

# CableFAX Daily™

Wednesday — June 13, 2012

What the Industry Reads First

Volume 23 / No. 113

## Mignon's Watching: Rule to Sunset, But Commish to Keep Tabs on Cable

There were no last-minute surprises, with **FCC** commissioners voting 5-0 late Mon to sunset the viewability rules requiring cable ops to provide must-carry stations' analog and digital signals come Dec 12. That gives broadcasters 6 more months to prepare for the transition since the rules would have sunset Tues without FCC action. While the vote was unanimous, it wasn't an easy decision for all. After Democrat FCC commish *Mignon Clyburn* expressed concerns about the availability of low-cost converter boxes and consumers' understanding of the change, language was added allowing the FCC to possibly require an operator to resume analog carriage of a channel if it receives a significant number of "well-founded" consumer complaints that an operator is not effectively making affordable set-top boxes available to customers in lieu of analog carriage of a channel. "My interest in a smooth adaptation is so great that I will be personally inquiring about it during every one of my field engagements, town halls, and public speaking opportunities going forward," Clyburn said, adding that she'll seek "stiff remedies" if she hears set-top box fees become higher than what she's been led to expect. Operators will be required to provide 30-day notice to subs of any changes (ie, must-carry analog drops). Cable praised the FCC's action, with **NCTA** chief *Michael Powell* saying it will allow the industry to maximize its bandwidth to provide innovative services to consumers. "While some customers have yet to make the transition to digital, cable providers will continue to work hard to make that conversion as smooth as possible," he said. **ACA** also was happy, with the rulemaking including a provision that continues to exempt smaller cable systems from the mandatory distribution of must carry signals in native HD. "The exemption will provide smaller systems with the additional time they need to upgrade so that they too can eventually provide must carry signals in HD," said **ACA** pres/CEO *Matt Polka*. Not surprisingly, **NAB** declined to join the amen chorus, saying it will review options with its board. "NAB remains concerned that today's FCC decision has the potential to impose negative financial consequences on small local TV stations that are a source for minority, religious and independent program diversity across America," said **NAB** evp, comm *Dennis Wharton*.

**T-Commerce:** Good news for viewers who can't wait to buy products they just saw advertised on TV: **PayPal** is entering the T-commerce space. At last, maybe we'll be able to order and pay for a pizza with the click of a remote. **TiVo** is linking with PayPal to let viewers shop using a remote control, and **Comcast** has agreed to work with the online payment com-



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# CableFAX

## THE MAGAZINE



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We invite you to celebrate your most important partners' successes and your achievements with a brand ad or a congratulatory ad in the July, Top Ops issue of CableFAX: The Magazine. Call us for a full list of all the honorees as well as for advertising packages.

**Publication Date: July 23 | Ad Close: June 26 | Artwork: July 3**

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CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax:301.738.8453 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 818.945.5309, mgrebb@accessintel.com ● Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Publisher: Debbie Vodenos, 301.354.1695, dvodenos@accessintel.com ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Marketing Dir: Barbara Bauer, 301.354.1796, bbauer@accessintel.com ● Prod: Joann Fato, 301.354.1681, jfato@accessintel.com ● Diane Schwartz/SVP and Group Publisher ● Subs/Client Services: 301.354.2101, fax 301.309.3847 ● Group Subs: Amy Russell, 301.354.1599, arussell@accessintel.com

pany to explore commerce and payments on various platforms. Starting in the fall, TiVo will be developing PayPal-enabled TiVo ads and showcase campaigns, TiVo said. The service is also available to TiVo MSO customers like **RCN** and **Suddenlink**. PayPal purchases will be charged to the TiVo user's PayPal account and shipped to the user's TiVo registered delivery address. Paypal said it is working with Comcast on opportunities such as making purchases or donations directly related to the content they're watching on TV (either through a remote or smartphone, tablet, etc). The 2 also are exploring ways to enable consumers to accept coupons directly into their Paypal online wallet during TV advertisements.

**Broadband Speeds:** Mirror, mirror on the wall, which ISP has the fastest broadband speeds of them all? **Comcast** has advertised its Xfinity Internet service as the fastest in the nation, but the National Advertising Division of the **Council of Better Business Bureaus** has taken issue with the claim. The investigative arm of the ad industry's self-regulatory system, citing an **FCC** report, noted that **Verizon** FiOS' speeds are up to 35 Mbps up and 150 Mbps down, exceeding those of other ISPs, including Comcast. However, NAD said Comcast could say it's one of the fastest ISPs in the nation, based on a 2011 *PC Magazine* study, or claim that it's the fastest Internet option for most consumers in its service areas where FiOS isn't available, NAD said, noting the PC Mag test was comprehensive in nature. The mag rated Comcast, **Cox** and **Charter** as the "fastest." Of those three, Comcast had the fastest download speeds and Cox had the highest upload speeds. Comcast's ads didn't reference the 3-way split, NAD said. Further, the ad didn't reflect Verizon's reported standing in areas where FiOS is available, it said. As a result, Comcast should discontinue the claim that "FiOS does not live up to expectations... With speeds of Up to 105 Mbps, XFINITY was rated as the fastest Internet provider in the nation by PC Magazine." NAD's recommendations for qualifying its claims aren't intended to define the specific ad claims that Comcast may make, a company spokesman said. The ISP will take NAD's recommendations into account in formulating its future ad, he said.

**Ratings:** **ESPN** led the primetime ratings race last week (3.4 HH rating/3.34mln HH delivery), with Sat's Miami-Boston Game 7 ending up with 13.3mln total viewers, a record for hoops on cable. Fellow **NBA** playoff net **TNT** took 2nd place (2.4/2.35mln) followed by **USA** (1.9/1.911). **History**, which was #1 the previous week thanks to "Hatfields & McCoys," stayed in the top 5, edging out **Disney** for 4th place with a 1.8/1.73mln. Ad-free Disney scored a 1.6/1.62mln in prime, and beat out **Nick** in total day (1.3/1.27mln vs 1.2/1.21mln). Disney bragged that it has now ranked as the #1 kids' net for 52-straight weeks among kids 6-11 and tweens 9-14. What were the highest-rated non-sports programs for the week? History's "Pawn Stars" (5.89mln total viewers), TNT's "Rizzoli & Isles" (5.62mln) and **HBO's** "True Blood" (5.2mln).

**Google:** After reports emerged last week about **Google's** fiber IP set-top box, complete with diagrams and photos from an **FCC** filing, a confidentiality request was filed at the Commission by Korean vendor **Humax**. The reported diagram and photos are no longer available at the FCC's Website. Google has announced plans to offer video over its fiber network in Kansas City. The company has nothing to announce at this time, Google said. **CNET** still has the visuals at <http://xrl.us/bnbk3t>.

**Wireless:** Data sharing is finally here. On June 28, **Verizon Wireless** will launch Share Everything Plans allowing unlimited voice and text sharing across all devices on a customer's account. Data will be shared for up to 10 devices, including smartphones and tablets. On top of a monthly line access charge per device, data service will start at \$50 for 1G per month. The rates go up as follows: 2GB for \$60; 4 GB for \$70; 6 GB for \$80; 8 GB for \$90 and 10 GB for \$100. That's an average of \$15 for 1 GB of data service. Consumer groups, such as **Free Press**, are already complaining. The main goal of the new plans is to get consumers "sharing more of their money with Verizon," said **Matt Wood**, Free Press policy dir. It's possible that some families on shared plans will see lower prices, while most individuals will definitely pay more, he said. Despite its distaste, the group might not bring the case to the FCC, Wood told **CableFAX**. It's unlikely to be productive because it comes back to the Commission's undefined authority over data and texting, he said. **Sanford Bernstein's** **Craig Moffett** called Verizon's announcement "profound." Among the long-term effects of the plan would be the blurring of voice and data, he said. AT&T has indicated it will follow suit. The main benefit is to stimulate device adoption and usage on Verizon's LTE network, **Wells Fargo's** **Jennifer Fritzsche** said. However for the entire industry, the impact could be rather negative, according to **Citi Group** **Michael Rollins**. The move comes at the cost of lower ARPU, he said.

**Technology:** **Comcast** licensed **ActiveVideo's** CloudTV H5 platform for its VOD user experience trial in Chattanooga, TN. The cloud-based user interface allows Xfinity on Demand users to search VOD content. CloudTV is also deployed systemwide at **Cablevision**, **Time Warner Cable** and **Philips**-brand NetTVs in the US. The H5 platform uses HTML5 browser tech running in remote servers to execute user experiences in the cloud.

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and the Women's Sports Foundation**

present

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# BUSINESS & FINANCE

**Programming:** A&E debuts "Coma," a 4-hour, 2-night mini featuring *Laurin Ambrose*, *Geena Davis*, *James Wood*, *Richard Dreyfus* and other star power (Sept 3 & 4, 9pm). It's a modern day retelling of the *Robin Cook* novel and *Michael Crichton* film.

-- **Discovery** is bringing "The Devils Ride" back for a 2nd season. The motorcycle club series has averaged more than 2mln viewers each week.

**Advertising/Marketing:** **Sportsman Channel** said its Q3 "Made in America" campaign is its biggest to-date, with **Chevy Silverado** on board as the presenting sponsor. The campaign debuts June 25, and will run across Sportsman and sister company IMO, whose media properties include *Guns & Ammo* and *In-Fisherman*.

**People:** **AMC Nets** upped *Steven Pontillo* to evp, CTO. -- *Patrick Trettenero* was elevated to vp, creative, branded content at **USA**.

**On the Circuit:** The **CTAM Educational Foundation's** Cable Exec Mgmt at Harvard kicks off this week in Boston, surpassing a total of 1K attendees in 15 years. This year's program counts 83 sr execs from 38 corporate patron cable, content and tech companies. In addition to the Harvard Business School faculty who deliver the core curriculum, **AMC Nets** CEO *Josh Sapan* will deliver the "Dan Aaron Lecture on Innovative Management."

## CableFAX Daily Stockwatch

Company	06/12 Close	1-Day Ch	Company	06/12 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	43.23	(0.22)	CLEARWIRE:	1.19	UNCH
DISH:	27.47	(0.05)	CONCURRENT:	3.79	(0.03)
DISNEY:	46.38	0.58	CONVERGYS:	14.26	0.14
GE:	19.48	0.37	CSG SYSTEMS:	16.37	0.18
NEWS CORP:	19.86	0.49	ECHOSTAR:	26.67	0.30
<b>MSOS</b>					
CABLEVISION:	11.54	0.22	GOOGLE:	565.10	(3.4)
CHARTER:	64.73	1.34	HARMONIC:	4.20	0.03
COMCAST:	30.45	0.51	INTEL:	26.52	0.54
COMCAST SPCL:	29.95	0.39	JDSU:	10.21	0.27
GCI:	7.29	0.07	LEVEL 3:	21.10	0.65
KNOLGY:	19.58	UNCH	MICROSOFT:	29.29	0.40
LIBERTY GLOBAL:	46.50	0.29	RENTRAK:	18.75	0.66
LIBERTY INT:	16.69	0.39	SEACHANGE:	8.01	0.12
SHAW COMM:	18.69	0.11	SONY:	13.07	0.31
TIME WARNER CABLE:	77.88	1.24	SPRINT NEXTEL:	2.92	0.09
VIRGIN MEDIA:	23.38	0.46	TIVO:	8.23	0.18
WASH POST:	367.52	4.01	UNIVERSAL ELEC:	12.56	0.34
<b>PROGRAMMING</b>					
AMC NETWORKS:	37.89	0.21	VONAGE:	1.75	0.07
CBS:	32.46	0.88	YAHOO:	15.47	0.17
CROWN:	1.54	0.01	<b>TELCOS</b>		
DISCOVERY:	52.13	0.74	AT&T:	34.98	0.39
GRUPO TELEVISA:	19.38	0.50	VERIZON:	42.94	0.38
HSN:	40.25	1.14	<b>MARKET INDICES</b>		
INTERACTIVE CORP:	45.37	0.69	DOW:	12573.80	162.57
LIONSGATE:	13.66	0.56	NASDAQ:	2843.07	33.34
LODGENET:	1.40	(0.03)	S&P 500:	1324.18	15.25
NEW FRONTIER:	1.64	0.04			
OUTDOOR:	6.46	0.19			
SCRIPPS INT:	56.81	0.46			
TIME WARNER:	35.33	0.77			
VALUEVISION:	1.72	(0.03)			
VIACOM:	52.48	0.29			
WWE:	7.81	0.08			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.08	(0.02)			
ALCATEL LUCENT:	1.56	(0.01)			
AMDOCS:	28.78	0.07			
AMPHENOL:	54.69	0.69			
AOL:	27.21	0.40			
APPLE:	576.16	4.99			
ARRIS GROUP:	13.13	0.53			
AVID TECH:	6.88	(0.03)			
BLNDER TONGUE:	1.05	0.05			
BROADCOM:	34.13	0.94			
CISCO:	16.79	0.32			

## CableFAX's Customer Experience Management Guidebook

### Lessons and Insights for the Cable Industry

CableFAX and The Cable Center collaborated to publish this 150-page guidebook on customer experience management for the cable industry. The guidebook includes case studies, tips and articles on understanding the foundations of customer experience management and gaining insight to use it to improve your business. You also will learn about the latest measurement strategies, research insights, personnel and compensation strategies, social media tactics and communications techniques for implementing customer experience management in your company.



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