acquire for approx \$692mIn **Goldman Sachs'** stake in **Canwest Global's** specialty TV operations. The deal frees Shaw to buy Canwest's remaining TV assets. -- **Carl Icahn** extended until May 10 his offer for outstanding **Lionsgate** shares at \$7 each. -- **Citi** maintained its 'buy' rating and upped its target price on **News Corp** shares to \$18 from \$15.

CableFAX Daily Stockwatch

| Company | 05/03 Close | 1-Day Ch | Company | 05/03 Close | 1-Day Ch |
|------------------------------|-------------|----------|-----------------------|-------------|----------|
| BROADCASTERS/DBS/MMDS | | | | | |
| AOL: | 21.79 | (1.62) | APPLE: | 266.35 | 5.26 |
| BRITISH SKY: | 37.63 | 0.21 | ARRIS GROUP: | 12.52 | 0.25 |
| DIRECTV: | 36.62 | 0.38 | AVID TECH: | 15.06 | 0.46 |
| DISH: | 22.91 | 0.74 | BIGBAND: | 3.60 | 0.30 |
| DISNEY: | 37.56 | 0.72 | BLNDER TONGUE: | 1.20 | 0.05 |
| GE: | 19.26 | 0.40 | BROADCOM: | 35.41 | 0.91 |
| NEWS CORP: | 18.38 | 0.59 | CISCO: | 27.54 | 0.61 |
| MSOS | | | | | |
| CABLEVISION: | 27.78 | 0.34 | CLEARWIRE: | 7.88 | 0.16 |
| COMCAST: | 20.39 | 0.62 | COMMSCOPE: | 32.68 | 0.10 |
| COMCAST SPCL: | 19.33 | 0.48 | CONCURRENT: | 5.75 | 0.13 |
| GCI: | 6.19 | 0.04 | CONVERGYS: | 12.74 | 0.10 |
| KNOWLOGY: | 13.63 | 0.50 | CSG SYSTEMS: | 22.89 | 0.17 |
| LIBERTY CAPITAL: | 45.83 | 1.52 | EHOSTAR: | 19.24 | 0.03 |
| LIBERTY GLOBAL: | 27.98 | 0.50 | GOOGLE: | 530.60 | 4.91 |
| LIBERTY INT: | 15.86 | 0.50 | HARMONIC: | 7.09 | 0.25 |
| MEDIACOM: | 6.86 | 0.24 | INTEL: | 23.26 | 0.42 |
| RCN: | 14.78 | 0.09 | JDSU: | 13.75 | 0.74 |
| SHAW COMM: | 18.55 | (0.26) | LEVEL 3: | 1.53 | (0.01) |
| TIME WARNER CABLE: | 57.37 | 1.12 | MICROSOFT: | 30.86 | 0.33 |
| VIRGIN MEDIA: | 18.36 | 0.80 | MOTOROLA: | 7.10 | 0.03 |
| WASH POST: | 515.08 | 7.92 | PHILIPS: | 33.87 | 0.53 |
| PROGRAMMING | | | | | |
| CBS: | 16.71 | 0.50 | RENTRAK: | 22.20 | 0.32 |
| CROWN: | 1.82 | 0.01 | SEACHANGE: | 8.64 | 0.31 |
| DISCOVERY: | 39.36 | 0.63 | SONY: | 34.64 | 0.42 |
| GRUPO TELEVISA: | 20.75 | (0.03) | SPRINT NEXTEL: | 4.31 | 0.06 |
| HSN: | 31.54 | 1.42 | THOMAS & BETTS: | 43.06 | 1.12 |
| INTERACTIVE CORP: | 22.85 | 0.40 | TIVO: | 18.13 | 0.61 |
| LIBERTY: | 37.44 | 0.20 | TOLLGRADE: | 6.37 | 0.01 |
| LIBERTY STARZ: | 56.29 | 0.90 | UNIVERSAL ELEC: | 21.94 | 0.72 |
| LIONSGATE: | 7.01 | 0.09 | VONAGE: | 1.70 | 0.00 |
| LODGENET: | 6.47 | (0.13) | YAHOO: | 16.95 | 0.42 |
| NEW FRONTIER: | 2.01 | 0.04 | TELCOS | | |
| OUTDOOR: | 7.00 | 0.09 | AT&T: | 26.28 | 0.22 |
| PLAYBOY: | 4.45 | 0.27 | QWEST: | 5.31 | 0.08 |
| RHI: | 0.30 | (0.03) | VERIZON: | 29.29 | 0.39 |
| SCRIPPS INT: | 46.49 | 1.15 | MARKET INDICES | | |
| TIME WARNER: | 33.88 | 0.80 | DOW: | 11151.83 | 143.22 |
| VALUEVISION: | 3.05 | (0.03) | NASDAQ: | 2498.74 | 37.55 |
| VIACOM: | 39.78 | 0.77 | | | |
| WWE: | 18.40 | 0.15 | | | |
| TECHNOLOGY | | | | | |
| ADC: | 8.29 | 0.29 | | | |
| ADDVANTAGE: | 2.62 | (0.24) | | | |
| ALCATEL LUCENT: | 3.12 | (0.05) | | | |
| AMDOCS: | 31.78 | (0.16) | | | |
| AMPHENOL: | 47.11 | 0.90 | | | |

LAST CHANCE!
cablehalloffame.com

2010 Cable Hall of Fame
2011 Celebration

May 11, 2010 | 5:30 p.m.

- Honorees
- Yolanda G. Barco
 - Allen Ecker
 - Terence F. McGuirk
 - Marc B. Nathanson
 - Abbe Raven
 - JR Shaw

THANKS TO OUR SPONSORS

NBC UNIVERSAL
REGISTRATION SPONSOR

SHOWTIME
DESSERT SPONSOR

CommScope
PROGRAM SPONSOR

Discovery COMMUNICATIONS
CENTERPIECE SPONSOR

PLATINUM:
CABLEVISION

GOLD:
Multichannel, CableFAX, BRESNAN, MenaBiz, Charter Communications, Inc., Insight Communications, Disney and ESPN Media Networks, Time Warner Cable

SILVER:
RAINBOW, ALAN GERRY

EYE ON ADVERTISING

VCAMeral Vision

In the evolution of advertising, messages created by real people and not concocted on a corporate storyboard are becoming a hot commodity. At **Current TV**, user-generated content has always been king. The network has made a business of connecting companies with its pool of viewers. The consumer-generated spots, or VCAMs, came into the spotlight last month when a **Sunchips** ad created by a Current viewer debuted on national television. Current evp, ad sales *Ken Ripley* walks contributor *Cathy Applefeld Olson* through the model.

Current's user-created VCAMs have been around almost since the network's launch. How do you connect companies with your viewers?

KR: In a lot of cases, it's the brand manager from a given client that we are working with. Other times, it's the creative agency that becomes the liaison. We jointly put together a creative brief that represents what the assignment is—we use Current TV and Current.com—and the client uses their Web site, and we put out a call for submissions.

How are the winners compensated?

KR: We pay the winners. Current gives a cash prize, which has been \$2,500 for the top for submissions in the past but in the case of Sunchips, each winner got \$5,000 for that campaign.

What about compensation from the companies that use the VCAM content?

KR: Once we have all submissions, we turn them over to the client, and the client comes back with four selected winners. We give [the client] rights in perpetuity for ads to run on Current TV, Current.com and on the brand's central web site. If the advertiser chooses to use it as paid media [for non-Current TV spots], they then have a regular rate card, and the creators get paid that way. Sunchips did buy rights to one of commercials for



television, and it's airing on 10 different national cable networks over the next few weeks.

Do the clients pay in to work with Current?

KR: Imagine it as added value on top of a media buy. When an advertiser comes to us and is interested in a VCAM, we let them know if they achieve a certain level of spending with us over time, they earn a VCAM opportunity. It becomes added value on top of what they are already doing with us... The brand manufacturers love it. They're getting the media buy, which is part of their budget, but then they're getting this amazing creative opportunity on top of that, and they don't have to write a check for any of that part.

You've built a nice roster of companies that have used VCAMs [Mountain Dew, Nissan, T-Mobile, Wachovia, Nikon, Samsung and HP, among them]. Why does this model work so well?

KR: I go back to the authenticity. If the content weren't authentic, it would be a nice idea but kind-of gimmicky. But as the community continues to grow, we really take a lot of care to make sure they are supported and give them tools and the opportunity to speak directly to the clients.

What's next for the VCAM?

KR: The VCAM is going to continue to evolve. I can't comment in detail right now, but there's a new campaign that's geared more toward intent creation and not specifically a 30-second execution. It calls on the same strengths but also provides this marketer with content that supports a longer-term campaign. It's a nice evolution of the VCAM model. If you look at how social media is developing and how marketers want to provide more content to their consumers, this is a perfect fit.

(Longtime entertainment industry reporter Cathy Applefeld Olson is delighted to be documenting media's wild ride into the 21st century)

CableFAX's Customer Experience Management Guidebook Lessons and Insights for the Cable Industry

CableFAX and The Cable Center collaborated to publish this 150-page guidebook on customer experience management for the cable industry. The guidebook includes case studies, tips and articles on understanding the foundations of customer experience management and gaining insight to use it to improve your business. You also will learn about the latest measurement strategies, research insights, personnel and compensation strategies, social media tactics and communications techniques for implementing customer experience management in your company.



Sponsored by



Order your copy and start improving your customer's experience today – www.cablefax.com/CEMbook; 888-707-5814