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What the Industry Reads First

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Embracing 2nd Screens: Indie Show Stresses TVE, OTT

With the Independent Show kicking off Mon in San Diego, **NCTC** pres/CEO *Rich Fickle* and **ACA** head *Matt Polka* gave us a preview of what's ahead. For NCTC, a key focus will be finding ways to distribute content via non-traditional platforms. The group, which hit a milestone recently with 100 participating member companies on its TV Everywhere initiative, expects to at least double the number in a year, Fickle said. Though some NCTC members are large enough to take on the path to secondary screens by themselves, quite a few aren't. That's why 950-member NCTC will encourage joint efforts where members can share common infrastructure, the chief exec said. On the content side, the group hit critical mass a few months ago, securing program rights with several major nets. Another piece of the 2nd screen pie is the ability for operators to offer linear content on streaming devices, Fickle said, citing the launch of the **Time Warner Cable** channel on **Roku**. "As cable operators you really have to start thinking about your service opportunity and how you adapt to changes in the market place," Fickle said. "[OTT] makes a lot of sense... because the economics are more attractive," the exec said. As for authentication, "it's still evolving" as simplicity remains a major unresolved issue and TVE usage still fairly low. "I don't think it has a huge impact on the value proposition for consumers, but it will grow over time," Fickle said, noting that "we will probably see more marketing dollars put to TVE products by programmers" starting 4Q this year, with operators to follow. The good news: TVE technology costs have declined 20% YOY. "It's absolutely amazing," said Fickle. The reason? "It's a worldwide market... Volume has gone up. There's a lot more R&D and venture capital money pouring into the IP world." This year's show will also address key regulatory issues such as updating the retrans rules, revamping program access rules so they apply to buying groups like NCTC and implementation of USF to ensure funds aren't used to overbuild ACA members' existing service areas, said ACA pres/CEO *Matt Polka*.

Retail Set-tops: The **FCC** Media Bureau has granted cable ops a limited, conditional waiver of the ban on set-tops with integrated security in regards to set-tops refurbished by **Adams Cable Equipment (ACE)**. The key thing is that any op that intends to purchase ACE equipment must publicly commit to allow ACE to sell the same boxes directly to subs, notifying subs of their retail ability at least 30 days before deploying the integrated boxes. "We find it persuasive that ACE plans to sell refurbished, integrated set-top boxes to subscribers at a much lower price than consumers could lease from their cable

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operators over time,” the Bureau said. A standard-def box costs less than \$50, while an HD DVR is \$300. The FCC’s most recent cable price survey put the avg cost for leasing equipment for expanded basic at \$7.29/month and rising. ACE filed a request to allow cable ops to buy and deploy integrated boxes it refurbishes, something FCC rules have prevented since July 1, ’07. **CEA** and **TiVo** raised concerns that the real aim of ACE’s waiver request is sales to MSOs. The waiver is only in respect to ACE’s existing inventory of 50K boxes. -- The FCC Media Bureau is seeking comments due Sept 16 (replies Oct 9) on TiVo’s petition to reinstate rules to ensure cable ops make content available on retail devices via CableCARDs.

Indy Programmer Show: The word “Independent” in **NCTC/ACA**’s Independent Show could apply to programmers, too, with several newbies looking to get the smaller ops’ attention. Two-year-old **Outside TV** has succeeded, entering into a new multi-year deal with the co-op. The net, which is focused on the active, adventure lifestyle, will be an exhibitor. Exhibit booths have grown to 145 from 124 last year. Attendees can stop by its booth for a chance to win a ski trip to Killington, VT, or Park City, UT, or a surf trip in Malibu. **TheBlaze** also will be present, with *Glenn Beck* speaking to at a show lunch Tues sponsored by another new net, **Al Jazeera America** (launches Aug 20). TheBlaze has deals with more than 20 NCTC members. “Glenn wants to talk about the spirit of American entrepreneurship, and that’s hopefully something a lot of the people in the room can relate, too,” said TheBlaze CEO *Chris Balfe*. Other indie nets with a presence at the show include **Blackbelt TV**, with CEO *Larry Kasanoff* (producer of the “Mortal Kombat” movies) and on-air talent/Playboy’s Playmate of the Year *Rockin’ Racquel* on hand Mon. **RLTV** will have *Florence Henderson* at its booth from 2-4pm Mon. On Wed, a breakfast sponsored by **UP** will feature *Leigh Anne Tuohy*, whose family story is told in “The Blind Side.” Among larger nets, **AETN** bringing in “Swamp People’s” *RJ Molinere* (2-4, Mon) and **GSN** hosting an autograph session with *Apollo Anton Ohno*, host of “Minute to Win It” (3-4). **HGTV** star *David Bromstad* serving as Mon’s lunch speaker.

Summer TCA: **Starz** chief *Chris Albrecht* was vague about the fate of “Magic City” but said “in about six months you’ll have your answer.” He also announced that pirate drama “Black Sails” is being renewed for a 2nd season even though Season 1 doesn’t premiere until Jan. Albrecht said Starz is looking to augment its slate of mostly costume dramas with contemporary series as well as shows skewed toward women, who are “underserved” by the premium services. To that point, “The White Queen” (Aug 10) looks at England’s War of the Roses from the perspectives of three women—*Elizabeth Woodville* (later Queen Elizabeth I), *Margaret Beaufort* and *Anne Neville*—who were vying for power during that turbulent period. Starz hopes to present 50 hours of original programming this year, Albrecht said. -- Perhaps the biggest news of **Viacom**’s TCA session was the unveiling of a doc about *Miley Cyrus* as she works on a new album (fall premiere). And playing off the success of Internet shenanigans in “Catfish: The TV Show.” Add to that a one-hour doc called “Generation Cryo” (premiere date TBD), which follows 17-year-old *Breeanna*, who was conceived via an anonymous sperm donor. **MTV** also announced renewals of “Teen Wolf,” “Snooki & JWOW” and “Awkward.” -- Late Thurs, **HBO** presented several new series and films at TCA with heavyweight directors, including *Stephen Frears* and *Spike Lee*, and a literal heavyweight champ *Mike Tyson*, takes on a different kind of theatrics. *Spike Lee*, executive producer and director of the one-man show “Mike Tyson: Undisputed Truth,” promised critics we’ll see an extremely honest, raw portrayal of the former heavyweight champ. Meanwhile, *Stephen Merchant*’s “Hello Ladies” (premieres Sept 29) follows the 6-foot-7 Brit as he takes Los Angeles by storm in a swell of awkward glory. An appearance by “Curb Your Enthusiasm’s” *Larry David*, whose new HBO movie “Clear History” premieres Aug 10, didn’t disappoint. And no, he hasn’t decided on another season of Curb, so stop asking... **[More at cablefax.com]**

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CableFAX Week in Review

| Company | Ticker | 7/26 Close | 1-Week % Chg | YTD %Chg |
|---------|--------|------------|--------------|----------|
|---------|--------|------------|--------------|----------|

BROADCASTERS/DBS/MMDS

| | | | | |
|------------|------|-------|---------|--------|
| DIRECTV: | DTV | 63.74 | (2.24%) | 27.07% |
| DISH: | DISH | 44.40 | (2.5%) | 21.98% |
| DISNEY: | DIS | 64.98 | (0.28%) | 30.51% |
| GE: | GE | 24.65 | (0.28%) | 17.44% |
| NEWS CORP: | FOXA | 30.43 | (0.81%) | 0.00% |

MSOS

| | | | | |
|--------------------|-------|--------|---------|---------|
| CABLEVISION: | CVC | 18.83 | (0.69%) | 26.04% |
| CHARTER: | CHTR | 126.61 | (1.32%) | 66.07% |
| COMCAST: | CMCSA | 43.73 | (1.88%) | 17.05% |
| COMCAST SPCL: | CMCSK | 41.91 | (2.06%) | 16.68% |
| GCI: | GNCMA | 8.78 | (4.67%) | (8.45%) |
| LIBERTY GLOBAL: | LBTYA | 80.34 | (1.05%) | 27.60% |
| LIBERTY INT: | LINTA | 24.58 | 0.86% | 24.90% |
| SHAW COMM: | SJR | 25.16 | 1.66% | 9.49% |
| TIME WARNER CABLE: | TWC | 116.85 | 0.33% | 20.23% |
| WASH POST: | WPO | 537.51 | 3.73% | 47.18% |

PROGRAMMING

| | | | | |
|-------------------|-------|-------|---------|---------|
| AMC NETWORKS: | AMCX | 67.89 | (1.99%) | 37.15% |
| CBS: | CBS | 53.50 | 1.90% | 40.60% |
| CROWN: | CRWN | 2.78 | 12.55% | 50.27% |
| DISCOVERY: | DISCA | 85.06 | 0.89% | 33.99% |
| GRUPO TELEVISIA: | TV | 26.34 | 3.05% | (0.9%) |
| HSN: | HSNI | 60.19 | 3.28% | 9.28% |
| INTERACTIVE CORP: | IACI | 51.90 | (0.57%) | 9.86% |
| LIONSGATE: | LGF | 32.73 | 0.31% | 99.57% |
| SCRIPPS INT: | SNI | 71.52 | (1.07%) | 23.48% |
| STARZ: | STRZA | 23.13 | (2.49%) | 0.00% |
| TIME WARNER: | TWX | 63.02 | 2.02% | 31.76% |
| VALUEVISION: | VVTV | 6.18 | 3.17% | 243.33% |
| VIACOM: | VIA | 73.42 | (1.82%) | 35.29% |
| WWE: | WWE | 10.84 | (2.87%) | 37.39% |

TECHNOLOGY

| | | | | |
|-----------------|------|--------|----------|----------|
| ADDVANTAGE: | AEY | 2.54 | 11.89% | 27.64% |
| ALCATEL LUCENT: | ALU | 2.12 | 0.00% | 52.52% |
| AMDOCS: | DOX | 38.67 | (0.39%) | 13.77% |
| AMPHENOL: | APH | 77.51 | 0.95% | 19.80% |
| AOL: | AOL | 38.21 | 2.47% | 29.04% |
| APPLE: | AAPL | 440.99 | 3.77% | (17.13%) |
| ARRIS GROUP: | ARRS | 15.19 | (1.17%) | 1.67% |
| AVID TECH: | AVID | 6.21 | 5.61% | (18.07%) |
| BLNDER TONGUE: | BDR | 1.01 | 4.12% | (12.17%) |
| BROADCOM: | BRCM | 27.30 | (18.97%) | (17.8%) |
| CISCO: | CSCO | 25.50 | (1.25%) | 29.75% |
| CONCURRENT: | CCUR | 7.73 | (0.64%) | 34.67% |
| CONVERGYS: | CVG | 18.77 | (2.59%) | 14.38% |
| CSG SYSTEMS: | CSGS | 23.80 | 0.63% | 30.91% |
| ECHOSTAR: | SATS | 39.76 | (3.21%) | 16.19% |
| GOOGLE: | GOOG | 885.35 | (1.25%) | 25.16% |
| HARMONIC: | HLIT | 7.64 | 9.30% | 50.69% |
| INTEL: | INTC | 23.26 | 0.95% | 12.80% |
| JDSU: | JDSU | 14.51 | (4.41%) | 7.48% |
| LEVEL 3: | LVT | 21.65 | 0.32% | (6.32%) |
| MICROSOFT: | MSFT | 31.62 | 0.70% | 18.38% |
| RENTRAK: | RENT | 21.71 | 1.40% | 11.39% |

| Company | Ticker | 7/26 Close | 1-Week % Chg | YTD %Chg |
|---------|--------|------------|--------------|----------|
|---------|--------|------------|--------------|----------|

| | | | | |
|-----------------|------|-------|---------|---------|
| SEACHANGE: | SEAC | 12.22 | (0.81%) | 26.37% |
| SONY: | SNE | 21.58 | (2.4%) | 92.68% |
| SPRINT NEXTEL: | S | 5.74 | (5.44%) | 1.23% |
| TIVO: | TIVO | 11.41 | (1.55%) | (7.31%) |
| UNIVERSAL ELEC: | UEIC | 31.42 | 3.94% | 62.38% |
| VONAGE: | VG | 3.39 | 4.31% | 43.04% |
| YAHOO: | YHOO | 28.11 | (3.44%) | 41.26% |

TELCOS

| | | | | |
|----------|----|-------|---------|--------|
| AT&T: | T | 35.60 | (0.59%) | 5.61% |
| VERIZON: | VZ | 51.02 | 2.14% | 17.91% |

MARKET INDICES

| | | | | |
|----------|------|----------|---------|--------|
| DOW: | DJI | 15558.83 | 0.10% | 18.73% |
| NASDAQ: | IXIC | 3587.61 | (0.35%) | 18.81% |
| S&P 500: | GSPC | 1691.65 | (0.03%) | 18.61% |

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

| COMPANY | CLOSE | 1-WK CH |
|----------------|-------|---------|
| 1. CROWN: | 2.78 | 12.55% |
| 2. ADDVANTAGE: | 2.54 | 11.89% |
| 3. HARMONIC: | 7.64 | 9.30% |
| 4. AVID TECH: | 6.21 | 5.61% |
| 5. VONAGE: | 3.39 | 4.31% |

THIS WEEK'S STOCK PRICE LOSERS

| COMPANY | CLOSE | 1-WK CH |
|-------------------|-------|----------|
| 1. BROADCOM: | 27.30 | (18.97%) |
| 2. SPRINT NEXTEL: | 5.74 | (5.44%) |
| 3. GCI: | 8.78 | (4.67%) |
| 4. JDSU: | 14.51 | (4.41%) |
| 5. YAHOO: | 28.11 | (3.44%) |

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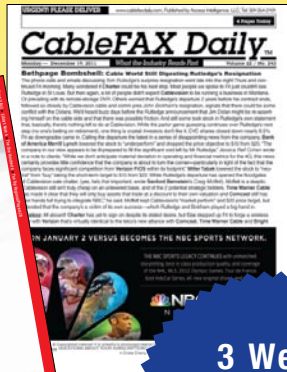
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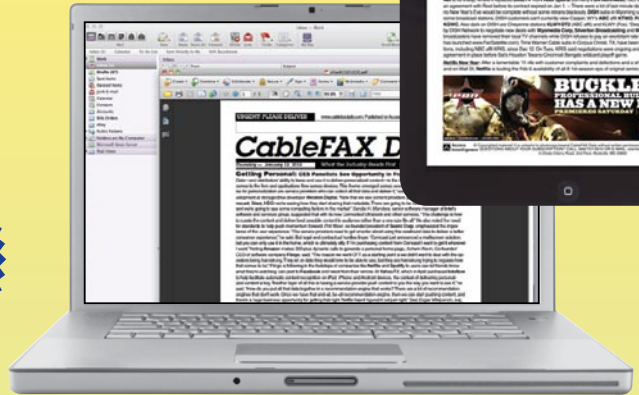
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