

CableFAX Daily™

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What the Industry Reads First

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STEMming the Tide: Cable Steps Up in White House Science Initiative

When *Pres Obama* unveiled his “Educate to Innovate” campaign Mon morning, cable was at the forefront. With **Discovery’s** “MythBusters” stars and **Time Warner Cable’s** *Glenn Britt* looking on, Obama announced a campaign to improve the participation and performance of America’s students in science, technology, engineering and math (STEM), and singled out Time Warner Cable, Discovery Comm and **Sesame Street** for their efforts. Back in Apr, Obama challenged companies to think of new and creative ways of engaging young people in science and engineering. “Once *John Hendricks* and *David Zaslav* heard this in Apr, they basically got a company-wide group of executives together and said, ‘OK, what can we do?’” said *Bill Goodwyn*, Discovery pres, distribution and enterprises and **Discovery Education** pres. The result is “Be The Future,” a multi-year initiative that includes a commercial-free kids’ programming block on **Science Channel** (launches ’10 and is aimed at middle schoolers), education curriculum from Discovery Education and tools to inspire students learning and careers in science. Goodwyn said the initiative has resulted in **DirecTV** moving Science Channel from its Choice Plus package to its more widely distributed Total Choice package. When Obama outlined his desire to boost STEM in Apr, Time Warner Cable was already on that track, having just announced a \$100mln pledge of cash and in-kind resources to a 5-year plan to address America’s decline in science and math. “In our early discussions with [the administration], we were one of the few companies with a finished product, with a real plan...real collateral and a real financial commitment,” TWC vp, PR Alex Dudley said. TWC’s “Connect a Million Minds” uses the MSO’s media assets to create awareness of the issue and to inspire students to experience STEM in non-traditional ways. With a goal of connecting 1mln children by ’14, TWC’s **ConnectAMillionsMinds.com** uses a zip-code search to connect students to STEM opportunities in their communities. TWC also will use PSAs and community events to raise awareness. “The beauty of this campaign is that while it is national in its reach, it’s still hyper local in its focus, which really suits us well as a cable company.” Additionally, Britt joins **Xerox** CEO *Ursula Burns*, former astronaut *Sally Ride* and former **Intel** CEO *Craig Barrett* in leading a non-profit aimed at galvanizing the American business community around STEM. **NCTA** said Mon that it has told both TWC and Discovery that it would be very supportive of any programs they create. **Cable in the Classroom**, now managed by NCTA, has tackled STEM issues over the years.

Retrans: NCTA is weighing in on **Mediacom’s** retrans dispute with **Sinclair**, telling the FCC that the case “squarely” raises questions over the broadcaster’s use of local marketing agreements to gain leverage in retrans consent negotiations. “Considered in light of the totality of the circumstances as described in Mediacom’s complaint, Sinclair’s use of LMAs and other techniques for controlling multiple stations in several markets seems to be a particularly egregious example of conduct that further unbalances the retransmission consent marketplace and aggregates broadcasters’ market power,” NCTA said in an FCC filing Mon. The cable group has typically refrained from comment in such disputes, but said there are policy matters raised in this case where its perspective may benefit resolution of these issues. NCTA

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noted that its comments were not intended to express an opinion on the particular dispute, but to voice its view that the FCC should consider the role LMAs and related agreement play in retrans negotiations such as MCCC and Sinclair's.

Day 54: As we continue to wait for a **Comcast-NBCU** deal, the consensus remains that a deal would gain regulatory approval but there would be a host of conditions attached. **Stifel Nicolaus** expects the **News Corp-DirecTV** and **Comcast-Adelphia** approvals to form a baseline for conditions (ie, arbitration over RSNs and retrans), but that they would go further. "We believe the agencies would also look at Comcast-NBCU's impact on local advertising, broadcast network-affiliate arrangements, program bundling and Internet video," the firm said in a research note. "If behavioral restrictions are seen as insufficient, the government might require divestiture of NBC's O&O stations, particularly in Comcast cable markets, although divestitures are unusual in the absence of horizontal concentration."

Competition: **Verizon FiOS** officially launched in Philly Mon, touting the availability of 130 HD channels and Internet speeds of up to 50Mbps in **Comcast's** backyard. Residents and small businesses in 3 city areas including Chestnut Hill, South Philly and North Philly have 1st access to services, with other areas to go live later this year. Promos include triple-play bundles starting at \$99/month with a price guarantee for 2 years, quad-play bundles starting at \$105/month, and \$150 cash back and a free Home Media DVR for 3 months to qualifying subs who sign up before Dec 19. **Pali's Rich Greenfield** points out that Verizon will give Comcast a sterner competitive test in Philly than **DirecTV** and **DISH** because of its deal to carry **Comcast SportsNet**. By contrast, said Greenfield, the telco doesn't have access to **Cablevision's MSG HD** or **Time Warner Cable's NY1** in NYC. Separately, Verizon announced a "Feast of Fury" programming stunt with **Epix** starting on Turkey Day. 21 movies are featured in the stunt, including 4 Indiana Jones films and "Casino Royale."

In the States: **Time Warner Cable** tapped **BrightPoint** for a suite of supply chain solutions that includes device customization and will support its launch of **Road Runner Mobile** broadband services. The MSO will launch the **Clear**-based services in NC and Dallas next week. -- **Bresnan** deployed **OpenTV** tech to manage its ad sales operations across CO, MT, WY and UT.

Carriage: **Comcast** will launch **Sportsman Channel** on its Digital Preferred service in Houston in Dec 1.

In the Courts: As expected, a group of **Charter's** lenders led by **JP Morgan Chase** is trying to block the MSO's emergence from Chapter 11 bankruptcy through an appeal of a NY Bankruptcy Court's recent approval of Charter's reorg plan. Charter has said it expects the plan to become effective even if an appeal is pending.

Research: Word-of-mouth is an important source used by viewers to discover new content on TV and online, according to **Knowledge Networks**. 41% and 31% of respective online viewers use it to learn about new shows and make decisions at times of viewing, making it the most important source among the group, while a respective 38% and 27% of TV viewers do the same. Among TV viewers, TV ads are the primary source for content discovery and viewing decisions, while TV IPGs rank just behind ads in importance to viewing decisions. Interestingly, social media trails many other sources among both TV and online viewers.

Technology: A provider of media players allowing for TV viewing of Web content, **Roku** announced an online channel store featuring lineups from which Roku owners can choose. Free channels include **Blip.tv** and **Facebook**

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Deadline: December 4, 2009

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BUSINESS & FINANCE

photos while premium offerings include **Netflix**, **MLB.com** and **Amazon VOD**. -- Rovi said **Samsung HDTV's Yahoo! TV** widget platform now includes its **TV Guide** widget that provides viewers with info on TV shows airing on 28 channels.

Ratings: **Nat Geo's** 2nd Annual Expedition Week programming stunt reached 27.4mln total viewers, up 30% YOY, and averaged a 0.4 HH rating (+38%) in prime among 25-54s from Nov 15-21.

Programming: **truTV** ordered 13 new eps of "All Worked Up" ('10), featuring first-person accounts of a recurring cast of workers who must calm people down on a daily basis. -- **WE tv** renewed for a 4th season "Platinum Weddings" (Jan 3). -- **TLC** greenlit "Craving Comfort," in which host **Art Smith** travels the country exploring popular comfort food such as fried chicken and apple pie.

Business/Finance: **AOL** will intro a new brand identity when its own equity begins public trading on Dec 10, the end result of its split from **Time Warner**. The identity is a platform for expression and creativity reflecting the content, products and services that AOL offers. -- **Ciena** agreed to pay \$769mln (\$530mln cash, \$239mln in sr convertible notes) for substantially all of **Nortel's** Metro Ethernet Networks business. A motion to approve Ciena as the purchaser will be heard by bankruptcy courts in the US and Canada on Dec 2.

CableFAX Daily Stockwatch

Company	11/23 Close	1-Day Ch	Company	11/23 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	36.15	0.45	AMPHENOL:	42.65	0.61
DIRECTV:	31.59	0.05	APPLE:	205.88	5.96
DISH:	20.37	0.38	ARRIS GROUP:	10.20	0.12
DISNEY:	30.48	0.47	AVID TECH:	12.14	0.36
GE:	16.02	0.43	BIGBAND:	3.69	0.03
NEWS CORP:	14.19	0.06	BLNDER TONGUE:	0.94	(0.01)
MSOS					
CABLEVISION:	25.30	(0.3)	BROADCOM:	29.25	0.49
COMCAST:	15.09	0.08	CISCO:	23.90	0.44
COMCAST SPCL:	14.23	(0.04)	CLEARWIRE:	5.55	(0.12)
GCI:	6.43	0.29	COMMSCOPE:	27.68	0.71
KNOWLOGY:	10.00	0.06	CONCURRENT:	3.50	(0.09)
LIBERTY CAPITAL:	23.11	0.00	CONVERGYS:	11.58	0.13
LIBERTY GLOBAL:	20.63	0.24	CSG SYSTEMS:	17.35	0.52
LIBERTY INT:	10.45	(0.18)	ECHOSTAR:	20.41	0.26
MEDIACOM:	4.37	0.12	GOOGLE:	582.35	12.39
RCN:	8.92	0.28	HARMONIC:	5.34	0.12
SHAW COMM:	18.76	0.14	INTEL:	19.40	0.16
TIME WARNER CABLE:	43.52	1.13	JDSU:	7.40	0.11
VIRGIN MEDIA:	16.57	0.17	LEVEL 3:	1.18	(0.03)
WASH POST:	415.91	1.61	MICROSOFT:	29.94	0.32
PROGRAMMING					
CBS:	12.82	(0.02)	MOTOROLA:	8.30	0.02
CROWN:	1.57	(0.1)	OPENTV:	1.53	0.03
DISCOVERY:	31.64	0.48	PHILIPS:	27.49	0.73
GRUPO TELEVISIA:	20.82	0.06	RENTRAK:	15.59	0.14
HSN:	18.84	0.20	SEACHANGE:	5.93	0.26
INTERACTIVE CORP:	19.97	0.56	SONY:	27.31	0.51
LIBERTY:	35.91	0.41	SPRINT NEXTEL:	3.90	0.14
LIBERTY STARZ:	51.16	0.91	THOMAS & BETTS:	37.39	0.30
LIONSGATE:	4.98	(0.1)	TIVO:	10.73	0.07
LODGENET:	5.42	0.14	TOLLGRADE:	6.19	0.23
NEW FRONTIER:	1.90	0.00	UNIVERSAL ELEC:	22.94	0.75
OUTDOOR:	6.13	0.03	VONAGE:	1.18	0.02
PLAYBOY:	4.12	0.28	YAHOO:	15.45	0.07
RHI:	0.68	(0.05)	TELCOS		
SCRIPPS INT:	40.44	0.20	AT&T:	26.78	0.76
TIME WARNER:	32.10	0.46	QWEST:	3.78	0.04
VALUEVISION:	3.56	0.19	VERIZON:	31.33	0.90
VIACOM:	31.82	0.30	MARKET INDICES		
WWE:	15.90	(0.19)	DOW:	10450.95	132.79
TECHNOLOGY					
3COM:	7.46	0.01	NASDAQ:	2176.01	29.97
ADC:	6.00	0.09			
ADVANTAGE:	2.20	0.11			
ALCATEL LUCENT:	3.53	(0.09)			
AMDOCS:	26.92	0.49			

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