

CableFAX Daily™

Friday — August 13, 2010

What the Industry Reads First

Volume 21 / No. 156

Ad-ing Up: DirecTV, DISH Looking to Ramp Advertising Sales

DirecTV and **DISH** now both use the **Google TV Ads** system to handle national ad inventory on several cable nets, importantly allowing for sales pitches to include an overall target of approx 30mln satellite homes. But judging from recent initiatives and comments, there's more to come from the DBS ops on the advertising front. As DTV reported a 2Q ad rev increase of nearly 20%, perhaps most notable is the pair's push into local markets. DTV will use spot beams to increase its local ad exposure next year, and pres/CEO *Mike White* is bullish on the opportunities. "I certainly expect that we'll see some payback next year out of that initiative," said White during a recent conference call. "But if I look at it over three, four, five years, I think it could be a very, very significant profit opportunity for DirecTV... it's not tens of millions of dollars; it's more than that." In June, remember, DirecTV gained exposure to the spot market for the 1st time through a deal with **NCC Media** that allows for placement of local ads on myriad nets in the lion's share of satellite and cable homes. The deal integrates the DBS op's new targeted ad system with local market cable ad platforms to increase coverage in 25 select markets. Meanwhile, DISH is stepping on the advertising gas as well. "The ad sales business has ramped fairly significantly for us, nearly 20% in the last year, and there are a number of initiatives around localization and interactivity that will probably start entering the market sometime in the next three to nine months," said evp, corp dev *Tom Cullen* on Mon, adding that testing of related tech is underway. As White also cited interactive ads as a growth area for satellite without providing color, other recent initiatives clearly reinforce the platform's appetite for fresh advertising business. In May, DISH partnered with **Univision** to offer interactive RFI ads on the net nationally, allowing its DVR subs to select via remote an overlay displayed during spots and that directs them to a page featuring info about specific products and services. And in June, DirecTV teamed with **Kantar Media** to offer advertisers data from a national opt-in audience measurement panel of 100K DirecTV subs. The service measures total viewing, including live and time-shifted viewing of programming and ads on a second-by-second basis. Still, White acknowledges the gulf in ad rev that still exists between satellite and cable. "Look, we've done some benchmarking to compare how much we get from advertising versus our cable competitors, and we're quite a bit below them," he said. But instead of a daunting picture, he sees opportunity—no matter how long it takes to achieve.

CableFAX™ THE MAGAZINE 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.

Save the Date: September 14, Hilton New York
NAMIC and CableFAX Breakfast Honoring the 2010 Most Influential Minorities in Cable. See details and registration information at www.namic.com

Advertise Your Message as a Diversity Champion!

Publication Date: September 14, 2010

Ad Space Deadline: August 24, 2010

Artwork Deadline: August 26, 2010

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Technology: **Cox**, the 3rd largest cable op, has entered into a deal that will make its VOD library available to **TiVo** Premiere customers. While **RCN** and **Suddenlink** have deals to distribute the Premiere boxes to subs, this is the 1st time a cable op has agreed to unlock their VOD content for a 3rd-party box purchased at retail. It's worth noting that this deal comes at the same time the **FCC** has teed up its AllVid proceeding aimed at spurring the retail market for set-tops. The Premiere box features access to broadband video content through sites like **Amazon** as well as multi-room DVR and ITV apps. Cox reached a deal in '06 to make TiVo's software available on Cox boxes. A Cox spokesperson said the new agreement replaces or essentially takes it in a new direction with its TiVo collaboration. Comcast has deployed TiVo's software in some boxes in New England. Cox will promote the TiVo Premiere, support it as an optional set-top and provide free installation for TiVo Premiere boxes purchased by subs at **Best Buy** and other retail and online outlets. A CableCARD will be needed for access to Cox services. Cox plans to make its VOD service available on Premiere boxes in major markets, starting early next year.

At the Portals: The griping over **Google** and **Verizon's** net neutrality proposal continues, with 26 public interest groups writing **FCC** chmn *Julius Genachowski* Thurs to urge him to instead classify broadband as a Title II telecom service. Their beefs with the framework proposed by Google and Verizon include that it suggests only case-by-case adjudication and that the maximum \$2mln fine is "woefully inadequate." Furthermore, it excludes wireless from non-discrimination rules and other openness principles. "The Google/Verizon announcement does not in any way alleviate the need for the Commission to act to protect consumers, small businesses, students, creators, innovators, investors and others that depend on an open, vibrant Internet," said the letter, whose signees included **Media Access Project, Consumers Union, Free Press** and the **Center for Media Justice**. The latest stunt from the anti Google-Verizon folks is a planned rally for Fri outside Google's HQ, urging the company to live up to its corporate motto: "Don't Be Evil." The protest, which is set for noon PT, is being organized by **MoveOn, ColorofChange.org, Credo Action, the Progressive Change Campaign Committee** and Free Press.

Competition: After just launching Mon on the iPhone, **AT&T's U-verse Mobile** app that allows video subs to manage their home DVRs and download TV shows via smartphones is now available on the **Blackberry Touch**.

In the States: **Cablevision** expanded the availability of its free WiFi service across to NJ, from Hoboken to the Jersey Shore. -- In the dumb theft category, an estimated 5K-7K **Comcast** subs in northeast Spokane lost service Thurs after 300 feet of cable strung through a temporary location was cut and stolen, the *Spokesman Review* reported. "We believe the thieves may have mistaken the cables for copper," a Comcast rep told the paper. Good luck selling that at the scrap metal yard. Comcast said service had been restored to about 25% of subs impacted by 11:30am PT, with estimates that all should be back on the grid by 3pm.

Earnings: **Crown Media's** results were a mix of good and bad, with investors apparently opting to focus on the positives as CRWN shares ended in the black (+3%) Thurs amid a market downturn. Excited about the Sept 13 launch of Hallmark Channel's new daytime block featuring the exclusive premiere of season 6 of "The Martha Stewart Show," the co said advertisers are too as the net enjoyed its best upfront results ever. Also, **Hallmark Movie Channel** increased its sub total to 35.8mln in the Q after adding more than 17mln in the prior 12 months. But 2Q rev dipped 4% to \$65.7mln, weighed down by a 4% decrease in ad rev to \$49.8mln owing to soft ratings. Sub fee rev was flat. Adjusted EBITDA totaled \$20.9mln, compared to \$21.3mln a year ago. -- **Gray TV's** reported 16% rise in total rev to \$75.6mln includes rev upticks in local ads (+6%), national ads (+11%), Web ads (+15%), political ads (+493%) and retrans (+18%).

VOD: **Comcast** customers in DC and Philadelphia now have access to **Eurocinema On Demand**, which will offer 4-5 new film titles/month as it expands to additional Comcast markets throughout the year.

Ratings: **ABC Family's** "Pretty Little Liars" ended its 10-week run as summer's top TV series in delivery among female teens (895K) and the top scripted series among females 12-34 (1.79mln), and its finale set series records in multiple demos including total viewers (3.07mln), 18-49s (1.40mln) and 12-34s (2.02mln).

Programming: Watch out *Taylor Swift!* *Kanye West* will return to the **MTV VMA** stage this year (Sept 12, 9pm) to hype his new album due out this fall. -- **FIOS TV** and **Sportskool** launched "Coaches & Parents: It's More Than A

BUSINESS & FINANCE

Game” VOD programming to help parents and coaches deal with the challenges of youth athletics. Actor *Sean Astin* hosts the series, which includes a watch-and-win sweepstakes featuring multiple prizes.

-- Following the Aug 13 release of “The Expendables,” starring *Sly Stallone* and *Arnold Schwarzenegger*, **Epix** will feature a 90-min behind-the-scenes doc (Aug 21) about the making of the film. -- **Syfy** picked up a 3rd season of “Merlin.”

Online: **BBC.com** launched a travel site with sister company **Lonely Planet** at BBC.com/travel. It's the 1st in a series of factual and lifestyle sites announced last month alongside BBC.com's new US edition.

-- **Smithsonian Channel** launched its 1st ever iPhone/iPod Touch app, featuring full-length eps and hundreds of video clips.

People: Ex-**AT&T** CEO *Ed Whitacre* will soon be an ex-**GM** CEO. He announced plans Thurs to step down Sept 1. -- Former **WNBC** pres/gm *Tom O'Brien* was named to the newly created post of chief revenue officer at **CNBC**. -- *Marc Zimet* was upped to vp, music programming and talent relations for **MTV Nets Latin America**, **Tr3s** and **Musica y Mas**. -- **Nickelodeon** extended *Nick Cannon*'s deal as chmn of **TeenNick** through '12. Cannon helps dev, prod and create original programming across platforms for the net.

CableFAX Daily Stockwatch

Company	08/12 Close	1-Day Ch	Company	08/12 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	38.75	(0.05)	ARRIS GROUP:	9.01	(0.12)
DISH:	17.87	(0.23)	AVID TECH:	11.72	(0.12)
DISNEY:	33.99	(0.23)	BIGBAND:	2.70	(0.01)
GE:	15.49	(0.2)	BLNDER TONGUE:	1.95	0.00
NEWS CORP:	14.65	(0.18)	BROADCOM:	32.84	(0.95)
MSOS					
CABLEVISION:	25.82	(0.3)	CISCO:	21.36	(2.37)
COMCAST:	18.17	0.16	CLEARWIRE:	6.24	0.03
COMCAST SPCL:	17.09	0.13	COMMSCOPE:	21.18	(0.22)
GCI:	8.44	0.37	CONCURRENT:	4.79	(0.07)
KNOLOGY:	12.28	0.07	CONVERGYS:	9.87	0.02
LIBERTY CAPITAL:	47.59	1.48	CSG SYSTEMS:	18.10	(0.12)
LIBERTY GLOBAL:	28.26	(0.26)	ECHOSTAR:	18.44	(0.22)
LIBERTY INT:	10.80	(0.21)	GOOGLE:	492.01	0.27
MEDIACOM:	7.03	0.09	HARMONIC:	6.29	(0.08)
RCN:	14.91	0.03	INTEL:	19.45	0.03
SHAW COMM:	19.74	0.18	JDSU:	10.46	(0.64)
TIME WARNER CABLE:	55.07	0.18	LEVEL 3:	1.10	0.00
VIRGIN MEDIA:	20.61	0.05	MICROSOFT:	24.49	(0.37)
WASH POST:	348.83	(14.42)	MOTOROLA:	8.02	0.32
PROGRAMMING					
CBS:	14.17	(0.3)	RENTRAK:	23.79	(0.92)
CROWN:	2.07	0.06	SEACHANGE:	7.92	(0.11)
DISCOVERY:	37.36	(0.57)	SONY:	29.69	(0.11)
GRUPO TELEVISA:	19.07	(0.05)	SPRINT NEXTEL:	4.48	(0.01)
HSN:	27.14	0.39	THOMAS & BETTS:	37.46	(0.06)
INTERACTIVE CORP:	23.95	(0.97)	TIVO:	8.49	0.16
LIBERTY:	36.90	(0.1)	TOLLGRADE:	6.70	0.17
LIBERTY STARZ:	56.20	(0.04)	UNIVERSAL ELEC:	18.14	0.20
LIONSGATE:	6.37	0.00	VONAGE:	2.14	(0.07)
LODGENET:	2.70	(0.1)	YAHOO:	13.85	(0.02)
NEW FRONTIER:	1.37	0.01	TELCOS		
OUTDOOR:	5.17	(0.27)	AT&T:	26.66	0.11
PLAYBOY:	5.27	(0.03)	QWEST:	5.62	(0.02)
SCRIPPS INT:	42.37	(0.89)	VERIZON:	30.32	0.76
TIME WARNER:	30.79	(0.3)	MARKET INDICES		
VALUEVISION:	1.63	0.03	DOW:	10319.95	(58.88)
VIACOM:	36.90	0.08	NASDAQ:	2190.27	(18.36)
WWE:	14.40	(0.23)	TECHNOLOGY		
TECHNOLOGY					
ADC:	12.66	(0.01)			
ADVANTAGE:	3.11	(0.03)			
ALCATEL LUCENT:	2.69	(0.07)			
AMDOCS:	26.30	(0.35)			
AMPHENOL:	41.64	(0.99)			
AOL:	21.73	0.41			
APPLE:	251.79	1.60			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Tough Living

Expect some dramatic negotiations at **TNT's** offices in the future if the net's new crime show "Rizzoli & Isles" continues to score big with audiences. According to *TV Guide*, star *Angie Harmon* earns \$75K/ep, which based on last week's **Nielsen** data equates to \$15K/ratings point. That's a steal when looking at the pay breakdown for some other cable drama stars (this is not meant to imply that anyone listed is deserving or undeserving of their pay). Again based on last week's numbers, the \$350K/ep in remuneration received by cable's highest-paid drama stars, *Kyra Sedgwick* (TNT's "The Closer") and *Dennis Leary* (FX's "Rescue Me"), equated to \$67,308 and \$388,889/point, respectively. At **USA**, the per ep pay for *Jeffrey Donovan* (\$200K) of "Burn Notice," *Mark Feuerstein* (\$125K) of "Royal Pains" and *Matt Bomar* (\$100K) of "White Collar" leads to respective pay/point of \$48,780, \$31,250 and \$32,258. Also interesting is the dollars/ep earned by drama stars across broadcast and cable. Perhaps proving that creative latitude and platform cachet over salary are the greatest lures for actors to cable, just 8 of the 30 highest-paid TV drama stars work in cable. The list's top 5, in fact, is dominated by broadcast and led by *Hugh Laurie* (\$400K+) of **Fox's** "House." Even *David Caruso* of "CSI: Miami," who possesses maybe 3 facial expressions and the range of a slug, pulls down \$375K/ep. Cable thespians fare a little better among comedies, with 8 ranking among the genre's top 19. *Charlie Sheen* (\$1.25m) of **CBS's** "Three and a Half Men" easily heads a near sweep of the top 10 by broadcast. In spot 10 is *Jeremy Piven* (\$350K) of **HBO's** "Entourage," well clear of the list's only entrants from basic cable: *Miranda Cosgrove* (\$180K) of **Nickelodeon's** "iCarly," *Betty White* (\$75K) of **TV Land's** "Hot in Cleveland" and *Selena Gomez* (\$30K) of **Disney Channel's** "Wizards of Waverly Place." *CH*

Highlights: "Cropsey," Fri, 9p, **Investigation Discovery**. A creepy but ultimately balanced indie doc re-heats cold cases about missing children on Staten Island. Silent suspect/potential bogeyman *Andre Rand* corresponds with the doc makers. This is ID's 1st in a doc strand meant to be "provocative," ID's *Henry Schleiff* told TCA. It is. And it's scary. *SA*

Worth a Look: "The Big C," pilot, Mon, 10:30p, **Showtime**. It's official: Showtime's the king of quirky, dark dramas/comedies with "Weeds," "US of Tara," and others. Now we have cancer-based "The Big C," which follows Weeds (10p). For eps 1-3, Big C receives a C+. While *Laura Linney* is excellent as a cancer patient, other characters are so quirky as to be unbelievable. Moreover C wanders until ep 3, when Linney's Cathy quashes a support group's ridiculous optimism. Here's hoping future guests *Liam Neeson* and *Cynthia Nixon*, plus better writing improve C's grade. – "Scenic Route with David Keeps," pilot, Mon, 8p, **Ovation**. Also quirky, but enjoyable, this new travelogue's 2nd ep (8:30p) visits unusual spots in Joshua Tree, CA. *SA*

Notable: **NFL Net** kicks off its football schedule with 5 pre-season games, starting with the Bills and Redskins (Fri, 7:30p ET). They're meaningless, but you can't wait, can you? – One of **WWE's** 'majors,' "Summer Slam," bows Sun (8p ET, \$40, PPV). *SA*

Basic Cable Rankings
(8/02/10-8/08/10)
Mon-Sun Prime

1	USA	2.6	2601
2	DSNY	2.1	2041
3	TNT	1.9	1855
4	FOXN	1.5	1508
5	HIST	1.2	1172
6	DISC	1.1	1135
6	TBSC	1.1	1125
6	A&E	1.1	1112
6	NAN	1.1	1076
6	HGTV	1.1	1053
11	TOON	1	996
11	ESPN	1	983
11	LIFE	1	947
14	FAM	0.9	931
14	MTV	0.9	888
14	SYFY	0.9	870
14	FOOD	0.9	864
14	TRU	0.9	854
19	FX	0.8	814
19	AMC	0.8	812
19	CMDY	0.8	777
19	BRAV	0.8	770
19	TLC	0.8	755
19	NKJR	0.8	570
25	SPK	0.7	729
25	TVLD	0.7	725
27	MSNB	0.6	587
27	HALL	0.6	510
27	BET	0.6	502
27	LMN	0.6	442
31	EN	0.5	517
31	OXYG	0.5	376
31	NKTN	0.5	265
34	CNN	0.4	411
34	TRAV	0.4	404
34	APL	0.4	397
34	HLN	0.4	364
34	GSN	0.4	295
34	NGC	0.4	291
34	DXD	0.4	289
34	WGNA	0.4	271
34	ID	0.4	268
43	CMT	0.3	262
43	VH1	0.3	258
43	SOAP	0.3	241
43	WE	0.3	238

*Nielsen data supplied by ABC/Disney

Most **CableFAX's**
Powerful Women
2010 in Cable

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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