

# CableFAX Daily™

Tuesday — July 20, 2010

What the Industry Reads First

Volume 21 / No. 138

## Row That Boat: Canoe Paddling Faster These Days

As the cable industry claws its way toward seamless interactivity, Canoe Ventures has literally been the glue holding it all together. And now after several tough years of slogging through disparate technology and systems, the cable-backed concern is starting to hit its stride. Case in point: Canoe just launched its first iTV ads across millions of Comcast and Time Warner Cable homes, and CableLabs just confirmed SCTE 130 capability at its Advanced Advertising Interop. We asked COO Kathy Timko to give us a primer on what's next. **How do you see this evolving with new partners and opportunities.** We are in the process of on-boarding network partners and readying them for commercial launch, a process that includes working with their agency and advertisers to use national ITV in their marketing plans. We are extremely encouraged by the positive response so far from major brands that recognize the potential of interactive television to better connect with consumers. iTV's finally becoming a reality this year. **With the rollout now underway, what challenges remain?** We have achieved so much and for that we are very proud, but we also know we've just begun to address the challenges that a multi-MSO environment presents. One of our biggest challenges is meeting demand for our products at scale. At Canoe, scale initially translates to growing the national EBIF-enabled footprint, onboarding programming customers and providing those customers with products to sell. We are working on all three. **In May, Canoe signed up Comcast Nets, Discovery, NBCU and Rainbow as content partners. How is that progressing and what kinds of TV apps do you expect to emerge from those relationships?** Once integrated with Canoe's national advanced television platform, our network partners can offer our suite of standards-based iTV marketing solutions. The first is a "Request-for-Information" application that enhances the value of thirty-second ads through viewer interactivity. But, RFI is just the beginning. We are engaging key elements of the television ecosystem for input on product development, not only for extensions to our iTV platform but for additional services and solutions. **What's the mood inside Canoe now that things are starting to launch—and has the long road to this point taken any kind of toll on morale?** Canoe is enjoying a true sense of accomplishment from being in the marketplace with an ITV application that is working and generating terrific feedback. Through our MSO collaboration, for the first time, we have an ITV overlay interoperable across multiple national cable broadcast operations centers and multiple cable operators' footprints. We also have built the first advanced ad stewardship

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# MARKETING SOLUTION NO. 186

## WEHCO VIDEO AND SYFY DIGITAL UPGRADE MAILER SEPTEMBER-OCTOBER 2009

### CHALLENGE

Expand WEHCO Video's digital subscriber base by promoting a short-term DVR / HD promotion offered by the system. Educate customers about HD channels included in the digital package.

### SOLUTION

NBC Universal TV Networks Distribution and Syfy created a custom themed mailer highlighting the premier of Stargate Universe and featuring the DVR promotion.

### RESULT

The promotion reversed a month-to-month loss of 193 subscribers and delivered 505 new digital customers to WEHCO Video.

**"THE TEAM AT NBC UNIVERSAL IS ALWAYS READY TO ASSIST US. THEY CONSISTENTLY DELIVER CREATIVE MATERIALS THAT ARE RIGHT ON TARGET."**

**LORI HAIGHT**  
VP OF CLIENT CARE AND MARKETING  
WEHCO VIDEO, INC.



**our networks work.**

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“order to cash” platform that gives customers a single order and aggregated measurement, reporting and fulfillment service... We have tremendous talent inside and outside of Canoe dedicated to our mission and with our platforms interconnected, our success is interconnected. Morale is great. **Where do you see the biggest opportunities for Canoe and for the industry vis a vis iTV/advanced advertising?** Canoe is currently working on polling and trivia applications, T-Commerce capabilities, addressable and VOD solutions. And each of these present new opportunities to tap into the power of our platform for unprecedented insights and information that will make TV better. It's an exciting time to be in television. **[Editor's Note: Join Canoe svp Jim Turner and reps from Comcast, ActiveVideo and Ensequence in CableFAX's iTV Webinar on July 21 at 1:30pmET. More info at: [http://www.cablefax.com/cfp/webinars/going\\_interactive\\_july21.html](http://www.cablefax.com/cfp/webinars/going_interactive_july21.html)]**

**Broadband \$:** NTIA announced a nearly \$15m American Recovery and Reinvestment act grant to **Communication Service for the Deaf**. It intends to expand broadband adoption among the deaf and hard of hearing through discounted service, specialized computers, technology training and public access to videophones at community institutions. The grant is part of Round 2 funding, with NTIA saying it will announce all awards by Sept 30. Cable is still waiting to hear if its proposal with other ISPs and **One Economy** to offer discounted broadband service to low-income housing will get the OK. At the **Minority Media Telecom Council's** annual conference Mon, **NCTA** pres/CEO *Kyle McStarrow* stressed the importance of focusing on broadband adoption. “My argument is that while deployment is important, it is much less important than ensuring adoption in all communities today,” he said. “If we spend the same number of dollars, let alone on time, I think we'd materially benefit our country.”

**Carriage:** **Ski Channel** is off the bunny slope, with a deal to provide programming to **Comcast** On Demand customers. -- **Verizon's FiOS TV** added **Nat Geo WILD HD** and **Investigation Discovery HD**, bringing its total number of high-def channels to 142. -- **Inspiration Nets' INSP** is now available to **Comcast** CO region's digital preferred subs. Rollouts began in Apr and continue through the end of Aug. -- **Time Warner Oceanic Cable** launched **New Tang Dynasty TV**, joining TWC's NYC market in featuring the Chinese net offering programming in Mandarin, Cantonese and English. -- **Verizon FiOS TV** added **Fox Int'l Channel's** lifestyle net **Utilisima** to its Spanish-language lineup that now includes nearly 30 nets.

**At the Portals:** There is no market failure in the retail sale of set-top boxes; customers just prefer the leasing model. That's one of the findings presented in an economic analysis submitted by the **NCTA** Mon in the **FCC's** AllVid proceeding. The paper from **Economists Inc** warns that some AllVid standards described in the FCC's NOI share some of the same characteristics that have “limited sales of CableCARD devices.” Its conclusion is that any govt approach to regulating MVPDs' navigation devices should allow the market to respond to consumer demand. In other words, don't dictate design standards and instead create performance-based goals.

**On the Hill:** Sens *Olympia Snowe* (R-ME) and *John Kerry* (D-MA) introduced the Spectrum Measurement and Policy Reform Act, which assigns spectrum measurements on actual usage and occupancy to the **FCC** and **NTIA**. It also requires greater collaboration between the 2 agencies on spectrum policy and mgmt related issues as they develop the National Strategic Spectrum Plan. The bill gives the FCC the authority to share auction proceeds with current spectrum holders who give it up. -- **Apple** answered consumer privacy questions from Reps *Ed Markey* (D-MA) and *Joe Barton* (R-TX), stressing that it does not provide specific geographic locations of consumers using iPads, iPhones and other products without the customer's permission. The 2 seemed satisfied, thanking Apple for its response but also pledging to closely monitor the issue. “While I applaud Apple for responding to our questions, I remain concerned about privacy policies that run on for pages and pages,” Barton said.

**VOD:** **Starz** is making the first 2 hours of 8-hour series “The Pillars of the Earth” available for an early free preview via VOD and online sampling through select Starz affiliate partners beginning Wed. The series based on the *Ken Follett* novel debuts Fri, 10pm. The preview will be available to more than 60m HHs.

**Ratings: YES'** Sun telecast of the Rays-Yankees game earned a 6.33 avg TV HH rating, making it the highest-rated and most-watched non-Red Sox game on YES this season.

**Programming:** **Fox Sports Midwest** will control the **St. Louis Cardinals'** entire TV package next season, marking the 1st time the club won't feature any of its locally-produced telecasts on over-the-air TV since it began televising games in the '40s. -- Half-hour sports show “**NESN Daily**” will air each night on the net beginning Aug 6.

# BUSINESS & FINANCE

**Marketing:** ESPN's 1st brand campaign since '05 continues with NA-SCAR-themed ads leading up to Sun's Brickyard 400 at Indianapolis. The "It's Not Crazy, It's Sports" campaign debuted July 12 with a baseball-themed spot. The latest feature haulers used to transport the Sprint Cup teams.

**In the States:** NBCU will use Media Business Corp's "MediaCensus" research tool, which includes quarterly sub counts by provider and/or by zip code for DBS, telco and cable.

**People:** Kimberly Hulseley was named svp, distribution and strategy for TV One. She previously served as svp, legal affairs and HR strategy. -- Producer and distributor Cineflix tapped former AMC'er Christina Wayne as pres of its newly founded scripted entertainment division, Cineflix Studios.

**Honors:** Steve Schorr, Cox Las Vegas pres, public and govt affairs, was honored with the J Pat Finley Child Protection Lifetime Achievement Award at the annual State Clearinghouse/Nonprofit Organization National Conference. A key founder of NV Child Seekers, he has helped address the plight of missing children in Southern NV.

**Clarification:** Magna Global's 2010 forecast for local broadcast including political spending is for an increase of 18.4%. The +8.3% spike quoted in Mon's story excluded political.

**Business/Finance:** It's official. Nokia Siemens will buy Motorola's wireless networking equipment biz for \$1.2bln.

## CableFAX Daily Stockwatch

Company	07/19 Close	1-Day Ch	Company	07/19 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	35.94	0.97	ARRIS GROUP:	11.41	0.12
DISH:	19.16	0.48	AVID TECH:	12.01	0.00
DISNEY:	33.31	0.28	BIGBAND:	3.06	0.01
GE:	14.62	0.07	BLNDER TONGUE:	1.32	0.06
NEWS CORP:	14.39	0.25	BROADCOM:	37.16	1.17
<b>MSOS</b>					
CABLEVISION:	25.65	0.17	CISCO:	22.73	(0.02)
COMCAST:	19.01	0.47	CLEARWIRE:	6.53	0.02
COMCAST SPCL:	17.97	0.45	COMMSCOPE:	24.45	(0.3)
GC:	7.88	0.08	CONCURRENT:	5.05	(0.01)
KNOLOGY:	11.21	(0.02)	CONVERGYS:	10.24	0.04
LIBERTY CAPITAL:	44.13	0.18	CSG SYSTEMS:	18.36	0.33
LIBERTY GLOBAL:	27.69	0.35	ECHOSTAR:	19.29	(0.09)
LIBERTY INT:	11.20	0.16	GOOGLE:	466.18	6.58
MEDIACOM:	6.72	(0.01)	HARMONIC:	5.76	(0.01)
RCN:	14.90	0.03	INTEL:	21.59	0.57
SHAW COMM:	19.28	0.15	JDSU:	10.15	0.00
TIME WARNER CABLE:	55.71	1.61	LEVEL 3:	1.12	0.07
VIRGIN MEDIA:	18.06	0.38	MICROSOFT:	25.23	0.34
WASH POST:	436.12	10.22	MOTOROLA:	7.92	0.42
<b>PROGRAMMING</b>					
CBS:	13.86	0.33	RENTRAK:	25.37	0.07
CROWN:	1.76	0.01	SEACHANGE:	8.88	(0.02)
DISCOVERY:	35.43	0.44	SONY:	27.15	0.28
GRUPO TELEVISIA:	18.43	0.07	SPRINT NEXTEL:	4.62	0.06
HSN:	27.29	(0.2)	THOMAS & BETTS:	35.34	0.08
INTERACTIVE CORP:	22.61	0.11	TIVO:	8.08	0.15
LIBERTY:	35.63	0.07	TOLLGRADE:	6.33	0.03
LIBERTY STARZ:	53.12	0.92	UNIVERSAL ELEC:	17.16	0.49
LIONSGATE:	6.03	(0.06)	VONAGE:	2.20	(0.08)
LODGENET:	3.58	0.19	YAHOO:	15.10	0.20
NEW FRONTIER:	1.55	(0.1)	<b>TELCOS</b>		
OUTDOOR:	4.80	(0.04)	AT&T:	24.88	0.19
PLAYBOY:	5.34	(0.03)	QWEST:	5.56	0.12
SCRIPPS INT:	40.76	0.35	VERIZON:	26.72	0.03
TIME WARNER:	30.08	0.55	<b>MARKET INDICES</b>		
VALUEVISION:	1.64	(0.06)	DOW:	10154.43	56.53
VIACOM:	36.67	0.45	NASDAQ:	2198.23	19.18
WWE:	15.91	0.19	<b>TECHNOLOGY</b>		
<b>TECHNOLOGY</b>					
ADC:	12.60	0.08			
ADVANTAGE:	2.55	(0.1)			
ALCATEL LUCENT:	2.66	(0.01)			
AMDOS:	28.59	0.30			
AMPHENOL:	41.60	0.45			
AOL:	21.09	0.34			
APPLE:	245.58	(4.32)			

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## EYE ON INNOVATION

### Comcast... Anytime, Anywhere

Comcast's size and influence—soon to increase when the NBCU deal goes down—makes the MSO a de facto innovation leader. We asked CTO *Tony Werner* to walk us through the MSO's latest plans, strategies and projects.

#### In terms of innovation, what Comcast initiatives take up most of your time these days?

TW: These days, we're working on a range of projects at Comcast Labs from next-gen 3D to iTV to advanced content search and discovery. One example is the Xfinity Remote, which we first showcased on the iPad at the NCTA show in Los Angeles earlier this year. This will give customers more choice and control, and most importantly, a new and more convenient way to navigate and search the exploding number of video choices we offer today.

#### How is the authentication rollout proceeding?

TW: Very well. Fancast Xfinity TV is available today to millions of consumers across the country. We are working with over 30 cable networks to deliver cable content online at no additional cost to customers, who subscribe to networks like HBO, Starz, Cinemax, TNT, Discovery, BBC, A&E and more.

#### Consumers increasingly have their pick of set-tops. What's Comcast's strategy to compete?

We're continuing to enhance the customer experience. We are nearing completion of rolling out our new guide as well as using EBIF to enable new functionality and features. We have rolled out interactivity based upon the EBIF platform to nearly 20 million STBs and continue to have good response to those applications. Our Home Shopping Network, Remind Record, Request for Information and Caller ID applications have launched throughout most of the footprint and are extremely popular. As an example, Universal Caller ID is used an average of more than 600 million times a month. The Xfinity Remote will also take advantage of EBIF, and we're planning to roll out even



more iTV applications over the next 12 months.

#### Where do you see the innovation coming on the VOD side? What new features are you working on now?

We see innovation on several fronts, including day-and-date releases, 3D VOD and the ability to offer more and more content. We've also begun using a next-generation content distribution system, capable of storing and delivering hundreds of thousands of titles. Our new system can store an almost unlimited amount of video content based upon hierarchical caching, which allows us to easily expand the capacity of the system.

#### Any advice to vendors pitching Comcast?

On the Internet side, we think IPv6 adoption needs further support from the industry. We've already begun the first major customer IPv6 trials, and we've also helped create an open source reference implementation for companies preparing for the transition to IPv6. That said, vendors need to include IPv6 capability into their products, and content providers need to make their content available on IPv6.

#### Comcast's mobile app has gotten rave reviews. What else are you planning on the mobile front?

The Comcast mobile app with myDVR Manager is available today for iPhone and iPod touch devices. We'll continue to introduce the app on other devices and plan to roll out the Xfinity Remote app I mentioned earlier on the iPad. This is only the beginning of mobile app development. We're continuing to innovate in this area and will continue to develop products and applications that consumers can enjoy anytime, anywhere on multiple devices.

#### Looking out to the next couple of years, where do you see Comcast innovating the most on the tech front?

Over the next couple of years we'll continue to work to innovate in the IP space. Our fiber-based IP network will continue to deliver more converged products, more interactivity, more speed, more content and more ways to view and experience it.

### CableFAX WEBINAR

JULY 21, 2010 // 1:30-3:00 PM ET

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The cable industry has talked up interactivity for years, but now it's finally happening. And consumers—trained by years of using the Internet on a variety of devices—finally seem ready to take the plunge. But how will interactivity and advanced advertising work in the real world? What's the role of EBIF? And what's the status of cable's efforts to satisfy advertiser needs?

Register now for this *CableFAX* Webinar that will provide expert guidance on how cable operators and programmers use interactivity to increase revenue from advertisers, subscribers and perhaps even other untapped sources.