

CableFAX Daily™

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What the Industry Reads First

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Finding Success: Investigation Discovery Has Emerged

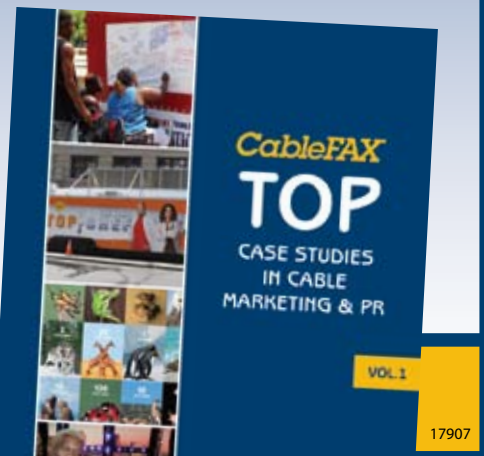
The search for evidence of **Investigation Discovery's** success during '10 would make a lousy show on the net. The findings may be worthy of klieg lights, but the net had such a remarkable year that the evidence practically leaps out of ratings and distribution data. I.D. led all cable nets this year in distribution (33%, to 72mln HHs) and prime ratings growth, delivering through Dec 12 surges in prime among total viewers (+64%), 18-49s (+68%), 18-34s (+60%) and 25-54s (+64%), according to **Turner** data. "The operative word here is momentum," said I.D. chief *Henry Schleiff*. "I can't wait for the new season. I can't wait of Jan 1." Or Apr, by when the net expects to be seen in 80mln homes. Schleiff said viewers like the net's crime, justice and investigation thrust, its consistency and quality in storytelling, and find that it compares very favorably to **CBS**. "When we are tested, when we are tasted, [viewers] grow to like the net," said Schleiff, adding that I.D. is tops in cable regarding length of tune among 25-54s in prime with a 24min avg, compared to the cable avg of 13min. And in total day, I.D. averages 37min of tuning time while the cable avg is 18min. Yet even while entering '11 on an enviable roll, I.D. has challenges ahead. "We still suffer from people not knowing we've been added" to their channel lineup, said Schleiff. "Our greatest challenge is to take this unbelievably successful [content slate] and expand it and shout its ability to a universe of 80mln homes." Though he has endlessly praised I.D. in recent months, **Discovery Comm** pres/CEO *David Zaslav* recognizes the need to elevate I.D.'s brand recognition. To that end, Schleiff said Zaslav and COO *Peter Liguori* have endorsed "substantive investment in programming and marketing" for the net, though he declined to discuss specifics. I.D. doubled its ad rev in '10 while exceeding budgeted goals, but improvement in CPMs is still sought. Beginning in Jan, a team will sell I.D. as an independent network instead of an emerging network. The overriding question to which I.D. is seeking answer, said Schleiff—investigating, if you will—"is how do we get to become a top 10 cable net?" Given the breadth and appeal of I.D.'s genre, Schleiff said the net, which was a top 30 channel in Nov, will get there in time. "Time is the only factor we're up against," he said.

Comcast-NBCU: Level 3 has asked the **FCC** and **DOJ** to impose conditions on the **Comcast-NBCU** deal that

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would ensure “unfettered access” to the Internet. Such conditions would also warn other ISPs that unreasonable and discriminatory access terms won’t be tolerated, said Level 3. In a blog post Thurs night, Comcast evp, national engineering and technical ops *John Schanz* felt it was important to provide an update on the dispute. Citing meetings between Comcast and Level 3 engineering teams this week, Schanz said “we constructively developed a potential new and different architectural approach that we proposed to trial with Level 3 as soon as next month... that would allow us both to better understand the traffic, routing, and economic considerations.” But while Comcast offered to keep the new agreement at “no cost” during the trial, “Level 3 chose to leave the meeting when we wouldn’t agree to a ‘zero cost’ outcome without the benefit of a trial and the opportunity to understand” the implications, said Schanz. The MSO outlined the dispute’s status in a filing with the FCC late Fri, adding that “Level 3’s attempt to interject this dispute into the NBCU transaction review is grossly improper.” Added Comcast: “What Level 3’s new position is all about is its view that broadband Internet customers—on Comcast’s network but eventually on all ISP networks—should subsidize Level 3’s business by shouldering massive new costs imposed by Level 3.” -- The same week a similar agreement was reached with Asian American leadership organizations, **Comcast** and **NBCU** reached a Memorandum of Understanding with African American orgs including a commitment to launch 10 new independent channels, 4 of which will be African-American owned or managed, over 8 years. Comcast-NBCU also committed to establish a \$20 investment fund to expand opportunities for minority entrepreneurs in the development of new digital media apps and to assist in improving the representation of minorities in exec positions in the Hollywood creative community.

Net Neutrality: In a Thurs letter to **FCC** chmn *Julius Genachowski* and all 4 commissioners, *Rep Ed Markey* (D-MA) and 4 of his fellow Dems outlined policies they believe should be included in the Commission’s Open Internet Order to be considered Tues. Among them: a common regulatory framework and rules for wired and wireless services, a non-discrimination requirement to ensure that businesses and consumers decide the winners and losers in the Internet ecosystem, and narrow “managed services” exceptions that do not infringe upon open Internet rules.

On the Hill: *Rep Greg Walden* (R-OR) was named chmn of the **House Comm and Tech Subcmte** for the upcoming Congress. In congratulating Walden on his appointment, **FCC** commish *Robert McDowell* said Walden owns a “deep understanding of communications policy combined with his practical business experience as a broadcaster.”

Carriage: **Cox** will launch **OWN** in Fairfax County and Fredericksburg, VA, next month. The MSO will also add on Jan 7 in the areas **Antenna TV**, which features vintage TV series reruns. -- **Comcast**’s FL East Coast Region added **Semillitas**, a Spanish-language net for preschoolers.

Competition: **Sprint** agreed to carry the live stream of 30 college football games broadcast by **ESPN**, including the BCS contests, through the **ESPN Mobile TV** channel available on certain 4G handsets.

Ratings: **ESPN 2**’s Dec 13 coverage of the Manchester-Arsenal **Barclay’s Premier League** soccer match averaged 570K viewers and 438K homes to become the most-watched league telecast ever in the US, according to **Nielsen**. -- **Versus** averaged 750K viewers for the Tues night Penguins-Flyers matchup, now the net’s most-watched regular-season game in history.

Programming: A quarter-century after “Larry King Live” began its run on **CNN**, *Larry King* bade farewell to his audience and the net Thurs night with a taped send-off from *Pres Obama*. 2.24mln total viewers watched the final ep. *Piers Morgan* takes over the show’s time slot next month. -- **MTV**’s “Jersey Shore” resumes its 2nd season on Jan 6. -- *Brian Austin Green* and *Harold Perrineau* will star in **TBS** pilot “The Wedding Band,” a scripted comedy following a group of guys who try to escape their stressful lives by performing in a wedding band.

Business/Finance: **Citadel Securities** raised to \$37 from \$34 its approx 1-yr price target on **Cablevision** shares. “In our view, Cablevision has been making all the right moves to become more shareholder friendly... [and] has among the best cable assets among the publicly traded MSOs,” wrote the firm. -- **GCI**’s board approved a \$100mln increase to its share repurchase program, to \$127.8mln total.

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CableFAX Week in Review

Company	Ticker	12/17 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

DIRECTV:	DTV	39.26	(2.34%)	17.72%
DISH:	DISH	17.97	(4.41%)	(13.48%)
DISNEY:	DIS	37.05	1.06%	14.88%
GE:	GE	17.70	(0.11%)	16.99%
NEWS CORP:	NWS	16.14	0.12%	1.38%

MSOS

CABLEVISION:	CVC	34.22	(1.44%)	32.53%
CHARTER:	CHTR	38.67	7.42%	0.00%
COMCAST:	CMCSA	21.42	0.52%	27.05%
COMCAST SPCL:	CMCSK	20.06	0.00%	25.30%
GCI:	GNCMA	13.37	7.22%	109.56%
KNOLOGY:	KNOL	15.47	(1.53%)	41.67%
LIBERTY CAPITAL:	LCAPA	59.11	(4.31%)	147.53%
LIBERTY GLOBAL:	LBTYA	35.48	(3.56%)	62.08%
LIBERTY INT:	LINTA	15.97	(0.13%)	47.32%
MEDIACOM:	MCCC	8.47	(0.7%)	89.49%
SHAW COMM:	SJR	20.73	1.52%	0.78%
TIME WARNER CABLE:	TWC	65.30	(0.09%)	57.77%
VIRGIN MEDIA:	VMED	26.11	(5.33%)	55.14%
WASH POST:	WPO	423.00	2.04%	(3.78%)

PROGRAMMING

CBS:	CBS	18.77	3.99%	33.59%
CROWN:	CRWN	2.68	0.00%	84.83%
DISCOVERY:	DISCA	42.47	(0.02%)	38.47%
GRUPO TELEVISIA:	TV	25.30	3.43%	21.87%
HSN:	HSNI	30.32	0.46%	50.17%
INTERACTIVE CORP:	IACI	29.83	(0.47%)	45.65%
LIBERTY:	L	38.65	(0.31%)	6.33%
LIBERTY STARZ:	LSTZA	66.66	(0.25%)	44.44%
LIONSGATE:	LGF	6.63	(9.92%)	14.11%
LODGENET:	LNET	3.94	(0.25%)	(28.75%)
NEW FRONTIER:	NOOF	1.78	(7.77%)	(5.82%)
OUTDOOR:	OUTD	7.16	0.99%	23.45%
SCRIPPS INT:	SNL	52.08	(0.29%)	25.49%
TIME WARNER:	TWX	31.51	0.48%	8.13%
VALUEVISION:	VVTV	4.75	9.70%	(1.04%)
VIACOM:	VIA	44.98	(1.88%)	42.79%
WWE:	WWE	14.28	(3.77%)	(6.85%)

TECHNOLOGY

ADVANTAGE:	AEY	3.18	(15.65%)	61.42%
ALCATEL LUCENT:	ALU	3.00	(1.64%)	(9.64%)
AMDOCS:	DOX	27.01	(1.42%)	(5.33%)
AMPHENOL:	APH	53.15	(0.28%)	15.09%
AOL:	AOL	24.49	(4.52%)	5.20%
APPLE:	AAPL	320.61	0.02%	52.14%
ARRIS GROUP:	ARRS	10.88	0.74%	(4.81%)
AVID TECH:	AVID	18.20	2.48%	42.63%
BIGBAND:	BBND	2.69	(6.27%)	(21.8%)
BLNDER TONGUE:	BDR	2.10	(3.23%)	84.21%
BROADCOM:	BRCM	43.82	(4.84%)	39.24%
CISCO:	CSCO	19.55	(0.76%)	(18.34%)
CLEARWIRE:	CLWR	5.21	(15.97%)	(22.93%)
COMMSCOPE:	CTV	31.26	(0.26%)	17.83%
CONCURRENT:	CCUR	4.74	0.00%	19.70%

Company	Ticker	12/17 Close	1-Week % Chg	YTD %Chg
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CONVERGYS:	CVG	13.21	(0.3%)	22.88%
CSG SYSTEMS:	CSGS	18.96	(2.77%)	(0.68%)
ECHOSTAR:	SATS	21.62	4.80%	7.35%
GOOGLE:	GOOG	590.80	(0.24%)	(4.71%)
HARMONIC:	HLIT	8.26	14.25%	30.70%
INTEL:	INTC	21.46	(2.05%)	5.20%
JDSU:	JDSU	14.38	7.07%	74.30%
LEVEL 3:	LVL	0.94	(3.82%)	(38.39%)
MICROSOFT:	MSFT	27.90	2.06%	(8.46%)
MOTOROLA:	MOT	8.88	2.78%	14.43%
RENTRAK:	RENT	29.72	2.45%	68.19%
SEACHANGE:	SEAC	8.73	7.12%	33.08%
SONY:	SNE	35.39	(1.23%)	22.03%
SPRINT NEXTEL:	S	4.16	(1.42%)	13.66%
THOMAS & BETTS:	TNB	48.20	(1.57%)	34.67%
TIVO:	TIVO	8.37	1.70%	(17.78%)
TOLLGRADE:	TLGD	8.73	1.87%	42.88%
UNIVERSAL ELEC:	UEIC	29.00	(0.41%)	24.89%
VONAGE:	VG	2.37	4.87%	69.29%
YAHOO:	YHOO	16.38	(3.7%)	(2.38%)

TELCOS

AT&T:	T	29.21	1.11%	4.21%
QWEST:	Q	7.41	1.09%	76.01%
VERIZON:	VZ	34.64	1.76%	4.56%

MARKET INDICES

DOW:	DJI	11491.91	0.72%	10.20%
NASDAQ:	IXIC	2642.97	0.21%	16.47%
S&P 500:	GSPC	1243.91	0.28%	8.66%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. HARMONIC:	8.26	14.25%
2. VALUEVISION:	4.75	9.70%
3. CHARTER:	38.67	7.42%
4. GCI:	13.37	7.22%
5. SEACHANGE:	8.73	7.12%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. CLEARWIRE:	5.21	(15.97%)
2. ADVANTAGE:	3.18	(15.65%)
3. LIONSGATE:	6.63	(9.92%)
4. NEW FRONTIER:	1.78	(7.77%)
5. BIGBAND:	2.69	(6.27%)

The CableFAXIES awards

DEADLINE: JANUARY 21, 2011

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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.