

CableFAX Daily™

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What the Industry Reads First

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Big Step, More to Come: Comcast Expands TV Everywhere Concept

Although not quite ready for a *Buzz Lightyear*-like exultation such as “To Xfinity and Beyond!,” **Comcast** has expanded its **Fancast Xfinity TV** online offering beyond limited trials and made it available to all of the MSO’s dual video/broadband subs, or the majority of its 15.7mln broadband customers. “Today is a very exciting day for us,” said Comcast svp, new media **Matt Strauss**, noting the 12 months of work on the value-added service and the positive reaction from both customers and participating programmers. Approx 27 cable nets such as **HBO, Starz, Discovery Channel** and **A&E** are collectively featuring approx 2K hours of content, including 900 movies. Strauss said he expects the service to steadily enhance its offerings much like Comcast’s VOD platform has done. To access the content from anywhere in the US, eligible Comcast subs can visit either **Fancast.com** or **Comcast.net** and input their email address and password before downloading a required client app. Individuals may only access Xfinity content that’s commensurate with their linear subscription, and can authenticate up to 3 devices. “We’re still very much in the first inning of this product,” said Strauss. Experimentation with ad models continues, for example, as the MSO tries to gauge customer responses to various models. HBO and Starz are commercial free, while others are using limited pre-rolls or a limited number of integrated spots, said Strauss. **TNT** and **TBS**, meanwhile, use full ad loads and are working with **Nielsen** to integrate Xfinity viewership into C3 ratings. Strauss said programmers are watching that process closely because they want to expand advertising on the service; other programmers are trying to decide whether to launch additional content or even join Xfinity at all. Programming partners are also experimenting with content windows. Strauss cited ad models, security and the user experience as issues dominating discussions—not business rules. Going forward, tech issues like authentication and interoperability must be addressed to achieve other milestones. **Comcast Interactive Media** pres **Amy Banse** said the service will roll out on programmers’ sites in the next couple of months, be available to Comcast’s entire video base within 6 months, and be accessible through mobile devices in the next year. “We do hope that other distributors will offer other forms of authentication as well,” said Banse. Execs see Xfinity and **Hulu** as complementary. As for usage data, Banse said Xfinity users are watching 2-3x more videos than avg national Fancast users, and that Xfinity “is additive to both DVR use and straight up TV watching.”

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FOR 5 STRAIGHT YEARS
AMONG ADULTS 18 - 49

Source: The Nielsen Company NPM, as noted. Live +7 ratings. Nielsen Broadcast Network Seasons.

24 • ALL STATE SUGAR BOWL • NFL ON FOX • FRINGE • FED EX ORANGE BOWL • THE SIMPSONS

FOX

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Golden Globes: Though they're not there yet, basic cable nets are getting closer to a par with broadcast nets in Golden Globe noms. **Lifetime** (4), **AMC** (3), **FX** (3) and **TNT** combined for 11 nods while **Fox** (6), **NBC** (5), **CBS** (4) and **ABC** (3) scored a total of 18. But add **HBO's** net-leading 17 and **Showtime's** 6 and cable notched 34 of the 55 overall TV-related noms. "When AMC introduced original series to our audience, we did so with the goal of finding and creating the best storytelling on television," said AMC chief *Charlie Collier*. "Today's honors reaffirm and strengthen the network's commitment to bring the best cinematic original programming to television." AMC is repped in the key categories of best drama ("Mad Men"), best drama actress (*January Jones* from "Mad Men") and best drama actor (*Jon Hamm* from "Mad Men"), helping cable earn 11 of the 15 total noms included in the 3 categories. Lifetime's made-for-TV movies excelled, particularly "Georgia O'Keeffe," which earned 3 nods. "This recognition—marking the most Golden Globe nominations among all basic-cable networks this year, as well as the most in our network's history—makes a strong statement about the quality of Lifetime's original programming and our brand evolution," said **Lifetime Nets** pres/CEO *Andrea Wong*. The 3 comedy/musical categories were the only ones in which cable didn't receive the lion's share of noms.

Exclusivity: There were rumblings across the industry this week that the **FCC** is poised to circulate an order Wed ending the terrestrial exemption/loophole (wording is for whichever side of the fence you're on). The provision allows MSOs to withhold terrestrially delivered programming, such as **Comcast Sports Net Philly**, from competitors. "In today's dynamic marketplace in which consumers have multiple choices for a video service, exclusive distribution of programming can be a pro-competitive tool that offers an incentive for companies to develop unique services that differentiate their offerings and provide a greater value for consumers," an **NCTA** spokesperson said Tues. "Exclusivity allows competing providers to invest in new services that have dramatically changed the marketplace, as can be witnessed by **DirectTV's** overwhelming success with the NFL Sunday Ticket package." **DISH**, **Verizon** and other rivals have long claimed that the terrestrial exemption gives cable ops an unfair advantage. Operators argue that they developed networks and invested in them based on the law (**Cablevision** points to **MSG Varsity** as a recent example). DirecTV's NFL Sunday Ticket has long been cable's answer to the terrestrial exemption debate. **Comcast** evp *David Cohen* recently said that if Sun Ticket was made available to the cable industry on a non-discriminatory basis, Comcast is prepared to give up the terrestrial exemption.

Competition: New service **Verizon Wi-Fi** allows mobile broadband customers to easily access thousands of Wi-Fi hotspots at no additional charge. The telco offers hotspots in airports, hotels, bookstores and coffee shops around the US, plus at locations in Canada and Mexico.

On the Circuit: That cute **Cable Show 2010** Dalmatian has a name, "DOGSIS 3.0." The mascot's winning moniker was submitted by **HSN's** *Steve Sussman*.

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BUSINESS & FINANCE

Public Affairs: Univision will work with the **Office of the Comptroller** of the Currency to develop short PSAs that provide US Hispanics with info on personal finance issues such as avoiding foreclosure scams and check fraud, with airing slated to begin next month.

Programming: Nickelodeon greenlit 26 new eps of "SpongeBob SquarePants," which celebrated its 10th anniversary this year. -- **ESPN's** Michigan-Kansas basketball telecast (Sun) will feature special on-air elements and behind-the-scenes efforts to conserve energy resources and deliver environmental messages. Included: a "green" message from *Kermit the Frog* to intro the game, on-air graphics to provide info on environmental conservation, vignettes spotlighting green initiatives by both schools and collection of recyclables by team mascots during time-outs.

People: MTVN promoted *Kevin Arrix* to evp, digital ad sales. -- **SCTE** tapped **Motorola** vet *Bernadette Vernon* as vp, marketing and membership.

Business/Finance: Scripps Nets and **Cox** completed their jv for the ownership and management of **Travel Channel Media**, of which Scripps now holds a majority and controlling 65% interest. -- **Rentrak** inked an agreement to purchase **Nielsen EDI**, a global provider of measurement, info and research solutions for the movie industry.

CableFAX Daily Stockwatch

Company	12/15 Close	1-Day Ch	Company	12/15 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	36.94	(0.25)	AMPHENOL:	44.00	(0.13)
DIRECTV:	33.22	0.13	AOL:	25.79	(0.56)
DISH:	21.15	(0.03)	APPLE:	194.17	(2.81)
DISNEY:	32.18	0.35	ARRIS GROUP:	10.75	(0.04)
GE:	15.75	(0.2)	AVID TECH:	12.00	(0.12)
NEWS CORP:	15.29	0.17	BIGBAND:	3.50	(0.04)
MSOS					
CABLEVISION:	25.98	0.00	BLNDER TONGUE:	1.02	0.01
COMCAST:	17.57	0.00	BROADCOM:	30.35	(0.21)
COMCAST SPCL:	16.68	0.03	CISCO:	23.48	(0.36)
GCI:	6.25	(0.17)	CLEARWIRE:	6.69	0.20
KNOLGY:	10.94	0.18	COMMSCOPE:	26.00	(0.04)
LIBERTY CAPITAL:	23.48	0.06	CONCURRENT:	3.67	(0.02)
LIBERTY GLOBAL:	20.66	(0.42)	CONVERGYS:	10.44	(0.2)
LIBERTY INT:	10.91	(0.08)	CSG SYSTEMS:	18.17	(0.3)
MEDIACOM:	4.61	(0.05)	ECHOSTAR:	19.15	(0.39)
RCN:	9.44	(0.01)	GOOGLE:	593.14	(2.59)
SHAW COMM:	20.16	(0.3)	HARMONIC:	5.70	(0.18)
TIME WARNER CABLE:	43.06	0.13	INTEL:	19.80	(0.18)
VIRGIN MEDIA:	16.83	(0.1)	JDSU:	7.83	(0.19)
WASH POST:	424.25	(5.57)	LEVEL 3:	1.44	(0.01)
PROGRAMMING					
CBS:	14.05	0.00	MICROSOFT:	30.02	(0.09)
CROWN:	1.30	(0.02)	MOTOROLA:	8.30	0.00
DISCOVERY:	31.68	(0.08)	OPENTV:	1.40	(0.07)
GRUPO TELEVISA:	21.10	0.21	PHILIPS:	29.45	(0.34)
HSN:	17.99	(0.07)	RENTRAK:	18.35	0.37
INTERACTIVE CORP:	19.01	(0.29)	SEACHANGE:	6.18	0.01
LIBERTY:	35.89	(0.09)	SONY:	28.99	(0.31)
LIBERTY STARZ:	47.99	(0.58)	SPRINT NEXTEL:	3.90	(0.1)
LIONSGATE:	5.54	(0.15)	THOMAS & BETTS:	36.17	(0.27)
LODGENET:	5.19	(0.19)	TIVO:	9.74	0.01
NEW FRONTIER:	1.88	(0.05)	TOLLGRADE:	6.03	(0.05)
OUTDOOR:	5.84	0.02	UNIVERSAL ELEC:	23.12	(0.34)
PLAYBOY:	3.84	(0.14)	VONAGE:	1.23	(0.03)
RHI:	0.69	(0.02)	YAHOO:	15.74	(0.07)
SCRIPPS INT:	40.47	0.06	TELCOS		
TIME WARNER:	30.14	(0.28)	AT&T:	27.60	(0.45)
VALUEVISION:	4.65	(0.05)	QWEST:	4.26	0.18
VIACOM:	32.10	(0.05)	VERIZON:	33.01	(0.54)
WWE:	15.19	(0.27)	MARKET INDICES		
TECHNOLOGY					
3COM:	7.41	(0.06)	DOW:	10452.00	(49.05)
ADC:	6.27	(0.19)	NASDAQ:	2201.05	(11.05)
ADVANTAGE:	2.08	0.02			
ALCATEL LUCENT:	3.27	(0.07)			
AMDOCS:	27.22	0.06			



FX JUST HAD ITS MOST WATCHED WEEK EVER
in HH, total viewers, and P18-49.

AND RANKS #3 AMONG ALL BASIC CABLE NETS.



EXCLUSIVE Q&A

Let's Get Rational

At our Most Powerful Women in Cable breakfast in NYC last week, **CableFAX's Seth Arenstein and Michael Grebb** sat down with **Melinda Witmer**, Time Warner Cable's chief programming officer, to discuss the future of content as distributors and content producers try to figure out the evolving landscape. Her take: Bring back rationality to the equation, or risk the very business model that has made possible such excellent cable content in the first place.

It's negotiating season. What are some of the big issues you're looking at in 2010?

MW: The biggest challenge for us in 2010 is to come back to rationalizing consumer propositions.

So you've launched the "Roll Over or Get Tough" campaign. How do you see the content-value equation evolving?

MW: I'm still completely shocked by consumers who will correspond with us and say "I really don't like your programming"... And we stop and say "Geez, do they not really understand that we actually buy programming that other people program and sell it?" Part of what "Roll Over or Get Tough" was about is helping them understand that we actually buy programming. It's not all about us when their bills go up... That was just part of our education process.

Has TV Everywhere been a big part of negotiations?

MW: Talking about the rationalizing of consumer propositions over the next year goes to the heart of that... We've kind of reached the point where the best that Hollywood has to offer right now is available in your grocery store at a vending machine for a dollar, out there right between the Coinstar machine and the tin can redemption. It's creating confusing messages to consumers about the value proposition... Consumers are going to find the value proposition that resonates the strongest

with them. So rationalizing what we're doing is going to be an important step next year.

But how do you reconcile your desire to do that with the huge production costs that networks face today?

MW: I think that a very, very big challenge for all sides and everyone in the industry—and I'm sorry to sound like a broken record—is rationalizing the content business for consumers. They're living in a bit of a fantasy world right now because what's happening is they're able to get content very inexpensively or for free or with very little commercial interruption, and it was created at enormous expense. So I think rationalizing that and starting to rethink what exactly are we doing with windows, what exactly are we doing with multiple platforms and how do we continue to create great content?



Melinda Witmer

What about piracy? It seems that growing numbers think it's fine to download things for free without permission from rights holders.

MW: There has always been some degree of piracy in our business. That is not new. What is new is content being available in ways that are irrational relative to the value of that content. It sort of reinforces the idea of: how much damage are you doing with piracy? If it's free anyway, then what the heck?... It's really hard to convey a message that they're harming a meaningful business by getting it free somewhere else. So that's really an industry challenge.

Does the cost of content have to come down?

MW: I'm not so sure that the price of content has got to come down. I think its rate of increase has to be rational. And I think it has to be spent wisely. We all hear about waste in the process, whether it's how many pilots get thrown in the trash before something great goes on the air or how many millions of dollars get spent on a movie that sits in a can somewhere. It's not a never-ending ATM, no question about it. People need to think about consumers... It's a great business. We just need to keep it healthy.

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