

# CableFAX Daily™

Wednesday — September 30, 2009

What the Industry Reads First

Volume 20 / No. 187

## HSD Intervention: FCC Studying How to Get Non-Adopters to Buy Into Broadband

About 33% of Americans have broadband available where they live but have not adopted it, the **FCC** said Tues, relying on **Pew Research** data. Nearly 2/3 of Americans do have broadband at home, while 4% (3-6mln people) say they have no access to basic broadband (speeds of 768kbps or less) where they live. "That 1/3 gap is the single biggest issue this team has to face," said FCC staffer *Brian David* during Tues' marathon FCC meeting, in which staffers put forth summaries on the state of broadband. While David said it's expected that number will shrink over time, the belief is the US won't get to more than 80-85% adoption without some sort of national plan—and that could take 10 years or so. An FCC task force has been commissioned to create a survey on how attitudes toward broadband and technology, affordability and personal context (access to libraries, disabilities, etc) affect broadband adoption. Results are expected in Nov for what is said to be the 1st US study of this type on non-adopters. Those with the least education or lowest incomes are about half as likely to have broadband as the national average. African Americans and Hispanics are also less likely to have broadband. However, African Americans are the group most actively engaged in mobile Internet handheld access, which the FCC plans to probe further in the non-adopter study. Tues' marathon FCC meeting started at 1pm ET and was still going at 5pm—not surprising given that nearly 41K pages of written comments have been filed with the FCC on the National Broadband Plan, which the FCC must submit to Congress by Feb 17. The meeting was chock-full of stats—so many that FCC broadband chief *Blair Levin* quipped that the agency would be setting a Guinness World record for the most stats ever presented at an FCC meeting. Some numbers of note: 6Mbps is the average advertised broadband speed, but the average actual speed delivered is closer to 3Mbps; about 1% of users drive 20% of network traffic, while 20% of users drive up to 80% of traffic; estimates for universal broadband ranged from \$20bln for 768 Mbps-3 Mbps service to \$350bln for 100 Mbps or faster; approx 20% of total hours spent on the Internet are devoted to entertainment & sports, 15% to email, 15% to news/search engines and 10% to social networks/blogs; more than 70% percent of all high school students use the Internet as a primary source for homework; as of '05, 77%+ of Fortune 500 companies posted jobs and accepted applications solely online. -- How big of a deal was Tues' wide-ranging meeting? Office of Strategic Planning staffer *Brian David* interrupted his honeymoon after 3 days of marriage to discuss broadband adoption.

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**Competition:** Verizon CTO Dick Lynch garnered a lot of headlines today after saying wired broadband will likely be sold in the coming years based on the amount of data a person wants, similar to wireless broadband. He made the remarks at the Fiber to the Home Conference Expo in Houston, where he also said the sales penetration of **FiOS Internet**, measured as a percentage of potential customers, is currently more than 28% while **FiOS TV's** is nearly 25%. The telco counts 2.5mln FiOS video subs and 3.1mln Internet subs. Separately, FiOS TV added the HD versions of **AMC, WE tv, IFC** and **Fuse**.

**Carriage:** DISH is moving **ESPNU** to its Classic Bronze 100 package from Classic Gold 250, effective Wed evening. It'll move to channel 141 from 148. -- Comcast launched **AYM Sports** in parts of central and Northern CA. AYM is a channel from Spanish-language distributor **AlternaTV**.

**3Q Ratings:** NBA playoff basketball lent cable a healthy 2Q viewership offense, but the 1-2 scoring punch provided by summer originals and the return of **NFL** football stoked an even hotter hand in 3Q. Led by **ESPN's** MNF and **Disney Channel's** "wizardry," the top 20 cable telecasts in 3Q averaged a 6.84 HH rating, up 11% versus last Q. Moreover, the top 5 nets in prime averaged a 2.02 HH rating from Jul-Sept for a comparative 10% increase over 2Q. Leading the quarterly net charge was **USA** with a 2.6/2.57mln (+8% in HH rgt), followed by Disney's 2.1/2.09mln (+17%) and **TNT's** 1.8/1.79mln (-10%). Completing the top 5 were **ESPN** with a 1.8/1.75mln (+38%) and **Fox News** with a 1.8/1.74mln (+6%). **ESPN** and **TNT** led the way with 7 of the Q's top 20 telecasts each, the former paced by the season's initial 3 MNF showdowns that averaged a 10.1 and the latter by 7 eps of "The Closer" that averaged a 6.11. **USA** notched 3 top 20 spots, **Disney 2** and **MTV 1**. -- **Brag Book:** Showtime's "Dexter" delivered 1.52mln total viewers for its season 4 premiere, making it the most-watched telecast in net history (since '04 rating changeover). The season premiere of Sho's "Californication," meanwhile, raked in the series' biggest audience ever (821K). -- **Bravo** earned its best Q ever in all key demos, including 833K total viewers and 522K 18-49s, marking the net's 16th consecutive Q of YOY growth. **Bravo Digital** also set quarterly records through monthly averages of 4.81mln video streams and 3.69mln uniques. -- **A&E** delivered its best Sept ever among total viewers (1.6mln), 25-54s (762K) and 18-49s (711K). -- **Syfy** earned its best Q ever in total viewers (1.36mln) and established historical 3Q records among women 18-49 (292K) and women 25-54 (332K). -- **Disney XD** notched its largest quarterly audience ever in total day among total viewers (272K), 6-14s (134K) and boys 6-14 (82K). -- **ABC Family** enjoyed its best 3Q ever in prime among 18-34s (341K), women 18-34 (241K) 18-49s (617K), women 18-49 (419K) and females 12-34 (425K).

**Online:** Big Ten Net tapped thePlatform to manage and publish its new intl streaming package as well as its US Webcast service. -- A \$2 **CNN** app offering personalized news services and browsing of user-generated content is now available at **iTunes**. Ads appear in the app, the launch of which is being sponsored by **Lexus** and **Chevron**.

**VOD:** Avail-TVN's "Fright Fest" VOD promotion starts Thurs through provider including **Charter, Insight** and **WOW!**, and includes more than 14 *Hitchcock* films.

**CTAM Summit:** The forthcoming **Summit** (Oct 25-27 in Denver) faces an interesting dichotomy: as economic woes have arguably added additional import to cross-platform plays and advertising/marketing initiatives such as **Project Canoe**, they have also strapped the budgets of many would-be attendees. On Tues, **CTAM** pres/CEO *Char Beales* said she expects ap-

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

Publication Date: October 27

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# BUSINESS & FINANCE

prox 1,600 attendees, a level that would mark a 25% YOY decrease, although confirmed for attendance are more higher-level execs than in past years. Pressing issues from advanced ads to the marketing landscape changes imposed by data services will be covered at the event, which Summit co-chair and Nat Geo evp/gm Steve Schiffman said would provide an “exceptionally healthy” ROI. For info on speakers and sessions, visit CTAMSummit.com.

**Programming:** TLC’s dropping the *Jon* and relaunching its popular multiples series as “Kate Plus Eight” in Nov. It promises a deeper focus on *Kate Gosselin’s* journey as a single mom. Daddy *Jon Gosselin* will appear on the show, but on a less regular basis. -- **Disney** extended the 3rd season of “Wizards of Waverly Place” with 8 additional eps.

**People:** Cablevision appointed *David Ellen* as evp, gen counsel, reporting to *Jim Dolan*. Ellen, who worked at **IAC** before joining CVC in '04, will oversee and direct legal affairs company-wide.

**Business/Finance:** Pali upped its '09 and '10 cash flow estimates for **Comcast** but lowered its related '10 net RGU growth forecast to +14% YOY from +46%. -- After purchasing **Verizon’s** northern New England land-line business in early '08, **FairPoint Comm** is discussing debt restructuring options with certain lenders and inked a related deal allowing it to forgo principal and interest payments due Wed totaling \$42mln.

## CableFAX Daily Stockwatch

Company	09/29 Close	1-Day Ch	Company	09/29 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	36.58	0.08	AMPHENOL:	37.45	(0.07)
DIRECTV:	27.48	(0.03)	APPLE:	185.38	(0.77)
DISH:	19.29	0.11	ARRIS GROUP:	12.58	(0.12)
DISNEY:	27.94	(0.29)	AVID TECH:	13.92	(0.16)
GE:	16.71	(0.05)	BIGBAND:	4.07	(0.15)
NEWS CORP:	13.98	(0.01)	BLNDER TONGUE:	1.17	(0.01)
<b>MSOS</b>					
CABLEVISION:	23.96	(0.16)	BROADCOM:	29.73	(0.13)
COMCAST:	17.38	0.34	CISCO:	23.30	(0.31)
COMCAST SPCL:	16.53	0.36	CLEARWIRE:	8.33	0.06
GCI:	6.96	(0.03)	COMMSCOPE:	30.51	(0.13)
KNOWLOGY:	8.90	0.36	CONCURRENT:	4.58	0.00
LIBERTY CAPITAL:	21.53	(0.46)	CONVERGYS:	10.43	0.00
LIBERTY ENT:	30.91	0.10	CSG SYSTEMS:	16.00	(0.03)
LIBERTY GLOBAL:	23.14	(0.86)	ECHOSTAR:	18.72	(0.08)
LIBERTY INT:	11.04	(0.05)	GOOGLE:	498.53	0.00
MEDIACOM:	5.81	0.09	HARMONIC:	6.74	(0.04)
RCN:	9.85	0.24	INTEL:	19.48	(0.26)
SHAW COMM:	17.82	0.18	JDSU:	6.89	(0.34)
TIME WARNER CABLE:	43.75	1.25	LEVEL 3:	1.40	0.04
VIRGIN MEDIA:	13.33	0.21	MICROSOFT:	25.75	(0.08)
WASH POST:	471.32	18.24	MOTOROLA:	8.41	0.04
<b>PROGRAMMING</b>					
CBS:	12.41	0.13	OPENTV:	1.41	0.01
CROWN:	1.90	(0.03)	PHILIPS:	24.60	(0.3)
DISCOVERY:	28.38	0.05	RENTRAK:	18.07	0.21
EW SCRIPPS:	7.92	0.72	SEACHANGE:	7.60	(0.17)
GRUPO TELEVISA:	18.71	0.29	SONY:	29.39	(0.61)
HSN:	16.12	0.15	SPRINT NEXTEL:	4.04	0.12
INTERACTIVE CORP:	20.19	(0.68)	THOMAS & BETTS:	30.19	1.71
LIBERTY:	34.44	(0.09)	TIVO:	10.43	(0.12)
LODGENET:	7.67	0.81	TOLLGRADE:	6.29	0.08
NEW FRONTIER:	2.15	(0.05)	UNIVERSAL ELEC:	20.90	(0.07)
OUTDOOR:	6.86	(0.45)	VONAGE:	1.42	0.06
PLAYBOY:	2.97	0.05	YAHOO:	17.45	(0.02)
RHI:	3.11	0.04	<b>TELCOS</b>		
SCRIPPS INT:	37.20	0.49	AT&T:	27.20	(0.23)
TIME WARNER:	29.23	(0.14)	QWEST:	3.74	0.06
VALUEVISION:	3.44	(0.04)	VERIZON:	30.16	(0.19)
VIACOM:	29.73	0.50	<b>MARKET INDICES</b>		
WWE:	14.03	(0.02)	DOW:	9742.20	(47.16)
<b>TECHNOLOGY</b>					
3COM:	5.21	(0.05)	NASDAQ:	2124.04	(6.7)
ADC:	8.13	(0.03)			
ADVANTAGE:	2.20	0.04			
ALCATEL LUCENT:	4.50	(0.05)			
AMDOCS:	26.74	(0.06)			

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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