

CableFAX Daily™

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What the Industry Reads First

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Talking Point: Cox Pitching Itself to Subs Using Wireless Voice

While many MSOs are busy targeting non-video subs by underscoring superior broadband speeds, **Cox** is using wireless services including voice and broadband to punctuate the power and benefits of service bundles. "Wireless is key to Cox's future growth as a total communications provider," said vp, wireless product operations *Kelly Williams*. It's "a natural extension of our greatest competitive weapon—our existing bundle of services—allowing customers to enjoy their Cox services whenever, wherever and however they want, inside or outside their homes." The strategy has endured several changes in recent months, from exec departures to the recent decision to decommission its 3G network and rely solely on **Sprint's**, yet Cox Wireless is on track to cover at least half of the MSO's footprint by the end of the year (*Cfax*, 6/30). And on the customer side Williams likes what he sees, noting how Cox has nearly doubled its initial wireless sub forecasts. Though he refused to disclose specific adoption data, Williams said Cox Wireless customers in areas including RI, Cleveland and Oklahoma City have gravitated to smartphones as their hardware of choice while many take all Cox products. The latter's an interesting statement, given Williams's comment at **The Cable Show** that telcos' quad-play push hasn't gained meaningful traction. Helping Cox, he said, are Bundle Benefits and Money Back Minutes. Bundle allows Cox subs who receive 2 or more services to upgrade 1 of them for the length of a wireless contract, and Money Back gives individual wireless voice subs up to \$10/month cash back (more for families) on their bills for unused minutes. "Features like these make people feel truly valued, and they are difficult for others to emulate," said Williams. Also, Cox offers usage-based pricing on its mobile broadband plans. Cox currently has 26 Solutions Stores in operation to highlight its bundled offerings and additional locations are planned as markets expand. "Our retail strategy allows us to get even closer to our customers...stores make it easy for customers to see the 'wow' of integrating Cox products and services," said Williams. More than two-thirds of Cox subs order at least 2 services, he said, meaning the MSO's in a sweet spot to drive wireless penetration beyond 50%. A 4G LTE offering is likely down the road, and Williams believes Cox is "very well positioned" in that regard, too. But for now the focus is on driving bundles through wireless, and next up is Roanoke and Northern VA.

Bye-bye Bunting: *Clark Bunting*, 1 of **Discovery Comm's** first employees, will retire in March. "Now I have come to the place where I feel I have accomplished what I wanted to do and I'm ready to direct my energies to the next chapter in my

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life. I want to take all that great experience and use it to give back; possibly in education or the non-profit sector. Or somewhere else that simply feels right," Bunting told his team in an internal announcement Thurs. He most recently has served as pres/gm, **Discovery Channel**. In a company message, Discovery founder *John Hendricks* and CEO *David Zaslav* talked about how Clark steered "Shark Week" through its debut in '85 as cable's 1st themed week of programming, helped bring **TLC** into the nest and served as the 1st gm of **Animal Planet**. "Rather than dwelling on your departure, we look forward to celebrating with you, in the months ahead, all of your unmatched accomplishments and the great times we have shared," said Hendricks and Zaslav's memo. "You are a 'Discovery Original,' here since the beginning, and you embody everything that is Discovery at its best. If there was a Discovery Hall of Fame, you would be a first ballot inductee!"

Net Neutrality: Signaling that the **FCC's** net neutrality rules are ready for OMB to review, the Commission on Thurs issued additional guidance regarding broadband providers' obligations to disclose certain info to consumers. **ACA** said the guidance lessened some of its concerns that the Dec Open Internet order's transparency rule would burden smaller providers. One of the FCC's clarifications relates to a requirement that providers disclose network mgmt practices, performance characteristics and commercial terms at the point of sale. After concerns were raised that it might mean providers would have to distribute physical materials at retail and extensively train sales and call center employees, the FCC clarified Thurs that providers can comply by directing customers orally or in writing to a Website with the appropriate disclosures. Other transparency clarifications related to network performance and security measures. The FCC is also seeking nominations for membership on its Open Internet Advisory Committee, a federal advisory committee that will assist in tracking developments with respect to the freedom and openness of the Internet. Nominations are due by Sept 1.

Broadband: As part of its revised plan to launch a nationwide wholesale wireless broadband network, **LightSquared** apprised the **FCC** of its proposed decision to mitigate GPS interference by moving the network to a new block of spectrum further away from GPS frequencies. LightSquared said tests show the solution resolves interference for approximately 99.5% of all commercial GPS devices including all of the 300mln GPS-enabled cell phones.

Retrans: Rep *Steve King* (R-IA) is urging the **FCC** to complete a retrans reform proceeding in time for any new rules to govern this year's negotiations. "Since the proposed rules were released, I have heard from a number of my state's smaller pay-TV providers about how the video marketplace has fundamentally changed since the introduction of the retransmission consent framework nearly 2 decades ago," he wrote in a letter to the **FCC** chmn Wed. "With more than a thousand carriage deals set to expire by the end of this year, these providers are looking for closure on the proposed rules to help govern this year's carriage agreements." Mon was the deadline for reply comments in the FCC's retrans proceeding.

5Qs with Greg Selkoe, CEO of KarmaloopTV and Karmaloop.com: **Have you set a firm launch date for Karmaloop TV?** We should be on 1 MSO by the end of the year. And in early 2012 we should be hopefully launching a couple more. **So you've made distribution deals?** Well, they're not closed, but we're in various stages of distribution deals depending on the MSO. **Have you found it difficult for an independent network to get an audience with distributors?** It hasn't been as hard as I thought it might have been or *Katie [McEnroe, pres]* thought it might have been. I think [that's due to] a couple things. One, Katie has a track record of success. She's an expert and she brought her team in with her so we have a lot of seasoned cable people. Two, I think the cable world realizes...that the rumors of cable's demise have been greatly exaggerated. They're still relevant and because they're still relevant they need to create new relevant channels particularly for the young demographic. I think the other thing is that we have a brand name that's 10 years old...it's not if you build it they will come. We've built it, they've come and they're going to follow us to new platforms. **Have you started talking to the advertising community?** We have, mostly because we've been approached by a lot of people. We're in a unique position because our audience is so valuable and because it's an influencer group...This is a group of alpha consumers: they want the newest, coolest stuff, whether it is with content or with product. **What's the role of KarmaloopTV.com and ReclaimYourTV.com?** KarmaloopTV.com will remain as is with its 3-5 minute video clips. We're not going to show stuff on KarmaloopTV.com that would undercut cable. So if someone wants to watch Karmaloop TV cable online they'd watch it through a MSO's platform. And if they wanted to see just barker content...then they can go to KarmaloopTV.com. So they don't compete. ReclaimYourTV.com is a social networking site built around **Facebook**, **Twitter** and **Youtube** which allows people to interact with Karmaloop TV in a way that they can give us their ideas and enter contests...That's the next big push we're going to do to help continue to generate the buzz.

BUSINESS & FINANCE

Programming: Turner and TNT likely developed worry warts after the NBA and its owners announced plans to lock out the players for lack of a new collective bargaining agreement, putting next season in jeopardy. **ESPN**, meanwhile, now has more warts to go along with those received from the **NFL's** own labor strife. All this after cable enjoyed robust and often record ratings for its NBA coverage this past season. -- **NBC Sports** will air the initial 2 Tour de France stages Sat and Sun for its 1st coverage ever of the event. **Versus** will feature an avg of 14 hrs/day throughout the event, all in HD.

People: Cable Pioneer *Pat Tylka*, former head of worldwide sales at **S-A/Cisco**, is joining **itaas** in an advisory role. -- **Turner Broadcasting** welcomed *Rebecca Rusk Lim* as vp, interactive experience.

Editor's Note: Fri is the deadline for **CableFAX: The Magazine's** Most Influential Minorities in Cable. Visit CableFAX.com for nomination form.

Business/Finance: **Scripps Nets** authorized a \$1bln share repurchase program. Called for is the acquisition of approx 6.43mln Class A shares from controlling shareholder **The Edward W. Scripps Trust** for \$300mln, or \$46.66 each, and \$700mln of open market purchases or private transactions. -- **Crown Media** said its private placement of \$300mln in aggregate sr notes due '10 will carry a 10.5% annual interest rate and be issued at a price equal to 100% of their face value.

CableFAX Daily Stockwatch

Company	06/30 Close	1-Day Ch	Company	06/30 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	50.82	0.69	BLNDER TONGUE:	1.64	(0.01)
DISH:	30.67	1.07	BROADCOM:	33.64	1.31
DISNEY:	39.04	0.69	CISCO:	15.61	0.28
GE:	18.86	0.30	CLEARWIRE:	3.78	(0.16)
NEWS CORP:	18.08	0.24	CONCURRENT:	6.26	0.40
MSOS					
CABLEVISION:	36.21	0.45	CONVERGYS:	13.64	0.04
CHARTER:	54.26	(0.1)	CSG SYSTEMS:	18.48	0.14
COMCAST:	25.34	0.40	ECHOSTAR:	36.43	0.12
COMCAST SPCL:	24.23	0.44	GOOGLE:	506.38	8.81
GCI:	12.07	0.09	HARMONIC:	7.23	0.07
KNOWLOGY:	14.85	0.29	INTEL:	22.16	0.77
LIBERTY CAPITAL:	85.75	3.66	JDSU:	16.66	0.49
LIBERTY GLOBAL:	45.04	0.77	LEVEL 3:	2.44	0.04
LIBERTY INT:	16.77	0.30	MICROSOFT:	26.00	0.38
SHAW COMM:	22.83	0.55	MOTOROLA MOBILITY:	22.04	0.04
TIME WARNER CABLE:	78.04	0.64	RENTRAK:	17.74	(0.21)
VIRGIN MEDIA:	29.93	(1.26)	SEACHANGE:	10.78	(0.03)
WASH POST:	418.95	1.50	SONY:	26.39	0.79
PROGRAMMING					
CBS:	28.49	0.13	SPRINT NEXTEL:	5.39	0.18
CROWN:	1.91	(0.03)	THOMAS & BETTS:	53.85	0.89
DISCOVERY:	40.96	0.27	TIVO:	10.29	(0.03)
GRUPO TELEVISA:	24.60	(0.17)	UNIVERSAL ELEC:	25.26	0.90
HSN:	32.92	1.31	VONAGE:	4.41	(0.21)
INTERACTIVE CORP:	38.17	0.38	YAHOO:	15.04	0.15
LIBERTY:	42.09	(0.05)	TELCOS		
LIBERTY STARZ:	75.24	4.25	AT&T:	31.41	0.15
LIONSGATE:	6.62	0.04	VERIZON:	37.23	0.51
LODGENET:	3.03	(0.08)	MARKET INDICES		
NEW FRONTIER:	1.38	UNCH	DOW:	12414.34	152.92
OUTDOOR:	6.84	0.26	NASDAQ:	2773.52	33.03
SCRIPPS INT:	48.88	(0.19)	S&P 500:	1320.64	13.23
TIME WARNER:	36.37	0.27			
VALUEVISION:	7.65	0.18			
VIACOM:	57.48	(0.17)			
WWE:	9.53	0.02			
TECHNOLOGY					
ADVANTAGE:	2.60	0.06			
ALCATEL LUCENT:	5.77	0.01			
AMDOCS:	30.39	0.18			
AMPHENOL:	53.99	1.80			
AOL:	19.86	(0.01)			
APPLE:	335.67	1.63			
ARRIS GROUP:	11.61	0.34			
AVID TECH:	18.84	0.36			
BIGBAND:	2.17	(0.02)			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Linguistics

MSNBC analyst *Mark Halperin* was suspended indefinitely Thurs after saying he felt *Pres Obama* acted like “kind of a d***” during a Wed press conference. Calling the comment “completely inappropriate and unacceptable,” the net joined Halperin in apologizing to Obama, The White House and viewers, and said “we strive for a high level of discourse and comments like these have no place on our air.” I wonder if “jackass” or “boob” would’ve been acceptable characterizations, or Halperin suspended if he used the four-letter-word to describe *Bill O’Reilly’s* actions. After all, it’s exactly that kind of strong opinion—if not so strongly worded—that continues to lure politically-minded viewers to **Fox News** and **MSNBC** and has led many to lament the devolution of cable news. **CNN** has chosen to play it straight and saw its prime ratings plummet 34% last year. ’11 has been kinder: in 2Q the net grew prime total viewers by 15% and 18-49s by 26%, according to *Nielsen*, and notched the #6, #26 and #78 cable telecasts of the period for its coverage of *Bin Laden’s* death. Yet opinionated talking heads still help both Fox News and MSNBC consistently deliver more prime viewers than CNN—in Fox News’ case a great deal more and in MSNBC’s a growing number. According to **TVByTheNumbers.com**, Fox News had the top 8 cable news programs in 2Q among 25-54s, although it lost viewers in virtually every demo while MSNBC posted modest growth. Interestingly, all 3 nets derived only approx 25% of 2Q viewership from 18-49s, meaning older Americans remain the lifeblood of cable news. So, what happens when all the Baby Boomers perish, at which point the TV landscape won’t look anything like it does today? Perhaps CNN and its Web prowess will be in the catbird seat. In any event curse words will likely be heard all the time on TV, not just after 10pm and/or on premium nets. But I imagine POTUS will still be off limits. *CH*

Worth a Look: “Hot Coffee,” Sat, 10a, “Citizen USA,” Mon, 9p, **HBO**. Two sides of America for the holiday weekend. First, a look at the infamous case where a woman sued **McDonald’s** when she was severely burned by coffee she spilled on herself. A frivolous lawsuit? Maybe not, this doc argues, as it moves from tort reform to an indictment of the civil justice system. On a brighter note, *Alexandra Pelosi’s* delightful “Citizen USA” wishes Uncle Sam a happy birthday by interviewing new citizens in 50 states. Seeing this country through fresh eyes is a terrific reminder of America’s freedoms and other delights. Our favorite interview is with *Roy Correia*, formerly of Portugal, now living in MA—he even has a Boston accent—who chokes up when speaking of his dream, to display a US flag outside his home. -- “Pastport: Venezuela,” Mon, 10p, **nuvoTV**. Speaking of immigrant dreams, as a Venezuelan youngster *Wilmer Valderrama* felt he could be a star. Thanks to “That 70s Show,” he was. Here he re-connects during an emotional trip home, his 1st in 16 years.

Notable: It’s un-American to miss “Nathan’s Famous Intl Hot Dog Eating Contest” (July 4, **ESPN**, noon ET). Pull for USA’s *Joey Chestnut*, who downed 68 dogs and buns in 10 minutes in ’08. *SA*

Basic Cable Rankings (3/28/11-6/26/11) Mon-Sun Prime			
1	USA	2.3	2270
2	TNT	2	2000
3	DSNY	1.8	1833
4	HIST	1.6	1585
5	FOXN	1.5	1460
6	ESPN	1.3	1288
7	NAN	1.1	1075
7	A&E	1.1	1052
9	FX	1	1011
9	ADSM	1	979
9	TBSC	1	970
9	AMC	1	943
13	DISC	0.9	946
13	FAM	0.9	931
13	HGTV	0.9	930
13	SYFY	0.9	864
17	LIFE	0.8	822
17	TLC	0.8	813
17	FOOD	0.8	772
17	TRU	0.8	766
17	MTV	0.8	758
17	CMDY	0.8	752
17	BRAV	0.8	743
17	NKJR	0.8	614
25	TVLD	0.7	673
25	MSNB	0.7	657
25	SPK	0.7	650
28	BET	0.6	587
28	CNN	0.6	568
28	HALL	0.6	484
28	ID	0.6	437
32	EN	0.5	490
32	HLN	0.5	484
32	APL	0.5	478
32	LMN	0.5	433
32	VS	0.5	405
37	VH1	0.4	398
37	ESP2	0.4	364
37	TRAV	0.4	359
37	OXYG	0.4	306
37	NGC	0.4	302
37	NKTN	0.4	208
43	TWC	0.3	264
43	CMT	0.3	261
43	DXD	0.3	258
43	SOAP	0.3	245

*Nielsen data supplied by ABC/Disney

CableFAX THE MAGAZINE Most Influential Minorities in Cable 2011
Nomination Deadline: July 1, 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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