

# CableFAX Daily™

Thursday — October 22, 2009

What the Industry Reads First

Volume 20 / No. 203

## Net Neutrality Eve: Frenzied Rhetoric From All Sides Before FCC's Meeting

'Twas the night before the FCC's net neutrality proposal, when all through the US, every stakeholder was stirring and clicking their mouse. Looking for updates on how they may fare, in the hopes that *St. Julius* would hear their despair. Those fearing an order with far-reaching proposed rules were feeling a bit better Wed with word that FCC chmn *Julius Genachowski* was revising the proposal to make it more moderate. Still, they hadn't actually seen it. In the past, it has taken weeks—sometimes months—for items on which the FCC votes to be made public. But there's talk that once the NPRM is approved (there's essentially no doubt that it won't be), it could be made public as early as Thurs. A letter from 72 Dems last week expressing concern over potential net neutrality rules is thought to have gone a long way in forcing a revision (Majority Whip *James Clyburn*—father of Democratic FCC commissioner *Mignon Clyburn*—did not sign that letter despite being 1 of 58 Dems who helped kill Rep *Ed Markey's* net neutrality amendment to a telecom bill in '06. At last check, no top Democratic leaders in the House or Senate had signed onto any of the net neutrality letters on other side of the issue). Asked about a rewrite during a conference call with reporters Wed, *Markham Erickson* of the net neutrality-supportive **Open Internet Coalition**, said there was no indication that the FCC would take a softer stance. "At the end of the day, it's an independent agency and will do its job," he said, noting that Genachowski's public remarks have been in line with the Coalition's wants. Reporters on that conference call, which also featured reps from **Amazon**, **Free Press** and **Public Knowledge**, pressed the execs on whether net neutrality rules should encompass content and application providers such as net neutrality advocate **Google** with its powerful search function. The short answer is no—with Erickson citing many mechanisms, such as the **FTC** and antitrust rules, that can address any anticompetitive actions by content and application providers. "Network neutrality rules are about network providers... application and content providers by definition aren't networks," he said. Meanwhile, during his **SUPERCOMM** keynote, **Verizon** CEO *Ivan Seidenberg* took issue with the suggestion that network providers and applications providers like Google, Amazon and others occupy different parts of the Internet—"a binary world of 'dumb pipes' on the one hand and 'smart applications' on the other." He warned against pitting the 2 against each other, saying the real promise is expanding the pie for everyone. "We can't create smart economy by dumbing down our critical infrastructure," Seidenberg said.

**Spectrum Wars:** An interesting, unnamed sources piece from *TVNewsCheck's Kim McAvoy* says that **FCC** broadband chief *Blair Levin* met with **MSTV's** board this month and suggested broadcasters might want to consider returning their spectrum in exchange for a share in the billions of dollars that would come from the auction of it to the wireless industry. In other words, broadcasters could cash in on their spectrum instead of using it for multicasting, mobile video and over-the-air HD (HD would be available over cable and DBS). It doesn't sound like there is much interest, with broadcasters much more eager to hold onto valuable spectrum and try to develop it. But Levin



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# Christians in Communications

Invites you to join us in Denver for two hearty breakfasts with inspirational messages during the CTAM Summit and SCTE Cable-Tec Expo.

## CTAM SUMMIT

CIC Breakfast

Monday, October 26, 2009

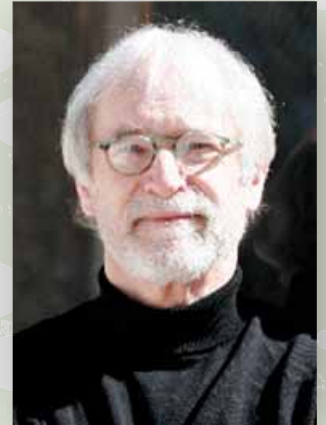
7:15 AM - 8:30 AM

Colorado Convention Center

Room 704

**Dr. Bob Beltz**

DR. BOB BELTZ will share a few lessons from "the back lot," which he learned while helping develop and produce the movie *Amazing Grace*, based on the William Wilberforce story. A former pastor at large churches in Denver and Santa Cruz, Bob is currently serving as special advisor to the Anschutz Corporation. In this role, Bob helps develop, produce, and market films for the Anschutz Film Group, parent company of Walden Media (*Because of Winn-Dixie*; *Around the World in 80 Days*; *The Lion, the Witch and the Wardrobe*). Bob is a graduate of Denver Seminary, where he earned both his Master of Arts and Doctor of Ministry degrees.



## SCTE CABLE-TEC EXPO

CIC Breakfast

Wednesday, October 28, 2009

7:00 AM - 8:30 AM

Colorado Convention Center

Room 604

**Senator Bill Armstrong**

SENATOR BILL ARMSTRONG is currently President of Colorado Christian University. Bill owned and managed media companies before running for the Colorado state senate, where he served for 10 years. Believing in the importance of business people participating in government, he represented the state of Colorado in both the U.S. House of Representatives (1973-1978) and the U.S. Senate (1979-1991). During his final term in the U.S. Senate, he served as Chairman of the Senate Republican Policy Committee (1985-1991).



Breakfasts are sponsored by Front Porch, Buford Media Group, EWTN, TBN Networks, WHT, INSP, Parables and Olympusat.



*Christians in Communications is an organization designed to provide Christians affiliated with the communications industry an opportunity for fellowship with other Christians.*

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and FCC chmn *Julius Genachowski* have made it clear that the Commission is searching for more spectrum, so this voluntary proposal has some broadcasters worried it could turn into a sort of a mandated spectrum return. With Genachowski proclaiming this month that the biggest threat to the future of mobile is “the looming spectrum crisis,” keep watching this space...

**In the States:** EWTN will become available to all US affils in HD beginning Dec 8. The net is available in more than 150mln TV HHs in more than 140 countries and territories. -- **Cox Business** became the single-source telecom provider for Omaha-based **Securities America**.

**Interactive TV:** Consumers—especially the 18-34 demo—still crave iTV features, according to data from a recent **Horowitz Assoc** survey of 800 multichannel viewers. The most popular interactive TV features include the ability to view and/or listen to all of the photos, videos and music normally stored on their PC through their TV (27%); the ability to access **Google** through their TV (21%); and the ability to interact with advertising, such as through customized coupons and requests for information (18%). Other interactive technologies/features tested in the survey were a **Slingbox**; the ability to watch **YouTube** through their TV; the ability to interact with TV programs (polling, voting, etc); the ability to get fantasy sports stats via the TV while watching sports; purchasing products directly from a TV ad; the ability to customize ads to their needs, tastes, and interests; a service like **AppleTV**; and the ability to watch and bid on **eBay** items through the TV. The 18-34 demo showed the most interest in iTV, according to the survey.

**At the Portals:** The **FCC** Media Bureau granted **RCN's** request for relief from a performance test requirement in Section 76.601 intended to ensure that subs are receiving quality signals. The overbuilder says its all-digital systems are incompatible with the technical standards set forth in the rules because it maintains no analog service. No comments came in opposing the waiver. The Bureau said it was appropriate to grant relief because no standards have been developed yet for digital transmission, but it maintained the requirement to measure signal leakage.

**Advertising:** The **Natl Advertising Division of the Council of Better Business Bureaus** said **Cox** provided “reasonable support” for certain ad claims for its HSD service, but recommended the MSO clearly and conspicuously disclose in future ads a “limitation” of PowerBoost. **Qwest** challenged the ads, the majority of which are no longer running. NAD recommended that Cox qualify future “up to” claims regarding the maximum speeds available with PowerBoost by “clearly and conspicuously disclosing that PowerBoost provides a burst of speed available for the first 18 to 22 megabytes of a file download.” Cox, in a statement to the advertising industry’s self-regulatory forum, said it “appreciates NAD’s careful consideration of the issues raised in this matter and will take into account NAD’s recommendations in its future advertising.”

**Programming:** **Nickelodeon** paid approx \$60mln to acquire the global rights to the Teenage Mutant Ninja Turtles brand from **The Mirage Group** and **4Kids Entertainment**. Nick plans to premiere in 2012 a CG-animated TV series and a feature film based on the quirky characters. -- **Nat Geo** will premiere its 2nd annual “Expedition Week” on Sun, Nov 15 (9pm ET) featuring 7 nights of programming, including: “Search for the Amazon Headshrinkers,” with rare footage of a recently deceased human head being shrunk. -- **GSN** on Jan 14 will premiere “Carnie Wilson: Unstapled,” a reality show about the singer and entrepreneur who also hosts GSN’s “The Newlywed Game.” -- **ESPN** announced

**CableFAX**  
THE MAGAZINE

2009 Most Powerful Women in Cable

Salute Cable's Savviest and Most Innovative Women Leaders

FP and Spread Advertising Accepted

**Publication Date:** November 16

**Space Deadline:** October 27

**Artwork Deadline:** October 29

**Distribution Bonus:** WICT's Betsy Magness Leadership Institute Nov. 16-18

CableFAX 100 Luncheon, Dec. 10

CableFAX's Most Powerful Women in Cable Breakfast, Dec. 11

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# BUSINESS & FINANCE

that its '09-'10 NCAA women's basketball schedule includes approx 250 games, the most ever shown on ESPN nets including ESPN, **ESPN2**, **ESPNU**, **ESPN360.com** and **ESPN Full Court**.

**Online:** **NBA Digital**, a partnership of the NBA and **Turner Sports**, said plans for the '09-'10 NBA season include 96 live games, exclusive studio shows, unique video content, news reporting and extensive online content. Meanwhile, NBA Hall of Famer *Kevin McHale* will join NBA TV's "Fan Night" show on Tues nights; and *Kyle Montgomery* and former Orlando Magic player *Dennis Scott* will host "The Jump on NBA.com" in which fans can sound off via text and videos sent to NBA.com.

**Technology:** **Ensequence** became a reseller of **Softel's** MediaSphere iTV platform in the U.S. and will sell the wares as part of its iTV Manager product.

**People:** **Comedy Central** named *Melissa Bear* svp, biz & legal affairs, East Coast. *Michael Tenzer* received the same title for the West Coast.  
 -- **Synacor** promoted *Andrew Attea* to the newly created position of vp, client operations. He'll be responsible for deployment of core products.  
 -- **Comcast** named *Mark O'Leary* regional vp, business services for the MSO's CA region. -- *Sharon Otterman* joins **MSNBC** as vp/CMO. The former **ESPNER** will oversee MSNBC's on- and off-air marketing and branding.

## CableFAX Daily Stockwatch

Company	10/21 Close	1-Day Ch	Company	10/21 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BROADCASTERS/DBS/			AMPHENOL:	40.00	(1.06)
BRITISH SKY:	37.37	0.00	APPLE:	204.92	6.16
DIRECTV:	26.87	(0.4)	ARRIS GROUP:	11.40	(0.13)
DISH:	18.30	(0.62)	AVID TECH:	14.84	0.00
DISNEY:	29.23	(0.12)	BIGBAND:	4.30	0.06
GE:	15.53	(0.05)	BLNDER TONGUE:	1.20	0.00
NEWS CORP:	14.71	(0.12)	BROADCOM:	30.31	(0.3)
<b>MSOS</b>					
CABLEVISION:	23.45	(0.44)	CISCO:	23.96	(0.15)
COMCAST:	15.11	(0.25)	CLEARWIRE:	7.23	(0.1)
COMCAST SPCL:	14.53	(0.18)	COMMSCOPE:	29.58	(0.97)
GCI:	6.21	(0.15)	CONCURRENT:	4.51	0.01
KNOLGY:	11.34	0.64	CONVERGYS:	10.68	(0.08)
LIBERTY CAPITAL:	22.25	(0.23)	CSG SYSTEMS:	15.92	(0.08)
LIBERTY ENT:	31.56	(0.18)	EHOSTAR:	19.95	(0.2)
LIBERTY GLOBAL:	22.33	(0.43)	GOOGLE:	551.10	(0.62)
LIBERTY INT:	11.95	(0.03)	HARMONIC:	6.48	(0.03)
MEDIACOM:	5.13	(0.1)	INTEL:	19.86	(0.32)
RCN:	9.05	(0.19)	JDSU:	6.60	(0.05)
SHAW COMM:	19.20	0.04	LEVEL 3:	1.35	0.00
TIME WARNER CABLE:	42.45	(1.15)	MICROSOFT:	26.58	0.21
VIRGIN MEDIA:	14.12	(0.48)	MOTOROLA:	8.20	(0.12)
WASH POST:	461.22	(14.78)	OPENTV:	1.55	0.01
<b>PROGRAMMING</b>					
CBS:	13.24	(0.58)	PHILIPS:	26.69	(0.5)
CROWN:	1.88	0.01	RENTRAK:	17.10	(0.36)
DISCOVERY:	29.74	(1.07)	SEACHANGE:	7.13	(0.2)
EW SCRIPPS:	8.01	0.03	SONY:	28.96	(0.15)
GRUPO TELEVISIA:	20.42	0.46	SPRINT NEXTEL:	3.29	0.00
HSN:	17.19	(0.08)	THOMAS & BETTS:	32.32	(0.3)
INTERACTIVE CORP:	18.76	(0.43)	TIVO:	11.28	(0.14)
LIBERTY:	35.14	(0.48)	TOLLGRADE:	5.91	0.11
LODGENET:	6.88	(0.25)	UNIVERSAL ELEC:	20.94	(0.34)
NEW FRONTIER:	1.94	(0.01)	VONAGE:	1.53	(0.05)
OUTDOOR:	6.40	0.00	YAHOO:	17.66	0.49
PLAYBOY:	3.66	0.01	<b>TELCOS</b>		
RHI:	3.00	0.00	AT&T:	25.94	(0.05)
SCRIPPS INT:	38.91	(0.69)	QWEST:	3.56	(0.06)
TIME WARNER:	31.25	(0.11)	VERIZON:	29.03	0.23
VALUEVISION:	3.67	(0.12)	<b>MARKET INDICES</b>		
VIACOM:	30.12	(0.78)	DOW:	9949.36	(92.12)
WWE:	14.03	(0.08)	NASDAQ:	2150.73	(12.74)
<b>TECHNOLOGY</b>					
3COM:	5.63	(0.21)			
ADC:	7.23	(0.02)			
ADVANTAGE:	2.43	0.17			
ALCATEL LUCENT:	4.51	(0.09)			
AMDOCS:	25.49	(0.38)			

**TRUE OR FALSE:  
 57% OF AMERICANS USE TV &  
 INTERNET SIMULTANEOUSLY.**

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