

# CableFAX Daily™

Friday — October 8, 2010

What the Industry Reads First

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## Card Control: Cable's Wish List Heading into Upcoming FCC Meeting

With the FCC to take up CableCARD fixes at its Oct 14 meeting, folks are weighing in, including Rep Ed Markey (D-MA). He lamented to FCC chmn Julius Genachowski this week that there is no smart video box 14 years after the enactment of Sect 629 of the Communications Act. "I encourage the Commission to fulfill the original intent of Sect 629, ensuring that consumers are able to purchase CableCard-enabled devices at retail that they can self-install without having to purchase additional equipment to access switched digital video signals from their cable company," he wrote in a letter to the chmn Wed. Heading into next Thurs' meeting, here's a look at where NCTA stands on CableCARDS. The trade group supports the FCC's proposal that DTAs should be exempt from the integration ban and says relief should not be limited to systems of 552MHz or less because higher capacity systems also need to transition to digital. The manufacturing volume needed to produce low-cost DTAs will not be met if the exemption is limited to the 8% of subs on smaller capacity systems, NCTA believes. Other things NCTA agrees with include a CableCARD self-install option—provided the cable op allows self-installation of leased set-tops and the manufacturer provides adequate installation support. There are other things NCTA is pushing for, like the end of the integrated security ban. It also does not want the FCC to "impose onerous new CableCARD requirements" on operators. That means it's against TiVo's proposal that in lieu of a tuning adapter, the govt should require the cable industry to create a new backchannel IP solution that will handle switched digital signaling from 3rd party devices. NCTA calls such a proposal onerous and expensive, noting that cable worked with TiVo to develop the tuning adapter solution. Instead, it suggests working toward improving that solution, which it says only affects a small subset of customers (those with 1-way digital cable products in systems where switched digital is deployed). NCTA is also against the CE industry's proposal that CableCARD billing be broken out on customers' bills—saying it will lead to confusion when customers see a line item break out for a cable box and the card inside, which many likely don't even know they have. "Adding a new charge on bills without any change in service will confuse consumers, and may make them believe (mistakenly) that there is a billing error or rate increase," NCTA said in a recent FCC presentation. If the FCC believes more transparency is needed, the group believes pricing info on the op's Website, in a notice, or in a rate card would suffice.

**Carriage:** Disney and ESPN Media Nets Group extended its sweeping distribution deal with FIOSTV, which agreed to

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Join us for CableFAX's Most Powerful Women in Cable Breakfast on December 10, 2010 at the Grand Hyatt, NYC.

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feature new services including **ESPN Goal Line**, which will provide live look-ins of college football games on Saturdays beginning this week, and **ESPN Buzzer Beater**, a similar offering planned for college basketball. Both will be freely available to the telco's Extreme HD or Ultimate HD subs. **Time Warner Cable** was the 1st to launch the services (*Cfax*, 9/3). The sweeping pact also includes the feature of **ESPN, ESPN2, ESPNU, Goal Line** and **Buzzer Beater** on FiOS TV's authenticated online platform, plus future carriage of **ESPN 3D** ('11) and preschool focused **Disney Junior** ('12). Also, Verizon Wireless' **V Cast Video service** is expected to offer programming from **Disney XD** and **ABC Family** later this year.

**Spat:** We'd heard rumblings that **DISH** chief *Charlie Ergen* was out of the country and now **BTIG's Rich Greenfield** has confirmed it, reporting that a sr DISH exec said the CEO is in Nepal preparing to hike Everest. Better a physical hike than a rate hike, Charlie? "While we realize there are many capable executives at DISH and would never expect Charlie Ergen to be leading every move at the negotiating table, we are surprised he is totally disconnected (physically) from tense negotiations affecting his 14 mln-plus subscribers," Greenfield wrote in a note Thurs. The analyst has said he believes DISH is fighting a battle it cannot win with **Fox** because of the importance of sports. DISH lost 19 **FSN RSNs, FX** and **Nat Geo**, and could lose the Fox O&Os on Nov 1. Despite the Fox fight and Wed's **US Patent Trademark Office** setback with **TiVo**, **Collins Stewart** is maintaining its "buy" on DISH partly because it expects sub trends to improve following 2Q's losses. -- A little bit more about the **Sports Fan Coalition**, which sent *Rupert Murdoch* a letter this week urging that Fox let DISH viewers see games (*Cfax*, 10/7). It was co-founded by *David Goodfriend*, who used to be vp of law, public policy at (drum roll, please) DISH. Fox noted that the Coalition did not send a similar letter to DISH. The Coalition said it only addressed Fox because it "took down their programming" and said it would have sent a letter to DISH if it had refused to carry it.

**Competition:** **DISH** is teaming with **Logitech** to market and sell the latter's **Google TV**-powered set-top to its subs. The \$300 box integrates Web content, of course, but also DVR functionality for DISH subs as well as VOD programming from the DBS op. **BTIG** analyst *Richard Greenfield*, citing a demo of the tech, said he remains "firmly convinced that it is not a substitute for existing multichannel television," adding that "the functionality enabled by Google TV (twitter, web searching, social gaming, etc...) appears far better suited to a tablet (like an iPad) that you hold in your hands while watching TV."

**Ratings:** **TBS** scored well with its triple-header coverage of the **MLB** playoffs' opening day, averaging a 3.0 HH rating and 4.6mln total viewers for the trio. The Yankees-Twins game delivered a 4.3/6.91mln viewers to become the most-watched opening game of a Division Series in cable history, and the Phillies-Reds game, highlighted by *Roy Halladay's* no-hitter, garnered a 2.7/4.21mln. Viewership of the latter game grew 41% in the final hour.

**Programming:** *Will Wright*, creator of "The Sims," will bring a 30-min series to **Current**, tentatively titled "Bar Karma" (1Q).

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The audience will be able to create and control story lines at a special Website. -- FX greenlit a 4th season of "Sons of Anarchy." -- Syfy ordered a 2nd season of "Haven" (summer).

**On the Circuit:** At The Media Institute's Friends & Benefactors Awards Banquet Wed night, FCC

commish *Meredith Attwell Baker* said she favors limited government intervention on the Web, and believes multichannel providers have every right to package programming in ways they see fit. "Consumers will win with more viewing options," said Baker, noting how emerging video platforms are exerting "positive pressure" on ops to make their content packages more consumer-friendly.

**NCTA** boss *Kyle McSarrow* followed Baker at the dais, and while receiving TMI's Freedom of Speech Award said "the battle about ideas" and 1st Amendment rights that's occurring everyday should, on both sides, be more about laissez faire government than using legislators to further individual causes. **News Corp** chmn *Rupert Murdoch* earned TMI's Horizon Award for industry leadership, and stumped for an improved US education system during his speech.

-- **CTAM Summit** online registration closes Fri, but CTAM is offering a \$100 savings if you register using its concierge service by phone (703-549-4200) by Oct 14.

**People:** Cox named *Nelson Mower* as vp, customer contact mgmt.

## CableFAX Daily Stockwatch

Company	10/07 Close	1-Day Ch	Company	10/07 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	42.02	0.15	ARRIS GROUP:	9.80	0.05
DISH:	19.30	0.20	AVID TECH:	13.45	(0.23)
DISNEY:	33.91	0.19	BIGBAND:	2.86	(0.04)
GE:	17.05	0.15	BLNDER TONGUE:	2.25	(0.02)
NEWS CORP:	15.61	0.05	BROADCOM:	35.42	0.26
<b>MSOS</b>					
CABLEVISION:	26.32	(0.16)	CISCO:	22.39	0.09
CHARTER:	32.17	(0.25)	CLEARWIRE:	7.11	(0.29)
COMCAST:	17.89	0.13	COMMSCOPE:	21.85	(1.13)
COMCAST SPCL:	16.88	0.12	CONCURRENT:	6.36	(0.04)
GCI:	9.93	(0.18)	CONVERGYS:	10.82	0.07
KNOLGY:	14.10	0.11	CSG SYSTEMS:	18.32	UNCH
LIBERTY CAPITAL:	54.04	0.61	ECHOSTAR:	19.15	(0.15)
LIBERTY GLOBAL:	31.39	(0.04)	GOOGLE:	530.01	(4.34)
LIBERTY INT:	13.94	(0.16)	HARMONIC:	7.04	(0.06)
MEDIACOM:	6.74	0.01	INTEL:	19.40	0.09
SHAW COMM:	22.18	(0.08)	JDSU:	12.34	(0.09)
TIME WARNER CABLE:	55.04	(0.59)	LEVEL 3:	0.91	(0.01)
VIRGIN MEDIA:	23.54	0.27	MICROSOFT:	24.53	0.10
WASH POST:	402.44	(0.8)	MOTOROLA:	8.59	0.03
<b>PROGRAMMING</b>					
CBS:	16.98	(0.12)	RENTRAK:	26.43	0.04
CROWN:	2.36	(0.07)	SEACHANGE:	7.61	0.03
DISCOVERY:	43.84	0.51	SONY:	31.48	(0.01)
GRUPO TELEVISIA:	21.74	(0.16)	SPRINT NEXTEL:	4.54	(0.11)
HSN:	29.56	(0.11)	THOMAS & BETTS:	42.97	0.92
INTERACTIVE CORP:	26.17	(0.09)	TIVO:	10.30	0.22
LIBERTY:	38.57	(0.19)	TOLLGRADE:	7.32	(0.1)
LIBERTY STARZ:	64.55	(0.86)	UNIVERSAL ELEC:	20.77	0.01
LIONSGATE:	7.33	(0.06)	VONAGE:	2.53	0.07
LODGENET:	2.40	(0.01)	YAHOO:	14.23	(0.29)
NEW FRONTIER:	1.73	0.01	<b>TELCOS</b>		
OUTDOOR:	5.76	(0.26)	AT&T:	28.25	(0.37)
PLAYBOY:	5.12	(0.04)	QWEST:	6.39	(0.02)
SCRIPPS INT:	46.91	(0.11)	VERIZON:	32.93	(0.43)
TIME WARNER:	30.79	0.34	<b>MARKET INDICES</b>		
VALUEVISION:	2.10	0.15	Dow:	10948.58	(19.07)
VIACOM:	40.83	0.35	NASDAQ:	2383.67	3.01
WWE:	13.56	0.08	S&P 500:	1158.06	(1.91)
<b>TECHNOLOGY</b>					
ADC:	12.67	0.02			
ADVANTAGE:	2.99	(0.01)			
ALCATEL LUCENT:	3.53	0.04			
AMDOCS:	29.14	(0.06)			
AMPHENOL:	49.42	(0.02)			
AOL:	24.57	(0.42)			
APPLE:	289.22	0.03			

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**PROGRAMMER'S PAGE** with Chad Heiges and Seth Arenstein

**Riding Solo**

How ironic that the intro music for FX's top-rated show "Sons of Anarchy" includes the lyrics, "riding through this world, all alone." That's how many adherents of the show felt as Tues' ep—the 1st affected by the **DISH-Fox** carriage standoff—came and went without feature on the DBS op's lineup. All manner of viewpoints emerged in a community thread at **Fxnetworks.com** before and after the airing, but all of them pointed to the biggest losers of such distribution spat: the viewers. As 1 post at the site read, "This is such crap!!! It's always the consumer who pays and pays and pays!!!" Indeed, it seems save for some bad press and/or social media fallout, nets rarely lose much during periods of darkness, particularly ones whose leverage is enhanced by sibling channels. FX may have seen the show's avg HH rating dip 7% Tues night versus the week prior, but total viewership rose and the spat would have to continue for many months for advertising to be affected. **BTIG** analyst *Richard Greenfield* believes DISH will lose subs if the disagreement drags on, but I doubt the number of customer defections has exploded since late last week. Some of the aforementioned Web posters claim they've already dropped DISH, but the community appeared bifurcated as to what party they think is at fault. Interestingly, several posters highlighted some ways in which DISH is attempting to assuage irked customers, including promises of a \$3.50 bill credit if a sub calls and says they had to buy an SOA ep on **iTunes**, or a \$5/month credit as long as FX remains dark. Also interesting, yet not surprising, is the mention of an OTT option for shut out viewers. "Go to **www.vuse.com**...it is free! You can download the episodes of SOA just a couple hours after each episode airs," read a post. As an SOA fan, I'm just glad my video provider isn't DISH. *CH*

**Highlights:** "Carlos," M-W, 9p, **Sundance**. It's easy to see why this huge, 320-mins + French film about terrorist *Carlos the Jackal* received kudos at Cannes. Its energy, production values and multilingual performance by *Edgar Ramirez* will keep your subs on seat's edge throughout. -- "Ray Charles America," Tues, 9p, **Bio**. Fabulous behind-the-scenes footage (including a great look at *Charles'* recording studio), talking heads—ranging from *Norman Lear* to *Quincy Jones*—and top-notch music add depth to Charles' story. -- "Once Brothers," Tues, 8m ET, **ESPNHD**. A character study about *Vlade Divac* and *Drazen Petrovic* before, during and after Yugoslavia's split up. *SA*

**Worth a Look:** "Making History," Tues, 9p, **Nat Geo**. You've not seen anything like this. At first, it seems a hodgepodge, but hang in—it turns out to be a clever way to transmit history. As a historic period or person is discussed, filmmakers attempt to recreate pivotal moments. -- "Hardcover Mysteries," Mon, 9p ET, **Investigation Discovery**. A review of cases featuring mystery writers interested in the case. Up first is *David Baldacci* and the *Meyer* murder case in DC not long after JFK's assassination. Yet other talking heads are more interesting than *Baldacci*, *Ben Bradlee*, for one. *SA*

**Notable:** Discovery's JV with **Hasbro**, **The Hub**, begins life Sun. *SA*

Basic Cable Rankings (09/27/10-10/03/10) Mon-Sun Prime			
1	ESPN	2.7	2663
2	USA	2	1991
3	DSNY	1.9	1847
4	FOXN	1.6	1571
5	NAN	1.2	1251
5	TNT	1.2	1208
7	TBSC	1.1	1085
7	A&E	1.1	1084
7	HIST	1.1	1082
10	MTV	1	1021
10	TOON	1	966
12	HGTV	0.9	933
12	TLC	0.9	887
12	FX	0.9	861
15	SYFY	0.8	797
15	FOOD	0.8	783
15	TRU	0.8	736
15	NKJR	0.8	566
19	LIFE	0.7	722
19	AMC	0.7	710
19	CMDY	0.7	705
19	DISC	0.7	685
19	FAM	0.7	677
19	MSNB	0.7	666
25	TVLD	0.6	636
25	SPK	0.6	606
25	EN	0.6	542
25	LMN	0.6	506
29	HALL	0.5	467
29	BRAV	0.5	452
29	BET	0.5	428
29	OXYG	0.5	376
33	ESP2	0.4	409
33	CNN	0.4	395
33	TRAV	0.4	379
33	APL	0.4	353
33	DXD	0.4	280
33	GSN	0.4	263
33	ID	0.4	258
33	NGC	0.4	256
33	NKTN	0.4	241
42	HLN	0.3	306
42	VH1	0.3	291
42	CMT	0.3	286
42	SOAP	0.3	251
42	WE	0.3	221

\*Nielsen data supplied by ABC/Disney

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