

# CableFAX Daily™

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What the Industry Reads First

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## AT&T 1Q: U-Verse Rides High, Commercial Sales Lag

1Q marked one of the best U-Verse quarters for AT&T ever, as AT&T execs said on the telco's earnings conference call Tues. The telco added 731K new HSI subs, its best-ever quarterly gain. It acquired 232K net new U-Verse TV subs, the strongest growth in 9 quarters, and ended with 8.7mln total U-Verse subs. In total, it added 124K wireline broadband subs. Some 56% of U-Verse broadband customers subscribe to a plan with speeds up to 10 Mbps or higher, up from 50% in the year-ago quarter. ARPU for triple-play subs continues to be more than \$170. U-Verse TV penetration of customer locations grew to 19.4% at the end of the quarter, with wireline consumer revenue up 2% YOY while total U-Verse revenue grew 31.5% YOY. However, AT&T saw weak demand from business customers. "The economy continues to be the issue," CFO *John Stephens* said. Total business revenues were \$8.9bln, down 3.4% YOY. But revenue from services like VPN, Ethernet, hosting and other advanced IP grew 10.8% YOY. While acknowledging a weak macro environment, AT&T chmn/CEO *Randall Stephenson* trumpeted potential growth in mobile, IP services, the company's Project VIP plan, and cloud services. Overall, AT&T posted net income of \$3.7bln, up from \$3.6bln in the same quarter last year. Going forward, the company expects capex to be in the \$21bln range this year and in the \$20bln range for '14 and '15, respectively, with no reduction in the Project VIP broadband expansion plan, Stephens said.

**Aereo Expansion:** Aereo's adding Boston to its launch plan. Beginning May 15, consumers who have pre-registered will receive a special invite to join. After May 30, the service will be available to all eligible consumers across the Boston DMA. It's the 2nd city to launch as part of Aereo's expansion announced in Jan. Meanwhile, litigation continues.

**Broadband Adoption:** Cox is expanding its **Connect2Compete** Internet program nationwide, offering \$9.95/month broadband to families with children who qualify for the National Free School Lunch program in any Cox market. The MSO first partnered with Connect2Compete last Apr, rolling it out to families in San Diego. It has since expanded the program to 5 more markets: Macon, GA; Providence, RI; New Orleans; Lafayette and Baton Rouge, LA; and Oklahoma City, OK.

**On the Hill:** Several **House Commerce** Democrats introduced the Broadband Affordability Act of 2013, which will

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"What the Industry Reads First"

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modernize the USF Lifeline Assistance Program to include broadband. The bill sponsors include *Doris Matsui* (CA), *Henry Waxman* (CA), *Anna Eshoo* (CA) and 5 other Democrats. The committee has scheduled a hearing Thurs to examine the **FCC's** Lifeline program, which has been under attack for alleged waste and abuse. The legislation "adopts appropriate universal service reforms" and "focuses greater attention on digital literacy and competitively neutral strategies to promote broadband adoption," **NCTA** said. **Public Knowledge's** take on the bill is that Congress and the FCC must ensure the Lifeline program continues to offer low-income communities access to communications networks.

**Ratings:** Even the capture of a Boston bombing suspect couldn't knock **A&E's** "Duck Dynasty" out of first place among cable programs last week. The camo crew had the top spot with about 8.6mln viewers for Wed's 10pm ep. The 8pm coverage of the suspect's capture on **Fox News** Fri came in 2nd with 7.6mln viewers, followed by **CNN's** 8pm coverage (6.8mln). Of the top 10 cable shows for the week, the next 4 were all on the news nets. Another ep of "Duck Dynasty" took 8th place (5.1mln) followed by **TNT NBA** playoffs (4.9mln) and **HBO's** "Game of Thrones" (4.9mln). -- The Boston coverage propelled Fox News to first place in prime among cable nets for the week (2.3 HH rating/2.26mln HHs). **USA** was 2nd (2.1/2mln), followed by **CNN** (1.6/1.6mln) and **Disney** (1.6/1.5mln). -- "Brain Games" debuted as the highest-rated series premiere in **Nat Geo** history Mon with 1.5mln total viewers and a 0.9 rating among 25-54s. -- **Bravo's** "Watch What Happens Live" had its best performance of the season, delivering 1.1mln 18-49s and 2mln total viewers Sun. -- "Justified" scored its most-watched season on **FX**, averaging 4.1mln viewers (live+7). That's up from 3.4mln in Season 1 and 3.9mln last season.

**Inside the Beltway:** Some 50 national organizations sent a letter to the White House Tues, asking the *Obama* Administration to nominate **FCC** chmn candidates committed to promoting diversity and inclusion.

**Social Circle:** **Oxygen** will integrate **Tumblr** content into its premiere eps of key series, beginning with "Best Ink" on May 8, 10pm. Oxygen will work directly with Tumblr to source top GIF artists and feature their work in on-air segments designed to complement programming. This follows on the net hosting live GIF parties on Tumblr last fall.

**Upfronts:** **Scripps Nets Interactive** reaches 170 mln people every month across all of its properties, *Steve Gigliotti*, pres, national ad sales told press at its pre-upfront event in NY Tues. And according to **Nielsen** research, 94% of its C3 audience watches commercials live. To capitalize on that reach across both linear and digital platforms, the company will soon launch both dynamic ad insertion and TV Everywhere capabilities. TVE will come in Q2. "We're going to buckle down here after the upfront swing is over," *Beth Lawrence*, evp, digital ad sales told **CableFAX**. "Then we'll sit down with the TV team and figure out what are our opportunities at these agencies and with these big clients—and how do we make the right packages for the video [that] travels across screens." Part of that package will include DAI, which should roll out in sometime in Q3, said *Jon Steinlauf*, evp, ad sales & marketing. Approx 50 mln HHs have some sort of Scripps VOD programming, he said. With SNI's partnership with vendor **Canoe**, DAI will be possible with 20 mln HHs at launch. -- **HGTV** and **DIY** will premiere 27 new series in '13. Some of the more unusual fare includes **DIY's** "Vanilla Ice Goes Amish," in which the rapper and DIYer learns from Amish craftsmen. The net has several celeb projects on tap, including "The Rev. Run Project" (a renovation of *Run DMC's* 9K sq ft home) and "*Bronson Pinchot Saves America*" (the actor rescues artifacts from demolition). At **HGTV**, "Property Brothers" spin-off "Brother vs Brother" will pit the 2 against each other with teams of home improvement experts. Also new is "Staged to Perfection" which shows how to decorate an empty house quickly to help it sell. -- If eating is more your thing, **Food Net** has an extensive menu, including "Food Court Wars," which pits entrepreneurs against one another with the prize being food court restaurant rent for a year (July premiere) and "Grocery Games," in which chefs compete in supermarket-themed challenges (Sept/Oct). At **Cooking Channel**, new series include "Pizza Cuz" in which cousins tackle all things pizza (May) and donut competition show "Donut Showdown" (Oct). -- New for **Travel** is "Get Lost" (wt), which fits into a theme we're seeing of shows dropping people in the wilderness blindfolded and having them find their way out. And those who have seen **YouTube** sensation *Daymon Patterson* know what they're in for with "Best Daym Takeout."

**Programming:** **Weather Channel** debuts Tornado Week on Mon, with 2 new specials, "The Truth About Twisters" and "Tornado 360." Each afternoon, from 2-5 pm. ET and evenings from 8 pm-1 am ET, will feature blocks of tornado-themed episodes of "Storm Stories," "Weather Caught On Camera," and other series. Weather.com and social media also will be part of the programming week. -- *Willie Nelson* celebrates his 80th birthday next week. **CMT** will pay tribute with a "CMT Crossroads: Willie Nelson & Friends from Third Man Records" special in June, featuring *Sheryl Crow*, *Neil Young* and others. -- Starting Wed, **Golf** will be streamed 24/7 via Golf Live Extra, its TVE app. **Cablevision**, **Comcast**, **DISH**, **Mediacom**,

# BUSINESS & FINANCE

Suddenlink and Verizon FiOS are the first providers to offer the service to subs with other ops to follow.

**Public Affairs: Comcast Cares Day** enters its 12th year Sat, when more than 70K Comcast and **NBCU** employees, along with family, friends and community partners, are set to give back. This year marks the 1st global volunteer day, with NBCU managing projects planned in England, France, Germany and New Zealand. Stateside, more than 700 projects are planned, including repairs related to Hurricane Sandy in Highlands, NJ, and school beautification projects in L.A., Philly.

**People: Phil Meeks**, svp, **Cox Business**, will be **Time Warner Cable's** evp/COO for business services starting June 2. -- **Cox Ent** pres/CEO **Jimmy Hayes** retires from Cox next April after 33 years. Cox Ent is the parent of **Cox Comm, Manheim, Cox Media** and **AutoTrader**. On May 1, **John Dyer** becomes COO and succeeds Hayes as pres/CEO upon his retirement next year. Dyer was Cox Comm's CFO before assuming the CFO role at Cox Ent in '08. **Douglas Franklin** will succeed Dyer as evp, CFO on May 1. **Bill Hoffman** becomes pres, Cox Media.

**Obit: Common Cause** pres/CEO **Bob Edgar** died Tues morning at his home. He was 69. The former PA congressman had led the organization since May '07. "Bob will be remembered for his decency, kindness, compassion and humor," said Common Cause Board chair **Robert Reich**.

## CableFAX Daily Stockwatch

Company	04/23 Close	1-Day Ch	Company	04/23 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	56.06	0.10	CSG SYSTEMS:	21.19	0.64
DISH:	39.86	(0.24)	ECHOSTAR:	38.64	0.66
DISNEY:	62.59	0.58	GOOGLE:	807.90	7.79
GE:	21.50	0.15	HARMONIC:	6.02	0.13
NEWS CORP:	31.67	(0.04)	INTEL:	23.38	0.49
<b>MSOS</b>					
CABLEVISION:	14.49	0.14	JDSU:	13.46	0.56
CHARTER:	104.41	0.56	LEVEL 3:	20.66	0.51
COMCAST:	40.90	0.43	MICROSOFT:	30.60	(0.23)
COMCAST SPCL:	38.99	0.23	RENTRAK:	22.67	0.01
GCI:	9.39	0.41	SEACHANGE:	10.88	0.38
LIBERTY GLOBAL:	73.00	0.26	SONY:	16.67	0.15
LIBERTY INT:	20.40	0.22	SPRINT NEXTEL:	7.10	(0.07)
SHAW COMM:	22.49	(0.01)	TIVO:	11.03	0.10
TIME WARNER CABLE:	92.45	0.14	UNIVERSAL ELEC:	21.04	0.43
VIRGIN MEDIA:	49.15	0.18	VONAGE:	3.11	0.03
WASH POST:	437.36	2.61	YAHOO:	24.38	0.43
<b>PROGRAMMING</b>					
AMC NETWORKS:	65.85	1.15	<b>MARKET INDICES</b>		
CBS:	46.75	(0.2)	DOW:	14719.46	152.29
CROWN:	2.05	0.03	NASDAQ:	3269.33	35.78
DISCOVERY:	78.98	0.76	S&P 500:	1578.78	16.28
GRUPO TELEVISIA:	25.96	0.23			
HSN:	53.00	0.68			
INTERACTIVE CORP:	44.78	0.53			
LIONSGATE:	23.94	0.23			
OUTDOOR:	8.74	0.01			
SCRIPPS INT:	67.43	(0.06)			
STARZ:	22.80	0.33			
TIME WARNER:	60.40	0.21			
VALUEVISION:	4.32	(0.03)			
VIACOM:	66.14	(0.79)			
WWE:	9.01	0.21			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.35	0.06			
ALCATEL LUCENT:	1.32	0.01			
AMDOCS:	34.66	0.32			
AMPHENOL:	73.98	0.18			
AOL:	38.26	0.63			
APPLE:	406.13	7.46			
ARRIS GROUP:	16.47	0.16			
AVID TECH:	6.48	0.17			
BROADCOM:	32.98	0.38			
CISCO:	20.91	0.32			
CLEARWIRE:	3.29	0.03			
CONCURRENT:	6.77	0.27			
CONVERGYS:	16.24	0.31			

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