

CableFAX Daily™

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What the Industry Reads First

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Clean Up: Irene Brings Service Outages, Babies and Streakers

Irene may not have been as bad as some feared, but the storm still hammered some parts of the East Coast hard. In the Carolinas, **Time Warner Cable** had 29K customers without service at 3pm Mon—down from 160K Sat. “We continue to make excellent progress in restoring services, especially as more power gets restored along the coast,” said a TWC rep, who noted that a number of employees experienced damage and flooding to their own homes. At the peak of the storm, **Charter** had 150K customers in eastern NC and VA without service (primarily due to power outages). At press time, 50K have service restored. “There continue to be access issues in the Outer Banks with road erosion and bridge washouts that make it difficult in not impossible to get to all areas. Of course, we’ve got a large number of drops down, but the good news is that all of Charter’s facilities survived intact with no significant or heavy interconnect issues on our fiber rings,” a Charter rep said. All 180+ Charter employees in the area are safe and sound. With commercial power outages the main problem in the wake of Irene, **Comcast** reported that service should be restored for most of its customers once power comes back on in their homes. “However, given the severity of the winds and rain that arose from this storm, we are also seeing some more extensive damage caused by fallen trees, poles and more that will take longer to repair,” a spokesperson said. “We are continuing to work closely with state and local emergency personnel and power companies, and have thousands of employees working across the footprint to assess and repair damage in impacted areas once provided clearance that it’s safe to do so.” **DirecTV** launched a Hurricane Irene channel at midnight ET Fri, featuring local broadcasts for impacted areas. Most of **Cox’s** N VA customers had service restored by 4pm Sun, while the MSO continued repairs in the Hampton Roads, VA, area. According to a Cox rep, **Dominion Power** has said power should be fully restored by Sept 2, but Cox said it will still take some time before all customers are back in service. Cox expects to have service restored to 90% of its New England customers currently without service by the end of the day on Thurs. Meanwhile, Cox launched a new customer status report at www.cox.com/hr letting customers view the status of the restoration process in their specific communities. Charter’s New England teams were targeting areas without power Mon. One bit of bright news amid all the storm damage: Time Warner Cable’s *Andi Curtis*, communications manager in the coastal area, went into labor Fri night. Her baby girl *Parker Elizabeth* was one of 17 newborns delivered between 6pm Fri and noon Sat at a Wilmington, NC, hospital—

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lending credence to the notion that a drop in barometric pressure brought on by a hurricane does induce labor (10 births in 24 hours is more the norm). Curtis, who was interviewed on **Fox News**, told the local *Star News Online* of the birth and hurricane, "It was these two things you couldn't control coming at me." Other lighter news (depending on your perspective) was a stalker who ran behind **Weather Channel's Eric Fisher**, reporting in VA Beach. (With the Supreme Court having examined fleeting expletives, should it take a look at fleeing phalluses next?) The clip went viral with more than 300K views on **YouTube** Mon. -- In a damned if you do, damned if you don't scenario, media spent much of Mon pontificating on whether media hyped Hurricane Irene (downgraded to tropical storm by the time it hit NYC) too much. Sure, there were definite moments of #StormPorn, but we're giving broadcasters and cabling a thumbs up for keeping viewers up-to-date. Weather Channel continued to be a leader, with its coverage garnering attention from the *NY Times* and other outlets. "The network's familiar weather experts conveyed a voice of authority its rivals couldn't match with their detailed meteorological descriptions of events," wrote AP's TV writer *David Bauder*. Weather estimates its total touch point number—the sum of times a consumer interacted with it on TV or any of its digital platforms—was 90mln on Sat. It most likely notched its highest delivery ever among HHs and P2+ on Sat (numbers are due Tues). It also recorded its highest online page views associated with a hurricane (107mln on Fri) and highest video streams online ever with nearly 13mln Sat.

MVPD Forecast: The multichannel industry will likely improve on its approx 338K in 2Q video sub losses during the current period, said **Miller Tabak's David Joyce**, but lingering issues including low housing sales, consumer cost cutting and OTT threats could produce a loss of 48K. Joyce noted that **Cablevision, Time Warner Cable, Comcast** and **Charter** will benefit from the recent **Verizon** strike, and said cable stocks "all appear quite inexpensive" even if OIBDA growth "is generally slowing due to the video subscriber declines."

In the States: Classic TV diginet **Antenna TV** hits **WADL** Detroit on Oct 1, and therefore **Comcast's** local system as well. -- **Comcast's** FL East Coast region and **The Weather Channel** partnered for "Be Ready, Weather or Not," a promo campaign designed to help subs prepare for and remain safe during severe weather. It includes on-air, online and in-store elements, and features tips based on **FEMA** recommendations and regarding pets from the **American Humane Assn.** -- **Azteca America's** Phoenix affil **KPDF** earned carriage via **DISH**. -- Qualified customers now have access to discounted wireless services and equipment from **Sprint** through **Cablevision's Optimum Business Benefits** program. -- Set to feature more than 400 college football games this season from **ESPN3.com**, the **ESPN on Xbox Live** offering has been spruced up to include more personalization, live alerts, a split screen and voice control through **Microsoft Kinect**.

Competition: **DISH** rolled out the Tailgater, a portable satellite TV antenna suited for outdoor activities such as sporting events and camping. The \$350 antenna adjusts manually and works with **DISH's** single-tuner HD receiver (\$149).

Ratings: **MTV's** hype machine and a star-studded program helped the '11 VMAs score the net's largest audience in history among total viewers (12.4mln) and 12-34s (8.5mln). The pre-show earned 7.3mln viewers, up 16% YOY, and 5.2mln 12-34s (+13%). -- **Nat Geo's** "George W. Bush: The 9/11 Interview" attracted more than 2.6mln P2+ Sun night, according to **Nielsen** fast nationals, becoming the net's 2nd highest-rated 1-hour telecast in history. -- **TNT's** "Rizzoli & Isles" scored its biggest Live+7 audience of the season last week with 9.1mln total viewers, 6% more than the show's July 11 season premiere.

Programming: *Kathy Griffin* returns to **TV Guide** for a post-Emmy Awards wrap, Sept 19, 8pm. -- The US Open began Mon as scheduled despite Hurricane Irene's weekend cameo in NY, and several media outlets are set to feature the major tennis tourney. **Tennis Channel**, which will see its distribution jump to 50mln homes during the event, and **ESPN2** are slated to air most matches, with **CBS** to handle the semis and finals and **ESPN3.com** prepared to serve up hundreds of coverage hours. **DirectTV** and **U-verse TV** are among the ops featuring interactive US Open coverage. -- Formerly known as Sleuth, **Cloo** announced "Killer Instinct" (Sept 17) as its 1st true-crime series. The show spotlights notorious American crimes through the eyes of **FBI** criminal profiler *Mark Safarik*, who will also host "Dateline on Cloo" following *Killer*. -- **DIY** intro'd 6 new prime originals for fall debuts, including "I Hate My Bath" (Sept 13) and "The *Adam Carolla* Project" (Oct 8), featuring the comedian's plan to buy his childhood home and turn it into a million-dollar house in just 13 weeks.

People: *Colin Crowell*, former sr counselor to **FCC** chmn *Julius Genachowski*, will become **Twitter's** head of global public policy. -- **Tennis Channel** tapped *Peter Steckelman* as svp, biz and legal affairs. -- **Patton Boggs** partner *Robert Quicksilver* will join **Charter** next week as evp/chief admin officer. -- **Time Warner Cable** welcomed *John Higgins, Jr* as

BUSINESS & FINANCE

area vp, ops, NE Ohio/Western PA.

On the Circuit: Plenty of Cable Power on **Forbes'** list of the "100 Most Powerful Women." *Oprah* took 14th place, followed by **Disney-ABC's Anne Sweeney** at #25. Also on the list: **NBCU Cable** chmn *Bonnie Hammer* (54), **HBO Ent** pres *Sue Naegle* (88), **HSN CEO** *Mindy Grossman* (89). -- **MSNBC** "Morning Joe" co-hosts *Joe Scarborough* and *Mika Brzezinski* will open the **WICT** Leadership Conference in NYC, Oct 3. -- **NAMIC Mid-Atlantic** hosts an industry policy forum tackling everything from broadband adoption to M&A, Sept 29, 6:30-8:30pm ET at **NCTA's** Cable Multimedia Center. **TV One's** *Roland Martin* will guest moderate, and **NCTA** chief *Michael Powell* will appear as well.

Public Affairs: **USA** donated \$5K to Nurse-Family Partnership, a leading non-profit that addresses the needs of low-income, 1st-time parents and their children. The grant is on behalf of best-selling author *Nicole Krauss*, one of the recipients of the net's Character Approved Awards, which honors "real characters" who are changing the face of American culture. -- **Time Warner Cable** donated approx \$26K worth of services to **ABC** series "Extreme Makeover: Home Edition" for a NY project. The MSO gave the project family a year's worth of its SignatureHome services and provided the show's prod crew with access to video, HSD and phone services, and TWC volunteers participated in the build.

CableFAX Daily Stockwatch

Company	08/29 Close	1-Day Ch	Company	08/29 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	43.57	1.06	BLNDER TONGUE:	1.25	0.03
DISH:	23.32	1.08	BROADCOM:	34.85	0.94
DISNEY:	33.16	0.76	CISCO:	15.74	0.42
GE:	16.04	0.50	CLEARWIRE:	2.81	0.11
NEWS CORP:	17.44	0.43	CONCURRENT:	6.10	0.29
MSOS					
CABLEVISION:	18.01	0.66	CONVERGYS:	10.33	0.54
CHARTER:	49.71	2.07	CSG SYSTEMS:	13.03	0.21
COMCAST:	21.24	0.67	ECHOSTAR:	24.26	1.10
COMCAST SPCL:	20.98	0.61	GOOGLE:	539.08	12.22
GCI:	8.62	0.55	HARMONIC:	4.92	0.07
KNOLLOGY:	13.54	0.31	INTEL:	20.30	0.53
LIBERTY CAPITAL:	69.02	2.48	JDSU:	12.28	1.09
LIBERTY GLOBAL:	38.37	2.37	LEVEL 3:	1.88	0.14
LIBERTY INT:	15.64	0.43	MICROSOFT:	25.84	0.59
SHAW COMM:	22.29	0.34	MOTOROLA MOBILITY:	37.79	0.07
TIME WARNER CABLE:	65.01	1.98	RENTRAK:	14.96	0.80
VIRGIN MEDIA:	25.12	0.85	SEACHANGE:	7.62	0.18
WASH POST:	353.50	16.85	SONY:	21.63	0.94
PROGRAMMING					
AMC NETWORKS:	34.82	0.52	SPRINT NEXTEL:	3.46	0.21
CBS:	24.47	1.30	THOMAS & BETTS:	42.55	1.74
CROWN:	1.34	0.04	TIVO:	10.64	0.68
DISCOVERY:	40.62	1.10	UNIVERSAL ELEC:	20.17	0.80
GRUPO TELEVISIA:	21.25	0.95	VONAGE:	3.48	0.20
HSN:	32.86	1.43	YAHOO:	13.68	0.94
INTERACTIVE CORP:	39.17	1.16	TELCONS		
LIBERTY STARZ:	68.29	1.97	AT&T:	29.26	0.22
LIONSGATE:	7.55	0.22	VERIZON:	36.14	0.38
LODGENET:	1.77	(0.03)	MARKET INDICES		
NEW FRONTIER:	1.23	0.01	DOW:	11539.25	254.71
OUTDOOR:	6.67	0.38	NASDAQ:	2562.11	82.26
SCRIPPS INT:	41.57	2.07	S&P 500:	1210.08	33.28
TIME WARNER:	31.02	1.33			
VALUEVISION:	3.76	0.41			
VIACOM:	56.98	1.73			
WWE:	9.59	0.53			
TECHNOLOGY					
ADVANTAGE:	2.17	0.03			
ALCATEL LUCENT:	3.62	0.16			
AMDOCS:	27.52	0.74			
AMPHENOL:	46.13	1.64			
AOL:	15.10	0.68			
APPLE:	389.97	6.39			
ARRIS GROUP:	10.86	0.59			
AVID TECH:	9.97	0.52			
BIGBAND:	1.43	0.04			

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iQuestions

Within the media and technology worlds, **Apple** may as well be *Kate Middleton* or *Lady Gaga* given the constant and comprehensive coverage it receives. And with the pome-arazzi at full tilt given *Steve Jobs'* recent resignation as CEO, it's no surprise that speculation is rampant as to why Apple has removed the rental option from the TV shows it offers through **iTunes** while purchase functionality remains. That the change occurred during the **Hulu** bidding process has led many to assume Apple is bent on acquiring the video Website (more on that in a minute). Yet an official Apple statement included in numerous reports underscored much simpler reasoning: iTunes customers have displayed a far greater predilection to purchase content rather than rent it. Don't forget that Apple's **iCloud** services aim to encourage the storage and use of content across devices, a thrust that would at the same time appear to discourage rentals.

Adding to the speculation is a Fri *WSJ* report claiming Apple is working on new tech to deliver video to TVs and may launch a subscription TV service. But haven't we heard such claims before, even if cloaked in moderately different language? The bottom line is that Apple will likely enter a market/product fray if it believes innovation is required for improvement of an ecosystem, and the company has shown a unique and admirable penchant for delivering such improvements to consumers. The **iPhone** and **iPad** are the most recent examples, and both arguably changed the game so thoroughly that the multichannel industry fears a deeper Apple foray into TV despite the decidedly modest success of Apple TV.

Meantime, of course, multichannel ops are smartly partnering with Apple where it can, such as providing content via the iPad. Apple and a reinvigorated OTT play, however, may add caps and bolding to the phrase "OTT threat."

But despite being armed with an approx \$28bln war chest that could easily acquire Hulu—not to mention all the outstanding shares of **Netflix**, too, and probably also Lady Gaga's music library—Apple doesn't look the part when it comes to Hulu. The company's all about invention and innovation in its endeavors, not spending for access to inroads.



BTIG's Richard Greenfield, though, argues that "with consumers increasingly less interested in buying video content on iTunes, you could make the case that Hulu would better align Apple's video strategy with consumer preferences." Yet he goes on to say that Hulu's ad focus doesn't seem to gel with Apple's core competencies.

A few reasons why Hulu has so many reported suitors bear noting. The site counted approx 875K **Hulu Plus** subs as of early July, and pairs with that steady income stream a proven advertising acumen. Not only did Hulu rank 9th among US online video properties with more than 24mln uniques in July, according to **comScore**, but the site continues to comfortably lead all properties in viewed video ads (nearly 963mln in July). The total breaks down to 40.4 ads/viewers, also easily best among the top properties.

According to Greenfield, **Google** is the most compelling buyer of Hulu because such a deal would accelerate its video aspirations. And, like Apple, Google has oodles of cash to spend. Yet the most logical buyer may just be **DISH**, which could use Hulu to bolster the digital offense it continues to formulate with assets including wireless spectrum and **Blockbuster**. **Yahoo** makes sense as well, if only because it needs to generate some excitement.

As for Apple, continue to expect speculation—and speculation on speculation—on anything it does or may do, Hulu purchase or no.

- Chad Heiges



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