

CableFAX Daily™

Friday — June 3, 2011

What the Industry Reads First

Volume 22 / No. 106

Boom Town: Content Owners Enjoying Big Business

Nomura presented a fairly broad cross-section of content companies at its conference Thurs, the key take away being that these are halcyon days for programmers. Sure, rights disagreements have become commonplace as new platforms ignite and a burgeoning number of distributors demand enhanced diplomacy—but dollar signs are everywhere. “This is a very good time to be in the content business,” said **Discovery Comm** pres/CEO *David Zaslav*, noting the key ability for programmers to either monetize older titles via alternative platforms such as **Netflix** or allow established MVPD partners “to be more pliable with our content.” Though still struggling to gain traction largely because of technical/authentication issues, said Zaslav, TV Everywhere will soon offer yet another positive outlet for content. **Viacom** chief *Philippe Dauman* agreed. “The digital part of our business will be significant,” said Dauman. “We’ve always loved competition in distribution...that’s a very good thing.” Developing incremental business is paramount as new platforms emerge and grow, said execs including **CBS** boss *Les Moonves*, who loves the incremental gain he achieved by licensing certain library content to Netflix earlier this year. And more monetization options are seemingly on the way for content owners. “Netflix is not the only guy who is going to play that game,” said Moonves, noting ongoing talks with new streaming players. He’s also bullish on the opportunities inherent to **CBS’** 10-year distribution pact with **Comcast**, on top of the MSO’s feature of **Showtime Anytime** through Xfinity TV. That streaming service is just beginning to ramp, whereas **HBO Go** is already available to approx four-fifths of the premium net’s sub base. While HBO does sell rights to its shows to various channels, chmn/CEO *Bill Nelson* believes the net’s most important digital play, which has been downloaded more than 2mln times, will pay the most immediate dividends in the form of increased TV subs. “Our focus right now is to...penetrate deeper into the 105mln multichannel universe,” said Nelson. “We’re not going to dilute our brand promise by licensing our content to a competitor” such as Netflix. HBO “is much better and much stronger than most realize” and will gain subs this year, he said. Discovery, Viacom and CBS, meanwhile, all expect a lucrative upfront season. The ad market is “pretty strong across the board,” said Zaslav, who expects “strong upfront gains” and noted scatter pricing is tracking at approx +20%. “We’re looking forward to it,” said Dauman of the upfront season, noting a similar uptick in scatter pricing and notable ad

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income surrounding films. Moonves even cited a 40%+ jump in scatter, and said CBS is willing to hold back a large portion of its ad inventory if CPM increases of at least 14-15% can't be achieved. "Broadcast is kicking butt right now," he said. A lot of other programming is too.

Nomura Notebook: If you thought *Les Moonves'* comments about retrans rev couldn't get any more hyperbolic, think again. "It really is the sky's the limit...the weighting will get even more strong in our favor," the **CBS** chief said. Expected in '12 are \$250mln in retrans rev and another \$100mln in reverse compensation from stations, and by '14 or '15 for the total to eclipse \$500mln. Moonves foresees \$1bln in '17, and said going dark offers the "ultimate leverage" in retrans negotiations (see pg. 4 for an additional source of muscle). -- **HBO Go** still suffers distribution holes because of **Time Warner Cable** and **Cablevision**, but chmn/CEO *Bill Nelson* believes the former will be filled shortly. Noting he had a breakfast meeting with Time Warner Cable chmn/CEO *Glenn Britt* on Tues, Nelson expects the situation to resolve in the next couple weeks. Discussions with Cablevision aren't as far along, he said, adding that "the demand is there from their subscriber bases."

At the Portals: The **FCC** Wireline Bureau denied various utility companies' emergency motion for stay of new pole attachment rules that set a new "just and reasonable" rate for pole attachments. **Duke Energy, Florida Public Utilities Co** and **Oncor Electric** were among the pole owners that petitioned the FCC to stay its Apr decision that makes the cable rate the uniform pole attachment rate (*Cfax*, 4/8). The pole owners were seeking the stay because they have filed a petition for review of the FCC's order in the US Court of Appeals for D.C. -- **FCC** chmn *Julius Genachowski* responded last week to **House Oversight** cmte chmn *Darrell Issa* (R-CA), telling him that outgoing FCC commish *Meredith Attwell Baker* contacted the FCC's Office of Gen Counsel on Apr 13 to find out what she should do if she began to explore job opportunities with **NBCU**. On Apr 18, she informed gen counsel in writing that she was recusing herself from FCC matters because of her intentions to explore employment with NBCU. After news broke last month of Baker's departure for **Comcast-NBCU**, Issa sent a letter to the FCC asking for more info. Issa wrote that it appeared she followed all ethics rules, but said her departure raised questions.

Broadband: **Charter** has had the best performance this year for streaming **Netflix** video content over the Net. That's according to data from Jan-May released by Netflix this week. Cable outperformed the telcos, with **Comcast, Cable One, Time Warner Cable** and **Cox** rounding out the top 5. **Suddenlink** and **Cablevision** were next on the list, outshining **Verizon** and **AT&T**. The rankings are based on Netflix's own ISP monitoring. It acknowledged that AT&T's **U-Verse** and Verizon's **FiOS** internet services are lumped in with DSL currently, adding that it's working on addressing the problem.

In the States: **Comcast** believes it's the 1st ISP in the US to offer HSD subs identity theft protection. Identity Guard is part of the company's new Constant Guard Protection Suite, a desktop app with a \$360 value that it's offering at no additional cost to Xfinity subs. Customers can upgrade the security package to a Preferred package (\$7.99/mo) or Premier package (\$12.99/month).

Ratings: **Animal Planet** ratings star "River Monsters" captured its biggest audience ever in its 3rd season, with Mon's night finale delivering more than 1.5mln total viewers. -- **Comedy Central** said "The Daily Show" was the most-watched late night talk show in May among 18-49s, 18-34s and 18-24s.

Marketing: **Starz** and **Encore** are running a free trial on **DirectTV** June 9-12. Exclusive Starz programming available during the trial includes original series "Camelot" and "Toy Story 3."

People: Former **NPR** CEO and ex-**Discovery Times** gm *Vivian Schiller* landed a new gig as chief digital officer for **NBC News**. She joins in mid-July and will lead the digital strategy for NBC News and MSNBC. -- Former **Cablevision** evp *Patricia Gottesman* has been elected to **WWE's** board. She is currently CEO of **Crimson Hexagon**, a social media monitoring and analysis company. -- **NBCU** upped *Jay Bockhaus* to evp, strategy and ops and *Jared DiPalma* to svp, finance. -- Harvard law prof *Jonathan Zittrain* was named as the **FCC's** Distinguished Scholar. He succeeds Duke law prof *Stuart Benjamin*, the Commission's 1st Distinguished Scholar. Zittrain will be based in the Office of Strategic Planning & Policy Analysis and will work on a range of issues related to 21st Century communications networks.

Editor's Note: Mon is the nomination deadline for the annual **CableFAX** Program Awards, honoring the best in cable

BUSINESS & FINANCE

content and people. More details at: <http://www.cablefax.com/cfp/awards/Program2011/>

On the Circuit: NCTA announced some more big names for its **Cable Show** general sessions, including **BET's Debra Lee, Time Warner Cable's Rob Marcus, Starcom Mediavest CEO Laura Desmond, Comcast's Brian Roberts and Insight's Michael Willner.** -- The sign-up period closed for **ACC's** inaugural mentor program, with 32 members signing up. Fortuitously, 16 signed up as mentors and 16 signed up as mentees. "We're thrilled with the response and the numbers worked out perfectly," said ACC pres *Jim Maiella* of **Cablevision.** "We think this is going to become a very important part of what ACC does and the value we provide to members." -- **Cox Comm** pres *Pat Esser* will deliver an opening address at the **SCTE Cable-Tec Expo** (Nov 15-17 in Atlanta). -- **NAB** officially completed its merger with the tech-focused **Assoc for Maximum Service TV.** As part of the merger, **MSTV's Victor Tawil** joins NAB as a svp and *Bruce Franca* as vp. *David Donovan*, the former MSTV pres, is joining the **NY State Broadcasters Assoc** as pres and executive dir.

Business/Finance: Verizon's board declared a quarterly dividend of 48.75 cents per outstanding share, payable Aug 1 to shareowners of record on July 8.

CableFAX Daily Stockwatch

Company	06/02 Close	1-Day Ch	Company	06/02 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	49.64	(0.02)	BLNDER TONGUE:	1.71	0.01
DISH:	29.56	0.03	BROADCOM:	34.99	(0.12)
DISNEY:	40.06	(0.34)	CISCO:	16.25	(0.13)
GE:	19.09	(0.04)	CLEARWIRE:	4.34	(0.13)
NEWS CORP:	18.14	(0.08)	CONCURRENT:	6.08	0.16
MSOS					
CABLEVISION:	35.18	0.59	CONVERGYS:	12.55	(0.07)
CHARTER:	57.39	0.69	CSG SYSTEMS:	18.84	0.06
COMCAST:	24.63	0.19	ECHOSTAR:	33.46	0.13
COMCAST SPCL:	23.23	0.24	GOOGLE:	528.06	2.46
GCI:	11.62	0.41	HARMONIC:	7.51	0.09
KNOLLOGY:	15.52	(0.01)	INTEL:	22.09	0.09
LIBERTY CAPITAL:	89.83	0.13	JDSU:	19.12	(0.06)
LIBERTY GLOBAL:	44.49	0.02	LEVEL 3:	2.21	0.01
LIBERTY INT:	18.09	0.15	MICROSOFT:	24.22	(0.21)
SHAW COMM:	20.94	0.21	RENTRAK:	19.38	(0.47)
TIME WARNER CABLE:	77.00	0.57	SEACHANGE:	10.71	(0.22)
VIRGIN MEDIA:	32.42	0.21	SONY:	26.54	0.04
WASH POST:	426.42	20.46	SPRINT NEXTEL:	5.93	0.10
PROGRAMMING					
CBS:	27.33	0.41	THOMAS & BETTS:	52.90	0.24
CROWN:	1.98	0.01	TIVO:	10.70	0.55
DISCOVERY:	42.59	(0.12)	UNIVERSAL ELEC:	24.56	(0.08)
GRUPO TELEVISA:	22.96	(0.06)	VONAGE:	4.73	0.04
HSN:	34.47	(0.22)	YAHOO:	16.02	0.17
INTERACTIVE CORP:	36.71	(0.2)	TELCOS		
LIBERTY:	41.52	0.27	AT&T:	30.97	(0.2)
LIBERTY STARZ:	80.14	2.06	VERIZON:	36.17	(0.1)
LIONSGATE:	6.17	(0.02)	MARKET INDICES		
LODGENET:	3.53	0.06	DOW:	12248.55	(41.59)
NEW FRONTIER:	1.63	0.08	NASDAQ:	2773.31	4.12
OUTDOOR:	5.98	UNCH	S&P 500:	1312.94	(1.61)
SCRIPPS INT:	48.01	(0.41)	TECHNOLOGY		
TIME WARNER:	35.71	0.36	ADDVANTAGE:	2.45	(0.04)
VALUEVISION:	6.91	(0.21)	ALCATEL LUCENT:	5.55	(0.02)
VIACOM:	59.68	0.16	AMDOCS:	29.80	(0.32)
WWE:	10.16	0.01	AMPHENOL:	53.19	0.03
MARKET INDICES					
			DOW:	12248.55	(41.59)
			NASDAQ:	2773.31	4.12
			S&P 500:	1312.94	(1.61)

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Sports Game

Perhaps the understatement of '11, courtesy of **CBS** honcho *Les Moonves*: "The sports landscape is changing drastically." That's true in media virtually across all leagues, orgs and competition levels, and throughout the country—including in SoCal, where **Time Warner Cable** is seeking a \$3 monthly sub fee for the RSN it's establishing using L.A. Lakers games as the foundation. Or so said **Viacom** pres/CEO *Philippe Dauman* Thurs in illustrating sports' explosive impact on programming costs; the MSO declined to comment. Now armed with a far more extensive stable of nets, **Comcast** is looking to delve deeper into sports programming as well. But according to **Collins Stewart's** *Thomas Eagan*, the MSO will likely vault, backstroke or slalom carefully and prudently into the bidding next week for the rights to the '14 winter and '16 summer Olympic Games, leaving **Fox** and **ESPN** in a better position to take home the gold (or perhaps a tarnished bronze if either can't monetize the Games better than **NBCU** has recently). Moonves said CBS won't even enter a bid because the Games are "not a cost effective thing for us," though he was adamant that "having premiere sports helps our retrans argument." To strengthen that speech CBS is happy with content from the NFL, March Madness, golf, US Open tennis and SEC football, he said, but lost somewhat amid the new sports rights land grab is **CBS Sports Net**. Yet the channel is profitable, bent on obtaining rights to smaller college conferences and/or lower-level major conference games. Even **Discovery Comm's** *David Zaslav* is considering ponying up for certain sports rights. Racing content for the new **Velocity** rebrand of **HD Theater** may make sense, he said, noting without specifics how he "toys with sports sometimes" for possible feature on **Discovery Fit & Health**. I wonder what sport is possibly available to Fit, what with the big boys falling over themselves to lock up everything in sight. That hasn't changed. *CH*

Highlights: "Surviving D-Day," Sat, 9p, **Discovery**. OK, so Discovery is making like **History**, but doing it well in this detailed piece about the D-Day landing. Besides interviews with participants, there are other good touches, including details about the Navy's large breakfast that hindered sailors. SA

Worth a Look: "Locked Up Abroad: The Real Goodfella," season premiere, Wed, 10p, **Nat Geo**. One of our favorite series returns with *Henry Hill*, who was played by *Ray Liotta* in "Goodfellas." In a high-pitch, scratchy voice, Hill hypes the Nat Geo ep by saying *Scorsese* left a lot out of the film. Perhaps, but what struck us was how close *Goodfellas* is to Hill's re-telling of the story. And we loved that the actor playing *Jimmy Conway* resembles a young **Robert DeNiro**. In case you're wondering, Hill wasn't locked up abroad. Bump this ep to "Highlights" if such truth-stretching doesn't bother you. -- "The Glades," season II premiere, Sun, 10p, **A&E**. The most-watched drama series in A&E history (3.1mln avg total viewers) only gets stronger in sophomore season, particularly if radical detective Jim Longworth (*Matt Passmore*) gets involved in a love triangle or two. -- "Behind Mansion Walls," premiere, Mon, 10p, **Investigation Discovery**. Another view of crime, by people with money or who want it. SA

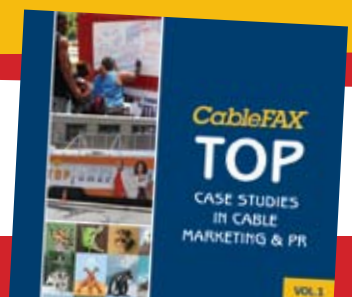
Basic Cable Rankings (4/25/11-5/29/11) Mon-Sun Prime			
1	TNT	2.6	2611
2	USA	2.1	2120
3	DSNY	1.7	1733
4	ESPN	1.6	1560
5	FOXN	1.5	1495
6	HIST	1.4	1417
7	NAN	1.1	1067
8	ADSM	1	987
8	FX	1	951
10	A&E	0.9	941
10	DISC	0.9	919
10	TBSC	0.9	908
10	FAM	0.9	907
10	AMC	0.9	885
10	HGTV	0.9	885
16	LIFE	0.8	781
16	SYFY	0.8	778
16	CMDY	0.8	752
16	TRU	0.8	733
16	NKJR	0.8	593
16	VS	0.8	590
22	TLC	0.7	719
22	BRAV	0.7	695
22	MSNB	0.7	692
22	FOOD	0.7	691
22	MTV	0.7	683
22	CNN	0.7	660
28	TVLD	0.6	628
28	SPK	0.6	624
28	ID	0.6	419
31	BET	0.5	495
31	APL	0.5	485
31	HALL	0.5	459
31	EN	0.5	444
31	LMN	0.5	396
36	VH1	0.4	353
36	TRAV	0.4	337
36	OXYG	0.4	306
36	NGC	0.4	302
40	HLN	0.3	343
40	TWC	0.3	305
40	ESP2	0.3	281
40	SPD	0.3	265
40	DXD	0.3	246
40	CMT	0.3	241
40	SOAP	0.3	237

*Nielsen data supplied by ABC/Disney

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- Comedy
- Documentary
- Drama
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- Family Friendly
- Faith Based/Religious
- Fitness/Health
- Food
- Music
- News
- Public Affairs
- Reality/Game Show
- Sci Fi
- Sports

- Talk Shows
- Best Regional Program
- Other: enter your best in a genre not mentioned above

By Genre: Best Actor/Actress/Host In The Following Genres

- Animals/Nature
- Comedy
- Drama
- Family Friendly
- Food
- Music
- News/Public Affairs
- Reality/Game Show
- Sports

- Talk Shows
- Best Regional Program
- Other: enter your best in a genre not mentioned above

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Job Title: _____

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