

# CableFAX Daily™

Wednesday — June 1, 2011

What the Industry Reads First

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## Spreading the Broadband: Comcast's Internet Essentials is New Adoption Plus

**Comcast** was in Chicago Tues to announce the launch of "Internet Essentials," a broadband deployment program designed to provide affordable service and computer equipment to low-income families (just in time to give Chicago Mayor *Rahm Emanuel* something to talk about at the **Cable Show!**). The program, announced at an event with Emanuel and Comcast evp *David Cohen*, will be available throughout the Comcast footprint this fall. Eligible HHs must have at least 1 child eligible to receive free school lunch, be in Comcast's footprint, have not subscribed to Comcast Internet in the last 90 days and not have an overdue Comcast bill or unreturned equipment. If this sounds familiar, it's because it is. In late '09, **NCTA** announced "Adoption Plus," a proposed 2-year public-private partnership that targeted middle school children eligible for free lunch with discounted broadband, computers and digital media literacy training. While cable ops pledged their commitment, the program never got off the ground because of a lack of support from outside the industry (computer makers, federal govt, etc). Another attempt by the industry to team with **One Economy** and apply for **NTIA** broadband grant money to target low income HHs was rejected by NTIA. Thus, it appears going it alone is the way to go—with broadband adoption a top priority at the **FCC**. Comcast's program will offer Economy HSD for \$9.95/mo (no activation or equipment rental charges), the opportunity to purchase a computer for \$150 plus taxes and access to online, in print and in person digital literacy training. Comcast said the service would have speeds of 1.5Mbps downstream and 384Kbps upstream. The program will run for at least 3 school years, but any HH that qualifies during the 3-year period will remain eligible for the discounted prices as long as a child continues to receive free lunch. With the goal being to get families signed up for the '11-'12 school year, Comcast will be launching a new Web portal for school districts, community based organizations, individuals and others to get more info about Internet Essentials.

**Program Carriage:** With an order and NPRM on program carriage rules on circulation at the **FCC** and a vote expected soon, distributors continue to try and convince the agency not to act without opening up the 3-year-old record for new comments (*Cfax*, 5/19). One of the rule changes the FCC is considering is a standstill requirement that would require existing carriage contracts to stay in place while a program carriage complaint is being pursued. During a meeting last week with FCC chmn *Julius Genachowski's* legal adviser, **Cablevision** argued that it was unnecessary to change the rules given the predominance of non-vertically integrated video programmers in the market today. If the Commission is going to consider changing the rules, Cablevision joined the cry for a further NPRM instead of an order given the "staleness" of the record. It also cautioned that proposals must be balanced so that programmers otherwise unable to prevail in market negotiations can't abuse the rules. On the other side of the coin is **Viacom**, which discussed whether the FCC should consider updating the application of the rules to account for MVPDs having increased investments in a variety of programming interests—from nets to sports teams to original content, among other things.



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**At the Portals:** The Minority Media Telecommunications Council threw its support behind the proposed **AT&T** and **T-Mobile** deal, saying this is the 1st merger the organization has endorsed since its founding 25 years ago. MMTC believes the \$39bln merger is needed to ease capacity constraints that threaten to drive up prices. Also on Tues, **Sprint** formally filed its petition to deny the merger at the **FCC**. Arguing that the deal would hurt innovation and has no public interest value, Sprint said approval would mean letting the wireless industry “regress inexorably toward a 1980s-style duopoly.”

**Latino Encore:** **Starz Ent's** set to implement widespread changes at **Encore** on Aug 1, including the launch of 24/7 net **Encore Espanol**. Slated to feature in Spanish the same commercial-free film schedule carried by Encore in more than 33mln homes, Espanol is being pitched to affils as either an expansion of the Encore multiplex offerings or potentially as an addition to ops' Spanish-language tiers in certain markets. Talks are ongoing though no deals have been reached. According to a Tues release, Hispanic household ratings over-index on Encore in viewership by more than 40%. Other planned changes include the transitioning of **Movieplex** into a discreet, commercial-free premium net rather than a simulcaster of a daily rotation of Encore channels; HD versions of Encore Action and Encore Drama; and the replacements of Encore Wam with Encore Family and Encore Mystery with Encore Suspense.

**Retrans:** Negotiations were continuing at our deadline between **LIN** and **Time Warner Cable**. Their retrans consent pact expires Wed evening, but given that neither side has made public noise, it looks like this one will end without fireworks.

**Branding:** **Big Ten Net** is rebranding itself as simply **BTN** and unfurled a new logo while changing its Web portal to **BTN.com**. The moniker change provides an umbrella under which the channel hopes to launch other businesses across digital platforms—the 1st new venture will bow in June—and accompanies a complete redesign of the net's on-air graphics, animation and music packages that will kick off in July.

**Online:** Come midnight June 1, shoppers at **HSN.com** will be able to play 25 casual games while simultaneously watching a live HD stream of the linear net. **HSN Arcade** connects gaming with unique products and allows users to win prizes such as a gift card by establishing high scores, and also integrates with Facebook. “The launch of HSN Arcade is a strategic move to further differentiate the HSN shopping experience...by combining what people currently do online more than any other activities: shopping, gaming and sharing,” said HSN evp, digital commerce *Jill Braff* in a release.

**Earnings:** After the bell and despite a 6% dip in rev to \$377mln, **Lionsgate** reported F4Q net income of \$46.1mln, EBITDA of \$58.8mln and FCF of \$168mln, respectively compared to the year-ago totals of -\$22.3mln, \$12.5mln and -\$17mln. Contributing to the improvement: record digital rev, strong cable VOD rev and a profit at **Epix**. For F11 overall, LGF's domestic TV series licensing rev fell 5%, TV prod rev rose 1%, home ent rev increased 5% and motion picture rev grew 10%, including 3% from included TV income. **Caris & Co** analyst *David Miller* downgraded LGF to 'below avg' from 'avg,' citing a heavy debt load.

**Stanley Cup: Versus** is poised to exclusively air games 3 and 4 of the **NHL Stanley Cup Final** after delivering 2.55mln avg viewers for the deciding Bruins-Lightning game Fri night, a tally that ranks the playoff contest as the most-watched 3rd-round game on cable since '02 and the net's 6th-most-watched game ever. Versus is also slated for national pre- and post-game coverage while sharing live games with **NBC**. **Comcast SportsNet New England** will offer surrounding coverage in Boston for Bruins fans. The same group can also look to **NESN** for Cup news as the net will offer coverage

**WE tv IS THE  
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EW'S THE MUST LIST CALLS THE BRAXTONS  
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Source: The Nielsen Company, Live+SD, 5/17/11-5/24/11 Tu 9p-10p time period avg. WE tv vs. ad supp cable nets. Women's nets: BRAV, E!, LIF, LMN, OXY, TLC, OWN, SYTL. W18-49 000s. Subject to qualifications upon request.



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**TUESDAYS 9|8C**

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(2009-2011)



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## BUSINESS & FINANCE

surrounding all games, plus expanded features at **NESN.com**.

**Ratings:** History's "Gettysburg" averaged 3.8mIn total viewers, 1.7mIn 25-54s and 1.5mIn 18-49s. -- The season finale of **E!**'s "Khloe & Lamar" delivered nearly 2.5mIn total viewers and a 1.89 HH rating.

**Programming:** Tennis Channel and ESPN extended their French Open and Australian Open multimedia programming alliance that began in '07 and features virtually around-the-clock coverage of both events across the 2 nets. Changes beginning with the '12 French and '13 Aussie include Tennis' contiguous French coverage from 10am-next day's play and 10 consecutive nights of prime matches during its Aussie window.

**People:** **Disney** board member *John Bryson* was tapped as the new Sec of Commerce. He previously served as head of the **CA PUC** and as the chmn of power company **Edison Intl's** board. He is married to *Louise Bryson*, who previously served as evp, gm of **Lifetime Movie Network** and pres, distribution and affil sales of **Lifetime Networks**. Bryson, who will be stepping down from Disney's board, will need senate confirmation. President Obama tapped Bryson to replace *Gary Locke*, who is transitioning to his new post as US Ambassador to China. -- **Syfy Ventures** welcomed *Jeff Li* as vp. a newly created role.

## CableFAX Daily Stockwatch

Company	05/31 Close	1-Day Ch	Company	05/31 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>			<b>BLNDER TONGUE:</b> ..... 1.76 ..... (0.04)		
DIRECTV:	50.26	0.33	BROADCOM:	35.98	(0.54)
DISH:	30.28	0.15	CISCO:	16.80	0.34
DISNEY:	41.63	0.11	CLEARWIRE:	4.60	0.04
GE:	19.64	0.20	CONCURRENT:	6.21	0.01
NEWS CORP:	18.86	0.25	CONVERGYS:	12.78	(0.11)
<b>MSOS</b>			CSG SYSTEMS:	19.09	0.23
CABLEVISION:	35.52	0.62	ECHOSTAR:	33.69	0.52
CHARTER:	56.49	0.26	GOOGLE:	529.02	8.12
COMCAST:	25.24	0.35	HARMONIC:	7.79	0.03
COMCAST SPCL:	23.55	0.12	INTEL:	22.51	0.30
GCI:	12.35	0.17	JDSU:	20.19	0.15
KNOLOGY:	15.61	0.33	LEVEL 3:	2.29	(0.04)
LIBERTY CAPITAL:	91.14	UNCH	MICROSOFT:	25.01	0.25
LIBERTY GLOBAL:	45.05	0.07	RENTRAK:	20.57	0.64
LIBERTY INT:	18.21	0.16	SEACHANGE:	11.26	0.20
SHAW COMM:	21.43	0.40	SONY:	26.74	(0.11)
TIME WARNER CABLE:	77.22	(0.07)	SPRINT NEXTEL:	5.85	UNCH
VIRGIN MEDIA:	32.62	0.44	THOMAS & BETTS:	54.75	0.32
WASH POST:	410.59	(3.41)	TIVO:	10.34	(0.03)
<b>PROGRAMMING</b>			UNIVERSAL ELEC:	25.49	0.48
CBS:	27.95	(0.03)	VONAGE:	4.77	0.10
CROWN:	2.04	0.04	YAHOO:	16.55	0.53
DISCOVERY:	43.56	(0.15)	<b>TELCOS</b>		
GRUPO TELEvisa:	23.53	(0.1)	AT&T:	31.56	0.27
HSN:	35.21	1.15	VERIZON:	36.93	0.26
INTERACTIVE CORP:	36.78	1.56	<b>MARKET INDICES</b>		
LIBERTY:	42.02	0.18	DOW:	12569.79	128.21
LIBERTY STARZ:	76.27	(1.45)	NASDAQ:	2835.30	38.44
LIONSGATE:	5.93	(0.01)	S&P 500:	1345.20	14.10
LODGENET:	3.64	0.07			
NEW FRONTIER:	1.56	0.05			
OUTDOOR:	6.10	0.05			
SCRIPPS INT:	50.43	0.25			
TIME WARNER:	36.43	0.31			
VALUEVISION:	7.24	0.31			
VIACOM:	59.81	(0.05)			
WWE:	10.40	0.02			
<b>TECHNOLOGY</b>					
ADDVANTAGE:	2.64	(0.09)			
ALCATEL LUCENT:	5.67	0.02			
AMDOCS:	30.44	0.12			
AMPHENOL:	54.06	0.17			
AOL:	20.57	0.42			
APPLE:	347.83	10.42			
ARRIS GROUP:	11.29	0.02			
AVID TECH:	17.47	0.46			
BIGBAND:	2.10	(0.03)			

CableFAX  
**PROGRAM AWARDS**

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

**Sponsorship Opportunities:** Debbie Vodenos at 301.354.1695 or [dvodenos@accessintel.com](mailto:dvodenos@accessintel.com)  
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**June 6, 2011**

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