

Independent Cable

Serving Independent
Cable Operating Companies

December 2010

NEWS

Association Responds To FCC's Net Neutrality Ruling

ACA has issued a cautiously optimistic response to the FCC's recent action on "net neutrality" saying:

"The American Cable Association stressed in filings that imposition of Title II common carrier regulation would have inflicted costly and disproportionate burdens on small broadband Internet providers, stifling investment and innovation especially in rural areas where deployment costs run higher than average. ACA appreciates that under Chairman Genachowski's leadership, the FCC reconsidered the Title II option and has advanced a template that appears to give providers appropriate pricing and network man-

agement flexibility under a light touch framework that attempts to balance the interests of consumers, innovators and access providers. At some point soon, ACA encourages the FCC to close the Title II docket to reassure stakeholders that such a heavy-handed approach is no longer under serious consideration.

"While generally optimistic ahead of the release of the text of the rules, ACA will need to review carefully the FCC's order to ensure that the regulations are calibrated such that they do not unduly constrain what are otherwise perfectly lawful business practices designed to maximize the broadband experience for each con-

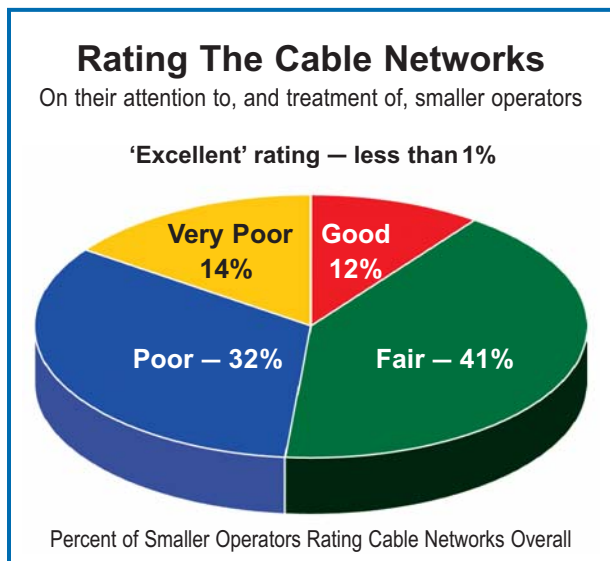
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ICN Special Report

Cable Network Evaluation Survey

Smaller system operators rate 130 networks on Pricing, Customer Service — and much more — beginning on **page 2**

sumer, including pricing plans matched to actual usage and download speed requirements. From the beginning, the Internet has thrived in the absence of government controls. ACA trusts that today's FCC rule-making honors that tradition via regulations that inspire people to innovate rather than litigate." □



How do cable networks treat smaller cable operators? How do these operators rate each network's pricing, appeal, and customer service? As this graph illustrates, most smaller operators see lots of room for improvement. See more beginning on **page 2**.

ACA Commends Senator Rockefeller For NBCU Merger Letter

American Cable Association chief Mat Polka has commended Sen. Rockefeller for his recent letter to FCC Chairman Genachowski regarding the Comcast-NBCU Transaction, as follows:

"ACA commends Sen. Rockefeller for stressing that the Comcast-NBCU merger is a serious threat to consumers and competition in traditional and online video distribution markets that could lead to higher pay TV subscription rates, justifying consideration of regulatory conditions that would prevent this unprecedented transaction from harming the public interest.

"Along with House Energy & Commerce Committee Chairman Henry Waxman and Rep. Edward Markey, Sen. Rockefeller deserves praise for making clear in his Dec. 10 letter... that the stakes for the country are very high and close regulatory scrutiny of the Comcast-NBCU transaction is not only warranted but essential to preserving the competitive framework resting on government initiatives begun nearly 20 years ago.

"ACA agrees with Sen. Rockefeller that 'it would be unacceptable for a transaction like this to lead to further consumer cable rate increases.'" □

Smaller Operators Rate 130 National Channels

Ranking The Cable Networks

- The Most-Carried cable networks
- Rating each network's Pricing
- Channels you'd like to add
- High-Speed Data Penetration
- Digital v. Analog Systems
- Which networks keep in touch?
- Best & Worst networks to deal with
- How many HD channels carried?

Our 16th Annual Network Evaluation Survey provides specific data on 130 national, basic, cable networks and their relationships with smaller system operators, as reported by those operators. And we want to thank the many *ICN* readers — mostly ACA and NCTC members — who participated, taking the time to fill out the detailed questionnaire with several ratings on each of those networks, as well as providing some general information about their operations.

This year's survey includes data from nearly 200 cable systems operated by companies ranging in size from a few hundred subs to over 400,000. But this is a survey of smaller operators, so all of the network rankings are based on one vote per operator regardless of size.

New in this year's survey is on the percentage of systems carrying a particular cable network which offer it in high definition. This information is shown in the tables for all networks covered by the survey.

Prices And Contacts

Given the very serious concerns smaller operators have long voiced about some network pricing, it is instructional to note that most operators

rate most commercial networks (63 percent) as fairly priced, including 4 percent rated as "Bargains." Respondents to our survey typically said that 37 percent of networks are priced "Too High" including 5 percent that demand "Outrageous" fees from operators — but of course these are mostly "necessary channels" and make up a significant chunk of total programming costs.

And if you take the ESPN, Fox, and a couple of other sports nets out of the equation, the negative ratings of pricing drop dramatically, as one would expect.

It should also be noted that this survey does **not** include premium channels, nor the regional sports networks which are certainly among the most expensive.

Asked to rate their overall treatment by cable programmers in general, 12 percent said "Good," 41 percent said "Fair," 32 percent said "Poor," and 14 percent said "Very Poor." Less than 1 percent of operators rated their treatment by cable networks as "Excellent."

Some operators even noted that, since

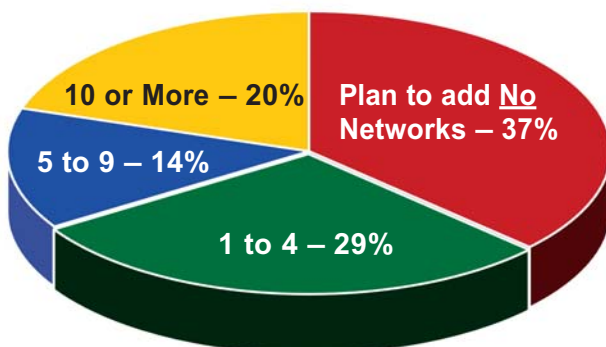
Guide to Tables

In this survey, basic cable networks were grouped into 8 categories — each of which is detailed here in a separate table. Only national, non-premium channels are included.

Network **Rank** within each category table was determined by:

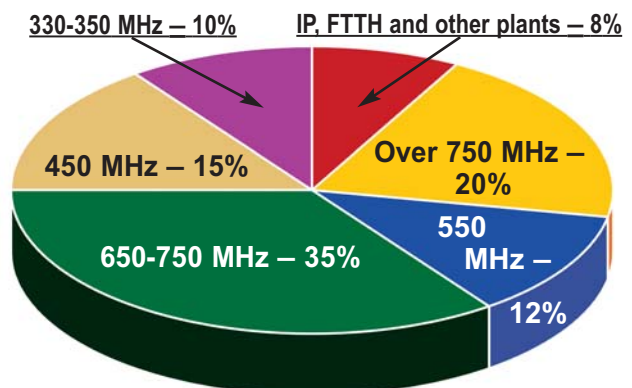
- (1) percent of independent operators **now carrying** the network,
- (2) percent of those not carrying a network who state that they **would** given channel space, and
- (3) inversely, by percent of those saying they **would not** add it, even with channel space available.

Average Networks To Add in 2010



Planned by Percent of Operators in Survey Sample

Analog Channel Capacity



Percent of Total Plants in Survey Sample

Cable Network Evaluation Survey Results

Overpriced Nets

Operators ranked each cable network on pricing as *A Bargain*, *Reasonable*, *Too High*, or *Outrageous*. Here are those ranked worst, combining the latter two descriptions:

ESPN	94%
Fox Sports Net	88%
NFL Network	83%
MTV	78%
Disney	77%
ESPN 2	76%
TNT	75%
HD Theater	74%
Fox News	72%
Fox College Sports	69%
Big Ten Network	68%
Nickelodeon	68%
TV Guide Channel	65%

More than 68% of respondents ranked ESPN's pricing as *Outrageous*.

they buy through NCTC, they do not expect (and for the most part do not receive) any direct contact from networks at all!

Larger operators do report substantially better treatment by most networks, but with over 36 percent of even the

Best Bargains

Operators ranked each cable network on pricing as *A Bargain*, *Reasonable*, *Too High*, or *Outrageous*. Here are those commercial channels ranked most often by operators as "A Bargain":

Bloomberg	24%
HLN (Headline News)	22%
Hallmark Movie Channel	20%
Outdoor Channel	18%
OlympuSat FamilyNet	17%
GMT	17%
Qubo	15%
Hallmark	15%
FamilyNet TV	14%
ION	13%
The Sportsman Channel	13%
ReelZChannel	12%
DIY	10%
Great American Country	10%

Most-Carried Cable Networks

RANK	Cable Network (Ranked by % of systems carrying)	Percent Systems Carrying	Operators' Ratings Of Cost			
			A Bargain	Reasonable	Too High	Outrageous
1	Disney	100%	0%	23%	65%	13%
2	Discovery *	99%	0%	52%	45%	3%
3	A&E *	99%	4%	71%	25%	0%
4	ABC Family	99%	1%	68%	28%	3%
5	ESPN *	99%	0%	6%	26%	68%
6	TNT	98%	0%	25%	57%	19%
7	History Channel *	98%	3%	75%	22%	0%
8	TBS	98%	0%	46%	49%	4%
9	CNN	98%	0%	37%	57%	6%
10	ESPN 2 *	98%	0%	24%	45%	31%
11	Spike TV	97%	1%	46%	50%	3%
12	USA	96%	1%	37%	54%	7%
13	Nickelodeon	95%	0%	32%	53%	15%
14	TV Land	95%	9%	74%	18%	0%
15	VH1	95%	0%	51%	41%	7%
16	Lifetime	95%	0%	46%	49%	4%
17	Weather Channel	93%	7%	78%	13%	1%
18	Home & Garden Television *	93%	0%	76%	22%	2%
19	Fox News	92%	1%	27%	60%	12%
20	The Learning Channel	92%	3%	64%	32%	2%
21	MTV	92%	0%	22%	67%	12%
22	Outdoor Channel	91%	19%	70%	11%	0%
23	Syfy	91%	2%	76%	23%	0%
24	Animal Planet	90%	3%	78%	17%	1%
25	Country Music Television	90%	6%	64%	28%	2%
26	C-SPAN	90%	33%	55%	13%	0%
27	Turner Classic Movies	89%	2%	58%	40%	0%
28	Food Network *	89%	0%	78%	20%	2%
29	Hallmark	88%	17%	68%	14%	0%
30	Comedy Central	88%	2%	58%	35%	5%
31	American Movie Classics	86%	3%	73%	22%	2%
32	Speed	86%	5%	65%	31%	0%
33	FX	85%	2%	43%	52%	3%
34	ESPN Classic	84%	0%	40%	37%	22%
35	Golf Channel	81%	2%	81%	18%	0%
36	Lifetime Movies	81%	3%	63%	32%	2%
37	Travel Channel	81%	4%	67%	28%	2%
38	Cartoon Network	81%	2%	68%	28%	2%
39	National Geographic Channel *	80%	3%	74%	21%	2%
40	CNBC	80%	2%	52%	47%	0%
41	HLN (Headline News)	79%	32%	45%	21%	2%
42	Versus	78%	0%	56%	44%	0%
43	Discovery Health	78%	0%	60%	37%	3%
44	ESPNews	77%	0%	48%	33%	18%
45	Biography Channel	76%	5%	76%	19%	0%
46	The Science Channel	75%	5%	67%	25%	2%
47	TruTV	75%	4%	67%	28%	2%
48	MSNBC	74%	0%	61%	36%	4%
49	Bravo	74%	2%	64%	34%	0%
50	TBN	74%	73%	22%	4%	0%
Averages for Top 50 Nets		88%	5%	56%	33%	6%

* denotes over 50% carriage in HD

Educational / Information Channels

RANK	Cable Network	Carried Now		Would Like To Add Channel		Rate your cost for this channel				Made contact in last 12 months?	
		Std Def.	High Def. %	Yes	No	A Bargain	Reasonable	Too High	Outrageous	Yes	No
1	Discovery	99%	51%	50%	0%	0%	52%	45%	3%	42%	58%
2	History Channel	98%	52%	67%	33%	3%	75%	22%	0%	28%	72%
3	The Learning Channel	92%	49%	25%	25%	3%	64%	32%	2%	38%	62%
4	Animal Planet	90%	50%	40%	30%	3%	78%	17%	1%	40%	60%
5	C-SPAN	90%	0%	30%	50%	33%	55%	13%	0%	7%	93%
6	National Geographic Channel	80%	71%	42%	26%	3%	74%	21%	2%	46%	54%
7	Discovery Health	78%	1%	19%	24%	0%	60%	37%	3%	47%	53%
8	The Science Channel	75%	49%	21%	42%	5%	67%	25%	2%	42%	58%
9	Discovery Kids	73%	6%	15%	38%	4%	67%	28%	2%	45%	55%
10	Military Channel	73%	0%	15%	42%	7%	67%	25%	2%	40%	60%
11	ID Investigation Discovery	67%	8%	10%	45%	4%	66%	29%	2%	45%	55%
12	History International	67%	5%	3%	45%	7%	70%	23%	0%	30%	70%
13	C-SPAN2	64%	0%	26%	47%	45%	47%	8%	0%	8%	92%
14	Fit TV	63%	0%	29%	46%	6%	68%	26%	0%	38%	62%
15	C-SPAN3	15%	14%	13%	60%	48%	35%	17%	0%	13%	87%
16	Pentagon Channel	4%	50%	13%	61%	9%	64%	27%	0%	4%	96%
17	Documentary Channel	4%	75%	2%	69%	10%	60%	30%	0%	9%	91%

largest independent MSOs reporting sub-par treatment, it is hardly a ringing endorsement by any measure.

How well do cable networks stay in touch with smaller MSOs and independents? The average operator in our survey said they have **not** been personally contacted within the last 12 months by 72 percent of the channels listed in the survey! And the average smaller operator has **never** been personally contacted by 33 percent of those cable channels. Those percentages are essentially unchanged over the last four years.

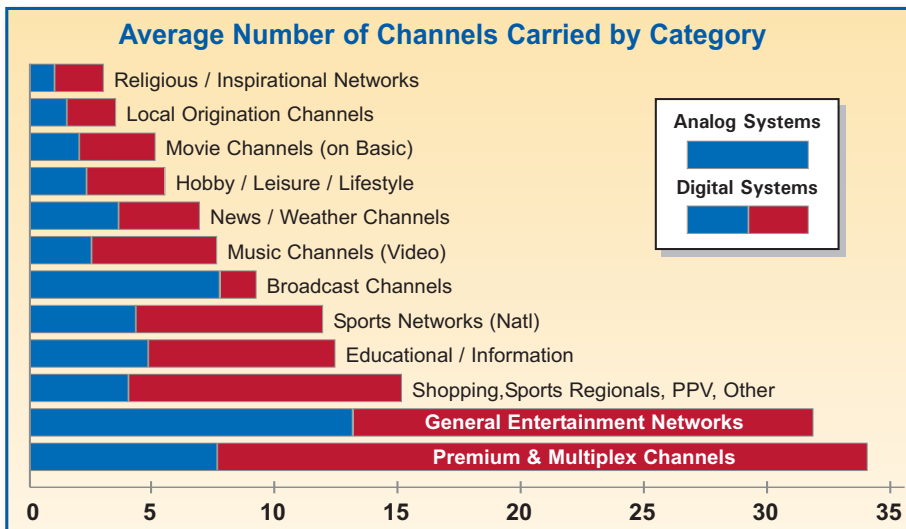
Furthermore, since some respondents only include information on the channels they actually carry, the reality is even more bleak than the statistics reflect, when it comes to cable networks getting in touch with their smaller potential affiliates.

The Good, Bad, The Ugly

You will note from the tables that channels are evaluated in eight separate categories. (Not included in this survey are premium channels, shopping channels, PPV services, regional networks,

foreign-language channels, and audio music services.) But it is instructive also to look at some results comparing widely carried channels across the board.

Best overall Customer Service: Fox and Fox Sports Networks, Discovery Networks, Disney-ESPN-ABC, Turner Networks, Starz and Scripps were the networks most often cited as best in overall customer service this year. NBCU, Outdoor Channel, Comcast, and A&E also received relatively high marks in overall customer service.



Selling Ads

The correlation of system size to local ad sales is of course very strong. Here are the percentages of systems selling ads by average subs per headend:

Over 5,000 subs	94%
2,000 - 5,000	54%
1,000 - 2,000	39%
Under 1,000	36%

Overall, 48% of the operators surveyed sell ads in at least some of their communities.

Cable Network Evaluation Survey Results

Music Channels (video)

R A N K	Cable Network	Carried Now	Would Like To Add Channel		Rate your cost for this channel				Made contact with you in last 12 months?		
			Yes	No	A Bargain	Reasonable	Too High	Outrageous	Yes	No	Never
1	VH1	92%	0%	60%	2%	39%	47%	11%	10%	66%	24%
2	MTV	92%	0%	70%	0%	24%	57%	19%	14%	62%	24%
3	Country Music Television	87%	6%	44%	6%	57%	31%	5%	11%	61%	27%
4	MTV2	70%	3%	49%	3%	38%	48%	13%	16%	57%	27%
5	VH1 Classic Rock	70%	0%	43%	3%	42%	46%	9%	13%	61%	26%
6	Great American Country	69%	5%	37%	10%	67%	23%	1%	11%	59%	31%
7	CMT Pure Country	57%	4%	43%	7%	54%	34%	4%	11%	51%	38%
8	VH1 Soul	47%	0%	55%	2%	44%	46%	8%	13%	56%	31%
9	Fuse	45%	4%	50%	0%	53%	44%	4%	11%	54%	36%
10	Centric (formerly BET Jazz)	23%	2%	62%	0%	50%	45%	5%	12%	43%	45%
11	Ovation	19%	5%	47%	9%	59%	28%	4%	11%	42%	47%
12	GMT	14%	3%	50%	17%	42%	39%	3%	6%	45%	49%

Worst overall Customer Service: *MTV Networks* remains in the number one spot on this dubious list this year, in front of *ABC/ESPN/Disney* and the *Turner Networks*. *NBCU*, and the *Fox Network* fill out the top five. *Discovery nets*, *HBO*, and *Scripps networks* also earned some bad marks in this category.

Note that some networks attract numerous votes as both the *Best* and *Worst* in customer service — resulting we believe from three factors: (1) the size of the operator, (2) differences in regional representation, and (3) the standards by which networks are judged. An example of the third factor are the

regional sports nets, which some operators rank based on price, but others apparently rank based keeping in close touch, or even on generous PR budgets for game tickets, etc.

Most Overpriced Networks: *ESPN* again tops this list, followed by *Fox Sports*, *NFL Network*, *MTV*, *Disney*, *Big*

TBN Everywhere



TBN Networks can be viewed on most media platforms and is available around the World.

Make sure your systems are carrying all of TBN's Networks in order to keep your faith subscribers happy.

www.tbnnetworks.com

Cable Network Evaluation Survey Results

Religious / Inspirational Channels

RANK	Cable Network	Carried Now		Would Like To Add Channel		Rate your cost for this channel				Made contact in last 12 months?	
		Std Def.	High Def. %	Yes	No	A Bargain	Reasonable	Too High	Outrageous	Yes	No
1	TBN	74%	1%	16%	44%	73%	22%	4%	0%	35%	65%
2	EWTN	60%	0%	27%	41%	64%	33%	2%	0%	23%	77%
3	INSP	37%	0%	10%	55%	67%	27%	6%	0%	23%	77%
4	Inspirational Life	32%	0%	14%	56%	62%	31%	7%	0%	18%	82%
5	The Word Network	13%	0%	11%	61%	77%	18%	5%	0%	20%	80%
6	Daystar TV	12%	0%	15%	56%	75%	20%	5%	0%	14%	86%
7	The Church Channel	12%	9%	14%	57%	80%	15%	5%	0%	18%	82%
8	JCTV	11%	0%	13%	57%	77%	18%	5%	0%	19%	81%
9	Smile of a Child TV	5%	0%	14%	57%	84%	11%	5%	0%	21%	79%
10	TBN Enlace	4%	0%	5%	66%	79%	16%	5%	0%	24%	76%

Ten Network, Disney, ESPN2, TNT, and HD Theater. Fox News, Fox College Sports, Big Ten Network, Nickelodeon, and TV Guide Channel were also ranked as overpriced by many operators. A whopping 68 percent of operators ranked ESPN's pricing as "Outrageous" and another 26 percent called it "Too High".

Highest in recent personal contacts

with smaller operators: The Fox networks (all of them) out pace all others in this category, with about 70 percent of smaller system operators reporting recent contacts from those nets. It is clear that they make major efforts to stay in contact with smaller operators.

Also ranking high for staying in touch with smaller operators are: the ESPN networks, National Geographic, the

Discovery Networks, Hallmark and Hallmark Movie Channel, Lifetime Movies, NFL Network, and the Military Channel.

The fact remains that most cable networks, including a number of the newer niche nets struggling to survive, make little or no discernable effort to contact smaller operators, especially those with under 5,000 subscribers.

Sports Channels

RANK	Cable Network	Carried Now		Would Like To Add Channel		Rate your cost for this channel				Made contact in last 12 months?	
		Std Def.	High Def. %	Yes	No	A Bargain	Reasonable	Too High	Outrageous	Yes	No
1	ESPN	99%	69%	50%	50%	0%	6%	26%	68%	47%	53%
2	ESPN 2	98%	61%	33%	67%	0%	24%	45%	31%	46%	54%
3	Outdoor Channel	91%	40%	44%	44%	19%	70%	11%	0%	24%	76%
4	Speed	86%	46%	21%	50%	5%	65%	31%	0%	41%	59%
5	ESPN Classic	84%	8%	6%	50%	0%	40%	37%	22%	47%	53%
6	Golf Channel	81%	32%	39%	44%	2%	81%	18%	0%	20%	80%
7	Versus	78%	32%	29%	33%	0%	56%	44%	0%	36%	64%
8	ESPNNews	77%	33%	5%	55%	0%	48%	33%	18%	46%	54%
9	Fox Sports Net	62%	46%	14%	64%	0%	12%	49%	39%	70%	30%
10	Fox Soccer Channel	53%	4%	9%	66%	0%	59%	35%	7%	57%	43%
11	NFL Network	52%	81%	44%	38%	0%	17%	58%	25%	40%	60%
12	Fox College Sports	46%	7%	14%	62%	0%	31%	56%	13%	60%	40%
13	The Sportsman Channel	43%	8%	32%	45%	26%	60%	14%	0%	29%	71%
14	Big Ten Network	43%	72%	21%	60%	2%	30%	55%	13%	44%	56%
15	CBS College Sports Network	19%	29%	23%	55%	0%	50%	43%	7%	22%	78%
16	Tennis Channel	19%	18%	17%	60%	17%	52%	31%	0%	15%	85%
17	Fuel TV	16%	7%	12%	60%	0%	58%	38%	4%	32%	68%
18	Horse Racing TV	15%	0%	6%	69%	33%	33%	29%	4%	27%	73%
19	Fox Sports en Espanol	13%	0%	5%	74%	4%	46%	33%	17%	52%	48%
20	Gol TV	1%	0%	8%	68%	0%	69%	31%	0%	2%	98%

Cable Network Evaluation Survey Results

News & Weather Channels

RANK	Cable Network	Carried Now		Would Like To Add Channel		Rate your cost for this channel				Made contact in last 12 months?	
		Std Def.	High Def. %	Yes	No	A Bargain	Reasonable	Too High	Outrageous	Yes	No
1	CNN	98%	24%	33%	0%	0%	37%	57%	6%	23%	77%
2	Weather Channel	93%	14%	57%	14%	7%	78%	13%	1%	33%	67%
3	Fox News	92%	33%	38%	50%	1%	27%	60%	12%	42%	58%
4	CNBC	80%	27%	16%	47%	2%	52%	47%	0%	32%	68%
5	HLN (Headline News)	79%	14%	5%	50%	32%	45%	21%	2%	25%	75%
6	MSNBC	74%	21%	32%	32%	0%	61%	36%	4%	31%	69%
7	Bloomberg	65%	0%	9%	52%	29%	57%	14%	0%	13%	87%
8	Fox Business Network	44%	28%	35%	42%	11%	55%	34%	0%	46%	54%
9	Current TV	19%	0%	5%	69%	14%	43%	38%	5%	4%	96%

The Networks operators would most like to add if and when channel space is available (among nets not already carried by at least 90 percent of systems): *Hallmark Movie Channel, Hallmark Channel, NFL Network, National Geographic Channel, and Animal Planet*, rank as the top 5. *Country Music Television, Golf Channel, DIY, Fox Movie Channel, and Food Network* complete the top 10. *Turner Classic Movies, American Movie Classics, Fox Business Network, Comedy Central, and The Sportsman Channel* were also high picks for possible channel additions.

The Typical System

The systems in our survey sample have a median average of 1,512 subscribers. Although the majority of the operating companies in the sample operate a single system, numerous MSOs are included (none of the top 5, of course) resulting in a mean average company size of about cable 2 systems totaling

about 13,900 subscribers per company.

More representative, however, are the median averages of 1 system per company, and 1,580 subscribers per company. About 22 percent of the companies in our sample operate more than one system.

Just under 36 percent of the companies responding to our survey appear to be primarily telcos, based on the fact that their phone customers outnumber their video customers. This represents a sharp increase over previous survey samples, and clearly reflects a skew in likelihood of responses rather than a sudden increase in telcos offering video services.

Here's a look at typical operations among those offering digital cable and those which don't:

Digital Systems: As one would expect, digital offerings are found more often on larger systems, and in our survey sample, the median digital system serves just over 1,800 basic subs with just over

30 percent also taking digital service.

Of course some of these systems have just added digital service, so penetration rates vary widely. These systems are operated by companies with a mean average of 16,500 subscribers on 2 headends.

These operations provide an average of 143 video channels, including about 32 premium, and 6 PPV channels on average. They currently offer an average of 33 channels in HDTV. They also offer an average of 38 audio signals, and 24 percent offer VOD services.

Over 59 percent plan to channel capacity next year, and 65 percent will add cable channels, typically 6 or 7 networks.

About 61 percent of these operators also offer data-over-cable service, and on average, their modem customers equate to about 51 percent of their basic cable subs.

Over 58 percent of these operators sell

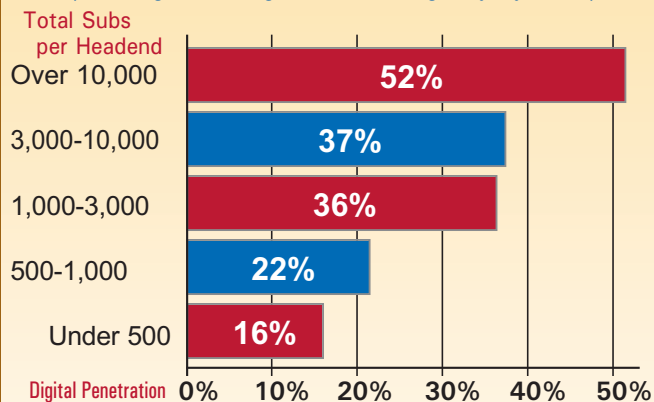
Hobby – Leisure – Lifestyle Channels

RANK	Cable Network	Carried Now		Would Like To Add Channel		Rate your cost for this channel				Made contact in last 12 months?	
		Std Def.	High Def. %	Yes	No	A Bargain	Reasonable	Too High	Outrageous	Yes	No
1	Home & Garden Television	93%	65%	43%	29%	0%	76%	22%	2%	25%	75%
2	Food Network	89%	67%	36%	36%	0%	78%	20%	2%	29%	71%
3	Travel Channel	81%	42%	22%	39%	4%	67%	28%	2%	29%	71%
4	Planet Green	69%	52%	7%	55%	0%	69%	27%	4%	41%	59%
5	DIY	68%	2%	37%	27%	8%	81%	9%	2%	23%	77%
6	style.	54%	10%	16%	44%	3%	78%	20%	0%	24%	76%
7	Fine Living	38%	0%	16%	49%	0%	73%	24%	3%	24%	76%
8	Wealth TV	7%	71%	13%	59%	17%	39%	44%	0%	18%	82%

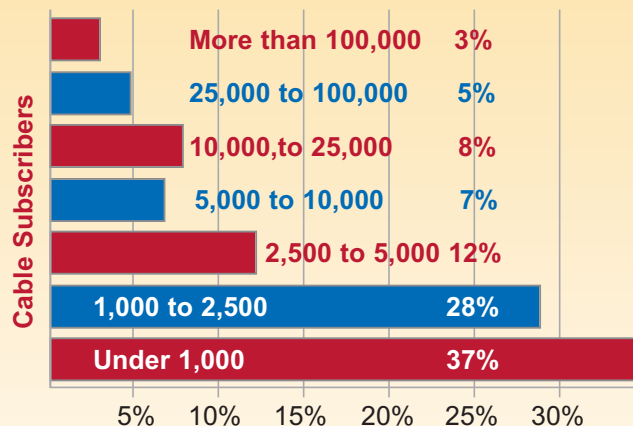
Cable Network Evaluation Survey Results

Average Digital Penetration By System Size

(Omitting 100% Digital, and Analog-only Systems)



Size of Companies In Survey Sample



local advertising in at least some of their communities.

Of the digital system operators in our sample, excluding those that are primarily telcos, about 53 percent offer telephony services in one or more of their communities, with a company-wide penetration rate of over 31 percent telephony customers to basic cable subs.

foreign language channel. They have an average of 11 unused analog channels,

Modem Subs

Just under 57 percent of operators in our survey offer high-speed data services.

The correlation of system size to offering high-speed data services is predictable, but not as strong as might be expected. From our survey, here are the percentages of operators providing cable modem service, by average subscribers per headend:

Over 5,000 subs	88%
2,000 - 5,000	50%
1,000 - 2,000	65%
Under 1,000	44%

For operators offering modem service, the ratio of data customers to basic cable subs averages 68%.

Analog-Only Operations

The operations in our sample which do not currently offer digital cable are virtually all under 1,500 subs. These companies have a median average of just over 450 total subs, with a mean average of 2.1 headends, and a median system size of just under 200 subs.

About 40 percent of these respondents operate plants in the 400-450 MHz range, with the rest about evenly split among 300-330, 500-550, 750, and 850+ MHz ranges.

These systems provide an average of 48 video channels, typically including 3 premium channels, 8 broadcast signals, 1 regional sports net, 1 shopper and 1

Digital Cable

The correlation of system size to offering digital cable is naturally very strong. From our survey, here are the percentages of operators providing digital service, by average subscribers per headend:

Over 10,000 subs	100%
2,000 - 10,000	100%
1,000 - 2,000	89%
500 - 1,000	80%
Under 500	58%

The numbers in the last three groups keep going up, and the overall percentage of our total survey sample is now 84%.

Of those operators offering digital service (but omitting 100% digital systems) the average ratio of digital to basic subs is 33%.

Movie Channels (on Basic)

RANK	Cable Network	Carried Now		Would Like To Add Channel		Rate your cost for this channel				Made contact in last 12 months?	
		Std Def.	High Def. %	Yes	No	A Bargain	Reasonable	Too High	Outrageous	Yes	No
1	Turner Classic Movies	89%	12%	36%	27%	2%	58%	40%	0%	31%	69%
2	American Movie Classics	86%	4%	36%	50%	3%	73%	22%	2%	21%	79%
3	Lifetime Movies	81%	45%	28%	33%	3%	63%	32%	2%	40%	60%
4	Fox Movie Channel	68%	2%	37%	40%	5%	66%	29%	0%	44%	56%
5	Hallmark Movie Channel	62%	23%	58%	25%	24%	61%	15%	0%	39%	61%
7	HD Theater	61%	88%	9%	23%	0%	26%	54%	20%	39%	61%
6	Independent Film Channel	46%	5%	24%	48%	7%	64%	29%	0%	23%	77%
8	Sundance Channel	15%	0%	18%	59%	0%	46%	33%	21%	16%	84%

Cable Network Evaluation Survey Results

General Entertainment Channels

RANK	Cable Network	Carried Now		Would Like To Add Channel		Rate your cost for this channel				Made contact in last 12 months?	
		Std Def.	High Def. %	Yes	No	A Bargain	Reasonable	Too High	Outrageous	Yes	No
1	Disney	100%	44%	NA	NA	0%	23%	65%	13%	34%	66%
2	A&E	99%	60%	50%	0%	4%	71%	25%	0%	29%	71%
3	ABC Family	99%	42%	50%	50%	1%	68%	28%	3%	25%	75%
4	TNT	98%	45%	67%	0%	0%	25%	57%	19%	24%	76%
5	TBS	98%	34%	33%	0%	0%	46%	49%	4%	24%	76%
6	Spike TV	97%	6%	50%	25%	1%	46%	50%	3%	22%	78%
7	USA	96%	47%	20%	20%	1%	37%	54%	7%	28%	72%
8	Nickelodeon	95%	3%	17%	0%	0%	32%	53%	15%	28%	72%
9	TV Land	95%	1%	17%	17%	9%	74%	18%	0%	25%	75%
10	Lifetime	95%	35%	17%	33%	0%	46%	49%	4%	37%	63%
11	Syfy	91%	49%	22%	33%	2%	76%	23%	0%	27%	73%
12	Hallmark	88%	4%	50%	17%	17%	68%	14%	0%	40%	60%
13	Comedy Central	88%	5%	33%	33%	2%	58%	35%	5%	26%	74%
14	FX	85%	45%	27%	20%	2%	43%	52%	3%	39%	61%
15	Cartoon Network	81%	22%	17%	33%	2%	68%	28%	2%	30%	70%
16	Biography Channel	76%	14%	9%	35%	5%	76%	19%	0%	25%	75%
17	TruTV	75%	12%	13%	33%	4%	67%	28%	2%	28%	72%
18	Bravo	74%	34%	24%	28%	2%	64%	34%	0%	28%	72%
19	GSN	74%	0%	20%	32%	2%	79%	19%	0%	28%	72%
20	G4 TV	74%	7%	0%	64%	9%	75%	16%	0%	25%	75%
21	BBC America	71%	2%	4%	48%	2%	70%	28%	0%	33%	67%
22	E! Entertainment Television	68%	26%	17%	27%	5%	67%	25%	2%	23%	77%
23	Soapnet	68%	0%	17%	37%	2%	72%	25%	2%	28%	72%
24	Fox Movie Channel	65%	3%	24%	42%	4%	66%	28%	2%	47%	53%
25	Nickelodeon Toons	65%	0%	12%	45%	4%	51%	41%	4%	26%	74%
26	TeenNick	64%	0%	18%	53%	6%	60%	34%	0%	28%	72%
27	RFD TV	63%	2%	29%	31%	8%	73%	17%	2%	39%	61%
28	Oxygen	60%	2%	24%	38%	5%	61%	34%	0%	28%	72%
29	WE - Women's Entertainment	58%	6%	15%	46%	4%	69%	27%	0%	21%	79%
30	Chiller	57%	0%	13%	45%	2%	74%	21%	2%	33%	67%
31	Sleuth	54%	2%	9%	53%	8%	81%	10%	0%	27%	73%
32	Boomerang	46%	2%	24%	40%	17%	60%	24%	0%	32%	68%
33	ION	43%	5%	11%	51%	23%	63%	14%	0%	16%	84%
38	HDNet	40%	81%	10%	35%	0%	53%	41%	6%	20%	80%
34	BET	37%	0%	9%	59%	3%	56%	38%	3%	19%	81%
35	TV Guide Channel	34%	6%	11%	46%	3%	32%	53%	12%	28%	72%
36	American Life TV Network	32%	3%	11%	51%	18%	65%	18%	0%	14%	86%
37	FamilyNet TV	15%	7%	19%	46%	32%	52%	16%	0%	18%	82%
39	Fox Reality Channel	13%	0%	16%	58%	4%	54%	38%	4%	30%	70%
40	Qubo	11%	0%	9%	57%	19%	50%	31%	0%	13%	87%
41	OlympuSat FamilyNet	9%	0%	6%	60%	36%	32%	27%	5%	13%	87%
42	ReelZChannel	8%	0%	16%	54%	53%	16%	26%	5%	18%	82%
43	TV Data	4%	25%	3%	61%	8%	46%	38%	8%	8%	93%
44	BlueHighways TV	2%	0%	7%	66%	23%	38%	38%	0%	17%	83%

Cable Network Evaluation Survey Results

although 1 in 4 have no empty channels.

Over 60 percent of these operators do offer data-over-cable service, and on average, their modem customers equate to about 38 percent of their cable subs.

About 20 percent of these operators sell local advertising in at least one of their communities.

Over 30 percent of these analog system operators plan to increase their channel capacity next year. And 42 percent plan to add one or more networks to their lineups next year — about 7 networks on average. Of course some of those operators are planning to add a digital offering.

While these analog-only system operations typically offer only about half the total video channels of their digital counterparts, much of this is accounted for by far fewer premium (multiplex) channels; PPV channels; and fewer broadcast and shopping / infomercial channels. And of course they typically do not offer VOD services, nor the heavy lineup of audio music signals included in most digital offerings. They are also less likely to carry a guide channel.

Many (56 percent) of these operators report that they typically buy used or refurbished distribution equipment to

use in their plants, compared with 33 percent of the larger systems in our survey.

These typically-smaller operators rarely hear from most networks, of course. In fact, this group of respondents report that, on average, they have had direct contact from less than 10 percent of the 130 networks in the survey during the past year. And they tell us that they have never had direct contact with an affiliates rep from almost 1/2 of the rest.

Again, our thanks to all the respondents in our sample, and we'll be back at this time next year to again evaluate the cable networks. □

Rocco Commisso Takes Mediacom Private With For \$8.75 Per Share

Mediacom Communications chairman and CEO Rocco Commisso's latest offer of \$8.75 per share has been accepted by the company, completing his bid to take the MSO private..

Commisso, who founded Mediacom in 1995, had made two previous offers, both of which had been rejected by a special committee of independent directors as too low. Mediacom has now announced that it has entered into a definitive merger agreement with Commisso and a newly-created entity he controls.

The deal is contingent on a "majority of the minority" provision, which requires approval of a majority of the Class A shares not held by Commisso, who currently holds about 40% of Mediacom's outstanding shares and 87% of its voting con-

trol. The transaction is expected to be completed in the first half of 2011.

"As I stated when the announcement was first made on June 1st, it is very important that you understand becoming a private company will not change the way we do business," Commisso said in a memo to employees. "Mediacom customers are the absolute, number one priority for all of us, and we will strive to continue to provide them with great customer service and the very best products and services. I expect that the going private process will not distract any of us from managing the day-to-day operations of our company."

J.P. Morgan Securities and BofA Merrill Lynch provided financial advice to Commisso in the transaction.

Mediacom is the eighth largest MSO in the country with about 1.2 million subscribers in several Midwest and Southern states. □

ACA Applauds FCC's Intent To Open Retrans Rulemaking

On December 8, the American Cable Association released a statement from CEO Matt Polka as follows: "ACA applauds the Federal Communications Commission's intention to launch a rulemaking to review the broken retransmission consent regime that local TV stations have been abusing to gouge cable operators and their customers for many years, especially in small markets where ACA members are most active.

"Procedural reforms designed to supply consumers with timely information and protect them from broadcasters' 'black-

mail or blackout' stratagems are a solid first step, as FCC Media Bureau Chief William Lake outlined in his speech at the Media Institute. In his remarks, Chief Lake said the rulemaking would be broad in scope, and ACA commends him for wanting the FCC's review to be as comprehensive as possible.

"As the FCC moves ahead with its rulemaking early next year, ACA looks forward to pointing out the many flaws in a regulatory scheme that permits broadcasters to charge discriminatory fees to small cable providers and gain even more bargaining leverage over them by entering into collusive agreements where one TV station jointly negotiates retransmission consent with a second station in the same local market." □

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Robert A. Searle — *Editor & Publisher* • e-mail: rsearle@searlepub.com • Phone 303-730-3006 — Fax 303-797-0276
Roderick Robles — *Associate Publisher* • e-mail: rrobles@searlepub.com • Phone: 805-683-2831

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