

CableFAX Daily™

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What the Industry Reads First

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5Qs With...: Rapping with Discovery's Bill Goodwyn about Distribution, Education

23-year Discovery vet Bill Goodwyn started the summer with a promotion to pres, global distribution and CEO of Discovery Education. As summer winds down, we caught up with him to chat about what's brewing. **With The Hub launching in Oct, have you had anyone not carrying Discovery Kids sign up because of the change?** Actually, everybody's carrying the channel. It's primarily in the digital basic package, but as far as subscribership, it's currently in about 55mln homes roughly. We expect it to be in well over 60mln by year-end and continue to grow. With the launch of Hub and the excitement around what the [jv with **Hasbro**] is going to become, we think there's an opportunity to increase subscribership through either melting down on tiers or getting additional subscribership in other forms or packages. **OWN has a separate affiliate sales team through the network. What's the reasoning there?** It's a jv, but it's really Oprah running the channel. She and her team are creating the service, creating the programming as well as handling the distribution duties... The franchise that she has is probably going to deserve new deals out in the marketplace. When you have a franchise like Oprah Winfrey coming to cable, clearly the value that's being provided to distributors is much greater than anything that's ever been offered before... We're financial investors, but she's running the show. **Your major affiliate deals are secured through at least '12, so what does that mean as operators proceed with things like TV Everywhere?** There are always new things that come up whenever you "finish" the negotiation of your major affiliate contracts... When opportunities present themselves to create more value for the operator, you're always going to have those conversations at whatever point in time that works for the affiliate and yourself. **Where is Discovery 3D?** We're beginning to have fruitful discussions with distributors on the launch of the channel, when it's going to happen next year, how it'll be programmed, how affiliates want to offer it to viewers... We want to have the proposition that no matter when it is—24/7—you can watch something great in 3D. That's the promise, and it's the very same promise we made with HD Theater. We were the 1st ad-supported network to launch in HD because we believed in the difference we'd make in an HD-viewing household. It's the same thing with 3D. **You were promoted from pres to CEO of Discovery Education, but you also oversee domestic and intl distribution. Is there any intersection there?** They are similar in that you're providing incredibly valuable content that makes a difference in people's lives, whether in the home or school... How do we help the distributors with

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that education reach and satisfaction we have? A perfect example is what we're doing next week with **Cablevision**. We're creating a partnership with Cablevision's Power to Learn and Discovery Education and bringing over 150 educators together for a full day of professional development focusing on using digital media in the classroom and advancing student achievement in STEM (science, technology, engineering and math).

Research: 61% of consumers use DVRs, VOD and the Web to watch prime TV more often than they did last year and 84% have increased their usage of the tech over the past 3 years, according to a **Comcast** survey performed by **Intl Comm Research**. Of the 80%+ of consumers that regularly watch prime TV, nearly half record 2-4 prime series/week. Also, as 60% of consumers own a DVR and 81% of that group plan to time-shift prime shows this fall, four-fifths of all consumers plan to watch fall shows live, followed by through DVRs (41%), online (17%), VOD (16%) and mobile (1%). Among Comcast subs, the greatest percentage differences occurred in planned DVR (32%) and VOD (30%) usage.

Competition: Now available to all **DISH** subs, **DISH Network Gridiron Games** offers fantasy football enthusiasts the chance to win weekly (\$500) and seasonal cash prizes (\$20K max) through 2 competitions. In Team Pick'em, participants pick the winner of every NFL game each week, and SnapDraft allows fans to draft new teams weekly using a salary cap.

Online: As 85% of the total US Internet audience viewed online video in July, usage data covering **Hulu** may be the most compelling **comScore** data following rumors that the site is planning an IPO. Hulu ranked 10th in total uniques (28.46mln) last month, behind the digital plays of **Fox**, **Turner**, **Viacom** and **Disney**, but ranked 7th in viewing sessions (153.85mln) and 2nd behind **Google** in min/viewer (158min). Moreover, the site led all digital properties in video ad impressions with 783mln, reaching nearly 28% of the total US population.

Commercial Biz: **XO Comm** leapfrogged both **Time Warner Cable** and **Cogent** since June '09 to rank 6th in US Ethernet port share based on enterprise port installations, according to **Vertical Systems Group** data through June 30. TWC slipped to 7th while the top 5 featured, in order, **AT&T**, **Verizon**, **TW Telecom**, **Cox** and **Qwest**. Vertical said the US Business Ethernet port base expanded more than 13% from Jan-June.

Tick Tock: When we visited IHaveChoices.com this week, we had a flashback to **Fox's** countdown clock during negotiations with **Time Warner Cable** late last year. The **Disney/ESPN** site updated Mon to include its own clock, ticking off the days, hours, minutes and seconds until the TWC deal expires on Sept 2.

Technology: With members including **Comcast**, **Cox**, **DirecTV** and **Verizon**, the **Multimedia over Coax Alliance** extended for 2 more years **NTS'** charge as the exclusive worldwide testing lab for MoCA product certifications.

Stevens Memorial: **C-SPAN** and **C-SPAN Radio** will carry former Sen *Ted Stevens'* funeral service live at 6pm ET, Wed. Eulogists include VP *Joe Biden*. AK operator **GCI** will broadcast the memorial service statewide on its GCI cable channel Wed, 2pm (AKDT). More than 230 rural Alaska communities outside GCI cable subscription areas can watch the service on ARCS or 360 North thanks to a partnership with GCI.

Ratings: **truTV's** "Hardcore Pawn" debuted Mon with 2mln total viewers, 1mln 18-49s and 568K men 18-49, becoming the net's most-watched series premiere ever. -- **E!'s** "Kourtney & Khloe Take Miami" scored its most-watched ep ever Sun night, garnering 3.7mln total viewers and a 2.70 HH rating. -- Helped by original movie "Den Brother," which earned a cable-best 3.75mln total viewers Fri night, **Disney Channel** led all of cable during Fri prime. -- The season premieres of **TLC's** "LA Ink" (Wed) and "American Chopper: Senior vs. Junior" (Thurs) each posted triple-digit gains compared to the net's prior 6-week prime premiere avg in key demos, including a respective +162% among 18-49s and +531% among men 25-54. -- **Adult Swim** continued its scorching Aug last week, ranking tops among all ad-supported cable nets in total day delivery among 18-34s, 18-34s, men 18-34, men 18-24 and 18-49s. -- The "Comedy Central Roast of David Hasselhoff" earned 3.5mln total viewers, 2.5mln 18-49s and 1.1mln men 18-34 to make **Comedy** the most-watched cable net of Sun night among the latter demo and give the net its highest-rated and most-watched week since Oct '09 among 18-49s and men 18-34.

Honors: In a 1st, a tie occurred in the Woman to Watch category for the Southern CA Chapter of **WICT's** LEA Awards. So **Cox's** *Kristen Cuffee-Brown* and **NBCU's** *Wendy Gross* will both be recognized at the awards gala, Oct 14, Beverly Hills Hotel. Other winners: **Time Warner Cable's** *Mitchell Christopher* (Advocate Leader), TWC's *Tiffany Lynch* (Woman of the Year), **Avail-TVN's** *Lyndsay Lowe* (Lifetime Achievement) and TWC's *Beth Bayer* (WICT Board Member of the Year).

BUSINESS & FINANCE

On the Circuit: The announced general sessions for the **24th Annual NAMIC Conference** (Sept 14-15 in NYC) include a keynote address by **FCC** commish *Mignon Clyburn* and an exec panel titled “3D: Diversity, Digital, Demographics” set to feature **Cox** pres *Pat Esser*, **NCTA** pres/ CEO *Kyle McSarrow*, **BETN** pres/ COO *Scott Mills*, **Travel Channel** pres *Laureen Ong*, **Univision Nets** pres *Cesar Conde* and **UCLA** assoc professor *Leobardo Estrada*. -- **SCTE** announced open registration for its new Cisco Certified Network Assoc course on network security beginning next month. Info at **SCTE.org**.

People: **AMC** named *Allison Hoffman* vp, creative and brand strategy, and upped *Ben Davis* to vp, scripted prog and *Susan Goldberg* to vp, prod. -- **Rogers Comm** tapped *Keith Pelley* as pres, effective Sept 7. -- **Fox TV Studios** upped *David Madden* to pres.

Business/Finance: **Collins Stewart's Thomas Eagan** increased to \$69 from \$57 his price target on **Liberty Starz** (rated ‘buy’), citing expectations **Starz** will renew its deal with **Netflix** with a higher fee than it got from **Epix**. That renewal, he said, should add more than \$10 to **LSTZA** shares, adding that the co’s impending merger with **Starz Media** “is looking increasingly accretive.” -- **DirecTV** closed offerings of 3 separate sr notes for net proceeds of nearly \$3bln, which it intends to use for corp purposes that may include the funding of its share repurchase plan.

CableFAX Daily Stockwatch

Company	08/17 Close	1-Day Ch	Company	08/17 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	38.79	0.25	BIGBAND:	2.73	0.03
DISH:	18.00	0.14	BLNDER TONGUE:	2.14	0.16
DISNEY:	33.76	0.10	BROADCOM:	32.42	0.96
GE:	15.58	0.12	CISCO:	22.05	0.14
NEWS CORP:	14.72	0.20	CLEARWIRE:	6.58	0.16
MSOS					
CABLEVISION:	25.80	0.02	COMMSCOPE:	20.42	(0.12)
COMCAST:	17.76	0.01	CONCURRENT:	5.11	0.51
COMCAST SPCL:	16.72	0.06	CONVERGYS:	10.14	0.08
GCI:	8.43	0.23	CSG SYSTEMS:	18.01	0.15
KNOLOGY:	12.75	0.26	EHOSTAR:	18.94	0.24
LIBERTY CAPITAL:	45.82	0.39	GOOGLE:	490.52	4.93
LIBERTY INT:	10.78	0.09	HARMONIC:	6.16	0.09
MEDIACOM:	6.95	0.19	INTEL:	19.53	0.06
SHAW COMM:	20.46	0.51	JDSU:	10.31	0.23
TIME WARNER CABLE:	55.53	0.87	LEVEL 3:	1.11	(0.01)
VIRGIN MEDIA:	20.65	0.27	MICROSOFT:	24.71	0.34
WASH POST:	327.63	11.98	MOTOROLA:	7.80	(0.01)
PROGRAMMING					
CBS:	14.14	0.01	RENTRAK:	23.89	0.50
CROWN:	2.18	0.16	SEACHANGE:	8.12	0.08
DISCOVERY:	37.75	0.78	SONY:	30.03	0.43
GRUPO TELEVISA:	19.24	0.10	SPRINT NEXTEL:	4.49	0.19
HSN:	27.75	0.45	THOMAS & BETTS:	38.01	0.74
INTERACTIVE CORP:	23.94	0.15	TIVO:	8.52	0.13
LIBERTY:	37.49	0.61	TOLLGRADE:	6.70	0.00
LIBERTY STARZ:	59.95	0.31	UNIVERSAL ELEC:	18.07	(0.14)
LIONSGATE:	6.47	0.08	VONAGE:	2.19	0.05
LODGENET:	2.67	(0.18)	YAHOO:	13.94	0.15
NEW FRONTIER:	1.46	0.03	TELCOS		
OUTDOOR:	5.31	0.12	AT&T:	26.97	0.32
PLAYBOY:	4.99	(0.09)	QWEST:	5.70	0.01
SCRIPPS INT:	42.52	0.52	VERIZON:	30.17	0.21
TIME WARNER:	30.97	0.27	MARKET INDICES		
VALUEVISION:	1.61	0.01	DOW:	10405.85	103.84
VIACOM:	37.27	0.48	NASDAQ:	2209.44	27.57
WWE:	14.04	0.03			
TECHNOLOGY					
ADC:	12.62	(0.07)			
ADVANTAGE:	3.13	0.06			
ALCATEL LUCENT:	2.78	0.09			
AMDOCS:	26.66	0.37			
AMPHENOL:	42.33	1.03			
AOL:	22.22	0.34			
APPLE:	251.97	4.33			
ARRIS GROUP:	9.01	0.00			
AVID TECH:	11.92	0.12			

Capitalizing on Transactional TV

VOD ■ SVOD ■ Pay Per View

CableFAX Webinar
August 25, 2010
1:30 – 3:00pm (ET)

In this Webinar, we'll tackle the following areas:

- What is the best mix of screens and content to boost your revenue?
- What marketing techniques work best to optimize buzz for transactional offerings?
- What 3 steps operators can take to augment revenue from transactional TV and make it a must-use part of subscribers' cable experience?
- What's ahead in windowing and how can you plan for those future trends?
- How can you tap into the growing ethnic market for transactional TV?

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