

CableFAX Daily™

Thursday — August 18, 2011

What the Industry Reads First

Volume 22 / No. 159

Integration Insight: A Look at What's Ahead for TWC

Sure, **Time Warner Cable-Insight** is months away from closing, but it's never too early to start prognosticating. Yes, the Insight systems fit relatively neatly into TWC's Midwest footprint, but there inevitably will be some issues. Like **NFL Net**. Insight has a deal; TWC does not. If TWC doesn't strike a pact with the net, it's likely Insight customers will lose the channel. A TWC rep said it was premature to discuss programming issues before the deal is complete, and NFL Net said it doesn't disclose terms of confidential contracts. But we've been down this road before with Time Warner Cable dropping NFL in its acquired **Adelphia** markets in '06. That was a landmark case because the **FCC** stepped in and ordered the MSO to temporarily reinstate carriage of NFL Net, saying it hadn't provided viewers with a required 30-day notice of the change. Given the previous hand slap, it's a safe bet that there will be plenty of notification if TWC ends up removing the net this go-round. Other concerns for TWC may be getting consumers comfortable with the 2nd largest US cable operator coming into their living rooms. Insight CEO *Michael Willner* has built a reputation for reaching out to his customers through his blog, commercial appearances, etc. Comments on his blog (michaelsinsight.com) about the deal showed plenty of apprehension, particularly over TWC's bigness. "Very disappointed Mike... I loved Insight, they had great customer service... Now we shift to Time Warner, who has horrible customer service, horrible offerings, horrible rates," wrote one reader. There also was worry over broadband caps (which TWC does not have), and already threats of service cancellations. "Wow, Insight may have been overpriced but the Internet service was top notch and I never had to worry about caps or any thing like that," said one commenter. For his part, Willner was very complimentary of Insight's buyer, calling TWC "one of the most highly respected technology companies in the world." Said TWC PR vp *Alex Dudley*: "One of the things that made Insight attractive is that it's really well run. It's not a surprise that there is an affinity from customers. We're going to have to work really hard to deliver a great experience and hope for the best. Customers that are nervous, we urge them to wait and see." He added that he doesn't believe Insight subs will feel like they don't have a voice or an outlet, with TWC having its own blog (twcableuntangled.com) and a **Twitter**-active customer care team. A few comments on a blog post don't make for a rebellion, but TWC did hit some snags with the integration of the L.A. Adelphia and **Comcast** systems it acquired. Following a host of complaints and bad publicity, the L.A. city attorney ended up suing the MSO in '08 over



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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 ● Assoc 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: Shadi Akhavan, 301.354.1613, sakhavan@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: Shadi Akhavan, 301.354.1613, sakhavan@accessintel.com

alleged shoddy service. That case is still pending. After a rough start and management shake-up, TWC turned around the market. "This is a significantly smaller acquisition," Dudley said. "But that said, we learned a lot about trying to do too much too quickly... We'll definitely take that into account."

Competition: DirecTV's beefing up **NFL Sunday Ticket** again this season, adding availability of the service's mobile product through **PlayStation 3s**, tablets including the **Motorla XOOM** and **Samsung Galaxy**, and other devices. Customers who can't get DTV will be able to access games through PS3 consoles, too. Also, the DBS op is partnering with the league to launch an **NFL.com Fantasy Football TV** app that will allow the site's fantasy players with Web-connected set-tops to follow their teams on the TV. As **DirecTV** boss *Mike White* has described Sunday Ticket as a great customer acquisition and retention tool, **Comcast** recently filed a lawsuit against the DBS op claiming false advertising in spots promoting the service (*Cfax*, 8/5).

In the States: **Cablevision** continues to pile value-added features on customers, this time launching a personalized, interactive iO TV channel providing info on how to find and use its **Optimum WiFi** network. The channel displays network access points using localized and expandable maps, plus provides customer-specific Optimum ID info and tutorials covering WiFi use on specific devices. More than 500K Optimum Online subs have accessed the Optimum WiFi network. -- **Comcast** expanded its **Xfinity TV** app to **Blackberry** devices, though access to full-length TV eps aren't included. The app has been downloaded more than 2.6mln times since its Nov launch.

Real Tragedy: **Bravo** hasn't made any decisions yet on how it will proceed with the upcoming season of "Real Housewives of Beverly Hills," following the suicide of *Russell Armstrong*, the estranged husband of one of the Housewives. Armstrong appeared regularly in Season 1. Season 2 promos have mentioned his wife, *Taylor*, dealing with her "loveless marriage." Still in production, the premiere is slated for Sept 5. The net canceled a conference call for reporters with cast members slated for Thurs. "All of us at Bravo are deeply saddened by this tragic news. Our sympathy and thoughts are with the Armstrong family at this difficult time," Bravo said.

Advertising: **Rovi** and **Ford** are collaborating on a comprehensive digital TV ad program across the **Rovi Ad Network**, which seeks to avoid ad clutter by engaging customers while they are seeking live, recorded, on demand, cable or broadcast programming on Rovi TV guides.

OTT: **Roku** announced **Epix** as its 1st authenticated channel, requiring users to prove they're a pay TV subs before gaining access. Also, Roku said most of its users get video from cable, DBS or telco and view the service as complementary.

Ratings: The season finale of **MTV's** "Teen Wolf" hit a series high with a 1.9 P12-34 rating and 2.1mln viewers in total. The



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Source: The Nielsen Company NPM, Live +SD, 8/10/11 Adult 18-49
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 **UNIVISION
DEPORTES**

BUSINESS & FINANCE

teen hit will return for a 2nd season in '12 with 12 one-hour episodes. -- The 2nd ep of **Style Net's** "Tia & Tamera" averaged 920K total viewers as the net's 2nd most-watched telecast ever, and also scored the net's highest-ever deliveries among women 18-49 (524K) and women 18-34 (316K).

On the Circuit: Confirmed for **NAMIC/WICT's** Town Hall Meeting on Diversity (Oct 4 in NYC): **NCTA** pres/CEO *Michael Powell*, **Comcast** evp *David Cohen*, **Discovery Comm** sr evp, human resources *Adria Alpert Romm*, **Cox** evp/chief people officer *Mae Douglas*, **Telemundo Comm Group** COO *Jacqueline Hernandez*, **Time Warner Cable** pres *Rob Marcus* and **Turner Broadcasting** evp *Kelly Regal*. The forum will address the orgs' latest employment research.

-- **Bright House** corporate vp, human resources *Pamela Hagan* and **Discovery Comm** svp, human resources *Eric Hawkins* joined **CTHRA's** board.

People: Former **Sportsman** exec *Mark Kang* joined **Inspiration Nets** as svp, worldwide distribution. -- **Bright House** corp vp, HR *Pamela Hagan* and **Discovery** svp, HR *Eric Hawkins* joined the board of **CTHRA**, the industry's HR assoc.

Business/Finance: **Clearwire** exec chmn *John Stanton* recently acquired approx 2.76mln shares of the company's stock for approx \$1.81 each. Investors mirrored the apparent bullishness Wed by pushing **CLWR** share up 27.32%.

CableFAX Daily Stockwatch

Company	08/17 Close	1-Day Ch	Company	08/17 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	44.32	0.39	BLNDER TONGUE:	1.37	(0.01)
DISH:	23.52	0.04	BROADCOM:	34.44	0.05
DISNEY:	33.37	(0.05)	CISCO:	15.85	(0.15)
GE:	16.23	0.08	CLEARWIRE:	2.33	0.50
NEWS CORP:	17.22	(0.09)	CONCURRENT:	5.97	0.04
MSOS					
CABLEVISION:	18.66	0.08	CONVERGYS:	10.25	(0.02)
CHARTER:	48.45	(0.08)	CSG SYSTEMS:	13.92	0.02
COMCAST:	21.33	0.11	ECHOSTAR:	24.61	(0.36)
COMCAST SPCL:	21.02	0.08	GOOGLE:	533.15	(5.85)
GCI:	8.69	0.24	HARMONIC:	5.29	(0.12)
KNOLLOGY:	13.65	0.12	INTEL:	20.67	(0.12)
LIBERTY CAPITAL:	72.57	(0.37)	JDSU:	11.70	(0.21)
LIBERTY GLOBAL:	39.80	(0.01)	LEVEL 3:	1.91	0.01
LIBERTY INT:	14.64	(0.33)	MICROSOFT:	25.25	(0.1)
SHAW COMM:	22.04	(0.09)	MOTOROLA MOBILITY:	38.13	0.11
TIME WARNER CABLE:	64.96	0.71	RENTRAK:	12.75	(0.2)
VIRGIN MEDIA:	25.33	0.31	SEACHANGE:	7.89	0.19
WASH POST:	359.11	(9.18)	SONY:	21.90	(0.06)
PROGRAMMING					
AMC NETWORKS:	34.49	(0.06)	SPRINT NEXTEL:	3.72	0.13
CBS:	24.92	0.07	THOMAS & BETTS:	42.00	(0.46)
CROWN:	1.29	0.02	TIVO:	8.59	0.06
DISCOVERY:	39.16	(0.26)	UNIVERSAL ELEC:	18.67	1.22
GRUPO TELEVISA:	20.10	(0.11)	VONAGE:	3.25	UNCH
HSN:	31.23	(0.24)	YAHOO:	13.47	(0.01)
INTERACTIVE CORP:	36.34	(0.44)	TELCOS		
LIBERTY STARZ:	69.80	0.13	AT&T:	29.17	0.38
LIONSGATE:	7.13	0.13	VERIZON:	35.61	0.73
LODGENET:	1.94	0.02	MARKET INDICES		
NEW FRONTIER:	1.25	UNCH	DOW:	11410.21	4.28
OUTDOOR:	6.39	0.01	NASDAQ:	2511.48	(11.97)
SCRIPPS INT:	42.34	(0.33)	S&P 500:	1193.88	1.12
TIME WARNER:	30.47	0.09			
VALUEVISION:	3.69	(0.01)			
VIACOM:	54.33	(0.03)			
WWE:	9.52	0.02			
TECHNOLOGY					
ADDVANTAGE:	2.36	(0.04)			
ALCATEL LUCENT:	3.70	(0.08)			
AMDOCS:	27.46	0.09			
AMPHENOL:	45.81	(0.76)			
AOL:	12.45	0.21			
APPLE:	380.44	(0.04)			
ARRIS GROUP:	10.39	0.08			
AVID TECH:	10.61	(0.17)			
BIGBAND:	1.59	(0.03)			

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GallVid

Commentary by Steve Effros

OK, I know, it sounds sort of like gall bladder, and maybe that's a good thing, since the gall bladder helps to process the bad stuff in your system in preparation for getting rid of it. Sorry, it's mid-August. That's the best I could do to start a discussion of the Google-Moto deal and the implications it may have for the FCC's AllVid proceeding.

As the world knows by now, Google has decided to buy Motorola Mobility for \$12.5 billion. The speculation is that the principal reasons are that it both wanted to protect its patent position regarding the Android operating system by picking up Moto's thousands of patents as well as (well, some folks think, anyway...) a decision to compete with Apple on mobile devices head-on.



As with most things in the fast-moving technology business, nobody really knows for sure. There's even some speculation that Google doesn't fully know! That's the nature of our business. There are so many business plans swirling around, and so much rapid change in the market that at any given time it's not entirely clear what's going on.

In this case, as I've noted before, there are two fundamental business plans competing with each other. Apple has been spectacularly successful, and consumers have been reaping the benefits of a "closed" system where Apple could tightly control the development of its products. Those innovative developments have led the industry.

Google has taken a different path; they established an "open" approach and provided an operating system, Android, that CE manufacturers could utilize in a loose federation which has resulted in major market gains for both the operating system and its many variations, as well as sales gains for all the manufacturers using it.

Both, obviously, are successful strategies. So now Google

has apparently decided to try a hybrid approach. It says it intends to continue to promote the open Android system with all of its "partners" and at the same time jump into the manufacturing side with the Motorola Mobility products coming under its direct control... more like Apple.

Will a hybrid work? Who knows. But what it does say is that the smartest folks in the business are still trying all sorts of new business plans and looking at new technologies in different ways almost on a daily basis.

Just look at the trade press speculation. Will Google try to integrate GoogleTV or some sort of an Android platform in a new Moto hybrid box? Will there be a large push toward IP, even though we all know that a conversion to IP will take many, many years for the whole industry to accomplish, and it may not be the most efficient way to use our limited bandwidth?

If the major players themselves don't know, how could anyone else? And that's the whole point about my "GallVid" title. Google has been one of the principal backers of the idea that the government should establish a single, universal "standard" for MVPD "gateway" or connectivity boxes. Now Google is getting into the business of building boxes themselves, and the first thing we're sure of is that they don't know exactly what those boxes should look like. How could the government know, and more importantly, "freeze" a technical standard when the industries and technologies are changing this fast?

The simple, and honest answer is, they can't. And to the Commission's credit, it would appear that they are reaching that conclusion themselves. Government intervention in this dynamic market right now would be an innovation and job killer. That would gall everyone!

Steve

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