

# CableFAX Daily™

Thursday — December 10, 2009

What the Industry Reads First

Volume 20 / No. 236

## Push Back: TWC Balks Over Fox Retrans Sharing

Fox has “brazenly sought to hijack” the retransmission consent process by threatening to veto any station’s negotiation of a retrans deal that doesn’t extract a “satisfactory kickback” for the network, **Time Warner Cable** claims in an **FCC** filing supporting **Mediacom’s** complaint that **Sinclair** has failed to negotiate retrans with it in good faith. If it wasn’t already clear that a storm was brewing between the MSO and Fox, TWC’s filing late Tues makes it crystal. TWC and Fox’s deal for O&Os, RSNs and several cable nets, including **FX** and **Speed**, expires Dec 31. Fox is reportedly asking for \$1/sub, but TWC’s concerns go further than that. In the 51-page filing, TWC said it has been informed by Fox affiliates in many instances that Fox has inserted itself in negotiations and/or insisted upon reviewing and approving agreements being negotiated between TWC and Fox-affiliated stations owned by independent station groups. That’s the reason why TWC’s recently announced deal with Sinclair is only for a 1-year extension. Sinclair wouldn’t agree to a longer term deal without either Fox’s express prior consent (which meant “radically” increasing the price) or the right to terminate the deal at will, effectively at Fox’s option, TWC said. To avoid stations going dark, it took a 1-year extension, which means retrans negotiations will resume shortly after the deal takes effect. Fox had no comment and Sinclair was not reached by deadline. Sinclair is violating its duty to negotiate in good faith, the MSO told the FCC. “Whether willingly or not, Sinclair has ceded its ability to grant retransmission consent rights to Fox in a manner that is fundamentally inconsistent with Commission rules and its obligations as a broadcast licensee,” TWC said. Sinclair’s not the only broadcaster involved. TWC said it nearly had a retrans deal in place with an unnamed station group, but was then told by the broadcaster that a new issue had developed with Fox and it was no longer certain whether it had the authority to negotiate retrans without Fox having an approval right. However, the MSO did manage to recently complete a deal with **Local TV**, which has several Fox affiliated stations. *Rupert Murdoch* has publicly said Fox wants a share of the retrans pie from affiliates. Others, including **Disney**, have made noise about seeking a cut. TWC is asking the FCC to address the issue, saying a network neither owns retrans consent rights for independent stations nor possesses a right to assert any copyrights it may have in network programming.

**UBS Notebook:** The conference partly served this week as a soapbox from which many—including **News Corp’s Chase**

## IT'S BACK! BIGGER THAN EVER

MORE VIEWERS. MORE ENTRIES. MORE STYLE.



**HGTV DREAM HOME 2010 PREMIERES NEW YEAR'S DAY 9P/8C**

AN EVENT YOUR CUSTOMERS SHOULDN'T MISS!

SIGN UP FOR THE AFFILIATE PROMOTION AT [SCRIPPSNETWORKSREALREWARDS.COM](http://SCRIPPSNETWORKSREALREWARDS.COM) TODAY

 [Scrippsnetworks](http://scrippsnetworks.com) | [Passionate Viewers Live Here](http://passionateviewerslivehere.com)



**Access Intelligence**

© Copyrighted material! It is unlawful to photocopy/resend CableFAX Daily without written permission from Access Intelligence, LLC  
 QUESTIONS ABOUT YOUR SUBSCRIPTION? CALL: 888/707-5810 OR E-MAIL: [clientservices@accessintel.com](mailto:clientservices@accessintel.com)  
 4 Choke Cherry Road, 2nd Floor, Rockville, MD 20850



## A new way of looking at television...and life. Veria, a pure HD network.

Every once in a great while something comes along  
that changes the way we look at our lives.

Veria TV invites viewers on an amazing journey and exploration of life, your life... naturally. Produced in high definition, this 24/7 network features all original content devoted to the natural wellness lifestyle. It's programming that's entertaining, engaging, compelling, inspiring... well, you get the idea. Currently available on Dish and Verizon Fios, Veria represents a revolution in lifestyle programming.

Want proof? Tune in or visit us on the web at [veria.com](http://veria.com)



# veria

Your life... naturally

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax: 301.738.8453 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 301.354.1790, mgrebb@accessintel.com ● Assoc Editor: Chad Heiges, 301.354.1828, cheiges@accessintel.com ● Asst VP, Ed Director: Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Debbie Vodenos, 301/354-1695, dvodenos@accessintel.com ● Advertising Mgr: Erica Gottlieb, 212.621.4612 ● Marketing Director: Carol Brault, 301.354.1763, cbrault@accessintel.com ● Prod: Joann Fato, 301.354.1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Paul Maxwell/Columnist ● Subs/Client Services: 301.354.2101, fax 301.309.3847 ● Group Subs: Carol Brault, 301.354.1763, cbrault@accessintel.com

Carey, NBCU's Jeff Zucker and CBS' Les Moonves—trumpeted broadcast's mission to meaningfully ramp retrans fees, and Disney chief Bob Iger joined the party Wed. ABC has significant distribution talks coming up next year, he said, and its O&Os have every intention of participating in what he sees as an industry trend. "I think there's probably going to be more of a focus on deriving specific value from retransmission consent for those stations," said Iger. On advertising, Iger cited Moonves' Tues comments that CBS is enjoying scatter pricing that's 25% above upfront levels when saying "in some cases, we're writing scatter business that's substantially higher than that." He did note, however, that "visibility isn't that great" as "money being written is largely near-term." As for Disney nets, Iger's pleased with ESPN's financial improvement and sees significant upside for boys-focused Disney XD. As the net's ratings continue to improve stateside, it has launched in 20 worldwide markets and enjoys "huge opportunities...to test new characters and franchises" from acquisition Marvel Ent, he said. "What we'd like to do over time [is] put a spotlight on the name Marvel that's much brighter than it is today," said Iger. -- **Scripps Nets** chmn/pres/CEO Ken Lowe also chimed in on the retrans kerfuffle, saying "we're in for a repositioning and moving around of dollars," but that it won't negatively impact the affil fees received by cable nets that deliver strong viewership and audience engagement. -- **RCN** pres/CEO Peter Aquino is excited about the overbuilder's deal with TiVo starting next year. RCN will use TiVo's HD DVR "as a combination of the cable signal and the Internet right in your own living room...so your set-top box is a computer," he said. Commenting on how RCN's TiVo relationship differs from Comcast, Aquino said "the biggest piece of integration will be VOD...there will be an RCN VOD button on the TiVo remote" allowing subs to press a button and open RCN's on demand portal.

**In the States:** Cox Las Vegas announced the launch of its 50Mbps broadband service Wed, saying it's the fastest non-fiber Internet speeds available in the state. The DOCSIS 3.0 service has an upload speed of up to 5Mbps. Cox Ultimate Internet retails for \$120/month for residential customers, plus the purchase of a DOCSIS 3.0 modem. -- **Comcast** is eliminating 77 positions in its Manchester, NH, office, but says it will have added more than 150 jobs in that office by the end of 1Q10. A spokesperson said many of the impacted employees have already been offered other opportunities within the company and all are eligible to apply for existing openings. The impacted jobs are mostly management and administrative roles across a variety of different functions. -- **Cablevision** updated its **Optimum.net** portal to offer customers 1-click access to apps such as DVR, WiFi, voice mail and email.

**Competition:** AT&T said U-verse TV has passed the 2mln sub plateau after adding approx 200K customers so far this quarter. It garnered 240K subs in 3Q. While continuing to underscore notable U-verse metrics such as respective broadband and phone attach rates of more than 90% and more than 60%, pres/CEO, mobility and consumer markets Ralph de la Vega, speaking at the UBS conference, added that in competitive markets U-verse TV is taking 60% of TV flow share from cable ops. Also Wed, AT&T bowed U-verse HSI Max Turbo in Austin, San Antonio and St Louis, offering speeds of up to 24Mbps for \$65/month as part of a video bundle. Small businesses can order the service for \$95/month.

**Net Neutrality:** Advocates of net neutrality regulations who claim they would advance 1st Amendment values are "standing the 1st Amendment on its head," NCTA pres/CEO Kyle McSarrow said at a lunch by the Media Institute, a 1st Amendment defender. "Whatever our present-day policy disagreements about net neutrality, or even differing politics, let's not forget that the First Amendment is framed as a shield for citizens, not a sword for government," he said. "It is true that the First Amendment promotes democratic values, as some have said, but it does so best by freeing citizens from gov-

## NEED TO SEE HOW YOUR TELEVISION PROMOS ARE TRACKING—FAST?

The answer is simple: Just Ask Nielsen.™

Nielsen helps you find out what's really happening with your television promos so you can react quickly. Only Nielsen has the tools to integrate audience data with campaign tracking to go beyond mere verification, empowering you to bring an analytic perspective to promoting your program or network.

For more info, visit  
www.nielsen.com  
/media

Just ask  
nielsen

# BUSINESS & FINANCE

ernment regulation of their speech, not by regulating it.” Such rules could also infringe 1st Amendment rights by preventing providers from delivering traditionally multichannel programming or new services that are separate and distinct from Internet access, the NCTA chief said, pointing to how an FCC NPRM on net neutrality expresses concerns that the growth of such managed services might supplant or negatively affect the open Internet. McSparrow acknowledged that NCTA disagrees with FCC chmn *Julius Genachowski* over whether and to what extent net neutrality rules are needed, but thanked him for how he has proceeded with a NPRM on the subject so far.

**At the Portals:** The FCC is seeking comments on NCTA's proposal for revamping USF, which includes no longer subsidizing incumbent phone companies in areas where competition exists (including from cable voice service). Comments are due Jan 7; replies Jan 22.

**Programming:** Shortly after ESPN announced that *Peter Gammons'* run at the net will end this spring after 21 years, NESN, MLB Net and MLB.com said the baseball analyst will work in various capacities for the 3. -- As History's initial competition series, "Top Shot" ('10) will feature team and elimination challenges inspired by real historical events, from Wild West shootouts to modern-day sniper missions.

## CableFAX Daily Stockwatch

Company	12/09 Close	1-Day Ch	Company	12/09 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	35.55	(0.09)	AMPHENOL:	44.11	0.13
DIRECTV:	32.96	0.18	APPLE:	197.80	7.93
DISH:	21.13	(0.07)	ARRIS GROUP:	11.05	0.08
DISNEY:	30.70	0.02	AVID TECH:	11.95	0.01
GE:	15.66	(0.06)	BIGBAND:	3.59	(0.06)
NEWS CORP:	14.60	0.03	BLNDER TONGUE:	1.04	(0.01)
<b>MSOS</b>					
CABLEVISION:	25.83	0.26	BROADCOM:	31.27	0.49
COMCAST:	17.54	0.18	CISCO:	23.86	0.05
COMCAST SPCL:	16.72	0.18	CLEARWIRE:	5.73	(0.02)
GCI:	6.38	0.11	COMMSCOPE:	25.99	(0.11)
KNOLOGY:	10.27	0.10	CONCURRENT:	3.64	(0.01)
LIBERTY CAPITAL:	23.00	(0.11)	CONVERGYS:	11.22	0.18
LIBERTY GLOBAL:	20.91	0.05	CSG SYSTEMS:	18.19	(0.03)
LIBERTY INT:	10.49	(0.23)	ECHOSTAR:	19.75	(0.01)
MEDIACOM:	4.64	0.01	GOOGLE:	589.02	1.97
RCN:	9.41	0.18	HARMONIC:	5.51	(0.14)
SHAW COMM:	20.60	0.13	INTEL:	20.01	0.02
TIME WARNER CABLE:	43.26	0.05	JDSU:	8.14	0.27
VIRGIN MEDIA:	17.00	0.07	LEVEL 3:	1.45	0.02
WASH POST:	408.50	(1.16)	MICROSOFT:	29.71	0.14
<b>PROGRAMMING</b>					
CBS:	13.55	(0.37)	MOTOROLA:	8.49	(0.13)
CROWN:	1.32	(0.01)	OPENTV:	1.53	0.00
DISCOVERY:	30.71	(0.33)	PHILIPS:	28.98	0.15
GRUPO TELEvisa:	20.92	(0.04)	RENTRAK:	16.10	0.09
HSN:	17.97	(0.58)	SEACHANGE:	5.81	(0.01)
INTERACTIVE CORP:	18.99	(0.16)	SONY:	28.43	(0.24)
LIBERTY:	35.05	0.03	SPRINT NEXTEL:	4.13	0.22
LIBERTY STARZ:	48.42	(0.78)	THOMAS & BETTS:	36.40	(0.56)
LIONSGATE:	5.71	(0.2)	TIVO:	9.68	(0.15)
LODGENET:	5.49	0.04	TOLLGRADE:	6.07	0.06
NEW FRONTIER:	1.88	0.00	UNIVERSAL ELEC:	22.36	0.74
OUTDOOR:	5.88	0.16	VONAGE:	1.27	(0.02)
PLAYBOY:	3.77	(0.04)	YAHOO:	15.18	(0.27)
RHI:	0.80	0.09	<b>TELCOS</b>		
SCRIPPS INT:	40.35	0.42	AT&T:	27.56	(0.05)
TIME WARNER:	31.37	0.72	QWEST:	4.19	0.09
VALUEVISION:	4.46	0.01	VERIZON:	33.30	(0.09)
VIACOM:	31.78	(0.14)	<b>MARKET INDICES</b>		
WWE:	16.41	(0.05)	DOW:	10337.05	51.08
<b>TECHNOLOGY</b>					
3COM:	7.34	0.00	NASDAQ:	2183.73	10.74
ADC:	6.39	0.02			
ADVANTAGE:	2.08	(0.01)			
ALCATEL LUCENT:	3.40	(0.06)			
AMDOCS:	27.58	(0.32)			

## The CableFAXIES awards

DEADLINE: FEBRUARY 5, 2010

ENTER AT: [www.CableFaxiesAwards.com](http://www.CableFaxiesAwards.com)

Sponsorship Opportunities: Debbie Vodenos at 301-354-1695; [dvodenos@accessintel.com](mailto:dvodenos@accessintel.com)

Entry Questions: Saun Sayamongkhun at 301-354-1610; [ssayamongkhun@accessintel.com](mailto:ssayamongkhun@accessintel.com)

The CableFaxies Awards salute the year's most outstanding communications initiatives and programs in the highly competitive and dynamic Cable arena. The coveted awards set the industry benchmark for excellence across all areas of PR and marketing.

The Winners of the CableFAXIES Awards are from networks, operators, PR firms, vendors, corporations, agencies and other entertainment companies who took chances, made tremendous strides and understand the power of PR and marketing in the cable industry. The winners and honorable mentions will be saluted during an awards event in April 2010 in New York City.