

# CableFAX Daily™

Tuesday — June 28, 2011

What the Industry Reads First

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## Retrans Redux: FCC Reply Comments Trickle In

**Time Warner Cable**, which led the petition that has resulted in the **FCC** reviewing retrans consent rules, told the Commission Mon not to be misled by broadcast groups attempting to “whitewash the consumer harm” caused by their brinkmanship tactics and arguments against interfering with a “market-based” regime. The MSO used broadcasters’ own words to point out the problems its sees with retrans, quoting **CBS** CEO *Les Moonves*’ boast at an investor conference this month that going dark offers the “ultimate leverage.” Mon was the deadline for filing reply comments in the proceeding, with most companies and associations just reiterating their previous stances. **ACA**, which joined TWC and other MVPDs in filing the petition, concentrated on the coordinated negotiation of retrans consent—countering broadcasters’ claims that the FCC lacked evidence of such occurrences by detailing 36 pairs of broadcasters involved in such negotiations in 33 markets over the past 3 years. It wants the FCC to adopt a rule underscoring independently owned TV stations in the same market engaging in coordinated bargaining as per se violations of the stations’ legal obligation to bargain in good faith. And **ACA** wants something done soon, reminding the FCC that its members will start a new round of retrans consent negotiations with hundreds of broadcasters in Oct as thousands of contracts set to expire Dec 31. “New rules of the road that curb broadcasters’ misconduct should be adopted in time to protect consumers from losing signals if their pay-TV providers are forced to decline the ‘take-it-or-leave-it’ offers of price-gouging TV station owners,” said **ACA** chief *Matt Polka*. The **NJ Division of Rate Counsel** argued that any changes to retrans rules should further the goal of a la carte, provide full disclosure of retrans fees and require adequate consumer notification. **NAB** repeated its argument that the regime isn’t broken. “The mere fact that retransmission consent fees have increased from an initial level of zero does not mean that they are now somehow ‘too high’ from the perspective of economic efficiency, or in any way the cause of the rising rates paid by consumers for MVPD services,” the assoc said. **NAB** also bashed MVPDs for almost uniformly opposing the only proposed retrans change that it believes is “truly aimed at consumer protection”: enhancing consumer notifications. General consensus is that the FCC isn’t going to do much to change the rules of the retrans road, but hope springs internal...

**A Thursday Night Party:** Are you ready for a shoot out? The **NFL** is shopping a new TV rights package that would include 8 Thurs night games/season perhaps as early as ’12-’13, according to *Sports Business Journal*, and the



Source: The Nielsen Company NPM 1.0, 6/25/11 Nielsen Fast National Ratings  
Total Viewers 2+ Reach based on 2011 Nielsen Fast Cumulative (4+ minutes viewed)

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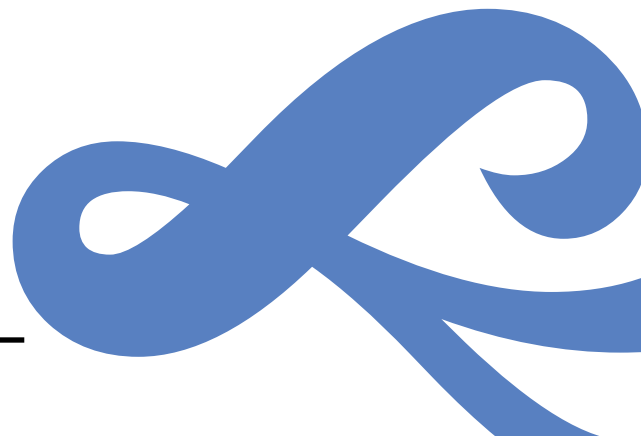
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usual sports-hungry companies such as **ESPN**, **Comcast** and **Turner** are said to be interested. **NFL Net** would keep its own late-season Thurs night package, according to the pub. "We're always interested in strong properties," said an **NBC Sports** spokesperson. Comcast would likely place the games on **Versus**, the destination it had tapped for games during the erstwhile bidding process for NFL Net's slate. Having paid handsomely for 4 Olympiads, Comcast isn't afraid to spend money on sports content; it just wants to turn a profit. And despite a modest black eye due to its labor unrest, the NFL can still be easily monetized. ESPN will take a "close look" at the package, said a spokesperson, and could reap benefit from airing 2 games/week. Turner couldn't be reached for comment, but it's a safe bet the company's interested in adding pigskin programming to **TNT**, **TBS** and/or **truTV**. **FX** could be a player too as it's preparing to feature college football on Saturdays this fall.

**In the Courts:** Why does cable care that the **US Supreme Court** ruled CA can't ban the sale of violent video games to minors? Because what's to say the ban would stop at video games. "Petitioners invoke concerns about 'violent scenes in television and movies,' as well as 'violent music lyrics.' If petitioners were to have their way, therefore, it appears that States would be free to regulate any form of speech that they deemed potentially harmful to minors' emotional development, all without effective judicial supervision," **NCTA** said in a brief supporting the abolishment of the ban. SCOTUS released its 7-2 decision Mon, saying that free speech protects young people's rights to the games. Unlike hardcore porn, there is no long-standing tradition in the US that specifically restricts kids' access to violence, the court said. -- The Supreme Court agreed to review the **FCC's** indecency enforcement. Last year, the US Appeals Court said the rules were unconstitutionally vague. This all stems from Fox's fleeting expletive case (ie, *Cher* and *Nicole Richie* cursing during an awards show).

**Carriage: Cable One** agreed to launch **CBS Sports Net** throughout ID and in select markets in MI, MO, NM, OK and TX beginning Aug 1. The MSO will roll out the net across the majority of its systems at a later date.

**In the States: Oceanic Time Warner** will have some new competition, with HI's Dept of Commerce and Consumer Affairs issuing a 15-year cable franchise for Oahu to **Hawaiian Telecom** Fri. Hawaiian Telecom currently provides landline, Internet and cell service. Not all areas will immediately have access to its video service, but HT will make it available to more subs as its network is upgraded.

**Bankrupt Without TV:** The **L.A. Dodgers** filed for bankruptcy Mon, with owner *Frank McCourt* blaming **MLB** commissioner *Bud Selig's* disapproval of a proposed TV rights deal with **Fox (Cfax, 6/21)** for the team's financial woes. The bankruptcy plan calls for completion of a "competitive sale process" for franchise TV rights within 180 days, and if approved could put **Time Warner Cable** squarely into the mix. The MSO refused to comment Mon but is believed to be interested in obtaining the Dodgers rights to complement its new relationship with the **L.A. Lakers** that includes 2 RSNs. The Dodgers current deal with Fox expires in '13.

**Marketing: Spike TV** and **Innerscope Research** were the winners of **CTAM's** '11 Case Study Award. Participants at this month's CTAM Insights Conference voted for Greeks vs Geeks—a Biometric Engagement Study of the Guy's Choice Awards as their favorite case study presented on site. The study focused on the emotional engagement of guys from 2 different backgrounds as they watched the Guy's Choice Awards (Greeks were active fraternity brothers and Geeks were accountants without a fraternity association).

**Ratings:** "Wilfred" notched **FX's** best comedy series debut ever by tallying 3.8mln total viewers and 2.4mln 18-49s (including the encore airing). The 2nd season premiere of "Louie" grew total viewers and 18-49s by 42% and 18-34s by 49% versus the series debut. -- 7.7mln total viewers tuned into the "**BET Awards**" Sun night, up from 7.4mln a year ago. -- The US team's loss was **Univision's** gain. The net garnered nearly 7.98mln total viewers and 4.72mln 18-49s for its coverage of the Sat night US-Mexico soccer match, which now ranks as the net's top sports telecast ever in prime. -- **TNT's** "Falling Skies" delivered 4.2mln total viewers for its 2nd ep. That's a loss of nearly 1.8mln compared to its premiere, although numbers from last week show an increase of approx 1.6mln viewers during the 3 days following the bow (including VOD). Both **TBS** and **truTV** featured encores of the premiere on Sat night. The return of "Leverage," meanwhile, earned 3.42mln total viewers.

**Programming: G4** will celebrate the life and career of deceased "Jackass" contributor *Ryan Dunn* with a special ep of

# BUSINESS & FINANCE

“Attack of the Show” (July 19). Immediately following, the net will bring back “G4’s Proving Ground” for 8 additional eps. Only 1 ep of the Dunn-hosted series had aired before his death last week in a car accident. -- **Bloomberg TV’s** “Game Changers” profiles **News Corp** magnate *Rupert Murdoch* on Tues (9pm ET).

**On the Circuit:** **Cox** pres Pat Esser was re-elected chmn of **NCTA’s** board, and the following officers were tapped for a 2nd 1-yr term: **Time Warner Cable** pres/CEO *Glenn Britt* as vice chmn, **Comcast** chmn/CEO *Brian Roberts* as treas and **A&E Nets** pres/CEO *Abbe Raven* as secretary. **TV One** chmn *Alfred Liggins* was appointed an at-large dir. Also, the board established the ’11-’12 exec cmte. For more info go to **NCTA.com**.

**Obit:** *Lois Ann “Mickey” Rasmussen*, wife of 55 years to **ESPN** founder *Bill Rasmussen*, died Thurs at the age of 77. In lieu of flowers, the family asks that gifts in her memory be sent to the Ladies Auxiliary of Ocean Grove, NJ.

**People:** As part of an initiative to streamline its business & legal affairs group, **Fox Networks Group** tapped former **Fox Cable Nets** svp, biz & legal affairs and associate gen counsel *Claudia Teran* as evp, biz & legal affairs and deputy gen counsel. *Adam Reiss* was upped to svp, corp transactions and distribution. At **FCN** *Anna Tran Reyna* was elevated to svp, biz & legal affairs, digital media, and *Leanna Einbender* to svp, biz & legal affairs.

## CableFAX Daily Stockwatch

Company	06/27 Close	1-Day Ch	Company	06/27 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	49.20	1.45	BLNDER TONGUE:	1.68	(0.1)
DISH:	28.74	0.74	BROADCOM:	31.53	(0.69)
DISNEY:	38.07	0.49	CISCO:	15.05	0.12
GE:	18.28	0.31	CLEARWIRE:	3.86	(0.12)
NEWS CORP:	17.44	0.17	CONCURRENT:	5.84	0.03
<b>MSOS</b>					
CABLEVISION:	34.57	0.04	CONVERGYS:	13.30	(0.07)
CHARTER:	54.09	(0.32)	CSG SYSTEMS:	18.27	0.23
COMCAST:	24.27	0.69	ECHOSTAR:	35.45	0.30
COMCAST SPCL:	23.02	0.52	GOOGLE:	482.80	7.92
GCI:	11.98	0.10	HARMONIC:	7.06	UNCH
KNOLLOGY:	14.54	0.06	INTEL:	21.34	0.14
LIBERTY CAPITAL:	80.49	0.57	JDSU:	16.36	0.35
LIBERTY GLOBAL:	42.65	0.38	LEVEL 3:	2.28	0.01
LIBERTY INT:	15.99	0.02	MICROSOFT:	25.20	0.90
SHAW COMM:	21.18	0.37	MOTOROLA MOBILITY:	22.82	(0.29)
TIME WARNER CABLE:	76.31	1.81	RENTRAK:	17.12	0.56
VIRGIN MEDIA:	31.56	0.71	SEACHANGE:	10.84	0.25
WASH POST:	414.00	8.27	SONY:	25.26	(0.37)
<b>PROGRAMMING</b>					
CBS:	27.35	0.56	SPRINT NEXTEL:	5.15	0.15
CROWN:	1.85	(0.03)	THOMAS & BETTS:	50.90	(0.13)
DISCOVERY:	40.36	0.14	TIVO:	9.86	(0.07)
GRUPO TELEVISA:	23.98	0.17	UNIVERSAL ELEC:	24.10	(0.44)
HSN:	30.62	(0.02)	VONAGE:	4.44	0.02
INTERACTIVE CORP:	36.55	0.06	YAHOO:	14.88	(0.01)
LIBERTY:	41.21	0.42	<b>TELCOS</b>		
LIBERTY STARZ:	69.11	0.11	AT&T:	30.76	0.32
LIONSGATE:	6.47	(0.1)	VERIZON:	36.40	0.40
LODGENET:	3.20	(0.08)	<b>MARKET INDICES</b>		
NEW FRONTIER:	1.31	0.08	DOW:	12043.56	108.98
OUTDOOR:	6.39	0.16	NASDAQ:	2688.28	35.39
SCRIPPS INT:	47.64	0.28	S&P 500:	1280.10	11.65
TIME WARNER:	34.92	0.46			
VALUEVISION:	7.58	(0.35)			
VIACOM:	55.85	0.64			
WWE:	9.51	(0.13)			
<b>TECHNOLOGY</b>					
ADDVANTAGE:	2.59	0.00			
ALCATEL LUCENT:	5.44	0.25			
AMDOCS:	29.80	0.09			
AMPHENOL:	50.96	0.13			
AOL:	19.61	0.06			
APPLE:	332.04	5.69			
ARRIS GROUP:	10.87	(0.08)			
AVID TECH:	18.17	0.28			
BIGBAND:	2.21	0.05			



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# EYE ON ADVERTISING

## Senior Destination

*It's no secret that the 50-plus audience Retirement Living TV targets also signals a bulls-eye for a variety of advertisers. RLTV—available in 14 million homes—targets a troika of viewer segments: the pre-retirement 50-64-year-old who's experiencing some lifestyle changes, the 65-plus segment and the caregiver population. Gig Barton, RLTV vp of ad sales, tells Cathy Applefeld Olson which advertising categories are strongest for the network, which ones RLTV is going after and why the "RLTV environment" makes all the difference.*

### Who are RLTV's strongest advertisers?

GB: 50-plus has been a target for us—certainly on the advertising side. A couple years ago I had a senior person at a very large agency tell me in her entire career I was the first person who said we were targeting adults 50-plus and proud of it. I think from an advertising sales perspective, that is a unique selling proposition.

Traditionally, financial services have been very strong with the 50-64 cohort. Insurance is a big part of our advertising mix, and home remodeling is a category for RLTV too. Especially now with this economy as people age, they are looking at their home as a place they want stay and that requires some changes in the physical structure. One category we're really working on right now is the toy category. Turns out grandparents purchase 30% of the toys every year for grandkids—so that's a huge market. And automotive. JD Powers just released a study that one out of four new cars bought in 2010 was bought by someone over age 65, so we are looking at that to become a strong category for us.

### Of course, this audience watches television across a variety of networks.

GB: It's no secret that the adult 50-plus population watches a heck of a lot of television. They remain the heaviest consumers of TV on a monthly basis. What we are talking about is the environment of RLTV vs a general audience



environment of adults 25-54. The reason advertisers are having these conversations with us is because we have an understanding of how to speak to a 50-plus, 65-plus audience. Everything from content to color to font size—all of these things matter, and we understand that. One of the things [RLTV founder/CEO] John Erickson heard when he was visiting his campuses and talking to people before he launched the network was that they never saw anyone who looked like them on TV. That is changing, but people tend to find credibility in programming that reflects their age and their lifestyle.

### RLTV has done some interesting brand integrations, with PerfectMatch.com, United HealthCare and Walgreens, to name a few.

GB: Branded entertainment has become a focus for many advertisers to supplement or enhance their traditional 30-second buy. We did a show called "Another Chance for Romance," and worked with PerfectMatch.com. The fastest growing segment for online dating is adults 50-plus, and PerfectMatch had a desire to reach that audience. So we integrated online dating into the show, and worked with Dr. Pepper Schwartz, the spokesperson for PerfectMatch, who discussed things like the do's and don'ts on a date. PerfectMatch saw an increase in their traffic for adults 50-plus, and they got brand recognition on the show.

### And you're also co-creating content with advertisers?

GB: We are also in the content creation business with advertisers. We have worked with United HealthCare to create two-minute interstitials on Medicare hosted by an RLTV host with various spokespeople from United Healthcare in a Q&A format. It's a very confusing subject for people. That campaign ran over two quarters and worked very well for them. We also worked with an agency for a pharmaceutical client who wanted to raise awareness about a specific medical condition.

*(Longtime entertainment industry reporter Cathy Applefeld Olson is delighted to be documenting media's wild ride into the 21st century).*

## CableFAX THE MAGAZINE Most Influential Minorities in Cable 2011

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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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