

# CableFAX Daily™

Monday — November 7, 2011

What the Industry Reads First

Volume 22 / No. 215

## Sound the Alert: Cable Warning Subs 'This is Only a Test'

With Wed marking the 1st time the entire country has ever tested (or even used) its national Emergency Alert System, cable is helping to get the word out to avoid a "War of the Worlds" scenario. Bill stuffers, emails and IPG notices have all helped spread awareness and point consumers to the **FCC** and **FEMA** for more info on the test. An email to **Comcast** customers noted that programming would be temporarily interrupted at 2pm ET Wed but should return to scheduled programming after the test is over. In rare cases, Comcast warned that DVR recordings during the test could be lost or that subs may have to channel up and down their remote or power down their box to fully restore programming after the test. One problem is that some alerts, particularly those on cable systems, may not have a visual letting subs know this is only a test. The audio will make that clear, but the screen will only feature the notification that EAS is being activated for a national emergency. The alert goes on the same EAS system that is used for weather, Amber Alerts, etc, but it's a code that has never been used before. "Some of the operators have looked into software that would allow for a one-off solution to be able to insert additional text in the message to indicate that it's just a test. At this point, some may choose to use it, and some may not," said **NCTA** vp, engineering *Andy Scott*. "The concern being that there is little time to put in software updates, system-wide in some cases, to accomplish the task on Nov 9." One bit of good news: on Thurs, the FCC reduced the amount of time for the test from 3 mins to 30 sec, thus reducing the risk of people freaking out. Cable networks are also trying to help prevent a panic. "They're not required to participate in EAS. However, as we've looked at various avenues for how to get the message out to consumers during the test that it's only a test for those who don't or can't receive the audio message, the cable programming networks have stepped up and offered to provide a method—probably a text crawl—immediately before the test and in many cases, immediately after the test," said *Loretta Polk*, NCTA vp & assoc gen counsel. "It looks like a large majority, certainly the major cable program networks, are going to participate." So what happens at 2:01pm ET Wed? Broadcasters and MVPDs begin the process of evaluating how things went, with a requirement that they report back to the FCC within 45 days. There is no timetable set for additional tests, but it sounds like the Commission wants to make this an annual event. One state that should be more laid back about Wed's test: Alaska. That's because it's the only place FEMA and the FCC have tested the EAS national code on a limited basis before.

**NatGeo Migrations:** New **NatGeo** CEO *David Lyle* shook things up Fri, announcing that *Howard T. Owens* has been named pres, National Geographic Channels, replacing current pres *Steve Schiffman*. Lyle also named **HBO** evp, consumer marketing and digital platforms *Courteney Monroe* to the newly created position of chief marketing officer to the U.S. channels, and he promoted *Michael Cascio* to evp, programming for NatGeo U.S. and *Chris Albert* to svp, communications worldwide and talent relations. Owens was most recently with **Reveille LLC**, where he was a founding partner and a lead managing director. Before that, he was an agent at **William Morris**. Said Lyle said in statement: "I have known Howard for more than a decade, and I am confident he is the right person at the right time to take our network into our next era." A

The top choice at 4pm, Case Closed!

Nielsen NSI Live +SD October, 2011 (9/29/11 - 10/26/11) Rankings are based on ratings for the respective demographics and time periods. Key demos include Adults 18-34, Adults 18-49, and 25-54.

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## A Roadmap to Video APPs (What Makes Viewers APPy?)

**A NEW STUDY**

### How are video apps changing media consumption? What impact will they have on the industry?

Get a 360° view of consumers' video app behaviors, preferences and attitudes. This comprehensive study investigates current video app usage on smartphones, tablets and Internet-connected TV devices.

Specifically, this study:

- » **EXPLORES** reasons for video app use and barriers to adoption;
- » **EXAMINES** how usage impacts viewership of full-length TV content on both traditional and alternative platforms;
- » **DELVES** into common and unique usage patterns and preferences;
- » **INVESTIGATES** use of video-related apps that allow viewers to control their TVs and manage their DVRs;
- » **GAUGES** consumer reaction to sync-to-broadcast, "second-screen" apps, used while simultaneously watching TV shows.

For more information or to order the study, visit

[www.ctam.com/videoapps](http://www.ctam.com/videoapps)

\*CNET News, Jan., 2011. \*\*Business Insider, Jan.2011 & Life of Android, March 2011.

Consumers  
**APPetites** for  
video apps are  
increasing along  
with the explosion  
of devices that  
support them.  
An average of  
**300 apps per  
second\*\*** are  
being downloaded  
through the two  
leading platforms  
(Apple & Android).



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NatGeo rep said Schiffman will stay on to help with the transition, but there was no announcement of his future plans.

**Google:** You didn't think it would end with an improved **Google TV** platform and 100 original **YouTube** channels, did you? According to the *WSJ*, Google's considering selling a TV package in Kansas City, the future home of its ultra-fast Internet service offering download/upload speeds of 1GB. The package, said the pub, could feature nets from **Disney, Time Warner and Discovery Comm.** **Sanford Bernstein's Craig Moffett** doesn't believe Google poses real danger to cable ops. "...Google's reported discussions with content owners likely reveal that Google has concluded that the content owners are unlikely to embrace a model that upends the status quo," he said. "Think à la carte, perhaps, or streaming only. So, if you can't beat 'em... join 'em." Moreover, said Moffett, Google's poised to become an important partner to the cable industry via its proposed acquisition of **Motorola Mobility**.

**Apps:** **Time Warner Cable** added 37 Spanish-language national and intl channels to its **TWCable TV** app for the iPad, including **Discovery Espanol, CNN Espanol and Disney XD Espanol**. Smart move as a recent **CTAM** study and others point to Hispanics' heavy tech use. Missing, however, are Spanish broadcasters such as **Univision and Telemundo**. You can chalk that up to the complexity of transmitting broadcast nets vs national cable nets. **Cablevision** does offer broadcast channels on its iPad app, but it primarily covers the NY DMA, whereas TWC has to deal with DMAs nationally.

**Earnings:** **CBS** cable nets saw rev increase 14% due in part to digital streaming of **Showtime** series and higher affil rev reflecting rate hikes and growth at Showtime, **CBS Sports Net** and **Smithsonian Nets**. The premium net counted more than 21mln subs as of Sept 30, and CBS boss *Les Moonves* stressed that premium content "is where we continue to see very healthy revenue and profit growth." Showtime Nets overall (also **The Movie Channel** and **Flix**) subs totaled 72mln as of Sept 30, up 7mln YOY. CBS Sports Net's 44mln subs marked an 8mln increase and Smithsonian's 12mln a 6mln increase. The ent div managed 1% growth in rev despite tough politically-charged comps, and CBS is on fire. A few weeks ago, for example, the net became the 1st in history to air 20 of the top broadcast programs for the week, and programming costs decreased in the quarter. -- **Cable One** saw rev decrease slightly on greater promo discounts and basic subs losses, which offset continued growth in HSD and phone. Op income fell 9% due to rising programming, technical and sales costs. PSUs rose 4% to 1.25mln, including as of Sept 30 approx 628K basic video (versus 651K a year ago), 448K HSD (417K) and 177K phone (138K) subs. **Washington Post's** broadcast div suffered a 11% dip in rev and 5% drop in op income owing largely to a lack of Olympics ad rev. -- **Suddenlink** shed a net 5,600 basic subs in 3Q while adding 21,500 digital, 23,000 HSD and 16,200 phone customers. The tallies all underperformed 3Q10, although rev jumped 14.2%.

**On the Circuit:** We spotted some **Karmaloop** cameos on **HBO's** fashion-centric "How to Make it in America." The premiere ep (Oct 2) had lead characters *Ben* and *Cam* making a pitch to Karmaloop CEO *Greg Selkoe* to carry their CRISP fashion line on Karmaloop.com, an online retailer and the parent of forthcoming cable TV net Karmaloop TV. Sun's ep (Nov 6) features Karmaloop TV partner and creative dir *Pharrell Williams*.

**Programming:** **Fox Sports'** big, bold bet on the **UFC** steps into the ring Nov 11 when **Fuel TV** and **Fox Deportes** offer content surrounding the following night's *Velasquez-Dos Santos* heavyweight title bout that will air on **Fox**. The cable pair will also feature content on Sat, with Deportes slated to feature preliminary fights.

**Oops!** We forgot to mention that *Larry King* is among the **Cable Center** Hall of Fame Class of '12 honorees (*Cfax*, 11/3).



**Winners Announced!!**

Register Today at  
[www.cable360.net/ct/ctplatinumawards/breakfast/](http://www.cable360.net/ct/ctplatinumawards/breakfast/)

Join *Communications Technology* magazine for the **CT Platinum Awards/Operator of the Year Breakfast** on Dec. 8 at the Grand Hyatt in NYC, as we salute the winners of our first annual "Best in Products, Services and Marketing" program and the winner of CT's 2011 "System of the Year" Award. **Space at the breakfast is limited, so register yourself and your team today!**

This must-attend industry event is a three-pronged happening: recognizing outstanding broadband-technology products and services, the 2011 CT System of the Year; and you get some great networking time with your peers.

**Sponsorship Opportunities:**

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**Questions:**

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### CableFAX Week in Review

Company	Ticker	11/04 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
DIRECTV:	DTV	46.66	2.48%	16.85%
DISH:	DISH	23.48	(9.38%)	19.43%
DISNEY:	DIS	34.76	(4%)	(7.33%)
GE:	GE	16.39	(4.99%)	(8.49%)
NEWS CORP:	NWS	17.43	(3.54%)	6.15%
<b>MSOS</b>				
CABLEVISION:	CVC	14.87	(1.78%)	(56.06%)
CHARTER:	CHTR	52.71	15.64%	35.36%
COMCAST:	CMCSA	22.75	(4.61%)	3.55%
COMCAST SPCL:	CMCSK	22.43	(3.86%)	7.78%
GCI:	GNCMA	9.27	(5.21%)	(26.78%)
KNOLOGY:	KNOL	14.43	4.57%	(7.68%)
LIBERTY CAPITAL:	LCAPA	75.40	(2.91%)	20.52%
LIBERTY GLOBAL:	LBTYA	41.42	0.68%	17.07%
LIBERTY INT:	LINTA	16.48	8.10%	4.53%
SHAW COMM:	SJR	20.12	(0.05%)	(5.89%)
TIME WARNER CABLE:	TWC	61.29	(1.9%)	(7.18%)
VIRGIN MEDIA:	VMED	24.25	(2.1%)	(10.98%)
WASH POST:	WPO	329.61	(8.72%)	(25%)

Company	Ticker	11/04 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
AMC NETWORKS:	AMCX	33.25	(0.72%)	(16.56%)
CBS:	CBS	25.18	(2.4%)	32.18%
CROWN:	CRWN	1.67	4.38%	(36.26%)
DISCOVERY:	DISCA	44.02	2.78%	5.56%
GRUPO TELEVISIA:	TV	21.09	(5.55%)	(18.67%)
HSN:	HSNI	36.71	2.03%	19.77%
INTERACTIVE CORP:	IACI	43.64	6.34%	52.06%
LIBERTY STARZ:	LSTZA	68.39	1.44%	2.87%
LIONSGATE:	LGF	8.63	7.20%	32.57%
LODGENET:	LNET	2.22	9.90%	(47.76%)
NEW FRONTIER:	NOOF	1.11	(0.89%)	(41.27%)
OUTDOOR:	OUTD	7.34	(2.13%)	2.37%
SCRIPPS INT:	SNI	41.82	(4.17%)	(19.19%)
TIME WARNER:	TWX	34.44	(0.95%)	7.06%
VALUEVISION:	VVTV	2.05	(34.71%)	(66.45%)
VIACOM:	VIA	50.70	(7.43%)	10.55%
WWE:	WWE	10.58	1.73%	(25.7%)

Company	Ticker	11/04 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
ADVANTAGE:	AEY	2.12	(0.47%)	(32.48%)
ALCATEL LUCENT:	ALU	2.30	(25.57%)	(22.3%)
AMDOCS:	DOX	30.22	(1.6%)	10.01%
AMPHENOL:	APH	47.85	(2.88%)	(9.34%)
AOL:	AOL	15.56	6.21%	(34.37%)
APPLE:	AAPL	400.24	(1.16%)	24.08%
ARRIS GROUP:	ARRS	10.66	(6.65%)	(4.99%)
AVID TECH:	AVID	6.54	2.67%	(62.54%)
BIGBAND:	BBND	2.24	0.00%	(20%)
BROADCOM:	BRCM	36.01	(1.72%)	(17.31%)
CISCO:	CSCO	18.03	(2.86%)	(10.87%)
CLEARWIRE:	CLWR	1.89	(5.5%)	(63.3%)
CONCURRENT:	CCUR	3.90	(6.92%)	(22.92%)
CONVERGYS:	CVG	11.86	13.93%	(9.95%)
CSG SYSTEMS:	CSGS	14.97	2.67%	(20.96%)
ECHOSTAR:	SATS	26.44	(1.12%)	5.89%

Company	Ticker	11/04 Close	1-Week % Chg	YTD %Chg
GOOGLE:	GOOG	596.14	(0.67%)	0.37%
HARMONIC:	HLIT	5.63	0.18%	(34.31%)
INTEL:	INTC	23.74	(4.96%)	12.89%
JDSU:	JDSU	12.25	(3.09%)	(15.4%)
LEVEL 3:	LVLT	22.34	(15.89%)	2179.59%
MICROSOFT:	MSFT	26.25	(2.71%)	(5.95%)
MOTOROLA MOBILITY:	MMI	38.97	0.03%	33.92%
RENTRAK:	RENT	13.29	(5.21%)	(55.94%)
SEACHANGE:	SEAC	8.60	1.65%	0.58%
SONY:	SNE	17.92	(19.93%)	(49.82%)
SPRINT NEXTEL:	S	2.87	5.51%	(32.15%)
THOMAS & BETTS:	TNB	51.75	(0.82%)	7.14%
TIVO:	TIVO	11.00	0.82%	27.46%
UNIVERSAL ELEC:	UEIC	16.98	(14.37%)	(40.15%)
VONAGE:	VG	2.78	(18.48%)	24.11%
YAHOO:	YHOO	15.24	(7.97%)	(8.36%)

Company	Ticker	11/04 Close	1-Week % Chg	YTD %Chg
<b>TELCOs</b>				
AT&T:	T	29.16	(1.95%)	(0.75%)
VERIZON:	VZ	37.17	(1.22%)	3.88%

Company	Ticker	11/04 Close	1-Week % Chg	YTD %Chg
<b>MARKET INDICES</b>				
DOW:	DJI	11983.24	(2.03%)	3.50%
NASDAQ:	IXIC	2686.15	(1.86%)	1.25%
S&P 500:	GSPC	1253.23	(2.48%)	(0.35%)

### WINNERS & LOSERS

#### THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. CHARTER:	52.71	15.64%
2. CONVERGYS:	11.86	13.93%
3. LODGENET:	2.22	9.90%
4. LIBERTY INT:	16.48	8.10%
5. LIONSGATE:	8.63	7.20%

#### THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. VALUEVISION:	2.05	(34.71%)
2. ALCATEL LUCENT:	2.30	(25.57%)
3. SONY:	17.92	(19.93%)
4. VONAGE:	2.78	(18.48%)
5. LEVEL 3:	22.34	(15.89%)

## CableFAX's Customer Experience Management Guidebook Lessons and Insights for the Cable Industry

CableFAX and The Cable Center collaborated to publish this 150-page guidebook on customer experience management for the cable industry. The guidebook includes case studies, tips and articles on understanding the foundations of customer experience management and gaining insight to use it to improve your business. You also will learn about the latest measurement strategies, research insights, personnel and compensation strategies, social media tactics and communications techniques for implementing customer experience management in your company.



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