

CableFAX Daily™

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What the Industry Reads First

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Partisan Picking: FCC Broadband Report Further Divides

As the Beltway waited (and waited) for the FCC to release its Broadband Deployment Report Tues, some weren't waiting to trash its conclusion that broadband is not being made available to all Americans in "a reasonable and timely fashion." All of the FCC's previous reports, dating back to 1999, have concluded that broadband is being deployed to all Americans in a reasonable manner. "Saying the private sector alone can't blanket every inch of America with advanced telecommunications capability is one thing, but implying that it's stalled is baloney," said Ranking House Commerce member *Joe Barton* (R-TX), noting that the Commission has already stated that 95% of the country has access to broadband and that broadband subs have grown from 8mln to 200mln in 10 years. Dems took a different approach, focusing on that 5%—which represents 14-24mln Americans—doing without. "The statute requires more. It requires the agency to reach a conclusion about whether all—not some, not most—Americans are being served in a reasonable and timely fashion," said FCC chmn *Julius Genachowski*. "In other words, it requires a conclusion about whether the United States is on the road to achieving truly universal broadband availability, of the kind that our country achieved in the previous century with respect to traditional telephone service." Republican commish *Robert McDowell* called the report's reversal "unsettling," and could lead to something besides a light regulatory touch. That's exactly what "Third Way" classification-wary telecom companies are concerned about. "Instead of focusing on the great strides that America has made in broadband deployment, as the Act requires, this Report emphasizes subscribership," McDowell said in his dissent. Also dissenting was fellow GOP commish *Meredith Baker*. She shared McDowell's concerns and also took issue with the FCC's decision to decide broadband speed is 4Mbps downstream/1Mbps upstream vs 200kbps. The National Broadband Plan reports that more than half of consumers could purchase 4Mbps/1Mbps, but have concluded a slower speed is more than sufficient for their needs, she said. The report to Congress (a news release was released at 3:30pm ET Tues by the FCC, but the report wasn't posted publicly by our deadline) proposes reforming the universal service program to support broadband through public-private partnerships, unleashing spectrum for mobile broadband, reducing barriers to infrastructure investment and collecting better broadband data. Ahead of the report's release, **Public Knowledge** said it was

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expecting to see for “the 1st time a realistic assessment” of the state of broadband. “The fact that a large percentage of the population simply has access to broadband, and slow broadband at that, is not acceptable,” said pres *Gigi Sohn*. “That would be like saying that everyone has access to food if there is 1 grocery store in a town.”

I Think Icahn, I Think Icahn: *Carl Icahn* renewed his bid to acquire Lionsgate, offering \$6.50/share. That's a 7.8% premium to Mon's close, but 50 cents less than his prior tender offer, after which he ended up with control of 37.9% of shares. Lionsgate said it would consider the proposal, which is set to expire Aug 25 unless extended or withdrawn. Icahn's offer requires that the studio not engage in any acquisition of more than \$100mln (ahem, like the purchase of **MGM**) and that it repeal a poison pill enacted after Icahn's last offer. Lionsgate shares closed up more than 8% Tues to \$6.53. The company said Tues that it had completed a deleveraging transaction in which approx \$100mln of its sr subordinated notes were converted into common shares at an effective conversion price of \$6.20/share. That's part of its plan to reduce total debt.

Wireless: **Harbinger Capital Partners** and its affiliates are backing **LightSquared**, a new 4G wireless venture to compete with **Sprint**, **AT&T** and **Verizon Wireless**. It plans to pay **Nokia Siemens** \$7bln over 8 years to build and manage its network, with wireless broadband set to debut in 4 trial cities by early next year (Phoenix, Vegas, Baltimore and Denver). The planned wholesale nationwide network is another chance to resell mobile Internet to cable ops. FCC chmn *Julius Genachowski* jumped on LightSquared's announcement Tues, calling it proof that the FCC's policies are helping the US economy. LightSquared said it could create more than 100K private sector jobs within 5 years.

On the Hill: **House Commerce** is slated to mark up the 21st Century Communications and Video Accessibility Act Wed morning. -- Sen *Jim DeMint* (R-SC) is drafting legislation that would look to make it harder for the **FCC** to impose net neutrality regulations. Nothing has been introduced yet, but one draft version would force the Commission to prove consumers are being harmed by lack of choice before it could impose new regs. There would be a 5-year sunset on any regulations absent further justification.

Online: **Comcast** launched its latest local sports site, **CSNbaltimore.com**. -- **comScore** has improved its online video measurement service to include reporting of online video ad impressions, avg daily uniques, percentage of ads by time spent viewing video and content minutes per ad min. Also, the co plans to update the Gross Rating Point (GRP) metric in the coming months to further enable cross-media comparability with TV. Meanwhile, more than 177mln US Internet users watched video in Jun as **Google** and **Yahoo!** sites led in total uniques. **Fox Interactive** ranked 5th, **Viacom** 7th, **Turner** 8th and **Hulu** 10th. The latter site was tops in video ads viewed; CBS Interactive, **ESPN** and **Viacom** all cracked the metric's top 10.

Ratings: Last Tues' tearjerker “Deadliest Catch,” which was the late Capt *Phil's* final ep, was the most-watched cable show of the week, notching a 5.8HH rating/5.77mln HH delivery. The **Discovery** series bested **TNT's** “The Closer” and rising star “Rizzoli & Isles,” which were tied for 2nd with a 5.7 HH rating. **USA** held on to its #1 spot for the week in prime (2.5/2.44mln), followed by ad-free **Disney** (2.2/2.14mln), **TNT** (2.1/2.05mln), **Fox News** (1.6/1.53mln) and **ESPN** (1.4/1.4mln). ***Brag Book:*** **Animal Planet's** “Whale Wars” earned its best performance ever Fri, snagging a 1.3 HH rating and 1.7mln total viewers. -- Nice premiere last Mon for **Cartoon's** new series “Scooby Doo! Mystery Inc” (1.7 HH rating/1.68mln HHs). It ranked #1 in its 7pm time period among boys 6-11 (588K) and 2-11 (860K). -- The Mon (7/19) night premiere of **Lifetime's** “The Client List,” starring *Jennifer Love Hewitt* and *Cybill Shepherd*, notched 3.9mln total viewers and generated a 2.8 HH rating. Lifetime said it is the 2nd most-watched original movie premiere on cable, behind only its “Pregnancy Pact.”

Retrans Ruckus: **NAB** wrote its own letter to Reps *Steve Israel* (D-NY) and *Peter King* (R-NY), who circulated a “Dear Colleague” letter on the Hill last week seeking support for an NPRM on retrans at the **FCC**. “This fair, transparent and market-based system is working,” NAB said. “It is, therefore, of great concern to see your Dear Colleague letter state that viewers ‘either lose access to broadcast programming or must bear the increased costs of such programming in the form of higher cable and satellite rates.’ There is no evidence to support these assertions.”

Programming: **DirecTV** rescued “Damages,” partnering with **Sony Pictures** to produce 20 new eps to air exclusively on DirecTV over 2 consecutive seasons in '11 and '12. The *Glenn Close* drama spent seasons 1-3 on **FX**, where it had

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critical acclaim but no big ratings. DirecTV also picked up the rights to those past eps. -- **Oxygen** greenlit "The Aubrey O'Day Project," following the singer as she tries to return to the music biz. -- **Cartoon** ordered 10 eps of global game show, "Hole in the Wall," in which teams of families twist their bodies to fit through changing holes in the wall or be swept away into a pool of water.

Marketing: Penguin and Starz launched the "Amplified Edition" of *Ken Follett's* novel "The Pillars of the Earth" (\$12.99 for iPad users). It features video clips and music from the upcoming Starz mini based on the book. Updates will occur repeatedly while the series airs. Editions for the iPhone and iPod Touch will be available later this week.

People: Digital Furnace CTO Daniel Howard has been selected as **SCTE's** first-ever CTO. With more than 20 years experience, Howard co-authored the industry's DOCSIS 1.1 and 2.0 specs. -- **Cat Santarosa** was named evp, exec producer of **Entertainment Studios' MyDestination.TV**. She continues in her role as evp, exec producer of **Recipe.TV**.

On the Circuit: Richard De Witt, who was co-owner and pres of **Jack Frost De Witt Food Brokers**, will speak at the **Christians in Communications** breakfast during the **NCTC/ACA Independent Show**, Mon, Baltimore.

CableFAX Daily Stockwatch

Company	07/20 Close	1-Day Ch	Company	07/20 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	36.12	0.18	ARRIS GROUP:	11.41	0.00
DISH:	19.41	0.25	AVID TECH:	11.95	(0.06)
DISNEY:	33.40	0.09	BIGBAND:	3.09	0.03
GE:	14.94	0.32	BLNDER TONGUE:	1.28	(0.04)
NEWS CORP:	14.65	0.26	BROADCOM:	36.92	(0.24)
MSOS					
CABLEVISION:	25.48	(0.17)	CISCO:	23.05	0.32
COMCAST:	18.86	(0.15)	CLEARWIRE:	6.48	(0.05)
COMCAST SPCL:	17.86	(0.11)	COMMSCOPE:	24.51	0.06
GCI:	8.07	0.19	CONCURRENT:	5.06	0.01
KNOLOGY:	11.21	0.00	CONVERGYS:	10.41	0.17
LIBERTY CAPITAL:	44.74	0.61	CSG SYSTEMS:	18.52	0.16
LIBERTY GLOBAL:	27.84	0.15	ECHOSTAR:	19.52	0.23
LIBERTY INT:	11.39	0.19	GOOGLE:	481.59	15.41
MEDIACOM:	6.82	0.10	HARMONIC:	5.87	0.11
RCN:	14.91	0.01	INTEL:	21.65	0.06
SHAW COMM:	19.60	0.32	JDSU:	10.39	0.24
TIME WARNER CABLE:	55.29	(0.42)	LEVEL 3:	1.06	(0.06)
VIRGIN MEDIA:	18.08	0.02	MICROSOFT:	25.48	0.25
WASH POST:	428.82	(7.3)	MOTOROLA:	8.00	0.08
PROGRAMMING					
CBS:	13.87	0.01	RENTRAK:	25.44	0.07
CROWN:	1.76	0.00	SEACHANGE:	8.84	(0.04)
DISCOVERY:	35.81	0.38	SONY:	27.10	(0.05)
GRUPO TELEVISA:	18.47	0.04	SPRINT NEXTEL:	4.71	0.09
HSN:	28.17	0.88	THOMAS & BETTS:	36.15	0.81
INTERACTIVE CORP:	22.95	0.34	TIVO:	8.27	0.19
LIBERTY:	36.34	0.71	TOLLGRADE:	6.33	0.00
LIBERTY STARZ:	54.00	0.88	UNIVERSAL ELEC:	17.60	0.44
LIONSGATE:	6.53	0.50	VONAGE:	2.22	0.02
LODGENET:	3.52	(0.06)	YAHOO:	15.20	0.10
NEW FRONTIER:	1.57	0.02	TELCOS		
OUTDOOR:	5.03	0.23	AT&T:	24.79	(0.09)
PLAYBOY:	5.37	0.03	QWEST:	5.59	0.03
SCRIPPS INT:	41.33	0.57	VERIZON:	26.67	(0.05)
TIME WARNER:	30.28	0.20	MARKET INDICES		
VALUEVISION:	1.63	(0.01)	DOW:	10229.96	75.53
VIACOM:	36.99	0.32	NASDAQ:	2222.49	24.26
WWE:	16.08	0.17	TECHNOLOGY		
TECHNOLOGY					
ADC:	12.60	0.00			
ADVANTAGE:	2.51	(0.04)			
ALCATEL LUCENT:	2.64	(0.02)			
AMDOCS:	28.84	0.25			
AMPHENOL:	42.46	0.86			
AOL:	21.44	0.35			
APPLE:	251.89	6.31			

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