

CableFAX Daily™

Friday — December 3, 2010

What the Industry Reads First

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No Immunity: Despite Solid Year, DirecTV Facing Industry Challenges Too

DirecTV's on course for 4Q to become its best quarter of '10 in both rev and sub growth, with net sub adds expected to total approx 200K, or more than half the number achieved from Jan-Sept. During the DBS op's investor day Thurs, Pres/CEO *Mike White* said the company continues to take share, but he and other execs were also realistic about the challenges facing the pay-TV industry—from retrans to escalating programming costs to the sluggish economy. Like most multichannel ops, DTV believes the current retrans framework needs revamping. Yet White said "the reality of retrans is settling in" and that broadcasters have developed a "different tone" (read softer) in recent weeks. Rising content costs, though, remains a critical issue with few bright spots. DTV is looking at repackaging channels as **Time Warner Cable** has done, and it has even been quietly testing a smaller channel package for most of the year. The main goal: gauge how to better serve rural areas that may be more economically depressed. But White said a national rollout isn't expected and that major package changes likely won't be implemented in '11. Near term, evp, content strategy and dev *Derek Chang* intimated that DirecTV has no qualms about removing channels "that aren't relevant." The DBS op dropped **G4** last month (*Cfax*, 11/2), and Chang said the net "has not been missed." DTV also refuses to carry **Comcast SportsNet Northwest** because of cost, he said. Even so, White admitted "sports is a different question" where programming costs are concerned. As DTV appears more pressured by programming costs than most because of its focus on the genre, Chang saluted **DISH's** recent strong stance against RSNs, saying there are some "pretty smart folks over there." And at some point, said White, a la carte sports channel options must be presented to customers. For now, though, DTV does too well attracting sports fans to make drastic changes, execs said. In other news, DTV started a fixed LTE pilot in PA in Sept that delivers speeds up to 15Mbps within homes and is deciding where to go with that tech. While home connectivity remains a key initiative—DTV hopes to connect 40% of its sub base to the Internet by '13—evp/chief sales and marketing officer *Paul Guyardo* said the company is creating a process whereby agents can sell both video and telco broadband at the same time, thus eliminating clunky and time-consuming call transfers. DTV will start by offering DSL and satellite broadband, and he said talks are ongoing with **Verizon** and **AT&T** for fiber resales. In '11, "productive talks" on content

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authentication across devices may very well fruit, said Chang, and a launch of an on-screen social networking app is expected in Jan or Feb. The app and other planned tech enhancements such as better search functionality while allowing for continuous viewing “will change the way DirecTV is viewed” by the younger demos, said evp/CTO *Romulo Pontual*.

On the Hill: Rep *Ed Markey* (D-MA) said he plans to introduce legislation next year that will include a “Do Not Track” requirement so that kids don’t have their online behavior tracked or personal info collected or profiled. He made the announcement at a House subcmte hearing Thurs on the possibility of Do Not Track legislation. The **FTC** has endorsed a Do-Not-Track tool. **Time Warner Cable** evp and pres, media sales *Joan Gillman* noted that targeted ads help pay for free Web content. “Do-not-track could hinder job creation within the advertising industry and by Websites that rely on advertising revenue,” she said in prepared remarks. She also stressed that protecting consumer privacy is essential to her business’ success.

Street News: Wall St has clamored for a resolution to **Clearwire’s** funding issue for months, but the company’s plan to raise more than \$1.1bln through the offering of debt securities in private placement transactions was not well received. Investors hammered Clearwire shares, which closed at \$5.90 (-13.49%). Majority owner **Sprint** was treated better, its shares rising 2.39% as investors are apparently pleased the telco won’t have to pony up an additional investment. **S&P** agreed that CLWR’s plan is a “positive” for Sprint, and maintained its ‘buy’ opinion and 12-month price target of \$6.50 on the telco’s shares. Also, Sprint nominated 3 candidates for election to Clearwire’s board, *William Blessing*, *Mufit Cinali* and *Hossein Eslambolchi*. Election is expected at a Fri board meeting. -- *Barry Diller* stepped down as CEO of **IAC** Thurs and will now serve as chmn and sr exec, with former **Match.com** CEO *Greg Blatt* assuming the top role and a board seat. IACI shares rose 2.19%. On Wed, **Liberty Media** exchanged its 12.8mln IAC shares for all of the capital stock of a wholly-owned IAC subsidiary of IAC that holds the **Evite** and **Gifts.com** businesses, plus approx \$220mln in cash. The assets will be attributed to the **Liberty Interactive** tracking stock group.

Carriage: **TBN** signed a carriage deal with IPTV multichannel provider **World Inspirational Network**, which is set to launch early next year. WIN bills itself as the largest aggregator of faith and family cable and satellite channels. -- **DISH** added **Starz’ MoviePlex** channel to its HD Platinum package and plans to soon add the net to its DISHOnline.com streaming service.

Blogosphere: Plenty of folks taking to the Web to get their points across. **AT&T’s** *Bob Quinn* waxes about how **Level 3-Comcast** is a peering dispute no matter how much net neutrality noise is made (attpublicpolicy.com). Over at **NCTA’s** CableTechTalk.com, *Kyle McSarrow* writes about the importance of having flexibility to test new business models—including possibly usage-based billing for broadband. And finally, **Insight’s** *Michael Willner* gives his 2 cents on the **FCC’s** chmn’s “imperfect” but “acceptable” net neutrality proposal (michaelsinsight.com).

No Word From Word: A terse press release hit our inbox Thurs from **The Word Network**, announcing that pres *Lewis Gibbs* had been terminated Thurs effective immediately from that post as well as from his job as pres, **Adell Broadcasting**. No reason was given. Word gen counsel *Michael Alan Schwartz* said Gibbs’ termination was “for cause,” but declined to elaborate. Gibbs could not be reached for comment. Vp and WADL gm *Steven Antoniotti* was named pres, gm. Word CEO *Kevin Adell* will continue in that post and resume his status as pres, Word. You may recall several years ago that *Al Sharpton* and the **Natl Action Network** held protests at **DISH**, **Charter** and others demanding carriage of Word.

Programming: **IFC** announced 4 new series acquisitions: “The Larry Sanders Show,” “The Ben Stiller Show,” “Mr. Show with Bob and David” and “Action.” All are set to debut in Jan, except “Action,” which will join IFC’s comedy roster in 4Q. -- *Tempestt Bledsoe* of “Cosby Show” fame was named as the new host of **Style’s** “Clean House.” New eps start Jan 26, 10pm ET. -- **AMC** began production Thurs in Vancouver on its next original series, “The Killing,” about the murder of a young girl in Seattle and the subsequent police investigation. Season 1 is set to premiere in Mar. -- **FX’s** new boxing-themed original “Lights Out” arrives in the ring Jan 11. -- **NBC Sports** and **Universal Sports** will broadcast 8 hours—live for the 1st time in the US—of the ’11 **HSBC Sevens World Series** rugby event from Las Vegas (Feb 12-13).

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Canoe Ventures CEO **David Verklin**, will discuss advanced advertising and how it will evolve in 2011 and beyond. Along with, Fox Networks Group chief **Tony Vinciguerra** who will accept the coveted Leadership Award for his stewardship of the Fox brand across all platforms and Bank of America Merrill Lynch's **Jessica Reif Cohen**, who will discuss her thoughts on cable's future outlook.



David Verklin
Canoe Ventures



Tony Vinciguerra
Fox Networks Group



Jessica Reif Cohen
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BUSINESS & FINANCE

-- Series lead *Jeffrey Donovan* will direct a 2-hour "Burn Notice" prequel movie starring series co-star *Bruce Campbell* for air on **USA** (spring).

People: Former **ESPN** exec *David Berson* will take over as evp, **CBS Sports** and pres, **CBS College Sports** on Jan 3. Current College evp/gm *Steve Herbst* will vacate his post at the end of the year. -- *Don Hallacy* was named interim CTO at **Cox** until a permanent CTO is named. Hallacy was a sr exec at **BellSouth** until '07 when he began his own tech consulting practice. **Cox** OK City svp, gm *Percy Kirk* had been serving as interim CTO since *Scott Hatfield* left the company in June. -- **Bravo** elevated *David O'Connell* to svp, prod and ops and appointed *Christian McLaughlin* as vp, prod. -- With former **AETN** exec *Ron Schneier* at the helm, **MVR** has launched US operations. The co works to manage and monetize professionally produced video on-line by guarding against unauthorized use and ad sales.

Editor's Note: Nominations are now open for the **CableFAXIES Awards**, which honor the year's most outstanding communications initiatives and programs. Entries are due Jan 21. Visit: <http://www.cablefax.com/cfp/awards/cablefaxies2011/> -- New at **CableFAXDaily.com**: subscriber-only extras, including new data from **Media Business** in our HD Tracker section.

CableFAX Daily Stockwatch

Company	12/02 Close	1-Day Ch	Company	12/02 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	40.91	(0.32)	ARRIS GROUP:	10.48	0.17
DISH:	18.65	0.16	AVID TECH:	16.41	0.18
DISNEY:	37.34	0.22	BIGBAND:	2.94	(0.05)
GE:	16.68	0.38	BLNDER TONGUE:	2.13	0.01
NEWS CORP:	16.04	0.36	BROADCOM:	46.55	0.52
MSOS					
CABLEVISION:	31.87	(0.3)	CISCO:	19.22	(0.1)
CHARTER:	34.50	0.12	CLEARWIRE:	5.90	(0.92)
COMCAST:	20.72	(0.11)	COMMSCOPE:	31.82	0.18
COMCAST SPCL:	19.64	UNCH	CONCURRENT:	4.70	(0.14)
GCI:	11.44	(0.03)	CONVERGYS:	13.17	0.18
KNOWLOGY:	15.67	0.11	CSG SYSTEMS:	19.02	(0.14)
LIBERTY CAPITAL:	58.13	(0.53)	ECHOSTAR:	20.48	0.32
LIBERTY GLOBAL:	35.79	0.04	GOOGLE:	571.82	7.47
LIBERTY INT:	15.91	0.19	HARMONIC:	6.74	(0.06)
MEDIACOM:	8.47	0.01	INTEL:	21.70	0.22
SHAW COMM:	20.73	0.10	JDSU:	12.64	0.51
TIME WARNER CABLE:	64.79	0.79	LEVEL 3:	0.97	0.00
VIRGIN MEDIA:	26.39	0.22	MICROSOFT:	26.89	0.85
WASH POST:	387.61	9.07	MOTOROLA:	7.97	(0.04)
PROGRAMMING					
CBS:	17.29	0.12	RENTRAK:	26.99	0.23
CROWN:	2.66	(0.02)	SEACHANGE:	8.20	(0.03)
DISCOVERY:	42.12	0.78	SONY:	36.56	0.09
GRUPO TELEVISIA:	24.38	0.33	SPRINT NEXTEL:	3.86	0.09
HSN:	28.63	0.01	THOMAS & BETTS:	48.64	1.93
INTERACTIVE CORP:	29.35	0.63	TIVO:	8.62	0.14
LIBERTY:	38.22	0.31	TOLLGRADE:	8.72	0.05
LIBERTY STARZ:	64.22	0.23	UNIVERSAL ELEC:	27.91	0.57
LIONSGATE:	7.31	(0.08)	VONAGE:	2.31	(0.08)
LODGENET:	3.61	0.41	YAHOO:	16.33	0.18
NEW FRONTIER:	1.88	(0.01)	TELCOS		
OUTDOOR:	6.80	0.25	AT&T:	28.55	0.27
PLAYBOY:	4.81	0.04	QWEST:	7.08	0.03
SCRIPPS INT:	51.72	0.38	VERIZON:	32.74	0.39
TIME WARNER:	30.44	0.23	MARKET INDICES		
VALUEVISION:	3.48	(0.1)	DOW:	11362.41	106.63
VIACOM:	46.41	1.07	NASDAQ:	2579.35	29.92
WWE:	14.00	0.07	S&P 500:	1221.53	15.46
TECHNOLOGY					
ADC:	12.74	UNCH			
ADVANTAGE:	3.52	0.03			
ALCATEL LUCENT:	2.84	0.05			
AMDOCS:	27.14	0.67			
AMPHENOL:	52.82	1.11			
AOL:	24.57	0.07			
APPLE:	318.15	1.75			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

32-year Window to Ad Dollars

Lots to come in Mon's issue regarding Nov ratings, with several nets setting records for the month. Rewriting the record books has become commonplace during virtually every time period this year, in many ways a testament to cable's ability to appeal to every demo. But today I'll stick to 18-49s, a cohort that's arguably losing clout as viewing on alternative platforms and targeted ads expand but whose importance among advertisers remains. **ESPN** delivered an avg of 1.95mln 18-49s in prime during Nov, far and away the best in cable. Much of its landslide victory over **USA** (1.16mln), **TBS** (1.09mln) and others can be attributed to **MFN**. The franchise's 4 Nov games averaged 7.21mln in the demo, peaking at 8.24mln, and easily trounced the runner-up, **AMC's** "The Walking Dead" (3.40mln avg). Also of note: **NFL Net's** 3 Nov games delivered a 3.02mln avg. But as we're all aware of the power of pigskin, let's look at the percentage of 18-49 viewers garnered by the 7 nets that hit the Nov prime top 10 in both total viewers and in the demo. **TBS** led with 58%, followed by **FX** (57%), **ESPN** (50%), **ABC Family** (45%), **TNT** (43%), **History** (43%) and **USA** (41%). **Fox News**, **Nick at Nite** and **Cartoon Net** failed to translate their total viewership success into top-level delivery among 18-49s, while **Comedy Central**, **Bravo** and **AMC** filled their slots. Moving to the complete cable channel slate, **Investigation Discovery**, which has been uncovering new viewers all year long, saw total 18-49 eyeballs grow 87% in Nov prime, best in the biz. **BBC America** followed with 54% growth, just ahead of **NFL Net** (52%). Other leaders include **Galavision** (42%), **Science Channel** (40%), **History Intl** (35%), **ESPNEWS** (33%), **TV Land** (29%), **Oxygen** (29%), **History** (29%), **Nicktoons** (28%), **Military Channel** (28%) and **AMC** (27%). *CH*

Worth a Look: "Hookers: Saved on the Strip," premiere, Wed, 10p, **Investigation Discovery**. Sex sells. But will former sex sellers sell? This mildly interesting 3-parter chronicles ex-prostitute Annie who encourages call girls to leave the life and join her faith-based group, Hookers for Jesus. This has potential, but based on ep 1, "Hookers" lacks the gravitas we expect from this network. -- "Girls Who Like Boys Who Like Boys," premiere, Tues, 10p, **Sundance**. Reality TV sometimes works when it shows unusual things or people. This series trails 4 likeable, single NYC women whose best friends are gay men. It's amusing, but doesn't seem terribly unusual. *SA*

Notable: *Joel McHale* and "The Soup" celebrate the weekly series' 300th show Fri (Dec3), 10p, **E!** A bevy of guests and Soup fave *Seth Green* are scheduled to appear. -- **Sportsman Channel** begins the holidays with Whitetail Wonderland, a 3-wk stunt devoted to "N America's most popular game animal," the whitetail deer. The bloc begins Wed, 7p ET. -- **Nat Geo's** Big Cat Week begins Mon, 9p with "Big Cat Odyssey," a film about explorers *Dereck* and *Beverly Joubert's* 30-year quest to document cats in Botswana. -- **Fuse** shows a special concert celebrating Spin magazine's 25th. *Smashing Pumpkins*, the *Black Keys* and *Flaming Lips* perform (Fri, Dec 3, 9p ET). *SA*

Basic Cable Rankings (11/01/10-11/28/10)			
Mon-Sun Prime			
1	ESPN	2.8	2839
2	USA	2.1	2073
3	DSNY	1.9	1871
4	FOXN	1.7	1683
5	TNT	1.3	1323
5	TBSC	1.3	1320
5	NAN	1.3	1295
8	HIST	1.2	1157
8	FX	1.2	1053
10	TOON	1.1	1047
10	HALL	1.1	936
12	FAM	1	1002
12	AMC	1	919
14	TLC	0.9	935
14	HGTV	0.9	907
14	A&E	0.9	901
14	NFLN	0.9	499
18	FOOD	0.8	838
18	SYFY	0.8	812
18	DISC	0.8	802
18	CMDY	0.8	782
18	BRAV	0.8	744
18	TRU	0.8	733
18	NKJR	0.8	573
25	SPK	0.7	734
25	LIFE	0.7	707
25	TVLD	0.7	703
25	MSNB	0.7	683
25	BET	0.7	641
30	ESP2	0.6	637
30	MTV	0.6	622
30	LMN	0.6	456
30	NGC	0.6	406
34	EN	0.5	511
34	CNN	0.5	476
34	OXYG	0.5	382
34	ID	0.5	371
38	APL	0.4	395
38	TRAV	0.4	346
38	GSN	0.4	291
38	NKTN	0.4	214
38	HMC	0.4	136
43	HLN	0.3	343
43	VH1	0.3	296
43	CMT	0.3	275
43	DXD	0.3	245

*Nielsen data supplied by ABC/Disney

TheCableFAXIES awards

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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.

The Winners of the CableFAXIES Awards are from networks, operators, PR firms, vendors, corporations, agencies and other entertainment companies who took chances, made tremendous strides and understand the power of PR and marketing in the cable industry. The winners and honorable mentions will be saluted during an awards event in April 2011 in New York City.