

CableFAX Daily™

Friday — July 2, 2010

What the Industry Reads First

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New Dimension: Future's So Bright, You Gotta Wear 3D Shades

At 9:30am ET Thurs, **DirectTV** and **Panasonic** flipped the switch on **n3D**, a 3D net that's free to the DBS op's HD subs—who also own 3DTVs, of course—and is slated to feature this month content such as “Dinosaurs: Giants of Patagonia” and “Guitar Center Sessions with *Peter Gabriel* and *Jane's Addiction*.” Also on tap are special events such as this weekend's running of the NASCAR Coke Zero 400, the local broadcast of the Yankees-Mariners series on July 10-11 and DirectTV's exclusive national broadcast of **Fox Sports '10** MLB All-Star Game in 3D on July 13. 3D PPV movie and VOD channels are also part of n3D. “We will keep it very, very exciting,” said Panasonic CTO *Eisuke Tsuyuzaki* of the net during a Wed Webcast for interested consumers. Tsuyuzaki said Panasonic chose DirectTV as a partner because of its national footprint, and that the DBS op phoned Panasonic 2 weeks prior to **CES** to discuss the potential for a 3D channel. 2 weeks later, the jv was in motion. As the Webcast showed just 30 attendees, consumer adoption of 3D tech/TVs remains an important issue. But Tsuyuzaki remains undaunted, saying that “when you see more [3D] programming, people will become more interested.” Several of the co's HDTVs have sold out, he said—even as a 50-inch runs around \$2500. Tsuyuzaki was a fan of ESPN's 3D World Cup coverage, and is quite pleased with the buzz generated by the new dimension in content delivery. **IMS Research** is optimistic about 3D's future, estimating that 5.99mln 3D sets will ship worldwide this year and that 218mln+ will ship cumulatively from '10 to '15. Some of the enthusiasm is because the price premium of 3D over 2D is expected to diminish quickly.

Comcast-NBCU: *Byron Allen's Entertainment Studios* has weighed in on the proposed **Comcast-NBCU** transaction, saying Comcast should have to set aside 10% of its channel capacity (at least 25 channels) for wholly-owned African-American networks. ES has 6 HD nets, including **Cars.tv** and **Comedy.tv**, that are carried by **Verizon FiOS**. The same 10% request was 1st made by the **Natl Coalition of African American Owned Media**. Allen told **Cfax** Thurs that his company is a member of **NCAAOM**. *CongressDaily* reported Thurs that NCAAOM's Website was registered by *Dennis Hardison*, Entertainment Studios' gm. “I think this **FCC** and administration... will take diversity very seriously,” Allen said. He said that NCAAOM has “lots of members” and is “well funded.” As for that 10% requirement,

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



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MSO of the Year: Cablevision

Space Close: July 7 **Artwork Close:** July 9 **Publication:** July 25

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Allen believes there are “plenty” of supporters with major money to launch 100% African-American owned networks, but the playing field isn't level at this point. *Kevin Martin's* law firm **Patton Boggs** reps NCAAOM and also counts Entertainment Studios as a client.

Carriage: DISH's reputation for dropping nets continues, with it replacing **Fuse** this week with **MTV's Palladia**. The change affects subs with the Top 200 package or above. “We offered Dish fair and reasonable proposals, including the opportunity to extend our current agreement while we continued to negotiate,” said Fuse parent **MSG Media**. “On behalf of Dish's customers, we are disappointed that Dish has made the decision to drop Fuse and we urge them to return to the negotiating table so that we can reach a fair agreement.” -- **Sky Angel** added **Retirement Living TV** to its Family Package and Family Values Pak.

Ratings: Who says Americans don't like soccer? **Nielsen** reports that 99.3mln US viewers (or 34% of all US TV viewers) have watched at least 6 mins of '10 World Cup telecasts on English or Spanish nets. That number surpasses the 91.4mln viewers throughout the *entire* World Cup in '06, with the '10 final match not until July 11.

Inside the Beltway: **NCTA** told the **FTC** it doesn't think the Children's Online Privacy Protection Act needs any major changes. The agency has asked a series of questions to determine if it should do anything different with COPPA. “The Commission should resist calls for the adoption of significant changes to the COPPA Rule that would result in heavy compliance burdens on industry, with no demonstrable benefit to children and risk limiting the availability of age appropriate content for children,” the cable group said. --The **FCC** will accept comments through July 20 on **DISH's** application to get back into importing distant signals. Replies are due July 30. DISH was allowed to re-enter the business as part of the Satellite TV Extensions and Localism Act in exchange for delivering local signals to all 210 TV markets.

5Q with Maxxian: *Do you know where your set-top boxes are? That's a question that broadband analysis vendor Maxxian asks every day as it searches for operating but unauthorized devices on cable systems. We sat down with Maxxian CTO R.J. Juneau to gauge the extent of the problem. So how does this work?* Maxxian pulls together all the available data from DAC and DNCS, billing systems, network traffic records, and VOD activity. Operators receive value from the things we find that don't match up, where we pinpoint revenue leakage and other problems. **What surprises cable operators the most when you audit their systems?** The number of operating set-tops that aren't authorized in billing is a big payback, but the biggest surprise is the operational and management value they receive. We're giving them the most accurate response and inventory numbers they've ever had, and comprehensive troubleshooting data as well. **How do you price your service?** We start with a Maxxian CounterStryx Audit per DAC or DNCS to get a handle on the system, and then it's an annual fee for the Operations Center product that refreshes the data daily. **How skeptical are operators when you approach them?** It's better than when we started, when everyone told us it was impossible for the systems to be out of sync. It's easy to overcome skepticism when we've increased some operators' paying set-tops by 1% in a market where 0% growth means you're doing great. **You just started also tracking rogue cable modems. Where is the problem worse?** We've just completed our first cable modem audit, and we found the same problems after adapting our product to the cable modem authorization technology. One audit is not enough data to compare against our global set-top results, but the customer is eager for us to start on a second system.

Public Affairs: **Time Warner Cable** Austin is teaming with the **Austin Humane Society** to feature vignettes of adoptable dogs and cats on Central TX on Demand. To kick off the program, TWC is donating \$1 to the Society for every view of Paws on Demand pets in July for up to \$3K.

Programming: **Sportsman Channel's** 3Q lineup features 14 new original series, including waterfowl show “Drake's Migration Nation” and “Adventures South of the Border.” Sportsman parent InterMedia Outdoors is supplying 65 new, original episodes across five titles this quarter.-- **Outdoor** unveiled a 3Q lineup that includes 13 new originals, such as “Truck Academy,” hosted by former Miss USA *Kimberly Pressler*, and “Craig Morgan All Access Outdoors,” which follows the country musician and outdoorsman. The net is also touting that it began broadcasting this week in 100% native HD, with nearly 350 cable systems (7.3mln+ HHs) carrying **Outdoor Channel HD**.

BUSINESS & FINANCE

-- Want to make a bet on who will replace **CNN's Larry King**? Online bookmaker **Bodog** has the odds at: *Piers Morgan* 2/1, *Katie Couric* 2/1, *Ryan Seacrest* 7/2, *Joy Behar* 7/2 and *Anderson Cooper* 6/1. -- **In-sight** continues to beef up its new local channel **cn|2** serving parts of KY. It has hired *Matt Jones* to host a sports program and edit the new cn|2 sports Website (<http://sports.mycn2.com/>). Jones is the founder of *KentuckySportsRadio.com*, which he'll continue to operate.

Editor's Note: A few things you should know about: The Jul 9 nomination deadline for the Most Influential Minorities in Cable is fast approaching, and there's good news. We've improved the nomination process to make it easier, so nominate your company's top influential minorities today at www.cablefax.com/diversity -- Register early for our July 21 Webinar "Going Interactive: Capitalizing on iTV and Advanced Advertising." Reps from **Canoe**, **Comcast** and **ActiveVideo** will help walk you through this emerging landscape. More info at http://www.cablefax.com/cfp/webinars/going_interactive_july21.html.

People: **Sundance Channel** named *Michael Klein*, previously of the **Travel Channel**, as svp, original programming and development.

Oops! **IFC** picked up the series "Undeclared," not "Undecided" (**Cfax**, 7/1). It debuts this fall.

CableFAX Daily Stockwatch

Company	07/01 Close	1-Day Ch	Company	07/01 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	34.35	0.43	ARRIS GROUP:	10.18	(0.01)
DISH:	18.49	0.34	AVID TECH:	12.52	(0.21)
DISNEY:	31.49	(0.01)	BIGBAND:	2.97	(0.05)
GE:	14.12	(0.3)	BLNDER TONGUE:	1.23	(0.1)
NEWS CORP:	13.65	(0.2)	BROADCOM:	33.23	0.26
MSOS					
CABLEVISION:	24.23	0.22	CISCO:	21.26	(0.05)
COMCAST:	17.74	0.37	CLEARWIRE:	7.41	0.13
COMCAST SPCL:	16.69	0.26	COMMSCOPE:	23.54	(0.23)
GCI:	7.72	0.13	CONCURRENT:	4.63	(0.08)
KNOLOGY:	10.80	(0.13)	CONVERGYS:	9.68	(0.13)
LIBERTY CAPITAL:	41.72	(0.19)	CSG SYSTEMS:	18.17	(0.16)
LIBERTY GLOBAL:	26.12	0.13	ECHOSTAR:	19.06	(0.02)
LIBERTY INT:	10.49	(0.01)	GOOGLE:	439.49	(5.46)
MEDIACOM:	6.89	0.17	HARMONIC:	5.57	0.13
RCN:	14.80	(0.01)	INTEL:	19.25	(0.2)
SHAW COMM:	18.35	0.32	JDSU:	9.67	(0.17)
TIME WARNER CABLE:	52.41	0.33	LEVEL 3:	0.98	(0.11)
VIRGIN MEDIA:	16.61	(0.08)	MICROSOFT:	23.16	0.15
WASH POST:	413.17	2.69	MOTOROLA:	6.52	UNCH
PROGRAMMING					
CBS:	12.85	(0.08)	RENTRAK:	24.37	0.04
CROWN:	1.75	(0.01)	SEACHANGE:	7.92	(0.31)
DISCOVERY:	36.09	0.38	SONY:	26.34	(0.34)
GRUPO TELEVISIA:	17.58	0.17	SPRINT NEXTEL:	4.18	(0.06)
HSN:	25.56	1.56	THOMAS & BETTS:	34.07	(0.63)
INTERACTIVE CORP:	21.89	(0.08)	TIVO:	7.51	0.13
LIBERTY:	33.65	0.34	TOLLGRADE:	6.32	0.02
LIBERTY STARZ:	51.62	(0.22)	UNIVERSAL ELEC:	16.73	0.10
LIONSGATE:	7.15	0.17	VONAGE:	2.19	(0.11)
LODGENET:	3.39	(0.32)	YAHOO:	14.09	0.25
NEW FRONTIER:	1.55	(0.06)	TELCOS		
OUTDOOR:	4.62	(0.05)	AT&T:	24.34	0.15
PLAYBOY:	4.07	(0.13)	QWEST:	5.24	(0.01)
SCRIPPS INT:	40.43	0.09	VERIZON:	28.13	0.11
TIME WARNER:	28.51	(0.4)	MARKET INDICES		
VALUEVISION:	1.80	0.03	DOW:	9732.53	(41.49)
VIACOM:	35.45	(0.21)	NASDAQ:	2101.36	(7.88)
WWE:	15.46	(0.1)			
TECHNOLOGY					
ADC:	7.77	0.36			
ADVANTAGE:	2.65	(0.17)			
ALCATEL LUCENT:	2.54	UNCH			
AMDOCS:	26.55	(0.3)			
AMPHENOL:	39.53	0.25			
AOL:	20.31	(0.48)			
APPLE:	248.48	(3.05)			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

2Quagmire

Eek. Ugh. Blooey. That about sums up 2Q on Wall St. Not 1 **Dow** component achieved gains for the period, including **Disney**, and the **S&P** shed 12.5%. Most other major programming stocks couldn't escape the undertow either, despite a marked reemergence of ad sales in '10 nearly across the basket. A couple exceptions: **Discovery** and **Lionsgate**. Perhaps investors liked Discovery's mid-term prospects such as **OWN** and **The Hub**, or maybe they believe the co's impressive '09 weathering of the nasty economic storm portends leading execution going forward. With shares rising 5.6% in meat-grinding 2Q, though, it's doubtful that answers were what investors wanted. Lionsgate was the big winner from Apr-Jun, gaining nearly 12% largely due to *Carl Icahn's* \$7/share tender offer. Yes, LGF management views Icahn as a pest, but even co execs can't be displeased with that appreciation. That tale, though, appears to have several chapters remaining. The quarterly losers need not be ashamed, as the markets' sell-off of a better-than-avg equity basket just shows how indiscriminate the widespread Street jitters have become. Socked particularly hard were **Outdoor Channel Holdings** (-29%), **HSN** (-19.7%) and **News Corp** (-19.3%). Opportunities? The Mouse lost 11.3%, a decline that must be weighed against the probable near-term tailwinds provided by "Toy Story 3" and **ESPN** (World Cup). **Time Warner's** shares fell 7.9%, but anyone who listened to the co's 1Q call or its recent investor's day can attest to the dip likely being unwarranted. **Scripps Nets** decreased 8.8% and **Liberty Starz** 5%. For adherents to the latter, may I suggest attempting to parse *Dr John Malone's* latest Starz plans (best of luck!). -3.5% was the damage to **Viacom**, a relatively solid performance for a co that was on the canvas in '09, gasping, only to rise and exhibit positive signs at formerly beleaguered **MTV** and other properties. Please let the year's 2nd half have far fewer teeth. *CH*

Highlights: "The Green Room with Paul Provenza," Trs, 10:30p, **Showtime**. If subs want to introduce their older kids to comedic legend *Jonathan Winters*, this free-for-all featuring him, *Robert Klein* and *Rick Overton* is perfect. Belly laughs but also adult language. *SA*

Worth a Look: "The Choir," premiere, Wed, 10p, **BBC America**. A highlight of Winter TCA occurred when 30-ish choir director *Gareth Malone* hauled TV critics to the stage and quickly had them singing a passable rendition of The Beach Boys' "Barbara Ann." But his energy and musical knowledge seem to barely dent the inner city teens he's vowed to mold into a top-flight choir for this docu series' opener. It's a process piece and drags at times, as does his young choir. Still, if your subs share Malone's belief that everyone should be exposed to classical singing, they'll devour this series. *SA*

Notable: Remember when July 4 and other summer federal holidays meant baseball doubleheaders and cable marathons? **Starz** does its part as it goes all *Jaws* all the time Sun, running and re-running the quartet of *Jaws* films. Subs can watch each fish story three times, beginning Sun at 4:45a with the *Roy Scheider*, *Robert Shaw*, *Richard Dreyfuss* original and ending July 5 at 1:45a with *Jaws: The Revenge*. *SA*

Basic Cable Rankings			
(5/31/10-6/27/09)			
Mon-Sun Prime			
1	USA	2.7	2658
2	DSNY	1.9	1853
3	TNT	1.7	1657
4	FOXN	1.6	1560
5	NAN	1.3	1275
6	HIST	1.2	1154
7	TBSC	1.1	1128
7	A&E	1.1	1054
9	HGTV	1	982
9	FAM	1	973
9	DISC	1	964
9	LIFE	1	947
13	FOOD	0.9	944
13	ESPN	0.9	929
13	TLC	0.9	894
13	TOON	0.9	886
13	FX	0.9	843
13	TRU	0.9	800
19	AMC	0.8	799
19	SYFY	0.8	794
19	BRAV	0.8	753
19	TVLD	0.8	735
19	BET	0.8	689
24	CMDY	0.7	722
24	HALL	0.7	673
24	SPK	0.7	662
24	MSNB	0.7	619
24	NKJR	0.7	551
29	MTV	0.6	603
29	EN	0.6	538
29	LMN	0.6	500
29	NKTN	0.6	328
33	CNN	0.5	523
33	ESP2	0.5	495
33	APL	0.5	465
33	HLN	0.5	462
37	VH1	0.4	394
37	TRAV	0.4	373
37	CMT	0.4	340
37	OXYG	0.4	316
37	NGC	0.4	276
37	WGNA	0.4	273
37	VS	0.4	273
37	SOAP	0.4	270
37	GSN	0.4	260
37	ID	0.4	251

*Nielsen data supplied by ABC/Disney

CableFAX THE MAGAZINE Most Influential Minorities in Cable 2010
 Nomination Deadline: July 9, 2010 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 September issue of *CableFAX: The Magazine*.

CableFAX: The Magazine distribution includes: NAMIC/CableFAX Breakfast, Diversity Week.

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