

CableFAX Daily™

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What the Industry Reads First

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Nothing to See: Disney, TWC Deal Getting Closer

With things taking a turn for the better over the weekend, it's looking like **Time Warner Cable** (and **Bright House** subs) won't miss a minute of **ABC**, **ESPN** and **Disney** networks. Both sides cited "significant progress" and pulled marketing focused on the Sept 2 contract expiration (a few ads slipped past Sun and Mon, with there not being enough time to yank creative). The marketing pullback includes the deletion of Disney/ESPN's aggressive @i_have_choices **Twitter** feed. Assuming a deal does get done (and our Magic 8-Ball says "signs point to yes"), what happens next? We're going to guess that those pushing for retrans reform will come out with statements saying that consumers are the losers because they had to wait-and-see if they'd lose channels and could bear the brunt of any rate increases. Broadcasters, on the other hand, will pull an "I told you so," telling the **FCC** that the agreement further proves the market is working just fine. Recall that TWC is leading the fight on retrans consent reform at the FCC. The Disney/ESPN deal does include the **ABC O&Os**, but unlike with **Fox** earlier this year, there hasn't been as much noise about the retrans aspect. So, maybe it is not as big of a stumbling block in this transaction. Instead, there's been more scuttle over carriage of broadband service **ESPN3**, fees for **ESPN** and **Disney Channel** and the launch of **Disney Jr** in '12. -- Meanwhile, does anyone else think it's kind of odd that all focus at the start of the year was on TWC and Fox, and yet out of left field came **Cablevision** and **ScrIPps**, and now during this go-round with Disney **AT&T** and **Hallmark**? CVC actually lost **Food** and **HGTV** for a few weeks in Jan, while Fox and TWC worked out a deal. There was no word of a deal Mon between AT&T and Hallmark, with the network putting up a crawl on U-verse Sat. Their contract expires at 12:01am ET Wed. Interesting to watch U-verse's Facebook page, with AT&T being more responsive to the onslaught of wall posts from subs than any other provider we've seen before.

New Family Member: **ABC Family** welcomed as pres *Michael Riley*, a **Radio Disney** and **Turner** vet who replaces *Paul Lee*, now the pres of **ABC Ent Group**. Riley assumes the oversight of Family's original programming and acquisitions, franchise management, marketing, sales and ops, and will set the net's overall strategic and creative direction while reporting to *Anne Sweeney*, co-chair, **Disney Media Networks** and pres, **Disney-ABC Television Group**. Prior to his role as svp/gm, Radio Disney, Riley was svp/gm, Turner Broadcasting, Europe-Middle East-Africa.



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Emmys Wrap: Surely HBO's 8 wins at Sun night's **Prime Emmys** event, tops among all nets, failed to shock anyone. As usual, the net scored particularly well with mini-series/movies, including "Temple Grandin," "The Pacific" and "You Don't Know Jack." But an important question did emerge on TV's most important night: has **AMC's** Emmys success moved beyond mild surprise and into the rarified air of expectation? The net trailed only HBO with 4 wins on the night, a haul highlighted by the 3rd consecutive Outstanding Drama Series statuette for "Mad Men," a cable net 1st, and *Bryan Cranston* of "Breaking Bad" becoming the 1st man in TV history to be named best lead drama actor for 3 years running. Perhaps AMC must earn similar plaudits for other shows to become an Emmys staple, but gm *Charlie Collier* believes the net remains on that track. While he did say that each Emmy for AMC "still feels new," Collier noted how the net's focus on "cinematic storytelling" has helped to develop an important symbiosis between the landing of top-notch talent from TV/movies and awards recognition. Whereas cable remains widely considered over broadcast as the place to take risks with content and theme, Collier said that AMC and basic cable have importantly started "to take risks that were only seen before on the big screen." Meanwhile, cable made additional Emmys waves as well. *Kyra Sedgwick* of TNT's "The Closer" finally broke through the nomination barrier to win the best drama actress award, **Bravo's** "Top Chef" deposed **CBS'** "The Amazing Race" from its best reality-competition perch, and *Edie Falco* of **Showtime's** "Nurse Jackie" became the 1st actress to earn statuettes for both comedy and drama ("The Sopranos") lead. Other net hauls from Sun: **CBS** (3), **ABC** (3), **Showtime** (2), **Fox** (2), and with 1 each TNT, **Bravo**, **NBC** and **Comedy Central**.

Competition: **Verizon** launched an HSI service offering 10-15Mbps initially to more than 4mln homes and small businesses. Pricing runs \$60/month for residential subs, \$50/month for those with VZ voice service, and \$90/month for businesses as a stand alone service with a 2-year contract, \$100/month with no term contract.

Technology: **Clearwire** intro'd **Rover**, which it dubs the nation's 1st pay-as-you-go 4G mobile broadband service. The brand is designed for tech-savvy Gen Y-ers, or "digitally addicted youth who refuse to settle for long-term contracts, over-priced internet service, or speeds slower than what they've become accustomed to at home." The service is available in all 49 Clearwire 4G markets and at **Rover.com**. -- Come on down, **Google**, to the movie distribution party. Following **Apple TV/iTunes** speculation from last week (*Cfax*, 8/26), the *Financial Times* reported that Google is in talks with major studios to launch a PPV movie service on **YouTube** by Dec. Consumers will reportedly pay \$5 to watch new releases, which would hit the site in concurrence with DVD and iTunes. -- **CBSsports.com** partnered with **USOpen.org** to stream live the entire CBS broadcast of the '10 **US Open Tennis Championship** beginning Sept 4 (11am-6pm ET).

In the States: **Tribune** will launch a multicast channel on Jan 3 dubbed Antenna TV, featuring classic sitcoms and mov-

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BUSINESS & FINANCE

ies from **Sony** and **DLT Ent**, such as “Three’s Company” and “Maude.”

Comcast-NBCU: A day ahead of Fri’s closed-door economist meeting at the **FCC** on the proposed **Comcast-NBCU** deal, former **FCC** chief economist *William Rogerson*, acting on behalf of **ACA**, made his case for how horizontal and vertical competitive harms will result in higher programming costs for distributors if conditions are not put in place, according to an FCC filing. Rogerson was among economists at Fri’s meeting, which also reportedly included economists for **Comcast** and **Bloomberg**.

Programming: **GMC** kicks off Gospel Music Heritage Month in Sept, which will include a dedicated Website (gospelmusicheritage.com), interstitials and the premiere of concert special “The Gospel Live,” featuring *CC Winans*, *Kelly Rice* and more.

People: **Hasbro Studios** appointed *Mike Eisner* as svp, legal and business affairs.

Honors: **The Media Institute** will honor **News Corps’ Rupert Murdoch** and **NCTA’s Kyle McSlarrow** at its annual Friends & Benefactors Award Banquet, Oct 6, DC. Murdoch will receive the American Horizon Award for his leadership in promoting vitality and independence in the media industry, while McSlarrow will receive the Freedom of Speech Award for his and **NCTA’s** efforts in promoting Natl Freedom of Speech Week.

CableFAX Daily Stockwatch

Company	08/30 Close	1-Day Ch	Company	08/30 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	37.80	(0.37)	AVID TECH:	11.23	(0.36)
DISH:	17.79	(0.16)	BIGBAND:	2.66	(0.04)
DISNEY:	32.35	(0.43)	BLNDER TONGUE:	1.89	(0.04)
GE:	14.52	(0.19)	BROADCOM:	32.02	(0.99)
NEWS CORP:	13.93	(0.05)	CISCO:	20.32	(0.49)
MSOS					
CABLEVISION:	24.97	(0.39)	CLEARWIRE:	6.43	(0.2)
COMCAST:	17.00	(0.25)	COMMSCOPE:	19.00	(0.27)
COMCAST SPCL:	15.98	(0.26)	CONCURRENT:	4.95	(0.05)
GCI:	8.84	(0.17)	CONVERGYS:	10.16	(0.13)
KNOLOGY:	11.86	(0.31)	CSG SYSTEMS:	18.28	0.54
LIBERTY CAPITAL:	44.47	(0.97)	ECHOSTAR:	18.84	(0.3)
LIBERTY GLOBAL:	27.26	(0.38)	GOOGLE:	452.69	(6.14)
LIBERTY INT:	10.59	(0.18)	HARMONIC:	5.88	(0.15)
MEDIACOM:	6.85	(0.35)	INTEL:	17.96	(0.41)
SHAW COMM:	20.55	(0.06)	JDSU:	9.50	(0.47)
TIME WARNER CABLE:	51.82	0.15	LEVEL 3:	1.02	(0.01)
VIRGIN MEDIA:	19.97	(0.26)	MICROSOFT:	23.64	(0.29)
WASH POST:	370.49	(14.33)	MOTOROLA:	7.52	(0.16)
PROGRAMMING					
CBS:	13.68	(0.24)	SEACHANGE:	7.96	(0.49)
CROWN:	2.05	(0.02)	SONY:	28.49	(0.39)
DISCOVERY:	37.74	(0.25)	SPRINT NEXTEL:	3.90	(0.1)
GRUPO TELEVISA:	18.61	(0.4)	THOMAS & BETTS:	37.00	(0.36)
HSN:	26.19	(1.42)	TIVO:	7.96	(0.04)
INTERACTIVE CORP:	24.52	(0.2)	TOLLGRADE:	6.86	0.14
LIBERTY:	35.15	(0.75)	UNIVERSAL ELEC:	18.58	0.59
LIBERTY STARZ:	59.55	(0.53)	VONAGE:	2.08	0.05
LIONSGATE:	6.49	(0.18)	YAHOO:	13.18	(0.25)
LODGENET:	2.46	0.01	TELCOS		
NEW FRONTIER:	1.80	0.05	AT&T:	26.63	(0.31)
OUTDOOR:	5.06	(0.12)	QWEST:	5.62	(0.02)
PLAYBOY:	5.07	(0.11)	VERIZON:	29.44	(0.4)
SCRIPPS INT:	40.38	(0.38)	MARKET INDICES		
TIME WARNER:	29.57	(0.75)	DOW:	10009.73	(140.92)
VALUEVISION:	2.02	0.08	NASDAQ:	2119.97	(33.66)
VIACOM:	35.65	(0.48)	TECHNOLOGY		
WWE:	13.90	(0.3)	ADC:	12.66	(0.07)
TECHNOLOGY					
ADDVANTAGE:	2.97	0.16	ALCATEL LUCENT:	2.58	(0.05)
AMDOCS:	26.13	(0.2)	AMPHENOL:	41.23	(0.7)
AOL:	22.17	(0.59)	APPLE:	242.50	0.88
ARRIS GROUP:	8.57	0.10			

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EYE ON INNOVATION

Caught in a Web of Uncertainty

In 1985, the 1st dot-com domain was registered, Microsoft opened Windows to the masses and CDs hit the shelves, according to ThePeopleHistory.com. '95 brought America the DVD format. Now, in late summer '10, technology and media are intertwined with an unprecedented tautness. While content is moving to alternate platforms as consumers demand choice and immediacy—and CDs and DVDs continue to lose relevance—the FCC and lawmakers ponder regulations and/or oversights to cover the Web, arguably the most important invention ever for consumers and businesses alike. For better or worse, the Internet as we know it today is a fabulous innovator, yet also a great disrupter. In the media space, look no further than Apple and Blockbuster, perhaps the poster children for the axiom that innovation breeds winners and punishes losers. And as MSOs, programmers and tech providers are now placing their bets on the future of the Web, or more specifically determining how best to conduct or ride on the train instead of lying beneath it, Cisco and Monitor Group's Global Business Network have attempted to provide a crystal ball of sorts for the Web.

The pair collaborated on a report that examines the driving forces and uncertainties that will shape the path of the Internet over the next 15 years, and posits 4 scenarios for the info superhighway's potential 2025 status based on how current-day critical factors such as net neutrality policies, consumer response to new pricing models and tech adoption may play out. It's not a catch-all manual for players in the media and tech spaces, to be sure. But since there will be more winners and losers over the next 15 years, all angles and recesses of the Internet deserve attention—not just the impact of Comcast/NBCU.

First, the report expresses confidence that by '25: global governance of the Web will remain substantially

unchanged, and consumers will pay for connectivity in a much wider range of ways. The report claims that “almost everything that can be variably priced will be,” adding that “the presumption that content delivery and connectivity should be considered as separate value propositions will also be subject to experimentation.” That experimentation is obviously well underway, as are developments along what the report calls the “axis of uncertainty” related to the choices that both individuals and businesses will make to shape overall demand for Internet access, devices, apps, and content. Depending on what plays out, said the report, 4 scenarios are possible for '25.



“Fluid Frontiers” depicts a world in which tech continues to make connectivity and devices more and more affordable, and fierce competition ensure that the wide range of needs and demands from across the world are met quickly. “Insecure Growth” points to relentless cyber attacks that are ungovernable, with secure but expensive alternatives emerging. “Short of the Promise” envisions tech offering little Web innovation because of prolonged economic stagnation, while “Bursting at the Seams” colors a portrait of boundless demand for IP-based services but a gulf between the expectations and reality of Internet use due to capacity constraints.

All the scenarios feature different implications for service providers and content owners, and perhaps most unfortunately are unable to provide a roadmap to success for either of those 2 camps. Which begs the question that's on the minds of many in the media industry right now: will the Internet be easier or more difficult to navigate and manage for companies that use both avenues? Without a true crystal ball, experimentation with and discourse on the Web issues at hand may be the best ways to determine the answers to that question and the future of the entire Web ecosystem.

In media, it's anyone's game to win.

-Chad Heiges

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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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Nominate at: www.cablefax.com/cablefax100