

CableFAX Daily™

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What the Industry Reads First

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Goals for the Fire: Comcast-NBCU, Net Neutrality Debates Accelerating

As the weather's getting colder and corporate America begins to gear down for the holidays, debate over 2 key issues is conversely heating up and gaining speed at the **FCC**. Fri letters to FCC chmn *Julius Genachowski* from Senate Commerce chmn *Jay Rockefeller* (D-WV) expressing concerns over **Comcast-NBCU** and from *Sen Maria Cantwell* (D-WA) and *Rep Jay Inslee* (D-WA) regarding the commission's net neutrality proceedings gave the brimming legislative pot a few more stirs. Rockefeller worries that the large-scale Comcast-NBCU deal "has the potential to leave customers with lesser programming and higher rates." While praising Comcast and NBCU for their commitments to preserve and enrich public interest programming and develop additional multiplatform avenues for children's programming, Rockefeller noted how the pair hasn't "made any specific commitments regarding consumer rates" and asked the chmn to "scrutinize the situation carefully." Comcast-NBCU may also "hamper development of the emerging online video market," said Rockefeller, because the integrated portfolio may lead Comcast-NBCU "to favor its own content by degrading or blocking online distribution of programming by competitors." If you're taking notes at home, Rockefeller's concerns follow those expressed to Genachowski by House Commerce chmn *Henry Waxman* (D-CA) last week (**Cfax**, 12/8), chiefly about competing programming/content issues. **Viacom** has similar programming concerns, lobbying the FCC last week to consider taking steps to protect video providers unaffiliated with Comcast-NBCU from anticompetitive practices. Regarding net neutrality—the FCC plans to vote Dec 21 vote on a draft proposal—Cantwell and Inslee have asked Genachowski to develop 1 set of rules that applies to all broadband access, both fixed and mobile. "If strong net neutrality rules for mobile internet access are not put in place today, through the final order, it will become too late to take action once business models become entrenched," wrote the pair. "Our experience in the legislative trenches tells us that definitions determine who and what is covered by the rules, and where there may be loopholes that could be exploited." Cantwell and Inslee went on to say that the final order on net neutrality will be the key component of Genachowski's FCC legacy. Soon enough, winter '10-'11 may always be remembered for the issue as well, along with the potentially transformative Comcast-NBCU deal.

Holiday Wrangling: What would Dec be without a flurry of retrans and carriage disputes? With **Time Warner Cable-Sinclair** and **Suddenlink-Viacom** already requiring resolutions, **Hearst TV** is warning its viewers of 29 local stations

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across the US that a new retrans deal with **DirectTV** must be forged by Jan 1 or programming could go dark. Hearst said removal of the content is a last resort and predicted that the negotiations will ultimately succeed. DirectTV spokesperson *Robert Mercer* also expressed optimism, adding that the DBS op has “every intention of keeping the channels up until we come to a deal.” Parent of 3 OR (Bend, Klamath Falls and Eugene) broadcast stations **Chambers Comm**, meanwhile, told viewers that its attempts to ink a new retrans deal with **DISH** before a midnight Wed deadline have been hampered by DISH’s rejection of a number of proposals. The DBS op failed to respond to inquiries on the matter.

Marketing: No, it’s not a misrepresentation of either the American copyright mark or the logo of **Chanel**. It’s **Comedy Central**’s new logo, set to bow Jan 1, that features a “C” surrounded by an upside-down “C” and with Central in the net’s name also inverted. Comedy Central svp *Bob Salazar* told *FishbowlNY* that the logo represents the net’s “irreverent wink.” See <http://www.comedycentral.com/jan2011/> for an example. -- The **Big Ten Conference** intro’d its own new logo Mon along with its 2 fresh football divisions to begin play next season. But more importantly for **Big Ten Net**, the conference is maintaining its name despite the presence of 12 football schools, thereby preventing a moniker change for the channel.

Ratings: The season finale of **Showtime**’s “Dexter” garnered 2.5mln viewers, adding to the show’s highest-rated season to date (more than 5mln viewers/week across linear and VOD).

Programming: Set to go live early next year, the **Discovery/Sony/IMAX** 3D net jv added 6 new titles to its programming slate, including tentatively titled originals “Bullproof,” chronicling the world of bull riding, extreme action sports-focused “High Octane” and “Making the Brand,” spotlighting mass-scale production. -- **ESPN 3D**’s initial **NBA** coverage tips off Fri with Heat-Knicks and will be followed by 10 additional telecasts this season, plus select playoff games. -- New **Current TV** original docu-series “4th and Forever” (Apr) will chronicle the ’10 football season of Long Beach Polytechnic High School, whose program boasts the largest roster of high school players who have gone on to the NFL. -- Hosted by *Gabrielle Union*, this year’s “BET Honors” (Feb 21) will recognize the following for lifetime contributions/exceptional service to African-American culture in music, media, film, service and education: *Cicely Tyson, Jamie Foxx, Iman, Linda Johnson Rice, Herbie Hancock* and *Lonnie Bunch*.

Honors: The **American Film Institute** named 7 cable and 3 broadcast TV programs as the 10 best of ’10, a list led by **HBO** (“Boardwalk Empire,” “The Pacific” and “Temple Grandin”) and **AMC** (“Mad Men,” “Breaking Bad” and “The Walking Dead”). **Showtime**’s “The Big C” completed the cable honorees, while **NBC**’s “30 Rock,” **Fox**’s “Glee” and **ABC**’s “Modern Family” completed the entire slate. -- *Sports Business Journal*’s annual list of the 50 most influential people in sports business includes **ESPN/ABC Sports** pres *George Bodenheimer* (#2), **NBCU Sports & Olympics** chmn *Dick Ebersol* (#6), **News Corp** deputy chmn *Chase Carey* (#7), **Turner** pres, sales, distribution and sports *David Levy* (#13), plus others in the cable arena.

On the Circuit: While touting the availability of an upgraded **Cable Show ’11 Mobile App** for several devices, **NCTA** noted the Feb 18 deadline for proposals of speakers, issues, etc to be featured at next year’s event. Also, submissions for technical papers and associated presentations for feature at the **Spring Technical Forum** (**NCTA**, **SCTE** and **CableLabs**) are due Jan 14.

People: **Bright House** upped *Craig Cowden* to svp, network engineering. -- **Univision** tapped *Isaac Lee* as pres,

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BUSINESS & FINANCE

news and Alexander Brown as pres, sports on the heels of news/sports programming and prod chief Alina Falcon's decision to leave her post and act as a special advisor to the company on special projects. -- **IAB** created a general counsel office and elevated Mike Zaneis to svp/general counsel while promoting Patrick Dolan to evp/COO and David Doty to svp/CMO.

Business/Finance: Shares of **Cablevision** notched a 52-week high of \$35.16 Mon on Fri news that the stock will be included in the **S&P 500**, and **Miller Tabak** believes there's additional upside ahead. That news, "combined with a host of shareholder-friendly actions including the exploration of a potential Rainbow Media spinoff, the earlier initiation of a dividend and a stock buyback program," led the firm to lift its price target to \$44 from \$35 while reiterating its 'buy' rating. -- **ESPN** acquired nearly all of **PVI Virtual Media Services'** intellectual property related to virtual insertion, player tracking, iTV apps as well as 3D graphics dev. Many PVI developers will join ESPN. -- **Discovery Comm** agreed to repurchase approx 13.7mln of its Series C preferred shares from **Advance/Newhouse** for approx \$500mln. This transaction is outside Discovery's existing \$1bln stock repurchase program and represents less than 10% of Advance/Newhouse's holdings in Discovery.

CableFAX Daily Stockwatch

Company	12/13 Close	1-Day Ch	Company	12/13 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	40.17	(0.03)	AVID TECH:	17.61	(0.15)
DISH:	18.39	(0.41)	BIGBAND:	2.82	(0.05)
DISNEY:	37.13	0.47	BLNDER TONGUE:	2.16	0.02
GE:	17.62	(0.1)	BROADCOM:	45.70	(0.35)
NEWS CORP:	16.18	(0.21)	CISCO:	19.58	(0.12)
MSOS					
CABLEVISION:	34.59	(0.13)	CLEARWIRE:	6.03	(0.17)
CHARTER:	36.81	0.81	COMMScope:	31.30	(0.04)
COMCAST:	21.32	0.01	CONCURRENT:	4.78	0.04
COMCAST SPCL:	20.14	0.08	CONVERGYS:	13.35	0.10
GCI:	12.38	(0.09)	CSG SYSTEMS:	19.21	(0.29)
KNOWLOGY:	15.15	(0.56)	ECHOSTAR:	20.80	0.17
LIBERTY CAPITAL:	62.15	0.38	GOOGLE:	594.62	2.41
LIBERTY GLOBAL:	36.45	(0.34)	HARMONIC:	7.56	0.33
LIBERTY INT:	15.76	(0.23)	INTEL:	21.50	(0.41)
MEDIACOM:	8.51	(0.02)	JDSU:	13.86	0.43
SHAW COMM:	20.53	0.18	LEVEL 3:	0.95	(0.02)
TIME WARNER CABLE:	64.63	(0.73)	MICROSOFT:	27.25	(0.1)
VIRGIN MEDIA:	26.66	(0.92)	MOTOROLA:	8.46	(0.18)
WASH POST:	416.11	1.56	RENTRAK:	28.84	(0.17)
PROGRAMMING					
CBS:	17.80	(0.25)	SEACHANGE:	8.21	0.06
CROWN:	2.72	0.04	SONY:	35.88	0.05
DISCOVERY:	42.02	(0.46)	SPRINT NEXTEL:	4.37	0.15
GRUPO TELEVISA:	24.74	0.28	THOMAS & BETTS:	48.77	(0.2)
HSN:	29.64	(0.55)	TIVO:	8.27	0.04
INTERACTIVE CORP:	29.74	(0.23)	TOLLGRADE:	8.52	(0.05)
LIBERTY:	38.71	(0.06)	UNIVERSAL ELEC:	29.41	0.29
LIBERTY STARZ:	68.20	1.37	VONAGE:	2.34	0.08
LIONSGATE:	7.09	(0.35)	YAHOO:	16.70	(0.31)
LODGENET:	3.89	(0.06)	TELCOS		
NEW FRONTIER:	1.85	0.06	AT&T:	28.78	(0.11)
OUTDOOR:	7.03	(0.06)	QWEST:	7.43	0.10
PLAYBOY:	5.01	(0.03)	VERIZON:	34.11	0.07
SCRIPPS INT:	51.71	(0.52)	MARKET INDICES		
TIME WARNER:	31.63	(0.16)	DOW:	11428.56	18.24
VALUEVISION:	4.39	0.06	NASDAQ:	2624.91	(12.63)
VIACOM:	45.60	(0.24)	S&P 500:	1240.46	0.06
WWE:	14.28	(0.2)	TECHNOLOGY		
TECHNOLOGY					
ADVANTAGE:	3.67	(0.1)	ADDVANTAGE:	3.67	(0.1)
ALCATEL LUCENT:	3.06	0.01	ALCATEL LUCENT:	3.06	0.01
AMDOCS:	27.31	(0.09)	AMDOCS:	27.31	(0.09)
AMPHENOL:	53.30	0.01	AMPHENOL:	53.30	0.01
AOL:	25.41	0.08	AOL:	25.41	0.08
APPLE:	321.67	1.11	APPLE:	321.67	1.11
ARRIS GROUP:	10.76	(0.04)	ARRIS GROUP:	10.76	(0.04)

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EYE ON ADVERTISING

The Visible Ad

Addressable advertising remains one of the most perplexing phrases in cable. But as we wrap a year in which **Cablevision** delivered targeted ads to 3mln homes and other operators made notable headway, '11 may be the year of clarification. Tara Walpert Levy, president of **Visible World**—which currently provides primarily zone technology to most MSOs—addresses the latest trends.

What's been the tone of your recent talks with advertisers?

TWL: 2010 was a huge year for credibility for household-specific addressability. When Cablevision got to 3 million, they showed it could be done in terms of the operations and technical challenges. And, as importantly, from a business model standpoint there were a dozen brand-name advertisers who ran real, live meaningful campaigns through that footprint in 2010.

What kind of scale are advertisers looking for?

TWL: Zone addressability is now available in tens of millions of homes, and that national statistic is increasingly exciting to advertisers. We're seeing more folks increasing their spending on local and targeted ads. Addressability to the home is, of course, the holy grail, and the magic number there seems to be 10 million. With 3 million lit up at Cablevision, some advertisers have been willing to come in who want to be in at the beginning or they have a major interest in New York. I think we'll see at least one, if not more pilots coming out in cable in 2011. And then we have satellite, which has been threatening for a while and has anywhere between 6 million and 20 million.

But if we get scalable addressability to the home, what happens to zone-based addressability?

TWL: There will always be a place for zone addressability. If you look at online and direct mail, both have the capability to go to the individual or the home, but many campaigns still run to zip codes or DMAs. The decision is largely economic. If you have a targeted high-revenue

product to bring to market, that may well be worth going to the household nationwide and paying a premium because you'd get such an economic benefit. But a more broad-based brand campaign may not be worth it. It might make sense to go to the house in the top two markets, or the top 10 markets, and using a zone [strategy] for the rest. The most important thing is to provide a situation where we can offer a media buy that's a mix of household and zone—whatever gets to the most affluent target.



DirectTV and DISH are using Invidi technology. There are a lot of companies and platforms out there seeking distributors' business for addressable ads. How's it going to shape up?

TWL: It's a complex market. When people talk about addressability, they mean different things. Do they mean household addressability? Zone addressability? Some have expanded the definition to mean anything non-linear. What's important is that advertisers and agencies care about a common solution—a common feature set and a common access point—so they don't have to do all that different work to achieve the same result. And there's increased recognition across the world of cable that, from a market standpoint, there has to be a common set of features and access points to make life easier for advertisers. We are evolving from a school of many providers to now just a handful that have demonstrated the ability to work within the cable infrastructure.

What other trends in addressable advertising do you see emerging in 2011?

TWL: The agencies have driven most of the usage, but Cablevision has excited the marketers, so now we are seeing more of the usage driven by advertisers as well as agencies. This will change the landscape. The agencies are looking at the technology for their own internal business as well as for their clients, whereas the marketers are looking solely to drive their own business and products.

-Cathy Applefeld Olsen

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