

# CableFAX Daily™

Monday — June 6, 2011

What the Industry Reads First

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## Hey, Remember Me? TV Getting Jazzed Up Through Tech

Be it long-form video on smartphones or networks on the iPad, much of the current media buzz centers on bringing TV content to technology. However, several plays are afoot to do just the opposite, with execs such as **Netflix** CEO *Reed Hastings* gung-ho about bringing tech to the TV. "That's the real revolution," said Hastings this week about TVs with built-in WiFi and extensive app stores. As Netflix has launched apps for myriad devices and platforms, he said most of the service's Internet viewing occurs through TVs, a trend that's growing rapidly. **Comcast**, meanwhile, is testing a service with **Skype** that will provide video conferencing on TVs as well as other devices including smartphones and tablets, according to **BroadbandReports.com** (the MSO declined comment), and **Spike** will simulcast 5 hours of linear content Mon via the **Xbox 360** gaming console. That 30mln members currently access video content via the **Xbox Live** service may seem a threat to cable ops, but **BTIG** analyst *Richard Greenfield* believes IP-based platforms will only enhance consumer demand for cable broadband. "The faster cable operators can enable IP-content on the TV, in conjunction with their package of live television, the more important a fatter broadband pipe will be to the average consumer," said Greenfield. Already, **Charter** pres/CEO *Mike Lovett* is decidedly bullish on what he refers to as "next-generation TV" services that are slated to be offered through TiVo set-tops (**Cfax**, 5/4), and **Cablevision** launched in Apr **Optimum Link**, a \$4.95/month service allowing subs to stream content from their computers to their TVs. **DirectTV** and **DISH** are also bullish on connecting their boxes to the Internet. The former DBS op is well ahead of its counterpart in this regard, having already hooked up more than 2mln boxes. This business "evolution," said DTV pres/CEO *Mike White* this past week, will leap forward in Oct when a new HD interface is unleashed allowing subs to surf the Web. Interestingly, though, White isn't convinced people want to browse the Internet via the TV, and is far more excited about being able to offer a far greater number of movies to his sub base. Whatever consumers choose to do, providing them with choice is now an imperative—and spotlighting the TV with a choice of tech is becoming a popular move.

**In the Courts:** **NCTA** filed a motion to intervene in the utilities' DC Circuit Appeal of the **FCC's** pole attachment order late Thurs (**Cfax**, 6/3). The trade group said it should be able to step in and support the FCC because it was party in interest to the proceeding and its members will be affected by the outcome of this case. A group of utilities, including **American Electric Power Service**, filed an appeal May 19 of the FCC's Apr order, which sets the cable rate as the uniform pole attachment rate.

**Baker Backlash:** No one who is a Senate-confirmed appointee at the **FCC** should interview for any type of private sector job while they're at the Commission, former FCC Broadband plan exec dir *Blair Levin* said during an interview with **C-SPAN's** "The Communicators." He expressed his respect for outgoing FCC commish *Meredith Attwell Baker* and said he believed she followed the law, but added he can completely understand the public's concern. "She shouldn't be held ac-

JURASSIC PARK



This monstrous work of science fiction may soon become science fact.

## THE REAL STORY

The facts behind the fiction

NEW EPISODE SUNDAY JUNE 12, 8PM  **Smithsonian CHANNEL**

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countable for it, but I hope we learn a lesson here," he said. "If you go there and the Senate confirms you to be a decision maker, be a decision maker. And when you want to leave, leave. Take some time off. Enjoy the family and then start looking for a job." **Free Press** has asked the remaining 4 commissioners to pledge not to take jobs at current merger du jour, **AT&T** and **T-Mobile**, directly upon leaving their jobs. As for the broadband plan he helped develop, Levin said things have been going pretty well, but he thinks the debate over spectrum reallocation has gotten "off track." "I think the broadcasters have been very successful in taking people's eye off the ball, which is again 'what's the method you want for reallocation?'" Levin said, adding that he'd be happy to appear on the program again with **NAB** CEO *Gordon Smith* to talk about how NAB would reallocate spectrum. Levin supports incentive-based auctions, calling them a market solution. He said an alternative would be to wait until there is a spectrum crisis and to take the spectrum. "I'm OK with that except that's crisis response. It's ineffective and leads to years and years of litigation," Levin said. "The Communicators" airs on C-SPAN Sat at 6:30pm ET and encores Mon at 8pm ET **C-SPAN2**. It's also available on the Web at [www.c-span.org](http://www.c-span.org).

**Inside the Beltway:** The **FCC's** CALM Act NPRM, which lays out who is responsible for preventing transmission of loud TV commercials, was published in the Federal Register Fri. That means comments on the NPRM are due July 5, with replies due July 18. The FCC has until Dec to adopt new rules that will affect all MVPDs (as well as broadcasters). The NPRM includes provisions addressing how entities can show they comply with the law's standard and a proposal for a consumer-driven complaint process. The FCC adopted the loudness NPRM rather quietly on May 27.

**Broadcast Upfronts:** **Fox** wrapped its upfront Thurs evening with a reported 10-11% CPM price increase while selling 80% of its inventory. The increase slightly missed the 11.5% estimate of **Miller Tabak's** *David Joyce*, but the inventory number beat both his estimate (77.5%) and Fox's year-ago comp. "When the broadcast networks sell more of their inventory in the upfront, it is both indicative of ad buyers not wanting to be faced with high +20%-40% scatter market increases later, and perhaps also that the networks are fearful that the economy might soften in the next year," said Tabak. **CBS** should price a tad higher, perhaps at +12.5%, he said, adding expectations for **ABC** (9.5-11%) and **NBC** (9%).

**Earnings:** **New Frontier** said efforts to stabilize its domestic business are paying off, although the company's overall F4Q rev fell 28% to \$10.9mln while the transactional TV segment posted rev of \$9mln (-3%). VOD rev was flat overall but down in the US on a decline in buy rates. Decreased business from **DirectTV** and **DISH** led to a 6% slide in PPV rev.

**Marketing:** **Panasonic** agreed to sponsor a special **Nat Geo** programming block focused on **UNESCO World Heritage** sites that will target 370mln homes across North America, Asia, South America, Europe and Australia. The 12-month pact includes the showcase of docs focused on sites including Yellowstone National Park, the Taj Mahal, Machu Pichu and Stonehenge.

**Ratings:** **Mun2** garnered on May 30 its highest-rated prime avg in history through 192 total viewers, 150K 18-49s and 115K 18-34s, and was the most-watched Hispanic cable net in prime during Memorial Day weekend across all key demos. -- "Haunted Collector" delivered **Syfy's** most-watched reality series premiere of '11 with 1.44mln total viewers. The ep also earned 799K 25-54s and 730K 18-49s.

**Programming:** Mon night brings the premiere of **GSN's** updated version of mystery-word game show "Lingo," hosted by *Bill Engvall*, and the 3rd-season bow of original series "Baggage," hosted by *Jerry Springer*.

## CableFAX PROGRAM AWARDS

**Sponsorship Opportunities:** Debbie Vodenos at 301.354.1695 or [dvodenos@accessintel.com](mailto:dvodenos@accessintel.com)  
**Entry Questions:** Mary Lou French at 301.354.1851 or [mfrench@accessintel.com](mailto:mfrench@accessintel.com)

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**June 6, 2011**

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**CableFAX Week in Review**

| Company                      | Ticker | 6/03 Close | 1-Week % Chg | YTD %Chg |
|------------------------------|--------|------------|--------------|----------|
| <b>BROADCASTERS/DBS/MMDS</b> |        |            |              |          |
| DIRECTV:                     | DTV    | 48.92      | (2.02%)      | 46.69%   |
| DISH:                        | DISH   | 29.03      | (3.65%)      | 39.77%   |
| DISNEY:                      | DIS    | 39.38      | (5.11%)      | 22.11%   |
| GE:                          | GE     | 18.82      | (3.19%)      | 24.39%   |
| NEWS CORP:                   | NWS    | 17.80      | (4.35%)      | 11.81%   |
| <b>MSOS</b>                  |        |            |              |          |
| CABLEVISION:                 | CVC    | 34.66      | 0.46%        | 34.24%   |
| CHARTER:                     | CHTR   | 57.78      | 2.76%        | 0.00%    |
| COMCAST:                     | CMCSA  | 24.23      | (2.65%)      | 43.71%   |
| COMCAST SPCL:                | CMCSK  | 22.84      | (2.52%)      | 42.66%   |
| GCI:                         | GNCMA  | 11.50      | (5.58%)      | 80.25%   |
| KNOLOGY:                     | KNOL   | 15.46      | 1.18%        | 41.58%   |
| LIBERTY CAPITAL:             | LCAPA  | 88.52      | (2.87%)      | 270.69%  |
| LIBERTY GLOBAL:              | LBTYA  | 43.96      | (2.27%)      | 100.82%  |
| LIBERTY INT:                 | LINTA  | 17.72      | (1.83%)      | 63.47%   |
| SHAW COMM:                   | SJR    | 20.91      | (0.57%)      | 1.65%    |
| TIME WARNER CABLE:           | TWC    | 75.80      | (1.93%)      | 83.14%   |
| VIRGIN MEDIA:                | VMED   | 32.17      | (0.03%)      | 91.15%   |
| WASH POST:                   | WPO    | 414.88     | 0.21%        | (5.62%)  |

| Company            | Ticker | 6/03 Close | 1-Week % Chg | YTD %Chg |
|--------------------|--------|------------|--------------|----------|
| <b>PROGRAMMING</b> |        |            |              |          |
| CBS:               | CBS    | 27.20      | (2.79%)      | 93.59%   |
| CROWN:             | CRWN   | 1.92       | (4%)         | 32.41%   |
| DISCOVERY:         | DISCA  | 41.96      | (4%)         | 36.81%   |
| GRUPO TELEVISIA:   | TV     | 23.02      | (2.58%)      | 10.89%   |
| HSN:               | HSNI   | 33.60      | (1.35%)      | 66.42%   |
| INTERACTIVE CORP:  | IACI   | 36.14      | 2.61%        | 76.46%   |
| LIBERTY:           | L      | 41.31      | (1.27%)      | 13.65%   |
| LIBERTY STARZ:     | LSTZA  | 80.94      | 4.14%        | 75.38%   |
| LIONSGATE:         | LGF    | 6.01       | 1.18%        | 3.44%    |
| LODGENET:          | LNET   | 3.50       | (1.96%)      | (36.71%) |
| NEW FRONTIER:      | NOOF   | 1.56       | (6.59%)      | (17.46%) |
| OUTDOOR:           | OUTD   | 5.96       | (1.49%)      | 2.76%    |
| SCRIPPS INT:       | SNI    | 47.02      | (6.3%)       | 13.30%   |
| TIME WARNER:       | TWX    | 35.17      | (2.63%)      | 20.69%   |
| VALUEVISION:       | VVTV   | 6.89       | (0.58%)      | 43.54%   |
| VIACOM:            | VIA    | 58.53      | (2.22%)      | 85.81%   |
| WWE:               | WWE    | 10.16      | (2.12%)      | (33.72%) |

| Company           | Ticker | 6/03 Close | 1-Week % Chg | YTD %Chg |
|-------------------|--------|------------|--------------|----------|
| <b>TECHNOLOGY</b> |        |            |              |          |
| ADVANTAGE:        | AEY    | 2.45       | (10.26%)     | 24.37%   |
| ALCATEL LUCENT:   | ALU    | 5.65       | 0.00%        | 70.18%   |
| AMDOCS:           | DOX    | 29.39      | (3.07%)      | 3.01%    |
| AMPHENOL:         | APH    | 52.51      | (2.56%)      | 13.71%   |
| AOL:              | AOL    | 20.94      | 3.92%        | (10.05%) |
| APPLE:            | AAPL   | 343.44     | 1.79%        | 62.98%   |
| ARRIS GROUP:      | ARRS   | 10.76      | (4.57%)      | (5.91%)  |
| AVID TECH:        | AVID   | 16.50      | (3%)         | 29.31%   |
| BIGBAND:          | BBND   | 2.02       | (5.16%)      | (41.28%) |
| BLINDER TONGUE:   | BDR    | 1.69       | (6.11%)      | 48.25%   |
| BROADCOM:         | BRCM   | 34.45      | (5.67%)      | 9.47%    |
| CISCO:            | CSCO   | 16.01      | (2.73%)      | (33.12%) |
| CLEARWIRE:        | CLWR   | 4.04       | (11.4%)      | (40.24%) |
| CONCURRENT:       | CCUR   | 5.99       | (3.39%)      | 51.26%   |
| CONVERGYS:        | CVG    | 12.54      | (2.72%)      | 16.65%   |
| CSG SYSTEMS:      | CSGS   | 18.69      | (2.55%)      | (2.1%)   |

| Company         | Ticker | 6/03 Close | 1-Week % Chg | YTD %Chg |
|-----------------|--------|------------|--------------|----------|
| ECHOSTAR:       | SATS   | 33.00      | (0.51%)      | 63.85%   |
| GOOGLE:         | GOOG   | 523.08     | 0.42%        | (15.63%) |
| HARMONIC:       | HLIT   | 7.28       | (6.19%)      | 15.19%   |
| INTEL:          | INTC   | 21.73      | (2.16%)      | 6.52%    |
| JDSU:           | JDSU   | 18.54      | (7.49%)      | 124.73%  |
| LEVEL 3:        | LVLT   | 2.23       | (4.29%)      | 45.75%   |
| MICROSOFT:      | MSFT   | 23.91      | (3.45%)      | (21.57%) |
| RENTRAK:        | RENT   | 19.19      | (3.71%)      | 8.60%    |
| SEACHANGE:      | SEAC   | 10.51      | (4.97%)      | 60.21%   |
| SONY:           | SNE    | 26.38      | (1.75%)      | (9.03%)  |
| SPRINT NEXTEL:  | S      | 5.67       | (3.08%)      | 54.92%   |
| THOMAS & BETTS: | TNB    | 51.76      | (4.91%)      | 44.62%   |
| TIVO:           | TIVO   | 10.35      | (0.19%)      | 1.67%    |
| UNIVERSAL ELEC: | UEIC   | 24.35      | (2.64%)      | 4.87%    |
| VONAGE:         | VG     | 4.80       | 2.78%        | 242.86%  |
| YAHOO:          | YHOO   | 15.68      | (2.12%)      | (6.56%)  |

| Company       | Ticker | 6/03 Close | 1-Week % Chg | YTD %Chg |
|---------------|--------|------------|--------------|----------|
| <b>TELCOS</b> |        |            |              |          |
| AT&T:         | T      | 30.65      | (2.05%)      | 9.35%    |
| VERIZON:      | VZ     | 35.63      | (2.84%)      | 7.55%    |

| Company               | Ticker | 6/03 Close | 1-Week % Chg | YTD %Chg |
|-----------------------|--------|------------|--------------|----------|
| <b>MARKET INDICES</b> |        |            |              |          |
| DOW:                  | DJI    | 12151.26   | (2.33%)      | 16.52%   |
| NASDAQ:               | IXIC   | 2732.78    | (2.29%)      | 20.43%   |
| S&P 500:              | GSPC   | 1300.16    | (2.32%)      | 13.58%   |

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

| COMPANY              | CLOSE | 1-WK CH |
|----------------------|-------|---------|
| 1. LIBERTY STARZ:    | 80.94 | 4.14%   |
| 2. AOL:              | 20.94 | 3.92%   |
| 3. VONAGE:           | 4.80  | 2.78%   |
| 4. CHARTER:          | 57.78 | 2.76%   |
| 5. INTERACTIVE CORP: | 36.14 | 2.61%   |

**THIS WEEK'S STOCK PRICE LOSERS**

| COMPANY          | CLOSE | 1-WK CH  |
|------------------|-------|----------|
| 1. CLEARWIRE:    | 4.04  | (11.4%)  |
| 2. ADVANTAGE:    | 2.45  | (10.26%) |
| 3. JDSU:         | 18.54 | (7.49%)  |
| 4. NEW FRONTIER: | 1.56  | (6.59%)  |
| 5. SCRIPPS INT:  | 47.02 | (6.3%)   |

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