

CableFAX Daily™

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What the Industry Reads First

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Retrans Wish: Yes, Virginia, There is a Santa Claus

Cable's push for retrans reform made some headway Wed when **FCC** Media Bureau chief *Bill Lake* said the Commission would issue a Notice of Proposed Rulemaking next year. Don't look for it until at least Mar because the Bureau has to wait for results from 8-9 studies it's commissioning on the subject. During a speech before the **Media Institute** in DC, Lake said the FCC might be able to provide more clarity in what constitutes good faith negotiations and signaled that it might include requiring more notice of contract expirations. But he added that if "some of our broadcast rules are thought to interfere with market negotiations, we may want to look at those rules." The NPRM takes Sen *John Kerry's* (MA) retrans legislation off the table, with the Democrat saying there is no need to introduce it at this time. Kerry had drafted legislation that would prevent broadcast signals from being pulled until the FCC evaluates the behavior of the parties and decides whether to recommend binding arbitration. "Today's announcement recognizes that when disputes end in lost signals and dark television screens, no one wins," Kerry said. In Mar, **Time Warner Cable, Cablevision, DISH** and others petitioned the FCC for a retrans NPRM, suggesting binding arbitration and a standstill requirement that would keep broadcasters from pulling their signal during negotiations. Lake said the Bureau would look at those suggestions as well. "Our customers are fed up with broadcasters' attempts to use them as human shields, and we are hopeful that the Commission will adopt new mechanisms to prevent such conduct," said TWC, which is currently in a retrans dispute with **Sinclair**. "We stand ready to assist the Commission in exploring a wide range of potential solutions to ensure that the retransmission consent system is reformed in a manner that better serves consumers." **ACA**, which has waged a battle for a retrans overhaul for years, applauded the news. "As the FCC moves ahead with its rulemaking early next year, ACA looks forward to pointing out the many flaws in a regulatory scheme that permits broadcasters to charge discriminatory fees to small cable providers and gain even more bargaining leverage over ACA members by entering into collusive agreements where one TV station jointly negotiates retransmission consent with a second station in the same local market," said ACA pres/CEO *Matt Polka*. Still, the industry knows that Wed's announcement is only the 1st step, with it unclear at this stage what might come out of the NPRM. "The NPRM is a constructive step forward and serious review of a marketplace that has undergone significant changes and merits a fresh look," **NCTA** said. **NAB**, which has maintained that the laws work, decided to



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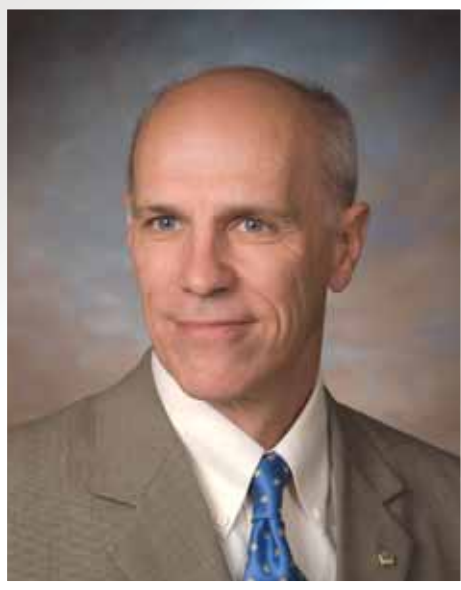
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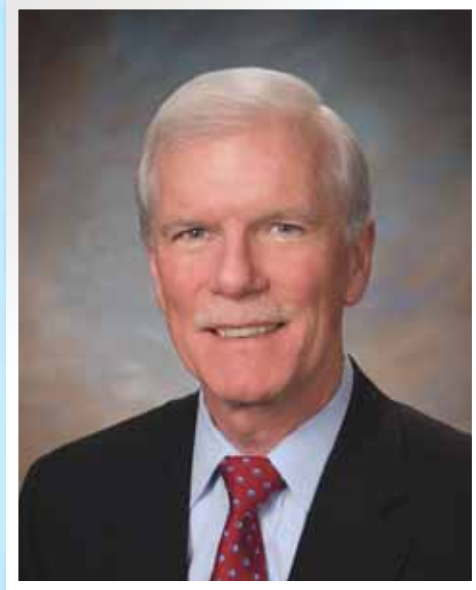
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endorse better educating consumers on the options available to them when an impasse is reached and urged govt to stay out. "In the final analysis, injecting Washington into private business negotiations that have a 99 percent success rate only serves to embolden pay-TV companies," said NAB pres/CEO *Gordon Smith*. "If the pay-TV giants succeed, there will be further migration of premiere sporting events like the Super Bowl away from free TV, and a reduction in financial resources that sustains quality foreign language programming, local news and entertainment to a growing audience of more than 30 million Americans who rely exclusively on over-the-air television."

News Maker: Multichannel ops that need to renegotiate for carriage of **Fox News**—or any **News Corp** cable net—in the coming months must prepare to open the coffers. Or so said News Corp deputy chmn *Chase Carey* at the **UBS** conference. "We have a lot of room to grow," said Carey of News' cable portfolio regarding sub fees, noting the group's relative newness compared to competing channels. And in the cable world, he said, Fox News "is right there with **ESPN**" in importance yet receives a fraction of sub fees. Painted by many as the bad cop in the retrans arena thanks to the hard lines he held recently against **Cablevision** and **DISH**, Carey is pleased with the monies News has been getting in new retrans deals for Fox, which he called "much more important to consumers than any cable network out there." Yet even if his plan to receive fair value for News content is working, Carey still took distributors to task. "While a lot of them like to say they don't make any money off video, if you load all your costs on the video side and make everything else pure profit then you can make numbers tell any story you want," he said. Also, Carey loves News' vertical integration, particularly amid the evolution of digital distribution. "If you can get out there and define the experience for consumers, I think there's enormous value to those that create the business models that set the pace," he said.

On the Hill: While Rep *Fred Upton* (R-MI) has been confirmed as the chmn of House Commerce, we won't know until at least next week who will head the Communications subcmte. Upton said he 1st wants to sit down with all members individually next week to discuss legislative priorities.

Netflix: **Disney-ABC TV** inked a deal allowing **Netflix** to stream hundreds of eps and original movies from **ABC**, **Disney Channel** and **ABC Family**, which is new to the service. Content includes "Grey's Anatomy," "Make It or Break It" and "Camp Rock." -- With **Starz'** 3-year deal with **Netflix** expiring in Oct, **BTIG's** *Richard Greenfield* had believed the premium programmer would wait until the last possible minute to renegotiate in order to increase the odds of rollouts of new streaming services and to drive pricing higher. But Greenfield now believes the pair's talks are heating up and that a pact could arrive early next year because "Netflix's rapid growth is creating a requirement for all parties to sit down and renegotiate sooner than later." He remains bullish on **LSTZA** shares.

In the States: **Time Warner Cable** is launching this month to Whole House DVR-capable homes its new \$199.99/month **SignatureHome** package, which offers digital video, broadband and phone services along with Whole House DVR, Remote DVR Manager, wireless home networking for up to 14 devices and VoiceZone on PC for online retrieval of voice messages. -- **Occam Networks** was tapped by **Benton Ridge Telephone** to help bring 100Mbps data, video and voice services to underserved customers in Northeast OH and by **C-M-L Telephone Cooperative** to deliver advanced services to residents and businesses in Northwest IA.

True Home Theater: **Time Warner** chmn/CEO *Jeff Bewkes* has said a premium VOD service offering movies to pay-TV

The CableFAXIES awards

DEADLINE: JANUARY 21, 2011

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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.

BUSINESS & FINANCE

homes shortly after their theatrical release will be available in 2Q11, but according to the *WSJ*, start-up **Prima Cinema** aims to shut the window completely—for a hefty price. The company hopes to launch in late '11 a service offering in-home movies when they're released in theaters for a 1-time fee of \$20K covering a digital delivery system and \$500/film. Prima counts **Universal Pictures** as an investor.

Programming: Syfy greenlit original series "Alphas" (wt) to follow a team of ordinary citizens whose brain anomalies imbue them with extraordinary mental and physical abilities. -- **Golf Channel's** docu-reality series "Pipe Dream" (Jan 11) chronicles pro golfer *Mark Burk's* journey to rebound from homelessness and regain his career. -- **Discovery** debuts new series "Kidnap & Rescue" Jan 29. -- **Showtime** will preview the first 20 mins of new series "Shameless" immediately following the Season 5 finale of "Dexter," Sun, 9pm. Shameless debuts Jan 9, 10pm.

On the Circuit: Time Warner Cable pres/CEO *Glenn Britt* and evp/CTO *Mike LaJoie* will serve as guest presenters at the inaugural **SCTE Leadership Institute** with Tuck at Dartmouth next year (Apr 26-30).

Business/Finance: E.W. Scripps affirmed its previous '10 guidance featuring 35-40% growth in 4Q TV ad rev and supplied first-half '11 guidance of ad rev increase in the low- to mid-single-digit range, excluding political ads.

CableFAX Daily Stockwatch

Company	12/08 Close	1-Day Ch	Company	12/08 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	40.05	0.64	ARRIS GROUP:	10.56	(0.01)
DISH:	18.67	0.43	AVID TECH:	17.58	0.43
DISNEY:	36.97	(0.36)	BIGBAND:	2.90	(0.07)
GE:	17.04	0.01	BROADCOM:	46.24	0.93
NEWS CORP:	16.10	(0.15)	CISCO:	19.35	(0.04)
MSOS					
CABLEVISION:	33.30	0.07	CLEARWIRE:	6.16	0.04
CHARTER:	35.92	0.18	COMMSCOPE:	31.30	0.05
COMCAST:	20.79	UNCH	CONCURRENT:	4.73	(0.01)
COMCAST SPCL:	19.67	0.04	CONVERGYS:	13.43	0.02
GCI:	12.07	0.06	CSG SYSTEMS:	19.29	0.10
KNOLOGY:	15.55	(0.07)	ECHOSTAR:	20.50	(0.03)
LIBERTY CAPITAL:	59.98	(0.1)	GOOGLE:	590.54	3.40
LIBERTY GLOBAL:	36.28	(0.02)	HARMONIC:	7.09	(0.01)
LIBERTY INT:	15.98	0.01	INTEL:	21.82	0.24
MEDIACOM:	8.50	0.02	JDSU:	13.00	0.34
SHAW COMM:	20.40	(0.11)	LEVEL 3:	0.97	(0.02)
TIME WARNER CABLE:	65.54	0.56	MICROSOFT:	27.23	0.36
VIRGIN MEDIA:	27.14	0.15	MOTOROLA:	8.23	0.14
WASH POST:	396.00	1.80	RENTRAK:	27.19	0.12
PROGRAMMING					
CBS:	17.98	0.09	SEACHANGE:	8.44	0.06
CROWN:	2.62	(0.06)	SONY:	36.36	0.26
DISCOVERY:	42.69	(0.42)	SPRINT NEXTEL:	4.12	(0.09)
GRUPO TELEVISIA:	24.30	(0.61)	THOMAS & BETTS:	48.17	(0.74)
HSN:	30.72	0.03	TIVO:	8.50	(0.14)
INTERACTIVE CORP:	30.18	(0.29)	TOLLGRADE:	8.46	(0.16)
LIBERTY:	38.34	0.41	UNIVERSAL ELEC:	28.37	(0.28)
LIBERTY STARZ:	65.10	1.15	VONAGE:	2.28	(0.05)
LIONSGATE:	7.31	0.08	YAHOO:	17.02	0.08
LODGENET:	3.94	0.04	TELCOs		
NEW FRONTIER:	1.74	(0.06)	AT&T:	28.63	0.09
OUTDOOR:	7.00	0.09	QWEST:	7.09	(0.08)
PLAYBOY:	4.93	UNCH	VERIZON:	32.98	0.03
SCRIPPS INT:	52.53	(0.11)	MARKET INDICES		
TIME WARNER:	31.41	0.21	DOW:	11372.48	13.32
VALUEVISION:	3.71	0.02	NASDAQ:	2609.16	10.67
VIACOM:	45.74	0.06	S&P 500:	1228.28	4.53
WWE:	14.25	0.08	TECHNOLOGY		
TECHNOLOGY					
ADC:	12.74	0.01	ADDVANTAGE:	3.67	(0.05)
ALCATEL LUCENT:	2.97	0.02	AMDOCS:	27.30	0.19
AMPHENOL:	52.58	(0.38)	AOL:	25.20	(0.46)
AOL:	25.20	(0.46)	APPLE:	321.01	2.80
APPLE:	321.01	2.80			

CableFAX Webinar

Selling 3DTV: Making the Case to Consumers

December 15, 2010
1:30-3:00 EST

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