

# CableFAX Daily™

Wednesday — July 13, 2011

What the Industry Reads First

Volume 22 / No. 133

## A New Ball Game? Cable and Baseball Delivering Growth

Although recent **Harris** polls show baseball hasn't expanded its fan base in years, the sport is alive and well on cable. As always, the local ratings picture represents a mixed bag so far this season—**YES'** Yankees coverage is down slightly, for example, while the Giants are up 42% on **Comcast SportsNet Bay Area**. Yet the game's national success demands notice. A sampling: **ESPN** scored 6.69mIn viewers for Mon night's State Farm Home Run Derby to post YOY improvement after 2 declining years, **TBS'** post-season ad sales are pacing ahead of last year by more than 20%, and **MLB Net** has gained notable traction in '11, including a 51% rise in 2Q total prime viewers, per **Nielsen**. "Our first priority is always the quality of our programming, and in only our third year on the air, viewers are continuing to find us, despite it not being easy to break through in a crowded marketplace," said MLB Net pres/CEO *Tony Petitti*, noting how an increase in live weekday afternoon programming has goosed total day numbers, too (+42% in 2Q). A focus on production has led to a Sports Emmy win for "MLB Tonight" and the compelling pair up of game announcers *Bob Costas* and *Al Michaels*, said Petitti, and upticks in ad sales and distribution have followed. "We have 35 new advertisers for 2011, our revenue is up over 40% in 2011 and we are pacing nearly three times ahead in upfront commitments over last year," he said. "It's a sign that advertisers believe in the quality of the content and long-term future of the network." Carriage sits at 57mIn homes and HD penetration at 50%, and the net's launch on **U-verse TV** before the season gives it carriage on 9 of the country's top 10 MVPDs. There's room for growth, however, as the distribution total marks just a 14% bump since MLB Net's Jan '09 inception. A mitigating factor may be baseball's arguable Achilles heel: an aging fan base. The game is most popular among persons 66+, according to a recent Harris poll, and 18-49s comprised just 45% of MLB Net's 2Q prime audience. But 18-34s ranked 2nd in the Harris poll, and Petitti is stoked about young America's renewed enthusiasm for baseball. "We saw more growth in the men 18-34 demo in primetime over last year than in any other," he said. "Our studio programming has a strong connection to the younger demo, with men 18-49 making up more than half of the audience for 'MLB Tonight'" and 3 other shows. Meanwhile, MLB touted Tues the success of its "Social Media Derby," which allowed fans to interact with players during the Home Run Derby. With cable importantly in the batting order, such initiatives could mean more clutch viewership hits for baseball.

**Program Access Powwow:** Reps from **Cablevision, MSG, Verizon** and **AT&T** all sat down recently with **FCC** Media Bureau chief *Bill Lake* to hash out what last month's D.C. Circuit decision means for terrestrial programming complaints—specifically ones AT&T and Verizon have pending against Cablevision over access to **MSG HD**. The DC Circuit Court of Appeals found that the FCC was within its rights when it ordered that cable's competitors can file complaints when they are denied terrestrially delivered sports programming, but the court vacated a portion of an FCC order that declared exclusive terrestrial programming contracts as categorically unfair and remanded it the to the Commission for further proceeding. Cablevision maintains that the ruling means that the telcos' complaints have to take a

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backseat until the FCC addresses the remanded portion of the order (*Cfax*, 6/27). At the meeting, the telcos reiterated their view that the FCC should act immediately on their complaints, which have been pending for nearly 2 years. Verizon called Cablevision's arguments "transparent efforts" to manufacture a further delay so that an additional **NBA** and **NHL** season can be without its customers being able to watch MSG and MSG Plus programming in HD.

**New Course:** *Kathy Timko*, who came to **Canoe** as COO in '09 from **IDT**, will step up as interim CEO, replacing *David Verklin*. Verklin, who joined Canoe at its inception in '08, will be leaving the company at summer's end. The pace of the industry's advanced advertising JV has been slower than many anticipated. Few were surprised by the shake-up, announced late Mon. "David's passion for media and advertising is contagious," said Canoe board member and **Time Warner Cable** pres/COO *Rob Marcus*. "He and the team at Canoe have helped the industry to reach new levels of collaboration that support the growth of our business, the enhancement of services to our customers, and the advancement of new marketing solutions for television advertisers." Canoe's work will continue, with Marcus emphasizing that the board is committed to it, and fellow board member *Neil Smit*, **Comcast Cable** pres, said Canoe's moving forward with plans to launch national dynamic ad insertion for VOD.

**Carriage:** **Ovation** and **Ovation HD** have launched on **Comcast** systems' digital preferred tier in the Baltimore, Richmond, VA, and D.C. areas. With a national audience of 44mln HHs, Ovation recently scored launches in several other Comcast markets (Cherry Hill, NJ, Orlando, FL, Chicago and more) as well as on **GCI** in AK and on **Shentel** in Farmville and Keysville, VA. In other carriage news, **Verizon's FiOS TV** reupped the net, signing a long-term distribution renewal. -- Sept 26 was announced as the launch date for African-American broadcast net **Bounce TV**. The channel has carriage deals in place with broadcasters for digital multicast carriage in Houston, Cleveland/Akron, Charlotte, Cincinnati, Indianapolis, Hartford/New Haven, Norfolk, Dayton, West Palm Beach, Birmingham, Memphis, Louisville and Richmond. -- **DISH** launched online service **Speed2** for subscribers who receive Speed. The service delivers original content and a library of titles not featured linearly in both SD and HD.

**4G:** **Clearwire's** 4G WiMAX network now covers nearly 12mln people in the NYC area through mobile broadband services offered by Clear, **Time Warner Cable** and **Sprint**. Newark and Paramus, NJ, were added to the network along with cities in NY such as New Rochelle. -- **Verizon** opened its Verizon Innovation Center Tues in MA. Nearly 80 companies including **Ericsson** and **Alcatel-Lucent** are collaborating with the Center to dev and bring to market 4G LTE products.

**Advertising/Marketing:** **Syfy** is making its largest Hispanic media buy ever in support of original "Alphas." Placements and partnerships include **Telemundo**, **Mun2** and **Univision** channels, plus targeted radio ads in major markets and a digital presence at sites including **Pandora** and **Yahoo! En Espanol**. -- **Toyota Motor Sales** and **Hershey's** signed on as sponsors of reality series "Quiero Mi Boda" on **Tr3s: MTV, Musica y Mas**.

**OTT:** **Netflix** uncoupled its unlimited streaming and DVD subscription plans, slapping a \$7.99/month price tag on the streaming service and either a \$7.99 (1 DVD at a time) or \$11.99 (2 DVDs at a time) tag on mail delivery. The price for both unlimited streaming and unlimited discs is now \$15.98/month. For new NFLX members the changes take effect immediately, for existing members Sept 1.

**Technology:** Now available on the **iPhone** and **iPod Touch** is the free **TiVo App**, which offers remote control of

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# BUSINESS & FINANCE

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**Public Affairs:** Time Warner and Facebook are coming together and expanding their individual efforts against bullying with the launch of cross-platform campaign “Stop Bullying: Speak Up.” It’s named after the original anti-bullying initiative on Time Warner’s **Cartoon Network**. The initiative includes a town hall hosted by **CNN’s Anderson Cooper** in the fall, a Facebook social pledge app to make a personal commitment to help stop bullying and significant editorial coverage in *People*, *Sports Illustrated* and *Time*.

**People:** Time Warner Cable promoted *Michael Roudi* to svp, mobile services, where he’ll be responsible for creating and executing the deployment of the MSO’s mobile products and services.

**Business/Finance:** On the heels of a scandalous week that saw the shuttering of *News of the World* and an indeterminate delay of its proposed acquisition of **BSkyB**—and a big hit to its stock as well—**News Corp** announced a new \$5bln share repurchase program that includes \$1.8bln from a previous program and is targeting both Class A and Class B shares through open market purchases over the next 12 months. **Nomura Securities’ Michael Nathanson** reiterated his ‘buy’ rating on News Corp shares Tues.

## CableFAX Daily Stockwatch

Company	07/12 Close	1-Day Ch	Company	07/12 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	52.42	(0.39)	BLNDER TONGUE:	1.68	0.03
DISH:	31.05	(0.18)	BROADCOM:	33.34	(0.6)
DISNEY:	39.15	(0.07)	CISCO:	15.60	0.17
GE:	18.38	(0.25)	CLEARWIRE:	3.58	(0.03)
NEWS CORP:	16.08	(0.02)	CONCURRENT:	5.97	0.02
<b>MSOS</b>					
CABLEVISION:	26.31	(0.25)	CONVERGYS:	13.48	(0.01)
CHARTER:	56.72	0.21	CSG SYSTEMS:	18.80	UNCH
COMCAST:	24.62	(0.41)	ECHOSTAR:	36.91	(0.77)
COMCAST SPCL:	23.88	(0.25)	GOOGLE:	534.01	6.73
GCI:	12.09	(0.28)	HARMONIC:	6.87	0.01
KNOLGY:	14.57	(0.06)	INTEL:	22.45	(0.4)
LIBERTY CAPITAL:	85.21	(0.43)	JDSU:	15.03	(0.39)
LIBERTY GLOBAL:	43.69	(0.85)	LEVEL 3:	2.45	(0.04)
LIBERTY INT:	17.52	0.04	MICROSOFT:	26.54	(0.09)
SHAW COMM:	22.79	0.40	MOTOROLA MOBILITY:	21.04	UNCH
TIME WARNER CABLE:	77.81	(0.02)	RENTRAK:	18.07	(0.27)
VIRGIN MEDIA:	27.66	(0.26)	SEACHANGE:	10.45	(0.11)
WASH POST:	407.63	1.77	SONY:	26.62	(0.24)
<b>PROGRAMMING</b>					
AMC NETWORKS:	37.05	(0.01)	SPRINT NEXTEL:	5.43	0.01
CBS:	27.74	(0.2)	THOMAS & BETTS:	53.31	(0.29)
CROWN:	1.88	0.01	TIVO:	10.28	(0.03)
DISCOVERY:	41.88	0.30	UNIVERSAL ELEC:	25.24	(0.2)
GRUPO TELEVISA:	22.54	(0.32)	VONAGE:	4.61	(0.13)
HSN:	33.80	(0.15)	YAHOO:	14.86	(0.19)
INTERACTIVE CORP:	37.67	(0.1)	<b>TELCOS</b>		
LIBERTY:	41.32	0.06	AT&T:	30.77	(0.03)
LIBERTY STARZ:	73.26	0.14	VERIZON:	37.09	(0.03)
LIONSGATE:	6.66	0.11	<b>MARKET INDICES</b>		
LODGENET:	3.05	(0.02)	DOW:	12446.88	(58.88)
NEW FRONTIER:	1.41	(0.02)	NASDAQ:	2781.91	(20.71)
OUTDOOR:	7.20	0.19	S&P 500:	1313.64	(5.85)
SCRIPPS INT:	46.83	(0.39)	<b>TECHNOLOGY</b>		
TIME WARNER:	35.40	(0.53)	ADVANTAGE:	2.54	(0.01)
VALUEVISION:	8.29	0.15	ALCATEL LUCENT:	5.36	(0.22)
WWE:	9.75	(0.02)	AMDOCS:	30.38	(0.04)
<b>TECHNOLOGY</b>					
ADDVANTAGE:	2.54	(0.01)	AMPHENOL:	51.13	(1.55)
ALCATEL LUCENT:	5.36	(0.22)	AOL:	19.85	0.04
AMDOCS:	30.38	(0.04)	APPLE:	353.75	(0.25)
AMPHENOL:	51.13	(1.55)	ARRIS GROUP:	11.50	(0.12)
AOL:	19.85	0.04	AVID TECH:	18.98	(0.06)
APPLE:	353.75	(0.25)	BIGBAND:	2.12	0.01
ARRIS GROUP:	11.50	(0.12)			
AVID TECH:	18.98	(0.06)			
BIGBAND:	2.12	0.01			

## Most Powerful Women 2011 in Cable

CableFAX's

### Who are cable's most powerful women executives?

Help us decide by nominating the executives you think should be included in our annual list of the Most Powerful Women in Cable. We will rank the top 50 most powerful women, and run a list of the second 50, in the November 2011 issue of CableFAX: The Magazine. Nominations are open to all cable operators, programmers, vendors and trade associations.

Nominations Due: **July 29, 2011**  
 Nominate Now at: [www.cablefax.com/2011powerfulwomen](http://www.cablefax.com/2011powerfulwomen)

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