

CableFAX Daily™

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What the Industry Reads First

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Distribute the Wealth: Long-Running Carriage Complaint Withdrawn

Wealth TV's long-running carriage complaint is off the books for now. On Fri, the programmer filed a motion notifying the **FCC** that it was withdrawing its petition for reconsideration of the agency's decision on its complaint against **Bright House, Comcast, Cox** and **Time Warner Cable** "without prejudice to any right to seek any review of the Commission's June 13 order." Reached by phone Mon, Wealth pres *Charles Herring* declined to comment on the move or say whether the net would refile its petition. In July, Wealth TV asked the FCC to reconsider its decision to adopt the Administrative Law Judge's recommended decision that said Wealth failed to show the 4 MSOs discriminated against it. Initially, Wealth said it believed there were serious questions as to whether the FCC's prior decision was "irreparably tainted" by FCC staff who have "switched sides" to work for one of the MVPDs (it specifically mentioned former FCC commish *Meredith Attwell Baker*, now at Comcast). Wealth ended up retracting that argument, saying that requests under the Freedom of Information Act among other things "clarified what was left unclear." It refiled the petition in July, basing its arguments partly on comments from the FCC's Enforcement Bureau in the **Tennis Channel-Comcast** carriage complaint. The Bureau said it believes the ALJ should mandate broader carriage of Tennis on Comcast, but the judge has not yet issued his determination.

Digital Doings: **Discovery Comm** has delved into the **NBCU** talent pool to tap *Jean-Briac Perrette* as its Chief Digital Officer, effective Oct 17. Perrette, who will report directly to Discovery pres/CEO *David Zaslav*, most recently served as pres, digital and affiliate distribution and content distribution strategy for NBCU. He'll lead the company's digital strategy, including Discovery's US Websites, interactive tech and digital distribution efforts with non-traditional affils (ie, **Netflix**). "Discovery is the global leader in non-fiction content, with incredible brands and a world-class leadership team led by David, who I am excited to work with again," said Perrette. "I look forward to expanding Discovery's presence in the digital space, finding new opportunities to earn value for its robust content and driving viewer engagement on all screens."

At the Portals: The **FCC** recently announced the members of its rechartered Diversity Committee for Communications in the Digital Age. The 1st meeting is set for Dec 6. **Emma Bowen's Henry Rivera** will chair the group. There are several fa-

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miliar names on the committee, including **WICT** chief *Maria Brennan*, **Comcast-NBCU's Rudy Brioche**, **Disney's Robert Mendez**, **Verizon's Donna Epps** and **Minority Media Telecom Council's David Honig**.

That's a Wrap: It was a busy Diversity Week last week in NYC, and the attendance numbers tell the tale. **NAMIC's** annual conference was up 34% over '10 with 750 general attendees. In addition, an estimated 1K were on hand for the Diversity in Media and Entertainment Career Expo. The annual **Kaitz** fundraising dinner drew more than 1K execs and raised nearly \$1.6mln—up from about \$1.5mln last year. **CTAM's** annual confab drew 1672, 1 more person than last year.

Sprint-ing the Wrong Way: **Sprint** shares have recently personified the verb implied by the company's name; trouble is, their running to the downside on the heels of a poorly-received network buildout plan (**Cfax**, 10/10) and myriad subsequent downgrades. "We have long worried that Sprint was left with no good options for 4G; for more than a year, they have been stuck between the rock and a hard place of inadequate spectrum resources (outside of **Clearwire**), and inadequate financing," said **Sanford Bernstein's Craig Moffett**, who lowered his price target on S to \$2.50 from \$3. "The degree of difficulty in executing their Network Vision transition will be extraordinarily high... and we think the years 2012 and 2013 will be especially precarious." A chief concern of analysts is Sprint's funding needs, which Moffett estimates at approx \$4.9bln through '13, and the likely resulting hit to the company's FCF. **UBS' John Hodulik** expects S to lose \$2bln in FCF next year alone, and believes **AT&T** and **Verizon** are miles ahead in 4G. After shedding nearly 20% Fri, S shares fell nearly 8% Mon as overall markets staged a nice rally. Shunned by Sprint, **Clearwire** shares felt more pain, too, falling 8.6% after Fri's -32.2% debacle.

OTT: **Netflix** scrapped plans to operate its DVD-by-mail service at Qwikster.com after announcing the plan last month. "It is clear that for many of our members two websites would make things more difficult, so we are going to keep Netflix as one place to go for streaming and DVDs," said CEO *Reed Hastings* in a blog post. -- A **blip.tv** study with **Dynamic Logic** shows the site's viewers, compared to 6 months ago, are watching 9% less cable TV, 26% more content on PCs, 19% more on mobile devices and 18% more on game consoles. -- **Magnaglobal** predicts 9mln homes will rely exclusively on OTT services for video consumption by '16. Also, the company downwardly revised its year-end '16 forecast for DVR homes to 57.5mln from 63.1mln on "evidence suggesting some maturation in the DVR market and economic pressure causing subscribers to contain their PayTV costs."

Technology: **DirecTV** unwrapped the previously announced nomad, a device that connects to subs' wireless routers to allow viewing of recorded programming on cell phones, laptops and tablets outside the home. No Internet connection is required to watch the content. -- **HSN HD** attached QR codes to on-screen products this past weekend, allowing viewers to access product info and make purchases on their mobile devices by scanning the codes. -- **Motorola Solutions** unveiled RhoElements, a Web-based app framework designed to allow business to develop and deploy Web-based apps on Moto devices including the new enterprise-class ET1 tablet. -- **KIT Digital** and **Harmonic** are working together to create solutions that enable video providers to roll out new multiplatform, multi-device delivery models.

Mobile: Consumers watched more than 167mln minutes of mobile TV on **MobiTV**-powered devices in Sept, the highest monthly total in the company's history. 65% of the minutes viewed were live programming.

Advertising: Advertisers' use of newer media platforms has risen substantially since '07, particularly of social media (20% used in '07, 89% today) and mobile platforms (28%, 75%), according to the **Assoc of National Advertisers**. But while the effectiveness ratings for those 2 platforms are also up, the ratings for online ads, search engine marketing, search engine optimization and viral video have all fallen compared to either '07, '09 or both. Still, 78% of advertisers plan to increase spending on newer platforms next year.

Ratings: **AMC's** "Breaking Bad" wrapped its 4th season with 1.9mln viewers. The show earned its highest-rated season ever, and the net said its 24% growth among 18-49s over season 3 is the most for any drama series in basic cable history. -- **TBS' Fri** coverage of the Cardinals-Phillies game delivered 8.39mln viewers to become the most-watched LDS game ever on cable. -- **Tr3s: MTV, Musica y Mas** delivered a 100% YOY ratings increase among 18-34s in the final quarter of FY11, a jump the net said is more than double the growth achieved by any other cable or broadcast Hispanic channel. **Tr3s** also touted a 119% YOY rise in video streams over the past 6 months.

Programming: **Cinemax** picked up a 2nd season of "Strike Back" (late '12). -- Prod kicks off this week on **IFC's** "Bullet in the Face," an original comedic thriller slated to bow next summer. -- **Discovery Channel** and **BBC** will co-prod "History of

BUSINESS & FINANCE

the World" ('13), an 8-part program studying human civilization. -- **MTV2** debuts original, weekly series "MTV2's Guy Code" on Nov 15 at 11pm. Celebs and experts will tackle the bro code. -- Islam-based net **Bridges TV** inked a 5-year distribution deal with **SES**. -- **HGTV** ordered 13 more eps of "Homes By Novogratz," featuring a husband/wife design team rearing 7 kids.

On the Circuit: **SCTE** formed a working group expected to advance planning for and deployment of **IPv6** across cable nets.

People: **IFC** tapped **Syfy's Blake Callaway** as svp, marketing, effective Oct 31. -- **Tennis Channel** upped **Bob Whyley** to svp, prod and exec prod. -- **E!** welcomed James Hitchcock as evp, marketing. -- **TV One** moved **Susan Banks** from vp, mkg and creative services to evp, special projects. She'll produce TV shows and create/produce initiatives including original movies and book projects.

Business/Finance: **Zayo Group** will buy **360networks** in a deal that's expected to close early next year. Terms weren't disclosed. 360 operates more than 18.5K route miles of fiber across 22 states and British Columbia. **RBC Daniels** represented 360networks. -- Rural wireless broadband provider **Open Range Comm** filed for Chapter 11 Reorg Thurs. The company received a \$267mln RUS loan from the **USDA** in Mar '08 and a \$100mln investment from **One Equity Partners** in Jan '09.

CableFAX Daily Stockwatch

Company	10/10 Close	1-Day Ch	Company	10/10 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	45.00	1.47	BLNDER TONGUE:	1.34	0.09
DISH:	27.56	1.38	BROADCOM:	36.18	0.91
DISNEY:	33.00	1.30	CISCO:	17.09	0.43
GE:	16.14	0.64	CLEARWIRE:	1.27	(0.12)
NEWS CORP:	16.97	0.67	CONCURRENT:	4.39	(0.16)
MSOS					
CABLEVISION:	17.48	1.11	CONVERGYS:	9.48	0.27
CHARTER:	48.65	2.02	CSG SYSTEMS:	13.09	0.42
COMCAST:	23.05	0.99	ECHOSTAR:	23.45	0.52
COMCAST SPCL:	22.81	0.96	GOOGLE:	537.17	22.05
GCI:	8.14	0.21	HARMONIC:	4.65	0.27
KNOLLOGY:	13.42	0.54	INTEL:	22.88	0.59
LIBERTY CAPITAL:	68.51	3.29	JDSU:	10.56	0.50
LIBERTY GLOBAL:	37.50	1.41	LEVEL 3:	1.72	0.03
LIBERTY INT:	15.51	0.64	MICROSOFT:	26.94	0.69
SHAW COMM:	20.82	0.65	MOTOROLA MOBILITY:	38.08	0.16
TIME WARNER CABLE:	69.48	1.96	RENTRAK:	12.78	0.52
VIRGIN MEDIA:	25.61	1.22	SEACHANGE:	8.40	0.42
WASH POST:	344.00	13.67	SONY:	19.00	0.75
PROGRAMMING					
AMC NETWORKS:	33.11	0.48	SPRINT NEXTEL:	2.22	(0.19)
CBS:	22.91	1.40	THOMAS & BETTS:	44.55	1.60
CROWN:	1.35	0.03	TIVO:	9.91	0.36
DISCOVERY:	39.13	1.04	UNIVERSAL ELEC:	18.13	0.98
GRUPO TELEVISA:	19.81	0.62	VONAGE:	2.76	0.17
HSN:	33.84	1.48	YAHOO:	15.84	0.37
INTERACTIVE CORP:	39.97	1.33	TELCOS		
LIBERTY STARZ:	60.51	0.39	AT&T:	29.17	0.73
LIONSGATE:	7.19	0.32	VERIZON:	36.90	0.74
LODGENET:	1.77	0.17	MARKET INDICES		
NEW FRONTIER:	1.10	0.03	DOW:	11433.18	330.06
OUTDOOR:	6.74	0.30	NASDAQ:	2566.05	86.70
SCRIPPS INT:	38.54	0.62	S&P 500:	1194.89	39.43
TIME WARNER:	32.13	1.28			
VALUEVISION:	2.63	0.25			
VIACOM:	50.83	2.17			
WWE:	9.69	0.38			
TECHNOLOGY					
ADVANTAGE:	2.14	(0.02)			
ALCATEL LUCENT:	2.73	0.14			
AMDOCS:	28.61	0.90			
AMPHENOL:	44.00	1.61			
AOL:	13.07	0.36			
APPLE:	388.81	19.01			
ARRIS GROUP:	11.52	0.40			
AVID TECH:	8.24	(0.01)			
BIGBAND:	1.27	0.04			

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OMG! Do you see what *Snooki* is wearing? Is she serious?

Presumably the “Jersey Shore” personality would frown on such a **Tweet** or similar posting, but **MTV** and all other cable nets that are wisely tapped into viewer engagement trends know that social media is the place to be in order to enhance show brands and increase audiences.

“Likes and Twitter followers are like paper money,” said **Edelman** evp, global strategy and insights *Steve Rubel* at **CTAM** last week.

According to **Nielsen**, US social networks and blogs reach nearly 80% of active Internet users and represent the majority of Americans’ time online.

More than half of active social networkers follow a brand. “As the influence of social media—and those using social media—continues to grow, it’s crucial for traditional media, retailers, brands and advertisers to understand how different consumer segments use and share content,” argues Nielsen. As the social media trend continues to gain momentum, so too does the list of companies seeking to either offer platform options for viewers, measure the social efficacy of nets and shows, or provide data on who’s doing what in social media.

DirecTV, for example, recently teamed with Miso to launch a social app synched with TV viewing, enabling real-time social features that change based on what’s being watched. And last week, **comScore** unfurled **Ad Metrix Social**, which provides visibility into display ads appearing on social networking sites and socially-enabled display ads appearing across the Web. The offering shows **AT&T** to have achieved the greatest number of socially-published display ad impressions in Aug with more than 120mln, while **Disney** checked in with nearly 721K, good for 7th.

That big firms are capitalizing on social media for ads and awareness underscores the great opportunities available in the space. To steal a *Washington Post* marketing tagline, “If you don’t get it, you don’t get it.” As in, cable programmers and advertisers who have yet to harness the power of social



media are simply missing out... on dollars and exposure, yes, but also on an important perception of hipness. It’s no mere coincidence that the **Assoc of National Advertisers** said marketers tabbed social networks/social media as the single newer media platform on which they’ll spend the most money in ’12—more than both online and mobile.

So, what TV programs are the most social? Allow **SocialGuide** to provide the answer. Yet another company that recognizes the importance of social media, SocialGuide aggregates the more than 100mln comments on Twitter and Facebook made about approx 24K unique TV shows, which they sort according to a “buzz factor.” Providing methods with which to promote social engagement is beyond the scope of this item, but rest assured that all the nets/shows featured on SocialGuide’s rankings know the score.

MTV’s “Jersey Shore” ranked as the top social program in Sept with nearly 501K unique shares, while **Nickelodeon**’s “SpongeBob SquarePants” ranked 2nd with approx 284K. Also hitting the monthly top 20 were **Oxygen**’s “The Bad Girls Club,” **ESPN**’s “SportsCenter,” **Comedy Central**’s roast of *Charlie Sheen* and “Tosh.0,” **BET**’s “106 & Park: BET’s Top 10 Live,” **HBO**’s “True Blood” and **VH1**’s “Basketball Wives LA.”

An important point driven home at **NAMIC** last week is that African Americans and Latino audiences use social media at least as much as their general market counterparts, which helps explain the high ranking of **BET**’s 106. And Nielsen said Internet users 55+ are driving the growth of social networking through the mobile Web.

Yes, it seems everyone is using social media. Even my mother.

-Chad Heiges

[Editor’s Note: CableFAX will hold a social media Webinar on Wed, Oct 12. more info: http://www.cablefax.com/cfp/webinars/2011_oct12.html]

CableFAX Webinar:

October 12, 2011 | 1:30 – 3:00 pm ET

Social Media for Cable: What Works for Your Bottom Line

Social media continues to drive marketing and audience engagement, and nowhere is that more apparent than within the cable industry where watercooler buzz and word-of-mouth can make or break a product or show. Join us as industry experts from Time Warner Cable, Bravo and Charter share their tips and best practices for social media’s pivotal role in cable’s future success.

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