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CableFAX Daily™

Tuesday — May 22, 2012

What the Industry Reads First

Volume 23 / No. 098

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CableFAX Daily™

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What the Industry Reads First

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Come Together: MSOs Join Forces to Offer WiFi Across the Country

The Cable Show kicked off Mon with the news that **Bright House, Cablevision, Comcast, Cox** and **Time Warner Cable** were joining forces to interconnect their WiFi networks. TWC, Cablevision and Comcast already had an agreement to allow their HSD subs to roam across the companies' respective WiFi in NYC, Long Island, Philly, CT and NJ at no additional charge. The new deal expands the footprint across the country, significant given TWC's extensive WiFi push in L.A. All told, the MSOs will enable each other's customers to access what currently amounts to more than 50K hotspots. The hotspots are listed under the network "CableWiFi," with ops planning to grow the number of hotspots and expand into several additional cities. "We're starting to build out WiFi in places where people congregate," TWC CEO *Glenn Britt* said during Mon's general session. "Most data usage is WiFi, not cellular frequencies." It sounds like the deal could at some point expand to include smaller ops, with TWC svp, mobile services *Mike Roudi* answering with a simple "yes" when asked during a panel later in the day. *John Pascarelli*, evp, operations at Mediacom, at the same panel said "we have no doubt that when the time is right and when we have the access points," that the coalition will invite in small- and mid-size ops into the fold. Analyst *Craig Moffett* of **Sanford Bernstein** said the interconnection news wasn't surprising, but it has profound implications. "The unique usage characteristics of wireless networks leave the door open for a potentially very disruptive Wi-Fi-first service," he wrote in a note to clients. In a white paper last year, Moffett noted that such a robust WiFi offering could save customers—"a nice change of pace for cable operators who are traditionally viewed as price gougers." Not everyone is cheering the news. **Public Knowledge** doesn't like cable's marketing agreements with **Verizon Wireless**, and it's "skeptical" of the WiFi announcement. "WiFi offers the opportunity for these companies to compete with wireless providers such as Verizon Wireless, using WiFi roaming to build a rival footprint that could offer a cheaper alternative to consumers who find their iPads and smartphones constrained by aggressive bandwidth caps," said PK's *Harold Feld*. "Cable companies said they need the Verizon deal because they can't compete with by offering a wireless service. This new arrangement says they can, if they want to." Bright House and Cablevision launched CableWiFi alongside their branded services in NYC and central FL earlier this month. Customers can log into any CableWiFi hotspot with the same credentials they use when accessing their providers' networks. In the coming months, users can have their devices auto-connect to the Internet when located in any CableWiFi hotspot. You can find nearby hotspots at www.cablewifi.com. Cablevision has been a leader in the space, with more than 35K indoor and outdoor hotspots already available. It has seen more than 1.3mln consumer devices authenticated for automatic sign-on when in range of the network (more than half of those are smartphones). It has seen steady growth, with total sessions growing to 187mln last year from 50mln in '10. This year, total sessions are projected to exceed 350mln.

Why WiFi: With the cable industry banding together to combine their WiFi hotspots, some of the execs tasked with

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91 million TV fans of thriller, horror and suspense entertainment are responding to the FEARnet brand. It's time to pick up the linear network and make waves.

FEAR NET

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making the deal work in the trenches said it's a no brainer despite inevitable challenges. "It makes complete and total sense that we partner together," said *Mike Roudi*, svp, mobile services at **Time Warner Cable**. "The longer we can keep our customers on our networks, the better it is for all of us." He noted that in the past "our relationship with our customer stopped when they went out the front door," and the WiFi deal solves that. "It really does become a win-win." In terms of the current deal and the bigger picture, *Tom Nagel*, **Comcast Cable** svp/gm, wireless services, said it's all about retaining customers by keeping them engaged. "It expands our reach," he said. "We're able to begin to enhance our investment in our network... the more places you can plug into, the more valuable the network will become. We expect that to get better and better over time." Nagel also noted that more WiFi coverage will also help feed the industry's authentication efforts as video consumption continues to expand outside the home. "There's no question that you're going to have video that goes everywhere," he said. Of course, that will continue to drive more data usage and put strains on the network. Could that mean data caps? "I'd like to ask the man in the back of the room to pull the fire alarm," joked Roudi when asked the question (Time Warner Cable got famously slapped down for trying metering in 2010). He did note, however, that because the WiFi hotspots are authenticated, cable operators certainly can track who is consuming how much data both inside and outside the home—and then aggregate those numbers. But "that does not mean that we're going to implement a data cap," he said. **Mediacom** evp, operations *John Pascarelli* said it's hard to find good economics to building out WiFi as a purely value-add service for subs. So he said Mediacom also operates it as a separate business for non-subs, selling WiFi on a pay-per-use basis as well. The major ops on the panel didn't rule out the same pay-per-use business model for non-subs in larger markets. "It's absolutely an option," said Barlik. The ultimate end point, said Roudi, is to build out a national WiFi network. "We can't muck it up," he said. "That's gotta be the goal."

Hop Flop?: "It's the fad of the moment," **Discovery's David Zaslav** said of **DISH's** controversial ad skipping tech on whole home DVR, the Hopper. "I don't think it's sustainable because in order to get our content, we have to work together." Speaking at the Cable Show's opening session Mon, Zaslav said it created a lot tension and attention, which is "probably a good thing." But in the end, it all comes down to content. "Apple... It does look sexy and feel dynamic," he said. "But it's still just a device. In order to be compelling, you need content." If a distributor takes away ad revenues, then they'll end up with a lot higher sub fees, warned the Zas. **AOL CEO Tim Armstrong** challenged the industry to come up with new formats for advertising, citing how AOL has moved away from buttons and banner ads. Instead of 7-18 ads on an average page, AOL has stripped it down to 1 ad/page. "We force advertisers to do heavy designs and heavy video," he said during the discussion. He also talked up approaching everything from a mobile

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first design principle, saying he thinks companies with that mindset have a chance to really profit.

Show News: As the major cable operator in Boston, **Comcast** made sure to take advantage of having the Cable Show in its backyard with some significant announcements. The MSO announced next-generation TV experience, **Xfinity TV** on the X1 IP Platform, and a new X1 remote control app. The 2 will launch in Boston, with several major markets planned to follow this year. The services will be available to new Xfinity Triple Play with HD/DVR service customers at no additional cost. X1 features a unified search that allows customers to find content from TV listings, DVR recording and VOD in seconds. It also allows for a new hybrid DVR set-top with tru2way and IP capabilities that deliver an advanced personalized TV viewing experience. The service “takes all the learning we have from the Web and Video and puts them together,” said Comcast Cable CEO Neil Smit at the Comcast booth Mon. He said the cloud system fosters innovation at a rapid clip: “We’ve done 400 software updates for X1 in the past year. We’ve gotten to where we can integrate apps in a matter of weeks.” The new X1 remote control app lets customers use motion gestures to control their TV experience through the touch-screen of their handheld iPhone or iPod touch. Shaking the device will pause VOD content, or they can swipe it to search through pages of interactive TV guides. X1 (formerly Xcalibur) has been in trials in Augusta, GA, since 2011. Comcast also unveiled Project Dayview, a unified, interactive dashboard for a customer’s multiple devices to link to the MSO’s Xfinity services. It provides up-to-date alerts, appointments, texts, e-mails, voicemails and DVR data; and even a customer’s Xfinity home alarm system status, lights, thermostat/room temperatures, and security video feed, accessible on any screen. “The cool part is when we can interrelate all those fields,” Smit said. “So you could get a reminder that you left your basement lights on while you’re on a road trip and it will ask do you want to turn them off.” Users can also check-in on daily info from social media, news, weather and other areas. The user interface can be used as a TV screensaver for when a set is not being actively used. It will show content that’s most appropriate for that time of day, like rush-hour traffic in the morning or the night’s primetime lineup.

Welcome: **NCTA** chief *Michael Powell* welcomed a standing-room only crowd to the start of the Cable Show Mon by highlighting cable’s efforts. “When I joined NCTA a year ago, we set out to bring more creativity and energy to the industry,” he said. “Our efforts are bearing fruit, and you will see it reflected throughout this gorgeous convention hall.” Illustrating the power of broadband was the show’s opening act, the iBand of Atlanta, GA. Talk about creativity. Using just iPads and wireless synchronization, the group provided a stirring rendition of U2’s “Where the Streets Have No Name.” Pointing to cable’s nearly \$200bln private capital broadband investment, Powell quipped that the industry connected homes to the Internet without “shovel-ready stimulus funds from the govt... Leaders take risks. And the cable industry chose to bet big on the promise of delivering broadband,” he said.

Street Smarts: The Cable Show’s Wall St panel was unanimous on cable’s biggest negative. It’s the continuing increases in programming costs. How do you stop the upward climb? “Ultimately, it would be finding a more attractive [business] model to programmers than the one they have today. Good luck with that!” said **Sanford Bernstein’s**



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Craig Moffett. **Deutsche Bank's Doug Mitchelson** said the problem is that there are too many competitors for an MVPD to drop a major programmer, like **Discovery** or **Viacom**. But if that happened, it could be a tipping point. Moffett thinks the most positive thing going for the industry right now are the steps it has taken to offer metered broadband. "It's critical to put the industry on a firmer, long-term footing," he said. But don't take that to mean he thinks it's inevitable. **Comcast's** recent announcement that it was dumping the 250GB cap and exploring a 300GB cap and charging for every 50GB after that isn't necessarily a sign that the MSO is embracing metered pricing. In his view, Comcast is clarifying its policy so there is no ambiguity for customers and the **FCC**. Why even do it now? Because there's yet no obvious bandwidth threat—like maybe **Apple TV**. Other highlights from the panel: Mitchelson thinks **DISH** is positioning itself for a sale. **UBS' John Hodulik** called **Nick's** ratings slide "phenomenal" for the industry because it should make programmers more wary of OTT deals, particularly important when negotiations for Apple TV come around. None of the analysts seemed to expect any big capital expenditures from MSOs. Although **Wells Fargo's Marci Ryvicker** noted that **Cablevision** is really increasing its capital spending, begging the question: are other operators going to have to follow the same path?

Deals: **Avail-TVN** announced a \$100mln investment round, led by the **Carlyle Group**. The funding enables the company to buy UK-based **On Demand Group**, a provider of VOD services outside the US owned by **SeaChange**. Avail-TVN is buying On Demand for \$27mln on a cash-free, debt free basis. The sale is part of SeaChange's strategy to transform itself into a pure-play software company.

WICT Lunch: **WICT** pres/CEO *Maria Brennan's* declaration at the WICT Signature Luncheon, "when you're gender diverse, your business will get better results," was echoed by programmers and MSOs accepting this year's PAR accolades for the best places to work for women in cable. **Time Warner Cable** CEO *Glenn Britt* mused that a female at the podium would be more fitting: "The only thing better than this would be if a female CEO was standing up here instead of me... But here I am." He called the honor "particularly meaningful," as the MSO continues to work toward "inclusion." In 2007, for instance, women represented 18% of the company—and in 2011 it had risen to 32%. TWC has benefited greatly from its partnership with WICT and in particular looks forward to an upcoming white paper whose objective is to increase STEM jobs in cable, Britt said. **Turner** evp *Kelly Regal* accepted her company's award, thanking WICT for creating the PAR score because it "holds us accountable." **Scripps Networks Interactive** pres *John Lansing* gave a shout out to **Food Network's Brooke Johnson** and **Travel Channel's Laureen Ong**. He added that in recent weeks SNI has added 2 females to its board, bringing the percentage held by women to 30%. **Discovery Comm** CEO *David Zaslav* spoke on behalf of the company saying that 70% of its leadership is women. There's "no question" that diversity is the greatest part of its success, he said, "from the bottom to the top." Host *Jeannie Mai*, celebrity stylist and host of **Style Net's** "How Do I Look," echoed her amazement at the women before her, adding that she felt honored to work at a network where "women are encouraged to wear heels as high as their hopes." The top programmer honoree for WICT's PAR accolade was **NBCU**, followed by Turner, SNI, Discovery



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Comm and **ESPN**. Time Warner Cable took the top operator award, with **Cox Comm**, **Comcast**, **Bright House** and **Suddenlink** following.

Mass Personalization: Would J.R. fans be more interested in a hypothetical “Dallas” channel than **TNT**, which is about to bring back the 10-gallons soap opera? Execs debated that and other questions at one Mon panel. “The navigation paradigm has changed,” said **Google** principal of TV partnerships *Ira Kalick*. “We grew up in a world of channels, and it’s now shows. The question is, How do you get information to the end user as efficiently as possible to show them all the content they want?” **Turner** COO Coleman Breland likened the network-to-show scenario as country-to-states. “You need the big platforms to create hits; otherwise it becomes so segmented you can never achieve mass. In a world of “mass personalization,” he predicted, networks may tighten their brand focus. “Instead of 18-34, it may be 18-19.”

Keeping up with the Comcasts: It’s not easy being a mid-tier distributor in the age of rapid-fire tech innovation from the big guys. “We’re still in awe at how quickly devices are coming out,” **Mediacom** SVP, technology *J.R. Walden* said at the Strategy Central panel. “We like to think we are accelerating, but I’m not sure we’re closing the gap. We’re accelerating in order to keep pace—and that’s a real challenge.” Mediacom is shifting its business model from outsourcing non-core services to more of a DIY model. “Before when we spent money there was a revenue goal associated with it. Mentally we’ve had to get over that. We realized we could staff up and get on the fast track without necessarily waiting for vendors to come to us with a solution.” **Discovery** chief digital officer *JB Perrette* added that “there will be some weeding out of brands... but nobody wants a zillion choices... Curation is still an incredibly important element.” Discovery’s recent purchase of **Revision 3** was more to gain a foothold in digital ad sales and talent for digital content creation than to serve as an incubator for linear TV. “There’s going to be a lot more disruption on the ad sales side of the business,” Perrette said. “We’ve been concerned for a long time with what’s happening with subscriber fees, but there’s going to be a lot of innovation in ad sales that allows more integration and brand sponsorships.” **Conde Nast Entertainment Group** EVP/COO *Sahar Elhabashi* sounded a sober note about traditional television. The publisher’s new video division will not develop content for linear television but instead focus on the digital space, she said. “We think eventually people will want to see a smaller and smaller bundle” from their distributor, she added. Though not a fan of a la carte, Breland said he can see a time of fewer bundled networks. His question for customers: “Would you trade networks you don’t get a lot out of to get a greater flow of rights to go to your devices? Is that a better package?”

Carriage: **Comcast** will launch **Outside TV**, a new indie net based on Outside Magazine, to systems across the country beginning within a few weeks in June. It will be located in the Sports & Ent Package. The launch will begin with Seattle, Portland, San Fran, Denver, Atlanta, Chicago and expand.

CableFAX Best of the Web: *Matt Strauss*, **Comcast** svp, digital and emerging platforms, reiterated Mon that the MSO expects to start trialing C3 ratings on the iPad this summer. “Hopefully, other distributors will get to” do their own trials, he said. With **Turner** and Comcast named as **CableFAX**’s TV Everywhere Leadership Award recipients,



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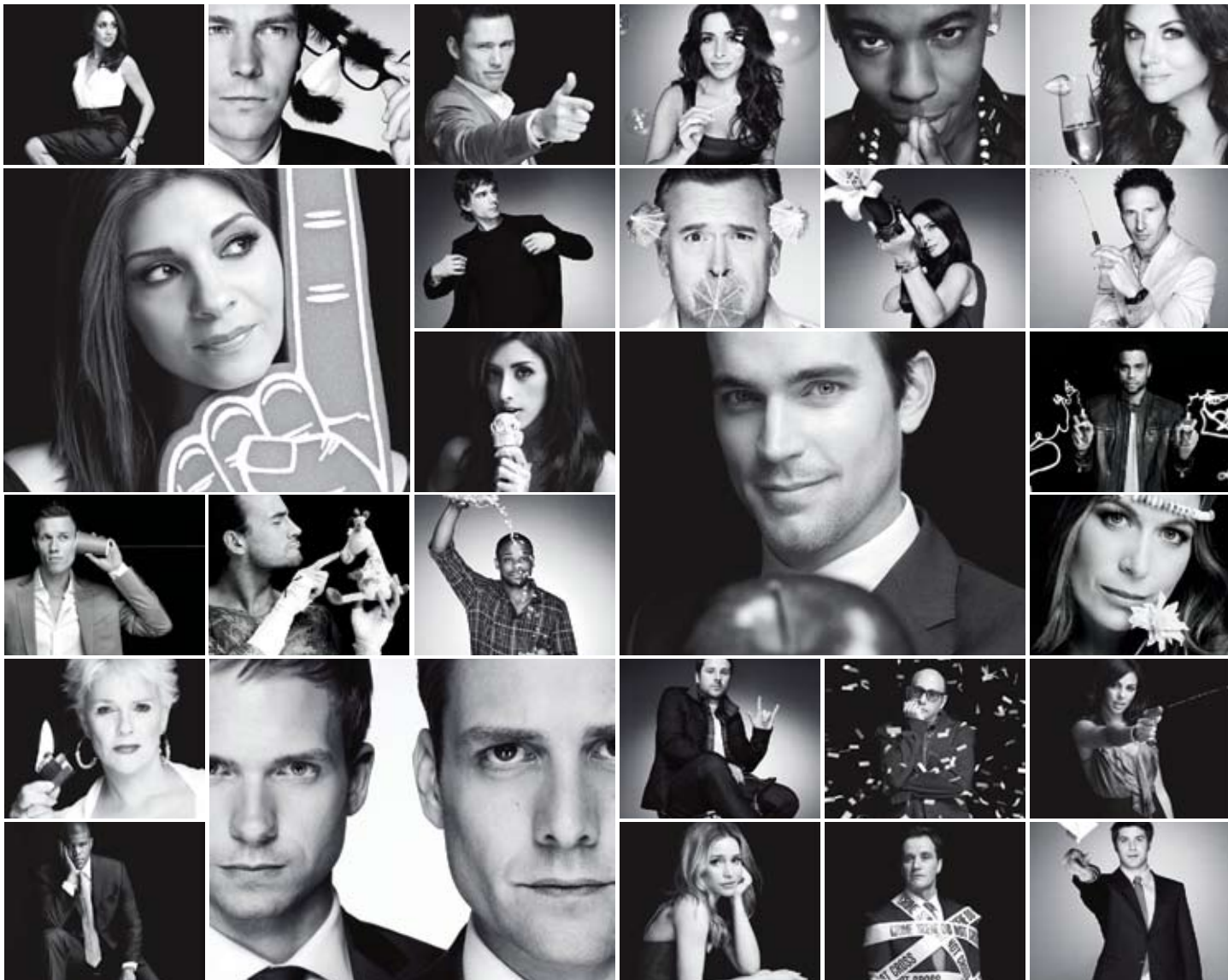
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characters welcome. **USA**

Strauss and Turner vp, biz dev *Jeremy Legg* participated in an on-stage Q&A. Authentication still has a way to with advertisers because the measurement just isn't there yet, Legg said. It's a tricky situation. "If you think about the iPad... Apple is not going to let **Nielsen** just inject anything in to its operating system. Nielsen has to change its business model." **Bright House** pres *Nomi Bergman*, who was named to our Digital Hot List, gave everyone a bit to ponder (and laugh about) by listing 5 technologies that could have negatives as well as positives. Included on that list: cars without drivers (NV just issued **Google** the 1st US license to test such vehicles, putting texting while driving in a whole new light, Bergman said) and turning the body into a touchscreen (**Disney Research Lab** and **Carnegie Mellon** released findings that could turn body parts into interactive mediums similar to tablet screens). Check out our Best of the Web winners, Digital Hot List and 15 to Watch: <http://www.cablefax.com/bowdigitalhotlist2012/>

Programming: **AMC** announced its summer slate, kicking off July 15 with the 1st part of "Breaking Bad's" final season (10pm). The first 8 eps will air this summer, and the final 8 will debut in summer '13. Also July 15, the net bows unscripted series "Small Town Security" (11pm) and season 2 of Western "Hell on Wheels." -- **BlueHighways TV** debuts "Behind the Dream," which gives an inside look into the making of *Marty Raybon* of Shenandoah's new CD (May 24).

5Qs with FearNet Chief Revenue Officer Ron Garfield: **You recently renewed your 1st scripted series, "Holiston." Are more coming?** I think it's going to be measured. We want to see how it's working. Original programming always defines a network. I think that begins to happen more and more as the network grows the distribution and grows in popularity. **How many homes are you in now?** We're in less than 10mln for linear. We're in 28mln for VOD at this point and time. We just completed our Time Warner rollout in just about every Time Warner market. We're rolling out with Cox right now. We're working with Comcast to roll out, and we're fully distributed on FiOS. We're literally in active conversations with all of the other major distributors and some medium-sized distributors too for distribution on a linear basis. **You launched originally as a VOD network. Then in Oct of 2010 you went linear. How does that work with distribution plans?** There were 2 initiatives from a distribution perspective. The first was to take our existing VOD subscribers and convert those into linear, still maintaining the basis of the VOD. The VOD is so successful for us, and it's leading the industry in so many categories that it just makes so much sense for our distributors to maintain the VOD carriage. The 2nd simultaneous march was to go out and secure new distributors for both linear and VOD. We have proved [ourselves]. We have delivered over 625mln free VOD plays since this channel has launched... We average about 9mln VOD plays per month. That's a great promotional opportunity. We use it to promote the linear and VOD and also the Website. **Before joining FearNet, you helped with the rebrand with Ovation. Anything you can take from that situation and apply it here?** The unique thing about both of those services is that they're targeted to a very specific audience and programming genre. So you're not out competing with a lot of other things right now. What you take away from all of this is that these are both independent networks. Launching and establishing an independent, emerging channel is al-

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- #10 Adults 25-54 delivery
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Source: Audience Delivery; Nielsen. 3/28/11-3/25/12. M-Su 8p-11p. A25-54 (000). L7 data. Includes ad supported cable entertainment nets that air in more than 50% of the daypart; 1 million+ stat: Nielsen. 3/28/11-3/25/12. P2+. L7 data. Programs with at least one telecast that delivered 1MM+ total viewers; Must Keep: GfK MRI Cable Network Value Study, Summer 2011. A18-64. Among viewers. Includes 32 measured cable entertainment nets. Q: Suppose for a moment you could only keep five cable networks on your TV, which ones would they be. Social Fans: Trendrr. Period: in-season daily average mentions on premiere day for RHONJ, RHOA, RHOBH, RHONY, and Top Chef.

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BUSINESS & FINANCE

ways going to be a challenge. What I take away is understanding the process of what my customers are looking for, and understanding that in this environment... you truly have to come up with a value proposition for your customers that is going to address what their needs are.

Do you have any TV Everywhere deals? We're absolutely giving people the rights to FearNet content in and out of the home to authenticated customers. We haven't launched an authenticated initiative yet. We're in the process of working on that now, but the rights are all there in the deals we're doing.

Affiliate Relations: AT&T U-verse is partnering with nuvoTV on a 6-week promotional campaign to support the net's 3 original series, "Model Latina," "Fight Factory" and "Curvy Girls." AT&T will hype the shows on an interactive channel promotion, a 1st for nuvo, July 2-Aug 14.

Show Circuit: Destination America took us out to the ballpark—Fenway to be exact—for Sun's media reception. The venue and food (hotdogs, barbecue sliders, lobster rolls and french fries) were very apropos for the Discovery net, set to launch May 28. Biggest surprise of the night: pres/gm Henry Schleiff showed up without a Yankees hat on. -- Nice move by TV One, bringing back their popular rolling, laptop bags as a giveaway for reporters. Our aching backs thank you!

CableFAX Daily Stockwatch

Company	05/21 Close	1-Day Ch	Company	05/21 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	46.39	1.01	CLEARWIRE:	1.20	0.02
DISH:	28.64	0.16	CONCURRENT:	3.51	(0.09)
CBS:	44.39	0.58	CONVERGYS:	13.44	0.45
GE:	19.12	0.17	CSG SYSTEMS:	16.66	0.29
NEWS CORP:	19.69	0.22	ECHOSTAR:	27.05	0.30
MSOS					
CABLEVISION:	11.41	0.32	GOOGLE:	614.11	13.71
CHARTER:	63.63	1.95	HARMONIC:	4.30	0.21
COMCAST:	28.71	0.43	INTEL:	26.15	0.08
COMCAST SPCL:	28.43	0.44	JDSU:	10.22	0.36
GCI:	6.97	(0.04)	LEVEL 3:	22.98	0.68
KNOLOGY:	19.44	0.04	MICROSOFT:	29.75	0.48
LIBERTY GLOBAL:	47.45	1.07	MOTOROLA MOBILITY:	39.98	0.78
LIBERTY INT:	17.47	0.41	RENTRAK:	16.40	0.62
SHAW COMM:	19.18	0.38	SEACHANGE:	7.98	0.04
TIME WARNER CABLE:	76.58	2.51	SONY:	14.13	0.36
VIRGIN MEDIA:	22.12	0.64	SPRINT NEXTEL:	2.37	0.03
WASH POST:	327.75	(5.25)	TIVO:	9.57	0.29
PROGRAMMING					
AMC NETWORKS:	39.80	0.16	UNIVERSAL ELEC:	13.82	0.01
CBS:	31.50	0.94	VONAGE:	1.75	0.05
CROWN:	1.55	0.05	YAHOO:	15.58	0.16
DISCOVERY:	49.88	1.51	TELCOS		
GRUPO TELEVISIA:	20.23	0.58	AT&T:	33.63	(0.03)
HSN:	37.28	0.40	VERIZON:	41.34	(0.19)
INTERACTIVE CORP:	44.83	0.73	MARKET INDICES		
LIONSGATE:	12.51	0.29	DOW:	12504.48	135.10
LODGENET:	1.50	(0.09)	NASDAQ:	2847.21	68.42
NEW FRONTIER:	1.50	(0.02)	S&P 500:	1315.99	20.77
OUTDOOR:	6.83	0.24			
SCRIPPS INT:	52.45	1.65			
TIME WARNER:	34.50	0.23			
VALUEVISION:	1.58	0.06			
VIACOM:	51.60	0.65			
WWE:	8.08	(0.16)			
TECHNOLOGY					
ADVANTAGE:	2.25	0.00			
ALCATEL LUCENT:	1.49	0.05			
AMDOCS:	29.59	0.24			
AMPHENOL:	52.46	1.27			
AOL:	26.98	0.97			
APPLE:	561.28	30.90			
ARRIS GROUP:	12.13	0.31			
AVID TECH:	7.29	0.24			
BLNDER TONGUE:	1.01	0.01			
BROADCOM:	32.28	0.96			
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GUEST COLUMNISTS

Cable's Hosted Services: The Secret Sauce

By Brooks Borcharding and Julia McGrath

From a technology perspective, U.S. businesses have never been better positioned for success. That's because they now have access to an array of cloud-based tools and services, as well as high-performing networks to support them. The combination of rich business applications, secure hosted-services environments, and the broadband connectivity that brings them together has created a virtuous end result: improved IT capabilities with reduced management requirements at lower costs.



Julia McGrath

In a nutshell, businesses are turning away from the legacy model of buying, installing and maintaining complicated servers and associated applications. Instead, they're turning over responsibility for computing infrastructure, applications and telecommunications needs to highly reliable, secure and affordable managed services providers. By offloading technology and applications infrastructure to hosted environments, businesses can achieve improved computing performance, while relieving pressure to constantly buy, maintain, and upgrade complex in-house equipment and applications.

Why is this happening now? In part, because cable companies have changed the economic equation by delivering tremendous networking capacity to businesses at costs previously unimaginable. By taking advantage of dedicated fiber networks, Ethernet connectivity and DOCSIS-powered broadband networks, businesses are able to leverage the advantages of hosted computing and managed IT services in an affordable manner.

The benefits are significant. Managed services environments provide access to the same (or better) computing, telecommunications and applications resources businesses used to maintain in-house. And managed services provid-

ers offer redundancy, security, scale and maintenance advantages that in-house computing environments can't duplicate—often without upfront capital expenditures.

The cable industry brings many unique attributes to the market. One is local presence: dedicated sales and service personnel offer a “feet on the street” responsiveness that remote cloud-computing providers can't economically duplicate. Cable companies also stand out because they own, operate and maintain their own broadband telecommunications networks. For businesses with mission-critical computing needs (and whose aren't?), the knowledge that a provider directly manages the secure, redundant network that connects to a hosted-services environment provides enormous comfort.

Finally, as cable companies add managed services facilities, they're becoming true one-stop providers of both business computing services and the network pipes that connect to them. Cloud computing, it turns out, is transforming the role of the cable company while creating rich new possibilities in information technology.

Business communications services already have emerged as a fast-growing cable revenue source while working to improve agility for small, medium and enterprise businesses everywhere. On May 22 during a 3:30pm plenary session, CTAM will help further drive discussion among Cable Show attendees around key drivers for serving SMB and large business customers. This includes how organizations are changing to capture this market, what products appeal to larger business customers, and how advances on the business side may impact cable's residential services.

(CTAM Business Services Council Co-Chairs Brooks Borcharding is the President of NaviSite, a Time Warner Cable company. Julia McGrath is Senior Vice President of Marketing and Business Development for Optimum Lightpath, a wholly-owned subsidiary of Cablevision Systems).

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GUEST COLUMNIST

Making the Case for Diversity

By Nicol Turner-Lee, Ph.D., pres/CEO of NAMIC

The expanding reach of cable broadband service to more than 126 million households, and its impact on the more than 1.8 million individuals employed in the industry, reveals the burgeoning growth of the cable industry. Giving consumers the ability to access content anytime, anywhere, and on any device speaks to the foresight of industry leaders that recognize that the communications landscape is rapidly changing.

As cable pushes the boundaries of innovation, the industry must also do the same in the areas of diversity and inclusion. Today, multi-ethnic representation in the workforce can help companies adapt to changing customer demographics, especially among people of color. Hispanic consumers, especially those in the 18 to 34 year old bracket, are rapidly subscribing to cable television because of its language diversity. African Americans, who over index in their use of social media, are indulging in both digital and social platforms to promote conversations around television content. Companies are continuously enhancing their VOD offerings to highlight the achievements of people of color.

While these examples make the case for more diverse consumer content, what often drives these ideas, strategies, and investments are workplaces that understand how diversity and inclusion can create a valuable return for the business.

The National Association for Multi-ethnicity in Communications is one of several organizations supported by the cable telecommunications industry to cultivate more inclusion at all levels of leadership. At NAMIC, we are committed to educating, empowering, and advocating for professionals of color to meet this charge, and to helping the cable and the communications industry become more responsive to the needs of consumers of color.



Nicol Turner Lee

With more than half of the multichannel video market served by cable, and its networking programming expenditures totaling more than \$250 billion since 1996, plenty of opportunities exist for the industry to be first in those areas pertaining to workforce and audience diversity. The increasing consumption of cultural content by diverse audiences suggests that, while the representation of people of color in the executive ranks of the industry is at 19 percent compared to just 6 percent in 1999, this number should be improved.

Since its founding, NAMIC has been developing a pipeline of diverse talent for the next generation of industry leadership—many of whom will be honored at our Annual Awards Breakfast during this year's Cable Show. This event will showcase both Next Generation leaders and Luminaries that are making significant professional strides, while promoting multiculturalism within their companies.

With more than 2,700 members involved with 16 national chapters in key geographic markets, NAMIC offers industry solutions for cultivating diverse talent, and reaping the external and internal dividends associated with diversity and inclusion.

Expanding the pipeline of diverse leadership, raising awareness about the evolving nature of the cable communications industry, and ensuring there are metrics to track the industry's progress are all at the core of NAMIC's mission. And, as digital innovation expands and inserts itself into the communications workplace, the focus on expanding diversity becomes even more relevant and necessary.

(Nicol E. Turner-Lee, Ph.D. is NAMIC's new pres/CEO. Prior to this role, she was VP and the first Director of the Media and Technology Institute at the Joint Center for Political and Economic Studies).

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CABLEFAX ROUNDTABLE

Speaking Upfrontly

With Upfront season in full swing, we caught up with media buyers to get their early impressions of the selling frenzy. Joining us are Amy Sotiridy, svp, dir national broadcast for **Initiative** and Lyle Schwartz, managing partner, dir research & marketplace analysis for **GroupM Worldwide**.

Given last year's strong performance, are we done worrying about whether the TV ad market will pull back this upfront season?

Sotiridy: I don't think this year's upfront will be nearly as strong as last year. We are projecting growth, but at a much slower rate than last year. Several media outlets are reporting a record Upfront, but we are not seeing it that way. The economic indicators are just not there.

What do you like least about the upfront system?

Sotiridy: The ridiculously late nights!

Schwartz: The upfront has become more of a spectator and hyped event, with way too much chatter and too little insight.

Are there some positives about it?

Schwartz: The upfront brings a tremendous amount of energy that I find extremely invigorating reflecting a mix of programmers, media sales, advertising and media agencies and clients, I liken it to a new baseball season where everyone has the belief that "this could be the year."

Sotiridy: There are a lot of positives including a better deal climate for our clients, access to great added value opportunities and the ability to get to know your co-workers a lot better from spending so much time burning the midnight oil.

Have any trends emerged this cycle?

Sotiridy: There is a great deal of the conversation about social media influence and how to incorporate it into our efforts so a brand is part of the conversation. Also, moving video as a whole and not in piecemeal is a trend we are seeing. And it's a good one!



Amy Sotiridy



Lyle Schwartz

How will cable nets will fare vs. broadcast?

Schwartz: "Cable" as a category continues to increase its share, but individual cable network performances vary significantly. I think the annual tally between cable and broadcasters is immaterial, especially since many companies represent both, and it's the individual network and overall company portfolio that is most relevant.

Should we still be making distinctions between broadcast and cable?

Schwartz: No, I don't believe that is relevant in today's media landscape.

What have you seen thus far that's made a real impression on you?

Sotiridy: I love that the digital players are having the "new-fronts" this year. In the past TV and digital have not been purchased at the same time, and the opportunity to amplify what you are doing across all media wasn't there.

Schwartz: The sheer magnitude of the amount of new product being brought to the market is somewhat overwhelming to me as a media industry professional, so just think what an average consumer is facing. Also, while networks can easily describe the nuances in the differences between programmers, from my perspective, there is a lot of new programs that can fit on multiple channels, which can blur the uniqueness of an individual network.

Are clients hungry for advanced ad opportunities?

Sotiridy: I think so. Every advertiser wants consumers to interact with their brand and have more of a lean forward vs lean back experience. ITV provides an immersive experience where consumers can touch and feel your brand.

I wish cable would ...

Schwartz: I wish we all would stop this cable vs network discussion. It's all about the networks' portfolio of content, and not the delivery device.

Sotiridy: Continue to invest in original programming and integrated opportunities across platforms for our brands to showcase their products.

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