

CableFAX Daily™

Friday — May 13, 2011


What the Industry Reads First

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Portal Life: Baker Still News; FCC Votes on Broadband Outage Reporting

Outgoing **FCC** commissioner *Meredith Attwell Baker* continued to dominate Portal news Thurs, even with her not participating in the agency's open meeting. Don't look for her to be at Fri's **House Communications** subcmte hearing on FCC reform either. With future employer **Comcast's** business interests covering broadcast, cable, broadband, etc, she probably will excuse herself from most items that come up in her last few weeks at the agency. Asked if there were any issues Baker will participate in, FCC gen counsel *Austin Schlick* said each matter will be "viewed independently." He said the Republican commissioner informed him in the 2nd half of Apr that she had been contacted by Comcast—that's just a couple weeks after former **NCTA** pres/CEO *Kyle McSarrow* started his job as Comcast/**NBCU** pres DC. As NBCU svp, govt affairs, Baker will report to McSarrow. Her last day at the Commission is June 3. FCC chmn *Julius Genachowski* was quizzed during a press conference over whether he is concerned that there is a "revolving door" perception between the agency and K St. "There are rules that govern situations like this. Those rules became stricter in the last 2 years. I expect that commissioner Baker has and will comply with all of those rules, and I know she has consulted with our gen counsel, our chief ethics officer, on compliance," Genachowski said. Rep *Maxine Waters* (D-CA), who went after Comcast several times during hearings over its proposal to acquire controlling interest in NBCU, blasted Baker's appointment and the regulatory review of the transaction Thurs. "The fact that the companies announced their new executives before the regulators released their orders approving the merger further illustrates how brazen and assured Comcast and NBCU were that the merger would be approved," she said. Meanwhile, there was some actual business completed at Thurs' open meeting. The 4 commissioners present voted to propose requiring interconnected VoIP providers and broadband ISPs to report broadband network outages—rules that currently apply to traditional phone service. "We have had a network outage reporting system that has worked, but the rules in effect no longer match how people are communicating," Genachowski said.

AllVid: Lots of excitement over a **Fox FCC** filing that declares there is increasing evidence that the govt is not needed to ensure retail availability of consumer devices that access video content (ie, AllVid proposal). Fox said that in the course of renegotiating a contract with one of its MVPD partners, the unnamed MVPD said it intends in



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Bubba Watson, 2011 Farmers Insurance Open and 2011 Zurich Classic of New Orleans Champion

Source: Nielsen Company via StarTrak, 1Q11 vs. 1Q10, Live +7 (000), P2+, Mon-Sun 6a-6a, Subject to qualifications available on request.

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the near future to make its subscription and on-demand video services available “directly to widely-marketed CE devices, such as game consoles.”

On the Hill: Sen Judiciary chmn *Patrick Leahy* (D-VT), *Orrin Hatch* (R-UT) and *Charles Grassley* (R-IA) introduced the PROTECT IP bill, aimed at cracking down on Websites with pirated TV, movie and other copyrighted content. “This bill is important to addressing the growing issues of online piracy and illegal content distribution that are hurting America’s content industry and consumers,” said **NCTA** pres/CEO *Michael Powell*. -- **Sen Commerce** chmn *Jay Rockefeller* (D-WV) wants the **SEC** to require corporations to make cyber security breaches public. “Securing cyberspace is one of the most important and urgent challenges of our time. In light of the growing threat...it is essential that corporate leaders know their responsibility for managing and disclosing security risk,” he wrote in a letter to SEC chmn *Mary Schapiro*.

Insight Earnings: **Insight’s** adjusted OIBDA rose 2% to \$88.5mln in 1Q and would have increased by 5% if it weren’t for expenses related to its all-digital transition and an increase in fees paid to equity sponsors. Rev climbed 2% to \$267.2mln as the MSO added 1.6K basic customers and 49.1K digital. HSD gained 11.2K, while phone posted a net loss of 2.1K. The company did hold an earnings call, but did not discuss its retainer of **Bank of America, Merrill Lynch** and **UBS** to pursue strategic alternatives, including a possible sale. **Insight** completed its multi-room DVR rollout to its entire footprint last month. It also reported that at the end of 1Q, more than 107K digital customers are using only DTAs. The significant capacity increases from its digital conversion has allowed the MSO to offer at least 100 HD channels in its 4 largest markets (its last 2 markets will do the same soon).

In the States: **Cablevision** officially went West (*Cfax*, 5/12). One of the TV spots that debuted in former **Bresnan** markets Thurs declared that Optimum Online is “up to 10 times faster than Qwest DSL.” View it at: youtube.com/watch?v=q18wcJBWICQ

Research: **ESPN** is the top cable brand in **Solutions Research Group’s** report on TV consumers can’t do without. **ABC** is the leading “must keep” TV brand, followed closely by **CBS, FOX** and **NBC**. But Solutions noted that the number of Americans who include at least one of the Big 4 broadcasters in their set of must keep channels is down to 77% this year from 83% in ’07. Rounding out the top 10 must keep nets are **Discovery, Food, History, USA** and **TNT**. **HBO** didn’t crack the top 10 for the 1st time since ’07. Top movers included **Disney** (#12 from #18), **Lifetime** (#16 from #22) and **Nat Geo** (#18 from #28).

Ratings: **HBO’s** “Game of Thrones” (5.7/1.73mln) led cable telecasts in HH share last week, but the contests deciding which team earns the NBA throne arguably stole the show. After Thrones came 8 consecutive playoff games, a group led by **ESPN’s** Lakers-Mavericks coverage (5.4/5.41mln) but dominated by 7 on **TNT**—which rode the hardwood heat to average than 4mln total viewers in prime. Scoring a 2.9/2.93mln to lead cable nets, TNT is averaging a 2.9 rating and 4.58mln total viewers through 30 playoff games and a 3.7 and 5.89mln through 7 2nd-round games. **USA** (2.0/1.97mln), **Fox News** (1.8/1.82mln), **Disney Channel** (1.8/1.76mln) and **History** (1.4/1.39mln) completed the net top 5. -- **Brag Book:** The premier of **OWN** original series “Why Not? With Shania Twain” earned a 0.80 rating among women 25-54 and 839K total viewers to mark the net’s highest-rated premiere since its launch weekend.

Programming: **Spike** announced a slate of non-scripted, original pilots, including “Pawn Games” (unsuspecting people get a chance to win back the possessions they just traded in); “World’s Worst Tenants” (follows professional evictor); and “The Hustler,” self-proclaimed best salesman alive attempts to outsell top sellers in their respective businesses each week. -- Following “The Game’s” record-breaking series premiere (7.7mln viewers), **BET** announced a multi-year agreement with exec producers *Salim* and *Mara Brock Akil* that includes development of shows for BET Nets. -- **Current’s** “Countdown with Keith Olbermann” (June 20) announced its 1st group of regular contributors. They include filmmaker *Ken Burns*, comedian *Richard Lewis*, filmmaker *Michael Moore* and *Daily Kos* founder *Markos Moulitsas*.

People: Rapper-producer *Pharrell Williams* was named creative dir for **Karmaloop TV**, slated to launch later this year. -- *Holly Tang* was promoted to CFO, **Bravo Media**. -- **MLB Net** upped *Jennifer Shaw* to svp, strategic planning and integrated marketing.



CableFAX Daily™

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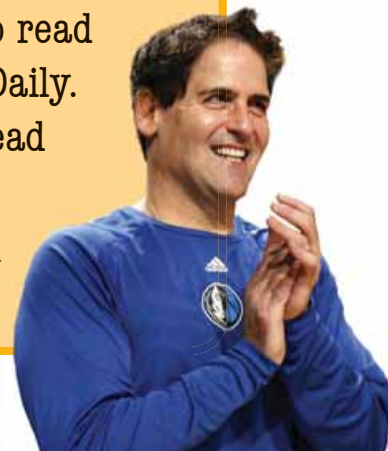
Debbie Vodenos at dvodenos@accessintel.com or 301.354.1695

Amy Abbey at aabbey@accessintel.com or 301.354.1629

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BUSINESS & FINANCE

Honors: ESPN's "Her Story: Ten Times Over" is the winner of WICT's 2011 Documentary/Biographical Series or Special Signature Accolade. WE's "Ruby" and Style's "Downsized" picked up Accolades in the Reality/Lifestyle Series or Special category. In the Scripted Drama or Comedy Series or Special category, TNT and USA are being recognized for "The Closer" and "In Plain Sight," respectively. The Signature Accolades, which honor the best cable programming that depict women in multidimensional and authentic roles, will be presented during a lunch at the **Cable Show**, June 14.

Faxies, Sales Executive of the Year, Sweet 16, Sales Hall of Fame:

Thanks to all who attended our sold-out awards breakfast in NYC Thurs and congrats to the finalists and winners; and Sweet 16 honorees and Sales Hall of Fame inductees. A special thanks also to our guest presenters who graced the stage: **Joe Abruzzese** of **Discovery**; **Sean Bratches** of **ESPN**; **Arlene Manos** of **Rainbow Ad Sales Corp**; and **Bob Rose** of **CBS Sports Network**. Profiles of all honorees, inductees and finalists can be found in our special Mid-Day Report at **Cablefax.com**.

Author, Author: Congrats to **Syfy** PR hand **Gary Morgenstein** on getting his play, "Mad Mel and the Mar-radians," performed on opening night of the Midtown International Theater Festival, July 11, Abingdon Theatre, 312 W 36th St.

CableFAX Daily Stockwatch

Company	05/12 Close	1-Day Ch	Company	05/12 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/MMDS			BLNDER TONGUE:	1.92	(0.01)
DIRECTV:	50.58	1.06	BROADCOM:	34.17	0.27
DISH:	29.20	(0.11)	CISCO:	16.93	(0.85)
DISNEY:	41.58	0.06	CLEARWIRE:	3.99	(0.74)
GE:	20.14	0.05	CONCURRENT:	6.00	UNCH
NEWS CORP:	18.25	(0.05)	CONVERGYS:	13.66	0.14
MSOS					
CABLEVISION:	35.06	(0.02)	CSG SYSTEMS:	19.69	0.35
CHARTER:	59.00	0.33	ECHOSTAR:	34.17	0.51
COMCAST:	25.44	(0.07)	GOOGLE:	535.05	(0.4)
COMCAST SPCL:	23.94	(0.1)	HARMONIC:	7.77	(0.03)
GCI:	11.81	0.24	INTEL:	23.70	0.29
KNOLGY:	15.34	(0.02)	JDSU:	21.73	0.44
LIBERTY CAPITAL:	86.85	(1.76)	LEVEL 3:	1.96	0.01
LIBERTY GLOBAL:	46.02	(0.63)	MICROSOFT:	25.32	(0.04)
LIBERTY INT:	18.10	0.01	RENTRAK:	21.56	(0.24)
SHAW COMM:	20.83	0.11	SEACHANGE:	10.44	0.27
TIME WARNER CABLE:	78.07	(0.38)	SONY:	28.23	(0.07)
VIRGIN MEDIA:	31.98	(0.18)	SPRINT NEXTEL:	5.17	(0.01)
WASH POST:	426.18	3.40	THOMAS & BETTS:	58.28	0.26
PROGRAMMING					
CBS:	26.49	(0.4)	TIVO:	9.42	(0.15)
CROWN:	2.21	0.11	UNIVERSAL ELEC:	26.55	0.30
DISCOVERY:	44.92	1.04	VONAGE:	4.84	0.29
GRUPO TELEVISA:	23.09	(0.3)	YAHOO:	17.17	(0.03)
HSN:	33.63	(0.2)	TELCOS		
INTERACTIVE CORP:	35.57	0.06	AT&T:	31.64	0.26
LIBERTY:	41.93	0.37	VERIZON:	37.43	0.17
LIBERTY STARZ:	77.31	(0.17)	MARKET INDICES		
LIONSGATE:	6.28	0.01	DOW:	12695.92	65.89
LODGENET:	3.41	(0.04)	NASDAQ:	2863.04	17.98
NEW FRONTIER:	1.66	(0.05)	S&P 500:	1348.65	6.57
OUTDOOR:	6.86	0.11			
SCRIPPS INT:	51.43	0.26			
TIME WARNER:	36.23	0.50			
VALUEVISION:	6.64	0.15			
VIACOM:	59.04	(0.38)			
WWE:	10.33	0.07			
TECHNOLOGY					
ADDVANTAGE:	2.62	(0.03)			
ALCATEL LUCENT:	6.28	0.15			
AMDOCS:	29.81	(0.13)			
AMPHENOL:	55.23	(0.32)			
AOL:	18.85	0.14			
APPLE:	346.57	(0.66)			
ARRIS GROUP:	11.11	0.10			
AVID TECH:	17.80	(0.13)			
BIGBAND:	2.33	(0.02)			



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A Conversation with Discovery's US Hispanic GM


One of every 4 US births is Hispanic. And 25% of kids 5 and under are Hispanic. Both facts bode well for **Discovery Familia**, targeted at pre-school kids and mothers, and **Discovery en Español**. We asked **Discovery US Hispanic GM Ivan Barquieras** how the networks will benefit from Discovery's \$1bn programming investment. **Will Hispanic viewers see the \$1bn investment reflected in Discovery en Español and Familia?** Yes. Discovery en Español and Discovery Familia will benefit tremendously, as it allows us to pick and choose from the very best [of Discovery networks'] programming for our US Hispanic audiences. **What about your originals?** Beyond leveraging the company-wide investment, we also will be doubling our slate of original investigative documentaries for 2011-12. These primarily focus on deep-dive, investigative journalism-style documentaries on current affairs issues, such as the recent "Rescued: The Chilean Miner's Story," developed by our US Hispanic/Latin American production team and shown around the world. **Discovery en Español is a bit of a misnomer.** Right. Discovery en Español is not simply **Discovery Channel** in Spanish, but a network that showcases the best of Discovery content. **With Hispanic homes being a mix of Spanish-dominant, English-dominant and everything in between, will Discovery's networks change from Spanish-language content in the future as Hispanic-Americans become more assimilated?** Spanish-language television is still key in reaching Hispanics. We know that US Hispanics are most likely to watch programming in the language primarily used at home, and 61% of Hispanics 18+ prefer to speak Spanish at home, versus only 17% who say they speak only English. Even in the homes where English and Spanish are spoken equally, half of television viewing is still going to be Spanish language TV. The average Spanish dominant home is watching 78% of television in Spanish. Research from **Nielsen** shows there's a significant increase in recall of originally-produced Spanish commercials (15% for English dominant Hispanics & 69% of Spanish dominant Hispanics). All this indicates to us that Spanish-language TV is and will continue to be a significant part of the media landscape. That said, we do not see any significant change in our current programming and production strategy. **What's the percentage of content re-used (and translated) from Discovery networks vs. the percentage of original content on your networks here and in Latin America? Will those percentages change significantly in the future?** It varies from year to year.

Worth a Look: "Swamp Brothers," premiere, Fri, 10p, **Discovery**. Former rocker **Robbie** loves crocodiles and venomous snakes. Former bartender **Stephen** doesn't, but he's come to the Everglades to help his brother with a reptile-breeding business. Cue the humorous music as Stephen awkwardly distracts a mama gator while Robbie collects her eggs. -- "Real Housewives of NJ," Season 3 premiere, Mon, 9p, **Bravo**. These women make the "Swamp Brothers" gators seem tame. -- "Con Artist," Sat, 9p ET/8p PT, **Ovation**. Is **Mark Kostabi** a talented artist or a has-been? Is he a master capitalist or a fraud? This offbeat doc lets viewers decide. SA

Basic Cable Rankings (5/2/11-5/8/11)			
Mon-Sun Prime			
1	TNT	2.9	2927
2	USA	2	1971
3	FOXN	1.8	1819
3	DSNY	1.8	1757
5	HIST	1.4	1386
6	ESPN	1.3	1270
7	NAN	1.1	1060
8	FX	1	1031
8	ADSM	1	1022
8	VS	1	725
11	CNN	0.9	944
12	TBSC	0.8	860
12	A&E	0.8	851
12	HGTV	0.8	832
12	DISC	0.8	807
12	MSNB	0.8	790
12	AMC	0.8	779
12	FAM	0.8	775
12	LIFE	0.8	752
12	TRU	0.8	745
12	NKJR	0.8	603
22	SYFY	0.7	725
22	FOOD	0.7	704
22	CMDY	0.7	696
22	MTV	0.7	690
22	TLC	0.7	686
27	TVLD	0.6	624
27	SPK	0.6	603
27	BRAV	0.6	575
27	BET	0.6	514
27	HALL	0.6	494
32	APL	0.5	451
32	LMN	0.5	415
32	ID	0.5	410
32	NGC	0.5	349
36	EN	0.4	424
36	OXYG	0.4	292
38	VH1	0.3	341
38	TRAV	0.3	322
38	HLN	0.3	276
38	ESP2	0.3	267
38	DXD	0.3	233
38	SOAP	0.3	228
38	GSN	0.3	199
38	NKTN	0.3	195
38	SCI	0.3	174

*Nielsen data supplied by ABC/Disney





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