

CableFAX Daily™

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What the Industry Reads First

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Selling the Arts: Ovation Taps Growth with Localism Focus

It's been about 2 years since a group of private investors led by the **Hubbard Media Group** acquired arts net **Ovation**. During that time, the channel's distribution swelled from 5mln to more than 32mln. The bulk of those gains came from deals with **DISH** and **DirectTV** (18mln), but a localism push to affils also has helped Ovation pick up about 10mln new cable subs, according to COO *Ron Garfield*. He predicts distribution will reach 37mln by year-end. In the last few months, Ovation has rolled out to **Comcast's** Houston, Boston, Harford and Albuquerque markets and has commitments to launch in Portland and Tucson later this year. "Art, at the very bottom, is local," Garfield said. "The people of NY are just as passionate about art and their artists as the people of Atlanta, as the people in Santa Fe, as the people in Columbus, OH." It's with that mindset Ovation launches its newest affiliate relations campaign—free museum admission sponsored by Ovation and the area's local cable op. In Chicago, Comcast and Ovation have partnered for free Tuesdays at the **Museum of Contemporary Art** all summer and are distributing insider maps with info about cultural events throughout the city. The net is working with **Time Warner Cable** on similar local programs in L.A., NYC and Dallas, and Charter and Ovation are working on a local loyalty program for the New England area. "People are being very discretionary on where they spend their money. This really helps on a couple of different levels," Garfield said. "People are not traveling as much. People are looking for things to do. This is encouraging people to do things in their own backyard."

Here Comes the Bride: **Rainbow** isn't commenting on a report that **WE tv** will launch a wedding-themed network, but WE: Women's Entertainment filed a trademark with US Patent & Trademark Office on June 2 for "**Wedding Network**."

Start Applying: What is broadband? 768 kbps downstream/200kbps/upstream, according to the guidelines released Wed for applying for the \$7.2bln in broadband stimulus funds through **NTIA** and **RUS**. But applicants who exceed those minimum speed requirements will get higher scores as the agencies consider submissions. Extra points also will be given out for displaying nondiscrimination and interconnection policies in a prominent location on the service provider's Web page and to those who commit to offer wholesale access to the project facilities at "reasonable rates and terms." NTIA and RUS are requiring that applicants adhere to the **FCC's** Internet openness principles. The agencies will have a single application form, which they will accept July 14 through 5pm ET, Aug 14. RUS grants will be for remote, unserved rural areas, while NTIA's will include both unserved and underserved areas. (NTIA gets \$4.7bln in funds, while RUS gets \$2.5bln). The 2 define unserved as a proposed service area where at least 90% of HHs lack access to facilities-based, terrestrial broadband service at the minimum 768/200 speed. The agencies said they felt requiring 100% unserved would be too restrictive. Underserved areas are evaluated on several criteria. An area could be deemed unserved for last mile if at least 1 of the following factors are met: no more than 50% of the HHs have access to facilities-based, terrestrial broadband service at a minimum of 768/200; no fixed or mobile broadband service provider advertises transmission speeds of at least 3Mbps

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downstream; or broadband subscribership for the area is 40% of HHs or less. Underserved for “middle mile” projects is defined as having “only 1 interconnection point that terminates in a proposed funded service area that qualifies as unserved or underserved for Last Mile projects.” All funds must be handed out by Sept 30, '10, and all recipients must have projects substantially complete within 2 years of grant issuance. They should be fully complete within 3 years. A 2nd notice was released late Wed for states agencies and non-profits to apply for funds related to broadband mapping. -- **ACA** praised the broadband rules for specifically setting aside up to \$800mln of RUS money for middle-mile projects and NTIA setting aside \$1.2bln to fund projects in broadband infrastructure (last mile and middle mile). “Seeing now how the programs will be administrated, I expect that small and medium-sized cable operators will apply for funding to build both middle-mile and last-mile projects.” said ACA’s *Matt Polka*. **NCTA**’s *Kyle McSarrow* said his group is reviewing the guidelines to “understand how these programs may enable the cable industry to help accomplish the goal of universal broadband for all Americans.”

Retrans: **Time Warner Cable**’s retrans contract with **Hearst Television** expired at midnight Tues without any fireworks, and it looks like subs won’t have to worry about any. “We have an extension, and we’re in the process of finalizing the agreement,” TWC said. Time Warner is the 2nd largest MSO in Hearst’s 26-station footprint. The broadcaster concluded retrans deals in '08 with the majority of cable systems in its sub base, including **Comcast**. -- Cable will pony up \$315mln in retrans fees this year, according to **SNL Kagan**, while DBS ops will pay \$352mln and telcos \$71mln for a total of \$739mln. By '11 that number will rise to \$1.2bln, said the firm, with cable’s portion expected to become more equitable with DBS as early as next year. 62% of the projected '09 total stems from the top 25 TV markets.

Team Streams: San Diego-area customers who purchase **Cox/MLB**’s in-market streams of Padres games don’t have to receive video from the MSO—just broadband. But an MLB spokesperson said this departure from the **YES/Cablevision** Yankees deal has nothing to do with Cox owning the team’s broadcast station, **Cox-4**. In fact, the league said Cox chose to omit the video requirement. Meanwhile, the MSO has not allowed **U-verse** to carry the net and games. In response, a spokesperson for the MSO said the streaming service’s goal is to “offer additional flexibility to subs, not less,” and that a “very high percentage” of Cox’s area broadband subs also receive video. The MSO’s area broadband customers must now pay \$50 for the remainder of the season, or \$20 for any 30-day period for Padres streams. Subs have paid \$15/month since '05 for online access to all MLB games. MLB notes that the former offer didn’t include mobility.

Competition: As part of an earlier deal, **DirectTV** added **ESPNU** to its Choice package Wed, and will launch the net’s HD version by Mar and repackage **ESPN Classic** into its Sports Pack.

In the States: The **OH Supreme Court** will hear **DirectTV**’s appeal of a 6-year-old state satellite sales tax that generates about \$44mln a year. -- **Nielsen**’s latest tally of homes completely unready for last month’s DTV transition is at 1.7mln (1.5% of US homes). That means 400K HHs upgraded in the last week. -- Not in DC for *Julius Genachowski*’s 1st FCC meeting as chair? Watch live coverage Thurs on **C-SPAN** and **C-SPAN.org** at 11:30am ET. -- **Cablevision** is expanding the availability of its free WiFi service this summer, to seasonal destinations including the Jersey Shore and Long Island’s east end.

Advertising: **TNT**’s again taking for a spin its “Wide Open Coverage” during coverage of **NASCAR**’s Coke Zero 400 (Sat). It offers continuous race coverage by featuring in place of national ads a variety of animated sponsor messages, branded content and on-screen graphic elements. Sponsors include **Sprint**, **Toyota**, **The Weinstein Co** and **Burger King**.

Technology: **CableLabs** released the **Stewardship and Fulfillment Interfaces**, a set of component specs allowing cable ops to offer with nationwide consistency interactive ads, VOD ads and advanced forms of addressable ads.

Programming: As *Tiger Woods* hosts the **AT&T National** in suburban DC, **Comcast SportsNet** has featured daily coverage this week, including a live show “Tee Time” through Sun. -- **Discovery Channel** describes new series “The Colony” (Jul 21) as a controlled experiment meant to define the rebuilding needs of a post-apocalyptic society. 10 volunteers are isolated for 2 months in an L.A. warehouse with no electricity, running water or outside communication and must work for subsistence. -- Sponsored by **Disney**, SportsCenter’s “My Wish” campaign returns to **ESPN** Jul 5, featuring the net helping grant sports-related wishes to 5 children referred through the **Make-A-Wish Foundation**. -- **Cartoon Net** rolls out **SlamBall** telecasts Jul 11. -- **Outdoor Channel** will serve as the multi-year official partner for the Fly Fishing Film Tour. The 2 will deliver fly fishing content while partnering for cross-promotional opportunities on air, on tour, online and via VOD. **FFFT** is a touring event that visits 80 cities with a 90-min festival of short films.

BUSINESS & FINANCE

Honors: Discovery svp, domestic distribution *Jennifer Dangar* gets the Atlanta Chapter of WICT's Inspiration Award for Woman of the Year at its Red Letter Gala Oct 13. Other honorees: **Turner's Jennifer Dorian**, **Cox's Kristine Faulkner**, Turner's Kathy Hatala, DIY's Brandii Toby-Leon, **Gospel Music Channel's Michele Sinisi Koch** and HBO's *Kathy Noakes*.

Editor's Note: Our office will be closed Fri for Independence Day. Your next issue of **CableFAX** will be dated Mon, July 6. Have a great Fourth!

Obit: Cable pioneer *George Sisson* passed away Sun after a battle with pancreatic cancer. He was 89. Sisson founded RI's 1st cable system in '6 and served as pres of **Colony Comm.**

People: **Canoe Ventures** hired *Neil Schaffer* as svp, finance. Schaffer was most recently CEO of **Longview Consulting**, which works with emerging and middle-market companies on marketing and financing strategy. -- *Jeff Carr* moves from COO to CEO of **SinglePipe**, a digital voice solutions provider for mid-tier cable ops. *Cynthia Carpenter* (formerly of **Level 3, Time Warner Cable, Starz**) assumes the role of pres/COO. Former CEO *Matt Phillips* becomes vice chmn, corporate dev. -- **Discovery Comm** named *James Gilbert* vp/group creative dir.

Business/Finance: Part of an offer to purchase up to \$1.3bln of its outstanding notes, **Comcast** said that \$1.73bln in debt has been tendered so far.

CableFAX Daily Stockwatch

Company	07/01 Close	1-Day Ch	Company	07/01 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	30.35	0.33	AMPHENOL:	32.35	0.71
DIRECTV:	24.62	(0.09)	APPLE:	142.83	0.40
DISH:	16.48	0.27	ARRIS GROUP:	12.51	0.34
DISNEY:	23.45	0.12	AVID TECH:	13.64	0.23
GE:	11.78	0.06	BIGBAND:	5.08	(0.09)
HEARST-ARGYLE:	4.50	0.00	BLNDER TONGUE:	1.43	0.04
NEWS CORP:	10.64	0.07	BROADCOM:	25.07	0.28
MSOS					
CABLEVISION:	19.58	0.17	CISCO:	18.80	0.15
COMCAST:	14.47	0.01	CLEARWIRE:	5.79	0.26
COMCAST SPCL:	13.98	(0.12)	COMMSCOPE:	26.18	(0.08)
GCI:	7.21	0.28	CONCURRENT:	5.58	(0.12)
KNOLOGY:	8.71	0.08	CONVERGYS:	9.19	(0.09)
LIBERTY CAPITAL:	13.39	(0.17)	CSG SYSTEMS:	13.91	0.67
LIBERTY ENT:	26.52	(0.18)	EHOSTAR:	16.14	0.20
LIBERTY GLOBAL:	15.99	0.10	GOOGLE:	418.99	(2.6)
LIBERTY INT:	5.19	0.18	HARMONIC:	5.96	0.07
MEDIACOM:	5.15	0.04	INTEL:	17.04	0.49
SHAW COMM:	16.96	0.10	JDSU:	5.60	(0.12)
TIME WARNER CABLE:	31.61	(0.06)	LEVEL 3:	1.47	(0.04)
VIRGIN MEDIA:	9.56	0.21	MICROSOFT:	24.04	0.27
WASH POST:	351.86	(0.32)	MOTOROLA:	6.46	(0.17)
PROGRAMMING					
CBS:	6.94	0.02	OPENTV:	1.35	0.02
CROWN:	1.69	0.02	PHILIPS:	18.54	0.12
DISCOVERY:	22.99	0.48	RENTRAK:	16.90	0.47
EW SCRIPPS:	2.13	0.04	SEACHANGE:	8.27	0.24
GRUPO TELEVISA:	17.19	0.19	SONY:	25.98	0.12
HSN:	10.38	(0.19)	SPRINT NEXTEL:	4.61	(0.2)
INTERACTIVE CORP:	16.26	0.21	THOMAS & BETTS:	29.43	0.57
LIBERTY:	27.42	0.02	TIVO:	10.77	0.29
LODGENET:	3.52	0.11	TOLLGRADE:	5.46	0.22
NEW FRONTIER:	2.31	(0.09)	UNIVERSAL ELEC:	20.76	0.59
OUTDOOR:	6.02	0.12	VONAGE:	0.39	0.01
PLAYBOY:	2.71	0.20	YAHOO:	15.41	(0.25)
RHI:	3.14	(0.05)	TELCOS		
SCRIPPS INT:	27.89	0.06	AT&T:	25.07	0.23
TIME WARNER:	25.34	0.15	QWEST:	4.00	(0.15)
VALUEVISION:	1.88	(0.07)	VERIZON:	30.82	0.09
VIACOM:	24.12	0.14	MARKET INDICES		
WWE:	12.74	0.18	DOW:	8504.06	57.06
TECHNOLOGY					
3COM:	4.88	0.15	NASDAQ:	1845.72	10.68
ADC:	8.06	0.10			
ADVANTAGE:	1.72	0.07			
ALCATEL LUCENT:	2.43	(0.05)			
AMDOCS:	21.41	(0.04)			

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