

CableFAX Daily™

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What the Industry Reads First

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Still Fighting: HDNet's Cuban Shakes Up Indie Show

No big surprise, but **HDNet** founder *Mark Cuban* didn't mince words at the **Independent Show** in San Fran where he gave an impassioned plea for media independence, railed against big content companies that he said strong-arm small ops and vowed to keep educating lawmakers about preserving indie voices. "You don't look at earnings per share," he told attendees. "You look into the eyes of the people you work with." He said that despite his personal wealth, HDNet as a business also struggles against larger competitors and tries to hold down programming costs. "We feel the exact same pain, so we're working hard to come up with solutions," he said. Cuban slammed big media companies for bundling nets into discount packages, making it hard for indie ops to pick and choose channels to carry, noting that HDNet has started pushing hard to lobby D.C. on that issue. "We're doing our best to free up space because it's not right that you have to carry networks that nobody watches," he said, adding that it's wrong for those same companies to stream content that they're also charging ops to carry (HDNet doesn't stream). In a wide ranging discussion, Cuban also said he doesn't think **DirecTV** would ever give up the **NFL** Sunday Ticket package—even if the entire cable industry created a co-op to outbid the DBS op. "I have a very difficult time seeing DirecTV ever giving that up," he said, noting that it has become a primary retention tool. "I think they'd be terrified of what would happen." He also spoke more generally about how TV will evolve, arguing that traditional TV continues to be a simpler experience than retrieving content on the Internet. "You don't want to have to work to watch TV," he said. Cuban also projected optimism about the TV platform where he said interactivity and advanced advertising will flourish more than on the Internet, which involves competing standards. "There are still so many opportunities on the cable side," he said. Other tidbits: He said **Netflix** "is in great shape until somebody else decides to put cash up front" to pay content owners, at which time it will face new business realities and competition.

TV Everywhere: **Fox** announced that video distributors that participate in its online authentication service will have an exclusive 8-day window for new eps of Fox programs, beginning Aug 15. **DISH** will be the 1st to offer this service, with authenticated customers able to watch the programming the day after it airs on Dishonline.com, Fox.com or Hulu.com. Discussions are underway with other distributors.

More Indie Retrans: The **Independent Show** in San Fran might have been renamed the Retrans Show this year, as many of the sessions and private meetings have centered on efforts to win retrans reform in Washington. On Tues, **Cinnamon Mueller** senior counsel *Barbara Esbin* said action is unlikely this year, but noted that the pending proceeding "might have a tapering effect on the behavior of broadcasters in the upcoming cycle" because they don't want to give cable any case studies to use as ammunition with the **FCC**. Meanwhile, Cinnamon Mueller senior counsel *Bruce Beard* called "frightening" efforts by big networks to extract a portion of their affiliate stations' retrans



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revenue. "Your affiliate is going to be looking for even more compensation," he said, urging indie ops to watch out for the fine print in contracts and to be creative in asking for pricing flexibility (ex: ask for lower fees for broadcast basic customers). **ACA's Ted Hearn** walked attendees through local media strategies, urging more consistent and persistent contacts with local media that already hears from broadcasters all the time. "You need to put the broadcasters on the defensive for once," he said. "Start now. Don't wait. Building local media relationships is a year-round thing... Don't let the broadcasters tell your story." **Massillon Cable TV** pres **Bob Gessner** advised indies to also strengthen ties with local, state and federal politicians by offering PSAs, meet-and-greets and other services designed to connect them with constituents. "If I can put their name and face in front of constituents, then I want to do that," he said. "Make sure they know that you are the source of that recognition." But he said cable ops must be fair and comply with campaign laws. "You can't play favorites," he said. "You have to put aside your own personal political beliefs."

At the Portals: Here's your chance to weigh in on RSNs. The **FCC Media Bureau** is preparing a report on regional sports nets access and carriage as required by the '06 Adelphia order. Comments are due Sept 9 and replies Sept 26. The FCC must issue its report by Jan 13, '12, 6 months prior to the expiration of the RSN conditions in the Adelphia order. The order, which approved the purchase of Adelphia systems by **Time Warner Cable** and **Comcast**, includes program access conditions preventing the 2 MSOs from entering into any exclusive distribution agreements with existing and future affiliated RSNs and implemented a dispute resolution process that sends program access or carriage disputes with the 2 to an arbitrator. The Bureau is specifically looking for comments on the effectiveness of the dispute resolution process, the FCC's recent loosening of the terrestrial exemption and the ability of unaffiliated RSNs to gain carriage. Given TWC's **Lakers** RSN deal and Comcast's **NBCU** transaction, expect a lot of opinions.

Over-the-Airheads: **ACA** is backing **Nexstar** in its antitrust suit against **Granite**, saying it underscores the need for the FCC to step in and curb the formation of broadcast duopolies and triopolies through joint negotiating agreements. Nexstar filed suit against Granite, alleging that it will control the local ad sales market in Fort Wayne, IN, with stations affiliated with **Fox, NBC, ABC, CW** and **My Network TV**. Granite will pick up the Fox affiliation Aug 1, with Nexstar unable to reach a renewal with Fox. Granite has a shared services deal with **Malara Broadcasting**, which is an ABC and CW affil in the market. ACA doesn't often find itself on the same side as Nexstar. The independent cable op group is quick to note that while it agrees with the lawsuit, Nexstar forms joint negotiating agreements with **Mission Broadcasting** in 13 markets. "ACA believes that as a sign of faith in the merits of its argument that sharing agreements cause harm, Nexstar should cease coordinating retransmission consent negotiations with Mission in these markets immediately," ACA pres/CEO **Matt Polka** said.

Charter[ing] a New Course: Longtime **Cox** exec **Jay Rolls** joins **Charter** next month as svp, CTO. Rolls, a Science and Tech Vanguard winner in '09, was most recently svp, technology at Cox. He replaces **Marwan Fawaz**, who left Charter in March. Former Cox CTO **Chris Bowick** has been serving as interim CTO. "Charter is making significant investments in our infrastructure to improve reliability, offer more advanced products and enhance the overall experience for our customers," said Charter evp, technology and pres, commercial services **Don Detampel**. "We're very pleased to have an industry veteran of Jay's caliber lead these efforts. He has a natural affinity for collaboration that will help ensure our product, technology and operations teams work closely together to exceed our customers' expectations."



Communications Technology, the premier B2B brand serving voice, video and data service providers, unveils the 2011 Communications Technology Platinum Awards, recognizing and honoring the broadband industry's most innovative hardware, software, service, & PR marketing initiatives – the crème de la crème, as judged by a blue-chip panel of experts from within and outside the industry.

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Advertising: **Chrysler** and **Kraft** are the initial advertisers in **Comcast** and **NBCU's** partnership to use dynamic ad insertion for on demand programming. Content from **USA, E!, Syfy, Bravo** and **Oxygen** that airs On Demand on Comcast systems will be part of the rollout, which will initially focus on ads that run prior to and after a show. Dynamic mid-rolls are slated for later in the year. Content from additional NBCU nets is expected to be added to the service in the coming months. Rollouts in several Comcast markets are underway already, with expansion to a majority of markets planned in the coming year. The MSO is using **Black Arrow** technology and will make VOD ad insertion available to other networks by '12 in coordination with **Canoe Ventures**.

Indy Show Notebook: Indie cable ops might want to watch out for new competitors offering content in the cloud but face little threat from the likes of **Google**, said **Laura Martin**, founder and managing partner of **Media Metrix**. At the Independent Show in San Fran, Martin also predicted that large MSOs will become a competitive threat to indies within 10 years as they step outside their footprints to create nationwide IPTV networks. That, along with other factors, means that indie ops should offer smaller and cheaper video bundles—while making most of their money from selling broadband services. -- **Avail-TVN** announced “Linear Complete,” a fully managed MPEG-4 content delivery solution. The company bills the hosted solution as a cost-effective way for bandwidth-constrained operators to add HD and next-gen services. -- **NCTC** inked an agreement with Montreal-based **Stingray Digital** for distribution of its **Galaxie** continuous music service. Galaxie serves close to 10mln HHs in N America, S America and the Caribbean, and includes 50 commercial-free channels. NCTC members also may access Stingray's VOD service **Concert TV**, available in more than 30mln homes. -- **New-Wave** and **Massillon** will launch **Comporium's** smart home mgmt and security system, “iControl.” In addition to home security features, the system can control lighting, appliances and energy. -- **HITS** and **Arris** announced price reductions on VOD alternative VOD In a Box, saying that price cuts on hardware can save ops up to 38% on their capital investment in the service. Product enhancements include an increase in base storage capacity, as well as the ability for operators to add incremental storage to reach the full 3,300 hours of content available from VODIAB. -- We'll give the Creative Booth Stunt award at the Indie Show to **Ovation**, which brought in dancers to promote its deal to air seasons 6-8 of **Fox** hit “So You Think You Can Dance” starting in Aug. The dancers shimmied up and down the small exhibit hall, drawing plenty of stares and attention. And that's what it's all about. . .

Carriage: **Comcast** is expanding the carriage of 8 Hispanic nets by approx 14mln subs. As part of its **NBCU** acquisition, the MSO agreed to increase distribution of at least 3 nets that are American Latino-owned or target the Latino community by at least 10mln digital basic subs. The 8 nets that have expanded carriage are: **Azteca America, Galavisión, HITN, LATV, mun2, Telefutera, Telemundo** and **Univision**. The increased carriage will primarily be achieved by adding channels to new systems and markets. -- **AT&T U-Verse** and **Blue Ridge Comm** have launched **Starz 3D On Demand**, bringing to 4 the number of affils offering the service (Comcast and Verizon also have it). There is no extra charge for Starz subs. Films for the net include “Alice in Wonderland 3D” and “Toy Story 3 3D.”

Survey Says: All of the participants in **CTHRA's** Benefits Survey provide retirement plans, with 67% of the MSO participants and 62% of the programmers offering defined benefits plans— a more traditional pension plan where payouts are determined by personalized factors such as length of employment vs a defined contribution plan (such as 401K). All but one respondent also offers a defined compensation plan. CTHRA's survey determined on avg that MSOs matched \$3600 per employee contribution and programmers matched \$4145. 19 companies participated in the confidential survey in 1Q: **Bright House, Cablevision, Charter, Comcast, Insight, Time Warner Cable, A&E TV Nets, CBS, Crown Media, C-SPAN, Discovery, HBO, HBO Latin America Production Services, NBCU, Rainbow, Scripps Nets, Starz, Weather Channel** and **Turner**. Results were released to participants in Apr and the industry at large this week. CTHRA will hold a webinar Aug 9 to discuss the survey in more detail (www.cthra.com).

Ratings: “Curb Your Enthusiasm's” audience grew for the 3rd straight week, making Sun's ep the most-watched of the **HBO** series in more than 7 years (2.4mln viewers for 10pm airing; 2.9mln factoring in the encore). The debut of “Entourage's” final season was viewed by 3.2mln viewers across both plays Sun (up 4% from last season), while “True Blood's” 5th ep delivered a season high 6.6mln gross viewers (5.3mln at 9pm). -- Sun was good to **Bravo**, with “Real Housewives of NJ” earning its highest-rated ep of the season to-date, 2.9mln total viewers. -- Under a multi-year deal, **Kantar Media** will provide **Nielsen** with **DirecTV** set-top box data from its DirecTVView service for use in local TV audience measurement. Nielsen said this is 1 of many sources it's incorporating into efforts to provide higher quality local TV measurement.

Programming: Lawyer duo “Franklin & Bash” return to **TNT** next summer for a 10-ep, 2nd season. The show has drawn 3.9mln viewers in Live + 7 since its June 1 premiere. -- **Anthony Bourdain's** latest, “The Layover,” follows the **Travel Channel** personality as he spends 24-48 hours in a city and shows viewers in high speed the best of the US,

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Asia and Europe before time runs out. The weekly, hour-long show is expected to air in 4Q. -- **AMC** makes an offer you can't refuse, hosting its 1st "Mob Week" Aug 1-7, featuring classics such as "The Godfather" and "Scarface." Former NYC mayor *Rudolph Giuliani* hosts. -- **TLC's** longest running prime time series, "What Not to Wear," returns Aug 16 at 9pm for its 9th season.

On the Circuit: **AMC** Nets CEO *Josh Sapan* will ring the opening bell at the **NASDAQ** MarketSite Wed morning. -- **Motorola Mobility** chmn/CEO *Sanjay Jha* and **Cox** pres *Pat Esser* will have a "candid conversation" on the future of cable telecommunications at **SCTE Expo's** opening session, Nov 15, Atlanta. -- **ABC News** legal analyst *Dan Abrams*, **NCTA** chief *Michael Powell* and gender diversity experts *Jan Combopiano* and *Joanna Barsh* have been added to the roster of speakers for the **WICT Leadership Conference**, Oct 3-4, NYC.

People: *Jesus Perezagua* was promoted to pres, **Fox International Channels** Europe & Africa. The promotion adds 15 TV channels and online businesses in the UK and Africa to Perezagua's responsibilities. Perezagua will report to *Hernan Lopez*, FIC and NGC Intl CEO. Also within FIC, *Jason Thorp* was upped to evp of content, FIC Europe & Africa. -- **Oxygen Media** named *Galen Jones* as svp, Oxygen Research.

CableFAX Daily Stockwatch

Company	07/26 Close	1-Day Ch	Company	07/26 Close	1-Day Ch
BROADCASTERS/DBS/MMDS			BIGBAND:2.10.....(0.11)		
DIRECTV:	52.06	0.40	BLNDER TONGUE:	1.76	(0.02)
DISH:	31.57	(0.12)	BROADCOM:	38.20	3.29
DISNEY:	40.51	(0.05)	CISCO:	16.29	0.01
GE:	18.56	(0.4)	CLEARWIRE:	2.87	(0.07)
NEWS CORP:	16.63	(0.05)	CONCURRENT:	6.40	(0.01)
MSOS			CONVERGYS:	13.05	(0.13)
CABLEVISION:	25.49	(0.06)	CSG SYSTEMS:	18.25	(0.29)
CHARTER:	58.99	(0.13)	ECHOSTAR:	35.78	(0.41)
COMCAST:	25.24	0.21	GOOGLE:	622.52	3.54
COMCAST SPCL:	24.33	0.15	HARMONIC:	6.17	0.14
GCI:	11.54	(0.46)	INTEL:	22.89	(0.14)
KNOLLOGY:	13.95	(0.13)	JDSU:	15.00	0.26
LIBERTY CAPITAL:	83.43	(1.39)	LEVEL 3:	2.23	(0.12)
LIBERTY GLOBAL:	43.70	0.21	MICROSOFT:	28.08	0.17
LIBERTY INT:	16.81	(0.03)	MOTOROLA MOBILITY:	24.60	0.06
SHAW COMM:	22.90	0.05	RENTRAK:	18.13	(0.26)
TIME WARNER CABLE:	77.95	(0.5)	SEACHANGE:	9.91	(0.32)
VIRGIN MEDIA:	28.15	0.04	SONY:	26.40	0.09
WASH POST:	426.80	0.29	SPRINT NEXTEL:	5.18	0.03
PROGRAMMING			THOMAS & BETTS:	52.54	(1.72)
AMC NETWORKS:	37.62	(0.01)	TIVO:	9.83	(0.18)
CBS:	28.80	(0.34)	UNIVERSAL ELEC:	23.91	(0.09)
CROWN:	1.81	(0.02)	VONAGE:	4.03	(0.11)
DISCOVERY:	39.91	(0.14)	YAHOO:	13.94	0.25
GRUPO TELEVISA:	22.30	0.02	TELCOS		
HSN:	34.54	0.19	AT&T:	29.94	0.03
INTERACTIVE CORP:	37.79	(0.3)	VERIZON:	36.28	0.06
LIBERTY:	40.41	(0.21)	MARKET INDICES		
LIBERTY STARZ:	77.79	(0.14)	DOW:	12501.30	(91.5)
LIONSGATE:	7.11	(0.06)	NASDAQ:	2839.96	(2.84)
LODGENET:	3.02	(0.01)	S&P 500:	1331.94	(5.49)
NEW FRONTIER:	1.41	(0.01)	TECHNOLOGY		
OUTDOOR:	6.80	UNCH	ADVANTAGE:	2.57	(0.01)
SCRIPPS INT:	48.07	0.09	ALCATEL LUCENT:	5.23	0.09
TIME WARNER:	36.69	(0.01)	AMDOCS:	31.67	0.14
VALUEVISION:	7.69	(0.1)	AMPHENOL:	50.86	0.05
VIACOM:	57.13	0.02	AOL:	18.66	(0.25)
WWE:	10.10	0.01	APPLE:	403.41	4.91
TECHNOLOGY			ARRIS GROUP:	11.39	UNCH
ADDVANTAGE:	2.57	(0.01)	AVID TECH:	13.12	(0.35)
ALCATEL LUCENT:	5.23	0.09			
AMDOCS:	31.67	0.14			
AMPHENOL:	50.86	0.05			
AOL:	18.66	(0.25)			
APPLE:	403.41	4.91			
ARRIS GROUP:	11.39	UNCH			
AVID TECH:	13.12	(0.35)			

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