

CableFAX Daily™

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What the Industry Reads First

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Stay Denied: Court Rejects Attempt to Keep MSG HD off Telcos

Cablevision and **MSG Nets** are running out of options for keeping the HD versions of **MSG** and **MSG+** out of the hands of **Verizon** and **AT&T**. On Wed, a 3-judge panel of the US Court of Appeals for the 2nd Circuit denied Cablevision and MSG's motion for a stay of the 2 **FCC** orders pending resolution of their petition for review of the orders. Those orders require Cablevision and MSG to make the HD programming available to the 2 competitors. Verizon wasted no time in posting a blog, telling customers that **FIOS TV** would be adding both HD channels in phases over the next couple of days. "We have been fighting hard to provide our customers in the greater New York area with the sports programming they deserve," Verizon said. Cablevision expressed its disappointment in the ruling and said it's exploring options. "In a highly competitive market like New York, consumers are best served when video providers are allowed to compete, not just on price, but on product differentiation," the company said. "Today's decision only serves to discourage companies from investing in unique offerings, which in the end hurts both competition and consumers." In Sept, the FCC Media Bureau issued orders requiring Cablevision to make the HD feeds of **MSG** and **MSG+** available to the telcos, saying withholding the high-def programming is harmful to rival MVPDs. Cablevision has argued there is no competitive harm. The court's denial of the stay takes on further significance now that the **NBA** labor issues are settled. The **Knicks** are slated to play the **Warriors** Dec 28 in their 1st game on **MSG** this season, and it sounds like **FIOS** and **U-Verse** subs will be able to see it in HD. **MSG** also has the **NHL's Rangers**, while the **Islanders** are on **MSG+**.

At the Portals: Once again, **ACA** is asking the **FCC** to be flexible when crafting new rules. This time it's the Commission's proposal to permit basic tier encryption in all-digital systems, which should help cut down on costs and signal theft. **ACA's** worried that there could be a high and disproportionate costs that would make encryption a less attractive option for small operators. For instance, the **FCC** wants cable ops to offer free set-tops for extended periods to consumers who subscribe only to the basic tier and to other customers that have additional TV sets that can display basic programming today without a box. **ACA** says the costs for these boxes would be harder for smaller, rural ops because they lack the scale economics of clustered systems. **ACA's** way around that? Reduce the timeframe for offering free equipment to 6 months for basic-only and 3 months for customers with additional sets. It also said smaller ops should be able to use the least expensive equipment, including refurbished devices.

Retrans: **WBFF** (a Baltimore Fox affil) may be involved, but **Sinclair** and Verizon **FIOS** aren't BFFs. Sinclair is telling area subs it doesn't believe **VZ** will carry the station plus a local **CW** affil once their contract expires Dec 31, while **VZ** claims the broadcast group "is threatening to temporarily remove the stations from Verizon's **FIOS** customers because Verizon will not give in to Sinclair's demands for an unreasonable rate increase." Yet another skirmish to keep an eye on.

A 2012 TO SCREAM ABOUT

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Advertising/Marketing: Turner Sports unveiled Turner Live Events, a new department within its ad sales div focused on extending ad media to a fully integrated campaign though live event activation. **IMG** vet *Shea Guinn* will oversee the department as svp.

On the Hill: Privacy continues to be a hot topic on the Hill, with the Bipartisan Congressional Privacy Caucus hosting a public forum Wed to talk about protecting kids, particularly public access to their information. **Facebook**, which just announced a privacy settlement with the **FTC**, turned down an invitation to appear. Rep *Ed Markey* (D-MA) talked up his and fellow Caucus co-chair *Joe Barton's* (R-TX) Do Not Track Kids legislation at the event. "Behavioral marketing to children is inherently unfair and deceptive," Markey said. "Our bill would prohibit advertising that is tailored to kids' age, gender, and personal information." Aside from tracking issues, the legislation calls for companies to get consent from parents before they can collect information, clearly state privacy policies on their Websites and let children delete their personal information. -- **FCC** chmn *Julius Genachowski* has concerns about language in the recently passed House GOP payroll bill. While the bill does include legislation creating voluntary incentive auctions for spectrum, the FCC chief said several provisions would "tie the agency's hands." Specifically, he pointed to a seeming limitation on the FCC's ability to accommodate new technologies, including those that use unlicensed spectrum.

Breathing Room: **Clearwire** received a much need infusion of funds that it hopes will kick start the creation of the nation's 1st wide-channel TDD-LTE network. The company raised \$402.5mln in gross proceeds from a public equity offering of more than 201mln Class A shares, and received an additional \$331.4mln in net proceeds through Sprint's purchase of nearly 174mln Class B shares and a corresponding number of units in Clearwire Comm LLC. "The added resources will enable us to continue delivering 4G mobile broadband service to meet the rapidly growing demand in the industry," said CLWR CEO *Erik Prusch* in a release.

Technology: **Motorola Mobility** will use **FourthWall's** EBIF Platform and FourthWall's AirCommand solution to connect companion devices to Motorola boxes. Motorola will package FourthWall's platform and cloud-based AirCommand solution into Motorola Medios to further expand its multi-screen managed services offering.

Ratings: **Disney Channel** delivered its 1st-ever top annual ranking in total day among kids 6-11 (670K), snapping beleaguered **Nickelodeon's** 16-year streak. Disney also scored its most-watched year in history in total day among that demo, total viewers (1.8mln), kids 2-11 (999K), and tweens 9-14 (538K). -- The truth about **truTV**: the net will finish '11 with historical best prime deliveries among 18-34s, men 18-34 and men 18-49 and its youngest annual prime media age ever (43). -- **Bravo's** celebrating a 6th consecutive year of annual bests across all key demos, digital platforms and financial metrics. The net's averaging 919K P2+ and 579K 18-49s in prime so far this year.

Programming: **CBS, Fox** and **NBC** all reupped their Sunday packages with the NFL for 9 years through the '22 season, and the league retained the right to expand its Thurs night package on **NFL Net** going forward. -- Move over "Teen Mom." **Lifetime** will debut original movie "The Pregnancy Project" Jan 28, 8pm. It's based on the true story of a WA state student who pretended to be pregnant to explore the conventional stereotypes and treatment of pregnant teens. -- **Weather Channel** ordered 2 additional seasons of "Coast Guard Alaska," produced by AI Roker Ent. Season

CableFAX's Customer Experience Management Guidebook

Lessons and Insights for the Cable Industry

CableFAX and The Cable Center collaborated to publish this 150-page guidebook on customer experience management for the cable industry. The guidebook includes case studies, tips and articles on understanding the foundations of customer experience management and gaining insight to use it to improve your business. You also will learn about the latest measurement strategies, research insights, personnel and compensation strategies, social media tactics and communications techniques for implementing customer experience management in your company.



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BUSINESS & FINANCE

2 debuts in Apr. -- *The Washington Post's* media blog cheered the news that *Christiane Amanpour* is leaving ABC's "This Week" and returning to CNN Intl, while doing some specials for ABC News. "All of that means this star player may move back to her position. Like the time *Michael Jordan* retired from baseball," wrote the *Post's Erik Wemple*.

Honors: HBO led all networks with 11 SAG Awards noms, including 2 in the outstanding drama ensemble performance category for "Boardwalk Empire" and "Game of Thrones." Showtime earned 4 and TNT, DirecTV and AMC a pair each. NBC (6), ABC (5) and CBS (5) primarily used comedic content to take down multiple nods. Other nominees: Fox, USA, FX, TV Land, ReelzChannel, Sundance Channel, Starz, PBS and DirecTV. ABC's "Modern Family" (5), NBC's "30 Rock" (3) and Showtime's "Dexter" (3) led all shows.

People: Neil Gaydon is out as Pace Americas CEO, with Mike Pulli named to the job. Gaydon, who has been with the company for 16 years, will seek some fresh challenges, according to Pace. -- truTV upped Marc Juris to evp/COO. -- Current tapped Bill Hartnett as evp, marketing and John Sollecito as svp, cross platform research. -- Eddie Lazarus is stepping down in the coming weeks as the FCC chief of staff.

CableFAX Daily Stockwatch

Company	12/14 Close	1-Day Ch	Company	12/14 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	45.36	(0.63)	CLEARWIRE:	2.08	(0.07)
DISH:	25.96	(0.29)	CONCURRENT:	3.35	(0.1)
DISNEY:	35.16	(0.57)	CONVERGYS:	12.07	(0.09)
GE:	16.61	0.19	CSG SYSTEMS:	14.32	(0.34)
NEWS CORP:	17.62	(0.08)	ECHOSTAR:	21.33	(0.72)
MSOS					
CABLEVISION:	14.00	(0.14)	GOOGLE:	618.07	(7.56)
CHARTER:	52.54	(0.13)	HARMONIC:	4.86	(0.16)
COMCAST:	23.18	(0.01)	INTEL:	23.31	(0.25)
COMCAST SPCL:	22.99	(0.05)	JDSU:	9.63	(0.45)
GCI:	9.57	(0.08)	LEVEL 3:	17.13	(0.42)
KNOWLOGY:	14.06	(0.06)	MICROSOFT:	25.59	(0.17)
LIBERTY GLOBAL:	38.02	(0.93)	MOTOROLA MOBILITY:	38.78	0.11
LIBERTY INT:	15.29	(0.29)	RENTRAK:	13.73	0.24
SHAW COMM:	18.87	(0.54)	SEACHANGE:	7.38	(0.06)
TIME WARNER CABLE:	62.04	(0.25)	SONY:	17.10	(0.41)
VIRGIN MEDIA:	21.34	(0.32)	SPRINT NEXTEL:	2.27	(0.12)
WASH POST:	352.05	(0.77)	THOMAS & BETTS:	51.95	(0.2)
PROGRAMMING					
AMC NETWORKS:	35.00	(0.91)	TIVO:	9.11	(0.38)
CBS:	25.04	(0.49)	UNIVERSAL ELEC:	15.46	(0.4)
CROWN:	1.24	(0.02)	VONAGE:	2.14	(0.22)
DISCOVERY:	40.18	(1.04)	YAHOO:	15.02	(0.4)
GRUPO TELEVISIA:	20.30	(0.42)	MARKET INDICES		
HSN:	35.07	(0.17)	DOW:	11823.48	(131.46)
INTERACTIVE CORP:	39.99	(0.21)	NASDAQ:	2539.31	(39.96)
LIONSGATE:	8.31	(0.02)	S&P 500:	1211.82	(13.91)
LODGENET:	2.33	(0.16)	TELCOS		
NEW FRONTIER:	1.11	(0.02)	AT&T:	28.81	(0.23)
OUTDOOR:	7.04	0.07	VERIZON:	38.26	UNCH
SCRIPPS INT:	41.30	(0.86)	MARKET INDICES		
TIME WARNER:	33.81	(0.02)	DOW:	11823.48	(131.46)
VALUEVISION:	1.95	(0.02)	NASDAQ:	2539.31	(39.96)
VIACOM:	47.47	(0.48)	S&P 500:	1211.82	(13.91)
WWE:	9.70	(0.23)	TECHNOLOGY		
TECHNOLOGY					
ADDVANTAGE:	2.04	(0.01)	ADDVANTAGE:	2.04	(0.01)
ALCATEL LUCENT:	1.53	(0.03)	ALCATEL LUCENT:	1.53	(0.03)
AMDOCS:	27.75	(0.07)	AMDOCS:	27.75	(0.07)
AMPHENOL:	41.80	(0.77)	AMPHENOL:	41.80	(0.77)
AOL:	13.56	(0.29)	AOL:	13.56	(0.29)
APPLE:	380.19	(8.62)	APPLE:	380.19	(8.62)
ARRIS GROUP:	10.08	(0.08)	ARRIS GROUP:	10.08	(0.08)
AVID TECH:	7.25	(0.2)	AVID TECH:	7.25	(0.2)
BLNDER TONGUE:	1.20	0.05	BLNDER TONGUE:	1.20	0.05
BROADCOM:	28.45	0.26	BROADCOM:	28.45	0.26
CISCO:	17.98	(0.49)	CISCO:	17.98	(0.49)

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Think about that for a minute...

Technology Business

Commentary by Steve Effros

We've always had a challenge explaining both our technology and our business. It's getting more challenging now, even though the technology is starting to, as they say, "converge." In fact, it's precisely because of that convergence that the confusion arises.

From a technological point of view we've all been talking for a very long time about the convergence of the computer and the television set. There's no question it's now happening at a startling pace, but in ways we hadn't really envisioned. When the discussion started, it was about when the computer would migrate into the living room and become part of the television. Lots of folks said that wasn't likely to happen, because television viewing is a "lean back" experience and computer use is a "lean forward" one.



We couldn't quite see the keyboard moving onto a lap on the couch, and we couldn't really see why folks would want to sit in front of a screen at their desk to watch a soap opera. Essentially, we were right on both, at least so far. But what we hadn't envisioned was the "mobility" factor. That's the desire on the part of our customers to be able to partake of whatever information they are seeking, whether it is a television show, the latest stock market results, the weather, a book, or anything else wherever they happen to be.

The technical convergence has not been so much a reduction to a single screen, but rather the ability to send that information, through multiple means, to lots of different screens. Thus we aren't "computing" in front of the TV in the living room, but we are tweeting with a "smartphone" while watching that TV, or using a tablet screen when we are on the go.

All of this is being done by a different kind of conver-

gence; digitization. Sending electronic information digitally is now far more efficient than any other way. The processing power and the storage capability of devices in the home and on the go has finally caught up to the inherent capabilities of digital communications, and that in turn has resulted in the massive shifts we are now seeing.

But it's important to note that the businesses are still different. While we may use HFC or fiber or WiFi or cellular technology to distribute the "bits"—and while in their electronic essence, all "bits" are the same (that old saw, ...a bit is a bit)—the way those bits are put together (the use made of them) is vastly different, as are the businesses associated with them.

Thus, mass market "television," for instance, is still most commonly a medium that is "broadcast" and watched simultaneously even though it could also technically be a "point to point" one person at a time medium. That, however, even digitally, on a mass viewing basis would be technologically terribly inefficient and expensive. Also, aggregation, editorial discretion and cross promotion are still required ingredients, even though the delivery may be technically digitized. Voice, too, is different. It requires priority in the digital, IP world or the sound at the other end of the line won't be right.

The point here is that while digital distribution technology may be converging, and we may all be using "bits," the business and preferred consumer use behind the technology—the use of the various media being distributed—are still vastly different and are likely to stay that way. Don't confuse the business with the technology, the medium with the message. Lumping them together simply leads to confusion.

Steve

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