

# CableFAX Daily™

Tuesday — November 22, 2011

What the Industry Reads First

Volume 22 / No. 226

## Tis the Season: Cablevision Makes Consumer Reports' Holiday List

Ah, *Consumer Reports*... We're used to the **Consumers' Union** pub dingling the cable industry over its lack of a la carte and high prices. Remember a few years ago when *Consumer Reports* went after cable's practice of moving channels to digital from analog, dubbing it a "rate hike"? So, when we saw Mon that the magazine had unveiled its 2011 "Naughty & Nice Holiday List," featuring the good and bad shopping policies of companies, we dug in expecting cable to be taken to task. And yes, one cable company made the list—but it was on the "nice" list. Seriously. We checked it twice. **Cablevision** was singled out for the loyalty offers it gives subs who sign up for Optimum Triple Play. The *Consumer Reports* piece focused on Cablevision's free movie tix on Tuesdays and discounted popcorn and soda. But there is actually a whole lot more than that... Currently, there are almost 100 offerings, including 20% off your **TGIF's** bill, discounted Broadway tix and free bowling. It doesn't sound like it's just *Consumer Reports* who likes the program, with the Optimum Rewards' **Facebook** fan page tallying more than 7400 likes. Cablevision created the program in '06 as a way to say thank you to 3-product customers. In addition to discounts, it also offers members a chance to win unique experiences, like throwing out the 1st pitch at Citi Field or a trip to the Atlantis Resort in the Bahamas. Cablevision's not the only cable company who's playing the rewards game. Several other MSOs, including **Comcast** and **Charter**, offer similar programs (but Cablevision's the only one who got a mention on the "Today Show" Mon morning—meanwhile, naughty listees, like **Verizon Wireless**, spent the day offering rebuttals to the magazine piece). Further evidence of cable recognizing loyalty could be seen in announcement by Comcast Mon, in which it said free wireless routers would be made available to HSD customer (this works for Comcast too—in that it encourages customers to rely on Comcast for the WiFi-enabled devices they get for the holidays). It all reminds us of what may have been the most memorable **CTAM** keynote in the past 5 years—2007's *Gary Loveman*, **Caesars'** chmn/CEO/pres, who took the industry to task for treating a \$230/month customer the same as a \$19/month customer and urged it to adopt the casino industry's policy that not all customers are created equal. That was all before the recession, though... Now the industry also has to figure out how to appeal to those customers who can't afford the largest packages. Maybe it's time to bring back Loveman for some more ideas... Don't laugh. The industries seem to have a bit in common. Caesars is currently lobbying hard for online poker sites in the US—an alternative for

CableFAX's

## Most Powerful Women in Cable

December 9, 2011 | Grand Hyatt, NYC

Join us for CableFAX's Most Powerful Women in Cable Breakfast on **December 9, 2011** from **8:00–10:00 a.m.**, as we salute the women who have made their mark on the industry with leadership, innovation and community.

REGISTER TODAY

[www.cablefax.com/cfp/events/most\\_powerful\\_women2011.html](http://www.cablefax.com/cfp/events/most_powerful_women2011.html)

## SPONSORSHIP OPPORTUNITIES:

Amy Abbey  
301.354.1629  
aabbey@accessintel.com

## TO REGISTER, CONTACT:

Saun Sayamongkhun  
301.354.1694  
saun@accessintel.com

19692

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax:301.738.8453 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 818.945.5309, mgrebb@accessintel.com ● Assoc Editor: Chad Heiges, 301.354.1828, cheiges@accessintel.com ● Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Contributor: Seth Arenstein ● Publisher: Debbie Vodenos, 301.354.1695, dvodenos@accessintel.com ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Marketing Dir: Barbara Bauer, 301.354.1796, bbauer@accessintel.com ● Prod: Joann Fato, 301.354.1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Subs/Client Services: 301.354.2101, fax 301.309.3847 ● Group Subs: Debbie Vodenos, 301.354.1695, dvodenos@accessintel.com

those who can't afford high-roller trips to Vegas or Atlantic City...

**Retrans:** We told you it didn't look good between **Sinclair** and **Insight (Cfax, 11/8)**. Sinclair stations have started running info warning Insight customers that the MSO's contract to carry its channels expires on Dec 31 and that "based on the current status of negotiations we do not believe they will be carrying this station after that date." Earlier in the month, Insight CEO *Michael Willner* paid a visit to the **FCC** to discuss the current state of retrans, particularly with Sinclair. Things went down to the wire last year with Sinclair and **Time Warner Cable**, which is in the process of acquiring Insight.

**Survey Says:** The cable industry should be smiling a little more this year. The latest **CTHRA** survey found that none of the 57 employers participating had salary freezes in place this year. That compares to 24% of programmers and 18% of MSOs in '09. CTHRA also found that 2011 salary adjustment budgets increased slightly from '10 for both MSOs and content providers. The survey also sheds some light on emerging areas. On the MSO side, product development, program management, customer experience and MDU sales account mgmt jobs were added to the survey. On the programming side, 8 job categories were added: music content, production art, brand/product marketing, home entertainment distribution, digital media marketing, community affairs, sales revenue planning/pricing and royalty accounting.

**At the Portals:** Late Fri, the **FCC** released its huge order on USF reform. We're still wading through its 700+ pages. How about you? -- **American TV Alliance** and several of its members (**ACA, Cablevision, Time Warner Cable, Mediacom**) met with the **FCC** last week and urged the agency to use its media ownership proceeding NPRM for additional info on joint services agreements and whether these arrangements violate ownership rules. It sounds like the FCC will be delving into the subject. The ATA said parties have documented at least 56 instances in which Big Four network affiliates operate under some form of sharing agreement, and at least 36 pairs of broadcast stations in 33 different markets engaged in coordinated carriage of negotiations through the use of a single bargaining rep.

**In the States:** **CableLabs** officially opened its new office in San Fran, which will serve as a base of operations for specific engagements aligned with the intersection of IP communications and broadband application technologies. It also allows CableLabs to participate in the Bay Area tech, academic and investment communities. **Comcast** svp, engineering *John Carney*, who is working on behalf of CableLabs through '12, is assisting in the establishment of the office and is leading programs related to the new facility.

**Online:** First came the 24/7 3D network, now comes 3net.com, an online experience of the **3net** brand. The site employs 2D and 3D video, a 3D "101" and Q&A section, channel and industry news sections and a dynamic interactive program guide. -- **Tripology.com** announced a multi-platform partnership with **Travel Channel**. Beginning with this week's *Anthony Bourdain's* "The Layover," viewers inspired by the net's programming can connect online with trained "tripologists." The online travel agents will book trips for viewers based on the cities featured in the popular TV series. This is the first of several in the networks plan to link more of their travel destinations with the travel website.

**Programming:** **Starz Ent** will offer a free preview of **Starz** and **Encore** to more than 42mln homes Nov 23-27, including **DirectTV, DISH, Verizon FiOS** and **AT&T U-Verse** customers. -- Adding a third night of original programming, **WEtv** has greenlit new series "Mary Mary." The 8 one-hour episode series will star gospel singers and sisters *Erica* and *Tina Campbell* as they balance their careers and family (Mar 29 premiere). -- **NFL Net** will host the 1st ever broadcast of the *Bronko Nagurski Awards Banquet* presented by **ACN**. The net presentation of the trophy to the **NCAA's** best defensive football player will take place Dec 16, 4:30pm ET.

**Obit:** Our thoughts are with the **Discovery Comm** family as they mourn the loss of vp *Mike Botte*, 40, a 13-year veteran of the company's domestic distribution and **Discovery Education** divisions who lost his battle with non-Hodgkin's Lymphoma last Wed. Botte is survived by his wife, *Jen*, 2-year-old daughter, *Sophia*, and a baby boy expected in Feb. A 529/college fund has been set up for the Botte children. To contribute, please contact *Lee Levitas* at **Heritage Financial**, Lee.Levitas@LFG.com or 410-771-5407 -- Sad to hear that **Broadband Cable Assoc of PA** mainstay *Stan Singer* passed away earlier this month after a battle with cancer. He was 79. Singer joined the

# BUSINESS & FINANCE

assoc in '81 as exec dir and served in that role until being named pres in '91. He served in that post until his retirement in '95, but stayed active in BCAP as a legislative consultant up until recent months. Memorial contributions may be made to Historic B'Nai Jacob Synagogue, c/o Mr. Lawrence Kapenstein, Treasurer, 121 Shirley Drive, Middletown, PA 17057; or to the Helen O. Krause Animal Foundation, P.O. Box 311, Mechanicsburg, PA 17055-0311.

**Oops:** Our Programmer's Page Fri misidentified **Halogen** as a faith-based network.

**Business/Finance:** Synacor filed to raise up to \$75mIn in an IPO.

**Trivia Time:** Which 2011 **CableFAX** Powerful Woman uses Bluetooth to handle her pet peeve of sitting in Washington D.C.'s bumper-to-bumper traffic? Tweet or Facebook ([www.facebook.com/cablefax](http://www.facebook.com/cablefax)) us your guesses.

**Editor's Note:** Time's running out to book your seats and/or table(s) for the **CableFAX 100** and **Most Powerful Women** events on Dec. 8 and 9, respectively. Info on the Dec 8 CableFAX 100 luncheon featuring a conversation with Time Warner Cable chief *Glenn Britt* is at: [http://www.cablefax.com/cfp/2011cablefax100\\_luncheon.html](http://www.cablefax.com/cfp/2011cablefax100_luncheon.html). Find out more about the Most Powerful Women breakfast on Dec. 9 here: [http://www.cablefax.com/cfp/events/most\\_powerful\\_women2011.html](http://www.cablefax.com/cfp/events/most_powerful_women2011.html).

## CableFAX Daily Stockwatch

Company	11/21 Close	1-Day Ch	Company	11/21 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	46.50	(0.12)	BLNDER TONGUE:	1.09	(0.04)
DISH:	23.59	(1.14)	BROADCOM:	32.16	(0.61)
DISNEY:	34.33	(1.3)	CISCO:	18.00	(0.42)
GE:	15.24	(0.41)	CLEARWIRE:	1.59	0.12
NEWS CORP:	16.60	(0.22)	CONCURRENT:	3.67	0.06
<b>MSOS</b>					
CABLEVISION:	14.66	(0.19)	CONVERGYS:	11.92	(0.11)
CHARTER:	52.07	(0.84)	CSG SYSTEMS:	14.37	(0.43)
COMCAST:	21.52	0.09	ECHOSTAR:	21.58	(0.96)
COMCAST SPCL:	21.28	0.07	GOOGLE:	580.94	(13.94)
GCI:	9.48	(0.25)	HARMONIC:	5.02	(0.3)
KNOLOGY:	13.48	(0.26)	INTEL:	23.57	(0.72)
LIBERTY CAPITAL:	75.41	(2.99)	JDSU:	10.49	(0.5)
LIBERTY GLOBAL:	40.63	(0.55)	LEVEL 3:	19.23	(0.1)
LIBERTY INT:	15.56	(0.37)	MICROSOFT:	25.00	(0.3)
SHAW COMM:	20.48	(0.27)	MOTOROLA MOBILITY:	38.70	(0.06)
TIME WARNER CABLE:	59.77	(0.66)	RENTRAK:	13.06	(0.31)
VIRGIN MEDIA:	22.66	(0.33)	SEACHANGE:	7.90	(0.45)
WASH POST:	345.15	(3.17)	SONY:	16.28	(0.63)
<b>PROGRAMMING</b>					
AMC NETWORKS:	37.12	(0.25)	SPRINT NEXTEL:	2.60	(0.02)
CBS:	24.09	(0.69)	THOMAS & BETTS:	50.50	(0.6)
CROWN:	1.43	(0.13)	TIVO:	9.58	(0.42)
DISCOVERY:	40.09	(0.53)	UNIVERSAL ELEC:	15.81	(0.09)
GRUPO TELEVISA:	19.83	(0.38)	VONAGE:	2.48	(0.16)
HSN:	35.51	(0.46)	YAHOO:	14.99	(0.39)
INTERACTIVE CORP:	40.05	(1.33)	<b>TELCOS</b>		
LIBERTY STARZ:	66.29	(2.65)	AT&T:	28.36	(0.28)
LIONSGATE:	8.47	(0.12)	VERIZON:	36.07	(0.39)
LODGENET:	2.04	(0.19)	<b>MARKET INDICES</b>		
NEW FRONTIER:	1.09	(0.06)	DOW:	11547.31	(248.85)
OUTDOOR:	6.95	(0.12)	NASDAQ:	2523.14	(49.36)
SCRIPPS INT:	38.95	(0.87)	S&P 500:	1192.98	(22.67)
TIME WARNER:	33.18	(0.43)			
VALUEVISION:	1.66	(0.14)			
VIACOM:	51.37	(0.99)			
WWE:	9.31	(0.28)			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.01	0.01			
ALCATEL LUCENT:	1.86	(0.04)			
AMDOCS:	28.35	(0.41)			
AMPHENOL:	43.61	(1.38)			
AOL:	14.33	(0.4)			
APPLE:	369.01	(5.93)			
ARRIS GROUP:	10.24	(0.56)			
AVID TECH:	7.09	(0.01)			
BIGBAND:	2.26	0.02			

**WOMEN** ADD VALUE TO THEIR **COMPANIES**

**WICT** ADDS VALUE TO **WOMEN**

Join WICT, renew your membership or learn more about sponsorship opportunities today at [www.wict.org](http://www.wict.org)



# EYE ON INNOVATION

## 1,000 Comcast Employees Focus on Innovation

At a **WICT** event in Denver this month, a panel moderator showed an image of 1960s cartoon "The Jetsons" with *George Jetson* engaged in a video conversation with wife *Jane* via a bigscreen TV. "That's **Skype!**" said the moderator.

But what's the process for turning the imaginings of Hollywood into reality, and does it need to take 50 years?

Skype videoconferencing has been around since '06 for Windows and Mac platforms. But this year has been a big one for the company, with **Comcast** announcing in June a collaboration with Skype to bring HD video calling to the TV. In Oct, **Microsoft** acquired Skype for \$8.5bln and made it a separate division within the computer company. And just last week, Skype partnered with **Facebook** to enable video calling from within the social network.

As for calls on the TV, Comcast believes the partnership will deliver a product that better personalizes the TV experience. The companies haven't announced a deployment date yet, but they say it will require an HDTV, an adaptor box, a high-quality video camera, and a specially designed remote that enables customers to text on Skype as well as control their TV. The other calling party will not require any special equipment beyond what is needed to use Skype.

### Comcast Labs

At this point, Skype has been brought into the Comcast fold, but Comcast evp/CTO *Tony Werner* explained how disruptive technologies first get noticed by the big MSO. He said a division within the company, **Comcast Labs** (CL), is constantly on the hunt for the next great thing. CL has about 1,000 people spread out among 5 locations: Philadelphia, Denver, Silicon Valley, Seattle and DC. It's the advanced tech arm of the company that creates the innovative products of the future.

Comcast techies, together with employees from its invest-

ments group, regularly meet with start-up companies, most notably in Silicon Valley. "At any one time 100-150 companies are in process of discussion; 10 are further down the line; and we're doing rapid prototyping on 4-5 to see how (their technology) can be applied toward things we do," Werner told us.

While Silicon Valley is the hub for finding new tech, the Denver CL employees prototype video technologies, and the work in Seattle revolves around Comcast subsidiary **thePlatform**. Werner said the DC group is working on advanced algorithms. Some of CLs' recent projects include the Xcalibur cloud-based user interface, the hierarchical CDN network for the delivery of VOD and the Xfinity TV app.

As for the latest and greatest, CL is working on advanced search. "We benchmark our search against all the other searches out there," Werner said. "We're running less than 3½ keystrokes on average." CL also is experimenting with recommendations that aren't quite on point with people's usual preferences. "We pivot people off a few degrees of separation and look to see how well it's working to expose more value we have to the consumer."

CL also is working on e-commerce and s-commerce (that's social-commerce) technology as well as "a whole bunch of work on advanced wireless in the home," said Werner.

After Comcast Labs does its R&D thing, any new technology has to be integrated and deployed. *John Schanz*, evp of national engineering, works closely with the Labs to integrate new products into network architecture. The timeframes for deploying new tech has sped up remarkably. Comcast head *Brian Roberts* has repeatedly noted that having software in the cloud instead of set tops enables rapid innovation. From the time the iPad became available in April '10 to the deployment of Comcast's Xfinity TV app for iPad in Nov '10 was only 8 months: an amazingly short time for a new cable TV technology to roll out and a lot shorter than the 50 years from the Jetsons to Skype on TV.



**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:

Debbie Vodenos at 301.354.1695 or [dvodenos@accessintel.com](mailto:dvodenos@accessintel.com)

Amy Abbey at 301.354.1629 or [aabbey@accessintel.com](mailto:aabbey@accessintel.com)

#### Questions:

Rachel Isaman at 301.354.1555 or [risaman@accessintel.com](mailto:risaman@accessintel.com)