

CableFAX Daily™

Wednesday — June 23, 2010

What the Industry Reads First

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Kitchen Sink: Comcast-NBCU Comments Cover Porn, Program Carriage & Beyond

Commenters covered pretty much everything in the thousands of filings to the **FCC** on **Comcast** and **NBCU's** proposed \$30bln jv. **MASN**, which settled a long-running carriage dispute with Comcast last year, focused on channel placement, urging the FCC to look at how the proposed transaction would affect Comcast's incentive and ability to engage in discriminatory channel placements. "The Commission's program-carriage complaint process is geared toward outright denials of carriage rather than subtler forms of discrimination such as unfair channel placement," MASN said. **Tennis Channel**, whose program carriage complaint against Comcast is still pending at the FCC, tackled Comcast-NBCU's promise to add 6 new independent programmers by '14. Noting that most indie programmers carried by Comcast will have already executed carriage agreements prior to the closing of the deal, Tennis wants to know why the companies aren't making any commitments with respect to their prospective dealings with existing indies. **Sportsman Channel**, which doesn't believe the deal would be detrimental to indie nets, also focused on the 6-indie channel pledge. It thinks the commitment should be applied so that new launches on individual Comcast systems of existing independents would be considered. **EWTN**, which counts Comcast as the largest distributor of its programming, was very upbeat on the merger. "It is likely that access to the expanded space for independent programming promised in the jv will allow other independent programmers to achieve a history with Comcast similar to EWTN's." The **NFL** also was supportive, specifically citing the fact that Comcast did not join its distributor brethren in calling for retrans consent reform as "a constructive step in honoring its commitment to strengthen and support broadcast television." Comments by the **Parents TV Council**, **Focus on the Family** and other family groups reminded us of a "30 Rock" ep that said 91% of fictional cable co **Kabletown's** revenue came from PPV porn. Calling Comcast one of the "most far-reaching distributors of porn" in the communities it serves, the groups noted that the Commission is required to consider an applicant's "character" when considering assignment of broadcast licenses. In order for the FCC to make "a fully informed character determination," the groups want a condition requiring disclosure of the amount of revenue it drives from adult entertainment. The **ABC**, **CBS** and **Fox** affil groups said they were OK with the transaction as long as there are some conditions, including (1) that Comcast not discriminate with respect to its retrans negotiations with any ABC, CBS, FOX station because that station isn't owned or controlled by Comcast-NBCU and (2) that the jv not attempt to create a competitive advantage for an NBCU station by discriminating against an in-market non-NBCU station. Vocal transaction opponent Sen *Al Franken* (D-MN) said no conditions could sufficiently mitigate the harms of the deal but still fired off a list of conditions that should last at least 5 years if the FCC proceeds with the merger. They include making any online programming in which the jv has a financial interest available to competitors on the Net as if program access rules applied and that an MVPD subscription should not be required to view NBCU/Comcast content on the Web. **DirecTV**, which called for various conditions, raised the idea of an "online loophole," fretting that the jv could migrate portions of major sports programming to the Web and allow only authenticated subs the ability to view it—denying authen-



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tication to DirecTV and rivals or charging them exorbitant fees. Bottom line: there's a lot for the FCC to wade through.

Spot: DISH subs lost the HD feeds to **Disney, Disney XD, ESPNNews** and **ABC Family** Tues, with the channel drops stemming from an '08 lawsuit DISH filed over compensation for the high-def nets. In March, the NY State Court ruled in **Disney's** favor and the programmer reportedly approached DISH with proposals for continued carriage. Time ran out Tues, with DISH telling subs it couldn't pay the "significant" fees requested by Disney. DISH is appealing the court ruling, which said that the DBS provider was wrong in its belief that it was entitled to the 4 feeds vs separate networks. "DISH Network offers all customers HD Free for Life, which is possible because we are committed to negotiating fair contracts that allow us to keep our prices low," DISH said. "We continue to talk with Disney and ESPN Networks and hope to reach a fair resolution." The channels continue to be offered in SD. "The recent New York State Court ruling confirms our position that Dish Network is not entitled to carry ABC Family HD, Disney Channel HD, Disney XD HD and ESPNNEWS HD without paying compensation," Disney said. "We hope that Dish will work with us to reach an agreement so that we can make these HD networks available to their customers."

At the Portals: There has been a lot of hullabaloo over meetings at the **FCC** that have focused on legislative options for broadband classification. **Cfax** reported last week that **NCTA's Kyle McStarow, Verizon's Tom Tauke** and **AT&T's Jim Cicconi** had met with the chmn's chief of staff and chief counsel to discuss ideas (**Cfax**, 6/17). But additional hearings this week took it up a notch, with **Google** and **Skype** included in the discussions. The FCC said those discussions, 1st reported by the **WSJ**, relate to approaches outside the FCC's open proceeding so they do not require ex parte disclosures. The Commission announced Tues that it will post notices of these meetings at blog.broadband.gov to promote transparency and keep the public informed. The meetings have drawn criticism from groups such as **Media Access Project**, which called them "secretive" and "unseemly for what is supposed to be the most transparent FCC in history." **Public Knowledge** said it was "appalled" at FCC Chief of Staff **Edward Lazarus'** statement that there are no ex parte requirements on meetings not directly related to ongoing FCC proceedings. "Discussions of the authority of the FCC over broadband, or network neutrality can cover a wide range of topics at any given time, whether dealing with legislation or not," PK said.

In the States: The **House Communications** subcmte will hold a **Comcast-NBCU** field hearing in Chicago on July 8. The **FCC** is holding its own hearing in Chi-town on July 13. -- **C-SPAN** is on foursquare, saying it will use the geosocial mobile app to provide the public with educational tips about locations that are prominent in national politics, policy and the govt. Its new C-SPAN Digital Bus also will check in on foursquare as it makes its way across the country.

Competition: **FiOS TV** launched free interactive Spanish-language portal **Zona Latina**, which provides access via remote to sports, intl news, music, VOD content and Univision's World Cup coverage. The widget also highlight's the

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service's \$12/month Spanish-language package that features 27 channels. -- **DirecTV** teamed with **Kantar Media** to offer advertisers data from a national opt-in audience measurement panel of 100K DirecTV subs. The service measures total viewing, including live and time-shifted viewing of programming and ads on a second-by-second basis.

Carriage: **RCN** added 7 HD channels from **MTVN/BETN** to its channel lineup, including the flagship nets, **Comedy Central** and **Spike**. -- Hispanic broadcast net **LATV** inked a deal with **Four Points Media** for carriage in West Palm Beach and Providence, expanding its reach to 36 markets repping 76% of US Hispanic TV homes.

Cable Choice: **Parents Television Council** is still beating the a la carte horse (surprise!). In an Action Alert sent Sun, pres *Tim Winter* calls on members to contact Congress and demand "Cable Choice" and takes specific aim at **Viacom** by listing several references to what it deems "extremely graphic content" on various Viacom nets. "I'm disgusted... and I'm angry," the missive begins. While the letter definitely concentrates on Viacom, **Comcast-NBCU** is not spared. "The PTC opposes this merger, or any merger that gives even more market power and control to an industry that delights in an economic model that delivers content so offensive to most adults and so harmful to children," wrote Winter, a former NBC employee who participated in the creation of **MSNBC**.

Research: 71% of US broadband subs are "very satisfied" with their home service, while just 3% aren't satisfied, according to **Leichtman Research**, whose research follows data from **Abt/SRBI** and **Princeton Survey Research Assoc (Cfax, 6/2)** showing that 91% of broadband users say they are "very" or "somewhat" satisfied with their speed at home. Leichtman noted that more than 70% of US homes subscribe to a broadband service—quite a jump from the 20% in '04—and that nearly four-fifths of broadband subs say they don't know the download speed they receive. Yet one-third rate the speed of their connection 8-10. 6% rate it 1-3. The Princeton study found that just 24% believe they get the advertised broadband speed. In urban and suburban areas, said Leichtman, 11% of broadband subs said there's only 1 provider in their area, compared to 34% of subs in rural areas.

Broadband: Usage-based broadband pricing would help the US achieve universal broadband adoption sooner and close the digital divide across income, racial and ethnic lines by '19, according to a study by the **Georgetown Center for Business and Public Policy**. Given the additional investments required of providers to accommodate fast-rising demand for bandwidth and to avoid Internet congestion, prevailing flat-fee pricing plans will slow how fast lower-income Americans subscribe to broadband services, according to the study, and lead to fewer than 85% of Americans having home broadband service by the end of the decade—including 82% of African Americans and 83% of Hispanics.

Customer Care/Social Media: **Comcast's** sr dir of customer operations *Frank Eliason* called **Twitter** and **Facebook** "your early warning systems," noting his team often gains operational intelligence before other parts of the MSO by monitoring forums and other social media platforms. During a **CableFAX** Webinar Tues, Eliason emphasized personalization when handling customers in the social media space. "For years our brands were de-humanized," it's important now to personalize brands, he said. **Suddenlink's** director of customer experience *Gibbs Jones* said the MSO uses social media to proactively search for customers reporting bad experiences and manages to retain 80-90% of them. **The Cable Center** svp *Jana Henthorn* noted ease of doing business with cable operators might be the best predictor of customer loyalty. The Webinar will be available on demand at <http://www.cablefax.com/cfp/webinars/>.

Online: Currently in beta, the revamped **History.com** officially bows on Independence Day with a multimedia, topics-based approach aimed at history enthusiasts, casual information seekers, students and educators. The site still spotlights History shows yet will also offer more than 20K video, images, audio clips, etc... to allow visitors to interactively dig into topics such as the American Revolution. -- **WWE** agreed to offer at **YouTube** full eps of 4 of its franchises, including "WWE NXT" (**Syfy**) and "WWE Superstars" (**WGN America**). Its "Monday Night Raw" show on **USA** will only offer clips on the site.

Ratings: Ranking 5th among all cable telecasts last week with a 3.7/3.62mIn, **TV Land's** "Hot in Cleveland" set the record for the most-watched cable sitcom premiere ever with nearly 6mIn total viewers.

Programming: A deal between the **NFL** and **NBCU/Telemundo** will bring the Sept 26 Dolphins-Jets game to Telemundo stations in Miami, NYC and L.A. -- **VH1** is featuring 2 outspoken NFLers this summer, Bengals wide receiver *Chad Ochocinco* in new dating series "Ochocinco: The Ultimate Catch" (Jul 11) and unsigned *Terrell Owens* in the 2nd season of "The T.O. Show" (Jul 11). -- New weekly **Fuse** series "A Different Spin with Mark Hoppus" (Sept) features interviews with artists and celebrities and musical performances by mainstream and emerging bands.

On the Circuit: **Univision Nets** pres *Cesar Conde* and **BETN** COO *Scott Mills* are the honorary co-chairs for the **24th Annual NAMIC Conference**, Sept 14-15 in NYC. Sponsors of the event, which this year carries the theme "3D: Diversity, Digital, Demographics," include **BETN**, **Cox**, **Scrrips Nets**, and the **Walter Kaitz Foundation**.

BUSINESS & FINANCE

People: Fred Graver, ex-VH1 exec and longtime media vet, was tapped as svp, programming of **Travel**, effective July 1. He replaces *Michael Klein*, former svp of content, who resigned earlier this year. -- Former **Discovery Channel** exec *Gena McCarthy* was named svp, reality & alternative programming of **Lifetime Nets**, effective July 6. -- **AT&T Advanced Ad Solutions** appointed *Maria Mandel* vp, media and marketing innovation.

Business/Finance: **Clearwire** said it exercised approx 39.7mln shares of its Class A common stock for an aggregate purchase price of approx \$290.8mln during its rights offering that ended Mon night. The offering let existing shareholders buy 0.4336 shares of Class A stock at \$7.33 per for each share previously owned, and was instituted by CLWR to raise additional capital for buildout of its 4G mobile broadband network. Shares closed at \$7.37 Tues, down 0.81%. -- **Arbitron** acquired the tech portfolio, patents and trade name from **Integrated Media Measurement**, including cell phone-based tech designed to measure cross-platform media usage. -- **Lionsgate** avoided a credit default by amending its \$340mln revolving syndicated credit facility to increase to more than 50% the threshold of control or ownership of its shares that would trigger a default. *Carl Icahn's* upped ownership of Lionsgate shares to approx 33% necessitated the amendment, as the prior threshold was 20%.

CableFAX Daily Stockwatch

Company	06/22 Close	1-Day Ch	Company	06/22 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	36.56	(0.83)	AVID TECH:	13.08	(0.15)
DISH:	20.25	(0.79)	BIGBAND:	2.88	(0.02)
DISNEY:	34.35	(0.71)	BLNDER TONGUE:	1.38	0.00
GE:	15.79	(0.31)	BROADCOM:	35.66	0.14
NEWS CORP:	15.48	(0.36)	CISCO:	22.97	(0.37)
MSOS					
CABLEVISION:	24.64	(0.42)	CLEARWIRE:	7.37	(0.06)
COMCAST:	18.24	(0.11)	COMMSCOPE:	26.49	(0.14)
COMCAST SPCL:	17.27	(0.14)	CONCURRENT:	5.30	(0.13)
GCI:	6.76	0.13	CONVERGYS:	10.41	0.04
KNOLOGY:	11.80	0.14	CSG SYSTEMS:	19.55	(0.15)
LIBERTY CAPITAL:	44.14	0.19	ECHOSTAR:	20.42	(0.49)
LIBERTY GLOBAL:	26.21	(0.22)	GOOGLE:	486.25	(2.31)
LIBERTY INT:	12.41	(0.15)	HARMONIC:	5.72	(0.04)
MEDIACOM:	6.70	(0.07)	INTEL:	20.98	(0.21)
RCN:	14.82	0.00	JDSU:	11.36	(0.11)
SHAW COMM:	19.06	(0.27)	LEVEL 3:	1.18	0.01
TIME WARNER CABLE:	54.18	(0.82)	MICROSOFT:	25.77	(0.18)
VIRGIN MEDIA:	17.07	(0.35)	MOTOROLA:	7.20	0.03
WASH POST:	444.43	(11.66)	RENTRAK:	24.35	(0.64)
PROGRAMMING					
CBS:	14.37	(0.41)	SEACHANGE:	8.54	0.23
CROWN:	1.75	(0.04)	SONY:	27.56	(0.84)
DISCOVERY:	38.70	(0.67)	SPRINT NEXTEL:	4.32	(0.18)
GRUPO TELEVISA:	18.50	(0.47)	THOMAS & BETTS:	39.18	(1.2)
HSN:	24.61	(0.4)	TIVO:	7.67	(0.21)
INTERACTIVE CORP:	23.28	(0.23)	TOLLGRADE:	6.40	0.02
LIBERTY:	33.76	(0.01)	UNIVERSAL ELEC:	17.49	(0.91)
LIBERTY STARZ:	51.87	(0.48)	VONAGE:	2.27	(0.19)
LIONSGATE:	7.00	0.00	YAHOO:	15.09	(0.12)
LODGENET:	4.32	(0.12)	TELCOS		
NEW FRONTIER:	1.61	(0.06)	AT&T:	25.36	(0.08)
OUTDOOR:	4.95	(0.16)	QWEST:	5.37	(0.06)
PLAYBOY:	3.78	0.00	VERIZON:	29.06	0.00
SCRIPPS INT:	43.90	(1.02)	MARKET INDICES		
TIME WARNER:	31.55	(0.99)	DOW:	10293.52	(148.89)
VALUEVISION:	1.94	(0.21)	NASDAQ:	2261.80	(27.29)
VIACOM:	39.05	(0.42)	TECHNOLOGY		
WWE:	16.23	0.02	ADC:	7.83	(0.09)
TECHNOLOGY					
ALCATEL LUCENT:	2.71	(0.07)	AMDOCS:	27.66	(0.39)
AMPHENOL:	41.86	(0.71)	ARRIS GROUP:	10.73	(0.19)
AOL:	22.93	(0.05)			
APPLE:	273.85	3.68			
ARRIS GROUP:	10.73	(0.19)			

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