4 Pages Today

CableFAX Daily

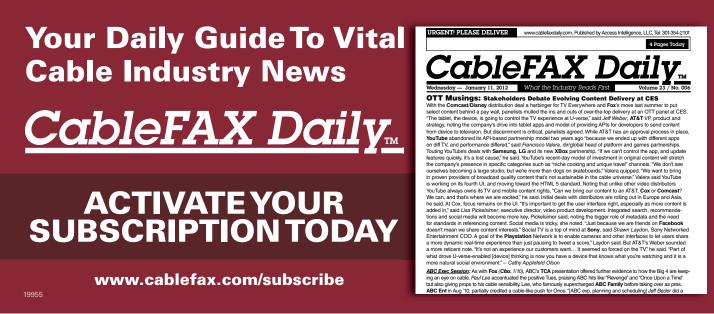
Monday — July 2, 2012

What the Industry Reads First

Volume $2\overline{3}$ No. 126

Early Fireworks: Programmers and MVPDs Face Weekend Deadlines

The weekend marked the deadline for a number of programming contracts. It appeared to be a lock that **DISH** would lose AMC, WE and IFC at 11:59pm Sat, with the provider already announcing replacement programming. HDnet Movies will replace AMC. And Style and HDNet are slated to replace WE and IFC. Less clear was what would happen at AT&T U-Verse, which also faces an 11:59pm deadline with AMC. In that case, at least negotiations were still underway. So, could AMC Nets really be about to face double MVPD drops? It wouldn't be unprecedented. In the fall of '10, Cablevision lost Fox O&Os, Nat Geo Wild, Fox Business and other nets. During that same time, DISH subs were without FX, Nat Geo and the 19 FSNs. (Speaking of Cablevision and DISH, the MSO might take issue with the DBS company's news release on the **AMC** dispute. DISH svp, programming *Dave Shull* is quoted in it as saying, "DISH is the only pay-TV provider that did not raise its core package prices in 2012." Cablevision execs spoke multiple times during the company's 4Q earnings call about the decision not to institute a '12 rate increase as part of an overall strategy to exceed customer expectations). As is always the case, consumers are taking out their frustrations with both AMC, DISH and AT&T on social media. While the prevailing thought is that MVPDs bear the brunt of consumers' ire, judging by the number of "stop being greedy, AMC" comments on Facebook, distributors are continuing to do a better job of explaining their rationale for some of these showdowns. But then again, will that still resonate when "Breaking Bad" returns in a couple weeks and subs are shut out? Also expiring this weekend is Time Warner Cable's retransmission pact with Hearst (Cfax, 6/20). Our Magic 8 Ball was fuzzy on this one. If a deal isn't signed, TWC would lose stations in Louisville, Cincinnati, Greensboro and other markets. Also affected is Bright House Orlando, where Hearst has an NBC affil (TWC handles Bright House programming negotiations). One cheery note: it doesn't look like there will be any fireworks over the weekend between Northwest and DirecTV. An extension seems to be in place, and a notice warning DirecTV subs they could lose Binghamton Fox affil WICZ was missing from the station's Website Fri afternoon. DirecTV also announced late Thurs that it had reached an agreement with **Diversified Comm**, ending the more than 3-week long blackout of stations in Bangor, ME, and Gainesville, FL. In announcing the deal, DirecTV complained that customers had to endure "needless frustration" when the broadcaster could have "simply left its channels on while we worked out a resolution."



Cable FAX THE MAGAZINE



is proud to announce the 2012 Selections of Top Operators

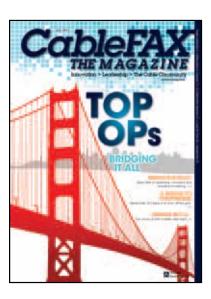


Wave Broadband as Independent Operator of the Year

Award presented in partnership with ACA and NCTC

&

MSO of the Year: Comcast



More category winners celebrated in CableFAX: The Magazine Top Ops Issue

Bonus Distribution: The Independent Show

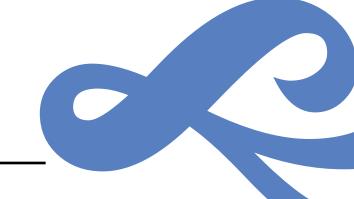
We invite you to celebrate your most important partners' successes and your achievements with a brand ad or a congratulatory ad in the July, Top Ops issue of CableFAX: The Magazine. Call us for a full list of all the honorees as well as for advertising packages.

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Media Ownership: The Supreme Court said "no" to big media companies in a ruling Fri that leaves the media ownership laws intact, opening the door for the FCC to continue its rule review. The Supreme Court's decision not to hear the appeals of the FCC's media ownership rules came after a ruling by the 3rd Circuit Court of Appeals last July, upholding the FCC's '08 decision not to loosen the TV duopoly, radio ownership or TV/radio cross-ownership rules. Several broadcast and newspaper groups appealed, including the Tribune (joined by Fox, Sinclair, Clear Channel, Bonneville and the Newspaper Association of America), Media General and NAB. NAB is disappointed, exec vp, comm, Dennis Wharton said, arguing the rules limit local broadcasters' ability to compete with national and multinational pay programming competitors. NAB will continue to advocate for updating ownership rules that stem "from an era of 'I Love Lucy." On the other side of the debate are groups like Free Press. The decision affirmed the FCC's ability to limit media consolidation to promote competition and diversity, said senior policy counsel Corie Wright. The decision is more than just about media ownership rules. If the Supreme Court had taken the case, it would have opened the door to overturning the 3rd Circuit's ruling, which in turn could have prodded the FCC to eliminate or scale back the regulations, Stifel **Nicolaus** analysts said. They added that if the broadcasters had won big, it could have made their businesses more attractive and given them more incentive to keep their spectrum rather than sell it off for auction. The FCC is looking to open rulemakings this fall on devising incentive spectrum auctions under which some broadcasters could offer to surrender their spectrum (for mobile broadband use) in exchange for proceeds.

NCTA Doings: More on **NCTA's** public affairs restructuring. "Given the significant increase in the role that the department has played in the past year and that it will play for the foreseeable future, I have decided to establish two distinct offices under *Rob Stoddard* in the department," NCTA chief *Michael Powell* said in an internal memo obtained by **CableFAX**. Brian Dietz will head the communications and digital strategy office, which will include social outreach, Web development and media relations. David Pierce will head public affairs, including public and industry relations. And we might be hearing more soon out of Cable in the Classroom. "This Department will be a significant part of our public face to the industry and to communities we engage with, and will give new emphasis and energy to our Cable in the Classroom efforts," Powell wrote.

Crypto-nite! After some heated debate over the FCC's proposed basic tier encryption rules, IP video software developer Boxee and Comcast agreed on a method for showing encrypted cable programming on the startup's set-tops, according to an FCC filing. The 2 have worked out "an initial and long-term solution" that provides "a strong foundation" for an FCC order allowing encryption over the basic service tier, the filing said. Initial development involves an Ethernet-Digital Transport Adapter (E-DTA) to let 3rd-party device access basic tier channels directly through an Ethernet and to change channels remotely. Longer term would come a licensing process to integrate the E-DTA into devices that could access encrypted basic tier channels without a set-top box or DTA. In Oct, the Commission proposed letting cable ops encrypt basic cable services. Boxee opposed the rule, saying encryption could throttle the market for its devices, designed to easily bring Internet video content to TV. NCTA called Boxee's opposition claims "simply wrong." As Comcast and Boxee made nice, NCTA met with the FCC Wed to discuss potential technical solutions, according to an ex parte filing.

<u>Carriage</u>: Hawaiian Telecom expanded its TV lineup by striking a deal with the **Universal Sports Network**, enabling it to offer the net to video subs in Oahu. Starting Fri, the net will be available on Channel 90 and HD Channel 1090 for free until it becomes incorporated as part of the Advantage Plus package 2 months later.

Advertising: OWN, which just posted its 2nd consecutive Q with double-digit growth in primetime, renewed all 8 of its charter 2-year advertising clients. GM, P&G, Nissan, Toyota, Wal-Mart, Target, Kellogg's and Kohl's. For 2Q, the net was up 11% in total viewers for prime and 31% in persons 2+ for total day.

Ratings: FX said Thurs' premiere of "Anger Management" was the #1 scripted primetime comedy series debut in cable history among adults 18-49 (2.65mln). It drew 5.5mln total viewers, making it the most-watched series premiere ever for FX.

Programming: USA gave "Graceland" the greenlight. The series, starring *Daniel Sunjata* and *Aaron Tveit*, is a law enforcement drama centered on agents from the **DEA**, **FBI** and **US Customs** who are forced to live together in an undercover beach house. It's from "White Collar" creator *Jeff Eastin.* -- **TNT** is giving "Dallas" a sophomore season next year. The new series, currently airing Wed nights, is averaging 6.9mln viewers. -- "Rizzoli & Isles" was renewed for a 4th season on **TNT**, with 15 eps ordered for '13. -- "7th Heaven" joins **GMC's** lineup on July 7.

CableFAX Week in Review

			Cabic	// // Y			
Company	Ticker	6/29	1-Week	YTD			
Company	TICKET						
Close % Chg % Chg							
BROADCASTERS/DBS		40.00	0.000/	14.170/			
DISH:							
DISNEY:							
GE:							
NEWS CORP:							
14E440 00111				20.07 /0			
MSOS							
CABLEVISION:	CVC	13.29	7.09%	(6.54%)			
CHARTER:	CHTR	70.87	4.36%	24.46%			
COMCAST:							
COMCAST SPCL:	CMCSK	31.40	3.05%	33.28%			
GCI:	GNCMA	8.30	0.97%	(15.22%)			
KNOLOGY:							
LIBERTY GLOBAL:							
LIBERTY INT:							
SHAW COMM:							
TIME WARNER CABLE							
VIRGIN MEDIA:							
WASH POST:							
				(0.7070)			
PROGRAMMING							
AMC NETWORKS:	AMCX	35.55	(5.55%)	(5.4%)			
CBS:							
CROWN:							
DISCOVERY:							
GRUPO TELEVISA:							
HSN:							
INTERACTIVE CORP:							
LIONSGATE:							
LODGENET:							
NEW FRONTIER:	NOOF	1.64	(3.53%)	59.22%			
OUTDOOR:							
SCRIPPS INT:							
TIME WARNER:							
VALUEVISION:							
VIACOM:							
WWE:							
****				(10.00 /0)			
TECHNOLOGY							
ADDVANTAGE:	AEY	2.15	4.36%	2.38%			
ALCATEL LUCENT:							
AMDOCS:							
AMPHENOL:							
AOL:							
APPLE:							
ARRIS GROUP:							
AVID TECH:							
BLNDER TONGUE:							
BROADCOM:							
CISCO:							
CLEARWIRE:							
CONCURRENT:							
CONVERGYS:							
CSG SYSTEMS:	CSGS		1 /17%	17 /17%			
ECHOSTAR:	SATS			26 17%			
GOOGLE:	6006	580 07	1 50%	(10 19%)			
HARMONIC:							
,	1-11	7.20					

Company	Ticker			
		Close	% Chg	%City
INTEL:	INTC	26.65	(1.04%)	9.90%
JDSU:	JDSU	11.00	5.87%	5.36%
LEVEL 3:	LVLT	22.15	4.04%	30.37%
MICROSOFT:	MSFT	30.59	(0.36%)	17.84%
RENTRAK:	RENT	20.65	8.40%	44.61%
SEACHANGE:	SEAC	8.23	1.86%	17.07%
SONY:	SNE	14.24	(0.49%)	(21.06%)
SPRINT NEXTEL:	S	3.26	(0.91%)	39.32%
TIVO:	TIVO	8.26	2.10%	(7.92%)
UNIVERSAL ELEC:	UEIC	13.17	11.89%	(21.93%)
VONAGE:	VG	2.01	6.91%	(17.96%)
YAHOO:				
TELCOS				
AT&T:	T	35.66	1.39%	17.92%
VERIZON:	VZ	44.44	1.11%	10.77%
MARKET INDICES				
DOW:				
NASDAQ:	IXIC	2935.05	1.47%	12.66%
S&P 500:	GSPC	1362.16	2.03%	8.31%

WINNERS & LOSERS THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CI
1. BLNDER TONGUE:	1.20	. 16.50%
2. CROWN:	1.75	. 15.89%
3. UNIVERSAL ELEC:	13.17	. 11.89%
4. NEWS CORP:	22.52	9.48%
5. LIBERTY INT:	17.77	8.58%
THIS WEEK'S STOCK PRICE LOSERS		

CUMPANT	CLU9E	I-WK G
. LODGENET:	1.31(13.25%)
. CLEARWIRE:	1.12	(6.67%)
B. AMC NETWORKS:	35.55	(5.55%)
. ECHOSTAR:	26.42	(3.79%)
		1

August 9 8-10am NYC



Honoring Top Sports Programs, Campaigns, and People