

CableFAX Daily™

Friday — January 6, 2012

What the Industry Reads First

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Same Page: Ops, Programmers Starting to Align TV Everywhere Plays

Whereas **Viacom's** iPad-related spats with **Time Warner Cable** and **Cablevision** helped underscore the collaborative mindset so integral to the cable industry's TV Everywhere success, Wed's comprehensive deal between **Comcast** and **Disney** looks to be a large stride in that direction. "This is a way to preserve the evolving TV ecosystem, and should help retain pay-TV subscribers," said **Miller Tabak's David Joyce**. That's good news for Comcast et al, who shed approx 1.7mln video subs last year, according to **Leichtman Research**, after losing 1.6mln in '10. Moreover, 9% of Americans have already cut the cord, according to **Deloitte**, and 11% are considering doing so because they can watch almost all of their favorite shows online. At the **Citi** conference Thurs, Comcast vice chmn/CFO **Michael Angelakis** said that while 4Q proved strong on the subscription side, the MSO must continue to innovate in order to preserve the video business. Enter the Disney deal, which Angelakis said definitely impacts Comcast's cost base, "but we get so many more services across platforms." Joyce believes Comcast will pony up \$39mln in retrans fees this year for Disney's stations along with \$1.85bln for the Mouse's cable nets. Those amounts will do little to quiet the cacophonous concerns over rising programming costs, which **Nomura** analysts see rising 8-9% for MVPDs resulting in margin pressure. "However, with capital intensity declining, we see strategic value to securing enhanced rights to differentiate video and broadband products," said the firm. Even with programmers arguably perched in the more enviable TV Everywhere position vis a vis ops, the Comcast-Disney deal and others like it should provide long-term benefits to both parties—and help further cable's broadband lead. **S&P** believes the deal "will mark the most comprehensive industry template yet for the latest round of retransmission deals between content providers and multi-channel video distributors." Back at the Citi conference, **AT&T Business Solutions** pres/CEO **John Stankey** said it clearly reinforces the importance of the subscription business and notably discredits any notion of a "head-long rush to fragmentation" by the TV industry. Added **Scripps Nets** CFO **Joseph NeCastro**: it's "a positive sign for our ecosystem. Hopefully this signals a new era of cooperation." As if on cue, **Charter** and **Turner** announced Thurs the availability to more than 4 mln CHTR subs of 500+ hours of content from **TBS**, **TNT**, **truTV**, **Cartoon Net** and **Adult Swim** online and via mobile apps through **Charter.net** and Turner Websites.

Citi Notebook: During a **Citi** presentation Wed, **Verizon** CFO **Fran Shammo** highlighted the company's plans to retire the

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copper network in FIOS markets, saying it is looking to convert “chronic copper customers to FiOS.” **Sanford Bernstein’s Craig Moffett** mused that while it makes sense to stop supporting 2 wireline networks, it will require a substantial increase in capital spending in wireline. -- Outgoing **Discovery CFO Brad Singer** said Thurs that there are still some complexities with TV Everywhere, but they will work themselves out. As for getting TVE deals done, Discovery isn’t quite there since it hasn’t had any renewal negotiations. “Where the deals appear to be done... they seem to wrap the overall TV Everywhere economics into an overall deal. And we haven’t had any renewals, which is generally the impetus to do something,” he said. “We do have an ongoing dialogue and trials, and we want to be very constructive with our affiliate partners...”

Carriage: DISH launched new channel **Epix 3** as part of its **Blockbuster Movie Pass** offering and in addition to **Epix** and **Epix 2**. Also, the DBS op added **Epix Drive-In** as part of its America’s Top 250 package. Formerly named The 3, the net is dedicated to genre films featuring action, comedy, sci-fi and horror.

Day 5: Still no deal between **TWC** and **MSG**. **Collins Stewart** gives Time Warner Cable home court advantage because of a lack of complete video substitution. It estimates nearly 40% of the MSO’s 2mln subs in NYC and upstate NY have access to **FIOS**. “While TWC could lose 0.5% to 1% of its sub base, MSG could lose 29% of its OCF,” the firm told clients.

Crime Blotter: If you’re robbing a bank, you might want to pick a clear, sunny day. Police are working with the **Weather Channel** to see if it has any video footage or useful info about a bank robbery in West Springfield, PA, Tues. The net was in town because of the heavy snowfall that hit the region, and was filming near the bank.

Ratings: **GMC** says it was up 171% for the 1st week of ’12, notching its highest ever totals in HHs, 25-54s and 18-49s. The net capped off 2011 with “The Heart of Christmas” viewed by more than 3.6mln during its premiere cycle in Dec.

Programming: **FX** wasted little time closing deals for the commercial TV premieres of current films “Mission: Impossible-Ghost Protocol,” “The Girl with the Dragon Tattoo” and “We Bought a Zoo,” which join other acquisitions hitting the net beginning next year. -- This year **History** will debut 12-hour, 6-night miniseries, “Mankind The Story of All of Us” (wt). Already 2 years in the making, it will be the most in-depth TV series produced by the net with a global educational initiative and companion programming on History’s new spin-off net, H2. -- **CMT** premieres new wedding series, “Swanderosa,” Jan 30 at 10pm. The 8-episode docudrama features a family planning elaborate weddings in their own backyard. -- **Animal Planet’s** annual canine competition returns to the grand gridiron with Puppy Bowl VIII on Super Bowl Sunday, Feb 5 from 3-5pm.

Public Affairs: **Discovery Comm**, **Viacom** and **AT&T** are among partners of **Summer Jobs+**, an initiative announced Wed by **Pres Obama** meant “to provide pathways to employment for low-income and disconnected youth in the summer of 2012.” Viacom will provide internship and mentorship programs, Discovery said it will employ nearly 300 college interns this year, and AT&T committed to provide nearly 350 summer jobs in ’12.

Obit: Former **Cablevision** exec **David Wicks**, who was well known in the industry for his work with the now defunct **Cable Positive**, died Dec 30 of complications following heart surgery. He was 70. “David was a talented executive and important contributor to Cablevision’s new media efforts at a time when our company was confronting the challenges and opportunities of the transition from analog to digital,” said CVC’s **Jim Dolan**. “We appreciated his loyal support when we were seeking franchises or whenever we asked for any kind of assistance, and admired the work he did after he left at Cable Positive and beyond. He will be missed.” A memorial is planned for Wed at 4pm at the Church of the Heavenly Rest

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in NYC. In lieu of flowers, contributions may be sent to the Visiting Nurse Service of New York, Trinity College Rowing, and Darden School of Business, UVA.

People: Ex-MLB Net and NFL Net exec *Art Marquez* was named svp, affil sales and marketing for **Pac-12 Networks**. -- **Cox Las Vegas** svp, gm *Marilyn Burrows* was promoted to gm, central region (AK, KS and NE). *Duffy Leone*, currently svp, ops for Cox's recently unified CA system, will serve as the new svp, gm in Vegas. The central region vacancy was created in the fall when *Janet Barnard* was promoted to join Cox Ent-owned **Manheim** as evp, COO. -- *Zachary Katz* was named as the new **FCC** chief of staff, replacing *Eddie Lazarus* when he departs later this month. Katz currently serves as chief counsel to FCC chmn *Julius Genachowski*. *Sherrese Smith* will step into the chief counsel, sr legal adviser role, managing the Commission overall policy agenda. *Josh Gottheimer* will expand his role as sr counsel to the chmn to focus on directing a new team on public-private initiatives. *Amy Levine* becomes sr counsel and legal adviser, and *Michael Steffen* joins the chmn's office as legal adviser.

Business/Finance: **Liberty's John Malone** was fined \$3.6mln by Chile antitrust regulators and faces additional sanctions if he doesn't sell within 6 months his direct and indirect stakes in **DirectTV Chile** (a competitor to Liberty's **VTR Globalcom**).

CableFAX Daily Stockwatch

Company	1/05 Close	1-Day Ch	Company	1/05 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	44.43	0.42	CLEARWIRE:	1.79	(0.13)
DISH:	29.53	0.07	CONCURRENT:	3.53	(0.14)
DISNEY:	39.50	0.65	CONVERGYS:	12.63	0.05
GE:	18.55	(0.01)	CSG SYSTEMS:	15.02	0.12
NEWS CORP:	18.72	0.17	ECHOSTAR:	21.33	(0.25)
MSOS					
CABLEVISION:	14.85	(0.08)	GOOGLE:	659.01	(9.27)
CHARTER:	56.98	0.17	HARMONIC:	4.98	0.03
COMCAST:	24.95	0.22	INTEL:	25.40	0.29
COMCAST SPCL:	24.52	0.22	JDSU:	11.00	0.32
GCI:	9.78	(0.05)	LEVEL 3:	17.72	0.85
KNOLGY:	14.34	(0.02)	MICROSOFT:	27.68	0.28
LIBERTY GLOBAL:	42.29	(0.1)	MOTOROLA MOBILITY:	38.61	(0.12)
LIBERTY INT:	17.02	0.49	RENTRAK:	14.48	0.33
SHAW COMM:	19.81	(0.17)	SEACHANGE:	7.03	0.09
TIME WARNER CABLE:	64.96	0.10	SONY:	17.70	(0.52)
VIRGIN MEDIA:	21.60	0.10	SPRINT NEXTEL:	2.24	(0.07)
WASH POST:	370.99	(3.65)	THOMAS & BETTS:	54.99	(0.08)
PROGRAMMING					
AMC NETWORKS:	38.25	0.55	TIVO:	10.25	0.43
CBS:	27.97	0.07	UNIVERSAL ELEC:	17.10	0.02
CROWN:	1.33	UNCH	VONAGE:	2.38	(0.12)
DISCOVERY:	41.04	0.06	YAHOO:	15.64	(0.14)
GRUPO TELEVISA:	21.35	(0.08)	TELCOS		
HSN:	36.58	(0.58)	AT&T:	30.40	(0.03)
INTERACTIVE CORP:	42.01	0.19	VERIZON:	38.94	(0.27)
LIONSGATE:	8.45	0.22	MARKET INDICES		
LODGENET:	2.57	0.02	DOW:	12415.70	(2.72)
NEW FRONTIER:	1.02	(0.02)	NASDAQ:	2669.86	21.50
OUTDOOR:	7.22	(0.13)	S&P 500:	1281.06	3.76
SCRIPPS INT:	43.34	0.31			
TIME WARNER:	36.79	0.30			
VALUEVISION:	1.69	(0.15)			
VIACOM:	54.03	0.65			
WWE:	9.50	0.16			
TECHNOLOGY					
ADVANTAGE:	2.12	0.01			
ALCATEL LUCENT:	1.58	(0.02)			
AMDOCS:	28.51	0.01			
AMPHENOL:	46.21	0.39			
AOL:	15.46	0.45			
APPLE:	418.03	4.59			
ARRIS GROUP:	10.61	(0.01)			
AVID TECH:	8.61	(0.01)			
BLNDER TONGUE:	1.30	0.08			
BROADCOM:	29.45	0.32			
CISCO:	18.92	(0.07)			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Financial Cluze

If *Suze Orman* were to counsel **OWN**, the message would presumably hinge on attaining better ratings in order to juice ad sales and distribution. But Orman was summoned to counsel net viewers through "America's Money Class with Suze Orman" (Mon), not OWN, so it will be interesting to see whether the polarizing financial advisor can help with that bedrock ratings goal. OWN has ample room to run in that regard, of course, and I'm betting a similar expanse doesn't apply to **Discovery Comm** chief *David Zaslav's* patience. "You know, I don't think that OWN at this moment in time, although it's starting... has gotten the right footing," said Orman during a Wed conference call. "But it is starting to get the right footing. I mean starting a network I'm sure was more difficult than anybody had any idea." While "Oprah's Next Chapter" launched favorably on New Year's Day with Oprah employing her compelling interview style, the net, with Orman, apparently remains bent on bringing over personalities that were either forged or enhanced during Oprah's impressive broadcast run. "... to go anywhere else with this show wouldn't have made any sense because [my following] is always saying, 'where are you Suze, we want to see you,'" said Orman, noting her approx 30-40 prior appearances with Oprah. In *Class*, Orman, who also has a **CNBC** show, meets with couples and individuals struggling with money issues while answering questions from the studio audience and via video conference. "You get to literally see these people in depth for the first time with me and I think that adds... a dimension where people will be able to identify with these families," she said. "... then a whole new, you know, vulnerability level is unpeeled." At the end of 6 eps, viewers will be able to take a financial test centered on featured learnings for a chance to win \$50K. That should goose ratings, although not through me. My money remains on Oprah, though, if not my eyeballs. *CH*

Highlights: Some series improve in their 2nd seasons. **Starz's** "Spartacus" franchise did last year. **Showtime's** dark "Shameless" (season II premiere, Sun, 9p) does so this year. Again, the standout is *Emmy Rossum* as Fiona, an intelligent, talented 21-year-old determined to raise her 5 younger siblings with values despite their need to constantly hustle to survive. Fiona's in this predicament because her family essentially is parentless; mother is long gone and dad (*William H. Macy*) is a useless drunk. Her quest to squeeze in some normality in the midst of this madness is one of this season's charms. Followed by the premiere of "House of Lies" (10p) and the season V return of "Californication" (10:30p), Showtime's Sunday roster is its strongest ever. *SA*

Worth a Look: Perhaps **IFC's** quirky, dry "Portlandia" (Fri, 10p) and the outrageous "The Increasingly Poor Decisions of Todd Margaret" (10:30p) have improved as their sophomore seasons debut Fri. Certainly both comedies are acquired tastes, and viewers now are familiar with them. *Portlandia* seems more structured this season, and ep 2 is a must-see for "Battlestar Galactica" fans. A larger role for *Blake Harrison* bolsters "Todd," as does a cameo by *Jon Hamm* as Harrison's butler. -- "Fixing Pete," Sat, 9p, **Hallmark**. Light, predictable and silly, with *Brooke Burns*, *Stacy Keibler* and *Dylan Bruno*. *SA*

Basic Cable Rankings (12/2611-01/01/12) Mon-Sun Prime			
Rank	Network	Rtg	(000s)
1	ESPN	4.2	4123
2	TNT	2	2032
3	USA	1.7	1721
4	DSNY	1.6	1576
5	TBSC	1.5	1538
5	HIST	1.5	1445
7	A&E	1.1	1128
7	FOOD	1.1	1121
9	FOXN	1	1000
9	HGTV	1	990
9	DISC	1	984
12	LIFE	0.9	910
12	FX	0.9	894
12	TRU	0.9	871
12	TLC	0.9	857
12	HALL	0.9	772
12	DSE	0.9	63
18	SYFY	0.8	804
18	ADSM	0.8	799
18	FAM	0.8	783
18	SPK	0.8	749
18	NKJR	0.8	564
23	NAN	0.7	731
23	TVLD	0.7	646
23	AMC	0.7	640
23	LMN	0.7	569
23	ID	0.7	522
28	VH1	0.6	627
28	MTV	0.6	602
28	BET	0.6	563
28	APL	0.6	545
32	EN	0.5	509
32	MSNB	0.5	495
32	CMDY	0.5	484
32	NGC	0.5	421
32	HMC	0.5	235
37	BRAV	0.4	406
37	ESP2	0.4	388
37	CNN	0.4	376
37	OXYG	0.4	339
37	WE	0.4	286
37	GSN	0.4	278
37	NKTN	0.4	212
44	CMT	0.3	321
44	HLN	0.3	304

*Nielsen data supplied by ABC/Disney

The CableFAXIES awards

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