

# CableFAX Daily™

Thursday — July 28, 2011

What the Industry Reads First

Volume 22 / No. 144

## Pac-12: Comcast, Cox, TWC & Bright House Ready For Launch

It won't just be a **Pac-12 Net**. It'll be Pac-12 Nets, with the Conference announcing Wed the creation of a national network and 6 regional nets in conjunction with **Comcast, Time Warner Cable, Cox** and **Bright House**. **In Demand** will provide certain production and operations services, but the channels will be wholly owned by the Pac-12 Conference (formerly the Pac-10). The 6 regional networks will be established in Northern CA, Southern CA, OR, WA, AZ and Mountain regions. "As we explored the potential for a Pac-12 network, it became clear that we could customize programming towards local interests and provide our students, alumni, and many fans the widest possible range of events with the best opportunity to see the schools they care about most," said Pac-12 commissioner *Larry Scott*. The deal with the 4 MSOs guarantees Pac-12 Nets nearly 40mln homes at its Aug '12 launch. Deals are expected to be completed with other MVPDs, including satellite and telcos. The arrangement also includes TV Everywhere rights. Time Warner Cable's fingerprints are all over the deal, with Scott praising content chief *Melinda Witmer* (who is also chmn of In Demand) for bringing in In Demand. "This innovative deal demonstrates the strengths of the cable platform, and the unique ability we have to provide deep local, regional and national programming on multiple platforms and multiple devices—giving our customers the ability to watch their favorite teams anywhere," Witmer said. TWC is prepping its own **Lakers** RSNs and recently created a new sports division. In May, the Pac-12 announced a \$3bln TV rights deal with **ESPN** and **Fox** that spans 12 years. The Pac-12 nets will eventually telecast 860 live events (350 national feed; 500 regional), including every football game and men's basketball game not carried by Fox or ESPN. The Conference also promises unprecedented exposure for women's sports, educational and lifestyle programming.

**In the Fox Hole:** The dust continues to settle after **Fox's** announcement late Tues that it would limit viewing of new shows online for at least 8 days after they are broadcast. Only pay TV subs who authenticate their subscriptions would have access to the content, with **DISH** the 1st provider on board. "This model may or may not become a template for others, but it is an unmistakable straw in the wind," said **Sanford Bernstein's** *Craig Moffett*, who expects content companies to be more restrictive with programming in the face of OTT fears. Pre-

## CableFAX's Most Powerful Women in Cable 2011

### 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: **August 5, 2011**  
Nominate Now at: [www.cablefax.com/2011powerfulwomen](http://www.cablefax.com/2011powerfulwomen)

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**Publication Date:** November 2011

19105

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax: 301.738.8453 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 301.354.1790, mgrebb@accessintel.com ● Senior Online Editor: Chad Heiges, 301.354.1828, cheiges@accessintel.com ● Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Contributor: Seth Arenstein ● Publisher: Debbie Vodenos, 301.354-1695, dvodenos@accessintel.com ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Marketing Dir: Carol Brault, 301.354.1763, cbrault@accessintel.com ● Prod: Joann Fato, 301.354.1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Subs/Client Services: 301.354.2101, fax 301.309.3847 ● Group Subs: Carol Brault, 301.354.1763, cbrault@accessintel.com

sumably, the move could prevent cable subs from viewing 1st-run shows online immediately after airing if their MVPD's retrans contract with Fox expired, a la last Oct's **Cablevision-Fox** showdown. Consumer group **Public Knowledge** said it was disappointed with Fox's decision, which means no more **Hulu** streams the day after a show airs. "Services like Hulu have the potential to help programmers create alternate sources of distribution to loosen their bonds with contentious cable companies and to give consumers different ways of having access to favorite shows," PK said. "Now it appears as if big media companies are going to revert to the old ways, behind walled gardens. The consumers will be the ultimate losers."

**At Our Deadline:** **Comcast** responded to **Bloomberg's FCC** complaint that the MSO is refusing to implement a neighborhooding condition that it says the FCC imposed on the Comcast- **NBCU** merger (*Cfax*, 6/14). Comcast's rebuttal is that Bloomberg isn't attempting to remedy anything and is instead trying to use the order to change its longstanding channel lineups to its advantage. Comcast noted that it has continued to expand **Bloomberg TV's** distribution since the NBCU transaction was announced and claimed that Bloomberg's definition of "neighborhooding" is inconsistent with its own advocacy before the FCC.

**Competition:** Keep an eye out for **DISH** commercials. The DBS provider selected **Barton F Graf 9000** as its creative agency of record—its 1st agency of record in the last 6 years after working in-house and with outside agencies on a project basis. DISH CMO *Ira Bahr* said the engagement of BFG9000 is a key part of the company's "march toward more aggressive growth" across its businesses. -- **Nickelodeon** and **Verizon** have partnered to offer **FIOS TV** and Internet subs an exclusive **SpongeBob SquarePants**-themed game widget. The interactive widget allows viewers to play the games, displayed on the left-hand side of their screen, while still watching their favorite Nick shows. The widget includes a **Build-a-Bob** character building game, a **SpongeBob ShufflePants** puzzle game, an **Under My Rock** matching game and an **X Marks the Spot** tic-tac toe game.

**Carriage:** English-language Asian pop network **Mnet** launched in Northern CA Wed as part of **Comcast's D1 Digital Tier**. Already in more than 30 DMAs, Mnet expects to go from 8mln to 10mln homes by the end of Aug, according to CEO *Adam Ware*. In an attempt to be accessible to more viewers, Mnet isn't charging subscription fees for basic digital carriage. "Our model is to unlock the advertising dollars but we can't do that if we're on some international or packaged tier," Ware said. "Our belief is there's this huge opportunity to unlock these advertising dollars and the only way you can do that is by providing the advertisers a national solution." Ware said there is \$3bln spent annually on TV advertising to reach \$850bln in Hispanic buying power and only \$30mln spent to reach the \$500-550bln in Asian buying power. "So either someone's overspending in targeting Hispanics or really not effectively reaching Asian Americans as evidenced by the fact they're not spending money to do it," said Ware. "With so many different languages people began to assume there was no such thing as an Asian-American... But maybe there is a common language and that language would be English in our case." Mnet is still on schedule to launch on Comcast's D1 digital tier in Chicago and Boston before Sept 1. -- **Universal Sports** debuted on **DirectTV's Channel 625** Wed, the same day it launched its "Countdown to London" with 1 year to go before the '12 Summer Olympic Games. -- **Knology** added 23 HD channels to its Charleston, SC, lineup, including **Bravo**, **NFL Net** and **USA**. This is the 2nd HD upgrade in Knology's 13 markets this year, with others set to follow in Augusta, GA, and Huntsville, AL, this summer.

**On the Hill:** Believe it or not, it isn't all debt ceiling talk in Washington. Capt *Keith Colburn* from **Discovery's "Deadliest Catch"** spoke before the Sen Democratic Steering and Outreach cmte Wed morning on the economic importance of the oceans. -- 11 Republican Senators, led by *Dean Heller* (R-NV), have asked the **FCC** to review the impact of its net neutrality rules on the country's economic recovery. Citing *President Obama's* July memo for independent agency heads to assist in efforts to eliminate burdensome regulations, the senators requested that FCC chmn *Julius Genachowski* apply a retrospective review of the Dec Open Internet order and pursue a cost benefit analysis. Ranking **Sen Commerce** member *Kay Bailey Hutchison* (R-TXC) was among the lawmakers signing the letter.

**TWC Lifesaver:** Great story out of San Antonio, where a **Time Warner Cable** tech revived a 7-year-old boy who nearly drowned in a pool. *Augustin Arreguin*, 30, was about to check on his next job, when he heard screams.

He jumped over a gate and administered CPR for what “felt like forever” until the boy started breathing again. Local TV stations report that the boy is expected to make a full recovery.

**TCA Notebook:** The cable portion of the **TV Critics** tour kicked off Wed in L.A. Here are some highlights... One thing's for certain: **Hallmark** won't be scaling back its prolific slate of original movies any time soon. In fact, execs told critics that they will churn out 20 originals on Hallmark Channel this year and double the number of original movies on **Hallmark Movie Channel** to 6 in '12. Upcoming flicks include “Finding a Family” (premieres Oct 15) in which *Jared Abrahamson* plays real-life *Alex Chivescu* and portrays his story of triumph in the foster care system. Abrahamson, who recently left his job as a Canadian miner to become an actor, also triumphed himself. “It was a year ago today that I was leaving the diamond drill to come out here and be an actor,” he told critics. His mom is played by *Kim Delaney*. Yeah... Not a bad 1st gig. One-time “Desperate Housewife” *Nicollette Sheridan* said she enjoyed playing a nice person in “Honeymoon for One” (Aug 13), noting that she rides horses every day when she's not working and doesn't use **Twitter** or **Facebook**. “I'm getting a lot of pressure from *Faith Ford*,” she said. In fact, Ford—a self-prefaced avid social media user—told critics that her turn as a house-swapping woman who ends up alone at Christmas in “Debbie Macomber's Trading Christmas” (Nov 26) didn't dent her holiday spirit. “I think the holidays are what you make of them,” she said. That's especially interesting considering her dad passed away shortly before shooting. “This Christmas, for me, will be about remembrance,” she said. Hallmark will also tackle the royal wedding with “William and Catherine: A Royal Romance” (Aug 27). *Alice St. Claire*, who plays *Kate Middleton* and whose father is actually in the royal security detail, said she tried but couldn't get any insight from her secretive dad for the role. “He's very discreet,” she said. Interestingly, most of the main actors playing Brits are American or Canadian, prompting questions from the critics and a defense by *Jean Smart*, who plays *Camilla Bowles*: “Australian and British actors take our parts all the time.” Good point. Hallmark also will show its canine stripes with its “Hero Dog Awards Show” (Nov 11) to recognize a “top dog” among various categories of service dogs. In a shameless but effective ploy to win over critics, the net actually brought out the real descendent of Rin Tin Tin, who sadly took no questions. -- On the heels of **ESPN's** 2010 special “RISE UP: New Orleans” that focused on renovating the athletic facilities of a New Orleans high school, the net will launch a “RISE UP” 4-ep series this fall (premieres Sept 13). Its goal: give students and teachers the training and tools to become better athletes and to showcase the “transformational power of sports in the lives of young people,” said *Keith Clinkscales*, svp, content dev and enterprises for ESPN. -- At **Weather Channel's** session, we learned that 2011 was an incredible year for weather. OK, so we knew that. But there's an upshot: it's helping to enhance the net's brand, according to *Bob Walker*, evp/gm of networks and content. The company's goal is to “keep people safe and teach them about the science of weather—what's going on, why it's going on, and taking people and immersing them in the weather itself.” Said hurricane expert *Rick Knabb*: “People need to know the power of these storms. Radar and satellite only tell part of the story. It's a very important educational experience.” In the “This ain't ‘Baywatch’” category, Weather greenlit “Coast Guard Alaska” (wt), following a team of Coast Guard swimmers and rescue pilots stationed in Kodiak, Alaska. The **AI Roker Ent** series premieres Nov 9, 9pm.

**Programming:** **ION** acquired **Universal Cable Prod's** “Psych” and “Monk” as well as “House” from **Universal Media Studios**. The Psych deal marks the 1st time the **USA** series has been syndicated on a broadcast net, with ION attaining the rights to air 6 and future seasons. -- **NBC DC O&O** anchor *Craig Melvin* will join **MSNBC** as a dayside anchor, effective immediately. -- **RLTV** will help answer Baby Boomers' questions on the many perplexing Medicare options in a special episode of “Making Medicare Work for You: Boomers, Welcome to Medicare,” Thurs, 9pm. -- **Discovery Networks Intl** commissioned **ITN Productions** to produce a fast turn-around news doc about Fri's massacre in Norway. It will air on Discovery Channel across Europe, Middle East, Africa, Latin America and Asia-Pacific in Aug. -- **TV Guide Network** has a new series in development based on a real-life mom's club started by celebs *Alison Sweeney* and *Ali Landry*. The pilot debuts in Nov. -- *Jon Hamm* of “Mad Men” will guest star in **IFC's** original comedy “The Increasingly Poor Decisions of Todd Margaret.” Hamm will be featured in 5 of the 6 new second season episodes premiering Jan 2012. -- **Nat Geo** explores the world of child evangelists with “Pint-Sized Preachers,” premiering Wed Aug 17th. It follows 3 young boys, ranging in age from 21 months to 12 years, as they spread the word of God to congregations and heal, according to believers, with their words.

**On the Circuit:** **One Economy** co-founder/chmn/former CEO *Rey Ramsey* and **Time Warner Cable** will be honored at the **Kaitz Foundation** fundraising dinner, Oct 4, Hilton New York. **Disney/ESPN/ABC Sports'**

# BUSINESS & FINANCE

George Bodenheimer and Cox's Pat Esser co-chair the event. -- **Motorola Mobility** and the **Motorola Mobility Foundation** have donated \$250K to the **Cable Center** to help support its Cable Mavericks lecture series. Now in its 6th year, the lecture series provides students around the country with an insider look at the cable industry. On Oct 28, the "Cable Mavericks Masters Forum: One Day Degree in Cable" will be held at the Paley Center for Media in NY and streamed live from the Cable Center's Website.

**Honors:** With nearly 1K attendees, the **NCTC** and **ACA's** Independent Show drew to a close Wed. At the show, ACA presented the Chairman's Award to **Wave Broadband COO Steve Friedman**, who recently stepped down as chmn of the group. **Cable One** pres/CEO **Tom Might** and **Kuhn** pres **Earl Kuhn** were honored with the ACA PAC Individual Leadership Award, while **Wave Broadband** took home the PAC Leadership award for greatly increasing PAC contribution totals and significantly increasing the number of ACA PAC donors in the past year. Former **Sunflower Broadband COO Patrick Knorr**, now CEO of **Knorr Solutions**, was given the ACA Board Service Award. **Doug Fuller**, formerly of **NPG Cable**, was granted ACA board emeritus status—marking only the 2nd time it has been done in ACA history.

## CableFAX Daily Stockwatch

Company	07/27 Close	1-Day Ch	Company	07/27 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>			<b>BIGBAND:</b> ..... 1.97 .....(0.13)		
DIRECTV:	51.47	(0.59)	BLNDER TONGUE:	1.75	(0.01)
DISH:	31.29	(0.28)	BROADCOM:	37.04	(1.16)
DISNEY:	39.52	(0.99)	CISCO:	15.69	(0.6)
GE:	18.11	(0.45)	CLEARWIRE:	2.77	(0.1)
NEWS CORP:	16.56	(0.07)	CONCURRENT:	6.28	(0.12)
<b>MSOS</b>			CONVERGYS:	12.82	(0.23)
CABLEVISION:	25.19	(0.3)	CSG SYSTEMS:	17.99	(0.26)
CHARTER:	57.35	(1.64)	ECHOSTAR:	34.86	(0.92)
COMCAST:	24.66	(0.58)	GOOGLE:	607.22	(15.3)
COMCAST SPCL:	23.91	(0.42)	HARMONIC:	5.80	(0.37)
GCI:	11.37	(0.17)	INTEL:	22.53	(0.36)
KNOLLOGY:	13.81	(0.14)	JDSU:	13.78	(1.22)
LIBERTY CAPITAL:	81.66	(1.77)	LEVEL 3:	2.17	(0.06)
LIBERTY GLOBAL:	42.84	(0.86)	MICROSOFT:	27.33	(0.75)
LIBERTY INT:	16.34	(0.47)	MOTOROLA MOBILITY:	23.80	(0.8)
SHAW COMM:	22.13	(0.77)	RENTRAK:	16.44	(1.69)
TIME WARNER CABLE:	77.10	(0.85)	SEACHANGE:	9.63	(0.28)
VIRGIN MEDIA:	27.10	(1.05)	SONY:	25.60	(0.8)
WASH POST:	419.82	(6.98)	SPRINT NEXTEL:	5.16	(0.02)
<b>PROGRAMMING</b>			THOMAS & BETTS:	50.78	(1.76)
AMC NETWORKS:	37.35	(0.27)	TIVO:	9.65	(0.18)
CBS:	28.08	(0.72)	UNIVERSAL ELEC:	23.05	(0.86)
CROWN:	1.79	(0.02)	VONAGE:	4.08	0.05
DISCOVERY:	39.97	0.06	YAHOO:	13.59	(0.35)
GRUPO TELEVISA:	22.23	(0.07)	<b>TELCOS</b>		
HSN:	32.40	(2.14)	AT&T:	29.96	0.02
INTERACTIVE CORP:	42.04	4.25	VERIZON:	36.21	(0.07)
LIBERTY:	40.12	(0.29)	<b>MARKET INDICES</b>		
LIBERTY STARZ:	76.95	(0.84)	DOW:	12302.55	(198.75)
LIONSGATE:	7.03	(0.08)	NASDAQ:	2764.79	(75.17)
LODGENET:	2.92	(0.1)	S&P 500:	1304.89	(27.05)
NEW FRONTIER:	1.36	(0.05)	<b>TECHNOLOGY</b>		
OUTDOOR:	6.70	(0.1)	ADVANTAGE:	2.59	0.02
SCRIPPS INT:	47.35	(0.72)	ALCATEL LUCENT:	4.91	(0.32)
TIME WARNER:	36.25	(0.44)	AMDOCS:	30.82	(0.85)
VALUEVISION:	7.34	(0.35)	AMPHENOL:	49.18	(1.68)
VIACOM:	56.22	(0.91)	AOL:	17.69	(0.97)
WWE:	9.91	(0.19)	APPLE:	392.59	(10.82)
<b>TECHNOLOGY</b>			ARRIS GROUP:	10.96	(0.43)
ADDVANTAGE:	2.59	0.02	AVID TECH:	12.96	(0.16)
ALCATEL LUCENT:	4.91	(0.32)			
AMDOCS:	30.82	(0.85)			
AMPHENOL:	49.18	(1.68)			
AOL:	17.69	(0.97)			
APPLE:	392.59	(10.82)			
ARRIS GROUP:	10.96	(0.43)			
AVID TECH:	12.96	(0.16)			



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## Think about that for a minute...

### Spotify

Commentary by Steve Effros

Sign up for Spotify. Not because I have some vested interest in this particular music service; a service that is ad-supported, or a tiered subscription service depending on your preferences, but because it's yet another harbinger of a trend we all need to consider.

Many years ago I wrote columns about Napster, saying the cable industry, both from an operational as well a business and policy perspective needed to understand what was going on with this "new" approach. I said the same thing about DBS when it first came along; get a dish, see what they are doing. Well, hop on your computer and type in "Spotify." You need to experience this as well and start contemplating the long-term potential effects it might



have on us.

It's not a new service. It's been popular in Europe for some time now. It has just arrived on these shores. It's simple and elegant. A search engine that allows you to look for virtually any artist or song or album you can think of. The album pops up on your screen in milliseconds. You can then play the music you have picked, put it in "play lists," with certain levels of service play it on any device, download it so you don't have to always be connected to the "cloud" and so on. No need to own your own any more. It works amazingly well. The available titles and songs are virtually endless. And for us older folks, try typing in Yo Yo Ma or Beethoven!

So what does all this have to do with cable? Well, this is the "other side" of the offering that I wrote about a long time ago, Pandora. While Pandora is in essence a "recommendation engine" based on your tastes, but one that you do not really control, Spotify is music

you select, you play, and you have total control over, anywhere, anytime. Eventually the two will, I suspect, merge, with an enormous play list and a recommendation engine as well. It's where the music industry is going. They're betting that enough folks will subscribe at \$5 to \$10 a month that a mass audience providing a consistent income will support music sales and distribution.

They may be right. The problem for us is that it's predictable that some who find this a wonderful way to listen to music, in that they need not "own" it on a CD or whatever, they just want it available whenever and wherever they want to listen to it, are going to point to Spotify and argue that the same construct should exist for video. Video, however is much more expensive to produce than audio, and there are huge problems, not the least of which is that we are the ones who do the "delivery" of all this material.

Now that's not really a big deal with streaming music. Not much data. The music industry wins because they don't need to produce, package, and sell CDs (they still have to spend lots of money marketing, but that's another story). We have created a delivery mechanism that substitutes for the way they used to deliver. But with video, bandwidth demands are far more burdensome, and folks really want the delivery, and the service, but some argue that they shouldn't have to support the cost for that delivery and the paradigm shift all this implies in the way our infrastructure was first designed and built. That can't work. It's predictable. Spotify is going to intensify that already heated debate. Check it out.

*Steve*

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**CableFAX**  
THE MAGAZINE

## Most Influential Minorities in Cable issue

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