

CableFAX Daily™

Tuesday — June 29, 2010

What the Industry Reads First

Volume 21 / No. 124

Spectrum Reclamation: White House On Board with FCC Plan

The **White House** threw its support behind the **FCC's** National Broadband Plan Thurs by issuing a Presidential Memorandum to commit the Federal govt to a sustained effort to make 500Mhz of federal and commercial spectrum available over the next 10 years. Citing the threat of a spectrum crunch and wireless needs, the administration is moving ahead of spectrum inventory and legislation and having **NTIA** determine whether any spectrum can be identified by Oct 1 that could be made available within 5 years for exclusive or shared use. "Few technological developments hold as much potential to enhance America's economic competitiveness, create jobs, and improve the quality of our lives as wireless high-speed access to the Internet," Obama said. While Dems such as Rep **Ed Markey** (D-MA) lauded the White House announcement, FCC Republican commish **Robert McDowell** complained that the FCC has not moved forward on more immediate opportunities to reclaim airwaves (the 10Mhz of spectrum in the 700Mhz band that was not acquired in an '07 auction, TV white spaces and advanced wireless services spectrum). "Memoranda announcing intentions to act can be helpful, but they should not be mistaken for real action," McDowell said. "I remain hopeful that the FCC will do its part to spur innovation and job growth sooner rather than later." As with the Broadband Plan, the White House supports voluntary spectrum reclamation, with a senior administration official saying the president doesn't support making the process mandatory. Broadcasters, whose spectrum is targeted in the Broadband Plan, have worried the process won't actually be voluntary. While the Broadband Plan recommends broadcasters give up 120Mhz, the White House announcement doesn't carve out specific ways to reach the 500Mhz. The administration's plan has 4 key points: identifying and planning the release of 500Mhz of spectrum; providing tools needed to effectively reallocate spectrum, including incentive auctions; enable spectrum to be put to its highest value uses (licensed mobile broadband and unlicensed uses); and use auction proceeds to promote public safety, job-creating infrastructure investment and deficit reduction (no official estimate, but notes many analysts believe rev potential could reach tens of billions of dollars). A senior White House official said auction revenue would be re-invested, with an interoperable public safety network the top priority.

Showtime: It's official. **Robert Greenblatt** will leave **Showtime** when his contract expires in July and **Imagine TV** pres **David Nevins** will join as pres, ent (**Cfax**, 6/28). Nevins, who served as exec producer for "Friday Night Lights," will be based

CableFAX Top Op AWARDS

Reach TOP Independent Operators and MSO's — Top Ops Issue July 25

CableFAX: The Magazine, Top Ops, honoring the 2010 Top Operators of the Year

>> Independent Operator of the Year: NewWave Communications
MSO of the Year: Cablevision

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

Distribution: Print and Online

Event: The Independent Show & CableFAX Events



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www.cablefax.com/topops2010

17715

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC • www.cablefaxdaily.com • fax: 301.738.8453 • Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com • Exec Editor: Michael Grebb, 301.354.1790, mgrebb@accessintel.com • Assoc Editor: Chad Heiges, 301.354.1828, cheiges@accessintel.com • Asst VP, Ed Director: Seth Arenstein, 301/354-1782, sarenstein@accessintel.com • Publisher: Debbie Vodenos, 301.354-1695, dvodenos@accessintel.com • Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com • Marketing Dir: Carol Brault, 301.354.1763, cbrault@accessintel.com • Prod: Joann Fato, 301.354.1681, cdaily@accessintel.com • Diane Schwartz/VP and Group Publisher • Subs/Client Services: 301.354.2101, fax 301.309.3847 • Group Subs: Carol Brault, 301.354.1763, cbrault@accessintel.com

in L.A. and begin his position later this summer. Greenblatt took Showtime to a new level during his 7-year tenure with series like "Dexter" and "Nurse Jackie." Nevins seems well suited to carry on. His resume includes developing and serving as exec producer for the critically acclaimed "Arrested Development." "David's career has been punctuated by genre-defining programming at every turn and has the perfect creative sensibility for Showtime Networks' next exciting chapter," said CEO *Matt Blank*. "At the same time, I have to say that Bob Greenblatt is one of the finest executives in the business and has developed some of the most extraordinary original programming of the past decade. His legacy has us grateful and well-positioned for the company's future." No definitive word yet on Greenblatt's future plans.

Terrestrial Tangling: Verizon is the latest to step up and demand HD feeds of **MSG** and **MSG Plus** under new **FCC** rules that took effect last week. On Mon, Verizon filed a supplement to its existing program access complaint, asking the FCC to require **Cablevision** and **MSG** to sell it the high-def feeds. "It should be clear by now that whatever problems Verizon is having in the marketplace has nothing to do with a lack of HD programming and the idea that a phone company more than 10 times our size needs a regulatory bailout is absurd," Cablevision said Mon. **AT&T** notified Cablevision on Thurs that it would file a formal complaint at the FCC if CVC and MSG don't agree to negotiate in good faith within 10 days. **DirectTV** and **DISH** requested **CSN Philly** from **Comcast** last week, which could be the 1st step to filing complaints if deals are not reached.

Inside the Beltway: **AT&T** continues to bash the **FCC** chmn's broadband classification plan, complaining in a blog post that there is no definition of what the Commission intends to regulate (attpublicpolicy.com).

In the States: **Clearwire** launched its **Clear** mobile broadband service in St. Louis, Salt Lake City and Richmond, upping Clear's coverage to 37 markets and 51mln people. -- **Hughes** earned a contract to provide satellite broadband service in SC agencies and local governments.

Broadband: Cable may lead in broadband penetration in every region (NE, South, Midwest and West), according to a *PCMag* study, but the pub's speed tests with **SurfSpeed** tout **Verizon FiOS** as the fastest ISP in the country, NE and West. **Time Warner Cable's Road Runner** took the title in the Midwest, **Cox** in the South. FiOS' avg nationwide speed is pegged at 1.23Mbps (resulting in the highest customer satisfaction rate) and led Cox (1.14Mbps), Cablevision (1.12Mbps), **AT&T U-verse** (1.06Mbps) and **Comcast** (992Kbps). The fastest DSL service comes from **Earthlink** (882Kbps) and is even swifter than **Charter's** 870Kbps. Top regional speeds: NE, 1.19M; West, 1.70M; Midwest, 866K; and South, 1.12M.

Ratings: Sat's US-Ghana **World Cup** match garnered 19.4mln total viewers on **ABC** and **Univision** to become the most-watched soccer game in US history, according to **Nielsen**. With 14.86mln total viewers and 9.46mln HHs, ABC's telecast is now the most-watched World Cup game ever in those metrics, and the most-watched men's Cup game ever.

Research: YOY growth in shipments of 3DTVs will total 231% between '10 and '11, said **In-Stat**, resulting in a doubling of installed units in the US. By '13, 20% of new TVs sold in the US will be 3D, said the firm.

Advertising/Marketing: Ahead of its debut of "Entourage" in Sept, **WGN America** announced "Entourage in Context," which offers advertisers contextually targeted ads meant to increase advertiser recall and purchase intent. Targeted by specific categories, the service gives "advertisers 'A' position and bridges in commercial breaks running adjacent to relevant scenes," said the net. -- With cable nets and ops preparing for an expected uptick in political advertising this fall (owing to a Jan **SCOTUS** ruling), **Post-Newsweek** plans to make free airtime available to candidates on its 6 broadcast stations, including in battleground states FL, TX and MI. The co is also offering free Web time in the 30 days preceding the general elections. -- **Mun2** bowed a multiplatform campaign dubbed **Project Light Switch** as the next phase of its brand rollout that was initiated last year. The campaign includes an animated logo design that serves to further emphasize the metaphor for the mun2 audience's bicultural identity: Latino and American, the best of both worlds.

Technology: **Versus'** new **Tour de France** mobile app will provide video highlights, detailed results, and is compatible with the iPhone 4 and the "Tour Tracker" on Versus.com. Also available is a \$14.99 upgrade letting fans access live streaming video without commercials and full stage content immediately following conclusion via an on demand feature.

People: **WICT** promoted *Walter Sisson* to svp, finance and admin. -- **Marvel Ent** tapped *Jeph Loeb* as evp/ head of TV, a new position aimed at bringing the co's characters to TV. -- **MSG Ent** named *Alan Simkowski* svp, marketing partnerships.

BUSINESS & FINANCE

Business/Finance: As Lionsgate joined the **Russell 2000** Index Fri, **Carl Icahn** warned LGF shareholders in a Mon statement that only artificial stimuli—his \$7/share tender offer and index fund purchases of LGF shares related to the Russell listing—are keeping the shares near the \$7 range. “It is true that I am very concerned about the future of Lions Gate and its present path,” said Icahn, noting that LGF must stop producing big budget films and going after **MGM’s** film library. “I believe, in the long term, there is great potential for a distributor—not a producer—of independent films. There is also great potential for the TV business.” LGF owns or has a stake in **TV Guide Net**, **Epix**, **FEARnet** and **Debmarm Mercury**. -- **Insight’s** trying to raise \$400mIn of high-yield debt to finance a \$300mIn dividend to its shareholders and repay an existing revolver, a move that **BTIG** analyst **Richard Greenfield** believes further underscores bullishness on cable. “We believe it is quite clear that the debt markets are increasingly comfortable with the prospects of cable companies,” said Greenfield, noting that debt markets’ confidence in the sector should lead to a multi-billion dollar share repurchase program from **Time Warner Cable** and the need for a “substantially” higher offer from **Mediacom** chmn/CEO **Rocco Commisso** to take the MSO private.

CableFAX Daily Stockwatch

Company	06/28 Close	1-Day Ch	Company	06/28 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	35.88	0.05	ARRIS GROUP:	10.55	(0.1)
DISH:	19.70	(0.05)	AVID TECH:	13.22	(0.12)
DISNEY:	33.22	(0.26)	BIGBAND:	2.90	0.00
GE:	15.00	0.09	BLNDER TONGUE:	1.38	0.12
NEWS CORP:	14.65	0.13	BROADCOM:	34.70	0.28
MSOS			CISCO:	22.42	0.24
CABLEVISION:	24.33	0.24	CLEARWIRE:	7.55	(0.15)
COMCAST:	18.11	0.44	COMMSCOPE:	25.60	0.04
COMCAST SPCL:	17.07	0.37	CONCURRENT:	4.95	(0.2)
GCI:	7.62	0.06	CONVERGYS:	10.27	0.03
KNOLOGY:	11.68	(0.08)	CSG SYSTEMS:	19.52	0.06
LIBERTY CAPITAL:	44.67	0.44	ECHOSTAR:	19.59	(0.2)
LIBERTY GLOBAL:	26.94	0.25	GOOGLE:	472.08	(0.6)
LIBERTY INT:	11.39	(0.39)	HARMONIC:	5.95	0.01
MEDIACOM:	7.06	0.13	INTEL:	20.36	0.33
RCN:	14.82	0.00	JDSU:	11.04	(0.04)
SHAW COMM:	18.65	0.02	LEVEL 3:	1.14	(0.05)
TIME WARNER CABLE:	54.85	0.65	MICROSOFT:	24.31	(0.22)
VIRGIN MEDIA:	17.01	(0.14)	MOTOROLA:	7.07	0.00
WASH POST:	426.96	(5.59)	RENTRAK:	25.38	0.12
PROGRAMMING			SEACHANGE:	8.79	(0.09)
CBS:	14.32	0.19	SONY:	27.16	(0.17)
CROWN:	1.75	0.04	SPRINT NEXTEL:	4.46	0.26
DISCOVERY:	37.44	(0.19)	THOMAS & BETTS:	36.86	0.07
GRUPO TELEVISA:	18.09	0.04	TIVO:	7.59	0.19
HSN:	25.36	(0.03)	TOLLGRADE:	6.45	0.03
INTERACTIVE CORP:	23.02	0.02	UNIVERSAL ELEC:	17.45	(0.81)
LIBERTY:	33.69	(0.19)	VONAGE:	2.62	0.09
LIBERTY STARZ:	53.95	(0.5)	YAHOO:	14.73	(0.08)
LIONSGATE:	7.01	(0.26)	TELCOS		
LODGENET:	4.11	0.04	AT&T:	24.95	0.16
NEW FRONTIER:	1.60	0.02	QWEST:	5.34	0.07
OUTDOOR:	4.53	(0.05)	VERIZON:	28.71	0.16
PLAYBOY:	4.27	0.09	MARKET INDICES		
SCRIPPS INT:	43.09	(0.21)	DOW:	10138.52	(5.29)
TIME WARNER:	30.51	(0.25)	NASDAQ:	2220.65	(2.83)
VALUEVISION:	1.90	0.00			
VIACOM:	37.83	(0.13)			
WWE:	16.08	(0.18)			
TECHNOLOGY					
ADC:	7.77	0.10			
ADDVANTAGE:	2.95	(0.02)			
ALCATEL LUCENT:	2.74	(0.02)			
AMDOCS:	27.41	0.33			
AMPHENOL:	41.48	0.07			
AOL:	21.78	(0.18)			
APPLE:	268.30	1.60			

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EYE ON ADVERTISING

Local Waves of Content

Amid fierce competition, providing local content is one way smaller operators can get a leg up on the bigger MSOs and satellite providers. Content like high school sports can engender good will among customers, but it's often seen as a loss leader. Not so at **NewWave**, which serves mostly rural areas in KY, TN, MO, IL and AK. The savvy operator is in the black in several key markets vis a vis advertising around its uber-local programs. *Kyle Alcorn*, New-Wave vp, marketing and sales, explains to contributor *Cathy Applefeld Olson* how and why.

What type of local content has NewWave been presenting?

KA: We are doing all sorts of high school sports: regional football, volleyball, basketball. Depending on the market, we've done a game of the week for football or, for a system that may service multiple markets, we try to find the biggest match-up in area that week. For basketball we cover at least two to three games in some markets, and we also covered the Christmas tournament live. In Murray (KY), we covered eight of Murray State's away games last year, and we're also doing a local newscast. It's not as big as Sun-flower's Channel 6, but we are trying to bring something even more local than they get.

And you're making money on ad sales?

KA: In a few of our markets, we are cash-flow positive. And we recently purchased a low-power station in Hopkinsville (KY) that we'll take over July 1 and rebrand and manage it. We anticipate by the end of the year that system will be making money as well. The advantage we have is we bring in local programming that's specific to a region. So an advertiser that may have a spot but because of cost is unable to do a lot of broadcasts [can] advertise [with us] because we can bring the spot right in front of their base and get their message in front of the community.

Who's buying?

KA: Community banks, car dealerships. We also have local restaurants, insurance companies, real estate. I think we even have a funeral home that advertises because part of the local news in the morning goes over the obituaries.

Do they tend to buy per month? Per season?

KA: Typically they buy monthly packages, and they key into specific programming, or they can buy a football season or a basketball season. We offer either a sports package or a news package. And a good many advertisers do buy both; they feel like they can cover a couple of demographics that way.



Which types of local programs tend to attract the most advertising dollars?

KA: It's a lot of the sports, but we have a local weather element in Hopkinsville that is doing well, and in Southeast Missouri we have something called the Hometown Channel that focuses strictly on high school sports and graduations and other ceremonies, and they've [made money] for the last two to three years.

What kind of feedback are advertisers giving you?

KA: With the Christmas tournament we did in Southeast Missouri and Northeast Arkansas, the advertisers were very excited because it involved so many of the communities they're in. They felt like it was a more effective approach to reach the customers they wanted to reach. Our station managers received a lot of calls from advertisers about that. The thing about small-town America is their high school programs and sports are a central gathering point for them in a way you may not get in some other metro areas.

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

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