Independent Cable NEWS

Serving Independent
Cable Operating Companies

Jan – Feb 2012

Association Expresses Disappointment

FCC's New EAS Rules Could Shutter Some Small Systems

On January 12, ACA Chief Matt Polka issued the following statement regarding the release of the FCC's Emergency Alert System, Fifth Report and Order:

"ACA recognizes the importance of the Emergency Alert System... But ACA is highly disappointed with the FCC's decision to impose rigidly new and costly regulatory mandates on the nation's very smallest cable operators.

"Both ACA and the National Cable & Telecommunications Association urged the FCC to provide an exemption from Common Alerting Protocol (CAP) compliance for cable systems that do not have a physical Internet connection at their headends. The FCC did not agree. ACA has a number of members that have systems that fall into this category, and the FCC's decision will now require them not only to upgrade their existing EAS equipment, but also to obtain Internet service at their headends when many of these systems are located in areas where a physical connection is not available.

"Adding to the burden was the FCC's decision to consider waivers only on a case-by-case basis while suggesting that any waivers granted will be limited to a maximum of six months. Because the FCC did not... even consider a streamlined waiver process, ACA members will have to absorb the added expense of retaining counsel to draft waivers and track their progress within the agency after they have been submitted...

"The majority of systems that do not have a physical Internet connection serve from a few dozen to a few hundred subscribers. Most are struggling to break even today, and...the cost of new regulatory burdens...will likely lead some to shut down their cable systems prematurely...

"The FCC's unwillingness to recognize the financial strain of the EAS-CAP regime on many small cable companies by establishing a streamlined waiver process is terribly disappointing and should be reconsidered promptly." ❑

Inside

ICN Special Report

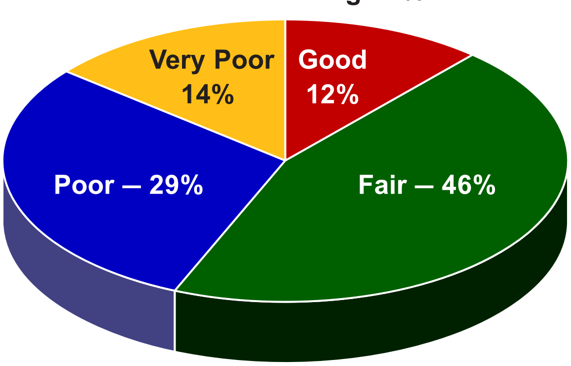
Cable Network Evaluation Survey

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

Rating The Cable Networks

On their attention to, and treatment of, smaller operators

'Excellent' rating = 0%



Percent of Smaller Operators Rating Cable Networks Overall

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 Supports Shentel In Retransmission Consent Dispute With Allbritton

American Cable Association President and CEO Matthew Polka has issued the following statement in support of Shenandoah Cable Television (Shentel) in connection with a retransmission consent complaint filed with the FCC by TV station WJLA, an ABC affiliate in Washington, D.C., owned by Allbritton Communications. Shentel filed its response on January 9.

"Based on the facts presented to the FCC, it's quite apparent that Allbritton has hurled frivolous allegations at Shentel, which bravely decided to resist this broadcaster's effort to extract huge amounts of money for carriage of its ABC signal. After reviewing all the evidence, including email exchanges in their proper context and sequence, an impartial judge could only conclude that Allbritton filed an FCC complaint because it did not like the outcome of a fair negotiation that Shentel conducted in good faith, as required by law.

"Allbritton's attempt to gouge Shentel customers was unsuccessful, an outcome rarely seen in an economy saturated with anticompetitive conduct by broadcasters, highlighted by coordinated retransmission consent negotiating by same-market, separately owned TV stations determined to gain maximum bargaining leverage over smaller pay-TV providers." ❑

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 17th 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 under 100 subs to over 100,000. 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 a ranking of the networks most carried in high definition, which can be seen in the box on page 5.

Prices And Contacts

Given the very serious concerns smaller operators have long voiced about some network pricing, it is instructional to note that a majority of smaller operators rate most commercial networks (56 percent) as fairly priced, including 6 percent rated as "Bargains." Respondents to our survey typically said that 44 percent of networks are priced "Too High" including 7 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, NFL 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," 46 percent said "Fair," 29 percent said "Poor," and 14 percent said "Very Poor." Zero percent of operators rated their treatment by cable networks as "Excellent."

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

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.

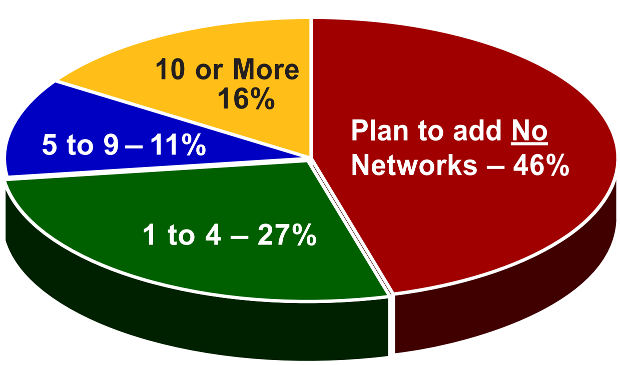
Network **Rank** within each category table was determined by:

(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

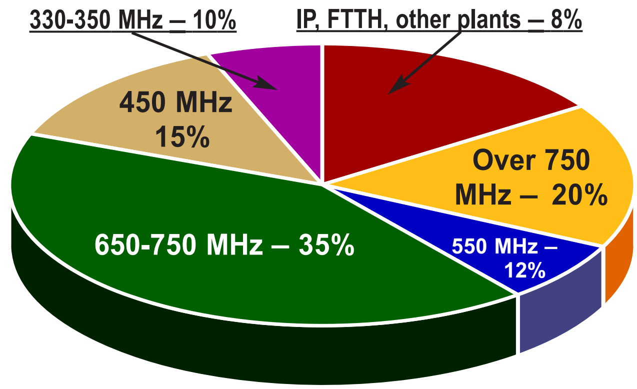
(3) inversely, by percent of those saying they **would not** add it, even with channel space available.

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 **100%**
Fox Sports Net **98%**
ESPN 2 ....**82%**
Fox News **81%**
NFL Network............................**79%**
Big Ten Network.......................**75%**
MTV **74%**
Sundance Channel **71%**
HD Theater...............................**71%**
ION **69%**
Fox Sports en Espanol...........**69%**
TeenNick **68%**
TV Guide Channel...................**67%**
Fox College Sports **66%**
Lifetime **65%**

More than 70% of respondents ranked ESPN's pricing as *Outrageous.*

Larger operators do report substantially better treatment by most networks, but with only 40 percent of even the largest independent MSOs reporting "Good" treatment, it is hardly a ringing endorsement by any measure.

How well do cable networks stay in touch

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 **34%**
HLN (Headline News) **33%**
Hallmark Movie Channel **31%**
Qubo **26%**
Outdoor Channel **18%**
GSN **18%**
ReelZChannel...........................**18%**
The Sportsman Channel **17%**
HDNet.......................................**16%**
Retirement Living TV..............**15%**
Great American Country **13%**
E! Entertainment Television...**13%**
VH1 Soul **12%**
BlueHighways TV....................**11%**

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	History Channel *	99%	2%	68%	29%	2%
2	Discovery *	99%	1%	51%	39%	9%
3	CNN	98%	0%	40%	57%	3%
4	Spike TV	98%	0%	53%	46%	1%
5	Lifetime	98%	0%	35%	52%	13%
6	ESPN 2 *	98%	1%	16%	44%	38%
7	Comedy Central	96%	0%	38%	53%	9%
8	ESPN *	96%	0%	0%	30%	70%
9	Fox News	96%	0%	19%	59%	22%
10	Weather Channel	95%	9%	64%	25%	1%
11	Country Music Television *	95%	10%	60%	29%	2%
12	Home & Garden Television *	95%	3%	71%	26%	0%
13	American Movie Classics	95%	3%	65%	30%	2%
14	Food Network *	95%	3%	76%	21%	0%
15	Turner Classic Movies	94%	2%	50%	44%	5%
16	VH1	94%	5%	52%	38%	5%
17	MTV	94%	0%	26%	66%	8%
18	Animal Planet *	93%	6%	67%	22%	4%
19	Syfy	92%	3%	48%	48%	2%
20	TV Land	92%	3%	44%	48%	5%
21	The Learning Channel	92%	2%	63%	33%	3%
22	C-SPAN	90%	39%	44%	16%	2%
23	Golf Channel	89%	5%	66%	26%	3%
24	TNT	89%	0%	51%	38%	11%
25	Outdoor Channel *	88%	18%	62%	17%	3%
26	Disney	88%	2%	52%	37%	10%
27	National Geographic Ch. *	88%	3%	68%	27%	2%
28	Nickelodeon	88%	6%	42%	42%	9%
29	Lifetime Movies *	88%	5%	48%	43%	5%
30	TruTV	87%	2%	57%	38%	3%
31	Soapnet	87%	2%	44%	52%	2%
32	Travel Channel *	86%	10%	66%	22%	2%
33	TBS	86%	7%	48%	44%	2%
34	USA	86%	2%	48%	43%	7%
35	Speed *	86%	2%	67%	27%	5%
36	GSN	85%	18%	63%	15%	3%
37	Planet Green	85%	3%	64%	31%	2%
38	FX	83%	5%	60%	33%	2%
39	ESPNews	83%	7%	45%	23%	25%
40	Military Channel	83%	2%	75%	22%	2%
41	Bravo	82%	2%	58%	37%	3%
42	Discovery Health	82%	2%	53%	42%	3%
43	The Science Channel *	82%	3%	68%	27%	2%
44	CNBC	82%	0%	49%	49%	2%
45	ESPN Classic	82%	3%	39%	30%	28%
46	Chiller	80%	2%	58%	37%	3%
47	HLN (Headline News)	80%	33%	42%	23%	2%
48	WE - Women's Entertainment	79%	2%	55%	39%	4%
49	TeenNick	77%	2%	30%	58%	10%
50	Boomerang	77%	5%	68%	21%	5%
	Averages for Top 50 Nets	**89%**	**5%**	**52%**	**36%**	**7%**

*** denotes over 50% carriage in HD**

Educational / Information Channels

RANK	Cable Network	Carried Now: Std Def.	Carried Now: High Def. %	Would Like To Add Channel: Yes	Would Like To Add Channel: No	Rate your cost for this channel: A Bargain	Rate your cost: Reason-able	Rate your cost: Too High	Rate your cost: Out-rageous	Made contact in last 12 months?: Yes	Made contact in last 12 months?: No
1	History Channel	99%	63%	0%	0%	2%	68%	29%	2%	32%	68%
2	Discovery	99%	65%	0%	0%	1%	51%	39%	9%	41%	59%
3	Animal Planet	93%	56%	17%	17%	6%	67%	22%	4%	32%	68%
4	The Learning Channel	92%	44%	0%	43%	2%	63%	33%	3%	29%	71%
5	C-SPAN	90%	2%	13%	50%	39%	44%	16%	2%	10%	90%
6	National Geographic Ch	88%	67%	20%	30%	3%	68%	27%	2%	40%	60%
7	Military Channel	83%	0%	0%	50%	2%	75%	22%	2%	33%	67%
8	Discovery Health	82%	10%	13%	27%	2%	53%	42%	3%	41%	59%
9	The Science Channel	82%	45%	13%	40%	3%	68%	27%	2%	32%	68%
10	ID Investigation Discovery	77%	24%	0%	42%	2%	70%	26%	2%	35%	65%
11	History International	76%	8%	15%	40%	8%	64%	25%	2%	32%	68%
12	The Hub (Discovery Kids)	71%	14%	17%	33%	0%	69%	30%	2%	40%	60%
13	C-SPAN2	70%	2%	8%	56%	48%	37%	13%	2%	11%	89%
14	C-SPAN3	17%	0%	13%	54%	40%	32%	24%	4%	10%	90%
15	Pentagon Channel	8%	0%	10%	61%	14%	50%	32%	5%	4%	96%
16	Documentary Channel	5%	0%	11%	66%	0%	47%	47%	7%	4%	96%

with smaller MSOs and independents? The average operator in our survey said they have not been personally contacted within the last 12 months by 75 percent of the channels listed in the survey! And the average smaller operator has never been personally contacted by over 25 percent of those cable channels. Those percentages are essentially unchanged over the last five 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

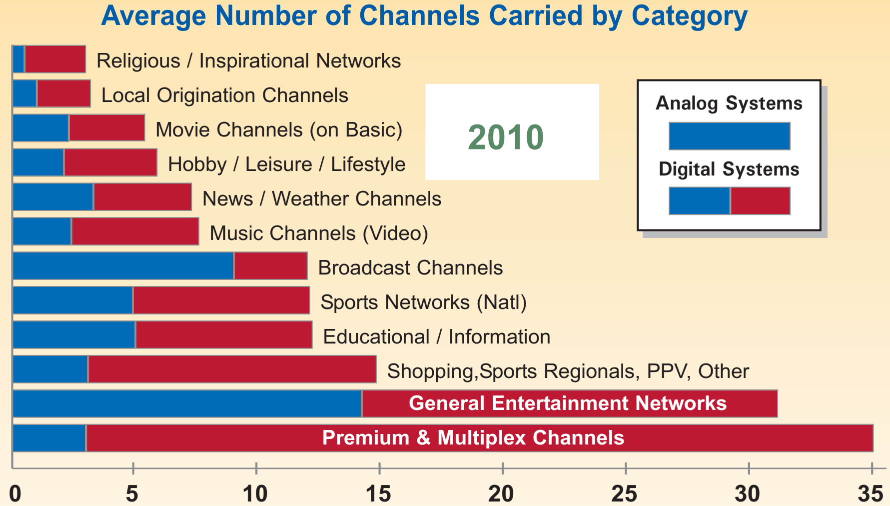
You will note from the tables that channels are evaluated in eight separate categories. (Not included in this survey are premium channels, shopping channels, PPV services, regional networks, foreign-language channels, and audio music services.) But it is instructive also to look at some results comparing widely carried channels across the board.

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

Worst overall Customer Service: *MTV Networks (Viacom)* remains in the number one spot on this dubious list this year, in front of *Turner Networks, Fox, Discovery* and *ESPN/Disney/ABC*. *HBO* and *Rainbow* fill out the top seven.

Note that several 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

Average Number of Channels Carried by Category



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	67%
1,000 - 2,000	36%
Under 1,000	34%

Overall, 52% of the operators surveyed sell ads in at least some of their communities.

Cable Network Evaluation Survey Results

Music Channels (video)

RANK	Cable Network	Carried Now	Would Like To Add Channel: Yes	Would Like To Add Channel: No	Rate your cost for this channel: A Bargain	Reason-able	Too High	Out-rageous	Made contact with you in last 12 months?: Yes	No	Never
1	Country Music Television	95%	7%	25%	25%	10%	60%	29%	2%	14%	86%
2	VH1	94%	8%	0%	20%	5%	52%	38%	5%	15%	85%
3	MTV	94%	13%	0%	40%	0%	26%	66%	8%	15%	85%
4	MTV2	74%	2%	9%	45%	6%	40%	46%	8%	17%	83%
5	VH1 Classic Rock	69%	1%	4%	50%	9%	43%	45%	4%	16%	84%
6	Great American Country	65%	1%	28%	34%	13%	51%	30%	6%	18%	82%
7	CMT Pure Country	55%	6%	16%	47%	10%	44%	44%	2%	15%	85%
8	VH1 Soul	45%	1%	4%	52%	12%	42%	39%	6%	16%	84%
9	Fuse	40%	6%	14%	56%	3%	61%	31%	6%	19%	81%
10	Centric (formerly BET Jazz)	29%	1%	2%	68%	0%	57%	37%	7%	9%	91%
11	Ovation	24%	4%	9%	55%	7%	48%	38%	7%	19%	81%
12	GMT	13%	1%	4%	63%	0%	40%	50%	10%	4%	96%

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 Net, ESPN 2, Fox News, NFL Network, Big Ten Network, MTV, Sundance Channel, HD Theater, ION, Fox Sports en Espanol, TeenNick,* and *TV Guide.*

Fox College Sports, Lifetime, Fox Soccer Channel, CBS College Sports Network, Comedy Central, CNN, and the *Tennis Channel* were also ranked as overpriced by many operators.

A whopping 70 percent of operators ranked ESPN's pricing as "Outrageous" and the other 30 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 60 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: *Hallmark* and *Hallmark Movie Channel,* the *Discovery Networks, GSN, National Geographic, Lifetime Movies, NFL Network,* and the *ESPN networks.*

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.

Most Carried in HD

1	ESPN	81%
2	ESPN 2	73%
3	Home & Garden	69%
4	National Geographic	67%
5	Discovery	65%
6	Food Network	64%
7	History Channel	63%
8	HD Theater	61%
9	Animal Planet	56%
10	Speed	54%
11	Outdoor Channel	51%
12	American Life TV	51%
13	Travel Channel	50%

The Networks operators would most like to add if and when channel space is available (among nets not already carried

News & Weather Channels

RANK	Cable Network	Carried Now: Std Def.	Carried Now: High Def. %	Would Like To Add Channel: Yes	Would Like To Add Channel: No	Rate your cost for this channel: A Bargain	Reason-able	Too High	Out-rageous	Made contact in last 12 months?: Yes	No
1	CNN	98%	32%	0%	0%	0%	40%	57%	3%	23%	77%
2	Fox News	96%	46%	0%	33%	0%	19%	59%	22%	36%	64%
3	Weather Channel	95%	14%	50%	0%	9%	64%	25%	1%	24%	76%
4	CNBC	82%	38%	7%	33%	0%	49%	49%	2%	30%	70%
5	HLN (Headline News)	80%	18%	6%	29%	33%	42%	23%	2%	24%	76%
6	MSNBC	77%	29%	5%	37%	0%	54%	41%	5%	31%	69%
7	Bloomberg	69%	2%	8%	50%	34%	48%	16%	2%	15%	85%
8	Fox Business Network	56%	17%	30%	32%	6%	47%	43%	4%	42%	58%
9	Current TV	25%	0%	13%	57%	4%	52%	39%	4%	14%	86%

Religious / Inspirational Channels

RANK	Cable Network	Carried Now Std Def.	Carried Now High Def. %	Would Like To Add Channel Yes	Would Like To Add Channel No	Rate your cost: A Bargain	Reason-able	Too High	Out-rageous	Made contact in last 12 months? Yes	No
1	TBN	76%	2%	5%	45%	79%	17%	4%	0%	27%	73%
2	EWTN	68%	0%	11%	52%	75%	15%	10%	0%	20%	80%
3	INSP	32%	0%	5%	60%	62%	23%	15%	0%	22%	78%
4	Inspirational Life	30%	0%	5%	59%	70%	20%	10%	0%	21%	79%
5	Daystar TV	14%	0%	7%	64%	88%	6%	6%	0%	10%	90%
6	The Word Network	13%	0%	0%	68%	78%	11%	11%	0%	9%	91%
7	The Church Channel	10%	0%	8%	62%	80%	10%	10%	0%	14%	86%
8	JCTV	10%	0%	5%	64%	80%	10%	10%	0%	13%	87%
9	TBN Enlace	7%	0%	3%	64%	77%	15%	8%	0%	18%	82%
10	Smile of a Child TV	6%	0%	4%	66%	80%	10%	10%	0%	16%	84%

by at least 90 percent of systems): *DIY* (by a wide margin), *NFL Network, FX, Hallmark Movie Channel.* and *Travel Channel* rank as the top 5. *Outdoor Channel, The Sportsman Channel, Fox Business Network, Great American Country,* and *Golf Channel* complete the top 10.

CBS College Sports Network, National Geographic Channel, Bravo, Disney, and *Fuel TV* were also high picks for possible channel additions.

The Typical System

The systems in our survey sample have a median average of 1,689 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 2.5 systems totaling about 10,000 subscribers per company.

More representative, however, are the median averages of 1 system per company, and 1,975 subscribers per company. About 20 percent of the companies in our sample operate more than one system.

Just under 26 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.

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

Sports Channels

RANK	Cable Network	Carried Now Std Def.	Carried Now High Def. %	Would Like To Add Channel Yes	Would Like To Add Channel No	Rate your cost: A Bargain	Reason-able	Too High	Out-rageous	Made contact in last 12 months? Yes	No
1	ESPN	98%	81%	0%	33%	0%	0%	30%	70%	34%	66%
2	ESPN 2	98%	73%	0%	50%	1%	16%	44%	38%	31%	69%
3	Golf Channel	89%	33%	22%	22%	5%	66%	26%	3%	26%	74%
4	Outdoor Channel	88%	51%	30%	40%	18%	62%	17%	3%	32%	68%
5	Speed	86%	54%	8%	58%	2%	67%	27%	5%	36%	64%
6	ESPNews	83%	26%	0%	50%	7%	45%	23%	25%	32%	68%
7	ESPN Classic	82%	6%	0%	40%	3%	39%	30%	28%	31%	69%
8	Versus	75%	27%	14%	29%	2%	53%	39%	7%	34%	66%
9	Fox Sports Net	63%	32%	10%	68%	0%	2%	31%	67%	56%	44%
10	Big Ten Network	62%	45%	16%	56%	2%	23%	57%	19%	59%	41%
11	NFL Network	58%	49%	37%	34%	4%	17%	51%	28%	38%	62%
12	Fox College Sports	52%	2%	10%	48%	2%	32%	49%	17%	53%	47%
13	Fox Soccer Channel	52%	6%	5%	63%	0%	38%	56%	7%	49%	51%
14	The Sportsman Channel	44%	2%	30%	36%	17%	54%	24%	4%	23%	77%
15	Fuel TV	20%	5%	19%	54%	0%	45%	45%	9%	40%	60%
16	CBS College Sports Network	19%	6%	21%	59%	3%	35%	44%	18%	11%	89%
17	Tennis Channel	17%	4%	10%	61%	7%	33%	53%	7%	39%	61%
18	Fox Sports en Espanol	17%	1%	0%	73%	3%	28%	48%	21%	43%	57%
19	Horse Racing TV	15%	2%	7%	62%	38%	23%	27%	12%	22%	78%

Faith, Fun & Values for Kids & Teens!

TBN's Two Unique Networks Have It All

JCTV and Smile of a Child are License Free and Target Millions of Faith-Based Households

Analog / 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 about 1,950 basic subs. On those systems offering both analog and digital tiers, just over 37 percent also take digital service.

Of course some of these systems have just added digital service, so penetration rates can vary widely. These systems are operated by companies with a mean average of 8,500 subscribers on 2.2 headends.

These operations provide an average of 204 video channels, including about 37 premium, and 6 PPV channels on average. They currently offer an average of 36 channels in HDTV. They also offer an average of 37 audio signals, and 20 percent offer VOD services.

Over 32 percent plan to channel capacity next year, and about 50 percent will add cable channels, typically 7 or 8 networks.

About 71 percent of these operators also offer data-over-cable service, and on average, their modem customers equate to about 61 percent of their basic cable subs.

Over 62 percent of these operators sell local advertising in at least some of their communities.

Of the analog/digital system operators in our sample, excluding the roughly 20 percent that are primarily telcos, about half offer telephony services in one or more of their communities, with a company-wide ratio of 42 percent telephone lines to basic cable subs.

Modem Subs

Just over 58 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	82%
2,000 - 5,000	56%
1,000 - 2,000	64%
Under 1,000	31%

For operators offering modem service, the ratio of data customers to basic cable subs averages 70%.

All-Digital Operations

About half of the all-digital systems in our survey sample are in fact telco operations. And they include some large operations, averaging over 18,000 basic cable subs per company, on an average of 4 headends.

These systems offer an average of 220 video channels, including an average of 65 HD nets, and nore than half plan to add networks next year, typically about a dozen channels.

Analog-Only Operations

The operations in our sample which do not currently offer digital cable are virtually all under 1,000 subs. These companies have an average of about 300 total subs, with a median system size of just under 200 subs.

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

These systems provide an average of 48 video channels, typically including 2 or 3 premium channels, 9 broadcast signals, 1 regional sports net, 1 shopper and maybe 1 foreign language channel.

Just 20 percent of these operators offer data-over-cable service, and on average, their modem customers equate to about 48 percent of their cable subs.

About 30 percent of these operators sell local advertising in at least one of their communities.

Only about 10 percent of these analog system operators plan to increase their

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	100%
500 - 1,000	93%
Under 500	33%

The numbers in the last three groups have been going up, and the overall percentage of our total survey sample is now 87%.

Of those operators offering digital service (but omitting 100% digital systems) the average ratio of digital to basic subs is 36%.

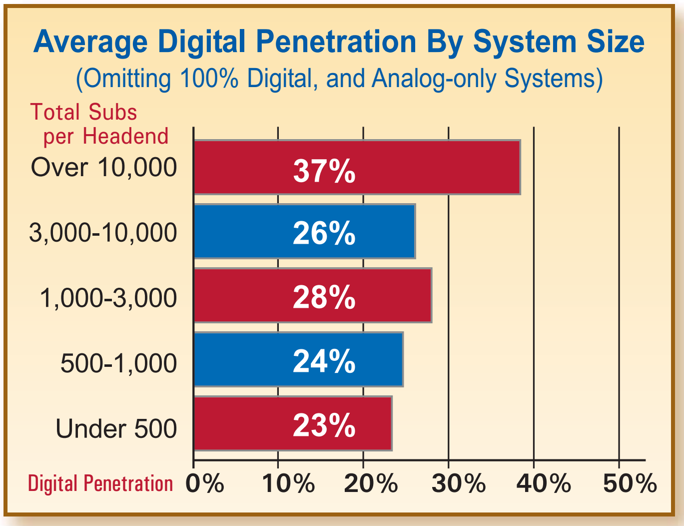
Movie Channels (on Basic)

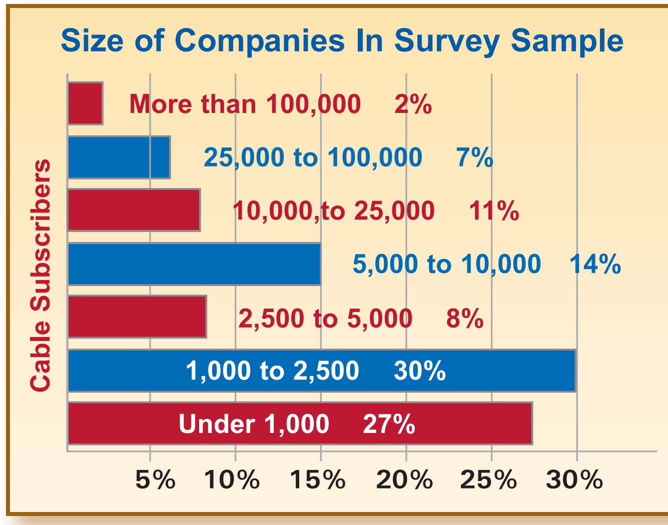
RANK	Cable Network	Carried Now: Std Def.	Carried Now: High Def. %	Would Like To Add Channel: Yes	Would Like To Add Channel: No	Rate your cost: A Bargain	Rate your cost: Reasonable	Rate your cost: Too High	Rate your cost: Outrageous	Made contact in last 12 months?: Yes	Made contact in last 12 months?: No
1	American Movie Classics	95%	11%	0%	50%	3%	65%	30%	2%	21%	79%
2	Turner Classic Movies	94%	17%	20%	60%	2%	50%	44%	5%	31%	69%
3	Lifetime Movies	88%	49%	10%	50%	5%	48%	43%	5%	36%	64%
4	Fox Movie Channel	76%	5%	5%	50%	7%	63%	27%	4%	37%	63%
5	Hallmark Movie Channel	73%	31%	35%	17%	31%	45%	22%	2%	44%	56%
6	Independent Film Channel	48%	6%	7%	59%	0%	60%	38%	3%	18%	82%
7	HD Theater	25%	61%	2%	14%	0%	29%	54%	17%	39%	61%
8	Sundance Channel	17%	0%	10%	61%	0%	29%	57%	14%	11%	89%

Cable Network Evaluation Survey Results

General Entertainment Channels

RANK	Cable Network	Carried Now Std Def.	Carried Now High Def. %	Would Like To Add Channel Yes	Would Like To Add Channel No	Rate your cost for this channel A Bargain	Reason-able	Too High	Out-rageous	Made contact in last 12 months? Yes	No
1	Spike TV	98%	36%	0%	0%	0%	53%	46%	1%	21%	79%
2	Lifetime	98%	27%	0%	50%	0%	35%	52%	13%	24%	76%
3	Comedy Central	96%	36%	33%	0%	0%	38%	53%	9%	32%	68%
4	Syfy	92%	43%	14%	0%	3%	48%	48%	2%	28%	72%
5	TV Land	92%	36%	14%	29%	3%	44%	48%	5%	26%	74%
6	TNT	89%	33%	0%	44%	0%	51%	38%	11%	26%	74%
7	Disney	88%	33%	20%	20%	2%	52%	37%	10%	24%	76%
8	Nickelodeon	88%	8%	10%	20%	6%	42%	42%	9%	22%	78%
9	TruTV	87%	10%	18%	36%	2%	57%	38%	3%	20%	80%
10	Soapnet	87%	8%	9%	18%	2%	44%	52%	2%	20%	80%
11	TBS	86%	18%	17%	33%	7%	48%	44%	2%	21%	79%
12	USA	86%	25%	8%	50%	2%	48%	43%	7%	24%	76%
13	GSN	85%	12%	15%	31%	18%	63%	15%	3%	41%	59%
14	FX	83%	23%	36%	21%	5%	60%	33%	2%	24%	76%
15	Bravo	82%	26%	20%	20%	2%	58%	37%	3%	27%	73%
16	Chiller	80%	6%	12%	35%	2%	58%	37%	3%	19%	81%
17	WE - Women's Entertainment	79%	6%	17%	39%	2%	55%	39%	4%	20%	80%
18	Boomerang	77%	24%	5%	21%	5%	68%	21%	5%	36%	64%
19	TeenNick	77%	33%	5%	21%	2%	30%	58%	10%	25%	75%
20	American Life TV Network	77%	51%	5%	42%	2%	63%	33%	2%	30%	70%
21	Cloo (Sleuth)	76%	1%	0%	45%	2%	61%	36%	2%	23%	77%
22	G4 TV	75%	5%	10%	33%	7%	72%	19%	2%	19%	81%
23	BET	73%	11%	9%	39%	2%	60%	36%	2%	29%	71%
24	Cartoon Network	71%	10%	13%	33%	0%	68%	27%	5%	34%	66%
25	RFD TV	68%	4%	19%	48%	4%	67%	27%	2%	21%	79%
26	ION	68%	24%	11%	52%	4%	27%	67%	2%	30%	70%
27	TV Guide Channel	67%	2%	4%	46%	11%	22%	22%	44%	17%	83%
28	A&E	65%	23%	7%	62%	2%	64%	30%	4%	16%	84%
29	Fox Reality Channel	63%	39%	10%	52%	4%	38%	49%	9%	39%	61%
30	ABC Family	62%	23%	3%	75%	8%	60%	29%	2%	17%	83%
31	FamilyNet TV	55%	2%	8%	50%	9%	57%	30%	4%	29%	71%
32	Retirement Living TV	51%	2%	15%	51%	15%	58%	23%	4%	27%	73%
33	Hallmark	45%	40%	9%	22%	7%	57%	30%	5%	22%	78%
34	HDNet	40%	18%	8%	36%	16%	62%	20%	2%	20%	80%
35	E! Entertainment Television	39%	15%	10%	47%	13%	59%	25%	3%	18%	82%
36	TV Data	39%	0%	0%	65%	3%	39%	44%	14%	27%	73%
37	OlympuSat FamilyNet	38%	1%	13%	50%	0%	46%	49%	5%	19%	81%
38	Oxygen	33%	8%	13%	50%	9%	50%	34%	6%	18%	82%
39	Fox Movie Channel	32%	0%	7%	58%	3%	41%	50%	6%	41%	59%
40	BlueHighways TV	29%	2%	15%	48%	11%	46%	40%	3%	17%	83%
41	Nickelodeon Toons	29%	1%	7%	57%	9%	44%	41%	6%	10%	90%
42	Biography Channel	24%	15%	3%	64%	0%	63%	33%	4%	13%	87%
43	BBC America	23%	5%	0%	60%	0%	54%	43%	4%	18%	82%
44	Qubo	11%	0%	13%	60%	26%	37%	30%	7%	25%	75%
45	ReelZChannel	8%	2%	14%	56%	18%	50%	27%	5%	29%	71%





channel capacity next year. And 20 percent plan to add one or more networks to their lineups next year — about 3 networks on average.

While these analog-only system operations typically offer less than 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 (over 50 percent) of these operators report that they typically buy used or refurbished distribution equipment to use in their plants, compared with 34 percent of the other 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. ❑

Hobby — Leisure — Lifestyle Channels

RANK	Cable Network	Carried Now: Std Def.	Carried Now: High Def. %	Would Like To Add Channel: Yes	Would Like To Add Channel: No	Rate your cost for this channel: A Bargain	Reason-able	Too High	Out-rageous	Made contact in last 12 months?: Yes	No
1	Home & Garden Television	95%	69%	0%	25%	3%	71%	26%	0%	21%	79%
2	Food Network	95%	64%	0%	50%	3%	76%	21%	0%	26%	74%
3	Travel Channel	86%	50%	33%	33%	10%	66%	22%	2%	30%	70%
4	Planet Green	85%	45%	0%	38%	3%	64%	31%	2%	35%	65%
5	DIY	76%	5%	45%	20%	11%	68%	21%	0%	23%	77%
6	style.	63%	10%	19%	39%	4%	68%	26%	2%	30%	70%
7	Fine Living	33%	2%	14%	59%	3%	71%	26%	0%	20%	80%
8	Wealth TV	14%	7%	7%	67%	8%	56%	24%	12%	16%	84%

Independent Cable NEWS

Jan - Feb 2012 Vol. XX - No. 1

Robert A. Searle — *Editor & Publisher* — rsearle@searlepub.com
Phone: 303-730-3006 — Fax: 303-797-0276

Roderick Robles — *Associate Publisher* — rrobles@searlepub.com
Phone: 805-683-2831

Online independentcable.com

Independent Cable News is published by Searle Publishing Company, Inc.
40 West Littleton Blvd. #210-110, Littleton, CO 80120.

Subscriptions: Free to members of ACA and NCTC.

Printed by Hall Commercial Printing, Topeka, Kansas

ICN Business Directory

Subscriber*Wise*®

Risk Management Solutions for the Communications Industry

"**It's true**. Adding SubscriberWise has been a key factor in our bad debt reduction and limiting the operational expense associated with non-pay accounts."

- Amy C. Tykeson
President/CEO, BendBroadband

Phone: 330-880-4848

Email: info@subscriberwise.com

Web: www.subscriberwise.com
www.subscriberwise.com/nctc

GLDS
GREAT LAKES DATA SYSTEMS

800.882.7950
www.glds.com

VoIP • Data • PPV
Digital • VOD • IPTV • FTTH

***Win*Cable**

Billing, SMS & Provisioning

Any Size System
Manage Triple Play
Stand-Alone or ASP
Web Customer Self-Care
300+ Satisfied Customers
Lowest Total Cost Solutions

AZAR

Computer Software Services, Inc.

Powerful Subscriber Management and Billing Solutions

www.azarinc.com
sales@azarinc.com

Launching Digital Services on NASRAC, Quick Take Plus or Scientific Atlanta's DNCS? Don't Delay, Call Azar Today!

1-800-525-7844

- Digital Authorizations
- Broadband Provisioning
- VoIP CDR Import & Billing
- VOD, SVOD, PPV Billing
- Expert Conversions

TECHNICAL SUPPORT

100% American Technical Support Using Your Software

$1 - Up to 10% call volume*
$2 - Up to 25% call volume*
$3 - Unlimited*

*PRICE PER SUBSCRIBER PER MONTH.

AMERICAN SUPPORT
Every Contact Counts.

919-237-4911
AmericanSupport.com/123

Inc. 5000
No. 49 among Business Services and Products

NORTHSTAR
TELESOLUTIONS

Customer Support & Software Solutions

Billing
Collections
After Hours Support
24/7 Customer Care

Provisioning
Help Desk
Subscriber Management Software

(800) 466-0900
WWW.NORTHSTARTELE.COM