

CableFAX Daily™

Thursday — August 12, 2010

What the Industry Reads First

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Air Tragedy: Many Cable Connections in Fatal Crash

By late Tues night, the names were released of the other victims killed in an airplane crash that took the life of former Sen *Ted Stevens* (R-AK). *Dana Tindall*, GCI's svp, legal, regulatory and govt affairs, and her 16-year-old daughter *Corey Tindall* were among the deceased. Tindall had been with GCI for 24 years, almost since the AK operator's inception. "Dana and her daughter Corey were a big part of our GCI family and we are devastated by the news of their passing," said GCI pres/CEO *Ron Duncan*. *Bill Phillips*, a former aide to Stevens and a partner at **Utrecht and Phillips**, also perished in the crash. Over the years, Phillips had lobbied for **NCTA**, **Comcast** and others. "Bill Phillips was more than a consultant and colleague. He was a trusted confidant and close friend to many of us at NCTA and throughout the cable industry," NCTA pres/CEO *Kyle McSarrow* said. Phillips' 13-year-old son, *Willy*, was seriously injured in the crash. Three of his other sons play football for **NCAA** teams. The fourth victim of the flight was pilot *Terry Smith*, whose son-in-law was killed last month in the crash of a C-17 cargo plane in Anchorage. Ex-**NASA** admin *Sean O'Keefe* and his son *Kevin* were listed among the survivors as was DC lobbyist *Jim Morhard* of Alexandria, VA. "Our industry mourns the terrible loss of family, colleagues and friends," McSarrow said. "We will miss all of them. Our thoughts and prayers are with the survivors of this tragedy, the Stevens, Tindall, and Phillips families and our colleagues at GCI." The 9 had been on a fishing expedition, a 15-min flight from the GCI-owned lodge on the Agulowak River where they were staying. The lodge is frequently used for a mixture of business and fishing, with many cable execs staying there over the years. **Comcast Nets** Western div vp *Todd Brown* has been on a similar trip before with GCI's programming head *Bob Ormberg*. "You fish and talk about business, and they use it for employee rewards and for key clients. They use it for a place to entertain and kick back," he said. **NCTC** svp, programming *Frank Hughes* has made the trip before as well, calling it one of the coolest places he'd ever been. "It's a horrible tragedy. It really touched me, being on that plane before," he said, talking about how he could picture the short flight. "It was really hard to listen to."

Competition: **DirectTV** inked a deal with **Google** whereby the Web co will become the sales rep for a broad selection of national ad inventory on several cable nets including **Fox Business**, **Bloomberg**, **Ovation** and

CableFAX's Most Powerful Women in Cable 2010

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 2010 issue of CableFAX: The Magazine. Nominations are open to all cable operators, programmers, vendors and trade associations.

Nominations Due: **Friday August 13, 2010**
Nominate Now at: www.cablefax.com/2010powerfulwomen

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TV Guide Net. Inventory through the **Google TV Ads** system will span across all day parts. -- **FiOS TV** subs in parts of NY, NJ, MA and RI will receive access to the 1st **NFL** game in 3D, the Giants-Patriots pre-season matchup on Sept 2. **VZ FiOS1** will produce the broadcast featuring pre-game, half-time and post-game shows also in 3D.

Broadband: There is a little less money for broadband stimulus funding, with the House passing a state aid package Tues that cuts \$302mln from the **NTIA's** Broadband Technology Opportunities Program. BTOP originally received \$4.7bln for grants and loans, and has given out about \$1.6bln so far. The bill, which is awaiting the president's signature, provides \$26bln in aid intended to prevent layoffs of teachers and other state govt workers. -- At least cable's trouncing the telcos. According to **Leichtman Research**, the 19 largest US cable and phone providers added 336K broadband subs in 2Q—the fewest overall total in the 9 years Leichtman has been tracking the industry. Despite the obvious slowing growth, however, the top MSOs added more than 340K subs in the Q, or approx 140% of the year-ago tally, and upped their overall market share slightly to 55%. Conversely, the top telcos suffered a net loss of 7,500 subs, compared to a gain of 385K last year, and **AT&T's** 92K net loss marks the 1st time any of the top 10 broadband providers reported a quarterly dip. AT&T and **Verizon** did welcome 451K fiber subs. Ranked by overall broadband sub count, the top broadband providers' 2Q net sub data includes **Comcast** (+119K), AT&T, **Time Warner Cable** (+96K), Verizon (+28K), **Cox** (+35K estimated) and **Charter** (+22K).

The Final TCA Notebook: We came. We saw. And so here's the final TCA notebook... Critics snickered a bit when **Fuse** programming chief *Sal LoCurto* noted that *Brittany Spears* would be among those profiled in "Mad Genius," a doc series slated for fall '10. Calling Spears a genius was the problem, critics contended. Classification aside, Mad will delve into how some artists' "eccentric behavior actually sparks their creative process," he said. *Ozzy Osbourne*, *Lil Wayne* and *Corey Taylor* also will be profiled. Meanwhile, *Cee-Lo Green* of Gnarlz Barkley made an unintentional statement during his TCA panel; the airline lost his luggage, so he appeared on stage in a Beverly Hilton robe and slippers. Yet his articulate musical discourse reverberated, leading critics to believe "Lay It Down" (fall '10) on Fuse might be good viewing. Each week Green will host musicians for chat and performances of "rhythmic-based" music. And musician *Mark Hoppus* and actor/comedian *Amy Schumer* will host "A Different Spin" (fall '10, Fuse), a 60-min mélange of interviews with musicians and bands, performances panels and taped reports on music. -- While clips can be deceiving, those **BBC America** assembled for "Luther" (Oct 24, 10pm) were excellent, jam packed with cat-and-mouse-like confrontations between passionate detective John Luther (*Idris Elba*) and brilliant, beautiful, bad psychopathic killer Alice Morgan (*Ruth Wilson*). In each ep the killer is known at the start, so focus is on the psychological battle between the killer and police. BBC A drama "Outcasts" (fall '10) harkens back to **Discovery's** "The Colony" (Tues, 10pm) and an old BBC reality series where people were put on an island and asked to create their own civilization. Outcasts' plot has Earth near disaster, so colonists are sent to scout outposts on a nearby planet. Creator *Ben Richards* said show is "about 2nd chances... would we make the same mistakes" if we started civilization anew? He also called it "low sci-fi, or low fi... it's a few sci-fi levels down from 'Battlestar Galactica'... more rooted in human emotion," he said. BBC A will also have US-related pieces this season on "*Louis Theroux Documentaries*" (fall '10), including a visit with dangerous prisoners at San Quentin. Theroux has interviewed rapists and murderers often, and he told TCA "the weirdest thing about weird people is how normal they are." He likes working in that "tension," he added. -- **HBO** will augment *Carrie Fisher's* cathartic and hilarious one-woman stage show "Wishful Drinking" (Dec) with additional material, but the show itself should make for an entertaining vehicle. Despite telling TCA critics she's always had stage fright, she had great presence, joking about her childhood, marriages, battles with drugs and alcohol and *Star Wars*. Filming the pilot of HBO drama "Boardwalk Empire" (Sept 19) felt "comfortable," since he grew up near Atlantic City and wasn't from removed from the '20s, said *Martin Scorsese*, who directed the 1st ep. Exec prod *Terence Winter* found gangsters of that era were "young risk takers who wanted to make lots of money fast... it hasn't changed a bit." Also up was comedian *Tracy Morgan*, who will star in an HBO comedy special in Nov and said he has always used comedy "keep bullies off my ass... later it became a business and a great career." Morgan just finished shooting a movie with *Al Pacino*, Morgan's first dramatic role. He said he's also writing a movie and wants to produce/direct.

Campaign Trail: Former **WWE** CEO *Linda McMahon* will face Dem *Richard Blumenthal* in the election for CT's

Sen seat, with reports that she's willing to spend up to \$50mln of her own money on the race. McMahon won the state's GOP Sen primary Tues. CT's other cable-related race had a different outcome. Cable exec *Ned Lamont* lost the Democratic nomination for governor to *Daniel Malloy*. Lamont is founder of **Lamont Digital**, the parent of **Campus Televideo**, which serves college campuses.

In the Courts: **Viacom** officially filed notice that it will appeal the June **YouTube** copyright court decision, which said the site didn't infringe upon the media company's copyrights.

Inside the Beltway: Republicans *Joe Barton* (R-TX) and *Cliff Stearns* (R-FL) wrote the **FCC** Tues, urging it not to subject VoIP to state universal service fees as NE and KY's PSCs have requested. "Ruling that VoIP services are subject to State USF fees would not only contradict recent court decisions that the **Vonage** Order preempted such fees, it could create disruptive uncertainty by calling into question whether States may impose other regulations on VoIP services," the 2 wrote.

Deals: **iN Demand** and **SES World Skies** renewed their long-term capacity deal through which 2 satellites will deliver much of the former's VOD, PPV and HD content to cable systems across North America.

Earnings: **Atlantic Broadband** reported a 5.6% increase in rev to \$79.5mln on 14.4% growth in HSD rev, 15% growth in phone rev and a 13% uptick in commercial rev. As of Jun 30, the MSO counted 272K basic subs, 87K digital, 138K HSD and 66K phone.

Marketing: **Nickelodeon** said more than 30 US cities and states are joining it in declaring Sat "Dora the Explorer Day" in recognition of the character/show's spirit of inclusion and cooperation. The outreach is part of the net's 10th anniversary celebration for the show, including pro-social campaign "Beyond the Backpack," which champions overall school readiness for preschoolers and features backpacks designed by celebrities such as *Jessica Alba* and *Drew Brees* to be auctioned off through Sept 2 to benefit the **Children's Defense Fund**.

Inside the Beltway: Republicans *Joe Barton* (R-TX) and *Cliff Stearns* (R-FL) wrote the **FCC** this week, urging it not to subject VoIP to state universal service fees as NE and KY's PSCs have requested. "Ruling that VoIP services are subject to State USF fees would not only contradict recent court decisions that the **Vonage** Order preempted such fees, it could create disruptive uncertainty by calling into question whether States may impose other regulations on VoIP services," the 2 wrote.

Technology: While touting its broad array of 3D-compatible home theater, TV, and Blu-ray products in NYC Wed, **Samsung** noted the free availability of the **ESPN Next Level** app through its Web-connected TVs. The app, which provides final score predictions across a variety of sports, is 1 of 25 automatically offered on the sets.

Programming: **Sundance** greenlit new series "All on the Line," featuring *ELLE* magazine creative dir *Joe Zee* meeting with fashion designers in crisis (premieres next year). -- **VH1's** Sept-Oct slate includes special "VH1's 100 Greatest Artists of All Time" (Sept 6) and new musical game show "Don't Forget the Lyrics" (Sept 20). -- **BET** will unveil on Aug 30 its 1st original music doc, "My Mic Sounds Nice: A Truth About Women and Hip Hop." -- **NBA TV** will broadcast 96 live games during the '10-'11 regular season, the most of any net, while **ABC** and **ESPN** will combine to feature 90 match ups. **TNT** has 52 prime games. -- As **DirectTV** launched **Fox Soccer Channel HD** Wed, both camps are touting their forthcoming soccer lineups. Fox Soccer will combine with **Fox Soccer Plus** and **Foxsoccer.tv** to feature 304 matches starting Sat from the **Barclays Premier League** each season through '12-'13, with all matches on the former 2 nets available in HD for the 1st time. And while also carrying Fox Soccer Plus' HD matches and **Go!TV HD**, the DBS op said it will offer more than 320 overall live matches this season, including up to 28 exclusive European matches/week beginning this month. In related news, ESPN sublicensed from **Fox Sports Intl** the rights for up to 74 live Barclays Premier League matches/season over the next 3. -- **CMT** greenlit 12 eps of "Working Class" (Jan), its 1st scripted comedy that will star *Melissa Peterman* of "The Singing Bee" as a blue-collar mother who moves her family to a rich suburban neighborhood in search of a better life. -- **AMC** ordered a full season of 13 eps from the pilot formerly known as "The Killing," which ties together 3 distinct stories around a single murder while exploring local politics. It hits the net next year.

On the Circuit: **The Cable Center's Cable Hall of Fame Class of '11** includes **Time Warner** chmn/CEO *Jeff Bewkes*, **Mediacom** chmn/CEO *Rocco Commisso*, former **Time Warner Cable** vice chmn *Jim Gray*, **PK Worldmedia** chmn *Paul Kagan*, **United Nations Foundation** pres *Tim Wirth* and **CNBC** anchor *Maria Bartiromo*, who becomes just the 2nd talent after former **CNN** anchor *Bernard Shaw* to receive the accolade. The inductions will occur during **Cable Connection—Spring**, June 14-16 in Chicago.

BUSINESS & FINANCE

People: Former Lionsgate exec and exec producer of the “Saw” franchise Peter Block was named pres/gm of **FEARnet**, which goes linear in HD on Oct 1. Block replaces *Diane Robina*, who will now strictly focus on her role as evp dev, acquisition and programming strategy, **TV Guide Net**. -- **Comedy Central** hired *Steve Grimes*, formerly of **Topps**, as svp, digital media. -- **Entertainment Studios** named *Joan Robbins* pres, talent relations. -- **Speed** promoted *Nancy MacDonald* to vp, marketing and promotions.

Public Affairs: **Cartoon** will launch “Stop Bullying: Speak Up” in Oct, with campaign components including a town hall hosted by **CNN’s Anderson Cooper** and original PSAs.

Editor’s Note: It’s that time of the year, folks! Aug 13 is the deadline to nominate candidates for our Most Powerful Women in Cable list. Here’s the info: <http://www.cablefax.com/cfp/2010powerfulwomen/>. Meanwhile, you have until Sept 3 to submit candidates for the prestigious CableFAX 100 list. More info here: <http://www.cablefax.com/cfp/2010cablefax100.html>. It’s free and easy to nominate, so what are you waiting for?

Business/Finance: **Collins Stewart** maintained its “buy” on **DISH**, but lowered its price target to \$25 from \$30 following the MVPD’s 2Q results.

CableFAX Daily Stockwatch

Company	08/11 Close	1-Day Ch	Company	08/11 Close	1-Day Ch
BROADCASTERS/DBS/MMDs					
DIRECTV:	38.80	(0.63)	AVID TECH:	11.84	(0.42)
DISH:	18.10	(0.26)	BIGBAND:	2.71	(0.1)
DISNEY:	34.22	(1.07)	BLNDER TONGUE:	1.95	(0.1)
GE:	15.70	(0.55)	BROADCOM:	33.79	(2.21)
NEWS CORP:	14.83	(0.69)	CISCO:	23.73	(0.58)
MSOS					
CABLEVISION:	26.25	(0.91)	CLEARWIRE:	6.21	(0.15)
COMCAST:	18.03	(0.58)	COMMSCOPE:	21.40	(0.87)
COMCAST SPCL:	16.96	(0.54)	CONCURRENT:	4.86	(0.19)
KNOLGY:	12.21	(0.57)	CONVERGYS:	9.85	(0.17)
LIBERTY CAPITAL:	46.11	(1.05)	CSG SYSTEMS:	18.22	(0.93)
LIBERTY GLOBAL:	28.52	(0.61)	ECHOSTAR:	18.66	(0.62)
LIBERTY INT:	11.01	(0.65)	GOOGLE:	491.74	(11.97)
MEDIACOM:	6.94	(0.23)	HARMONIC:	6.37	(0.4)
RCN:	14.88	(0.02)	INTEL:	19.43	(0.4)
SHAW COMM:	19.56	(0.67)	JDSU:	11.08	(0.23)
TIME WARNER CABLE:	54.89	(1.74)	LEVEL 3:	1.10	(0.03)
VIRGIN MEDIA:	20.56	(0.69)	MICROSOFT:	24.86	(0.21)
WASH POST:	363.25	(17.73)	MOTOROLA:	7.70	(0.34)
PROGRAMMING					
CBS:	14.47	(0.95)	RENTRAK:	24.71	(0.96)
CROWN:	2.01	(0.31)	SEACHANGE:	8.03	(0.58)
DISCOVERY:	37.94	(0.63)	SONY:	29.80	(1.3)
GRUPO TELEVISA:	19.12	(0.5)	SPRINT NEXTEL:	4.49	(0.07)
HSN:	26.75	(0.75)	TIVO:	8.33	(0.31)
INTERACTIVE CORP:	24.92	(0.56)	TOLLGRADE:	6.53	(0.21)
LIBERTY:	37.00	(0.95)	UNIVERSAL ELEC:	17.94	(0.3)
LIBERTY STARZ:	56.24	0.17	VONAGE:	2.21	(0.11)
LIONSGATE:	6.37	(0.23)	YAHOO:	13.87	(0.48)
LODGENET:	2.80	(0.13)	TELCOS		
NEW FRONTIER:	1.36	(0.03)	AT&T:	26.55	(0.46)
OUTDOOR:	5.44	(0.33)	QWEST:	5.64	(0.05)
PLAYBOY:	5.30	(0.08)	VERIZON:	29.56	(0.46)
SCRIPPS INT:	43.26	(0.83)	MARKET INDICES		
TIME WARNER:	31.09	(0.92)	DOW:	10378.83	(265.42)
VALUEVISION:	1.60	(0.08)	NASDAQ:	2208.63	(68.54)
VIACOM:	36.82	(1.35)	TECHNOLOGY		
WWE:	14.63	(0.01)	ADC:	12.66	(0.04)
TECHNOLOGY					
ADDVANTAGE:	3.14	0.00	ALCATEL LUCENT:	2.76	(0.21)
AMDOCS:	26.65	(1.25)	AMPHENOL:	42.63	(2.36)
AOL:	21.32	(0.56)	APPLE:	250.19	(9.22)
ARRIS GROUP:	9.13	(0.31)			

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The National Association for Multi-ethnicity in Communications educates, advocates and empowers for multi-ethnic diversity in the communications industry.

Think about that for a minute...

Howling in the (Political) Wind

Politics and policy debates often mimic nature. That's certainly true in the debate over "net neutrality" as we watched, this past week, the "wolf pack" of net neutrality advocates circle their prey, FCC Chairman Julius Genachowski, and try to stampede him over the edge of a regulatory cliff.

Genachowski's staff has been holding meetings with many of the "stakeholders" in the net neutrality debate to see if there is some common ground that can be reached on a regulatory and legislative framework that does not entail the investment-busting use of "Title II" common carrier designations.



Steve Effros

It was very late in the rhetorical game of supporting an "open," "free" Internet with that great bumper sticker term of "net neutrality" that the realization came that first, there has never been a "neutral" Internet, it technically was

not built that way, and second, that the private companies which built various businesses based on wireline distribution, such as cable, which also provide "broadband Internet" services do more than that—and it's their wire!

They are beholden to banks, investors, stockholders, etc., all of whom relied on business plans of private entities to build these systems, and that you can't now just suggest that one of the services offered, broadband internet, is so important that the government is going to supercede any other business opportunities or managed services using that wire and favor that one over all others... suggesting that this will spur more investment in broadband Internet development, which was the underlying intent.

The Title II threat does just the opposite. It retards investment. The economists in Genachowski's FCC understand that now, so what to do?

Well, in a very adult fashion, the decision was made to

talk to all the folks who have a stake, and knowledge of the complex issues involved. But this didn't go over well with the "public interest" groups who saw a potential to move very fast, get the Commission to seize new authority to regulate, and adopt the rules they seek before anyone could do anything about it. All this while they were part of those discussions as well.

Of course folks on "the other side," meaning the companies who have spent the money and built the systems and are now derided as "greedy" monopolists who should not have a say in how their own businesses are regulated, saw an opportunity too: slow things down. But that would be very easy to do if the Commission did what was first proposed. There would be lawsuits and challenges running from jurisdiction to both First and Fifth Amendment challenges (the latter being the one I favor the most) that would take years to unravel. Meanwhile though, the investment environment would continue to deteriorate.

Verizon and Google, after months of well known and reported discussions, added to the fray by announcing a framework they agreed upon, from both sides of the Internet "divide"—the user and the ISP—that they thought could further the effort. The public interest groups howled so loudly, based in part on incorrect early reporting of the "deal," that the FCC halted the "stakeholder" talks seeking common ground. Sort of like asking for the resignation of Shirley Sherrod before hearing the full context of what had been said.

Happily, it appears the "adults" have taken over again, the talks in one way or another to find a legislative common ground are going to continue, and the effort at a stampede didn't succeed... this time. You can be sure it will happen again.

Steve

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100 CableFAX

It's that time again!

Nominate your colleagues, your boss or even yourself for the **CableFAX100**—our annual cable industry power list—which will appear in the December edition of *CableFAX: The Magazine* and whose members will be celebrated during luncheon on **December 9 in New York**.

Nominate those who might not be headline makers but who are influential behind the scenes within their company and the industry. We also seek nominees who are influential at the regional/local/state level for our Regional list.

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