

# CableFAX Daily™

Monday — October 11, 2010

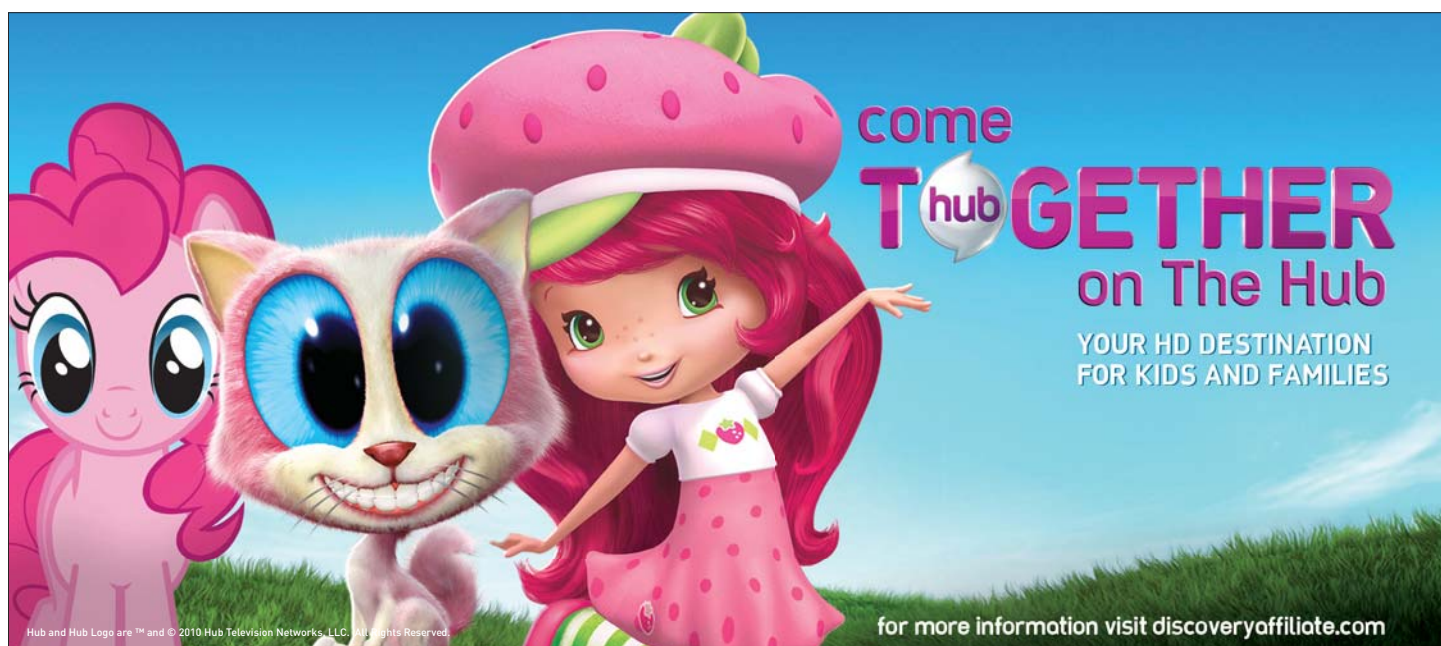
What the Industry Reads First

Volume 21 / No. 196

## The Curtain Rises: Cable, Kids and Parents Set to Welcome The Hub

Buoyed by a 61mln-home platform, solid interest from advertisers and backing from **Discovery Comm** and **Hasbro**, **The Hub's** jump into the deep end of live cable TV (Oct 10) may seem sure to produce a big splash. Yet lurking in the kids net pool are entrenched players including **Nickelodeon** and **Disney**, new multiplatform demands on programmers and a finicky audience. And while a recent trial run of 8 hours of programming and spots went quite well, The Hub pres **Margaret Loesch** is aware of the challenges that lie ahead. "My biggest fear is that some kids will be disappointed they can't receive the channel, and how we deal with that...you never want to disappoint kids," said Loesch, a kids genre vet who was behind several classic series including "Smurfs" and "Muppet Babies." As full distribution isn't expected for several years, The Hub's programming fare, based on similar known characters—Hasbro's "My Little Pony" and "Transformers," for example—may decide whether the net initially sinks or swims. Since its philosophy is to "foster family interaction" through co-TV viewing, bringing back old yet revamped favorites is tricky business, said Loesch. The Hub mustn't alienate the parents who remember them a certain way through drastic changes, she said, but it also has to appeal to the sensibilities of kids in the new Millennium. Ahh, the kids, particularly the net's 6-12 target. "The audience is more sophisticated today...kids put their own videos on YouTube, for heaven's sake," said Loesch. They want the same types of characters, story lines and scripts that have resonated with viewers for decades, she said, but they also want programming "to look really neat," full of special effects in action and adventure along with great music. And all that fluff is expensive. The net's launching with 10 original shows, including the hyped "Family Game Night," and Loesch's goal is to have 1 or 2 prime originals airing every night. As for the other players in The Hub's space, "I don't have illusions about beating the competition," she said. "We can still be successful because there's still room for good programs." No doubt the kids will judge the quality of The Hub's programming, and critically. Perhaps parents will too.

**Interactive Advertising:** More evidence that interactivity is more than a concept. **Ensequence** pres/CEO **Peter Low** confirms for **Cfax** his company's interactive platform is "operational" with **Canoe Ventures'** advertising delivery system for national ads. Ditto with **Time Warner Cable**, where Ensequence's iTV Manager platform is deployed for interactive local ads. The MSO plans to roll out the platform across its "entire footprint," an Ensequence official says. For Canoe, Ensequence is



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scaling interactive TV advertising applications in tradition 30-sec spots. "Interactivity is here and working," Low says.

**In the States:** The **FCC** and **DOJ** are contemplating requiring **Comcast** to accept arbitration over programming disputes as a condition of approval of its **NBCU** transaction, *Bloomberg* reported, citing 2 people involved in talks with regulators. -- **DISH** subs who lost **MSG** and **MSG Plus** on Oct 1 aren't completely shut out of Knicks, Rangers, Devils, Islander and Sabres games. MSG is launching a sweeps at IWANTMSG.COM for impacted DISH customers to win tix to see 1 of 14 games this month. -- Move over *Oprah*, here comes the *Ryan Seacrest* Channel? Not quite, but *Hollywood Reporter* does say the "American Idol" host is in early talks with **CAA** and **AEG** to launch a joint "music, pop culture and lifestyle" cable net. Instead of serving as the face of the net, Seacrest would probably work behind the scenes. -- *Obama* signed the 21st Century Communications and Video Accessibility Act into law Fri. Among other things, it requires closed captioning for some online video.

**Privacy:** **Comcast** doesn't sell information it collects through Comcast.net, and it only shares user info with 3rd parties that provide services on the site—limiting their use of the info to only what's necessary to perform those services. That was what the MSO told Reps *Ed Markey* (D-MA) and *Joe Barton* (R-TX) in response to their Aug inquiry into online tracking technology. Their inquiry came after the *WSJ* identified Comcast and 14 other companies, including **Yahoo** and **Verizon Wireless**, as installing consumer tracking technologies on their sites. Responses from the companies were released Fri. Comcast said it complies with all applicable laws, doesn't target content or advertising to users based on their search or use habits and gives users control via opt-in and opt-out options. As far as 3rd party tracking devices that may be installed on users' computers when they visit Comcast.net, the MSO said it's ability to be aware of all 3rd-party technologies is limited because of the presence of 3rd-party hosted or served content on the site. Comcast said it independently evaluates the site daily for 3rd party tracking technologies. "The responses raise a number of concerns, including whether consumers are able to effectively shield their personal Internet habits and private information from the prying eyes of online data gatherers," Markey said of the overall replies. -- On Fri, the **FCC** launched new online privacy and security Webpages at fcc.gov/consumers. This month it also will roll out a video on Wi-Fi security.

**Three Amigos:** Interesting hour-long "Communicators" on **C-SPAN** this weekend, featuring former **FCC** chairmen *Reed Hundt*, *Michael Powell* and *Kevin Martin* (Sat, 6:30pm ET). Yes, they covered the big issues such as Title II and spectrum, but perhaps the most entertaining moment comes when Hundt interrupts Powell to ask if he was watching the Super Bowl at the exact moment that *Justin Timberlake* "removed the ornament from the bustier of *Janet Jackson* and when it happened did you immediately say, 'I'm going to fine these people'?" Powell said he was indeed watching at a neighbor's house. "First, it sort of jumped out of me that this was a little racier than usual...I turned to my neighbor and said, 'Did you



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\*The Nielsen Company, cable coverage universe estimates, Households, September 2010

just see what I just saw or am I dreaming?” It was no dream...But to be sure, Powell said he went home and fired up his **TiVo**—by then it was all over the news. “I turned to my wife and said, ‘Tomorrow’s going to really suck.’ And it did,” he said. We doubt few will be surprised to hear that Martin’s regrets from his chairmanship include that increasing cable rates weren’t addressed. Other highlights included Martin criticizing the **Comcast-NBCU** transaction (he’s lobbying for merger opponents such as **Bloomberg**), while Hundt argued that it’s a vertical merger and doesn’t raise any serious issues.

**At the Portals:** Also busy lobbying ahead of Thurs’ **FCC** meeting on CableCARDs is **ACA (Cfax, 10/7)**. The independent cable operator group has been especially focused on allowing cable to deploy new 1-way, HD digital terminal adapters with integrated security. It’s looking like that will be approved by the Commission, although there is some uncertainty over whether the FCC will apply any output requirements for the boxes. ACA member **Cable One** was the 1st operator to get an HD DTA waiver, and ACA has been working to get the same benefit for other small and medium operators ever since. The group has repeatedly told the Commission that the proposal won’t have any substantial impact on the FCC’s mandate to promote competitive retail for navigation devices and will help accelerate the migration of channels from analog.

**Research:** Weighed against Japanese and European mobile phone users, fewer Americans use their handsets for TV and video consumption but are more apt to access social networking sites and blogs, according to **comScore** data from June. Regarding use of overall connected media, plus browser and app use specifically, Americans rank far behind the Japanese but ahead of Europeans, and in the US alone, 25-34s are 44% more likely than the avg mobile user to engage with mobile media, tops among all demos. **[More info at CableFAXDaily.com]**. -- Currently trying to gain momentum around the globe—and particularly in the US—the 3DTV market will begin to accelerate in ’13, according to **ABI Research**, and approach 50mln units in ’15. While citing current adoption inhibitors such as price and content translational issues, ABI said the 3DTV market is moving at a faster-than-expected pace. Still, the firm’s data shows that North America trails nearly every global region in 3DTV shipments this year and will continue to lag through at least ’15.

**Like Glass:** The **Discovery Channel**’s seas are calm again, at least where hit series “Deadliest Catch” is concerned. Featured Captains *Sig Hansen* and *Johnathan* and *Andy Hillstrand* are back in the fold, the fallout over a recent breach-of-contract suit filed by the net apparently shored up (**Cfax, 9/30**). “We’re happy everything worked out with Discovery. A deal’s a deal,” said the angling trio in a statement. “We’re heading up to Dutch Harbor to start filming the new season of ‘Deadliest Catch’ and hopefully it will be the best one yet.” And the Hillstrands have agreed to wrap the filming of Catch spinoff “Hillstranded.”

**Ratings: Versus** enjoyed an auspicious start to its **NHL** coverage Thurs night, averaging 730K viewers during the Penguins-Flyers faceoff. That marks the best start to the NHL season since ’02 and the most-watched regular season league telecast on cable since ’04.

**Programming: ABC Family** greenlit 4 pilots: an untitled drama to be exec produced by *Brenda Hampton* (“Secret Life of the American Teenager”); “The Great State of Georgia,” sitcom about a plus-sized performer from the South who heads to NYC; “What Would Jane Do,” 16-year-old who juggles high pressure fashion job with high school; and “The Lying Game,” long-lost identical twins. The net also gave a back-order to “Melissa & Joey,” bringing the 1st season order to 30 eps.

-- **Cablevision’s News 12 Nets** are joining with *Newsday* and **Hofstra Univ** to present the 1st NY State Gubernatorial debate Mon (7pm ET). The cable-exclusive will air live on News 12 Long Island, News 12 Westchester, News 12 Bronx and News 12 Brooklyn, and later on **Time Warner Cable’s NY1** and **YNN**. -- Focused on a disenchanting attorney who becomes a mediator, **USA** original “Fairly Legal” will premiere Jan 20 with “Royal Pains” as its lead-in. -- **GSN** is launching an original version of “1 VS. 100” (Nov 15), and tapped *Carrie Ann Inaba* of **ABC’s** “Dancing with the Stars” to host.

**On the Circuit:** Tues’ (Oct 19) **CTAM Summit** party presented by **Rainbow, Fuse** and **MSG Nets** will feature *Jim Dolan* as master of ceremonies (he’ll be there with his band, *JD & The Straight Shot*). “Mad Men’s” *Jon Hamm* will also be at the House of Blues New Orleans’ event. Festivities include a costume contest, live music from *BeauSo-leil*, *Jon Cleary* and others as well as good New Orleans eats.

**People: Cox** Cleveland, OH, vp, gm *Anne Dorris* was named to the board of trustees of the **Rock and Roll Hall of Fame and Museum**. (Could this be a HoF in for Battle of the Bands champ Xpanded Bandwidth of **Cox**?) -- **Ascent Media** upped *Igor Vezmar* to svp, product and service dev. -- Happy to hear that former **Discovery** exec *Annie Howell* has taken a gig as svp, comm and media relations for **Hallmark Channel**.

**Business/Finance: Epix** partner **MGM** has begun a solicitation of votes from its secured lenders for a pre-packaged plan of reorganization that provides the lenders more than \$4bln in outstanding debt for approximately 95.3% of equity in MGM upon its emergence from Chapter 11.

**CableFAX Week in Review**

Company	Ticker	10/08 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
DIRECTV:	DTV	42.09	0.62%	26.21%
DISH:	DISH	19.43	0.52%	(6.45%)
DISNEY:	DIS	34.51	3.51%	7.01%
GE:	GE	17.12	4.65%	13.15%
NEWS CORP:	NWS	15.81	(0.19%)	(0.69%)
<b>MSOS</b>				
CABLEVISION:	CVC	26.17	(0.65%)	1.36%
CHARTER:	CHTR	32.00	(3.32%)	0.00%
COMCAST:	CMCSA	17.99	0.95%	6.70%
COMCAST SPCL:	CMCSK	16.95	1.13%	5.87%
GCI:	GNCMA	10.12	0.40%	58.62%
KNOLOGY:	KNOL	14.23	7.80%	30.31%
LIBERTY CAPITAL:	LCAPA	54.44	2.97%	127.97%
LIBERTY GLOBAL:	LBTYA	31.28	2.16%	42.90%
LIBERTY INT:	LINTA	14.14	(0.49%)	30.44%
MEDIAIACOM:	MCCC	6.87	2.84%	53.69%
SHAW COMM:	SJR	22.23	1.69%	8.07%
TIME WARNER CABLE:	TWC	55.51	1.56%	34.11%
VIRGIN MEDIA:	VMED	23.96	2.61%	42.36%
WASH POST:	WPO	411.40	1.85%	(6.41%)

Company	Ticker	10/08 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
CBS:	CBS	17.23	5.19%	22.63%
CROWN:	CRWN	2.50	2.04%	72.41%
DISCOVERY:	DISCA	43.43	0.37%	41.60%
GRUPO TELEVISIA:	TV	22.07	16.40%	6.31%
HSN:	HSNI	30.63	2.96%	51.71%
INTERACTIVE CORP:	IACI	26.25	0.04%	28.17%
LIBERTY:	L	38.91	2.34%	7.04%
LIBERTY STARZ:	LSTZA	65.06	(1.36%)	40.98%
LIONSGATE:	LGF	7.46	2.90%	28.40%
LODGENET:	LNET	2.40	0.84%	(56.6%)
NEW FRONTIER:	NOOF	1.80	3.45%	(4.76%)
OUTDOOR:	OUTD	6.01	6.37%	3.62%
PLAYBOY:	PLA	5.18	0.78%	61.88%
SCRIPPS INT:	SNI	47.28	0.30%	13.93%
TIME WARNER:	TWX	31.31	2.29%	7.45%
VALUEVISION:	VVTV	2.17	18.58%	(54.79%)
VIACOM:	VIA	41.25	2.18%	30.95%
WWE:	WWE	13.73	(1.72%)	(10.44%)

Company	Ticker	10/08 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
ADC:	ADCT	12.68	0.16%	104.19%
ADVANTAGE:	AEY	2.98	0.68%	51.27%
ALCATEL LUCENT:	ALU	3.57	4.69%	7.53%
AMDOCS:	DOX	28.86	(0.03%)	1.16%
AMPHENOL:	APH	49.25	0.39%	6.65%
AOL:	AOL	25.10	0.28%	7.82%
APPLE:	AAPL	294.07	4.09%	39.55%
ARRIS GROUP:	ARRS	9.73	(0.1%)	(14.87%)
AVID TECH:	AVID	13.77	4.40%	7.92%
BIGBAND:	BBND	2.91	3.93%	(15.41%)
BLNDER TONGUE:	BDR	2.45	3.81%	114.91%
BROADCOM:	BRCM	35.74	2.94%	13.57%
CISCO:	CSCO	22.48	2.60%	(6.1%)
CLEARWIRE:	CLWR	7.01	(11.38%)	3.70%

Company	Ticker	10/08 Close	1-Week % Chg	YTD %Chg
COMMSCOPE:	CTV	22.13	(5.79%)	(16.58%)
CONCURRENT:	CCUR	6.43	(1.83%)	62.37%
CONVERGYS:	CVG	11.00	2.71%	2.33%
CSG SYSTEMS:	CSGS	18.64	1.75%	(2.36%)
ECHOSTAR:	SATS	19.43	2.21%	(3.53%)
GOOGLE:	GOOG	536.35	2.04%	(13.49%)
HARMONIC:	HLIT	7.08	1.14%	12.03%
INTEL:	INTC	19.52	1.04%	(4.31%)
JDSU:	JDSU	12.28	0.00%	48.85%
LEVEL 3:	LVLTL	0.90	(3.19%)	(41.16%)
MICROSOFT:	MSFT	24.57	0.78%	(19.39%)
MOTOROLA:	MOT	8.30	(3.04%)	6.96%
RENTRAK:	RENT	27.49	7.64%	55.57%
SEACHANGE:	SEAC	7.70	2.12%	17.38%
SONY:	SNE	32.26	5.63%	11.24%
SPRINT NEXTEL:	S	4.48	(5.08%)	22.40%
THOMAS & BETTS:	TNB	43.60	4.66%	21.82%
TIVO:	TIVO	10.29	13.45%	1.08%
TOLLGRADE:	TLGD	7.15	(2.19%)	17.02%
UNIVERSAL ELEC:	UEIC	20.75	1.37%	(10.64%)
VONAGE:	VG	2.63	2.33%	87.86%
YAHOO:	YHOO	14.49	1.54%	(13.65%)

Company	Ticker	10/08 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	28.22	(2.05%)	0.68%
QWEST:	Q	6.34	0.00%	50.59%
VERIZON:	VZ	32.83	(0.18%)	(0.91%)

Index	10/08 Close	1-Week % Chg	YTD %Chg
<b>MARKET INDICES</b>			
DOW:	11006.48	1.35%	5.55%
NASDAQ:	2401.91	1.31%	5.85%
S&P 500:	1165.15	1.65%	1.78%

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. VALUEVISION:	2.17	18.58%
2. GRUPO TELEVISIA:	22.07	16.40%
3. TIVO:	10.29	13.45%
4. KNOLOGY:	14.23	7.80%
5. RENTRAK:	27.49	7.64%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. CLEARWIRE:	7.01	(11.38%)
2. COMMSCOPE:	22.13	(5.79%)
3. SPRINT NEXTEL:	4.48	(5.08%)
4. CHARTER:	32.00	(3.32%)
5. LEVEL 3:	0.90	(3.19%)



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