

CableFAX Daily™

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What the Industry Reads First

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Authentic Concerns: Indie Show Mulls TV Everywhere's Many Faces

Cable authentication is expensive, complicated and disruptive—and absolutely necessary. That was the basic message that indie ops got on Tues at **ACA** and **NCTC's Independent Show** in Baltimore where ops, programmers and vendors explained **TV Everywhere's** mysterious physics, which many hope will lead to content Nirvana. Why bother? "Your competitors are offering TV Everywhere-like content, and they're using your network to do it," noted NCTC vp, technology *Alan Tschirner*. *Michael Quigley*, **Turner** vp, business development and multi-platform distribution, predicted "full participation" among programmers for TV Everywhere by early next year, noting that Turner's goals include improving video quality, increasing the number of titles available and creating shorter windows to release linear content online. **Avail-TVN** CTO *Michael Kazmier* said authentication must take "really complicated business rules" and boil them down to a user-friendly experience. He suggested leveraging existing dynamic ad insertion specs for VOD into authenticated online environments while **Synacor** dir, TV video *Jim Brandt* urged ops to bring the online world's "search and discovery" aspect to VOD by allowing authenticated users to set up "watch lists" on their PC and then access them through their VOD menus in the living room. "How do we not reinvent the wheel here?," said Kazmier. But all of the above is easier said than done, and several programmers in a separate panel seemed reluctant to extend the TV VOD experience, which many have criticized as clunky and hard to navigate. "We don't want to go down the TV VOD path," said *Tamara Simpkins Franklin*, svp, affiliate strategy and business development at **Scripps Networks**. "For us to put a bunch of content up there and nobody can find it—doesn't really help us a lot." **Discovery** svp, digital media distribution *Rebecca Glashow* also recounted VOD frustrations, adding that "there has not been enough effort to get dynamic advertising out there in a big way." As for authentication, "we should be able to evolve this to take more advantage of the advertising opportunities." Meanwhile, she said Discovery continues to focus on short-form online content because its non-fiction content tends to have a long shelf life, and "we don't want to kill the value of our network."

Analyze This: The **Independent Show's** financial panel with **Media Metrics'** chief *Laura Martin* usually is a lively affair. It was Tues when Martin knocked **Cablevision's Bresnan** buy, saying CVC will get its "ass handed to" it. The NY-based MSO has been operating "in one of the wealthiest communities" in the US, where subs don't have the financial

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constraints of most Americans, she said. An expensive bundle won't sell as well in smaller communities, Martin believes. CVC declined comment. Analyst *David Joyce* of **Miller Tabak & Co** agreed CVC is "buying growth" in Bresnan. The MSO believes it can replicate the high penetration rates it gets for the triple play in the NY area. He didn't say if he thought CVC could do so. Martin also argued "video is dead [for operators]...programmers have destroyed it" by putting so much free content online. As such she blasted "anyone in this room" who's paying for **ESPN3**. To protect against the Internet onslaught, Martin urged **ACA** and **NCTC** attendees to boost their commercial services, which usually "trails" the disruption on the consumer side. In addition she pushed high-speed and 2-way access as a way to protect against the Internet "disruption." She's also somewhat positive on 3D and **Comcast** and **Time Warner Cable's** proposal to make theatricals available on VOD for around \$40 within 6 weeks of opening. Joyce countered Martin's 'video is dead' line as he touted interactive advertising, small-business services and DVR. But he urged operators to "upgrade...go all digital as soon as you can" and integrate EBIF and DOCSIS 3.0 to get ready for interactive advertising. Home security and cell tower backhaul also provide good business prospects for cable ops, he said.

Broadband: **Comcast** is the top residential ISP based on download speed performance, according to **Ookla's** expanded **Net Index**, which henceforth will provide ISP ratings gleaned from more than 1mln daily tests on Ookla's **Speedtest.net**. Following Comcast in the initial rankings were **Charter**, **Optimum Lightpath**, **MidContinent** and **Road Runner**. The top ISPs based on upload speeds were **SureWest**, **Verizon**, **AT&T Worldnet**, Comcast and **Cox**. Ookla cited preliminary data in noting \$47.32 as the current avg monthly cost for broadband in the US, with an avg cost of \$5.06/Mbps.

Indy Show Notebook: *Gigi Sohn* came to Baltimore and asked **Independent Show** attendees just what the big problem is with **FCC** Third Way broadband reclassification proposal and got an earful. The indie ops weren't buying the **Public Knowledge** pres' argument that reclassification would benefit them with number portability and other competitive issues. One rural op told her that her company's pole attachment rates under Title II would jump from \$2/pole to \$8-\$10 and put her out of business. "It's my understanding that's not part of what the [FCC] chairman is proposing, but I need to look more at that," Sohn said, explaining that pole attachments aren't something she's very familiar with. However, she added that, "I don't think my organization is opposed to carve-outs for small businesses." -- **ACA** members re-elected **Wave Broadband** COO *Steve Friedman* as chmn and **Harron** CEO *James Bruder* as vice chmn for 2-year terms. Elected to the board for the next 3 years were: **WOW!** chief *Colleen Abdoulah*, **Boycorn** pres *Patricia Jo Boyers*, **Shen-Heights TV** pres/CEO *Martin Brophy* and **Massillon** pres *Robert Gessner*. -- Indy Show lunch speaker *Sean Hannity* warned that liberals would be offended by his speech. He was right, with the **Fox News** conservative talk show host railing against *Obama* and his admin. But much of Tues' crowd seemed to like it, with several members giving him a standing ovation.

At the Portals: The **Fair Access to Content & Telecom Coalition**, **Natl Telecom Coop Assoc** and the **Western Telecom Alliance** are supporting **ACA's** request for more time to review **Comcast-NBCU's** 599 page **FCC** filing defending their \$30bln transaction. -- The **FCC** launched a Consumer Help Center (www.fcc.gov/consumers) to provide info about different issues in telecom, get tips on purchasing communications devices and services, file complaints, test broadband speeds and more.

On the Hill: The **House** passed the 21st Century Communications and Video Accessibility Act Mon. Aimed at making sure those with disabilities have access to broadband, video and other communications services, it includes caption-

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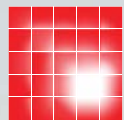
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ing any online video that's closed captioned on TV and restoring the FCC's video description rules that were thrown out by the courts in '02. A Senate version of the bill was approved by the **Sen Commerce** cmte. -- Rep *Carolyn Maloney* (D-NY) has asked the **FCC** to move as "quickly as possible" to update retrans consent rules. In a recent letter to FCC chmn *Julius Genachowski*, she warns that some retrans consent agreements in NY are scheduled to expire. **Time Warner Cable** could lose its **Disney** O&O stations, including ABC 7 in NY, if a new deal is not reached by Sept 2.

Oops: **Atlantic Broadband's** CEO is *Ed Holleran*.

Business/Finance: On the eve of big cable's earnings season—**Comcast** is 1st up Wed—shares of **CMCSA**, **Time Warner Cable**, **Mediacom** and **Cablevision** all fell. But even if **Verizon** and **AT&T** have rallied since reporting last week, **Wells Fargo Securities'** *Marci Ryvicker* believes "the tone of the telcos suggest cable should fare best in this seasonally weak quarter." Among the analyst's outlook: Comcast will tout **Xfinity** as it continues to gain traction, TWC may announce a share repurchase program (perhaps \$2bln), and CVC may beat expectations. -- **Disney's Steamboat Ventures** joined in a \$7.5mln Series B financing round for **Elemental Technologies**, a provider of massively parallel video processing solutions.

CableFAX Daily Stockwatch

Company	07/27 Close	1-Day Ch	Company	07/27 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	37.42	(0.08)	AVID TECH:	13.66	0.19
DISH:	20.14	(0.04)	BIGBAND:	3.22	0.00
DISNEY:	34.28	(0.12)	BLNDER TONGUE:	1.21	(0.11)
GE:	16.18	0.04	BROADCOM:	37.53	(0.68)
NEWS CORP:	14.96	(0.19)	CISCO:	23.30	(0.31)
MSOS					
CABLEVISION:	26.26	(0.21)	CLEARWIRE:	7.10	0.16
COMCAST:	19.32	(0.15)	COMMSCOPE:	26.37	(0.83)
COMCAST SPCL:	18.26	(0.12)	CONCURRENT:	4.99	0.04
GCI:	8.67	(0.15)	CONVERGYS:	10.93	0.06
KNOLOGY:	11.92	(0.13)	CSG SYSTEMS:	19.26	(0.3)
LIBERTY CAPITAL:	46.60	(0.67)	ECHOSTAR:	19.77	(0.01)
LIBERTY GLOBAL:	28.58	(0.26)	GOOGLE:	492.63	3.66
LIBERTY INT:	11.68	(0.27)	HARMONIC:	6.30	(0.14)
MEDIACOM:	7.30	(0.08)	INTEL:	21.58	(0.13)
RCN:	14.92	0.00	JDSU:	10.96	(0.24)
SHAW COMM:	19.52	(0.28)	MICROSOFT:	26.16	0.06
TIME WARNER CABLE:	55.59	(1.51)	MOTOROLA:	7.74	(0.12)
VIRGIN MEDIA:	19.52	(0.08)	RENTRAK:	25.76	(0.53)
WASH POST:	430.77	(0.95)	SEACHANGE:	9.03	(0.45)
PROGRAMMING					
CBS:	14.88	(0.12)	SONY:	29.72	0.87
DISCOVERY:	37.98	(0.31)	SPRINT NEXTEL:	4.83	(0.22)
GRUPO TELEVISA:	18.82	(0.21)	THOMAS & BETTS:	40.25	(0.45)
HSN:	29.09	(0.77)	TIVO:	8.93	(0.25)
INTERACTIVE CORP:	23.73	(0.46)	TOLLGRADE:	6.25	(0.06)
LIBERTY:	37.17	0.04	UNIVERSAL ELEC:	18.47	(0.2)
LIBERTY STARZ:	55.17	(0.45)	VONAGE:	2.38	(0.04)
LIONSGATE:	7.00	0.10	YAHOO:	13.95	(0.2)
LODGENET:	4.15	(0.09)	TELCOS		
NEW FRONTIER:	1.57	0.03	AT&T:	26.15	0.19
OUTDOOR:	6.01	0.34	QWEST:	5.64	(0.02)
PLAYBOY:	5.39	(0.05)	VERIZON:	28.59	0.31
SCRIPPS INT:	42.24	(0.72)	MARKET INDICES		
TIME WARNER:	31.72	(0.04)	DOW:	10537.69	12.26
VALUEVISION:	1.82	0.08	NASDAQ:	2288.25	(8.18)
VIACOM:	37.09	(0.67)	TECHNOLOGY		
WWE:	16.06	(0.3)	ADC:	12.70	0.05
TECHNOLOGY					
ADDVANTAGE:	2.85	0.10	ALCATEL LUCENT:	2.76	(0.02)
AMDOCS:	27.43	(0.17)	AMPHENOL:	45.05	(0.79)
AOL:	21.26	0.46	AOL:	21.26	0.46
APPLE:	264.08	4.80	APPLE:	264.08	4.80
ARRIS GROUP:	11.92	(0.16)	ARRIS GROUP:	11.92	(0.16)



Most Influential Minorities in Cable

Celebrate Diversity Week! This issue profiles CableFAX's most influential minorities in cable and the winners of NAMIC's EMMA Awards (Excellence in Multicultural Marketing Awards) and the Top 10 Places to Work in Cable.

Distribution: NAMIC and CableFAX Breakfast Honoring the 2010 Most Influential Minorities in Cable; Kaitz Dinner; WICT Conference.

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