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Wednesday — July 6, 2011

What the Industry Reads First

Volume 22 / No. 128

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Digital at Centre Court: With Eye on Mobile, ESPN Wins Wimbledon

Much like with any major sporting event, ESPN's acquisition of the exclusive US TV rights to Wimbledon beginning next year included multiple storylines. There's the movement of another marquee sports property to cable from broadcast; ESPN's wresting of the rights from NBC after both the broadcaster's 43-year Wimbledon run and parent Comcast's recent outbidding of ESPN for Olympics rights (*Cfax*, 6/8); and perhaps the most important if relatively unheralded deal aspect: the sports giant's prowess in and penchant for providing mobile content. While discussing the 12-year deal reported to be worth \$400mln, All England Club CEO *Ian Ritchie* said "it was very important to have a single narrative across the two weeks of the championship," and added during a conference call that ESPN's production and promotional strength will importantly spur mobile delivery and consumption of Wimbledon matches going forward. "We're really confident that ESPN is the partner that can deliver that," said Ritchie. ESPN's commitment to live coverage was also a factor in the bidding outcome, he said, and although ESPN and ESPN2 are slated to provide more live matches throughout the tourney, ESPN3 and WatchESPN are undoubtedly up-and-coming players. ESPN3.com's schedule will expand to 750 hours from 650, including the semis and finals live, and ESPN evp, content *John Skipper* said the 74mln-home service will enhance its focus on exclusive rather than simulcast matches. Currently providing live streaming of ESPN, ESPN2, ESPNU and ESPN3 to Time Warner Cable, Bright House and FiOS TV subs, the WatchESPN mobile app, said Skipper, will become the principle mobility vehicle for Wimbledon content. Universal availability of the app is expected over the next few years, said Skipper, driven by compelling programming. "Great content tends to carry the day, and we think it does here" with Wimbledon, he said. ESPN's tourney focus is on delivering a massive total audience, not just a wealth of TV viewers—thinking that jives with the company's overarching multi-platform outlook. "I'm much more interested in what we can aggregate around a thousand hours" of Wimbledon coverage than linear ratings, said Skipper, adding that it "doesn't matter to me" whether tourney TV viewing rises next year or not. Proof of the latter statement can perhaps be found in the plan for widely-distributed ABC to feature only a tourney recap show and re-airs of the semis and final. Ritchie obviously likes what ESPN is serving. "We believe in totality... in more people watching tennis," he said. "We're delighted with the conclusion we've reached."

Broadband: Sens *John Kerry* (D-MA) and *Mark Warner* (D-VA) are urging the FCC to reform USF in order to better de-

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Top Ops Issue

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ployment of broadband across the country. "Broadband is no longer a luxury; it has become critical economic infrastructure for Americans. Unfortunately, broadband is still an expensive and uneven service in parts of the country," they wrote in a letter Tues to FCC commissioners. They want the FCC to require that funds allocated through the proposed **Connect America Fund** be used to prioritize areas without any broadband or where no provider offers service at a baseline speed of 4Mbps downstream. That baseline speed should be revisited annually, they added. Prioritization also should be given to areas that are least likely to be built out over the next 3-5 years, the lawmakers said. Other recommendations include a cap on expenditures and keeping a competitively neutral focus. -- The **League of United Latin American Citizens** (LULAC) and the **National Council La Raza** have launched 2 PSAs encouraging Latinos to embrace the Internet. The ads are part of the National Broadband Awareness Campaign, a collaboration between non-profit **One Economy** and the **Broadband Opportunity Coalition**, a group of leading civil rights organizations.

Deals: Charter continued its recent deal activity by agreeing to trade its Douglas, GA, system serving approx 4,500 subs for **James Cable's** system serving approx 9,500 in Eatonton, GA, and Roanoke and Gu-Win, AL. Expected to close in 4Q, the transaction adds to the more than 500K customers Charter currently serves in GA and AL.

Rivalry: While **All England Club** CEO *Ian Ritchie* was busy intimating that **ESPN** was able to end **NBC's** 43-year Wimbledon run in part due to its digital arsenal, ESPN evp, content *John Skipper* downplayed the importance of the deal via a vis **Comcast's** new role as a major player in the sports rights arena. "We are cognizant of the fact that Comcast is a formidable competitor... [but] it doesn't really change the nature of what we do," he said. "The next rights negotiation we do with no other bidders will be the first." In a statement, **NBC Sports** said "we are proud of our 43-year partnership with the All England Club and while we would have liked to have continued our relationship, we were simply outbid." -- **Tennis Channel's** potential involvement with Wimbledon, meanwhile, remains undecided. The net and **ESPN** recently extended their French Open and Australian Open multimedia programming alliance, and Skipper said "the success of Tennis Channel is advantageous to us." Skipper met with Tennis chmn/CEO *Ken Solomon* while in London for Wimbledon negotiations, but he said additional talks are necessary.

Anthony Coverage: In what may have been the most anticipated verdict since O.J. (and possibly just as surprising), cable news nets went wall-to-wall Tues afternoon with the *Casey Anthony* verdict. No word yet on ratings, but **CNN.com** saw a huge spike during the 2-3pm ET hour. More than 1mln users were watching live video, 30 times higher than the 4-week average. The site received 12mln page views, 4-times higher than the 4-week average. In the moments leading up to the not guilty verdict, pundits proliferated—with most talking about how there was almost definitely a guilty verdict given the short deliberation. One talking head said it wasn't even a matter of "if" she was found guilty, it was definite. Then the nets spent hours absorbing Anthony being found not guilty of killing her 2-year-old daughter. This will inevitably be a case that will draw further examination of media coverage. In a press conference after the verdict, defense attorney *Cheney Mason* blasted the media, particularly the process of putting lawyers on TV to talk about cases they "don't know a damn thing about... I would hope that this would be a lesson for those of you who have indulged in media assassination for 3 years," he said.

Marketing: **AT&T** and **One Solution**, the marketing arm of **TV One** and **Radio One**, have teamed up for a cross-platform awareness campaign designed to engage and inspire consumers to rethink what is achievable in their own lives. Included are vignettes profiling 4 influential African Americans to air on TV One and U-verse TV VOD, and an online sweepstakes at **BlackPlanet.com**. -- **FEARnet's** latest sweeps is for a trip to Philly, which it says is 1 of America's most famously haunted US cities. The Philadelphia Fright contest runs through Sept 23 on fearnet.com.

Programming: Perhaps **Comedy Central** should set aside more than 1 day for taping of the "Comedy Central Roast of Charlie Sheen" (Sept 19). We thought previous roastee *Donald Trump* made for an easy target, but Sheen's recent shenanigans and questionable comments has opened the actor to illimitable potshots—and a lot of people will tune in to hear them. -- **Starz** has nixed subsequent seasons of "Camelot," citing "significant production challenges." With solid ratings, the problem appears to be production schedules, particularly with *Eva Green* busy shooting "Dark Shadows" and the fear of production running into the Irish winter.

Trade Winds: **Cfax** publisher **Access Intelligence** has acquired **Cynopsis Media**, creator of daily and weekly e-letters for TV, digital media, kids marketing and sports media markets. Cynopsis was founded in '97 by *Cynthia Turner*, who

BUSINESS & FINANCE

joins AI as publisher of the Synopsis Group. She reports to *Diane Schwartz*, svp of AI's Media and Communications Group.

People: Time Warner Cable hired *Mark Shuken* to launch its 2 planned Lakers RSNs in L.A. (one in English, one in Spanish), reports *Sports Business Daily*. Shuken, who will report to *David Rone*, was pres/CEO of **DirecTV Sports** nets, which includes RSNs in Seattle, Denver and Pittsburgh. -- *Michael Thornton* is joining **Starz Ent** as evp, business and legal affairs - programming, digital and worldwide distribution. Starz Ent's svp, biz affairs & programming *Richard Turner* will be leaving this summer after 12 years with the company. Thornton most recently served as evp, biz & legal affairs at **Disney/ABC Domestic TV**. -- Former **Outdoor Channel** marketing evp *Denise Conroy-Galley* has joined **HGTV** as svp, marketing and creative services.

Business/Finance: S&P slashed its opinion on **Cablevision** shares to 'strong sell' from 'hold' on a belief they carry "an unwarranted premium to comparable pure-play cable peers such as Time Warner Cable" after **AMC Nets** was spun off Fri. -- **Netflix** will expand later this year into 43 countries throughout Latin America and the Caribbean. -- **LightSquared** raised an additional \$265m through existing and new investors, and will use the funds for purposes including construction of its mobile broadband network.

CableFAX Daily Stockwatch

Company	07/05 Close	1-Day Ch	Company	07/05 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	52.01	0.25	BLNDER TONGUE:	1.63	(0.03)
DISH:	31.21	0.10	BROADCOM:	34.27	(0.14)
DISNEY:	39.97	0.25	CISCO:	15.67	(0.13)
GE:	19.04	(0.16)	CLEARWIRE:	3.91	0.09
NEWS CORP:	18.54	0.11	CONCURRENT:	6.34	0.00
MSOS					
CABLEVISION:	26.37	0.41	CONVERGYS:	13.75	(0.11)
CHARTER:	57.97	2.82	CSG SYSTEMS:	18.81	0.13
COMCAST:	25.97	0.24	ECHOSTAR:	37.37	0.27
COMCAST SPCL:	24.87	0.27	GOOGLE:	532.44	11.41
GCI:	12.41	0.10	HARMONIC:	7.23	(0.23)
KNOLGY:	15.12	0.03	INTEL:	22.44	(0.09)
LIBERTY CAPITAL:	85.21	(1.23)	JDSU:	16.64	(0.37)
LIBERTY GLOBAL:	47.09	0.86	LEVEL 3:	2.48	(0.04)
LIBERTY INT:	17.28	0.09	MICROSOFT:	26.03	0.01
SHAW COMM:	22.82	(0.15)	MOTOROLA MOBILITY:	22.79	(0.69)
TIME WARNER CABLE:	79.97	0.47	RENTRAK:	18.70	(0.23)
VIRGIN MEDIA:	30.57	0.33	SEACHANGE:	10.74	(0.1)
WASH POST:	419.56	(2.65)	SONY:	26.74	0.17
PROGRAMMING					
CBS:	28.57	0.02	SPRINT NEXTEL:	5.39	(0.04)
CROWN:	1.91	(0.02)	THOMAS & BETTS:	54.76	(0.29)
DISCOVERY:	42.07	0.40	TIVO:	10.63	(0.2)
GRUPO TELEVISA:	24.29	(0.4)	UNIVERSAL ELEC:	25.56	0.25
HSN:	33.72	0.42	VONAGE:	4.68	0.14
INTERACTIVE CORP:	39.07	1.03	YAHOO:	15.49	0.04
LIBERTY:	41.94	(0.18)	TELCOS		
LIBERTY STARZ:	76.18	0.74	AT&T:	31.63	(0.05)
LIONSGATE:	6.64	(0.09)	VERIZON:	37.82	0.02
LODGENET:	3.21	0.11	MARKET INDICES		
NEW FRONTIER:	1.39	0.01	DOW:	12569.87	12.90
OUTDOOR:	6.83	0.04	NASDAQ:	2825.77	9.74
SCRIPPS INT:	49.64	0.29	S&P 500:	1337.88	(1.79)
TIME WARNER:	36.88	(0.04)			
VALUEVISION:	7.83	(0.41)			
VIACOM:	58.80	0.09			
WWE:	9.64	(0.16)			
TECHNOLOGY					
ADVANTAGE:	2.65	0.03			
ALCATEL LUCENT:	5.92	0.04			
AMDOCS:	30.65	0.19			
AMPHENOL:	54.43	(0.43)			
AOL:	20.41	(0.14)			
APPLE:	349.43	6.17			
ARRIS GROUP:	11.75	(0.04)			
AVID TECH:	19.45	0.05			
BIGBAND:	2.18	(0.03)			

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- > What are the new apps and what do they mean for your business?
- > What are Connected TV's technical hurdles and when will they be overcome?
- > Can programmers enhance the viewer experience and make profits with Connected TV apps?
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