

CableFAX Daily™

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What the Industry Reads First

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Cybersecurity Reform: Take 2 in Senate Fails; White House Directive Issued

The cybersecurity bill in the current Congress is dead, declared bill sponsor Sen *Harry Reid* (D-NV) after the Senate voted 51-47 late Wed not to reconsider the legislation that already failed once in the Senate over the summer. "It's unfortunate, but it is what it is," Reid said. Reid and other sponsors attempted to revive the cybersecurity reform as the Congress returned to the lame-duck session. Now all eyes are on *President Obama*, who could issue an executive order to save the reform. Sen *Joe Lieberman* said that while it's better for Congress handle cybersecurity, Obama should act if Congress fails to do so. "We are the lawmakers," he said. "We can protect the country better than an executive order." But "if we can, he (Obama) should... The executive order will give the Americans more protection." The White House has drafted and circulated an executive order, though no final decision has been made (*Cfax*, 10/26). The administration has reached out to the private sector about the order to get some feedback before it's issued. Before the vote, Reid said in a statement that "I hold fast to my optimism that we will pass this test." However, Senate Republicans continued to slam the measure. The bill's not supported by the business community and won't give businesses the kind of protection needed, several Republican Senators said. Sen *Chuck Grassley* (R-Iowa) said bill negotiations have lacked openness and transparency. Hopefully both sides can come together in the new session next year to achieve "real consensus," said Sen *Kay Hutchison* (R-TX). *Susan Collins* (R-ME), one of the bill sponsors, fired back with "I don't want to be here, a year from now, saying why didn't we act, why didn't we listen..." Sen *Jay Rockefeller* (D-WV), in a statement after the vote, said "Republican members have once again sided with the Chamber of Commerce, and not our military officials, on a national security issue. My communications with CEOs of America's five hundred largest companies make clear that outside the beltway, most executives support the Senate's efforts to protect our nation against cyber attacks and understand the seriousness of the threat our country faces." Meanwhile, Obama signed a White House directive setting rules for how and when to carry out offensive and defensive cyber operations against foreign threats, the *Washington Post* reported. Specifically, the directive differentiates between network defense capabilities and other cyber operations. It also lays out a process to vet

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any operations outside government and defense networks, and it aims to ensure that US citizens' and foreign allies data and privacy are protected and that international laws of war are followed.

At the Portals: The FCC's coming media orders might include media ownership issues, which have been the subject of rumored action for a while, according to several reports. However, no smoke signals have emerged, a source told us. The agency has been reviewing its rules following a quadrennial Congressional obligation and a court order from the 3rd Circuit. The Commission approved an NPRM last Dec that proposed to scrap the cross-ownership rules, which the agency attempted to do under Republican chmn *Kevin Martin*. Though news reports suggested the FCC might take up the issue at its Nov 30 open meeting, a tentative agenda showed the only item to be considered relates to low-power radio. A final agenda is expected later next week. Former commish *Michael Copps* told us he will be "distressed" if the rule's loosened. It would have opened the door to more consolidation, he said, citing the court decision that upheld FCC limits on local broadcast ownership. "The bottom line is, whenever you have that combination, you lose another voice of the community," said Copps, senior advisor for **Common Cause's** Media and Democracy Reform Initiative.

In the Courts: **Sky Angel** is suing **C-SPAN** over what it claimed is improper withdrawal of programming from the distributor in '09. The lawsuit, filed in the DC District Court, alleges that C-SPAN violated the antitrust laws and that the C-SPAN board—comprising execs from major cable companies—authorized C-SPAN to withhold its programming from Sky Angel after appearing on the distributor's lineup for just a few days. It claimed the move "hijacked the public service mission of C-SPAN's legitimate competitor collaboration and repurposed C-SPAN as an instrument to boycott, exclude, injure and destroy Sky Angel." In a statement, *Bruce Collins*, C-SPAN general counsel/corporate vp, said "we are surprised by this lawsuit, which we learned about yesterday from press reports. Although Sky Angel has not yet served us with the complaint, we have had a chance to review it. We find it wholly without merit. We have confidence in all of our positions on all the legal issues raised in the complaint, including the anti-trust issue." The lawsuit asked C-SPAN to honor the terms of its contract with Sky Angel for 10 years. The FCC normally handles program access disputes but has declined to exert its authority over Sky Angel, the suit said. The distributor, originally a satellite service provider, added IPTV to its operations in '08, a move that prompted programmers like **Discovery Communications** to leave. The distributor filed a complaint at the FCC, but the agency tentatively concluded that an OTT company doesn't fall under program access rule protections. -- A lawsuit filed in NY State Supreme Court against **Cablevision** alleged the op is billing subs for services they didn't receive as a result of Hurricane Sandy. The suit, seeking class action statues, said the op should have offered to automatically credit subs.

3D: **Ovation** is working with **Comcast**, **Verizon** and **DirecTV** to premiere the 3D version of "The Nutcracker: Mariinsky 2012" starting Dec 9. Comcast's Xfinity TV will feature the 3D production on Xfinity On Demand as well as on the **Xfinity 3D** channel, where available; DirecTV will premiere it on its **n3D** channel and VOD platform, and Verizon will feature the production in 3D via its VOD service.

Googlim: **Google** is upgrading its Google TV application with voice controls. The feature will be embedded in connected TVs that **Samsung**, **Sony** and **Vizio** are making in the coming months, according to a Google Blog post.

TiVo Doings: Teaming with **NY Jets** backup quarterback *Tim Tebow*, **TiVo** is rolling out a national ad campaign to promote its DVR and TiVo stream set-tops. Tebow will be featured in a series of TiVo TV commercials. TiVo will also offer the "Tim Tebow Zone" TiVo collection featuring Tebow's favorite shows, movies and recommended content from TV and the Web.

LGBT: **Comcast/NBCU** was named one of the "best places to work" for LGBT people, and has earned a 100% score on the **Human Rights Campaign's** 2013 Corporate Equality Index. The recognition marks a first for the combined companies.

Programming: **The Weather Channel** greenlit "Deadliest Space Weather," a new series that features extreme weather conditions that occur throughout the solar system, and explores the premise "What would happen if these harsh conditions could ever prevail on Earth?" The 6x 30-minute ep-series will premiere in Jan. -- **Lifetime**

BUSINESS & FINANCE

booked new series "Teen Trouble," which will debut Dec 28 at 10pm. Hosted by teen behavior specialist and motivational speaker *Josh Shipp*, the series features Shipp confronting the teens and their parents to find the roots of the problem. -- **HGTV** greenlit a 3rd home renovation competition series "Brother vs. Brother." The series is scheduled to premiere in Aug. -- **Comedy Central** booked a 2nd season of "Brickleberry," the animated series featuring a bunch of park rangers. The 13-ep new season is scheduled to premiere in Fall '13. -- **Syfy** renewed "Haven," which is based on *Stephen King's* novel "The Colorado Kid," for a 4th season. The 13-ep new season is expected to debut '13.

Editor's Note: Don't miss out on your chance to learn about the rapidly changing world of VOD—and how you can profit from it. On Thurs, Nov 15, at 1:30pm ET, **CableFAX** will host a Webinar that includes speakers from **AETN, Comcast, Verizon** and **Sony Pictures Television**, with the goal of helping you capitalize on the latest VOD innovations. From dynamic ad insertion to new partnering models, once predictable VOD has become rife with change. *Find out more info at: http://www.cablefax.com/cfp/webinars/2012_november6.html#UKQzzGc0wrU*

People: Starz Entertainment named *Michael Vamosy* svp, creative services.

CableFAX Daily Stockwatch

Company	11/14 Close	1-Day Ch	Company	11/14 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCOM:	30.67	0.23	CISCO:	17.66	0.81
DIRECTV:	48.23	(0.3)	CLEARWIRE:	2.15	(0.07)
DISH:	34.07	(1.1)	CONCURRENT:	4.76	0.29
DISNEY:	47.17	(0.79)	CONVERGYS:	15.59	(0.41)
GE:	20.01	(0.67)	CSG SYSTEMS:	18.06	(0.43)
NEWS CORP:	23.97	(0.57)	ECHOSTAR:	30.75	(1.14)
MSOS					
CABLEVISION:	13.65	(0.59)	GOOGLE:	652.55	(6.5)
CHARTER:	67.50	(1.44)	HARMONIC:	4.10	0.02
COMCAST:	35.40	(0.71)	INTEL:	19.96	(0.32)
COMCAST SPCL:	34.43	(0.6)	JDSU:	11.13	0.18
GCI:	7.66	(0.16)	LEVEL 3:	18.74	(0.28)
LIBERTY GLOBAL:	54.90	(2.06)	MICROSOFT:	26.84	(0.25)
LIBERTY INT:	19.07	(0.56)	RENTRAK:	16.70	0.03
MEDIACOM:	8.84	UNCH	SEACHANGE:	8.60	(0.24)
SHAW COMM:	21.17	(0.34)	SONY:	9.82	(0.95)
TIME WARNER CABLE:	89.29	(1.84)	SPRINT NEXTEL:	5.49	(0.09)
VIRGIN MEDIA:	31.94	(0.22)	TIVO:	9.91	(0.25)
WASH POST:	335.00	(3)	TOLLGRADE:	10.08	UNCH
PROGRAMMING					
AMC NETWORKS:	49.24	(1.48)	UNIVERSAL ELEC:	15.30	UNCH
CBS:	33.34	(1.03)	VONAGE:	2.25	(0.01)
CROWN:	1.64	(0.04)	YAHOO:	17.82	(0.03)
DISCOVERY:	55.21	(1.56)	TELCOS		
GRUPO TELEVISIA:	22.24	(0.25)	AT&T:	33.78	(0.17)
HSN:	49.44	(2.13)	QWEST:	6.83	UNCH
INTERACTIVE CORP:	43.00	(0.66)	VERIZON:	42.24	(0.3)
LIBERTY STARZ:	66.84	UNCH	MARKET INDICES		
LIONSGATE:	15.32	(0.59)	DOW:	12570.95	(185.23)
LODGENET:	0.13	(0.01)	NASDAQ:	2846.81	(37.08)
NEW FRONTIER:	2.01	UNCH	S&P 500:	1355.49	(19.04)
OUTDOOR:	7.16	(0.01)			
PLAYBOY:	6.22	UNCH			
SCRIPPS INT:	59.30	(0.66)			
TIME WARNER:	44.10	(0.51)			
VALUEVISION:	1.96	UNCH			
VIACOM:	48.71	(0.76)			
WWE:	7.57	(0.28)			
TECHNOLOGY					
ADVANTAGE:	1.97	UNCH			
ALCATEL LUCENT:	1.08	(0.03)			
AMDOCS:	31.96	(0.68)			
AMPHENOL:	59.23	(1.4)			
AOL:	36.36	(1.89)			
APPLE:	536.88	(6.02)			
ARRIS GROUP:	13.69	(0.17)			
AVID TECH:	6.09	(0.09)			
BLNDER TONGUE:	0.99	0.02			

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CableFAX Daily
WHAT THE INDUSTRY
READS FIRST.



Think about that for a minute...

Targeting

Commentary by Steve Effros

It's been a remarkable couple of weeks for the notion of "targeted" information. If there's one thing that was clear from the conduct of the Presidential campaign, it's that "targeting" information and appeals to specific groups and individuals proved to be far more effective than what we have been used to in these campaigns in the past: carpet bombing.

Millions... nay, billions of dollars were spent on political advertising. Both Democrats and Republicans did it. But as we are now learning, they did it in somewhat different ways.



The notion that the constant, almost incessant advertising we (particularly in the "battleground states") had imposed upon us was effective has been pretty well disabused. The "carpet bombing" of advertising on the "major" channels did

not appear to have any significant effect on the outcome. Of course, the broadcasters may disagree. They got a very large percentage of that money and would like everyone to believe that's the way it should always be.

But the reporting going on now about how the campaigns operated, and how they decided to accumulate and use targeted information and disseminate their messages, seems to point in a very clear direction; specific, discreet, "niche" marketing of positions based on carefully vetted data seemed to be the key to success. Notice the two key aspects of all this; accumulation and use of data, and dissemination through discrete channels. It just happens that the cable industry is at the heart of both of those.

There can be little argument that the incredible blossoming of the Internet and the World Wide Web has happened in significant part because of the cable infrastructure. That blossoming has led to the "data mining" and data analysis and use that we are now seeing, and that proved to be so powerful in the campaigns. Cable is the

preferred provider, nationwide, of broadband communications. That's not to say we don't have competitors; we do. The only way to stay the preferred provider is to do the job better than our competitors. So far we have, and we must make sure we continue to.

As to discrete programming, the ability to target far more focused constituencies, whether for political or product marketing, cable is, again, the clear leader. Yes, we have tremendous competition. It's called the Internet, and Google with YouTube, Apple with the iStore, Amazon with the Kindle store, Netflix, and a host of others, both big and small, newcomer and established retailing giant, are there too.

So the challenge, now that it appears there is growing recognition that cable and cable programming channels are one of the most dynamic and flexible ways to reach the audiences marketers (both political and product) want to influence, is to make sure we make it as easy as possible for them to do so.

That means we need to beef up our knowledge and understanding of the needs of the marketers through organizations like CTAM. We need to be talking to the outside marketing folks more, not less. We need to understand them, and they need to understand us. The idea that this can be done on an individual, company-by-company basis is just not the way to go. Although some companies are doing a great job, "cable" is still seen and thought of as a unity by those who use us, and we should make sure we stay unified. The same can be said for the Cabletelevision Advertising Bureau.

We've convincingly proved our effectiveness. More so, I think, than the competition. Let's keep it that way.

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry)

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