

CableFAX Daily™

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What the Industry Reads First

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Open Minds: FCC Officially Launches 'Third Way' Debate with NOI

The FCC's Thurs approval of a broadband reclassification Notice of Inquiry on a 3-2 party-line vote pushed chmn *Julius Genachowski's* so-called "Third Way" effort for limited Title II broadband regs into the next phase. But should the FCC or Congress tackle the matter? His answer: Both. "I fully support this Congressional effort," he said. "I commit all available FCC resources to assisting Congress in its consideration of how to improve and clarify our communications laws." Republican Comrs *Meredith Baker* and *Robert McDowell*, however, both dissented partly over concerns that the FCC is overreaching. "In short, if the Commission would like to regulate that activity, it must wait for Congress to change the law," said McDowell. "We are not Congress." Some lawmakers want to tweak the 1996 Act to address questions raised by **Comcast's** recent win in the US Appeals Court for the DC Circuit, which held that the FCC didn't have authority under Title I to slap the MSO for its bandwidth management practices (*Cfax*, 4/7). The FCC's loss prompted Genachowski to issue the NOI, which he sees as a way to "restore the status quo and have a workable light touch framework for broadband access." But he said FCC action is "complementary" to Congress' work and was needed "to ask hard questions" and build a record on the matter. Some on the Hill aren't buying it, with House Commerce ranking member *Joe Barton* (R-TX) and Rep *Cliff Stearns* (R-FL) on Thurs sending a letter to Committee Chair *Henry Waxman* (D-CA) calling for hearings on the Third Way effort. As for the NOI, the FCC requests comment on 3 basic scenarios: Keeping broadband under Title I, switching it fully to Title II or creating the "Third Way" Title II Lite approach. Despite the party-line vote on Thurs, Genachowski urged cooperation within the FCC, saying he will keep an "open mind" and welcomes new ideas from commenters. In a statement, the **NCTA** reiterated its view that any Title II approach is flawed. "We see little benefit to changing course and great danger in attempting to shoehorn modern broadband services into a Depression-era regulatory regime without serious collateral effects to investment, employment, and innovation," NCTA said. **Comcast** evp *David Cohen* added that despite Genachowski's "careful balancing," any Title II regs "pose unnecessary risks to, and will not achieve, the limited objectives outlined in the NOI." **Free Press** policy counsel *Aparna Sridhar*, however, on Wed summed up Title II proponents' frustration with industry opposition to the NOI this way: "Objecting to merely asking these questions is absurd."

Applying Social Media to Customer Experience Management

CableFAX Webinar | Tuesday, June 22, 2010 | 1:30 – 3pm ET

This CEM webinar will provide expert guidance on how to best implement social media to advance customer care and customer experience. From big-picture issues and pitfalls just now materializing to the mechanics of which online customer care are working best, we will explore the nascent execution of these important tactics.

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In the States: Counting **USA**, **TBS** and **Nickelodeon** among its content partners, **Sezmi** said it's expanding the availability of its personalized TV service beyond L.A. and into 10 markets including Boston, Miami and Phoenix. -- **PBS** affil **KVCR** of San Bernardino, CA, plans to launch a 24/7 American Indian channel next year with the help of a \$6mln donation from the San Manuel Band of Mission Indians. To begin airing in the station's broadcast area, the net will feature programs on the history, culture and current realities of nationwide tribes, and hopes to gain cable carriage beginning in '13. -- **DirectTV** upped to 159 the number of cities in which it offers local HD programming by adding Biloxi-Gulfport, MS; Idaho Falls-Pocatello, ID; and Joplin, MO-Pittsburg, KS.

Customer Service: **Cox** and **Cablevision's Optimum Business** salvaged some positives for cable in **J.D. Power's** customer service rankings among major business services providers, albeit while highlighting the improvements needed from **Comcast**, **Time Warner Cable** and **Charter**. In the home-based segment, Optimum led all providers while Cox ranked 4th behind **CenturyLink** and **Verizon**. Time Warner Cable, Comcast and Charter, in that order, brought up the rear and scored below the segment avg. Among SMBs, Cox led and Optimum notched 2nd, with TWC and Comcast recording the 2 lowest scores. Verizon and **Qwest** also scored below the segment avg. Among large enterprise firms, Verizon and **AT&T** were easily the top performers as TWC (3rd) and Comcast (5th) again ranked below the segment avg, although Qwest split the pair to prevent an all-cable floor in the segment.

Few Snips: Cord cutting is not a blazing trend, according to **Nielsen**, which said 3.9% of Americans had broadband service but no pay TV as of Jan—static versus a year earlier and up from 3.2% in Jan '08. By comparison, cable/broadband homes have grown to 66.3% in Jan from 54.8% 2 years earlier, Nielsen said the shift to online video is occurring in small population pockets such as young, emerging HHs, and to broadband-only homes among college grads and lower- to middle-income consumers. While these groups stream twice the avg amount of video, Nielsen said they only stream approx 10min of video/day. Online streaming accounts for less than 2.5% of total video consumption across all demos.

Marketing: **Syfy's** joining with partners including **YouTube** and **Xbox 360** to promote across social networks, mobile, outdoor film festivals, VOD, affil promos and new release movies the return of original series "Warehouse 13" (Jul 6). The net is offering affils the chance to earn electronics and gift cards by generating local ad sales and driving RGUs.

Ratings: As **TV Land's** 1st original sitcom, "Hot in Cleveland" premiered Wed night with a 1.9 HH rating to become the net's highest-rated and most watched telecast ever. Averaging 4.75mln total viewers, the show featuring **Betty White** and **Valerie Bertinelli** delivered 2mln 25-54s, 1.3mln women 25-54 and 1.6mln 18-49s. -- A total of 32mln viewers across 11 nets tuned in for **President Obama's** Oval Office address Tues night, with **Fox News** leading cable news nets in speech viewership with 2.88mln. **CNN** tallied 1.23mln, **MSNBC** 1.14mln. Fox News also led from 8-11pm with 2.55mln total viewers, followed by CNN (1.04mln) and MSNBC (797K). -- **FoxSoccer.com** garnered more than 86mln page views and 4.2mln uniques during the **World Cup's** 1st 5 days, marking a 28% jump in page views over '06. Uniques spent an avg of more than 12min at the site, which has enjoyed increased usage by intl fans who account for 7% of overall visitors.

Programming: **Universal Sports** and **NBC Sports** agreed to provide exclusive multiplatform coverage of the '11 and '15 **Rugby World Cup** tourneys. Universal will cover all 48 matches for each tourney, NBC will air the finals, and live and delayed match video will accessible at **www.universalsports.com**.

Public Affairs: Plaudits to **WFN: World Fishing Net**, which on Jun 30 will dedicate an entire day of programming and commercial airtime to help anglers affected by the Gulf oil spill. The day's programming will focus on the spill's impact on commercial and recreational fishing in LA, MS, AL and FL, and throughout the day viewers will be directed to donate to the **WFN Gulf Oil Spill Fisherman's Fund** at **WFN.tv/donate**. **DISH**, **Charter** and **AT&T**, which don't carry the net, have agreed to make WFN available during the fundraiser. -- **MSG Varsity** and **Kaplan** are offering Cablevision broadband subs free online preparation for PSATs and SATs, plus 10% off Kaplan classes. Also, the net is launching original series "Prepare for the Next Level" (Fri) to help high school students and their families prepare for the college application process.

On the Circuit: Registration is now open for the '10 **CTAM Summit** (Oct 18-20 in New Orleans), which will feature New Orleans Saints owner/evp **Rita Benson LeBlanc** as a speaker. Summit co-chairs are **Cablevision** evp, market-

BUSINESS & FINANCE

ing and advertising *Jon Hargis* and **BETN** evp/CMO *Janet Rolle*.

Business/Finance: Holders of an aggregate 15.59mln **Lionsgate** shares agreed to *Carl Icahn's* offer of \$7/share in cash, representing approx 13.2% of the company's outstanding common shares and upping Icahn's overall LGF stake to approx 32%. Among the shareholders selling to Icahn is **HDNet** boss *Mark Cuban*, who told **Cfax** his decision to part with his 5.4% stake is more about financial gain and liquidity than concerns over LGF's management or business prospects. The acrimony between Lionsgate management and Icahn continues. LGF shares closed at \$7.12 Thurs, up 2.74%. -- **Radio One** announced a series of financing maneuvers including a \$100mln subscription offer to existing note holders, the proceeds from which will be used to acquire approx 19% of the outstanding equity interests in **TV One**. Radio currently owns 37% of the net, and with **Comcast** has the option to become sole owners in the future. -- As expected, *Dr. John Malone* resigned as chmn of **DirecTV** and exchanged 21.81mln of the DBS op's Class B shares for 26.55mln Class A shares, thus reducing to approx 3% from approx 24.3% his voting interest in the company. *Greg Maffei* and *Paul Gould* also resigned their board posts, and *Samuel DiPiazza* was elected a member. Pres/CEO *Mike White* was named chmn.

CableFAX Daily Stockwatch

Company	06/17 Close	1-Day Ch	Company	06/17 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	37.79	(1.54)	ARRIS GROUP:	11.01	0.01
DISH:	21.48	(0.13)	AVID TECH:	13.14	(0.18)
DISNEY:	35.07	0.28	BIGBAND:	2.87	0.01
GE:	15.91	0.16	BLNDER TONGUE:	1.39	(0.01)
NEWS CORP:	16.08	(0.02)	BROADCOM:	35.50	(0.69)
MSOS					
CABLEVISION:	25.38	0.15	CISCO:	23.17	(0.12)
COMCAST:	18.58	0.19	CLEARWIRE:	7.72	(0.1)
COMCAST SPCL:	17.62	0.20	COMMSCOPE:	26.35	0.31
GCI:	6.59	(0.02)	CONCURRENT:	5.08	0.08
KNOLOGY:	11.95	0.19	CONVERGYS:	10.61	0.12
LIBERTY CAPITAL:	42.45	(0.43)	CSG SYSTEMS:	20.11	0.26
LIBERTY GLOBAL:	26.76	0.64	ECHOSTAR:	21.39	0.04
LIBERTY INT:	13.42	0.42	GOOGLE:	500.08	(1.19)
MEDIACOM:	6.99	0.03	HARMONIC:	5.73	(0.09)
RCN:	14.79	0.03	INTEL:	21.52	0.03
SHAW COMM:	19.62	(0.03)	JDSU:	11.72	0.03
TIME WARNER CABLE:	55.48	(0.08)	LEVEL 3:	1.25	(0.04)
VIRGIN MEDIA:	17.50	0.11	MICROSOFT:	26.37	0.05
WASH POST:	457.27	(0.92)	MOTOROLA:	7.19	0.08
PROGRAMMING					
CBS:	15.12	(0.04)	RENTRAK:	25.11	0.75
CROWN:	1.79	0.03	SEACHANGE:	8.43	(0.1)
DISCOVERY:	39.31	0.14	SONY:	28.25	(0.08)
GRUPO TELEVISIA:	18.80	0.00	SPRINT NEXTEL:	4.64	(0.15)
HSN:	25.74	0.38	THOMAS & BETTS:	39.76	0.06
INTERACTIVE CORP:	23.68	0.19	TIVO:	8.09	(0.34)
LIBERTY:	33.87	0.18	TOLLGRADE:	6.45	(0.03)
LIBERTY STARZ:	52.88	(0.1)	UNIVERSAL ELEC:	18.98	(0.32)
LIONSGATE:	7.12	0.19	VONAGE:	2.68	0.30
LODGENET:	4.53	0.02	YAHOO:	15.60	0.11
NEW FRONTIER:	1.68	(0.07)	TELCOS		
OUTDOOR:	5.37	0.00	AT&T:	25.57	0.05
PLAYBOY:	3.83	(0.04)	QWEST:	5.39	0.03
SCRIPPS INT:	45.53	0.35	VERIZON:	29.09	(0.09)
TIME WARNER:	33.04	0.24	MARKET INDICES		
VALUEVISION:	2.02	(0.02)	DOW:	10434.17	24.71
VIACOM:	39.67	0.52	NASDAQ:	2307.16	1.23
WWE:	16.29	(0.09)	TECHNOLOGY		
TECHNOLOGY					
ADC:	8.09	0.02			
ADDVANTAGE:	2.97	(0.11)			
ALCATEL LUCENT:	2.82	0.05			
AMDOS:	28.06	(0.04)			
AMPHENOL:	42.67	0.01			
AOL:	22.65	0.37			
APPLE:	271.87	4.62			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Sales Force

HSN (and **Cornerstone Brands**) went public nearly 2 years ago to solid Wall St demand, only to likely shop for tissues in bulk as HSN shares hit \$1.44 in Dec '08. HSN was staggered by the recession's early stages like everyone else, but a difficult transition was also occurring around that time. "We were suffering from me too syndrome," said evp/CFO *Judy Schmeling*. "Instead of establishing our own brand identity, we tried to act like **QVC**." Following a complete overhaul of the net—from product mix to set lighting to a streamlined Website—HSN is now thriving in millions of American living rooms and on Wall St. The net achieved record volume in 4Q, 9% rev growth and a 50% surge in op income in 1Q, and HSN shares closed Thurs at \$25.74 (missing a run like that also demands tissues). HSN offers "not only a shopping experience, but we explain the products as well," said Schmeling, noting how a complete divestiture of no-name brands and the additions of more lifestyle products and complete ensembles (accessories!) have helped the net drive enthusiasm and loyalty among its customer base. 50% of sales stem from a home category that includes electronics, cooking supplies and home decor. And come Aug, HSN shoppers will have another place to shop as **HSN2** will launch on **DISH**. The net will feature existing footage/encore performances from the flagship net but will never overlap programming, said HSN evp, affil relations *Peter Ruben*, adding that ops have grown increasingly fond of **HSN HD** (more than 20mln homes) and tech such as HSN's interactive **Shop By Remote** product. "This is an exciting time for us," said Ruben. "There are a lot of shopping nets on cable but none have our quality." In ongoing discussions with ops for HSN2, Ruben stresses the co's consistently high customer service ratings, telling ops that the net is an operational extension and will represent them well. No word on special pricing that's commonplace on HSN. *CH*

Highlights: "Discovery Saved My Life," Fri, 9p, **Discovery**. Talk about providing value to subs. This special re-enacts how viewers' lives were saved when they used survival tips they saw on Discovery shows. The final story, about a boy trapped by an avalanche, might be the most amazing of this terrifying collection. *SA*

Worth a Look: "The Real L Word," pilot, Sun, 10p, **Showtime**. The "1st gay-themed reality show on premium cable" deals with young, hip L.A. lesbians. Created by "The L Word's" *Ilene Chaiken*, it will remind fans of that drama. It oozes sex: its 6 protagonists describe their "first time" in the pilot's open. But it's interesting, too, when delving into other parts of life. -- "Double Exposure," Tues, 10p, **Bravo**. Photographer *Markus Klinko* and artistic partner/former girlfriend *Indrani* are difficult, sometimes rude. Thus, they make good reality TV fodder. And there's an educational element: "threesomes are overrated," Markus states as he flirts with models who wonder whether he's straight. But Markus and Indrani are mere amateurs compared with *Lindsay Lohan*. -- "Memphis Beat," pilot, Tues, 10p, **TNT**. Exec prod *George Clooney* brings a variation on TNT's line of unconventional southern female police detectives (think "The Closer," "Saving Grace"). Here the detective is a guy (*Jason Lee*) who loves his mother, Memphis and the blues. *SA*

Basic Cable Rankings (6/07/10-6/13/10) Mon-Sun Prime			
1	USA	2.4	2399
2	DSNY	2	1953
3	TNT	1.8	1755
4	FOXN	1.7	1666
5	TBSC	1.3	1262
5	NAN	1.3	1262
7	HIST	1.2	1161
8	FAM	1.1	1082
9	A&E	1	1006
9	HGTV	1	967
9	TOON	1	962
12	FOOD	0.9	934
12	DISC	0.9	908
12	LIFE	0.9	902
12	SYFY	0.9	869
12	FX	0.9	849
12	TLC	0.9	846
12	AMC	0.9	828
19	TRU	0.8	776
19	ESPN	0.8	753
19	BRAV	0.8	716
22	CMDY	0.7	671
22	TVLD	0.7	652
22	SPK	0.7	650
22	MSNB	0.7	639
22	NKJR	0.7	550
27	HALL	0.6	572
27	MTV	0.6	563
27	CMT	0.6	530
27	BET	0.6	509
27	LMN	0.6	464
32	CNN	0.5	539
32	EN	0.5	527
32	HLN	0.5	514
32	ESP2	0.5	486
32	VH1	0.5	454
32	NKTN	0.5	278
38	APL	0.4	428
38	TRAV	0.4	345
38	WGNA	0.4	313
38	DXD	0.4	293
38	SOAP	0.4	279
38	OXYG	0.4	277
38	GSN	0.4	277
38	ID	0.4	259
38	NGC	0.4	257

*Nielsen data supplied by ABC/Disney

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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