

CableFAX Daily™

Monday — November 29, 2010

What the Industry Reads First

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DISH Dump: CSN CA Goes Dark, Comcast Wants FCC To Examine Arbitration

Comcast SportsNet CA became the latest RSN to go dark on DISH, just after midnight Tues after the DBS provider lost out in baseball-style arbitration that it initiated at the **FCC**. DISH initiated arbitration under the **FCC's '06 Adelfia** order earlier this year for **CSN CA, Chicago, Bay Area** and **Mid-Atlantic** (DISH doesn't carry **The Mtn** or **Comcast SportsNet Northwest**). Comcast is crying foul because it didn't abide by the arbitrator's decision earlier Tues—a decision that chose Comcast's offer. DISH said Wed it will appeal. Comcast fired off a letter Wed to FCC Media Bureau chief *Bill Lake* claiming that DISH's action is a "material breach of the final award, constitutes an abuse of the arbitration condition and is wrongly depriving hundreds of thousands of consumers of this highly valued programming." The other CSN arbitrations are proceeding, but Comcast requested a meeting to discuss an immediate suspension of the arbitration condition with respect to DISH. "Given DISH's conduct, it is apparent that DISH does not intend to act in good faith in these negotiations," wrote Comcast vp, regulatory and state legislative affairs *Kathy Zachem*. "If DISH is unhappy with any of the results in these related matters, the Commission should expect that it will likewise unilaterally terminate carriage of the networks..." Countered DISH: "Because the demands by Comcast are egregious and ultimately detrimental to consumers, DISH Network is appealing to the Federal Communications Commission, as we respectfully believe that the arbitration decision was based upon significant legal and factual errors. In addition, Comcast's bullying tactics should give the industry pause, particularly as Comcast seeks to substantially expand its market power through a merger with **NBC Universal**." DISH has been aggressive on the RSN front, with **CSN CA** marking the 22nd RSN it has dropped in the past 2 months. 19 of those were **Fox** RSNs, which came back online after nearly a month off the lineup. **MSG** and **MSG Plus** have been missing from DISH since Oct 1, and the DBS provider has never offered **YES**. DISH has launched a Website (fairdealforyou.com), telling subs it's negotiating. "DISH Network has been unable to reach a fair agreement for continued carriage of Comcast SportsNet California, which is owned by our largest cable competitor in the market, Comcast. We continue to negotiate with Comcast and are hopeful we will be able to reach a fair deal," DISH said.

Black Friday: **Cox** is turning Black Friday into Blue Friday, making the shopping day its own by tying it to the MSO's brand color. **Cox Solutions Stores** are offering \$50 off wireless devices, a \$200 pre-paid **Visa** card to those who sign





December 9, 2010
Luncheon
12:00 – 2:30pm
Grand Hyatt, NYC

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Join us for the CableFAX 100 Luncheon, as we salute the cable leaders, pioneers, influencers, out of the box thinkers and rainmakers. This must-attend industry event showcases the "who's who" of the cable business and will honor the CableFAX 100 and The Regional Top Players.

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up for wireless and is selling other electronics (such as the **Flip** Ultra HD and **Logitech** Harmony One Universal remote) for as much as 50% off. -- **AT&T** is staging its own Black Friday sale, offering discounts on **U-verse** bundles and mobile devices. U-verse TV customers who package up to 3 services online during the period can receive \$400 back, and on Mon the telco's offering several smartphones for 1 cent with voice and minimum \$15 per month data plans.

Bare Essentials: As promised, **Time Warner Cable's** low-end "TV Essentials" package launched in NY Mon. But debate continues over the impact of the package. **Sanford Bernstein's** *Craig Moffett* believes the \$40/month package has more good than bad going for it. "It appears likely that uptake will be very limited. The company has put in place 'limiters,' including a prohibition on bundled discounts, which will naturally reduce its appeal. Second, it will be margin neutral or even margin accretive," Moffett wrote. It's that bundle prohibition that should keep the package from appealing to cord cutters, and make it more of an option for those who are slashing cable completely. **BTIG's** *Rich Greenfield* wrote that the package is designed to underperform. "Offering a programming package that does not allow bundles (of higher margin products such as data) or high-margin add-ons such as DVR service would be idiotic unless a cable operator believed there was little chance of most consumers having interest," he wrote. Something else to keep in mind if the tier was really to take off... programmers' contracts often contain language that requires they be carried on the most widely distributed package.

Online: **Fox Mobile Group** partnered with **Post Foods** to dev an 8-ep original comedy series for the mobile and online versions of FMG's commercial free, on demand service Bitbop. Post's Honey Bunches of Oats brand will be integrated into "Honey and Joy," featuring 2 best friends who try to brighten their co-worker's days at the brand's factory. -- **TVGuide.com's** TV Check-In feature, which allows for **Facebook** sharing of TV shows being viewed through on-site buttons, now features personalization features and integration with the site's TV listings grid.

Programming: **GMC** on Mon will kick off more than 300 hours of Christmas-themed programming—music specials, Christmas and holiday films, a Christmas Eve Yule Log 24-hour music marathon, holiday episodes of popular series and more. Highlights include GMC's 1st-ever world premiere Christmas movie, "Christmas with a Capital C," based on the song of the same name by Go Fish. -- *Claire Danes* will play the lead in **Showtime** pilot "Homeland," about a CIA officer investigating the mysterious return of a US soldier after more than 7 years in Iraq. -- **Starz** greenlit "Boss," a political drama starring *Kelsey Grammer* and exec produced by *Gus Van Sant*, who will direct the pilot. -- **GSN** reached a deal with *Drew Carey* to create and host an original, prime daily strip show. The 40-ep series, produced by Carey and *Joe Roth*, will debut in the spring. It sounds like "Whose Line Is it Anyway?" with GSN promising improvised sketch comedy featuring audience participation and a cast of Carey's actor-comedian friends. -- **The Hub** announced originals "R.L. Stine's The Haunting: The Series" (Dec 25), a live-action anthological storytelling series from the author, and animated show "Dan Vs." (Jan 1). -- As **Chiller's** 1st original special, "Chiller 13: The Decade's Scariest Movie Moments" (Dec 17) features pop culture personalities and horror film experts looking back on the moments.

On the Circuit: **Time Warner Cable's** Global Online Town Hall attracted more than 12K unique visitors on Nov 17, the most ever to visit the Connect a Million Minds' Website. Nearly 6K visited the embedded player at some point and viewers tuned in for an average of 42 mins. 82% of visitors were from the US; the other 18% were from 93 countries all over the world. -- **NAMIC** announced the results of Chapter Officer elections for '11. Pres for NAMIC Atlanta will be **Turner's** *Quincy Johnson*. The Carolinas will be headed by **Discovery's** *Alana Moton*. Other presidents elected: **Comcast's** *Stephen Thomas* (Chicago); Comcast's *Carolina Espinoza* (Denver); Comcast's *Zinah Mineyahl* (Houston); **Cox's** *Sherry Hubbard* (Mid-Atlantic); Comcast's *Tommy McNeal* (MN); **NBCU's** *Denise Bennett* (NY); Comcast's *Andrea Agnew* (Philly); Comcast's *Lucia Rodriguez* (S FL); **Warner Bros Ent's** *Marco Williams* (S CA); **Scripps Nets'** *Sybil Devine* (TN); and Comcast's *Averi Richardson* (W PA).

People: **Charter** hired the **FCC's** *Patrick Webre* as its sr dir and sr counsel of govt affairs for its DC office. In May, *Megan Delany*, Charter's former vp, sr counsel for govt relations left. Webre most recently served as assoc bureau chief and chief program officer in the FCC's Consumer and Governmental Affairs Bureau. -- *Nancy Mazzei* joined **Weather Channel Companies** as vp, design.

Editor's Note: Your next issue of **CableFAX Daily** will be dated Tues, Nov 30 and arrive Mon evening. Have a wonderful Thanksgiving!

CableFAX Week in Review

Company	Ticker	11/24 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DIRECTV:	DTV	41.84	(0.74%)	25.46%
DISH:	DISH	19.01	(2.51%)	(8.47%)
DISNEY:	DIS	36.87	(0.38%)	14.33%
GE:	GE	15.94	(1.73%)	5.35%
NEWS CORP:	NWS	15.74	(1.44%)	(1.13%)
MSOS				
CABLEVISION:	CVC	31.45	1.75%	21.80%
CHARTER:	CHTR	34.99	(1.96%)	0.00%
COMCAST:	CMCSA	20.38	(0.88%)	20.88%
COMCAST SPCL:	CMCSK	19.24	(0.77%)	20.17%
GCI:	GNCMA	11.13	3.44%	74.45%
KNOLOGY:	KNOL	14.75	(0.87%)	35.07%
LIBERTY CAPITAL:	LCAPA	58.58	0.57%	145.31%
LIBERTY GLOBAL:	LBTYA	37.13	(2.21%)	69.62%
LIBERTY INT:	LINTA	15.66	0.64%	44.46%
MEDIACOM:	MCCC	8.47	0.00%	89.49%
SHAW COMM:	SJR	20.21	(2.04%)	(1.75%)
TIME WARNER CABLE:	TWC	62.03	(1.05%)	49.87%
VIRGIN MEDIA:	VMED	25.62	(5.32%)	52.23%
WASH POST:	WPO	384.19	(0.55%)	(12.6%)

Company	Ticker	11/24 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	16.45	(0.6%)	17.08%
CROWN:	CRWN	2.84	7.58%	95.86%
DISCOVERY:	DISCA	42.09	(0.59%)	37.24%
GRUPO TELEVISIA:	TV	23.48	2.04%	13.10%
HSN:	HSNI	28.24	(0.35%)	39.87%
INTERACTIVE CORP:	IACI	28.15	2.59%	37.45%
LIBERTY:	L	38.01	(0.76%)	4.57%
LIBERTY STARZ:	LSTZA	62.07	(1.51%)	34.50%
LIONSGATE:	LGF	7.45	0.13%	28.23%
LODGENET:	LNET	3.10	3.33%	(43.94%)
NEW FRONTIER:	NOOF	1.97	2.07%	4.23%
OUTDOOR:	OUTD	6.18	(0.64%)	6.55%
PLAYBOY:	PLA	5.02	0.60%	56.88%
SCRIPPS INT:	SNI	52.77	(1.05%)	27.16%
TIME WARNER:	TWX	30.37	(1.2%)	4.22%
VALUEVISION:	VVTV	3.36	12.75%	(30%)
VIACOM:	VIA	44.13	(0.99%)	40.10%
WWE:	WWE	14.03	3.01%	(8.48%)

Company	Ticker	11/24 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
ADC:	ADCT	12.71	0.08%	104.67%
ADVANTAGE:	AEY	3.33	1.83%	69.04%
ALCATEL LUCENT:	ALU	2.93	0.34%	(11.75%)
AMDOS:	DOX	26.31	0.50%	(7.78%)
AMPHENOL:	APH	51.07	(0.33%)	10.59%
AOL:	AOL	24.96	(6.06%)	7.22%
APPLE:	AAPL	314.80	2.63%	49.38%
ARRIS GROUP:	ARRS	10.46	4.70%	(8.49%)
AVID TECH:	AVID	16.09	3.81%	26.10%
BIGBAND:	BBND	3.01	1.35%	(12.5%)
BLNDER TONGUE:	BDR	2.00	(6.54%)	75.44%
BROADCOM:	BRCM	45.24	4.67%	43.76%
CISCO:	CSCO	19.46	(0.76%)	(18.71%)
CLEARWIRE:	CLWR	6.91	(4.56%)	2.22%

Company	Ticker	11/24 Close	1-Week % Chg	YTD %Chg
COMMSCOPE:	CTV	31.79	(0.63%)	19.83%
CONCURRENT:	CCUR	5.09	4.95%	28.54%
CONVERGYS:	CVG	12.96	4.60%	20.56%
CSG SYSTEMS:	CSGS	19.23	0.00%	0.73%
ECHOSTAR:	SATS	20.64	(1.76%)	2.48%
GOOGLE:	GOOG	594.97	0.70%	(4.03%)
HARMONIC:	HLIT	6.79	3.19%	7.44%
INTEL:	INTC	21.39	1.17%	4.84%
JDSU:	JDSU	12.20	1.41%	47.88%
LEVEL 3:	LVLTL	1.02	1.75%	(33.5%)
MICROSOFT:	MSFT	25.37	(1.25%)	(16.77%)
MOTOROLA:	MOT	7.93	(2.35%)	2.18%
RENTRAK:	RENT	26.83	1.98%	51.84%
SEACHANGE:	SEAC	8.50	1.07%	29.57%
SONY:	SNE	35.00	(1.13%)	20.69%
SPRINT NEXTEL:	S	3.97	(1%)	8.47%
THOMAS & BETTS:	TNB	45.27	2.58%	26.49%
TIVO:	TIVO	8.49	(5.56%)	(16.6%)
TOLLGRADE:	TLGD	8.48	2.17%	38.79%
UNIVERSAL ELEC:	UEIC	28.48	5.44%	22.65%
VONAGE:	VG	2.51	0.00%	79.29%
YAHOO:	YHOO	16.41	(0.97%)	(2.21%)

Company	Ticker	11/24 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	28.14	(0.64%)	0.39%
QWEST:	Q	6.89	(0.54%)	63.72%
VERIZON:	VZ	32.35	(0.74%)	(2.35%)

Index	Value	1-Week % Chg	YTD %Chg	
MARKET INDICES				
DOW:	DJI	11187.28	(0.15%)	7.28%
NASDAQ:	IXIC	2543.12	0.99%	12.07%
S&P 500:	GSPC	1198.35	(0.12%)	4.68%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. VALUEVISION:	3.36	12.75%
2. CROWN:	2.84	7.58%
3. UNIVERSAL ELEC:	28.48	5.44%
4. CONCURRENT:	5.09	4.95%
5. ARRIS GROUP:	10.46	4.70%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. BLNDER TONGUE:	2.00	(6.54%)
2. AOL:	24.96	(6.06%)
3. TIVO:	8.49	(5.56%)
4. VIRGIN MEDIA:	25.62	(5.32%)
5. CLEARWIRE:	6.91	(4.56%)

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Think about that for a minute...

Burden of Proof

By Steve Effros

There's a simple concept in law that most folks are aware of simply by watching crime dramas on television: burden of proof. If you're going to accuse someone of doing something they shouldn't have done, or be doing, then you have the initial obligation to present some evidence that they actually did it. You have the "burden of proof." Just making an allegation, or voicing a fear, a guess, or pointing to a capability isn't enough.



Except, apparently, in debates about net neutrality. Not quite sure why that is, but it just seems to be working out that way. A good example came up recently in a quote in a *Scientific American* article written by Tim Berners-Lee, one of the initial developers of the Web. He was defending his notion that while the Web

generally has thrived without government interference, it is necessary in the case of "net neutrality" because, he claimed, for instance, that: "Cable television companies that sell Internet connectivity are considering whether to limit their Internet users to downloading only the company's mix of entertainment."

Really? Where did that come from? Is there any, and I mean ANY support for that allegation attached to any significant American ISP? Remember, of course, that we are talking here about imposing government regulations on the delivery of the Internet, not on content suppliers. I stress that we should be looking at the question of American ISPs because both the British and European Union investigations of the need for "net neutrality" regulations have already been completed. Both decided against government intervention and regulation at this time.

So we're talking about the legal and policy battle here. Where, exactly, is the evidence that any cable ISP in America is seriously considering limiting their Internet users

to downloading only that company's mix of entertainment? It's just not true. Berners-Lee and the folks who make arguments like that to support their claim that the government must quickly move to regulate the Internet with "net neutrality" rules have the burden of proof. They can't meet it.

Berners-Lee claims that "closed systems" ("walled garden" applications) like Apple's iTunes, may be liked by consumers, but they are bad, as are magazine and newspaper "apps" that are proprietary rather than using the "Web" because they could "delay" other growth on the "Web." Well, maybe that's true, but there is certainly no proof that it is. Indeed, the growth of the Web has been spectacular.

That's the flip side of the "burden of proof." Once an allegation like the one above is made, the other side—in this case cable, the ISPs, and the entire broadband industry—has the opportunity to refute such claims. That's easy.

Look at the growth of broadband connectivity. Look at the number of hours used. Look at the number of Web-sites available. Look at the shift that has taken place in commerce, in education, in social networking and in just about any other sphere. The unregulated broadband/internet/web has been a record-breaking success. Berners-Lee and his colleagues can opine that they are concerned that "opportunities" will be lessened or "delayed" unless the government now steps in and regulates. But those who call for that intervention have to stand up and assume the burden of proof of their cataclysmic claims and support their allegations, not just report "rumor" or point to technical capability.

It's very easy to spout heated rhetoric, concerns, fears, and suppositions. It's much harder to support them. It's time for the "net neutrality" advocates to assume the burden of proof.

Steve

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