

CableFAX Daily™

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What the Industry Reads First

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Campus Crazies: Digital College Sports a Required Media Course

The college football season kicks off Thurs, and the Kansas State Wildcats begin tackling their schedule Sat, but subscription service **K-StateHD.tv** is ahead of the game. It launched Tues night to exclusively feature in high-def some of the school's athletic contests including this weekend's pigskin contest for approx \$10/month or \$80/year. The Website is part of a growing trend in college athletics whereby cable ops and nets, NCAA conferences and universities see multiplatform content as an imperative way to drive loyalty and add to their financial playbooks. "This is a burgeoning space in college athletics," said **LHB Sports, Ent & Media** pres/CEO *Lee Berke*, who's currently working on a few related yet undisclosed projects. "There are an increasing number of flavors popping up, the interest is there, the fan base is there, and distributors are looking for brand-name content." **ESPN's Longhorn Net** operates an authenticated Website offering live, 24/7 streaming, for example, and **Pac-12 Nets'** deal with cable ops features TV Everywhere rights (*Cfax*, 7/28). Also this sports season, **Time Warner Cable, DISH** and **DirecTV** are featuring **BTN2Go**, the authenticated multiplatform extension of **Big Ten Net** that's available to channel subs along with **BTN2Go.com** beginning Thurs. While it's too early to determine usage trends for many of these initiatives, their goal, of course, is to keep passionate sports fans connected wherever they may be. Most feature a lot of non-football content such as basketball and volleyball since the lion's share of major conference football games are tied up by **ESPN, Fox Sports, CBS Sports** or RSNs, who themselves are bent on "squeezing the value out of sports brands across platforms," said Berke. **ESPN's** been doing that for years via **ESPN3.com**, which this year is slated to carry more than 400 college football games (more than 75 exclusive, the most ever) and 31 bowl games. Even if Berke contends "it's tough to watch" college football online, the pioneering site helps prove his contention that multiplatform college athletics is a hot commodity. **ESPN3** generated 9.6mln total hours of college football consumption last season, up 42% YOY according to **Adobe**, and more than 6.2mln uniques for pigskin programming. And during the same year when **ESPN** took over **BCS** bowl games on TV, the site generated more than 177mln minutes for all bowl games, marking a 275% jump. No doubt **Big Ten Net, Kansas State** and others would like to duplicate that growth.

Copy Again: **ACA** is troubled by the **US Copyright Office** targeting the distant TV license for elimination in its new report, saying it would harm consumers—particularly those who live in rural areas and value out-of-market TV



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signals. However, the group warns that this isn't exactly new territory. The Office 1st recommended abolishing the cable license in '81, making the same recommendation in reports to Congress numerous times over the last 30 years (most recently in '08). "Despite these many suggestions, Congress has always decided that the best course of action for consumers was to renew the license," said ACA pres/CEO *Matt Polka*. "ACA hopes that Congress will once again stay this wise course." The report is the offshoot of last year's passage of the Satellite TV Extension and Localism Act, which extended the distance license for 5 years.

Weather Ratings: The prediction held true, with Sat marking **Weather Channel's** highest delivery day ever (2.453mln P2+ viewers). The net was the #1 ad-supported cable net for persons 25-54. For the week, Weather ranked #5 across all cable nets in Total Day. And yes, people still love talking about the weather. Weather Tweets hit their peak on Saturday with 301,324 for the day.

In the States: Comcast's all digital rollout continues, with Sacramento to begin making the switch next month, reports the *Sacramento Bee*. The MSO will stagger the transition from mid-Sept to mid-Oct, breaking up its Sacramento territory into 4 areas. -- **AT&T's 4G LTE** network is unofficially live in Chicago, with various testers reporting delivered speeds of approx 12Mbps. The telco has plans to also launch the network this summer in Atlanta, Dallas, Houston and San Antonio.

In the Courts: The 3rd Circuit Court of Appeals in Philly upheld the certification of a class action suit against **Comcast** claiming the MSO overcharged customers for service. The complaint alleges that Comcast bought out competing cable providers to obtain a monopoly in the Philadelphia areas.

Theater on Demand: Nearing a limited private beta phase is **MoviePass**, a service aiming to increase attendance at theaters by allowing moviegoers across the country to see an unlimited number of films for a fixed monthly fee. Accessed via MoviePass.com, the service includes 36K screens and will test a zone pricing model based on the avg ticket price in a member's market. A mobile version is slated for early '12 deployment.

Technology: MoCA said more than 100 MoCa products for home networking over in-home coax have been certified, with about 85% of them video-specific and used by pay TV ops. The rest are available in retail and installer channels.

Programming: The Irene programming isn't over. **Weather Channel** debuts 1-hour special "Irene's Fury," Sun at 9pm 12am and 3am (ET). The net will take viewers along Irene's path as it moved up the Eastern Seaboard and explore whether the storm can help scientists and urban planners better prepare for future hurricanes. -- Those needing more storm action can check out the premiere of a new season of **Discovery's** "Storm Chasers" on Sept 25 (9pm). Storm trackers witnessed this season's infamous tornado outbreak when nearly 200 tornadoes were recorded and 300 lives lost in just a single day. -- "Today" exec prod *Jim Bell* was tapped to serve in the same capacity for **NBCU's** coverage of next year's London Olympics. Bell replaces *Dick Ebersol*, who resigned as NBC Sports Group chmn in May. Also, NBCU plans to feature every Games event live on some platform. -- **HLN** host *Nancy Grace* is part of the cast for the upcoming season of **ABC's** "Dancing with the Stars" (Sept 19). Her competition includes *Chaz Bono*, *NBAer Ron Artest* and USA soccer goalie *Hope Solo*. -- **Epix** will simulcast **MTV2's** live coverage of the new season of **Bellator Fighting Championships** beginning Sept 10. The MMA brand features a 12-week season.

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BUSINESS & FINANCE

Honors: WICT Southeast released its Red Letter Award winners, with *Monisha Longacre*, **Weather Channel** vp, strategy and portfolio mgmt, IT, receiving the Catalyst Award for Women in Technology. Other winners: **Scripps Networks Interactive's Tamara Franklin** (Horizon Award for Woman to Watch); **Cox's Mae Douglas** (Inspiration Award for Woman of the Year) and **Turner's Lawrence Toner** (Mentor Award). **Turner's Vicki Bodman** and **Scripps' Sandi Ionelli** were both recognized with the Rising Star Award for Emerging Leaders.

On the Circuit: ZCorum customers are being asked to submit a video telling the company why they love its Web-based software for cable modem diagnostics **TruVizion** for a chance to win a free trip to the '11 **SCTE Cable-Tec Expo** in Atlanta (Nov 15-17), including airfare, lodging, \$500, dinner for 2 at a local restaurant and a handheld camera. Info at TruVizion.com.

Business/Finance: DG Fastchannel agreed to buy **Limelight Networks' EyeWonder** rich media ad tech for \$66mln in cash. The deal is expected to close Thurs. -- No real surprise here, but if you followed *John Malone* and **Liberty Media's** lead and invested in **Barnes & Noble** last week, Tues was a happy day. The bookseller's shares jumped 14.9% after it reported a narrower quarterly loss and a 140% increase in digital rev, including the Nook e-book reader and e-books.

CableFAX Daily Stockwatch

Company	08/30 Close	1-Day Ch	Company	08/30 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	43.78	0.21	BLNDER TONGUE:	1.29	0.04
DISH:	23.34	0.02	BROADCOM:	35.25	0.40
DISNEY:	33.58	0.42	CISCO:	15.63	(0.11)
GE:	16.12	0.08	CLEARWIRE:	2.88	0.07
NEWS CORP:	17.30	(0.14)	CONCURRENT:	6.15	0.05
MSOS					
CABLEVISION:	17.98	(0.03)	CONVERGYS:	10.60	0.27
CHARTER:	49.99	0.28	CSG SYSTEMS:	13.17	0.14
COMCAST:	21.32	0.08	ECHOSTAR:	24.29	0.03
COMCAST SPCL:	21.01	0.03	GOOGLE:	540.70	1.62
GCI:	8.62	UNCH	HARMONIC:	4.88	(0.04)
KNONLOGY:	13.42	(0.12)	INTEL:	20.24	(0.06)
LIBERTY CAPITAL:	70.14	1.12	JDSU:	13.44	1.16
LIBERTY GLOBAL:	39.25	0.88	LEVEL 3:	1.84	(0.04)
LIBERTY INT:	15.85	0.21	MICROSOFT:	26.23	0.39
SHAW COMM:	22.67	0.38	MOTOROLA MOBILITY:	37.76	(0.03)
TIME WARNER CABLE:	65.51	0.50	RENTRAK:	15.06	0.10
VIRGIN MEDIA:	25.00	(0.12)	SEACHANGE:	7.74	0.12
WASH POST:	353.89	0.39	SONY:	22.01	0.38
PROGRAMMING					
AMC NETWORKS:	36.49	1.67	SPRINT NEXTEL:	3.55	0.09
CBS:	25.04	0.57	THOMAS & BETTS:	42.87	0.32
CROWN:	1.33	(0.01)	TIVO:	10.81	0.17
DISCOVERY:	41.59	0.97	UNIVERSAL ELEC:	19.54	(0.63)
GRUPO TELEVISIA:	21.52	0.27	VONAGE:	3.58	0.10
HSN:	32.30	(0.56)	YAHOO:	13.84	0.16
INTERACTIVE CORP:	39.29	0.12	TELCOS		
LIBERTY STARZ:	68.33	0.04	AT&T:	29.62	0.36
LIONSGATE:	7.52	(0.03)	VERIZON:	36.31	0.17
LODGENET:	1.84	0.07	MARKET INDICES		
NEW FRONTIER:	1.24	0.01	DOW:	11559.95	20.70
OUTDOOR:	6.75	0.08	NASDAQ:	2576.11	14.00
SCRIPPS INT:	42.09	0.52	S&P 500:	1212.92	2.84
TIME WARNER:	31.26	0.24			
VALUEVISION:	3.94	0.18			
VIACOM:	57.38	0.39			
WWE:	9.60	0.01			
TECHNOLOGY					
ADVANTAGE:	2.24	0.07			
ALCATEL LUCENT:	3.64	0.02			
AMDOCS:	27.80	0.28			
AMPHENOL:	46.39	0.26			
AOL:	15.31	0.21			
APPLE:	389.99	0.02			
ARRIS GROUP:	10.88	0.02			
AVID TECH:	9.94	(0.03)			
BIGBAND:	1.43	UNCH			



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CableFAX Roundtable

Indie Voices

For our August Roundtable, **CableFAX** invited independent programming heads to discuss the programming landscape from their viewpoints. Our panelists are: **Entertainment Studios** chmn/CEO *Byron Allen*, **HDNet** CEO *Mark Cuban*, **HSN, Inc** CEO *Mindy Grossman* and **Tennis Channel** chmn/CEO *Ken Solomon*.



Byron Allen



Mark Cuban



Mindy Grossman



Ken Solomon

Has the landscape for independent networks changed much in the past five years?

Ken Solomon: It has, for better and for worse. It's better in the sense that audience desires for new services and passion categories have never been greater. It's worse as an unfortunate result of operator consolidation, and verticalization, which has left the distribution door essentially sealed shut for new independent programmers.

Mark Cuban: Bandwidth has become more valuable to MVPDs. Between the transition to HD, the addition of VOD/PPV and the need for bandwidth for high-speed data and other apps, the amount of bandwidth available to new and small networks has basically disappeared.

Byron Allen: New independents have been shut out from current programming budgets by MVPDs due to retransmission consent fees, massive cord cutting, escalating programming costs from major conglomerate cable groups, and the launch of multiple sports networks. New independents need to seriously pursue over-the-top opportunities.

Mindy Grossman: We see changes almost every day. But one thing that doesn't change is the importance of fresh content. That's why we believe there will always be strong opportunities for innovative, independent networks such as HSN that can adjust rapidly to the ever-evolving media marketplace by delivering content that is relevant to the audience, even as audience needs and desires change.

What are your biggest challenges?

Solomon: Distribution, distribution, distribution! Did I mention distribution?

Cuban: Big media companies require distributors to take TV networks that underperform or are merely placeholders in order to get their popular network(s). Supposedly this wholesale bundling doesn't take place. Big media companies deny they do it, but that is not the case. Talk to any small distributor. It is alive and well. Non-performing net-

works take up slots that could go to emerging networks like HDNet, HDNet Movies and others.

Grossman: There can be some circumstances where we would like to leverage efficiencies of scale to a greater degree. We believe this will come with our continued growth as we work to expand our customer base and further engage existing customers. All of that said, we feel that the degree of agility our size affords us to quickly respond to opportunities far outweighs these challenges of scale.

Allen: Managing our rapid growth as we continue to provide high quality, low-cost programming at a time in which the subscribers are demanding it. The media conglomerates who have expensive cable network portfolios have all the challenges—this is a great time to be an independent. High-cost programming and over-the-top are much bigger problems than the MVPDs will ever admit.

What do you make of Comcast's pledge, as part of its NBCU transaction, to launch 10 new independent channels over the next 8 years?

Cuban: I love it. It is great to see Comcast recognize the importance of independent voices.

Allen: As the only person who owns 100% of 7 HD linear cable networks, and I happen to be African-American, I believe Comcast's pledge to be an excellent first step in diversifying ownership on their platform. Comcast's allocation of these channels will only foster more competition if they select ownership groups that are properly funded and have a true understanding of what it takes to launch, manage and grow 24-hour cable networks that compete in an extremely crowded marketplace. Unfortunately, there aren't a lot of investors out there willing to lose significant amounts of capital on new cable networks that have a high probability of not succeeding, and hopefully, Comcast is fortunate enough to select partners who are truly passionate about succeeding in this space. Overall, the industry still has a long way to go and the commitment needs to be embraced by the entire

CableFAX Roundtable

industry, which I do not see happening anytime in the near future. So without distribution beyond Comcast, all the networks they could possibly select are well-positioned to fail.

Solomon: It's noble but how far does it go? The proof will be in the pudding. I certainly hope that in the near future we will all see these independents have real parity in pricing, penetration and neighborhooding with their distributor-owned counterparts, thus affording them a chance to compete on an even playing field... Comcast's actions will speak louder than any pledge, and I am hopeful they will deliver on the promise of parity.

Do the FCC's recent changes to program carriage rules, including the introduction of a standstill provision, level the playing field?

Cuban: No. Independent networks have no leverage whatsoever. It's a step in the right direction, and we will continue to work to have our voice heard in Washington, but it is only a minor step.

Allen: It is a good first step, but it does not solve the core industry problem of the major conglomerate program providers overcharging for content.

Grossman: I'm not sure I would go so far as to say the FCC's recent changes to program carriage rules level the playing field. However, to the extent that the temporary standstill provision expedites the complaint process and provides guidance on a power the FCC views it already has the authority to impose, it's fairer to everyone.

Where are you when it comes to TV Everywhere?

Allen: We have a major game-changing announcement forthcoming. Entertainment Studios Networks will be very much a part of the digital revolution

Cuban: I'm a huge supporter of TV Everywhere. Distributors pay us for our signal. It's this distribution that creates a network's identity. HDNet doesn't stream our signal online. We feel an obligation to our distribution partners to work exclusively through them for distribution online.

Grossman: We started using the phrase and developing the necessary systems for "HSN Everywhere" several years ago, so that idea is not new to us. We have the technical infrastructure and expertise to support a robust multi-screen experience, and are actively working with many of our distribution partners on the inclusion of HSN in their TV Everywhere initiatives.

Solomon: Mobility and live sports and passionate lifestyle fit hand in glove. How that gets applied needs to be carefully balanced between independent service providers and major distributors. One of the great things about tennis is that it's tailor-made for the emerging digital platforms and

TV Everywhere concept. To begin with, there are more matches going on at the same time each week—men's and women's, singles and doubles—than will fit on one, or even 5 television screens. With multiple courts you need multiple screens, and applications.

What upcoming program/initiative are you most excited about for your network?

Grossman: Our version of TV Everywhere is more robust than many programmers who are merely replicating the same content on many screens. We're creating complementary experiences that are appropriate for each device. Of course, viewers can watch HSN on each of the screens, but they can also do so much more. For example, as a viewer watches a fashion show on HSN TV, she can use her tablet to further engage with the programming—she can look at alternative images of the garment, zoom in on the fabric, and find related pieces to complete her look... all in real time at her fingertips.

Cuban: We are quickly approaching the point where our entire primetime schedule is original programming. We will have our biggest launch of new programs ever this fall on HDNet. We are launching a live concert series with fully integrated social media elements that will allow our viewers to truly enjoy the concert as if they were right there in the front row. On the mixed martial arts front, we continue to dominate the space and will grow the number of free, live events that we have. This year we expect to do more than 30 live fights, which is about 30 more than all other basic and broadcast networks combined.

Allen: Delivering high quality content and lower costs to our subscribers and MVPDs – this is the only thing that matters at this moment in time, and everything else is a waste of time.

Solomon: Of course we're always excited to add households, increase distribution, ad sponsorship and other core initiatives. Beyond this, our 3rd year of US Open coverage is underway, with 75 hours of live matches. We're also working on a huge multilevel content project for next year that attempts to answer the great GOAT debate: "Who's the greatest tennis player of all time?" We're polling hundreds of experts, players, journalists and of course fans, and will decide and then walk our viewers through the first-ever true list of 100 best tennis players in history. Our social-media partnership with SnappyTV stunned us by delivering to 2mln hits when we unveiled it during the French Open. Finally, we are convinced based on the reaction to our Roland Garros 3D coverage that tennis has an ability to move this format like few other sports or any other programming for that matter.