

CableFAX Daily™

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What the Industry Reads First

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You Complete Me, Broadband: Cable Execs See New Starring Role

The love was palpable at **The Cable Show** last week, and execs reiterated Wed that cable hearts broadband despite concerns the industry's fixed variety enhances OTT services and its wireless plays lack a voice component. "We're the deliverer... the anchor tenant in the mall," said **Charter** pres/CEO *Mike Lovett* at the **Guggenheim Media Symposium Conference**, arguing that **Netflix** and others help drive broadband adoption. **Cablevision** COO *Tom Rutledge* agreed, stressing cable's deep relationship with broadband subs while calling **Netflix** a boost for HSD in the near term and an a la carte video service farther down the road. And even if broadband speed bumps from ops engender better OTT experiences for consumers, said **Time Warner Cable** pres/COO *Rob Marcus*, "with increased utility comes an increased willingness to pay." TWC and CVC view WiFi through a similar lens (the former also mobile broadband) and don't see wireless voice as an imperative. "I see voice on wireless becoming less and less of a player," said Rutledge. Added Marcus: despite contrary protestations from telcos, service bundles with a wireless voice component "aren't competitively relevant." Lovett contends the comm industry is "less about voice and more about providing connectivity," and remains unconcerned that Charter only offers fixed broadband currently. The MSO saw non-video sub adds jump 20% in 1Q, and he said that pace has accelerated in recent months, owing largely to broadband's new starring role in Charter's consumer messaging. All 3 execs said cable continues to take broadband share from the telcos, and Lovett noted that any growth for telcos in mobile broadband and/or voice proffers cable huge cell backhaul opportunities. Moreover, cable's robust plant is allowing for roll-outs of innovative IP-based services such as iPad apps and network DVRs, which are also importantly helping to phase out clunky and scorned set-tops. "It's really an attractive world we're about to enter," said Rutledge. Next month, CVC expands its iPad app to iPhones and iPod Touches to let all 3 devices tune even legacy TVs without Web functionality.

Ch-Ch-Change: While a Republican bill for reforming the **FCC** received criticism from Dems, there are some aspects that did receive general acceptance at Wed's **House Communications** subcmte hearing on the draft. Shot clocks for FCC action and changing rules so that 3 bipartisan commissioners can meet outside an open meeting were relatively well received by members and witnesses. Although witness and **Consumer Federation of America** research dir *Mark Cooper* did add that he would like to see transcripts from such meetings and that shot clocks should start after

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the record on an item is complete. As for everything else, that's a problem, with ranking **House Commerce** member *Henry Waxman* (D-CA) declaring he can't support the bill in its current form. Waxman said that draft provisions, such as preventing merger conditions that aren't narrowly tailored, appear to be the result of dislike of some outcomes, such as **Comcast-NBCU** conditions. Dems are concerned that the bill could make the FCC, in the words of Waxman, "less efficient and more bureaucratic." Still Republicans were hopeful, with subcmte chmn *Greg Walden* (R-OR) saying that the draft preserves "much of the agency's flexibility" and Rep *Joe Barton* (R-TX) calling it a good bill. Said **NARUC** gen counsel *Brad Ramsay*: "I think it's an excellent starting point for a bipartisan bill that could pass this Congress." **NCTA** pres/CEO *Michael Powell* released a statement that the trade group appreciates the efforts to engage in a "fresh look" at agency procedures and to "free providers from unnecessary regulatory obstacles that impede the development of new, innovative consumer offerings." Draft proposals include market and cost-benefit analyses for implementing new rules and publishing the texts of orders before adopting them.

In the States: With final bids due next week, *Multi* reports that the field for **Insight** has been whittled down to **Cablevision**, **WOW** and **Mediacom**. -- **Time Warner Cable** launched **BlueHighways TV** in NC and SC.

Inside the Beltway: Rep *Anna Eshoo* (D-CA) introduced a 4G bill that would guarantee minimum data speeds and provide info on network reliability, pricing, coverage area, technology and network conditions that can impact the speed of apps and services. The proposed bill also requires the **FCC** to evaluate the speed and price of 4G wireless data service from the top 10 carriers to provide consumers with a comparison in their service area. -- The latest broadband report to Congress (this one prepared by the **FCC** in consultation with **RUS**) concludes that broadband grant and loan programs are helping expand the service's reach to rural areas, but more is needed. "Going forward, industry and policymakers at all levels must work collaboratively to support and facilitate investment in broadband networks capable of delivering high-quality broadband services throughout rural America," the report said. It noted that approx 28% of rural residents lack access to typical broadband service.

Remembering Joplin: **Weather Channel** meteorologist *Mike Bettes* was reporting all day from Joplin, MO, Wed, the 1-month anniversary of the tornado that devastated the town. Bettes was the 1st TV reporter on the scene, arriving just moments after the storm pummeled the town. He soon encountered a man frantically looking for his elderly neighbor. On Wed, Bettes was reunited with that man and the missing neighbor, who survived the storm and had been helping others while searchers looked for him. The rebuild continues in Joplin, with the **FCC** announcing Wed a waiver that will allow MO disaster victims to keep their phone numbers while rebuilding. Under normal rules, they would have a forced disconnection of their phone numbers after 90 days.

Mad World: No doubt fans of **AMC's** "Mad Men," especially the female ones, are pleased that *Jon Hamm* inked a 3-year extension for the show, but men and women alike will be able to purchase series-inspired duds at **Banana Republic** beginning Aug 11. Designed by the retailer in collaboration with show costume designer *Janie Bryant*, the collection features more than 60 pieces of apparel and accessories offering "a modern take on the cool polish and panache of the 1960s era." Liquor and smokes sold separately. Also, **AMC** and **Banana** are bringing back the "Mad About Style" webisodes to extend a marketing collaboration that will again include a contest offering a walk-on role for the show.

Technology: **SeaChange** and **Civolution** collaborated for **NexGuard**, a forensic watermarking app aimed at cable ops looking to launch premium VOD services. It includes a content pre-processing phase to ensure ease of integration, scalability and top performance upon streaming in MPEG-2 or H.264. -- **Outdoor Channel's** new free app for iPads, iPhones and the iPod Touch offers access to net programs, exclusive videos, social communities and news.

Marketing: **The Hub** launched online virtual community, "Club Hub," offering kids games, puzzles and other features.

Ratings: The Mon night premiere of "Countdown with Keith Olbermann" on **Current TV** scored 179K 25-54s, which the net said beat **CNN** (89K) in the demo during the time period but trailed **MSNBC** (237K). "We're very pleased. But like I said last week, it's one night," said Olbermann. "We'll need a couple of weeks to know where we're starting, and we're truly interested in next year and especially 2013." -- Reality show "Nail Files" garnered 1.1mln total viewers Tues night to go down as **TV Guide Net's** highest-rated original series premiere in history. -- **truTV's** "Hardcore Pawn" received a 5th-season pickup after returning for a 4th season with a 2-ep avg of 2.08mln viewers. -- **Disney XD** just notched its most-watched week ever in

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total day among kids 6-14 (208K), kids 6-11 (168K) tweens 9-14 (134K) and boys 9-14 (82K).

Programming: Jason Patric agreed to star in FX drama series pilot "Powers," a crime procedural featuring "super power beings" that's based on the comic and graphic novel series by Brian Michael Bendis. -- **CBS Sports Net** inked a multi-year deal to feature **Patriot League** men's and women's basketball, men's lacrosse and football, including the men's basketball championship. -- **VH1** and **Palladia** will exclusively air "Coldplay—Live from Glastonbury" Sat night (10pm).

People: Beth Coleman was upped to svp, ad sales research at **MTVN Ent Group**. -- Bobby Amirshahi was named vp, comm for **Time Warner Cable NYC**.

On the Circuit: **NAMIC** is accepting applications for its Exec Leadership Development Program, presented in partnership with the UCLA Anderson Graduate School of Mgmt. Nomination deadline is Aug 12 (www.namic.com).

Editor's Note: **CableFAX** sister pub **Communications Technology** will hold a free Webinar on "Monetization Through Personalization in a Multi-platform World" on June 29 at 2pm ET. The **Openet**-sponsored Webcast will focus on how to create personalized environments to boost customer loyalty and upsell new products and services. For more info: http://www.cable360.net/ct/webcasts/2011_06_29/

CableFAX Daily Stockwatch

Company	06/22 Close	1-Day Ch	Company	06/22 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	47.65	(0.17)	BLNDER TONGUE:	1.78	(0.02)
DISH:	28.50	(0.14)	BROADCOM:	32.15	(0.06)
DISNEY:	38.31	(0.47)	CISCO:	15.36	(0.15)
GE:	18.56	(0.25)	CLEARWIRE:	4.17	0.40
NEWS CORP:	17.32	0.04	CONCURRENT:	5.86	0.13
MSOS					
CABLEVISION:	35.36	(0.61)	CONVERGYS:	13.66	0.02
CHARTER:	57.14	0.94	CSG SYSTEMS:	18.01	(0.35)
COMCAST:	23.92	(0.13)	ECHOSTAR:	35.38	0.31
COMCAST SPCL:	22.82	(0.04)	GOOGLE:	487.00	(6)
GCI:	11.91	(0.21)	HARMONIC:	7.10	(0.05)
KNOWLOGY:	14.55	(0.22)	INTEL:	21.39	(0.26)
LIBERTY CAPITAL:	81.31	(0.55)	JDSU:	16.20	(0.24)
LIBERTY GLOBAL:	41.50	(0.35)	LEVEL 3:	2.28	(0.01)
LIBERTY INT:	16.22	0.30	MICROSOFT:	24.65	(0.11)
SHAW COMM:	21.32	(0.18)	MOTOROLA MOBILITY:	23.46	(0.33)
TIME WARNER CABLE:	75.48	(0.45)	RENTRAK:	16.69	(0.42)
VIRGIN MEDIA:	30.93	(0.23)	SEACHANGE:	10.38	(0.19)
WASH POST:	411.45	(4.17)	SONY:	24.94	0.47
PROGRAMMING					
CBS:	26.66	(0.25)	SPRINT NEXTEL:	5.12	(0.12)
CROWN:	1.71	UNCH	THOMAS & BETTS:	52.45	0.74
DISCOVERY:	41.69	(0.35)	TIVO:	10.20	0.04
GRUPO TELEVISA:	23.76	0.03	UNIVERSAL ELEC:	24.68	(0.14)
HSN:	30.84	(0.76)	VONAGE:	4.20	(0.02)
INTERACTIVE CORP:	37.48	0.41	YAHOO:	15.22	(0.12)
LIBERTY:	41.41	0.01	TELCOS		
LIBERTY STARZ:	72.36	(1.1)	AT&T:	30.88	(0.23)
LIONSGATE:	6.53	UNCH	VERIZON:	35.94	(0.05)
LODGENET:	3.30	0.03	MARKET INDICES		
NEW FRONTIER:	1.35	(0.01)	DOW:	12109.67	(80.34)
OUTDOOR:	6.04	(0.06)	NASDAQ:	2669.19	(18.07)
SCRIPPS INT:	48.14	0.45	S&P 500:	1287.14	(8.38)
TIME WARNER:	35.47	(0.27)			
VALUEVISION:	8.20	(0.3)			
VIACOM:	56.20	(0.38)			
WWE:	9.76	0.24			
TECHNOLOGY					
ADVANTAGE:	2.53	(0.02)			
ALCATEL LUCENT:	5.36	(0.04)			
AMDOCS:	29.75	0.65			
AMPHENOL:	51.20	0.33			
AOL:	20.31	0.04			
APPLE:	322.61	(2.69)			
ARRIS GROUP:	10.83	(0.08)			
AVID TECH:	17.56	(0.17)			
BIGBAND:	2.26	0.12			

CableFAX THE MAGAZINE Most Influential Minorities in Cable 2011

Nomination Deadline: June 24, 2011 Enter at: www.cablefax.com/diversity

Free and Easy to Nominate

Who are cable's most influential minority executives?

Help us decide by nominating the executives you think should be included in our annual list of the Most Influential Minorities in Cable.

We will rank the top 50 minorities, and run a list of the second 50, in the October issue of *CableFAX: The Magazine*.

CableFAX: The Magazine distribution includes: NAMIC/CableFAX Breakfast, Diversity Week.

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Think about that for a minute...

Finally

Commentary by Steve Effros

Technology isn't the "answer" to anything, it's simply a tool. But at this year's Cable Show a relatively new technology—widely misunderstood but often cited—turned out, potentially, to be a key tool allowing the cable industry to start (albeit slowly) moving toward providing the viewing experience our customers want.

There were plenty of vendors demonstrating their trial versions. Brian Roberts (not in a black turtleneck yet, but becoming a fixture at the Show demonstrating "the latest") showed off Comcast's at a General Session.



Of course I'm talking about modern, flexible, graphics-laden navigation guides. Call them what you will; program guides, EPGs or IPGs, "TV Everywhere" enablers, it doesn't matter. They were all over the place, and they were a sight for sore eyes.

No secret here that I've been writing about the lack of good cable navigation for years. Our product line, with literally hundreds of channels and thousands of "on-demand" programs is not even understood by those who think that something like the Netflix movie library is something "new." It's not new. It's a subscription program service specializing in a "library" of movies. We have those libraries too, but Netflix does a whole lot better job of allowing the consumer to find what they want. Their "guide," with graphic navigation and a recommendation engine, as well as "search and discover" (the newest buzz-phrase I heard on the floor), makes it appear that they are offering something many customers don't know they already have! Well, that's about to change.

Here's the difficult part; because cable was first, because we delivered both video and broadband to the home before anyone else (Netflix doesn't deliver... they rely on us

for that) we installed a whole lot of small computers— we call them set top boxes—into folks' homes before those computers got really powerful. So our set top boxes, millions and millions of them, can't really generate the new spiffy guides on their own.

The claimed solution: Internet Protocol. "IP." Put the guide and much of the computing capability up in a remote server ("the cloud") and then communicate with the box via IP. Of course this requires expensive new capabilities in the set top box (a modem) and significant processing power. It also requires very little noise in the upstream feed. Both may be problematic when scaled. We'll see. It's NOT "the Internet." But you can bet *USA Today* will start calling it that by the fourth paragraph of any story. And cable systems that choose to migrate their navigation to IP solutions are NOT delivering their programming using the Internet, or, necessarily, Internet Protocol. Those are all details that are going to get very confused and will likely result in numerous legislative and regulatory proposals that will be just as confused. Our job, or at least one of them, is to try to keep all of that stuff straight and understandable. To manage expectations.

But another one of our jobs is to migrate as fast as we can, using whatever tool, to the day when our customers can navigate with these new programs, however delivered, by IP or not, that give so much more flexibility and control. It's taken a long time. We now have the makings of navigation tools that can deliver on the promise of aiding our customers truly understand and take advantage of all we have to offer. As with any infrastructure change, it's going to take time! We have to explain that, too. But it's a start. Finally.

Steve

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CableFAX PROGRAM AWARDS

From the most outstanding cable programs to the best surprise ending, the annual CableFAX Program Awards honor the best in cable programming, content and people. This unique awards program from the industry's most trusted brand, CableFAX, raises the bar on what's good on and about cable. Now's your chance to win a CableFAX Program Award and get recognized for bringing value to your viewers.

It's simple to compete, as your content and people speak for themselves. But you have to enter to be considered, so don't let your competitors steal the show. We'll be honoring the winners and honorable mentions in October and in the annual CableFAX Program Awards Issue.

Sponsorship Opportunities: Debbie Vodenos at 301.354.1695 or dvodenos@accessintel.com
Entry Questions: Mary Lou French at 301.354.1851 or mfrench@accessintel.com

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