

CableFAX Daily™

Friday — June 25, 2010

What the Industry Reads First

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On the Hill: USF Talk Turns to Title II Debate

Thurs' Sen Commerce hearing was supposed to be about USF reform, but like most everything else these days, it turned into another Title II debate. Sen *John Ensign* (R-NV) told the 3 FCC commissioners present he finds it ironic the FCC chmn is pursuing an FCC broadband reclassification "that will reduce broadband investment when he wants to update USF so there will be more investment." Sen *Mike Johanns* (R-NE) had issues with both Title I and the chmn's so-called "Third Way" approach, instead telling the Commissioners at the hearing repeatedly to "Come to Congress." NCTA's *Kyle McSarrow* has no qualms with that idea. "If it was just USF, I'd say [to the FCC] use the authority that you think you have. But it's all bound up in Title II. I think we're headed toward a train wreck," McSarrow testified, calling on Congress to act sooner rather than later. The FCC has proposed transitioning the USF high-cost fund to broadband from phone lines. Sen *Mark Begich* (D-AK) warned that it isn't easy getting things done in Congress, pointing to the bickering that held up an extension of unemployment benefits. And *Byron Dorgan* (D-ND) was supportive of FCC chmn Julius Genachowski's Title II-lite approach, calling the change essential. Not surprisingly, FCC GOP commish *Meredith Attwell Baker* criticized the idea of Title II, while her Democratic colleagues *Michael Copps* and *Mignon Clyburn* defended it. More Title II debating can be found this weekend on C-SPAN's "The Communicators" (Sat, 6:30pm), in which Reps *Mike Doyle* (D-PA) and *John Shimkus* (R-IL) sound off on it. Shimkus said he doubts that there will be targeted Congressional action before the FCC acts because of the administration's push for net neutrality. "I think who ought to be angry and frustrated is the bipartisan group (of members of Congress)... saying not to do this. They're subverting the will of the legislative branch," Shimkus said. More than 70 Dems signed letters expressing concern about the FCC approach. Said Doyle, who supports Genachowski's plan: "I think a lot of people who signed the letter that don't sit on the committee may have not had access to all the information and all the issues that are out there... I think that once we have a chance to speak to members and get more information out about what this means to consumers that I think you'll see a lot of people move to this direction."

Stopped Clock: The FCC stopped its informal merger review clock on **Comcast-NBCU**, saying that the 2 did not fully comply with instructions for an information request due June 11. Until they submit the supplemental responses and associated materials, the transaction time clock will remain paused as of June 11, the FCC Media Bureau said in a letter Thurs.

CableFAX

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MSO of the Year: Cablevision

Space Close: June 30 **Artwork Close:** July 7 **Publication:** July 25

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However, the Bureau said the letter in no way affects the pleading cycle (comments and petitions to deny were due Jun 21). The FCC's initial information request sought info from Comcast on subs and pricing, total network capacity and so on. NBCU's info requests included a breakdown of its relationship with Ion and lots of queries on online video.

Local Connection: Insight officially launched its own news and info net, **cn|2**, in Louisville, N KY, Lexington, Evansville and Bowling Green. For now, it's a 24-hour, all-weather channel. But in the fall, Insight plans to roll out programming focused on local news, sports and the fall political campaign season. The MSO has hired former *Lexington Herald-Leader* reporter *Ryan Alessi* for its political shows and has launched a Website (<http://politics.mycn2.com>). "Insight has always been committed to the communities we serve, but cn|2 represents one of the most significant investments we've ever made in serving our customers," CEO *Michael Willner* blogged Thurs.

CTO Change: Cox CTO *Scott Hatfield* has left the MSO, with a Cox rep describing his resignation as a "mutual decision based on Cox's business needs and Mr Hatfield's personal reasons." Cox svp, gm for OK *Percy Kirk* will head tech while the company searches for a successor. Hatfield, whose departure was 1st reported by *Light Reading*, took on the role in Dec '08 when Cox integrated IT and engineering under him and CTO *Chris Bowick* retired.

Carriage: Hallmark Movie Channel counted 35.8mln subs as of May 31, marking the addition of more than 17mln over the last 12 months. Owing to a Wed launch in 10mln **DirectTV** homes, **Hallmark Channel HD** upped its penetration among HD viewers to 40% in 6 months. -- **DISH** added a pair of Bengali channels from India, **AATH** and **Tara Muzik**.

Research: TV viewers are looking forward to ubiquity in interactive TV apps, according to **FourthWall Media**, with 89% expressing interest in using such apps after reading descriptions of services and nearly half saying they're "very interested." Weather apps piqued the greatest interest, followed by local news/info and caller ID; 80% of TV viewers are interested in personalized news, sports scores, and financial info. Other findings: more than 70% would be more interested in ads if they were interactive; of the 82% of TV viewers who surf the Web while also watching TV, 31% would spend less time multitasking with their computers if they had iTV apps; and women are among the most interested in iTV apps. **[Editor's Note: Mark your calendars... CableFAX will host a Webinar on iTV/advanced advertising on Jul 21. More info soon].**

-- The overwhelming majority of US comm and media execs see improving business conditions and a more gradually improving employment picture this year and next, according to a **KPMG** survey, citing new products and services are key reasons for optimism. 83% of respondents expect rev jumps from digital devices/services this year, with 46% of the cohort predicting rev growth of 7%+. 65% believe rev and profitability has improved over a year ago, and three-quarters think both metrics will elevate further in '11. 53% expect to add employees this year, while 22% foresee reductions.

In the Courts: **Viacom** plans to appeal a NY court's decision in favor of **YouTube/Google** in the parties' \$1bln copyright infringement case. "We are disappointed with the judge's ruling, but confident we will win on appeal," said Viacom evp/gen counsel/secretary *Michael Fricklas* in a statement. "This case has always been about whether intentional theft of copyrighted works is permitted under existing law and we always knew that the critical underlying issue would need to be addressed by courts at the appellate levels. Today's decision accelerates our opportunity to do so." Viacom shares fell 2.94% Thurs.

Technology: **Clearleap** and **Roku** partnered to give pay TV ops and programmers the chance to offer content and generate additional rev with a branded channel on the Roku player. Clearleap's platform, for example, will enable paid VOD transactions to post directly through viewers' pay TV subscription info, allowing Roku users to consume free or pay VOD titles congruent with their subscription package and pay for the content through their monthly TV service bill. The pair will trial the VOD solution over the next 6 months and hopes to launch a limited deployment with an op by Jan.

Ratings: The 1st ep of **Discovery Channel's** "Deadliest Catch" to address cast member *Captain Phil Harris'* stroke (he passed away in Feb) earned a 3.55 HH rating, 5.4mln total viewers, 2.99 among 25-54s and 2.55 among 18-49s—the latter 3 demos were delivery records, along with men and women 18-49, women 25-54, 18+ and 2-17s.

Only in NY: Fans watching Wed night's Tigers-Mets telecast on **SNY** enjoyed a surprise 4-inning appearance by Mets' diehard *Jerry Seinfeld*, who essentially took charge of the broadcast booth, handling play-by-play duties during the Mets' 5-0 win. Seinfeld kept up a hilarious dialogue on everything from *Lady Gaga's* actions at Mets and Yankees games to *Johnny Damon* with announcers *Gary Cohen* and *Keith Hernandez*, the former Mets player who famously appeared in a "Seinfeld" ep as Elaine Benes' (*Julia Louis-Dreyfus*) love interest.

BUSINESS & FINANCE

On the Circuit: Suddenlink chmn/ CEO Jerry Kent and Scripps Nets chmn/pres/CEO Ken Lowe were named co-chairs of this year's **Walter Kaitz Foundation's 27th Annual Fundraising Dinner**, Sept 15 in NYC. The dinner cmte includes **Showtime Nets** chmn/ CEO Matt Blank, **Midcontinent** vice chmn Mark Niblick, **Fox Nets Group** chmn/CEO Tony Vinciguerra and **Sjoberg's** pres/CEO Richard Sjoberg. -- The deadline for **WICT's** Woman of the Year and Woman to Watch awards is July 19. The award will be presented at the WICT Touchstones Luncheon during Diversity Week and at the WICT Leadership Conference, Sept 13, Hilton NY.

People: C-SPAN's board tapped **Time Warner Cable** COO Landel Hobbs as chmn of its exec cmte, and also elected **Charter** pres/CEO Mike Lovett and **Bresnan** pres/CEO Jeff DeMond board members. -- Jeff Matteson was named svp/strategic comm officer for **TBS, Inc** to direct and coordinate messaging across the **Turner** nets portfolio; **Misty Skedgell** becomes svp, corp comm.

Business/Finance: **ValueVision** shares soared 9.8% Thurs after **NBCU** decided not to sell the approx 6.45mln shares of **shopNBC/VVTV** it owns as previously planned. A future sale hasn't been ruled out, though, as NBCU cited "prevailing prices" as the reason for its course change.

CableFAX Daily Stockwatch

Company	06/24 Close	1-Day Ch	Company	06/24 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	36.01	(0.53)	ARRIS GROUP:	10.42	(0.3)
DISH:	20.26	0.07	AVID TECH:	13.02	(0.17)
DISNEY:	33.60	(0.74)	BIGBAND:	2.89	(0.01)
GE:	15.08	(0.31)	BROADCOM:	34.50	(1.41)
NEWS CORP:	14.69	(0.76)	CISCO:	22.57	(0.29)
MSOS					
CABLEVISION:	24.21	(0.23)	CLEARWIRE:	7.44	(0.37)
COMCAST:	17.82	(0.36)	COMMSCOPE:	25.26	(0.87)
COMCAST SPCL:	16.85	(0.33)	CONCURRENT:	5.00	(0.4)
GCI:	7.06	0.10	CONVERGYS:	10.15	(0.2)
KNOLOGY:	11.40	(0.17)	CSG SYSTEMS:	18.76	(0.45)
LIBERTY CAPITAL:	43.77	(0.52)	ECHOSTAR:	19.52	(0.62)
LIBERTY GLOBAL:	26.31	0.14	GOOGLE:	475.10	(6.95)
LIBERTY INT:	11.75	(0.31)	HARMONIC:	5.57	(0.15)
MEDIACOM:	6.75	0.00	INTEL:	20.32	(0.49)
RCN:	14.79	(0.03)	JDSU:	10.93	(0.44)
SHAW COMM:	18.64	(0.23)	LEVEL 3:	1.15	(0.04)
TIME WARNER CABLE:	53.63	(0.78)	MICROSOFT:	25.00	(0.31)
VIRGIN MEDIA:	17.25	(0.02)	MOTOROLA:	6.99	(0.31)
WASH POST:	435.40	(3.05)	RENTRAK:	25.10	(0.33)
PROGRAMMING					
CBS:	13.77	(0.7)	SEACHANGE:	8.52	(0.17)
CROWN:	1.78	0.03	SONY:	27.39	(0.35)
DISCOVERY:	37.30	(0.89)	SPRINT NEXTEL:	4.38	(0.14)
GRUPO TELEVISA:	17.89	(0.42)	THOMAS & BETTS:	37.19	(1.16)
HSN:	24.40	(0.17)	TIVO:	7.43	(0.06)
INTERACTIVE CORP:	22.64	(0.36)	TOLLGRADE:	6.41	0.00
LIBERTY:	33.35	(0.33)	UNIVERSAL ELEC:	16.92	(0.42)
LIBERTY STARZ:	53.08	0.74	VONAGE:	2.48	(0.05)
LIONSGATE:	7.00	(0.06)	YAHOO:	14.83	(0.4)
LODGENET:	4.11	(0.11)	TELCOS		
NEW FRONTIER:	1.57	(0.06)	AT&T:	25.05	(0.39)
OUTDOOR:	4.66	(0.16)	QWEST:	5.34	0.02
PLAYBOY:	4.05	0.04	VERIZON:	28.96	(0.37)
SCRIPPS INT:	42.37	(1.4)	MARKET INDICES		
TIME WARNER:	30.84	(0.99)	DOW:	10152.80	(145.64)
VALUEVISION:	1.90	0.17	NASDAQ:	2217.42	(36.81)
VIACOM:	37.94	(1.15)			
WWE:	16.05	(0.15)			
TECHNOLOGY					
ADC:	7.70	(0.05)			
ADVANTAGE:	2.89	0.01			
ALCATEL LUCENT:	2.71	(0.06)			
AMDOCS:	27.26	(0.44)			
AMPHENOL:	40.94	(0.79)			
AOL:	21.73	(0.91)			
APPLE:	269.00	(1.97)			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Historical Desert Heat

Recounting a trip to Las Vegas he made last week, my neighbor told me about the Cirque show he attended, a trip to Hoover Dam, unlucky stints at the blackjack tables—and an excursion to the pawn shop featured in **History's** smash hit "Pawn Stars." Delivered outside the cable arena, the latter news surprised me. Perhaps it shouldn't have. 1K people line up to get inside the shop daily, according to History, up from about 70 when the series bowed last year. Similar enthusiasm from fans is adding untold value to the series' impressive linear run. "Rarely do I buy a show on the spot in a pitch meeting," said History svp, dev and programming *David McKillop*. "I knew it was going to be a big hit." Monstrous would be a better adjective. The show returned Jun 7 with 2 new eps, and airing back-to-back they each garnered a 3.8/3.77mln, good for 4th among cable telecasts for the week. A week later, 2 additional eps ranked 1st and 3rd, averaging a 4.1/4.05mln—and the later ep, with 5.9mln viewers, is now History's #1 telecast ever. Moreover, repeats avg 2.5mln viewers, and the show's tops in cable in Jun among 25-54s. Viewers are drawn to the show, said McKillop, for 3 main reasons: the family that runs the shop makes for compelling characters, with the 3 generations featured adding appeal; it offers a look at interesting and often rare items coupled with their history; and the "game show type feel" that arises from the valuations of and deals offered for those items. "That's the addictive part," said McKillop of the pricing aspects (\$36K paid by the shop for a gold bar from a shipwreck, for example). It also helps that the show's a branding bullseye for History, he said, noting how it features "more history per minute than any of our shows." That seems appropriate, given it's also rewriting the net's history. *CH*

Highlights: "Locked Up Abroad," season IV premiere, Wed, 10p, **Nat Geo**. A favorite is back with a special opener that's really special as *Billy Hayes* of "Midnight Express" tells his story. It's more escape than locked up, yet Hayes' intensity hasn't waned. -- "Entourage," season VII premiere, Sun, 10:30p, **HBO**. The boys are back, and The Boys' head, Cowboys' owner *Jerry Jones*, joins for an **NFL** plotline. Interestingly, *Vince (Adrian Grenier)* seems less important in eps 1, 2 as *Ari (Jeremy Piven)* and *Turtle (Jerry Ferrara)* get heavy screen time. -- "Rescue Me," season VI premiere, Tues, 10p, **FX**. *Tony Soprano* had one. Now it's *Tommy's (Denis Leary)* turn for a near-death dream experience. Better is ep 4, when *Peter Gallagher* shines as a tough-love priest. Lord knows, Tommy needs someone to set him straight. -- "Party Down," season II finale, Fri, 10p, **Starz**. Don't miss the opening of this finale as *Jane Lynch* gleefully returns. *SA*

Notable: On Sat at 8m ET on Super Bowl Classics, **NFL Net** has yet another replay of *Joe Namath's* Jets upsetting the Colts. And it never gets old. -- Multi-talented *Queen Latifah* hosts the 10th "BET Awards" Sun, 8p ET. -- **Ovation** has a marathon of the UK version of "Queer as Folk" Sun at 9p ET.

Basic Cable Rankings			
(6/14/10-6/20/10)			
Mon-Sun Prime			
1	USA	2.5	2486
2	DSNY	2	1939
3	TNT	1.6	1624
4	FOXN	1.5	1497
5	HIST	1.2	1199
5	NAN	1.2	1170
7	TBSC	1	1024
7	ESPN	1	1010
7	A&E	1	973
7	HGTV	1	948
11	DISC	0.9	938
11	FAM	0.9	889
11	FOOD	0.9	883
11	LIFE	0.9	859
11	TRU	0.9	822
11	BRAV	0.9	812
17	TOON	0.8	827
17	TVLD	0.8	823
17	TLC	0.8	786
17	SYFY	0.8	740
17	FX	0.8	737
17	AMC	0.8	736
23	CMDY	0.7	703
23	MSNB	0.7	627
23	HALL	0.7	614
23	LMN	0.7	570
23	NKJR	0.7	537
28	SPK	0.6	640
28	BET	0.6	575
28	NKTN	0.6	320
31	EN	0.5	530
31	CNN	0.5	485
31	HLN	0.5	459
31	MTV	0.5	452
31	APL	0.5	452
36	TRAV	0.4	393
36	ESP2	0.4	374
36	VH1	0.4	363
36	OXYG	0.4	333
36	SOAP	0.4	281
36	GSN	0.4	260
36	ID	0.4	224
43	CMT	0.3	284
43	WGNA	0.3	252
43	DXD	0.3	246
43	NGC	0.3	238

*Nielsen data supplied by ABC/Disney

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