

CableFAX Daily™

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What the Industry Reads First

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More Retrans Fun: TWC Calls Out Sinclair at FCC

While **Time Warner Cable** says it doesn't want to engage in a public debate with **Sinclair** over retrans, the MSO is taking issue with recent statements made by the broadcaster at the **FCC**. Last Fri, Sinclair evp, gen counsel *Barry Faber* told the Commission that the MSO has indicated they do not intend to comply with the legal obligation to provide subs with 30-day advance notice that they will be deleting stations. "That claim is baseless and misleading," Time Warner told the FCC this week, saying it routinely provides such notices and is in the process of providing it now in connection with Sinclair stations. The MSO also said it's disappointed that Faber has asserted the negotiations are doomed to fail since it's still 7 weeks from the Dec 31 contract expiration. "Given Sinclair's recent publicity campaign advising TWC subscribers to switch to a competing MVPD, we can only conclude that Mr Faber's supposed certainty that no agreement can be reached remains a pretext intended to bully TWC into paying excessive compensation," the MSO said. Sinclair's TWC campaign, 1st reported by **Cfax** (*Cfax*, 11/11), tells viewers that it's not optimistic that a deal will be negotiated with TWC. Time Warner also takes issue with Sinclair telling viewers that independent stations owned by **Cunningham Broadcasting** could go dark, saying Faber recently agreed to allow TWC to negotiate with Cunningham directly (Sinclair programs the stations). "Despite stating that Sinclair has no control over (or even knowledge of) those negotiations, Mr Faber refused to make any changes to Sinclair's irresponsible claim that as of Jan 1, 2011, TWC 'would no longer be carrying' the Cunningham stations," TWC said, urging the FCC to investigate whether groups like Sinclair are complying with the local ownership restrictions and whether there are abuses of LMAs and similar arrangements. Faber said Sinclair's response will be filed with the FCC on Wed.

Retrans Round-Up: Cable operators will use Wed's **Sen Commerce** subcmte retrans hearing to make the case that the FCC can act right now to change a retrans regime that it believes heavily favors broadcasters. According to prepared testimony, **Cablevision** COO *Tom Rutledge* will outline his suggestions for an NPRM from the Commission that considers forbidding tying of affiliated programming nets, requires transparency of carriage terms between broadcasters and distributors and forbids discrimination among MVPDs. He'll argue that the Commission has the authority now to impose a standstill requirement and mandatory arbitration (subcmte chmn *John Kerry's* (D-MA) proposed bill would make this authority explicit). And as for the old argument that the free market should be allowed to work, Rutledge will say he's fine with that, but it means "eliminating free spectrum and special privileges for broadcast, rolling back retransmission consent and must carry, permitting broadcasters to compete, free of rules on 'syndicated exclusivity,' 'network non-duplication,' and 'must buy.'" On the other side of the coin is **News Corp's** *Chase Carey*, who will attempt to paint cable ops as drama queens. Those 100% rate increases cable ops sometimes claim broadcasters seek? "Any increase over 0 is a 100% increase," Carey quipped in his prepared testimony. It's all about getting a fair return on investment, he'll argue, bringing up how **Fox** was outbid on college football's Bowl Championship Series by **ESPN** by \$100mln. If broadcasters can't get a "fair" return, "the most expensive—and highest quality—sports and entertainment content would migrate to a cable chan-



Nearly 2 million people tuned in to WE tv to watch **Downsized** and **The Locator**!

Source: The Nielsen Company, L+SD, 11/6/10, 9P-1A, WE tv, TP reach, P2+, 6 min qual. Subj to quals.

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nel where it would have a better chance of securing a fair market rate." News has its own suggestions for retrans flare-ups: customer notifications and requiring a rebate or credit if channels are removed. Watch live at 3pm ET at **C-SPAN.org**.

Merger Mania: No more "Gaspin" at straws over the fate of **NBCU** TV ent chairman *Jeff Gaspin*, who has confirmed he'll resign after **Comcast** takes over the company. In a memo, Gaspin said that he and Burke couldn't agree on an appropriate role for him at the new company. Of course, all this talk (as was the case when **Jeff Zucker's** post-merger departure became public) has deal critics irritated that Comcast "has been busy measuring the drapes at NBC" before the transaction has even been approved or denied. The drape comment comes in a letter from Sen *Bernie Sanders* (I-VT), who wrote the **FCC** Tues and urged that it deny approval of the deal outright. Arguing that there is an overwhelming record of support for the deal, Comcast responded that the transition and integration planning are "common, proper, and expected in a transaction of this type. At every step of the way, this process has been supervised by counsel to ensure faithful adherence to the rules, and that will continue." Meanwhile, Comcast has refuted at the FCC an **ACA**-submitted report that consumers will pay at least \$2.4bn more over the next 9 years as a result of the pricing power behind a Comcast-NBCU combo. Claiming the study relies on faulty assumptions, the MSO said its own analysis finds that it would actually result in consumer benefits of at least \$290mln. ACAs not buying it. "After almost a year of first producing and then revising its economic arguments to justify government approval of this transaction, Comcast is surprising no one by again revising its arguments for why this deal is not harmful to the American consumer," said ACA chief *Matt Polka*.

Move Over Barton: While Rep *Joe Barton* (D-TX) has been making most of the noise, Rep *Fred Upton* (R-MI) has officially threw his hat in the ring for chairmanship of the **House Energy and Commerce** committee. He is contacting members of the Republican Conference to outline his vision, which includes cutting spending and repealing "ObamaCare."

Deals: **Motorola's** undisclosed Series C investment in advanced advertising co **BlackArrow** involves the pair's co-development of integrated addressable media and ad solutions for set-tops and mobile devices, as well as cloud-based, hosted video services and IP video delivery. **Cisco** and **NDS** also have stakes in BlackArrow.

Research: **Hulu** delivered 1.1bn ad impressions last month, according to **comScore**, a market-leading tally that breaks down to 38 ads/user and 9.7% penetration of the entire US population. Ranked 2nd in the metric, the **Tremor Media Video Network** delivered approx 533K impressions in Oct. 175mln US Internet users viewed online video content in the month, each averaging 15.1 viewership hours. **[Go to CableFAXDaily.com for more subscriber-exclusive info].**

VOD: **Avail-TVN** launched a 3D VOD offering featuring films from most major studios and developed to work with service providers' customers' existing infrastructure, including encoders and set-tops. **Verizon FiOS** is the offering's 1st adopter. Avail plans to intro 3D Events and 3D Linear channels in '11.

Ratings: Versus' Sat coverage of the Oregon-Cal football game averaged 1.9mln total viewers and pulled in a 1.7 HH rating to become the net's most-watched college contest ever. -- **Bravo** delivered its best Sun night ever on Nov 14, averaging 1.55mln total viewers and 1.05mln 18-49s, the latter total marking the net's 1st Sun night with more than 1mln in the demo. "The Real Housewives of Atlanta" also scored well on Sun, earning its highest-rated ep of the season among both total viewers (2.78mln) and 18-49s (1.92mln). -- Now the net's most-watched season opener, **NFL Net's** Ravens-Falcons game earned a 6.4/3.63mln Thurs night to rank 2nd for the week behind **ESPN's MNF** (10.6/10/61mln). NFL's 31min pre-game

The CableFAXIES awards

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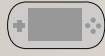
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The CableFaxies Awards salute the year's most outstanding communications initiatives and programs in the highly competitive and dynamic Cable arena. The coveted awards set the industry benchmark for excellence across all areas of PR and marketing.

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block tied for 4th with a 3.6/2.04mln.

Clarification: While **WealthTV's** carriage complaint at the **FCC** hasn't resulted in any carriage, don't call it unsuccessful, the company says (**Cfax**, 11/15). Hope is still alive. While an ALJ recommended last fall the complaint against **In Demand** owners **Cox**, **Bright House**, **Comcast** and **Time Warner Cable** be denied, the programmer is still awaiting a ruling from the FCC. That still hasn't come (and whatever it ends up being, expect legal challenges...)

People: **Barry Ohlson** was named chief policy counsel at **Cox Ent**, reporting to **Sandy Wilson**.

Business/Finance: **Fitch** placed **Mediacom** on Ratings Watch Negative, feeling chmn/CEO **Rocco Commisso's** privatization bid will weaken the MSO's credit profile and stress its ability to generate FCF relative to **Fitch's** expectations. While recognizing potential growth and operating profile enhancements through increased service penetration, **Fitch** raised concerns about **MCCC's** high leverage relative to its peer group and competition from **DBS** ops and **Qwest**. -- **Intel** led a \$17mln financing round for **Verismo Networks**, whose **VuNow** platform leverages the Web to bring linear channels, online videos, social networking and personal media to the TV. Along with **Comcast Interactive Capital**, **Intel** participated in an \$8mln Series C financing round for **Ortiva Wireless**, a dynamic mobile video optimization play.

CableFAX Daily Stockwatch

Company	11/16 Close	1-Day Ch	Company	11/16 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	41.41	(0.74)	ARRIS GROUP:	9.97	(0.01)
DISH:	19.08	(0.42)	AVID TECH:	14.31	0.05
DISNEY:	36.92	(0.33)	BIGBAND:	2.86	(0.16)
GE:	15.86	(0.34)	BLNDER TONGUE:	2.18	0.01
NEWS CORP:	15.69	(0.19)	BROADCOM:	40.49	(0.63)
MSOS					
CABLEVISION:	28.85	(0.06)	CISCO:	19.43	(0.52)
CHARTER:	35.87	UNCH	CLEARWIRE:	6.40	0.05
COMCAST:	20.26	(0.33)	COMMSCOPE:	32.03	0.12
COMCAST SPCL:	19.11	(0.26)	CONCURRENT:	4.66	(0.05)
GCI:	10.14	(0.14)	CONVERGYS:	12.37	(0.23)
KNOWLOGY:	14.42	(0.42)	CSG SYSTEMS:	19.01	(0.59)
LIBERTY CAPITAL:	56.45	(1.65)	ECHOSTAR:	20.76	(0.17)
LIBERTY GLOBAL:	37.38	0.04	GOOGLE:	583.72	(11.75)
LIBERTY INT:	15.09	(0.23)	HARMONIC:	6.61	UNCH
MEDIACOM:	8.36	(0.01)	INTEL:	21.07	(0.23)
SHAW COMM:	20.48	(0.39)	JDSU:	11.40	(0.26)
TIME WARNER CABLE:	62.07	(0.5)	LEVEL 3:	1.11	(0.03)
VIRGIN MEDIA:	25.91	(0.41)	MICROSOFT:	25.81	(0.23)
WASH POST:	388.38	3.80	MOTOROLA:	7.81	(0.13)
PROGRAMMING					
CBS:	16.21	(0.51)	RENTRAK:	25.08	(0.93)
CROWN:	2.70	(0.15)	SEACHANGE:	8.22	0.07
DISCOVERY:	40.27	0.04	SONY:	33.67	0.03
GRUPO TELEVISA:	22.22	(0.65)	SPRINT NEXTEL:	3.74	(0.09)
HSN:	27.27	(0.22)	THOMAS & BETTS:	43.11	(0.59)
INTERACTIVE CORP:	27.31	(0.53)	TIVO:	8.73	(0.19)
LIBERTY:	38.40	(0.86)	TOLLGRADE:	8.08	0.03
LIBERTY STARZ:	61.78	0.20	UNIVERSAL ELEC:	26.18	0.03
LIONSGATE:	7.34	0.07	VONAGE:	2.41	(0.04)
LODGENET:	2.71	(0.03)	YAHOO:	16.24	(0.35)
NEW FRONTIER:	1.97	0.06	TELCOS		
OUTDOOR:	5.99	(0.25)	AT&T:	28.24	(0.39)
PLAYBOY:	5.01	(0.07)	QWEST:	6.70	(0.15)
SCRIPPS INT:	50.99	(0.55)	VERIZON:	32.19	(0.58)
TIME WARNER:	30.54	0.03	MARKET INDICES		
VALUEVISION:	3.40	0.06	DOW:	11023.50	(178.47)
VIACOM:	43.70	(1.11)	NASDAQ:	2469.84	(43.98)
WWE:	13.60	(0.13)	S&P 500:	1178.34	(19.41)
TECHNOLOGY					
ADC:	12.70	0.03			
ADVANTAGE:	3.24	(0.04)			
ALCATEL LUCENT:	2.93	(0.02)			
AMDOCS:	25.98	(0.4)			
AMPHENOL:	48.97	(1.37)			
AOL:	25.55	(0.33)			
APPLE:	301.59	(5.45)			

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