

CableFAX Daily™

Friday — July 22, 2011

What the Industry Reads First

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It's On: Focus Back to Ops as AT&T Kicks Off Earnings Season

AT&T added 202K net U-verse TV subs in 2Q to raise the platform's total to approx 3.41 mln while penetration sits at 15.5%. **Miller Tabak's David Joyce** noted the telco's loss of 34K co-marketed satellite subs, which "so far, keeps us satisfied with our cable company video subscriber estimates." That outlook includes YOY basic customer improvement for **Comcast, Time Warner Cable** and **Charter**, plus digital acceleration for **Charter**. With U-verse largely defined by soaring wireline rev growth (+57%) and its \$6.5bln annualized rev stream, AT&T sr evp/CFO **John Stephens** insists the platform has the telco "on the cusp" of overall wireline growth. Perhaps most impressive was the company's net addition of 439K U-verse Internet customers—well above estimates. Stephens underscored a notable influx of small business Internet customers, and said the broadband speeds it offers coupled with other business services proffers "a competitive advantage for us." **Sanford Bernstein's Craig Moffett** doused some of the bullishness, saying the "very strong" U-verse results "weren't enough to offset losses in legacy DSL (a very weak -451K, much worse than consensus of -190K)." Joyce contends AT&T likely retained a lot of those subs through upgrades, however, and Stephens said that while **LTE** will help stem the tide, the **T-Mobile** merger represents "the longer-term answer" to DSL's demise. As the telco added 162K U-verse Voice subs and shed approx 516K traditional voice lines, U-verse 3-play customers, who rep 75% of the platform's total sub base, pushed ARPU to \$170 (+8.3%). On the wireless side, AT&T delivered 1.1mln net adds, including 379K connected devices, and tallied 5.6mln smartphone sales. Smartphones now rep more than half of the telco's post-paid base. Wireless data rev increased 23% to \$5.4bln. **S&P** maintained its 'strong buy' opinion on AT&T shares, which gained 0.17% Thurs.

On the Hill: The **Congressional Budget Office** projected the Senate spectrum auction bill (**Cfax**, 6/9) would reduce budget deficits by \$6.5bln, less than the \$10bln proponents of the legislation had hoped. The projection raises "a higher hurdle to its passage in the Senate or as part of a broader bill to raise the debt ceiling," said **Stifel Nicolaus**. CBO estimates the legislation would raise \$24.5bln but incur \$18.5bln in new budget expenditures. -- The **Senate Commerce Subcmte** passed the **SAFE Data Act** by voice vote Wed. The measure enhances the protection of personal info by establishing uniform national standards for data security and data breach notification.

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AT&T-Mobile: Undeterred by opposition from **Sen Antitrust Subcmte** chmn *Herb Kohl* (D-WI) and other lawmakers, **AT&T** general counsel *Wayne Watts* believes the merger remains on track to close in 1Q12. “We simply disagree,” said Watts of Kohl’s stance, noting the senator is “not a decision maker.” The **FCC** is, and on Wed stopped the 180 day deal review clock because it has yet to receive info concerning the new models on which AT&T is relying “to bolster its arguments concerning the size of the efficiencies made possible by the merger as weighed against the potential anti-competitive effects.” Consumer groups continue to rail against the deal, with **Free Press** employing humor in a series of anti-deal ads available for viewing at www.attmobile.savetheinternet.com/video-vote.

Competition: **DirectTV** launched the HD version of **TeleFutura** in the Miami-Fort Lauderdale area.

Online: **Charter** rolled out **HBO Go** and **Max Go** for its customers who subscribe to the premium nets. The former service features more than 1,400 titles, the latter more than 400. -- **TheSportsmanChannel.com** debuted Thurs with new features including Web-exclusive videos, an increased social media presence and a new blog.

MMTC Conference Notebook: Conversation kept turning Thurs to **MMTC**’s support of the **AT&T-Mobile** merger, the org’s 1st such endorsement in its 25 year history. At its Access to Capital and Telecom Policy Conference, **Inter-Media Partners** chmn/CEO *Leo Hindery* announced his personal support of the merger and panelist *James Cicconi*, sr evp external & legislative affairs, AT&T, thanked **MMTC** for “deciding to endorse a merger for the first time... and I’m happy it was us.” -- As the only **FCC** commish present, *Robert McDowell* expressed his frustration with a delay in action and hinted without subtlety that he “want[ed] the diversity committee populated and put back to work.” -- “The barriers to entry are falling and they’re falling fast,” said *Aneesh Chopra*, CTO at **The White House**, in reference to minority and low income involvement in the coming “apps economy.” *Chopra* roused luncheon attendants with his enthusiasm for the govt’s commitment to “winning the future through open innovation” and a focus on greater public access to govt data and crowd-sourcing. Information Technology Industry Council pres/CEO *Dean Garfield* echoed that sentiment, saying “mobile technologies are our greatest opportunity right now to bridge some of the gaps in accessibility we’ve seen. So we should leverage it.” -- “Broadband is not a school uniform. It’s not something you’re going to impose on someone...we really have to focus on relevancy” for people to adopt, said *James Assey*, evp, **NCTA. USTelecom** pres/CEO *Walter McCormick* raised another challenge by saying “Facebook has a network bigger than ours and you’ll soon be able to do over ‘FB’ what you can do over any of our networks. But FB is free of regulation.” Regulation is also affecting spectrum availability, with **CTIA** vp, regulatory affairs *Christopher Guttman-McCabe* saying, “we will buy the spectrum but we can only do that if the govt makes it available.”

VOD: **Bollywood Hits On Demand** expanded its distribution through select market carriage on **Xfinity TV**, including more than 80% of the service’s VOD footprint, and **Time Warner Cable** carriage in NY/NJ. -- **HITS** now offers **Comcast Media Center**’s Express Lane content management solution to indie cable ops. The solution helps MSOs deliver locally-produced VOD programming without typical capex requirements.

Technology: London firm **Motive Television** unveiled “Video to Go,” a tech launching this fall to allow viewers to transfer recorded program files from set-tops to a 2nd screen such a mobile device without the need for an Internet signal. Ops and broadcasters can provision a branded device with social networking hook ups. A pilot program is ongoing at Granite Broadcasting’s **KOFY-TV** in San Francisco.

Comic-Con: With **iN Demand** in San Diego to heavily promote **Movies On Demand (Cfax, 7/18)** and myriad nets slated to spotlight programming via confab panels, **Comic-Con** kicked off Thurs with a “South Park” fan experience from **Comedy Central** and a **SpongeBob SquarePants** Tooncast Studio from **Nickelodeon**. Comedy’s featuring a life-sized replica of “SouthPark” Avenue, staging an outdoor parade and screening a never-before-aired pilot of the long-running show. The **SpongeBob** Studio allows fans to create their own show-based animations. Also on hand at the event that expects 130K attendees: **FX, Showtime, USA, Starz, AMC** and others.

Ratings: The 2nd season bow of **A&E**’s “Storage Wars” garnered a hefty 4.5mln total viewers, yet the subsequent ep delivered 5.1mln to mark the net’s most-watched series telecast ever. It now also ranks as the net’s most-watched telecast in history among 18-49s (2.9mln) and 25-54s (2.9mln).

BUSINESS & FINANCE

Programming: Sundance Channel announced original scripted project "Appropriate Adult," which is based on true events and spotlights a British serial killer. -- **Animal Planet** special "Heidi Fleiss: Prostitutes to Parrots" (July 31) looks at the former madam's care of more than 20 macaw parrots. -- **WE tv's** 1-hour series tentatively titled "The Shannen Doherty Project" (1Q) spotlights the former "90210" star's relationship with photographer *Kurt Iswarienko*.

On the Circuit: WICT announced the members of Classes 24 and 25 of the '11-'12 **Betsy Magness Leadership Institute**, sponsored by **WE tv**. More info at www.wict.org/PROGRAMS/BMLI/Pages/default.aspx.

Business/Finance: Comcast awarded its more than \$1bln media strategy and planning account to **Starcom MediaVest** and **GroupM** unit **Maxus**. Starcom will handle **Comcast Cable** and **NBCU's** theme parks, Maxus NBCU's domestic properties. -- **Blockbuster** announced plans to maintain the operations of 1,500 US stores and retain more than 15K store employees. -- **Nexstar Broadcasting** officially announced its exploration of strategic alternatives including a possible sale, and said it has retained **Moelis & Company** as financial advisor and **Kirkland & Ellis** as legal counsel.

CableFAX Daily Stockwatch

| Company | 07/21 Close | 1-Day Ch | Company | 07/21 Close | 1-Day Ch |
|------------------------------|-------------|----------|-----------------------|-------------|----------|
| BROADCASTERS/DBS/MMDS | | | | | |
| DIRECTV: | 52.01 | (0.47) | BIGBAND: | 2.26 | 0.01 |
| DISH: | 31.91 | 0.32 | BROADCOM: | 34.83 | (0.23) |
| DISNEY: | 40.74 | 1.38 | CISCO: | 16.35 | 0.53 |
| GE: | 19.16 | 0.37 | CLEARWIRE: | 3.18 | (0.02) |
| NEWS CORP: | 16.97 | 0.55 | CONCURRENT: | 6.40 | 0.05 |
| MSOS | | | | | |
| CABLEVISION: | 26.00 | 0.15 | CONVERGYS: | 13.21 | 0.21 |
| CHARTER: | 59.51 | 0.73 | CSG SYSTEMS: | 18.80 | 0.22 |
| COMCAST: | 24.58 | 0.49 | ECHOSTAR: | 35.90 | (0.31) |
| COMCAST SPCL: | 23.87 | 0.43 | GOOGLE: | 606.99 | 11.64 |
| GCI: | 12.29 | 0.20 | HARMONIC: | 6.46 | (0.6) |
| KNOWLOGY: | 14.36 | 0.25 | INTEL: | 22.81 | (0.18) |
| LIBERTY CAPITAL: | 85.87 | 1.79 | JDSU: | 14.66 | 0.07 |
| LIBERTY GLOBAL: | 44.05 | 1.54 | LEVEL 3: | 2.34 | 0.01 |
| LIBERTY INT: | 16.80 | 0.38 | MICROSOFT: | 27.09 | 0.04 |
| SHAW COMM: | 23.04 | 0.31 | MOTOROLA MOBILITY: | 25.19 | 2.78 |
| TIME WARNER CABLE: | 78.41 | 1.83 | RENTRAK: | 18.59 | 0.09 |
| VIRGIN MEDIA: | 27.97 | 1.27 | SEACHANGE: | 10.60 | (0.15) |
| WASH POST: | 427.45 | 10.60 | SONY: | 26.80 | 0.08 |
| PROGRAMMING | | | | | |
| AMC NETWORKS: | 38.29 | 0.97 | SPRINT NEXTEL: | 5.17 | (0.02) |
| CBS: | 29.23 | 0.49 | THOMAS & BETTS: | 54.60 | 0.40 |
| CROWN: | 1.87 | 0.02 | TIVO: | 10.08 | 0.09 |
| DISCOVERY: | 40.77 | 0.56 | UNIVERSAL ELEC: | 24.54 | 0.34 |
| GRUPO TELEVISIA: | 22.37 | 0.27 | VONAGE: | 4.17 | 0.10 |
| HSN: | 34.18 | 0.65 | YAHOO: | 13.59 | 0.11 |
| INTERACTIVE CORP: | 37.38 | 0.20 | TELCOS | | |
| LIBERTY: | 41.06 | 0.59 | AT&T: | 30.28 | 0.05 |
| LIBERTY STARZ: | 76.78 | 1.00 | VERIZON: | 37.57 | 0.24 |
| LIONSGATE: | 7.07 | 0.07 | MARKET INDICES | | |
| LODGENET: | 3.00 | (0.05) | DOW: | 12724.41 | 152.50 |
| NEW FRONTIER: | 1.43 | (0.05) | NASDAQ: | 2834.43 | 20.20 |
| OUTDOOR: | 6.98 | 0.12 | S&P 500: | 1343.80 | 17.96 |
| SCRIPPS INT: | 47.89 | 1.49 | | | |
| TIME WARNER: | 36.32 | 0.86 | | | |
| VALUEVISION: | 7.80 | (0.11) | | | |
| VIACOM: | 57.40 | 1.50 | | | |
| WWE: | 10.29 | 0.22 | | | |
| TECHNOLOGY | | | | | |
| ADVANTAGE: | 2.65 | 0.04 | | | |
| ALCATEL LUCENT: | 5.20 | 0.06 | | | |
| AMDOCS: | 31.77 | 0.21 | | | |
| AMPHENOL: | 50.56 | 0.41 | | | |
| AOL: | 19.19 | 0.28 | | | |
| APPLE: | 387.29 | 0.39 | | | |
| ARRIS GROUP: | 11.53 | 0.09 | | | |
| AVID TECH: | 18.35 | (0.34) | | | |



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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

No Family Affair

Re-airings of **History's** "American Pickers" have been scoring well for **Lifetime** in recent months, and the show's main characters can be seen promoting Lifetime's seemingly blueprint-following "Picker Sisters" (Aug 2). But Lifetime exec, programming *Robert Sharenow* insists the shows' differences stretch beyond the sex of the leads. Whereas *American* is a treasure-hunting vehicle, *Sisters* "is first and foremost a design show," he said. "Viewers will be riveted to see how [the hosts] transform things," like the hood of the car into a coffee table. Friends and home decorators *Tracy Hutson* and *Tanya McQueen* are no doubt attractive to men, and *Sharenow* believes they're "strong female appeal" will resonate with Lifetime viewers. That belief is important, what with Lifetime struggling a bit in ratings—prime viewership among women 18-49 fell 15% in 2Q—particularly compared to sibling *History's* white hotness. While it makes sense to bring some of that heat over to Lifetime through *American* and also "Pawn Stars," *Sharenow*, who transferred from A&E in Mar, believes Lifetime is set to rebound amid additional new programming. He likes the way "Roseanne's Nuts" and "Dance Moms" have performed out of the gate, and is excited about the prospects for "Against the Wall" (July 31). "There is a new dawn at Lifetime," said *Sharenow*. The net's about "unique characters that are doing story-driven things." Let's not forget about top-performers such as "Army Wives," "Drop Dead Diva" and "Project Runway," its 9th season currently in prod. Because the net hasn't "built on the [Runway] brand well enough in the past," said *Sharenow*, an offshoot featuring former contestants has been sewn up. Another fashion competition series is on the way, too. The key for Lifetime is a treasure trove of attention-grabbing series that can fill the schedule and drive viewership. *Sisters* may contribute to the net's discovery of that desired fortune, even if *Hutson* and *McQueen* often start with trash. *CH*

Highlights: "The Curious Case of Curt Flood," Thurs, 8:30p, **HBO**. Those who want to understand how baseball has evolved need to watch this doc, whose footage alone is spectacular. A complex personality, Flood's refusal to be treated like a piece of property paved the way for free agency, which today we take for granted. This excellent piece also serves as a farewell to *Ross Greenburg*, the **HBO Sports** president who resigned this week after 33 years and 51 Emmys. -- "Entourage," final season debut, Sun, 10:30p, **HBO**. Just when *Vince (Adrian Grenier)* and "Entourage" seem to have sobered up, a dry welcome home party is spiced up by a bevy of beautiful women. -- "Wonders of the Universe," Wed, 9p, **Science**. Rocker/physics prof *Brian Cox* has a talent for relating the complexities of the universe in this brilliant-looking 4-part series.

Notable: The next ep of "Curb Your Enthusiasm" arguably is one of the series' best, as *Larry David* plays a game of chicken with a romantic twist (Sun, 10p, **HBO**). -- **X Games 17** start Thurs, 3p, **ESPN3.com** with BMX Freestyle Park Elimination; at 7p coverage of Moto X Step Up begins on **ESPN, ESPN HD**. -- *Adam Richman* heads to Louisville, KY, and eats a horse, right? Actually, in this "Man vs Food Nation" ep, ice cream is the challenge (Wed, 9p, **Travel**). SA

| Basic Cable Rankings (7/11/11-7/17/11) Mon-Sun Prime | | | |
|--|------|-----|------|
| 1 | USA | 2.5 | 2468 |
| 2 | DSNY | 1.9 | 1861 |
| 3 | TNT | 1.8 | 1845 |
| 3 | HIST | 1.8 | 1831 |
| 5 | FOXN | 1.4 | 1432 |
| 5 | ESPN | 1.4 | 1376 |
| 7 | SYFY | 1.1 | 1081 |
| 7 | FAM | 1.1 | 1058 |
| 9 | FX | 1 | 1039 |
| 9 | A&E | 1 | 1032 |
| 11 | HGTV | 0.9 | 922 |
| 11 | NAN | 0.9 | 916 |
| 11 | ADSM | 0.9 | 884 |
| 11 | TLC | 0.9 | 881 |
| 11 | DISC | 0.9 | 862 |
| 11 | NKJR | 0.9 | 628 |
| 17 | TBSC | 0.8 | 823 |
| 17 | LIFE | 0.8 | 813 |
| 17 | FOOD | 0.8 | 800 |
| 17 | AMC | 0.8 | 774 |
| 17 | TVLD | 0.8 | 773 |
| 17 | TRU | 0.8 | 748 |
| 23 | HLN | 0.7 | 747 |
| 23 | MSNB | 0.7 | 680 |
| 23 | CMDY | 0.7 | 674 |
| 23 | BRAV | 0.7 | 642 |
| 23 | HALL | 0.7 | 579 |
| 28 | SPK | 0.6 | 610 |
| 28 | MTV | 0.6 | 600 |
| 28 | BET | 0.6 | 592 |
| 28 | LMN | 0.6 | 526 |
| 28 | ID | 0.6 | 451 |
| 33 | CNN | 0.5 | 470 |
| 33 | VH1 | 0.5 | 465 |
| 33 | EN | 0.5 | 454 |
| 33 | NGC | 0.5 | 374 |
| 37 | APL | 0.4 | 426 |
| 37 | DXD | 0.4 | 348 |
| 37 | TRAV | 0.4 | 343 |
| 40 | ESP2 | 0.3 | 344 |
| 40 | GSN | 0.3 | 250 |
| 40 | OXYG | 0.3 | 241 |
| 40 | SOAP | 0.3 | 232 |
| 40 | WE | 0.3 | 231 |
| 40 | INSP | 0.3 | 209 |
| 40 | NKTN | 0.3 | 201 |

*Nielsen data supplied by ABC/Disney

Most **CableFAX's** Powerful Women 2011 in Cable

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

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