

# CableFAX Daily™

Friday — June 11, 2010

What the Industry Reads First

Volume 21 / No. 112

## Policy Talk: Telecom Rewrite, FCC Classification Lead Regulatory Forum

While **House Commerce** chmn *Henry Waxman* (D-CA) views a telecom rewrite as a complementary process to the **FCC's** reclassification of broadband, it's still possible there could be Congressional intervention, an aide said. "If the parties can reach agreement and there can be agreement on a bipartisan basis, absolutely," said *Roger Sherman*, the committee's chief counsel on communications and telecommunications policy. But in the meantime, Sherman said during the **Pike & Fischer Broadband Policy Summit** in DC Thurs that the chmn feels very strongly that the FCC should "proceed full steam ahead." It gets the process underway next Thurs with a NOI that looks at how to classify broadband in the wake of a court ruling that the Commission overstepped its authority in the **Comcast-BitTorrent** case. While quite clear that **AT&T** doesn't support the chmn's so-called "Third Way" approach, *James Cicconi*, sr evp, external and legislative affairs, said the telco was pleased that the wording of the NOI is "much more open-minded" to Title I arguments than it expected. Both he and **Cox Ent** chief policy and technology counsel *Lauren Maxim Van Wazer* believe the DC Circuit in rejecting the Comcast case paved the way to a viable Title I approach vs the chmn's proposal for Title II lite. FCC commish *Meredith Attwell Baker* agreed, saying there is no "Third Way"—there is a "Proven Way." While Cox is open to looking at the FCC proposal, it has questions about its necessity, Van Wazer said. Cicconi lamented that the issue is "sucking all the oxygen out of the room... We should be debating the various features of the broadband plan and how we're going to implement it," he said. But *Gerard Salemme*, **Clearwire's** evp, strategy, policy and external affairs, said that the lack of air is because people aren't stepping back and considering an NOI—not a rule from the FCC. "I think [the proposal] is a starting point," he said. As for a Communications Act rewrite, Sherman prefers to call it an "update." With litigation stretching out from the '96 Act for 8 years, he recognizes that a revision could be a very long-term process. That's why Congress is open to breaking some things off early into separate actionable items, he said. Investment firm **Stifel Nicolaus** doubts the prospects of even targeted legislation to avoid Title II classification unless the White House and key Democrats get on board. As for the rewrite, err... update, Stifel believes it's several years out and could reach beyond traditional telecom and media.

**More from FCC:** The **FCC** will likely adopt rules for broadband classification in Oct, according to FCC GOP commish *Meredith Attwell Baker*. Speaking at the **Broadband Policy Summit** Thurs, she laid out her idea for keeping classifica-

## Applying Social Media to Customer Experience Management

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tion under **Title I** and made a dig at the FCC chmn by asking the audience to bear with her since she had no general counsel or blog to present it and only 6 **Supreme Court** Justices backing her. Baker also said she was concerned the **Title II** debate was really about putting potential net neutrality rules, which she opposes, on firmer ground. "The timing of the Comcast decision may be fortuitous as it gives us the opportunity to hit pause on net neutrality," she argued.

**On the Hill:** During the *House Commerce Cmte's* Thurs hearing on the **21st Century Communications and Video Accessibility Act, NCTA** evp *James Assey* said cable supports the bill's intent—to help ensure individuals with vision, hearing and other disabilities are able to fully use broadband services and better access video programming devices—but believes in a more pragmatic approach. Among the org's proposed changes to the legislation: the provision of clear language giving cable ops needed time and flexibility to dev the tech required to provide audible versions of programming guides and menus for the blind and visually impaired; that Internet captioning requirements be timed to reflect the ongoing standard-setting process and apply prospectively to programming distributed online; inclusion of a phase-in of Internet captioning obligations; an **FCC** study of the utility and difficulty of providing video description before it receives the authority to expand the scope and coverage of the rules; and clarification by Congress on the respective accessibility responsibilities of IP network ops and apps providers. **CEA** pres/CEO *Gary Shapiro* also applauded the bill's overarching goals and proffered changes, but went much further than Assey by asking Congress to completely revamp the bill. Shapiro favors the creation of voluntary standards and free market innovation.

**At the Portals:** In response to reports of a recent breach of **AT&T's** network that revealed personal data of more than 114K **Apple** iPad 3G consumers, *Rear Admiral (ret.) Jamie Barnett*, chief, the FCC's **Public Safety and Homeland Security Bureau**, said the breach "underscores the need for robust cyber security" and said the FCC will work to prevent similar reoccurrences "that violate consumer privacy and undermine trust in America's communications infrastructure."

**Advertising/Marketing:** **Sony**, **Gillette** and **Disney/Pixar's** "Toy Story 3" are set to debut Fri on **ESPN 3D** ads produced in native 3D. Sony's will feature its new 3DTVs, Gillette's will launch a new razor and Disney's will highlight the film's Jun 18 opening. -- **Food Net's** joining with **Celebrity Cruises** for the 1st "Food Network at Sea" program featuring demos by channel hosts, samplings of net recipes and access to the Food Network VIP Lounge and screening room.

**In the Courts:** **Charter** agreed to an \$18mln payment to settle a wage and hour class action lawsuit in WI court alleging certain tech workers for the MSO in 9 states weren't adequately compensated. "We settled this lawsuit to remove the distraction and expense that comes with preparing a case like this for trial," said Charter evp/general counsel *Greg Doody*.

**Research:** While the top 10 cable ops shed approx 1.4mln TV subs in the year-long period ending Mar 31, DBS ops gained 1.33mln and telcos 1.78mln, according to **Leichtman Research**. And in areas where cable is available, two-thirds of multi-channel video subs receive cable, compared to 79% in '04. 11% of satellite customers, 9% of cable subs and 5% of telco subs are likely to switch providers in the next 6 months. In 1Q alone, the multichannel industry added approx 580K subs.

**VOD:** During a chat at the **RBC Capital Markets** conference, **Time Warner** CFO *John Martin* joined the recent parade of bullishness on VOD that includes **Comcast** COO *Steve Burke*. "The most powerful aspect of [TV Everywhere] could be on demand," said Martin, noting how providing consumers with enhanced controls on existing TVs may provide more upside than online video. Martin foresees the availability of entire networks via the on demand platform, and said TWX would "like to be in the pole position" of that space. TV Everywhere offerings are available in approx 20mln homes currently, said Martin, adding that he wouldn't be surprised if that number ballooned to 50mln over the next 12 months.

**Earnings:** **New Frontier Media**, whose stock is down approx 33% since last Jun, reported FQ4 rev of \$15.1mln (+11%) largely on gains in its film prod segment. The TV unit, though, remains pressured, with transactional rev down 13%, VOD rev down 10% and PPV rev down 18%. Loss from continuing ops totaled \$4.8mln vs income of \$2.2mln a year ago.

**Ratings:** The premiere of **Science Channel's** "Through the Wormhole with *Morgan Freeman*" became the net's highest-rated series premiere ever by delivering a 0.72 HH rating, 0.41 among 25-54s, 0.51 among men 25-54, 0.32 among women 25-54 and 647K total viewers.

**Programming:** **TV Guide Net's** doc "Gone Too Soon" (Jun 25) features a look from author/filmmaker *Ian Halperin* into the mysteries surrounding *Michael Jackson's* death last summer. It will air in more than 50 countries. -- New **E!**

# BUSINESS & FINANCE

series "The Spin Crowd" will spotlight celebrity and ent PR agency Command PR.

**People: Discovery Comm** tapped *Cinnamon Rogers* as vp, legislative affairs. -- **Verizon** named *Rose Stuckey Kirk* vp, pr for corporate reputation.

**Business/Finance:** Though **Cablevision** shares rebounded nicely Thurs, gaining 5.5%, **Collins Stewart** analyst *Thomas Eagan* said Wed's pullback due to speculation that the MSO is bidding to purchase **Bresnan Comm** was likely punitive as a small market MSO or *John Malone* are more likely acquirers. If CVC did buy Bresnan, said Eagan, the impact on its net debt leverage would be immaterial but dilutive to its EBITDA multiple. "We'd prefer CVC to acquire **Charter's** CT systems" because of proximity, he said. According to *Reuters*, 7 players have bid \$1bln+ for Bresnan, including CVC, **Suddenlink** and *Malone's Ascent Media*. -- **Barclay's** upped to \$55 from \$46 its price target on **Time Warner Cable** shares on the sector's multiple expansion. -- **Akamai** acquired most of the assets of mobile services platform **Velocity**, a move that adds mobile content transformation functionality to its existing suite of cloud services for optimizing Web content and apps, plus the delivery of HD video and secure e-commerce to mobile devices.

## CableFAX Daily Stockwatch

Company	06/10 Close	1-Day Ch	Company	06/10 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	38.55	0.85	ARRIS GROUP:	10.40	0.09
DISH:	20.97	0.77	AVID TECH:	12.76	0.34
DISNEY:	34.11	1.17	BIGBAND:	2.89	0.01
GE:	15.68	0.36	BLNDER TONGUE:	1.30	0.01
NEWS CORP:	15.49	0.67	BROADCOM:	33.36	1.30
<b>MSOS</b>					
CABLEVISION:	23.37	1.22	CISCO:	22.77	(0.01)
COMCAST:	18.07	0.66	CLEARWIRE:	7.67	0.15
COMCAST SPCL:	17.13	0.63	COMMSCOPE:	25.59	0.71
GCI:	6.17	0.18	CONCURRENT:	4.81	(0.08)
KNOLOGY:	11.18	0.56	CONVERGYS:	10.11	0.31
LIBERTY CAPITAL:	40.71	1.15	CSG SYSTEMS:	19.15	0.28
LIBERTY GLOBAL:	25.17	0.96	ECHOSTAR:	20.85	0.80
LIBERTY INT:	12.84	0.59	GOOGLE:	487.01	12.99
MEDIACOM:	6.74	0.30	HARMONIC:	5.55	0.18
RCN:	14.70	0.03	INTEL:	20.55	0.62
SHAW COMM:	19.32	0.33	JDSU:	10.74	0.45
TIME WARNER CABLE:	53.26	1.66	LEVEL 3:	1.13	0.00
VIRGIN MEDIA:	16.86	0.83	MICROSOFT:	25.00	0.21
WASH POST:	449.64	10.18	MOTOROLA:	6.84	0.16
<b>PROGRAMMING</b>					
CBS:	14.40	0.75	RENTRAK:	21.99	0.72
CROWN:	1.78	0.01	SEACHANGE:	8.00	0.47
DISCOVERY:	37.98	2.14	SONY:	28.22	0.02
GRUPO TELEVISIA:	18.69	0.80	SPRINT NEXTEL:	4.73	0.12
HSN:	24.86	1.27	THOMAS & BETTS:	38.24	1.47
INTERACTIVE CORP:	22.75	0.49	TIVO:	7.66	0.44
LIBERTY:	32.43	1.31	TOLLGRADE:	6.56	0.06
LIBERTY STARZ:	51.14	0.64	UNIVERSAL ELEC:	18.99	1.09
LIONSGATE:	6.99	(0.06)	VONAGE:	1.95	0.05
LODGENET:	4.04	(0.09)	YAHOO:	15.10	0.41
NEW FRONTIER:	1.71	(0.06)	<b>TELCOS</b>		
OUTDOOR:	5.26	0.11	AT&T:	25.44	0.54
PLAYBOY:	3.83	0.26	QWEST:	5.28	0.04
SCRIPPS INT:	44.98	1.35	VERIZON:	28.34	0.56
TIME WARNER:	31.54	1.29	<b>MARKET INDICES</b>		
VALUEVISION:	1.69	0.06	DOW:	10172.53	273.28
VIACOM:	37.38	0.86	NASDAQ:	2218.71	59.86
WWE:	16.71	0.52	<b>TECHNOLOGY</b>		
ADC:	7.52	0.10	ADC:	7.52	0.10
ADVANTAGE:	2.80	(0.01)	ADVANTAGE:	2.80	(0.01)
ALCATEL LUCENT:	2.64	0.20	ALCATEL LUCENT:	2.64	0.20
AMDOCS:	27.50	0.66	AMDOCS:	27.50	0.66
AMPHENOL:	40.65	1.26	AMPHENOL:	40.65	1.26
AOL:	21.11	0.90	AOL:	21.11	0.90
APPLE:	250.51	7.31	APPLE:	250.51	7.31

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**PROGRAMMER'S PAGE** with Chad Heiges and Seth Arenstein

**What's In a Name?**

Discomax 3D? Trio 3D? The name of the forthcoming 3D net from **Discovery Comm, Sony** and **IMAX** remains a mystery, and *Tom Cosgrove*, the new pres/CEO of the jv, would only say that an announcement's imminent. The brand "must be distinctive, something that will have a very long life," said Cosgrove from L.A. "The goal is to really take advantage of the three brands we have." Here's hoping the venture's brand marketers are on their "A" games, as the content slated for the net will encompass both natural history docs and feature films, the former a genre not associated with IMAX/Sony, the latter foreign to Discovery. Whatever the moniker, Cosgrove's amped about his new opportunity "to start something new in a whole new area... 3D's the dawning of a new era in TV." The overriding goal is to fashion the net as a "content destination," a thrust demanding much work through Jan as the net will be 24/7 and the partners are creating most of the content themselves. And importantly, it includes no guarantees that consumers will rush to adopt the tech. But **ESPN 3D's** success in gaining carriage ahead of the World Cup appears promising, and Cosgrove isn't surprised by the headway. "It says a lot about the potential of the format," he said. Initial concerns over the lofty prices of 3DTVs "will dissipate rather quickly," said Cosgrove, adding that "education of what 3D can be is key" to accelerated adoption. Also, he said, as HD helped narrow the gap between the home and theater experience, that gap "will grow again with 3D and people will want to close it." In my home, it will remain ajar for some time, but keep in mind that I don't yet own a smartphone and just recently relented to HD. "Avatar" dir *James Cameron* has said 3D will be mainstream in 30 years, and his is a known name in this new dimension yet to be widely discovered on TV. **CH**

**Highlights:** "True Blood," season premiere, Sun, 8:45p, **HBO**. It's age or too much TV, but your reviewer couldn't recall details of "Blood's" multiple cliff hangers and so was a bit lost watching ep 1. Would a slurp of vampire blood improve the memory? -- "The Tudors," finale, Sun, 9p, **Showtime**. A quiet send-off for Showtime's medieval edition of "Big Love." But then, after 6 wives, *Henry VIII* didn't have much left. Still, "The Tudors" closes in style and nicely foreshadows Henry's successors. -- "Caddy for Life," Mon, 9p ET, **Golf**. *John Feinstein* says it's a love story in 3 parts. It's also the evolution of caddying and the story of caddy *Bruce Edwards*. **SA**

**Worth a Look:** "Fabulous Beekman Boys," pilot, Wed, 9p, **Planet Green**. Almost like a home movie. 2 gay city boys run a farm. Some will liken it to manure. **SA**

**Notable:** He was good on "Dancing With the Stars," but will *Chuck Liddell* be light enough for **UFC 115?** (Sat, 10p, PPV). -- More dancing. Season II of **Oxygen's** "Dance Your Ass Off" moves to its Mon, 10p slot after ep 1 jumped 57% (W18-49) vs season 1's opener. -- The **World Cup** begins Fri on **ESPN** (and **ESPN3D**), **Fox**, **Univision**, **Go! TV** and others. Will the hype induce casual fans to watch? **SA**

Basic Cable Rankings (5/31/09-6/06/09) Mon-Sun Prime			
1	USA	2.7	2686
2	FOXN	1.5	1505
2	DSNY	1.5	1498
2	NAN	1.5	1464
5	TNT	1.4	1416
6	A&E	1.2	1198
7	TBSC	1.1	1116
8	TLC	1	1032
8	HIST	1	1005
8	HGTV	1	992
8	LIFE	1	981
8	FAM	1	959
8	FX	1	930
8	VS	1	704
15	FOOD	0.9	942
15	MTV	0.9	874
15	TOON	0.9	859
15	HALL	0.9	781
19	DISC	0.8	848
19	TRU	0.8	782
19	ESPN	0.8	772
19	SYFY	0.8	758
19	NKJR	0.8	563
24	AMC	0.7	713
24	SPK	0.7	705
24	TVLD	0.7	699
24	CMDY	0.7	683
24	BRAV	0.7	646
29	CNN	0.6	572
29	MSNB	0.6	570
29	APL	0.6	555
29	BET	0.6	526
29	LMN	0.6	488
34	ESP2	0.5	528
34	EN	0.5	505
34	HLN	0.5	459
34	NGC	0.5	324
34	NKTN	0.5	275
39	VH1	0.4	418
39	TRAV	0.4	341
39	OXYG	0.4	313
39	GSN	0.4	264
39	ID	0.4	252
44	WE	0.3	267
44	SOAP	0.3	256
44	WGNA	0.3	253

\*Nielsen data supplied by ABC/Disney

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