

CableFAX Daily™

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What the Industry Reads First

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Dialing Up an Edge: Smartphone/Data Combo a Hot Commodity

It's doubtful that many smartphone owners have decided to cancel their pay TV service and rely exclusively on the devices for their content needs, so thus far mobile has been excluded from the topic du jour: the threat of cord-cutting to video providers. Yet mobile handsets and their increasing coupling with Internet services remain a threat to another ebbing cable business, Web access provisioning. And while **MetroPCS** officially launched in Las Vegas Tues a 4G **LTE** service offering text, talk and Web access with prices starting at \$55/month, **AT&T** chmn/CEO *Randall Stephenson* was again busy touting the unchecked consumer appetite for integrated devices and mobile data. The telco's on pace in 3Q to set a co record in quarterly integrated device sales, including a record number of new customers with 2-year contracts, said Stephenson at the **Goldman Sachs** conference, noting how the data-centric customer segment is "very healthy." Services such as **U-verse Mobile**, which allows smartphone users to program home DVRs and even watch stored content, are benefitting AT&T's video business, said Stephenson, who perhaps more importantly sees tremendous upside for mobile services within the SMB and enterprise segments. A wired/mobile broadband offering is "proving to be very important and relevant" among SMBs, he said, relating how mobility dominated the discussions among the 70 corporate CIOs that AT&T recently hosted. It's not that cable is inactive in the mobile broadband space—**Comcast** has claimed success in packaging wired broadband with its **High-Speed 2go** product, for example, and **Cablevision's** popular mobile WiFi network earns tons of use—but the ongoing tech advancements in smartphones may lead consumers to leave their computers at home more often. **Cox** is planning to launch its own wireless service, of course, which should further inform on cable customers' desires in the mobile space. But even as the MSO has opened a kiosk in Norfolk that's slated to eventually feature wireless sales, the service was originally scheduled to have launched by now. "We're not giving an update on wireless today other than to say that we are focused more on the 'how' than the 'when,'" said a Cox spokesperson. "When we made the decision to offer a wireless service, we made a commitment to doing it right and providing the best customer experience in the business. This remains our focus." AT&T's focus, meanwhile, remains on mobile data, although Stephenson said the telco has made notable strides this Q in signing up lower-end broadband subs through new, lower pricing. Also, he doesn't see any current constraints in the telco's network that would disadvantage it against High-Speed 2go, **Clearwire** or any other

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4G mobile network. "You have to have a broad, ubiquitous high-bandwidth experience, a very consistent experience," said Stephenson, adding that mobile services currently offering speeds from 7-10Mbps won't be able to offer a ubiquitous service "for some time." AT&T offers 2-3Mbps everywhere right now, and plans to layer on LTE services over time.

In the Courts: The 5th Circuit Court of Appeals is sending the SEC's insider trading case against *Mark Cuban* back to a lower court. The case involves the billionaire and HDNet founder avoiding more than \$750K in losses by selling shares in **Mamma.com** before the search engine announced a private investment of public equity offering. The lower court found that, at most, there was an agreement to keep the info of the PIPE confidential, but there was no agreement not to trade. In overturning the decision, the appeals panel said it's at least plausible that each of the parties understood that Cuban couldn't use the info for his own personal benefit.

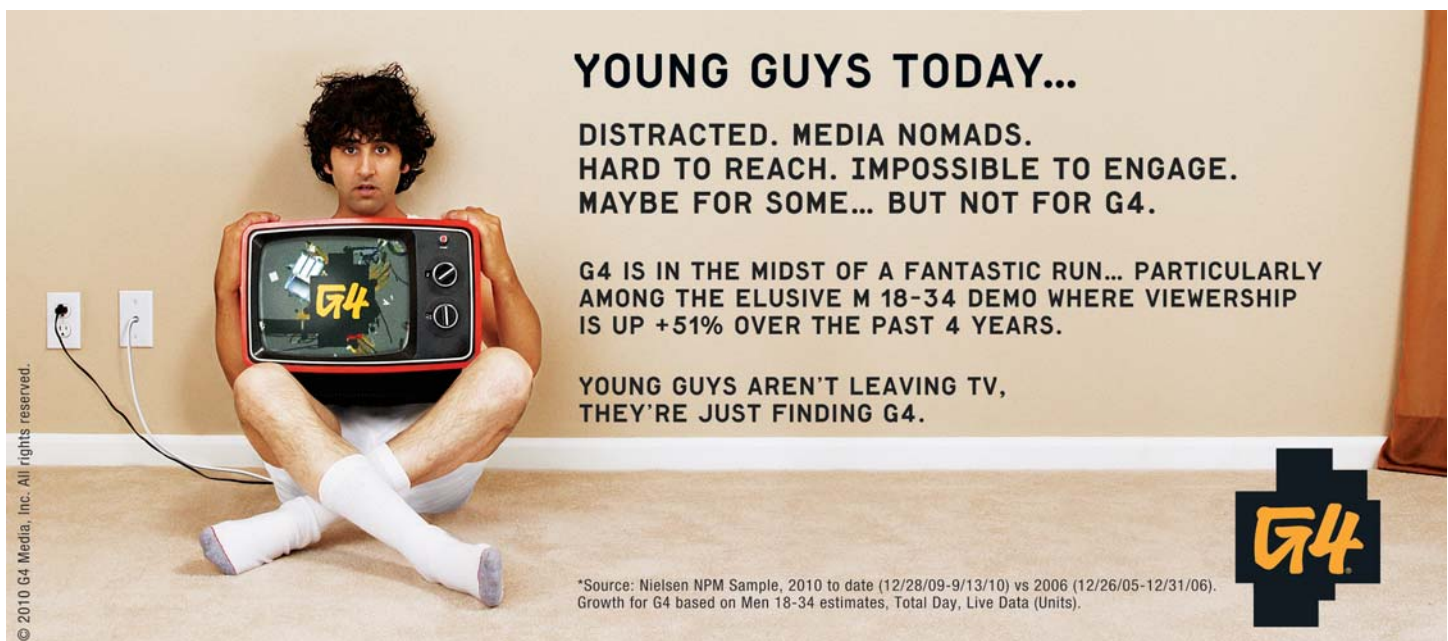
Goldman Sachs Notebook: The multichannel business is "a lot healthier than people think," said **Disney** boss *Bob Iger*, adding that he sees no evidence of cord-cutting. Regardless, Disney continues to view Internet-connected TVs and other alternative platforms as real opportunities to create new products that are good for both consumers and distributors. "You can't will technology away," said Iger, citing **ESPN3** as a non-linear success story. Furthermore, Iger said constant tech advancements will prevent aggregators such as **Netflix** from achieving a "game, set match circumstance" through control of the lion's share of relevant content. On the retrans front, Iger said he absolutely expects **ABC** to receive a portion of the retrans fees garnered by its affiliates, adding that some deals have already been inked while other discussions are ongoing. "Our stations' performance has been fantastic," said Iger of retrans payments, which he expects to grow going forward.

Ratings: The premiere of **HBO's** "Boardwalk Empire" averaged 4.8mln viewers to score the net's largest premiere audience of any program since Mar '04. With additional plays, the show was watched by a combined 7.1mln viewers on Sun night. HBO announced Tues that it has already renewed the series for a 2nd season.

Technology: **Cablevision** deployed **Zodiac's** PowerUp Platform in digital set-tops across its footprint, allowing for rollouts of enhanced and interactive TV services such as iO TV Shortcuts and VOD navigation. The companies are also working together on the MSO's remote-storage DVR.

In the States: **Echostar** and **Deluxe Digital Cinema** have formed a jv to build an advanced digital cinema satellite distribution network targeting delivery to digitally equipped theaters in the US and Canada.

At the Portals: The **FCC's** latest efforts to bring fast Internet access to schools and libraries includes the launch of pilot program "Learning on the Go," which allows students to learn off campus via digital textbooks and other innovative wireless devices. Other elements include allowing participants to use E-Rate funds to connect to the Internet in



YOUNG GUYS TODAY...


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HARD TO REACH. IMPOSSIBLE TO ENGAGE.
MAYBE FOR SOME... BUT NOT FOR G4.**

**G4 IS IN THE MIDST OF A FANTASTIC RUN... PARTICULARLY
AMONG THE ELUSIVE M 18-34 DEMO WHERE VIEWERSHIP
IS UP +51% OVER THE PAST 4 YEARS.**

**YOUNG GUYS AREN'T LEAVING TV,
THEY'RE JUST FINDING G4.**

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*Source: Nielsen NPM Sample, 2010 to date (12/28/09-9/13/10) vs 2006 (12/26/05-12/31/06).
Growth for G4 based on Men 18-34 estimates, Total Day, Live Data (Units).



the most cost-effective way possible, including via unused fiber lines already in place. The FCC also will expand the "School Spots" program, where schools can opt to provide Internet access to the community after students go home.

Programming: USA will bring back "L&O: Criminal Intent" for a 10th and final season ('11). In addition, **Universal Cable Prod** has made a pilot commitment for a new project with L&O producer **Wolf Films**. "The plan is for this to be the series finale, but with a *Dick Wolf* franchise, one really never knows until it's over," said USA pres original programming *Jeff Wachtel*. *Vincent D'Onofrio*, who played Det *Robert Goren* for the first 8 seasons, will return to the series for season 10. -- **Fox Business** is switching up its daytime lineup. *Dagen McDowell* and *Connell McShane* will co-anchor the 11am ET hour, followed by *Cheryl Casone* continuing as anchor of the 12-1pm hour. *Lori Rothman* will make her debut with *Chris Cotter* in the 1-2pm block with *Brian Sullivan* covering the 2pm hour. -- *Carson Kressley* and *Nancy O'Dell* have signed on to co-host **OWN's** "Your OWN Show: Oprah's Search for the Next TV Star" (Jan). -- **Showtime** greenlit a 6th season of "Weeds" and 2nd season of "The Big C." -- **E!'s** flagship series "E! News" is expanding to a 1-hour format beginning Oct 25.

Online: Turner Sports and the **NCAA** formed **NCAA Digital**, a 14-year agreement in which Turner will manage and operate the NCAA's digital portfolio, including NCAA.com. Turner will focus its efforts for NCAA Digital on all 88 NCAA Championship tournaments across 23 sports (men's and women's), with a commitment to increased original programming, studio shows, enhanced selection shows, live video for those events and related features. Turner Sports plans to re-launch NCAA.com during 1Q.

VOD: In celebration of **Hispanic Heritage Month**, **Comcast** rolled out special on-demand content featuring the availability through Oct 15 of 250 overall content choices and 65 Latino films such "The Motorcycle Diaries" and "Pan's Labyrinth."

Editor's Note: Got EBIF? Check out our special mid-day report updating you on the latest developments in iTV and advanced advertising. View it at <http://www.aimediaserver6.com/cable/email/CableFAXMidDaySeptember21.pdf>.

Advertising: JPMorgan Chase has signed on as **MSG's** 1st-ever "marquee partner," giving it brand exposure across MSG venues—Madison Square Garden, NY Knicks, **MSG net** and **MSG Plus**. -- **AnimalPlanet.com** and **Purina** Mighty Dog dog food are creating custom online content aimed at small dog owners. "Small & In Charge" runs through Oct and features original programming, such as series "Small Dogs, Big Jobs."

Trade Winds: *Multi* and *B&C* vp/group publisher *Larry Dunn* is leaving **NewBay Media** to join **Cablevision**-owned *Newsday* as svp, ad sales in early Oct, the pubs reported Tues.

Honors: *Working Mother* named its 100 Best Companies, of which 100% provide private lactation rooms and help finding elder-care services. Again on the list were **Discovery Comm**, **Turner** and **Verizon**, with the former cracking the top 10.

Program Awards/Top Ops: "Saturday Night Live" cast member *Fred Armisen* will be our special guest at the **CableFAX Program Awards and Top Ops Luncheon** in NYC on Oct 4. He'll talk about his new **IFC** show "Portlandia." Meanwhile, we'll of course announce the winners of our prestigious Program Awards and honor MSO of

CableFAX's PROGRAM & Top Ops AWARDS

October 4, 2010 • 12:00 – 2:00pm • Grand Hyatt, NYC

Join us as we celebrate the 3rd annual CableFAX Program Awards and honor the Top Operators of the Year. This outstanding event will bring together those who create amazing content and those who excel in bringing it to the viewers. CableFAX will also be inducting eight honorees to CableFAX's Programming Hall of Fame.

Questions: Contact *Elizabeth Brown* at ebrown@accessintel.com; 301-354-1610

View Finalists and Register today at www.cablefax.com/program2010

Special Issue: Program Award winners and honorees will be featured in CableFAX: The Magazine's October Programming Issue and distributed in print at the October 4th event, Cable Fall Connection and Telco TV.

Advertising & Sponsorships:

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BUSINESS & FINANCE

the Year **Cablevision** and other top ops like **New Wave**, **Comcast**, **Time Warner Cable** and more.

More info at <http://www.cablefax.com/cfp/events/program2010/>.

Business/Finance: Following **Time Warner Cable CFO Rob Marcus'** warnings of a sluggish 3Q, **Miller Tabak** lowered its estimate for net RGU adds to 23K from 118K. The firm also reduced **Comcast** 3Q RGU net adds to 682K from 1.021mln and **Charter** to 42K from 163K. -- **Liberty Media's** board approved a change in attribution of the **Starz Media** business along with \$15mln in cash from the **Liberty Capital** tracking stock group to the **Liberty Starz** tracking stock group (*Cfax*, 6/22). Effective Sept 30, Starz Media will include the following assets: **Overture Films**, **Anchor Bay Ent**, **Proprietary Prod**, **Film Roman** and **Toronto Animation Studio**. **Collins Stewart's Thomas Eagan** upped his price target on LSTZA shares by \$6 to \$75 on the news, citing a "more accretive reallocation of Starz Media than we had expected" and the increased likelihood that LSTZA will be able to renew its deal with **Netflix** at a price approaching \$1.2bln. -- **Morgan Stanley** analysts removed **DirectTV** from its Best Ideas list due chiefly to the DBS op's recent outperformance. The firm maintained its 'overweight' rating on the shares.

CableFAX Daily Stockwatch

Company	09/21 Close	1-Day Ch	Company	09/21 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	41.55	(0.04)	ARRIS GROUP:	9.46	(0.03)
DISH:	18.78	(0.14)	AVID TECH:	12.75	0.01
DISNEY:	34.50	(0.4)	BIGBAND:	2.81	0.00
GE:	16.52	(0.03)	BLNDER TONGUE:	2.35	0.28
NEWS CORP:	15.57	(0.14)	BROADCOM:	33.37	(0.34)
MSOS					
CABLEVISION:	25.98	(0.38)	CISCO:	21.64	(0.11)
CHARTER:	33.84	(0.66)	CLEARWIRE:	7.63	0.20
COMCAST:	18.13	0.03	COMMSCOPE:	22.75	0.04
COMCAST SPCL:	17.06	0.06	CONCURRENT:	6.42	(0.03)
GCI:	10.21	0.11	CONVERGYS:	10.26	(0.08)
KNOLGY:	13.36	0.31	CSG SYSTEMS:	20.95	0.04
LIBERTY CAPITAL:	52.05	1.21	ECHOSTAR:	19.22	(0.01)
LIBERTY GLOBAL:	30.31	0.27	GOOGLE:	513.46	5.18
LIBERTY INT:	12.77	(0.05)	HARMONIC:	6.75	(0.32)
MEDIACOM:	6.19	(0.06)	INTEL:	19.14	0.21
SHAW COMM:	21.52	(0.13)	JDSU:	12.35	(0.1)
TIME WARNER CABLE:	52.66	(0.13)	LEVEL 3:	1.01	(0.01)
VIRGIN MEDIA:	21.96	(0.04)	MICROSOFT:	25.15	(0.28)
WASH POST:	365.58	(9.54)	MOTOROLA:	8.33	(0.12)
PROGRAMMING					
CBS:	15.61	(0.1)	RENTRAK:	25.08	0.34
CROWN:	2.21	(0.06)	SEACHANGE:	7.43	(0.16)
DISCOVERY:	43.24	(0.13)	SONY:	30.96	(0.57)
GRUPO TELEVISIA:	19.04	(0.38)	SPRINT NEXTEL:	4.58	(0.05)
HSN:	30.37	(0.23)	THOMAS & BETTS:	40.96	(0.44)
INTERACTIVE CORP:	26.25	(0.19)	TIVO:	9.71	(0.1)
LIBERTY:	37.82	(0.05)	TOLLGRADE:	7.27	(0.2)
LIBERTY STARZ:	64.96	1.03	UNIVERSAL ELEC:	20.78	0.21
LIONSGATE:	7.35	(0.03)	VONAGE:	2.41	(0.02)
LODGENET:	3.07	0.21	YAHOO:	14.18	0.32
NEW FRONTIER:	1.73	0.04	TELCOS		
OUTDOOR:	5.70	0.05	AT&T:	28.61	0.07
PLAYBOY:	5.10	(0.01)	QWEST:	6.28	(0.02)
SCRIPPS INT:	45.75	(0.75)	VERIZON:	32.32	0.23
TIME WARNER:	31.86	(0.05)	MARKET INDICES		
VALUEVISION:	1.91	(0.03)	NASDAQ:	2349.35	(6.48)
VIACOM:	39.15	(0.61)			
WWE:	13.81	(0.2)			
TECHNOLOGY					
ADC:	12.64	(0.06)			
ADVANTAGE:	3.05	(0.02)			
ALCATEL LUCENT:	3.01	(0.01)			
AMDOCS:	27.51	(0.27)			
AMPHENOL:	47.73	(0.53)			
AOL:	23.86	0.24			
APPLE:	283.77	0.54			

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