

CableFAX Daily™

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What the Industry Reads First

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Home Movies: Ball Already Rolling for Theatricals On Demand

When the **FCC** earlier this month granted an **MPAA** request to close off the outputs of TV sets and set-tops via selectable output control, early release VOD got a boost. **Time Warner Cable** got the ball rolling at the **Cable Show**, with a source confirming a *WSJ* report over the weekend that the MSO pitched studios on "Home Theater On Demand," which would let viewers watch movies at home 30 days after theatrical release. A price tag of \$20-\$30 a title might sound pricey, but probably not to a family of 4 who would need to buy 4 tickets (not to mention the additional costs of a concession stand visit). It also caters to the 62-inch plasma screen crowd who seek a home theater experience. The same crowd, mind you, likely includes 3DTV early adopters (As an aside, have you seen the **Panasonic** 3D Viera commercials that began running late last week?). Another benefit, according to **CTAM** head *Char Beales*, would be competitive ammunition against satellite. "They can't do it. They have faux movies on demand," she said, saying the number of films available via DVR to customers can't match cable's VOD offerings. VOD access to movies in theaters is not new for independent films, with **IFC in Theaters** and **HD Net/Magnolia Pictures** having done it for years. But it sounds like at least initially MSOs will be striking these deals (not VOD distributors such as **In Demand** and **TVN-Avail**). The MSOs followed a similar path when striking up initial day-and-date VOD deals that coincided with DVD release dates, with **Comcast** and **TWC** helping to blaze the trail. The *Journal* reports that talks are fluid, but studios could sign on to a version of the proposal as soon as the fall, which would put the 1st movies on VOD by year-end or early '11. **Warner Bros**, **Disney Studios**, **Universal Pictures**, **Sony Pictures**, **Paramount** and **20th Century Fox** have heard the pitch.

Telecom Rewrite: After trying and failing to update the Communications Act in '06, Congress is going to try again. **Sen Commerce** chmn *Jay Rockefeller* (D-WV) and **House Commerce** chmn *Henry Waxman* (D-CA), along with subcmte chmn Rep *Rick Boucher* (D-VA) and Sen *John Kerry* (D-MA), announced Mon that they will start a process "to develop a proposal to update the Communications Act." If successful, it will be the 1st big update of the act since '96. The first step will be to invite stakeholders to participate in a series of bipartisan, issue-focused meetings beginning next month. The Dems said a topic list and other details will be forthcoming. The announcement comes after the **FCC's** legal authority to enact key provisions of its National Broadband Plan came into question following a federal appeals court decision.



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VOD: Cablevision last week launched **NBC** and **ABC** primetime series in its free on demand category, disabling fast-forward on the shows. The ABC content is new (part of its recent **Disney** deal?); it previously made NBC content available, but charged 95 cents an ep. The goal seems for shows to post within about 24 hours after original air. ABC's "Lost" finale, which aired Sun night, was available for viewing early Mon afternoon. The primetime shows, which include "30 Rock" and "Flash Forward," have the same number of commercial breaks, but the breaks are shorter (at least for now...). **Cox** similarly offers content from ABC, NBC and other nets via VOD with no fast-forwarding through its "My Primetime On Demand" service. While Cablevision has disabled fast-forwarding for the primetime network VOD offerings, don't take that to mean it's anti-skipping. During CVC's 1Q earnings call, COO *Tom Rutledge* said the MSO won't disable the fast-forward feature in its network DVR (*Cfax*, 5/7). "We're going to make it work as a consumer product the same as a physical DVR," he said.

Sunny Skies: The distribution cloud that hung over **DISH** and **Weather Channel** late last week has lifted, with the parties agreeing to a multi-year deal following the DBS op's threat to drop the channel because of its movement toward ent-focused programming. The deal includes carriage of the linear net and collaboration to develop full-time weather forecasting services designed specifically for DBS subs—the latter portion no doubt satisfying DISH's previous assertion that Weather is cable-centric. Set to bow later this summer, the new services also will feature iTV apps and Web and mobile plays. DISH had launched competing weather service **Weather Cast** during its tiff with Weather Channel but removed it Mon.

Bird Watching: SES World Skies is commencing 3 strategies it believes will mitigate the risk of potential cable interference in the U.S. due to the rogue Galaxy 15 satellite (*Cfax*, 5/19). Although some interference may still occur through Jun 7, with the highest risk period May 31-Jun 1, SES said any effect on the vast majority of cable systems will likely be minimized. Cable ops in the continental US with antenna sizes greater than 7 meters can contact SES at AMC11@ses.com to ensure continued antenna operation. As **Scripps Nets** alerted its distribution partners of steps it's taking to reduce the risk, **Time Warner Cable**, **Turner** and **Fox Cable Nets** are sleeping easy. Spokespersons for Fox and Turner said their transmissions will be unaffected, and the MSO pointed to a blog post at TWCableUnplugged.com that despite the buzz of recent weeks, the situation is "really boring." Citing a **CNN** interview, the post says any interference would last hours, not days or weeks.

Online: Comcast plans in coming weeks a beta launch of web/mobile app Tunerfish, which *Techcrunch* calls "**Four-square** for the TV." It would let users' friends know what TV shows they're watching so they could interact, the pub reports.

Deals: Zito Media will buy **Galaxy Cable's** cable ops in KY, IL, NE, KA and TX (55K homes passed, 19K RGUs). Terms of the deal weren't disclosed. **Waller Capital** served as Galaxy's exclusive financial adviser.

In the Courts: The **US Supreme Court** unanimously overturned a lower court ruling, allowing hat maker **American Needle** to proceed with an antitrust case against the **NFL**. The NFL had claimed the league and its teams are a single entity in the case, which came after Needle lost its rights to sell hats with NFL logos after the league struck an exclusive deal with **Reebok**. It is being closely watched because of the implication it could have on the NFL's antitrust exemption.

Advertising/Marketing: Tennis Channel will provide a portion of its ad inventory to **Google TV Ads**, joining nets including **Hallmark Channel** and **CBS College Sports** as partners of the system that offers real-time metrics. -- Party at **Bravo!** Spotlighting its 9 summer bows of new and returning originals, the net launched its 1st net-wide on-air image campaign featuring more than 30 "Bravolebrities" including *Kathy Griffin*, dancing at a rooftop pool party. Featuring *Macy Gray's* "Kissed It" as the soundtrack, the promo will debut in more than 1,250 US theaters from May 28-Jun 10.

Programming: Discovery Channel inked with "MythBusters" co-hosts *Jamie Hyneman* and *Adam Savage* a deal to both co-prod the show and dev additional series for the net. -- **Syfy** greenlit "Alphas" (wt), a pilot featuring a team of ordinary citizens who possess extraordinary mental skills. *Jack Bender*, dir/ex prod of ABC's "Lost," will serve in the same capacity for Alphas. -- **Nat Geo** is headed to the Gulf of Mexico for "Gulf Oil Spill" (Thurs), a doc featuring never-before-seen footage obtained from the US Coast Guard, the net's prod crew and the salvage co at the site spill site.

Public Affairs: Culminating a 10-yr project, **CNN.com** launched "Home and Away," a cross-platform memorial to the more than 6K Coalition Forces casualties in Afghanistan and Iraq. The site offers an interactive tribute, and CNN's "John King, USA" will feature 1 related personal story for the next month, dedicating its May 31 show entirely to the cause. -- **E!** celebrates its 20th anniversary by helping the **Make-A-Wish Foundation** grant the wishes of 20 kids. PSAs will highlight the foundation's work, and E! is accepting donations at EOnline.com/20years in hopes of granting the 20 wishes by Dec.

BUSINESS & FINANCE

People: Lauren Dolgen was upped to svp, MTV series dev, West Coast. She's behind one of the net's biggest recent hits, "16 & Pregnant." -- HGTV vet *Laura Sillars* is moving to **Hallmark Channels**, where she will serve as svp, lifestyle programming. The hire augments the net's deal with *Martha Stewart*, which Sillars will oversee.

-- **Cablevision** reupped evp/CFO *Michael Huseby* for 2 years, through Oct '12, at minimum base salary of \$1.02mln. Also, the MSO's Class A shareholders elected 5 directors, and its Class B shareholders elected 12, including 8 Dolan family members. -- **Current Media** tapped *John Arianas* as vp, East Coast sales.

On the Circuit: The **Assoc of Cable Communicators** added **Time Warner Cable's Ellen East** and **Scripps Nets' Cindy McConkey** to a panel discussion about retrans and renewal negotiations at its Cable Communications Institute, June 13-16, NYC.

Business/Finance: **BTIG** analyst *Richard Greenfield* initiated coverage of **Cablevision** with a 'buy' and \$32 price target, predicting the MSO will launch a share repurchase program this year that, coupled with "continued operating outperformance," should drive shares notably higher. -- **Needham & Co** reiterated its 'buy' rating on **Time Warner Cable** shares and price target of \$65. The firm believes growing FCF will drive the MSO to return capital to shareholders through dividends and/or share buybacks.

CableFAX Daily Stockwatch

Company	05/24 Close	1-Day Ch	Company	05/24 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	36.78	(0.45)	APPLE:	246.76	4.44
DISH:	20.73	(0.3)	ARRIS GROUP:	10.96	(0.07)
DISNEY:	32.48	(0.39)	AVID TECH:	13.17	(0.31)
GE:	16.01	(0.41)	BIGBAND:	2.85	0.00
NEWS CORP:	15.07	(0.19)	BROADCOM:	32.17	(0.5)
MSOS					
CABLEVISION:	22.85	(0.35)	CISCO:	23.37	(0.09)
COMCAST:	16.77	(0.26)	CLEARWIRE:	7.88	0.14
COMCAST SPCL:	16.06	(0.18)	COMMSCOPE:	27.36	(0.37)
GCI:	5.84	(0.09)	CONCURRENT:	5.32	(0.02)
KNOLOGY:	12.12	0.02	CONVERGYS:	10.99	(0.2)
LIBERTY CAPITAL:	39.56	0.31	CSG SYSTEMS:	20.43	0.05
LIBERTY GLOBAL:	23.68	(0.02)	ECHOSTAR:	19.44	0.10
LIBERTY INT:	12.36	(0.31)	GOOGLE:	477.16	5.11
MEDIACOM:	5.27	(0.08)	HARMONIC:	5.63	0.06
RCN:	14.39	0.03	INTEL:	20.67	(0.24)
SHAW COMM:	17.64	(0.3)	JDSU:	11.05	(0.06)
TIME WARNER CABLE:	50.66	(0.21)	LEVEL 3:	1.29	0.00
VIRGIN MEDIA:	15.18	(0.23)	MICROSOFT:	26.27	(0.57)
WASH POST:	473.81	(9.86)	MOTOROLA:	6.73	(0.11)
PROGRAMMING					
CBS:	13.96	(0.36)	PHILIPS:	29.15	(0.96)
CROWN:	1.80	(0.02)	RENTRAK:	24.04	(0.16)
DISCOVERY:	36.39	(0.03)	SEACHANGE:	7.87	(0.14)
GRUPO TELEVISIA:	18.09	(0.21)	SONY:	31.37	(0.89)
HSN:	26.00	0.20	SPRINT NEXTEL:	4.79	0.38
INTERACTIVE CORP:	22.16	0.68	THOMAS & BETTS:	37.71	(0.81)
LIBERTY:	31.39	(0.58)	TIVO:	9.05	0.02
LIBERTY STARZ:	50.05	(1.51)	TOLLGRADE:	6.35	0.00
LIONSGATE:	6.78	(0.03)	UNIVERSAL ELEC:	18.53	(1.55)
LODGENET:	5.19	0.05	VONAGE:	1.94	0.07
NEW FRONTIER:	1.85	(0.01)	YAHOO:	15.54	0.07
OUTDOOR:	5.91	(0.23)	TELCOS		
PLAYBOY:	3.58	(0.03)	AT&T:	24.43	(0.42)
RHI:	0.23	-0.00	QWEST:	5.05	0.04
SCRIPPS INT:	43.72	0.20	VERIZON:	27.49	(0.47)
TIME WARNER:	29.77	(0.31)	MARKET INDICES		
VALUEVISION:	2.08	0.24	DOW:	10066.57	(126.82)
VIACOM:	35.78	(0.61)	NASDAQ:	2213.55	(15.49)
WWE:	16.13	(0.22)	TECHNOLOGY		
TECHNOLOGY					
ADC:	7.91	0.23			
ADDVANTAGE:	2.77	(0.09)			
ALCATEL LUCENT:	2.43	(0.03)			
AMDOCS:	29.67	(0.09)			
AMPHENOL:	41.57	(0.35)			
AOL:	21.20	(0.08)			

CableFAX Workshop 3.0

June 16, 2010 9:00am-4:00pm NYC

Social Media Beyond Twitter and Facebook: Leveraging the New Platforms

CableFAX's one-day workshop will focus on how to leverage the newest and most promising social media platforms for your cable promotions. The goal is to get you up to speed on many of the exciting new platforms that are below the radar now – but not for long. They will help you promote your program, your content, your brand and your business.

Register Today! www.cablefax.com/june16 Questions: Saun Sayamongkhun at saun@accessintel.com or 301-354-1610.



EYE ON INNOVATION

App Happy

Smartphone owners who don't use apps are likely considered woefully unhip, but any cable net or op that doesn't offer mobile apps could reasonably be deemed something far worse: foolish. As the mesmerizing breadth of apps offered through **Apple, Blackberry, Android** etc is expanding daily, (hip) consumers now expect them from brands spanning industries. Media companies far and wide are wisely using them to promote interaction with content and related services. Witness this month's **Cable Show**, where **Comcast** chief *Brian Roberts* touted the MSO's forthcoming iPad app allowing the device to interface with set-tops, and **NCTA** offered a new app apprising event-goers of new developments and panel info. Of the approx 13K attendees, 5K downloaded the app, repping solid adoption. It's not alone.

"Mobile apps extend the media product to users in all places and with great engagement features, make it a fun and rewarding experience for the audience," said **Versus** vp, digital media *Neal Scarbrough*. "It really completes the 360-degree experience we are trying to cultivate for our fans and based on the adoption, they like it too."

Featuring video, score updates, blogs and game predictions, the net's hockey app has been downloaded 90K times since its Feb launch and from Apr 21-May 11 garnered more than 10mln hits on iPhones alone.

Ops, meanwhile, continue to rack up downloads of their own apps, most often viewed as value adds to subs. A popular offering is an app allowing customers to manage DVR recordings through mobile devices, and judging by the uptake, people love it. Comcast rep *Charlie Douglas*, for example, said the MSO's version, which bowed in Mar, earned 100K downloads within a week and now counts downloads of "many, many multiples of 100K." Or take **Verizon's** version, which coupled with an app through which handsets can act as a TV remote, has generated 250K downloads.



"Perhaps the core benefit [from apps] is giving our FiOS customers more control over their TV viewing experience," said VZ's dir, consumer prod dev and management *Joe Ambeault*. "Enabling them to manage and personalize their TV viewing with more sophisticated tools than a simple IR remote control is increasing their engagement with FiOS TV."

Douglas echoed those sentiments, adding that the MSO is working to get its DVR app compatible with as many platforms as possible. Also featuring access to home phone messages, the app is a "key component of our overall mobile strategy," he said, and itself part and parcel of the overall goal to serve customers across whatever devices they desire.

There's still ample room to improve and innovate in the app space, particularly with advertising.

Now offering more than 20 apps, ESPN has found good success getting movie studios to buy ads within them, said **ESPN Mobile** svp/gm *John Zehr*. Still, apps aren't nearly the 1st choice for ad dollars, although Zehr said they no longer fall under the category of a "hard sell."

"Advertisers are going to find value despite the small screens because they're very focused screens," he said. "There's a lot more to do with apps than just moving linear content to mobile devices."

The sports giant is finding that customers will pay, too. Its **ScoreCenter** app, 6mln downloads strong, provides free access to scores, stats etc. But Zehr said upgrades for numerous apps are available and performing well. He spends a lot of time attempting to determine what app features customers will spring for, and he said utility (ie. managing fantasy teams) and the amount of featured video are 2 key factors driving open wallets. "We're making money on some of them," said Zehr, noting profit potential going forward through "promoting a ritualized experience."

Apps as ritual. Seems that theory is already taking flight.

—Chad Heiges

CableFAX PROGRAM AWARDS

From the most outstanding cable programs to the best surprise ending, the annual CableFAX Program Awards to 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.

It's simple to compete, as your content and people speak for themselves. But you have to enter to be considered, so don't let your competitors steal the show. We'll be honoring the winners and honorable mentions in October at the Grand Hyatt Hotel in NYC and in the annual CableFAX Program Awards Issue.

Sponsorship Opportunities: Debbie Vodenos at 301.354.1695 or dvodenos@accessintel.com
Entry Questions: Kate Schaeffer at 301.354.2303 or kschaeffer@accessintel.com

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