

# CableFAX Daily™

Friday — October 15, 2010

What the Industry Reads First

Volume 21 / No. 200

## Box Score: Cable Gets New CableCARD Rules, Integrated HD Boxes

Cable came out OK with the FCC's modification of CableCARD rules Thurs, with the industry winning the ability to deploy low-cost HD set-tops with limited functionality (DTAs). The DTAs, expected to cost less than \$50, should make it easier and more cost-effective for operators to transition from analog to digital than it would be if they had to buy HD boxes with CableCARDS inside. And much to cable's relief, the boxes are exempt from any output requirements, including IP. "ACA commends the FCC for recognizing that the burden on independent cable operators to procure expensive HD set-top boxes under the CableCARD regime not only slowed their analog-to-digital TV transition but also tied up valuable bandwidth that could not be allocated to broadband or other advanced services," said ACA pres/CEO *Matt Polka*. NCTA's *Kyle McSarrow* also commended the "sensible, targeted fixes" to the current CableCARD rules, which include requiring self-installation of cards by Aug 1 for providers who allow self-installation of other tech. Those ops that don't allow self-installs of any kind have until Nov 1, '11, to allow CableCARD customer installation. The FCC also voted to make the cost of cards more transparent, but it took NCTA's advice and isn't requiring a breakout on bills—only on providers' Websites. "We agree with the Commission that implementing these changes—including increasing options for self-installation, providing more transparency and properly equipping technicians—will assist customers who use retail devices that rely on CableCARDS. Our industry will work diligently to implement these changes," McSarrow said. Meanwhile, the FCC continues to explore an "AllVid" initiative aimed at getting device competition at retail really going. This is potentially testier, with cable concerned about possible technical mandates that could stifle innovation.

**Spat:** FCC chmn *Julius Genachowski* said the agency continues to be concerned about the potential effect of retrans disputes but didn't offer any sign that it would intervene with **Fox** and **Cablevision**. "I'm hopeful we'll see a deal in the ongoing negotiations," he said after the FCC's meeting Thurs, not calling out specific names. Cablevision's deal with **News Corp's** Fox expires at 12:01am Sat. **DISH** could lose Fox O&Os on Nov 1. The Commission has been working over the last few months to push for greater notification to consumers of contract expirations, Genachowski said. Multichannel providers, including CVC, DISH and **Time Warner Cable**, are pushing for the govt to prohibit broadcasters from pulling their signals and to submit to arbitration when an impasse is reached. So, it's not that surprising Cablevision announced Thurs



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that it would submit to binding arbitration. "While we would rather come to terms directly with News Corp, binding arbitration may be the best and fairest way to resolve this matter," said a CVC spokesperson. Fox rejected the notion. "Binding arbitration would, unfortunately, reward Cablevision for refusing to negotiate fairly and will only ensure that more unnecessary disputes arise in the future," it said in a statement. "We continue to negotiate and are committed to putting all our resources towards reaching a fair resolution." Cablevision said it presented Fox with a new proposal late Wed, and the 2 continue to negotiate. **Stifel Nicolaus** is skeptical the FCC will intervene at this time, but said the more disputes escalate and signals get pulled—particularly if they disrupt high-profile sporting events—the more pressure it believes is put on the FCC and Congress to act. **Collins Stewart's Thomas Eagan** said he believes Fox has the edge in this battle because it is Cablevision's 3rd dispute in 3 months and Fox has major sports programming that it could pull.

**Competition:** Both **AT&T** and **Verizon** will begin selling **Apple iPads** in retail stores Oct 28. The latter's inclusion likely means it will begin offering the **iPhone** early next year as has been rumored.

**Advertising:** **NBCU** ended with **Google** its relationship that allowed the Web titan to sell TV ads on **Syfy**, **Oxygen**, **MSNBC** and **CNBC**. The pair continues to work together on other fronts, as **CNBC** is a major initial player on Google TV.

**Technology:** **FourthWall Media** is partnering with **CSG Systems** to offer cable ops an **EBIF** app allowing subs to view and pay their cable bills on TV. Ads can be integrated with the app as well, and ops can send targeted payment messages to customers. **CSG** accounts for 60% of all disseminated cable bills.

**Research:** According to **Mintel**, WiFi pirating may be the reason that home Internet services rev increased by just 3% over the past 5 years. The firm said approx 72% of consumers have home Web access, but that only 56% report subscribing to such a service—leading to speculation that the remaining 16% may be sharing a connection, stealing WiFi from neighbors or using mobile connections. The use of cell phones and other mobile devices for Internet access at home more than doubled from '05-'09, the firm said.

**Programming:** **Discovery** said it has gained exclusive access for a documentary on the 70-day Chilean miner disaster. The 1-hour special will simulcast Oct 28 on Discovery and **Discovery en Español** in the US and on Discovery Channel across Latin America the same day, and Europe, Middle East and Africa in Nov. -- **Universal Sports** debuts its 1st "Adventure Week," 6 hours of nightly adventure sports programming Fri-Sun. Programming highlights include the "Red Bull Cliff Diving Series" and "Everest Rocks," a doc featuring rock stars and cancer survivors climbing more than 19K feet. -- **Spike** will premiere a new reality series on the lives of WV coal miners called, "Coal," in Apr. It'll be exec produced by **Beers' Original Prod**, the same company behind shows such as "Deadliest Catch," "Ice Road Truckers"

## ARE YOUR CUSTOMERS WATCHING MOVIES BEFORE THEY PREMIERE IN THEATERS?

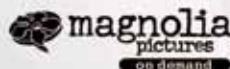
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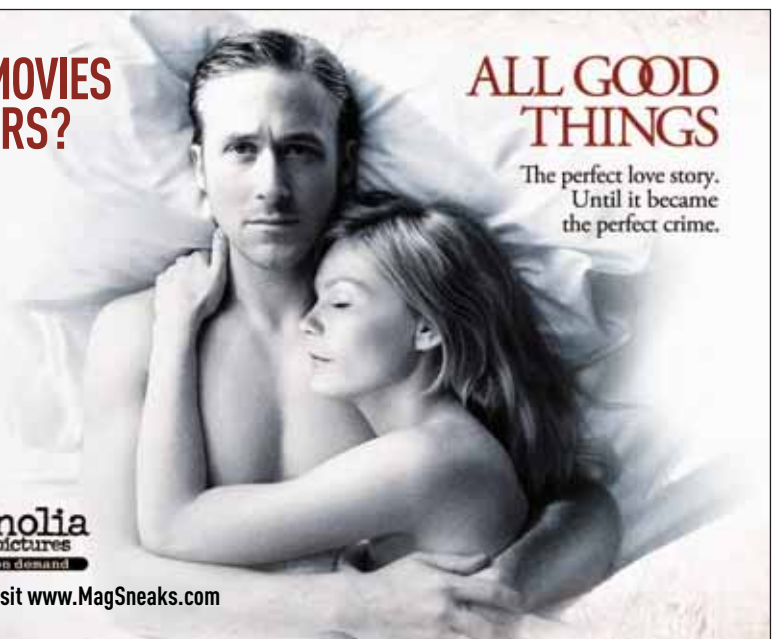
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## ALL GOOD THINGS

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# BUSINESS & FINANCE

and "Axe Men."

**On the Circuit:** USA, Cox and non-profit **The Moth** will present the "Characters Unite" party Mon at **CTAM**, with the Rebirth Brass Band to perform (9pm, open to all attendees). At 7:30, there will be an invite-only storytelling event focused on combating prejudice and encouraging greater tolerance, with *Angela Bassett* hosting.

**People:** Syfy tapped *James Spence* as vp/creative dir. -- *Patti Wheeler* was named evp, programming and prod, **Speed**, effective Nov 1.

**Business/Finance:** CBS may be a media stock to watch this earnings season. **Morgan Stanley** boosted its price target to \$24 while reiterating a 'buy' rating, and **Wells Fargo Securities'** *Marci Ryvicker* said earlier this week that CBS is the best play on a continued ad market recovery. She also rates it a 'buy' -- **Lionsgate's** proposed merger with financially-strapped **MGM** calls for joint ownership of the studio by LGF shareholders and MGM's creditors, and so enthralled LGF mgmt that the co issued a press release saying it "would create a combined entity with enough scale to leverage all of our distribution platforms worldwide." In cable, Lionsgate owns **TV Guide Net**, pieces of **Epix** and **FEARnet**, and produces numerous shows such as **AMC's** "Mad Men" and **Showtime's** "Weeds." **MGM HD** offers cable subs access to titles from MGM's film library, which includes the *James Bond* franchise.

## CableFAX Daily Stockwatch

Company	10/14 Close	1-Day Ch	Company	10/14 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	42.89	0.44	ARRIS GROUP:	9.86	(0.21)
DISH:	19.16	(0.11)	AVID TECH:	14.11	0.12
DISNEY:	34.85	(0.06)	BIGBAND:	2.97	0.01
GE:	17.16	(0.12)	BLNDER TONGUE:	2.43	0.05
NEWS CORP:	15.86	(0.02)	BROADCOM:	37.25	(0.1)
<b>MSOS</b>					
CABLEVISION:	26.52	(0.26)	CISCO:	23.07	(0.11)
CHARTER:	33.00	0.50	CLEARWIRE:	7.02	(0.19)
COMCAST:	18.38	0.24	COMMSCOPE:	22.53	(0.86)
COMCAST SPCL:	17.38	0.22	CONCURRENT:	6.49	0.11
GCI:	10.17	0.08	CONVERGYS:	11.35	(0.07)
KNOWLOGY:	14.70	0.07	CSG SYSTEMS:	19.19	(0.02)
LIBERTY CAPITAL:	56.72	0.39	ECHOSTAR:	19.31	(0.14)
LIBERTY GLOBAL:	32.50	0.18	GOOGLE:	540.93	(2.37)
LIBERTY INT:	14.12	(0.12)	HARMONIC:	7.01	(0.07)
MEDIACOM:	7.04	0.03	INTEL:	19.32	0.08
SHAW COMM:	22.45	0.12	JDSU:	12.38	(0.11)
TIME WARNER CABLE:	56.18	(0.03)	LEVEL 3:	0.88	(0.01)
VIRGIN MEDIA:	24.10	0.19	MICROSOFT:	25.23	(0.11)
WASH POST:	390.25	(38.36)	MOTOROLA:	7.96	(0.16)
<b>PROGRAMMING</b>					
CBS:	17.53	(0.33)	RENTRAK:	27.90	(0.97)
CROWN:	3.44	(0.28)	SEACHANGE:	7.69	(0.15)
DISCOVERY:	43.19	(0.76)	SONY:	32.22	0.27
GRUPO TELEVISIA:	22.31	0.03	SPRINT NEXTEL:	4.56	(0.07)
HSN:	30.14	(0.75)	THOMAS & BETTS:	44.65	0.58
INTERACTIVE CORP:	25.59	(0.29)	TIVO:	10.15	(0.16)
LIBERTY:	39.80	(0.07)	TOLLGRADE:	7.60	0.11
LIBERTY STARZ:	66.27	0.17	UNIVERSAL ELEC:	21.77	0.28
LIONSGATE:	7.44	(0.02)	VONAGE:	2.60	0.03
LODGENET:	2.61	(0.01)	YAHOO:	15.93	0.68
NEW FRONTIER:	1.75	(0.04)	<b>TELCOS</b>		
OUTDOOR:	5.88	(0.03)	AT&T:	28.50	0.03
PLAYBOY:	5.27	(0.09)	QWEST:	6.39	0.04
SCRIPPS INT:	48.28	(0.28)	VERIZON:	32.44	0.23
TIME WARNER:	31.41	(0.08)	<b>MARKET INDICES</b>		
VALUEVISION:	2.32	(0.05)	Dow:	11094.57	(1.51)
VIACOM:	41.43	0.22	NASDAQ:	2435.38	(5.85)
WWE:	13.96	0.04	S&P 500:	1173.81	(4.29)
<b>TECHNOLOGY</b>					
ADC:	12.65	(0.03)			
ADVANTAGE:	3.16	0.02			
ALCATEL LUCENT:	3.67	(0.01)			
AMDOS:	29.61	0.04			
AMPHENOL:	49.44	(0.43)			
AOL:	24.95	(0.17)			
APPLE:	302.31	2.17			



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The CableFAX Best of the Web Awards will also salute the cable executives behind the scenes who make these digital initiatives shine. The awards are presented by the most trusted information source in cable: CableFAX Daily and sister brand CableFAX: The Magazine. The winners and honorable mentions will be saluted during an awards event in April 2011 in New York City.

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

**Money Talks**

*Alki David*, if he hasn't already, may soon assume the "maverick" label so often applied to wealthy media players such as *Mark Cuban* and *Richard Branson*. Reportedly the 45th richest man in the UK, David has already thumbed his nose at US broadcasters by moving full speed ahead with plans for **FilmOn.com**, a streaming service that offers HD programming from both broadcasters and cable nets such as **Universal Sports**. In defense of a lawsuit filed against FilmOn by the big 4 broadcasters alleging violations of programming copyrights, David argues that FilmOn is akin to a cable co and therefore, under copyright law, can re-broadcast broadcast content online. That defense alone will ruffle establishment feathers as multiplatform content modes and rules are at center stage already. But perhaps more compelling or riling—depending on points of view—is David's apparent willingness to push the envelope with his own content as well. He and FilmOn's **Battlecam.com TV** channel, for example, recently offered \$1mln to anyone who could streak stark naked within *Pres Obama's* sight and ears while screaming "Battlecam" 6 times and highlighting the Website's name on their chest. That's the kind of marketing ploy that piques widespread interest and will ultimately lead to more people checking out FilmOn offerings. In turn, a passionate following may result, leading to momentum that becomes much more difficult to stanch by competitors, regulators, etc. Even if the latter pair balks, David's again proving that money talks. He may have also earned some positive publicity points by agreeing to pay an undisclosed sum to the man (partly for his ailing sister) that attempted the \$1mln challenge but didn't quite complete it. Anyone as brash and arguably shrewd with their public movements as David appears to be—not to mention filthy rich—is a redoubtable foe in any forum. *CH*

**Highlights:** "Almighty Debt," Thurs, 9p, **CNN/US**. This doc eyes how faith is addressing debt in the black community. As a pastor states, "Debt now is a bigger problem than racism." While he urges congregants to live within their means, he defends a small family with a huge home unable to pay the mortgage. -- "Luther," Sun, 10p, **BBC America**. A great cat and mouse as volatile Det Luther (played by *Idris Elba*) battles a cold, deliciously sadistic killer (*Ruth Wilson*). *SA*

**Worth a Look:** "T.Ocho Show," Tues, 10:30p, **VERSUS**. Football's most revered miscreants, *Chad Ocho Cinco* and *Terrell Owens*, were composed and insightful talking pigskin during last week's pilot. That collapsed as absurdities flew when they jawed about *Lindsay Lohan* and pregnant pigeons. (review by *Bill Miltenberg*)

**Notable:** *Jon Hamm's* cameo at **Rainbow's CTAM** soiree Tues will be modest compensation if key Nola hotels lack **AMC**, and thus, the finale of a spectacular "Mad Men" season (Sun, 10p). Sans that carriage, we anticipate small but vocal protests outside *Char's* hotel room. -- Concerned about 80mln Americans' lack of access to "Weeds," **TV Guide Net** launches Weeds Awareness Week (Sun-Fri, 9p-2a). Weeds' "mind-liberating... content... can add years to a person's life," TVGN notes. See, Pot is fun. *SA*

Basic Cable Rankings (10/4/10-10/10/10) Mon-Sun Prime			
1	TBSC	3.1	3112
2	ESPN	2.8	2765
3	USA	2.1	2075
4	DSNY	2	1949
5	FOXN	1.6	1586
6	HIST	1.3	1246
7	NAN	1.2	1204
8	TNT	1.1	1122
9	TOON	1	1039
9	MTV	1	1015
11	A&E	0.9	908
11	HGTV	0.9	901
11	SYFY	0.9	893
14	FX	0.8	793
14	TLC	0.8	792
14	FOOD	0.8	768
14	CMDY	0.8	748
14	TRU	0.8	720
19	LIFE	0.7	722
19	AMC	0.7	713
19	MSNB	0.7	691
19	FAM	0.7	677
19	TVLD	0.7	671
19	BRAV	0.7	659
19	DISC	0.7	656
19	SPK	0.7	648
19	NKJR	0.7	553
28	BET	0.6	571
28	EN	0.6	542
28	LMN	0.6	481
31	ESP2	0.5	533
31	HALL	0.5	468
31	OXYG	0.5	365
34	APL	0.4	438
34	CNN	0.4	383
34	TRAV	0.4	353
34	NGC	0.4	295
34	ID	0.4	286
34	GSN	0.4	266
34	NKTN	0.4	210
41	VH1	0.3	329
41	HLN	0.3	303
41	SOAP	0.3	239
41	DXD	0.3	227
41	WE	0.3	224
41	VS	0.3	201

\*Nielsen data supplied by ABC/Disney



**CableFAX** THE MAGAZINE 2010 Most Powerful Women in Cable

Salute the women who have made their mark on the industry with leadership, innovation and community!  
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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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