

CableFAX Daily™

Tuesday — June 1, 2010

What the Industry Reads First

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What's Cooking: Scripps' Newest Baby Bows Monday

At 7am ET Mon morning, **Scripps Nets** flips the switch on what it hopes will be **Food Network 2.0**. About 58mln HHs will lose **Fine Living Network** Mon morning and gain **Cooking Channel** in its place, assuming all FLN affiliates sign off on the transition. Despite a lot more food competition on TV from **Bravo, TLC** and others, the Food Network is growing, notes Cooking gm *Michael Smith*. "So we know there is an increasing appetite," he says. "They're not saying they want to see more of the same. They want more and more." That's why Cooking doesn't have a lot of familiar faces on its air. Sure, there's a dash of *Emeril* and helping of *Rachael Ray*, but the majority of Cooking's original programming doesn't feature established names. It'll also have a more intl flavor than Food—both in terms of cooking and travel. The idea is to take food a little deeper—for those more passionate about the information than the entertainment value. "The network is targeted at people who grew up watching Food Network, have a strong food passion and want to go to the next level," Smith says. "People who love sports have more than 1 sports channel. People who love news have lots of different options." And yes, Cooking also wants to skew younger than Food, targeting 18-49s who probably have a higher level of food sophistication than their parents. At launch, the primetime schedule will be about 65% original. It should ramp up to about 75% by July. By Dec, Smith says the plan is to be about 95% original in prime, with only about 1 legacy show. Originals include "Food Jammers," which features wacky food contraptions, and "Food(ography)," hosted by *Mo Rocca*. Promotions leading up to Mon's launch have been relatively low key, mainly ads on FLN and other Scripps nets, but will ramp up with a press tour and national media campaign this summer. As of Fri, Cooking had already amassed more than 27K fans on **Facebook**.

Don't Do It! House Republicans—171 of 177 to be exact—called on the **FCC** to not move broadband services under any form of Title II. In a letter Fri, the lawmakers, led by **House Commerce** ranking member *Joe Barton* (R-TX), told FCC chmn *Julius Genachowski* that such a "significant interpretative change" to the Communications Act should be made by Congress. Some Dems, including net neutrality supporter *John Dingell* (D-MI), share that belief. The FCC announced Thurs that it plans to launch an NOI into what Genachowski has billed as a "3rd way approach" for broadband classification. 74 Dems recently sent their own letter to the chmn expressing con-



AND



Advertising Opportunities

CableFAX Daily™
Mid-Day Special Issue

Publication Date: **June 15**
Space Deadline: **June 4**
Artwork Deadline: **June 8**

Contact: Debbie Vodenos, Publisher
Phone: 301-354-1695
Email: dvodenos@accessintel.com

JUNE 15, 2010 • 8:30 – 10:30 AM • GRAND HYATT, NYC

CableFAX is proud to bring together cable's top buyers and sellers on June 15th at an awards breakfast in New York City. Congratulations to CableFAX's Sweet 16, Sales Hall of Fame and Sales Executives of the Year Finalists.

Register and view the complete list of finalists at www.cablefax.com/seoy.



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cern over his proposal and House and Senate Commerce leaders have announced plans to begin reassessing the Communications Act. Title II supporter **Public Knowledge** blasted both Dem and GOP letters, calling them a “demonstration of the unparalleled political and lobbying muscle of the telecommunications industry.”

Competition: **DISH** will launch local broadcast channels in 29 markets next week, a move the DBS op said will make it the only pay TV provider to offer locals in every US market.

In the States: For an 11th year, **Comcast** and **HBO** are partnering for **Screen on the Green**, an outdoor movie festival in DC featuring free film screening on The National Mall. -- **Time Warner Cable's NY1** and **NY1 Noticias** nets bowed free iPhones apps offering full text and exclusive video content covering topics such as top stories, weather and politics.

Wall St Views: **BTIG** analyst *Richard Greenfield* initiated coverage of **Time Warner Cable** with a ‘buy’ rating and \$70 price target, and **Comcast** and **News Corp** with ‘neutral’ ratings. Greenfield believes TWC will beat ‘11 consensus numbers, noting that telco competition is abating, the **FCC's Title II** regulation threat is ‘overdone’ and the MSO’s low likelihood of major acquisitions should lure investors. To the latter point, Greenfield said despite Comcast’s inexpensive valuation, its pending deal for a stake in **NBCU** engenders simpler options to play the cable sector. News Corp is also cheap, he said, but “is unlikely to move notably in the near-to-intermediate future.” -- **Collins Stewart** and **Soleil Securities** both reiterated ‘buy’ ratings on **Time Warner** shares following the co’s bullish investor day, with the latter firm raising its corresponding price target to \$38 from \$35. TWX’s strategy to capitalize on scale, brands and economic innovation “does appear to increasingly make sense,” wrote Collins Stewart’s *Thomas Eagan*, noting how CEO *Jeff Bewkes* “has been a pioneer in trying to move the industry to adopt new business models (such as TV Everywhere) and accelerating the film windows, (VOD Day and Date, Premiere VOD and the 28-Day Netflix/Redbox window).” Eagan expects Turner to achieve affil fee increases higher than the industry avg, but did express concern that higher programming costs may constrain AOIBDA margins. **Turner** chmn/CEO *Phil Kent* said ‘10 programming costs will rise by mid single-digits, and CFO *John Martin* said TWX will spend more than \$7bln this year on overall content prod.

Broadband Mapping: **NTIA** said state govts and other awardees of its State Broadband Data and Development grant program may seek funding for up to 3 additional years of broadband mapping work. States can also now seek funding for other activities, such as state broadband task forces, technical assistance programs and programs to promote increased computer ownership and Internet usage. NTIA originally funded state data collection efforts for 2 years. Eligible entities have until July 1 to submit amended and supplemental applications. Thus far, NTIA has awarded a little more than \$100mln of the \$350mln it has to dole out. It’s required to make an interactive national broadband map publicly available by Feb 17, which will be updated every 6 months.

Earnings: **SeaChange's** fiscal ‘11 1Q results included rev of \$54.1mln (+11%) and net income of \$3.1mln (+41%), led by respective rev growth of 34% and 51% at its software and media services segments. Increased VOD ad rev from a major cable op helped drive the software business.

Cisco and Cable: **Cisco** welcomed *Enrique Rodriguez* as svp/gm of its service provider video business. The co said it’s committed to helping content providers deliver innovative video experiences.

Programming: **Syfy's** expanding its reality slate with greenlights for 3 series. “Marcel’s Quantum Kitchen” features molecular gastronomist *Marcel Vigneron's* new catering and event co, “Paranormal Witness” spotlights people who have lived through paranormal experiences, and “Face Off” proffers a competition series involving special-effects makeup artists.

People: **truTV** elevated *Marissa Ronca* to vp, dev. -- **Viacom** upped *Thomas Dooley* to COO and extended his employment contract through ‘16. -- **Science Channel** appointed *Dexter Cole* vp, programming and *Bernadette McDaid* vp, prod. -- **The Hub** tapped *Brian Wallach* as vp, ad sales integration. -- Former **Univision Online** and **Galavision** pres *Javier Saralegui* joined the board of **Si TV**.

Editor's Note: **CableFAX's** offices are closed Mon in observance of Memorial Day.

Business/Finance: **SureWest's** restructuring initiative includes a 7% workforce trim, or 60 posts including 7 open/unfilled, although it plans to continue hiring within its broadband segment.

CableFAX Week in Review

Company	Ticker	5/28 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

DIRECTV:	DTV	37.69	1.24%	13.01%
DISH:	DISH	20.85	(0.86%)	0.39%
DISNEY:	DIS	33.42	1.67%	3.63%
GE:	GE	16.35	(0.43%)	8.06%
NEWS CORP:	NWS	15.36	0.66%	(3.52%)

MSOS

CABLEVISION:	CVC	24.81	6.94%	(3.91%)
COMCAST:	CMCSA	18.09	6.22%	7.30%
COMCAST SPCL:	CMCSK	17.22	6.03%	7.56%
GCI:	GNCMA	5.73	(6.68%)	(10.19%)
KNOLOGY:	KNOL	11.96	(1.16%)	9.52%
LIBERTY CAPITAL:	LCAPA	42.06	7.16%	76.13%
LIBERTY GLOBAL:	LBTYA	25.80	8.86%	17.86%
LIBERTY INT:	LINTA	12.97	2.37%	19.65%
MEDIACOM:	MCCC	5.33	(0.37%)	19.24%
RCN:	RCNI	14.53	1.15%	33.87%
SHAW COMM:	SJR	18.26	1.78%	(11.23%)
TIME WARNER CABLE:	TWC	54.73	7.59%	32.23%
VIRGIN MEDIA:	VMED	16.16	4.87%	(3.98%)
WASH POST:	WPO	465.73	(3.71%)	5.94%

PROGRAMMING

CBS:	CBS	14.56	1.68%	3.63%
CROWN:	CRWN	1.76	(3.3%)	21.38%
DISCOVERY:	DISCA	37.66	3.40%	22.79%
GRUPO TELEVISIA:	TV	18.59	1.58%	(10.45%)
HSN:	HSNI	26.95	4.46%	33.48%
INTERACTIVE CORP:	IACI	23.45	9.19%	14.53%
LIBERTY:	L	32.51	1.69%	(10.56%)
LIBERTY STARZ:	LSTZA	52.32	1.47%	13.37%
LIONSGATE:	LGF	6.80	(0.15%)	17.04%
LODGENET:	LNET	5.32	(2.21%)	(3.8%)
NEW FRONTIER:	NOOF	1.82	(7.14%)	(3.7%)
OUTDOOR:	OUTD	5.95	(3.09%)	2.59%
PLAYBOY:	PLA	3.79	4.99%	18.44%
RHI:	RHIE	0.19	(13.64%)	(38.71%)
SCRIPPS INT:	SNI	45.18	3.81%	8.87%
TIME WARNER:	TWX	30.99	3.03%	6.35%
VALUEVISION:	VVTV	2.25	22.28%	(53.13%)
VIACOM:	VIA	36.98	1.62%	17.40%
WWE:	WWE	16.57	1.35%	8.09%

TECHNOLOGY

ADC:	ADCT	8.26	7.55%	33.01%
ADVANTAGE:	AEY	2.79	(7%)	41.62%
ALCATEL LUCENT:	ALU	2.57	4.47%	(22.59%)
AMDOCS:	DOX	28.50	(4.23%)	(0.11%)
AMPHENOL:	APH	42.40	1.15%	(8.19%)
AOL:	AOL	20.63	(3.05%)	(11.38%)
APPLE:	AAPL	256.88	6.01%	21.90%
ARRIS GROUP:	ARRS	10.97	(0.54%)	(4.02%)
AVID TECH:	AVID	13.48	0.00%	5.64%
BIGBAND:	BBND	2.85	0.00%	(17.15%)
BROADCOM:	BRCM	34.50	5.60%	9.63%
CISCO:	CSCO	23.16	(1.28%)	(3.26%)
CLEARWIRE:	CLWR	8.14	5.17%	20.41%

Company	Ticker	5/28 Close	1-Week % Chg	YTD %Chg
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COMMSCOPE:	CTV	28.20	1.69%	6.29%
CONCURRENT:	CCUR	5.40	1.12%	36.36%
CONVERGYS:	CVG	10.92	(2.41%)	1.58%
CSG SYSTEMS:	CSGS	20.52	0.69%	7.49%
ECHOSTAR:	SATS	21.03	8.74%	4.42%
GOOGLE:	GOOG	485.63	2.88%	(21.67%)
HARMONIC:	HLIT	5.79	3.95%	(8.39%)
INTEL:	INTC	21.42	2.44%	5.00%
JDSU:	JDSU	11.50	3.51%	39.39%
LEVEL 3:	LVLTL	1.34	3.88%	(12.42%)
MICROSOFT:	MSFT	25.80	(3.87%)	(15.35%)
MOTOROLA:	MOT	6.85	0.15%	(11.73%)
PHILIPS:	PHG	29.82	(0.96%)	1.29%
RENTRAK:	RENT	23.56	(2.64%)	33.33%
SEACHANGE:	SEAC	8.35	4.24%	27.29%
SONY:	SNE	30.78	(4.59%)	6.14%
SPRINT NEXTEL:	S	5.13	16.33%	40.16%
THOMAS & BETTS:	TNB	38.34	(0.47%)	7.12%
TIVO:	TIVO	9.04	0.11%	(11.2%)
TOLLGRADE:	TLGD	6.47	1.89%	5.89%
UNIVERSAL ELEC:	UEIC	19.52	(2.79%)	(15.93%)
VONAGE:	VG	2.01	7.49%	43.57%
YAHOO:	YHOO	15.34	(0.84%)	(8.58%)

TELCOS

AT&T:	T	24.30	(2.21%)	(13.31%)
QWEST:	Q	5.24	4.59%	24.47%
VERIZON:	VZ	27.52	(1.57%)	(16.93%)

MARKET INDICES

DOW:	DJI	10136.63	(0.56%)	(2.79%)
NASDAQ:	IXIC	2257.04	1.26%	(0.53%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. VALUEVISION:	2.25	22.28%
2. SPRINT NEXTEL:	5.13	16.33%
3. INTERACTIVE CORP:	23.45	9.19%
4. LIBERTY GLOBAL:	25.80	8.86%
5. ECHOSTAR:	21.03	8.74%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. RHI:	0.19	(13.64%)
2. NEW FRONTIER:	1.82	(7.14%)
3. ADVANTAGE:	2.79	(7%)
4. GCI:	5.73	(6.68%)
5. SONY:	30.78	(4.59%)

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CORPORATE LICENSES



CableFAX Daily™

WHAT THE INDUSTRY READS FIRST.

EYE ON ADVERTISING

TV in the Driver Seat

Surprise, surprise. The continuing debate over the effectiveness of television advertising in the face of competing media has spawned another study. **MarketShare Partners**, in conjunction with **Fox Broadcasting**, recently reaffirmed television's reign atop the advertising heap in the report "Understanding Television's Role in Driving Sales Effects." Among the findings: Across a range of industries, TV has the highest relative efficiency in driving sales; TV lifts to sales effects have remained steady over time and in some cases have improved by 10% or more. MarketShare CEO *Jon Vein* tells contributor *Cathy Applefeld Olson* why cable networks and operators can continue to exhale.

Based on your research, television clearly remains a critical means of marketing and advertising.

JV: Several years ago people were talking about the death of TV, and it's clear that it is still an incredibly efficient advertising vehicle, particularly when it's part of a healthy marketing mix.

What exactly constitutes a healthy marketing mix these days?

JV: It really varies by sector and by company, even companies that are in the same field. The type of communication that Apple as a brand does is different than HP, which is different than Dell. Different media work differently depending on the vertical brand attributes, the specific product attributes and the whole ecosystem.

But no matter the mix, television is still king at driving sales effects?

JV: We are looking at changes in behavior, in this case sales ... And TV clearly works, at creating awareness and driving brand awareness. But these days you need to use it correctly. If you do a lot of TV advertising but have nothing online to capture the interest the TV advertising creates, you may actually be driving businesses to your competitor.

Is there anything in your research that indicates an impending shift in consumer behavior as related to advertising?

JV: We are not seeing anything in the study other than as new media becomes available, at some point people will take a look at things that are bright and shiny. And in time they'll migrate to a healthy media mix. Three to five years ago everyone was talking about branded entertainment and what happened? It does drive consumer behavior but no means supplanted traditional television advertising.

We keep hearing about lots of new media within the online world and different forms of advertising. But nothing can or should stand alone. If there's too much offline activity and not enough online, you are going to force people to explore and you

have no way to convert them. Balance is definitely the key. The fact that TV helps increase efficiency of online advertising is important. That being said, online advertising is incredibly important and will continue to emerge through things like video and social networks. Conversely, as TV gets more targeted, that kind of advertising will become even more important. The tradeoff for that, though, is higher prices. If you assume the marketplace is completely efficient, then as you get more and more targeted, the cost will go up proportionally.

But it's a cost brands need to absorb?

JV: From an economic standpoint, consumers generally want high-end television programming—and there is a cost to that. For someone to take the financial risk to create an episode of television for \$1 million, you have to aggregate eyeballs. Then consumers will want to go there. I see that as being an important part of the whole equation, and traditional television has a big role in that.

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



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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