

# CableFAX Daily™

Tuesday — September 29, 2009

What the Industry Reads First

Volume 20 / No. 186

## Broadband Bonanza: It's All HSD All the Time at FCC

One day before a scheduled update on the FCC's National Broadband Plan at Tues' open FCC meeting, agency broadband czar *Blair Levin* gave a numeric snapshot of just who the Commission is hearing from. So far, academics have accounted for more than 13% of all participants at the FCC broadband workshops, followed by consumers and public interest groups (9.3%) and reps from the equipment industry (8.5%). For the record, cable has only had 6 participants in the workshop, which works out to 2.54%. That's less participation than the content industry (2.97%) and wireless (5%). "This past week, we had our first field hearings, with more coming. They will certainly tip the scales again—toward the public," Levin wrote in an entry on the FCC's broadband blog ([blog.broadband.gov](http://blog.broadband.gov)). The next field hearing is slated for Thurs in DC, followed by an Oct 6 hearing in Charleston, SC. At 1pm Tues, Levin will be updating the Commission on the status of the National Broadband Plan, which is due to Congress Feb 17. The presentation comes one week after FCC chmn *Julius Genachowski* unveiled his network neutrality proposals, which he plans to put before the other 4 commissioners at the Oct 22 open meeting. Cable has treaded carefully in statements about the plan, but the *Washington Post* slammed it in an editorial Mon. The paper gave Genachowski's plan to require ISPs to be candid about network management practices the thumbs up, but it opposed his call to prevent ISPs from "discriminating against" different applications. "In short, ISPs, which have poured billions of dollars into building infrastructure, would have little control—if any—over the kinds of information and technology flowing through their pipes," the Post editorial said. Like Levin, NCTA's *Kyle McSparrow* has taken to blogging about broadband. But his entry at [www.cabletechtalk.com](http://www.cabletechtalk.com) steers clear of net neutrality talk and instead introduces **Broadband for America**—a group that encourages continued private sector investment in broadband. "Over the coming weeks and months, Broadband for America will be telling a story that doesn't get the attention it deserves because it doesn't lend itself to provocative headlines. And, that is that the deployment of broadband has been an amazing American success story of investment, innovation, and creativity, and that all of us—industry, government and civic groups—are committed to making it better," McSparrow wrote. Check out the coalition, which includes **Comcast, Verizon** and **Motorola**, at [www.broadbandforamerica.com](http://www.broadbandforamerica.com).

**Centricity:** Joint developers **BETN** and **MTVN** officially bowed Mon **Centric**, a 24-hour ent net focused on reflecting the lifestyle and sophistication of African-American/multi-cultural adults aged 25-54. Announced in Apr, the net replaces the **BET J** brand and launches in approx 45mln homes. Initial programming this week features commemorations of *Michael Jackson* through the initial "Soul Train" ep in which he appeared and followed by several specials (Mon), plus originals "Leading Men" and "Leading Women" on Tues, which spotlight celebrities including *Maya Angelou* and *Diddy*. In Nov, the net will feature "The Soul Train Awards" from the Georgia World Congress Center in Atlanta. Centric rivals **TV One** in its scope and target audience, but earlier this year (**Cfax**, 4/24) TV One pres/CEO *Johnathan Rodgers* expressed little concern about the new competition.



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**Waive On:** More vendors are asking the **FCC** to waive rules requiring set-tops to have separable security (ie, Cable-CARDS). **Evolution Broadband** was granted such a waiver June 1 for its limited capability DMS-1002 and DMS-1002-CA set-tops. Now Evolution wants 3 more boxes waived—the DMS-2002-CA, DMS-1004-CA and the DMS-2002u—arguing that they are no more advanced than the previously approved boxes. The FCC is seeking comments on the request by Oct 8. **Huawei Technologies** has also filed a request for its DC-730 and DC-732 boxes. **Motorola, Cisco, Thomson** and **Pace** recently joined Evolution in receiving 3-year, integrated security waivers for digital terminal adapters.

**Online:** Philadelphia could be the 1st market to stream live **NBA** games, with *Sports Business Journal* reporting that **Comcast** is expected to soon launch a streaming service for an undetermined fee to anybody who subscribes to the tier that includes **Comcast SportsNet Philly**. That means it doesn't matter who a sub's ISP is, SBJ wrote, quoting unnamed sources. The pub reports that **Fox Sports Net** is also moving forward with streaming plans for some of the bigger NBA markets. However, FSN's launches aren't expected until a couple months into the season, while Comcast's is expected to launch near the start of the season.

**Competition:** In a press release headlined, "**Verizon** Out in Front of Cable Again," the telco announced availability of an Internet security suite designed specifically for Mac users. Verizon says it's the 1st major American ISP to offer such a product over its network. It's also offering Mac customers a version of its online backup and sharing. -- **AT&T** launched **U-verse Voice** in parts of Atlanta and environs to complete the area U-verse triple play.

**In the States:** With customer feedback regarding the **NFL RedZone** channel generally favorable so far and **NFL Net** looking to drive awareness of the offering (*Cfax*, 9/17), both **Comcast** and **FiOS** are set to offer a free preview of the net Sun. The MSO's digital subs will gain access from 1-4:15pm ET, the telco's subs from 1-4pm. The telco offers Red-Zone for \$50/season, the MSO for \$5-7/month as part of its Sports Entertainment package. -- **Cox's** HSD customers in Hampton Roads, VA, gain free access Wed to **ESPN360.com**, which the MSO will also bow that day in Northern VA.

**Carriage:** **Outdoor Channel** in HD earned distribution in NYC, NJ and Mount Vernon, NY, through **Time Warner Cable**. -- **Comcast** added Asian-American focused music and lifestyle net **MYX** to its Digital Preferred tier in the San Fran area.

**Sticky Blood:** Measuring weekly viewer engagement among TV series, **Reentrak's** new "Stickiness" Index named **HBO's** "True Blood" the stickiest prime telecast from Sept 7-13 and **Univision's** "Manana es para siempre" from Sept 14-20. Cable dominated the index's inaugural week with 7 of the top 10 programs, including **Lifetime's** "Army Wives" and **Hallmark Channel's** "Citizen Jane," while notching 5 of the following week's elite 10, led by **Lifetime** original movie "Georgia O' Keeffe" at #2.

**Biggest Ratings Success EVER!**

Most viewed program in HGTV history!

- Highest-rated primetime episode
- Highest-rated HGTV series ever

Source: The Nielsen Co. Live Data, M-Su 8P-11P, 3/30/98-9/13/09. (1) Design Star IV 9/13/09 compared to all HGTV historical telecasts, HH Cvg AA%. (2) 9/13/09 compared to all HGTV historical telecasts, HH, P2+, P/W18+, (000). (3) All HGTV series (including specials) historical telecasts, HH, P2, P/W18+, P/W 25-54, Cvg AA%. Subject to qualifications upon request.

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## SESSION HIGHLIGHTS

- Discover ways to impact the TV viewing experience using social media
- Find out how TV widgets can be a gateway for marketers
- Understand the value chain of mobile broadband
- See examples of ITV & how to tap tools to deliver interactivity
- Make every dollar work like ten with ways to sync consumer & affiliate marketing
- Get the picture on 3D TV

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# BUSINESS & FINANCE

**Honors:** C-SPAN co-founder *John Evans* will receive the **National Gay & Lesbian Chamber of Commerce's** Courage in Business award Nov 6. The cable pioneer and **NCTA** board member has been a leader in AIDS fund-raising, including **Cable Positive**. Evans was appointed by *Robert Gallo*, co-discoverer of the AIDS virus, to Dr Gallo's advisory board for the **Institute of Human Virology**.

**People:** *Dennis Adamovich* was tapped as svp, brand and digital activation and gm of festivals for **TBS, TNT** and **TCM**. -- **RCN** named as evp/COO *Jose Cecin*, who retains his board seat but will step down from 2 committees. -- **EchoStar** appointed *Vernon Smith* svp, biz dev and chief of **ViP-TV**.

**Business/Finance:** **Cisco** shares ticked up more than 4% after **Barclays** raised the company to "overweight" from "equal weight." -- **DragonWave**, a Canadian supplier of packet microwave radio systems for mobile and access networks, is planning an IPO of approx 7.5mln common shares. **DragonWave**, which counts **Clearwire** as a client, has received conditional approval to list its shares on the **NASDAQ Global Market**. -- **Knology** received consent from lenders to amend its credit facility. Changes include extending by 2 years the maturity date of an aggregate \$397mln of term loans and an increase of its revolving credit facility to \$35mln from \$25mln.

## CableFAX Daily Stockwatch

Company	09/28 Close	1-Day Ch	Company	09/28 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BROADCASTERS/DBS/			AMPHENOL:	37.52	0.25
BRITISH SKY:	36.50	0.05	APPLE:	186.15	3.78
DIRECTV:	27.51	0.70	ARRIS GROUP:	12.70	0.25
DISH:	19.18	0.36	AVID TECH:	14.08	0.24
DISNEY:	28.23	0.61	BIGBAND:	4.22	0.09
GE:	16.76	0.39	BLNDER TONGUE:	1.18	0.00
NEWS CORP:	13.99	0.37	BROADCOM:	29.86	0.71
<b>MSOS</b>					
CABLEVISION:	24.12	0.73	CISCO:	23.61	0.99
COMCAST:	17.04	0.35	CLEARWIRE:	8.27	0.05
COMCAST SPCL:	16.17	0.22	COMMSCOPE:	30.64	0.85
GCI:	6.99	0.09	CONCURRENT:	4.58	(0.02)
KNOLGY:	8.54	0.39	CONVERGYS:	10.43	0.34
LIBERTY CAPITAL:	21.99	0.70	CSG SYSTEMS:	16.03	0.13
LIBERTY ENT:	30.81	0.67	ECHOSTAR:	18.80	0.43
LIBERTY GLOBAL:	24.00	0.61	GOOGLE:	498.53	6.05
LIBERTY INT:	11.09	0.39	HARMONIC:	6.78	0.14
MEDIACOM:	5.72	0.31	INTEL:	19.74	0.37
RCN:	9.61	0.16	JDSU:	7.23	0.22
SHAW COMM:	17.64	0.16	LEVEL 3:	1.36	0.00
TIME WARNER CABLE:	42.50	1.22	MICROSOFT:	25.83	0.28
VIRGIN MEDIA:	13.12	0.72	MOTOROLA:	8.37	0.26
WASH POST:	453.08	3.99	OPENTV:	1.40	0.02
<b>PROGRAMMING</b>					
CBS:	12.28	0.66	PHILIPS:	24.90	0.79
CROWN:	1.93	0.01	RENTRAK:	17.86	0.13
DISCOVERY:	28.33	0.63	SEACHANGE:	7.77	0.51
EW SCRIPPS:	7.20	0.33	SONY:	30.00	0.57
GRUPO TELEVISA:	18.42	0.44	SPRINT NEXTEL:	3.92	(0.03)
HSN:	15.97	0.91	THOMAS & BETTS:	28.48	0.25
INTERACTIVE CORP:	20.87	0.43	TIVO:	10.55	0.43
LIBERTY:	34.53	1.01	TOLLGRADE:	6.21	(0.38)
LODGENET:	6.86	0.34	UNIVERSAL ELEC:	20.97	0.54
NEW FRONTIER:	2.20	0.03	VONAGE:	1.36	0.01
OUTDOOR:	7.31	0.09	YAHOO:	17.47	0.39
PLAYBOY:	2.92	0.07	<b>TELCOS</b>		
RHI:	3.07	0.06	AT&T:	27.43	0.47
SCRIPPS INT:	36.71	0.44	QWEST:	3.68	0.14
TIME WARNER:	29.37	0.75	VERIZON:	30.35	0.41
VALUEVISION:	3.48	0.00	<b>MARKET INDICES</b>		
VIACOM:	29.23	1.12	DOW:	9789.36	124.17
WWE:	14.05	0.23	NASDAQ:	2130.74	39.82
<b>TECHNOLOGY</b>					
3COM:	5.26	0.32			
ADC:	8.16	0.19			
ADVANTAGE:	2.16	(0.16)			
ALCATEL LUCENT:	4.55	0.11			
AMDOCS:	26.80	0.40			

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### Speaker Snapshot\*

- Marc Goldstein, Group M
- Peggy Green, Zenith Media
- Steve Lanzano, MPG
- Steve Sturm, Toyota
- Mark Owens, Vanguard Entertainment
- Jon Stimmel, Unilever
- Pam Zucker, MediaVest

\*Subject to change

# EYE ON DIGITAL

## Cable Customers Cool Off Indoors

For many cable nets, growth in linear viewership from July to August appears to have spurred notable monthly improvement in Website use and/or traffic. Take **USA**, for example. After garnering white hot Aug ratings the net delivered an encore performance online, where **comScore** data shows 27% month-to-month growth in uniques (1.32mln) and a 34% surge in avg minutes/user to 13.3min. By comparison, USA experienced monthly declines in both metrics from June-July. **ESPN** and **HGTV**, meanwhile, also enjoyed growth in each metric last month. Propelled by the return of **NFL** football and the increasing popularity of fantasy football, the sports net delivered a 10% rise in uniques to 23.9mln and a 5% rise in avg min/user to 1 hour. Perhaps owing to viewers' increased leisure time, **HGTV** garnered respective growth of 2% to 2.4mln and 9% to 10.4min.

Numerous other cable nets experienced improvement in avg min/user but not uniques, and vice versa. In the former camp is **TNT**, which achieved a healthy 37% increase in avg min/user to 10min while uniques fell 18% to 832K; **ABC Family** with 23% growth in avg min/user to 23min yet a 27% contraction in uniques to 1.94mln; **Nickelodeon** through an 87min avg stay (+28%)

and 13.17mln uniques (-11%); **Fox News** with a 20% rise in avg min/user to 85min and a 3% decrease in uniques to 8.74mln; and **Lifetime** through a 7.7% uptick in avg stay to 21min and a 15% fall in uniques to 2.73mln. Conversely, **Discovery** and **The Weather Channel** both delivered 1% growth in uniques but saw avg min/user dip 5.4% and 1%, respectively.

At the entertainment nets (excluding DISCA), the slippage of growth in uniques can likely be traced to an Aug dearth of new originals, which tend to drive online traffic. On the flip side, a continuation of

established hits meant more content with which to interact and therefore additional surfing time by online fans. Like **CNN** (+5% user time, -5% uniques), **Fox News** endures fluctuations based on news events.

Also of note: **Comedy Central** endured dips in both uniques (-4%) and avg min/user (-6%), likely due to a decline in linear viewership over the same time period. Harder to explain is **TBS**' decline in both metrics, including a 12% dip in avg min/user to 6.2min and a 5% dip in uniques to 1.09mln. Overall, uniques rose to 193.3mln (+1%) and avg min/user fell to 1.8K (-1.2%)



## comScore Web Box Scores

	Total Unique Unique Vistors (000)	Total Unique Unique Vistors (000)	Total Unique Vistors (000)	Average Minutes Per User	Average Minutes Per User	Total Average Minutes
	Jul-2009	Aug-2009	% Change	Jul-2009	Aug-2009	% Change
<b>Total Internet : Total Audience</b>	195,538	197,311	1	1,823.8	1,802.6	-1.2
<b>Weather Channel, The</b>	41,095	41,684	1	11.9	11.8	-0.6
<b>CNN</b>	35,060	33,410	-5	33.2	34.9	5.1
<b>ESPN</b>	21,654	23,890	10	57.2	59.8	4.6
<b>MTV Networks Music</b>	16,685	16,590	-1	12.4	12.4	0.3
<b>Discovery Digital Media Sites</b>	13,281	13,433	1	9.5	9.0	-5.4
<b>Nickelodeon Kids</b>	14,845	13,173	-11	68.0	87.0	28.0
<b>FOXNEWS.COM</b>	8,974	8,737	-3	70.6	84.6	19.8
<b>FOODNETWORK.COM</b>	7,365	7,384	0	15.6	15.4	-1.6
<b>Comedy Central</b>	4,578	4,392	-4	13.9	13.1	-5.8
<b>Lifetime Digital</b>	3,214	2,734	-15	19.6	21.2	7.7
<b>HGTV.COM</b>	2,368	2,414	2	9.5	10.4	8.7
<b>ABC Family</b>	2,680	1,943	-27	13.7	16.9	23.1
<b>USANETWORK.COM Sites</b>	1,043	1,322	27	9.9	13.3	34.1
<b>TBS</b>	1,151	1,091	-5	7.0	6.2	-11.5
<b>TNT.TV</b>	1,013	832	-18	7.3	9.9	36.5
<b>C-SPAN.ORG</b>	122	85	-31	3.1	7.0	124.6

Data represents the top 10 most trafficked Web sites among the top 20 cable programmers based on the NCTAs rankings

Source: ComScore (www.comscore.com)

## CableFAX: The Magazine's Most Influential Minorities in Cable issue

Publication Date: October 27

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