

CableFAX Daily™

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What the Industry Reads First

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Guns and Measurement: FX's Landgraf Puts the Cerebral in TCA

Critics have been obsessed with TV violence all week (that tends to happen fresh after a tragedy like Newtown), but perhaps the best executive defense so far came from **FX** chief *John Landgraf*, whose net has largely embraced edgy and violent dramas. Clearly ready for the questions, he pointed to the UK, whose citizens watch basically the same TV shows as the US and yet experience significantly fewer gun-related homicides and injuries. "If you want to look at the major difference between England and the United States, it's access to and availability of guns," he said, arguing that the type of gun also matters when it comes to mass shootings. "You simply can't create that kind of mayhem if you have to reload. So all I can say is we should be looking at ourselves, but I think we have to look at what is the most substantially responsible for this kind of violence." At the same time, he acknowledged violence's allure for younger viewers but pointed out that FX puts its edgy dramas at 10pm to "keep them away from kids" and said his own children—aged 15, 12 and 9—aren't allowed to play first-person shooter video games "because I'm not comfortable with that." On Thurs, Vice President Joe Biden will have a listening session on gun violence with media industry heavy-hitters. **NCTA** chief *Michael Powell*, **Comcast-NBCU** evp *David Cohen*, **MPIA** head *Chris Dodd* and **NAB's** *Gordon Smith* are expected to be in attendance. The discussions began Wed, with Biden meeting victim and safety groups. Meetings are also planned with **NRA**, other gun-owner groups and reps from the video game industry. In other TCA news: With **Netflix** presenting some of its new original shows (and the return of the critically beloved "Arrested Development") at the critics tour Wed afternoon, OTT naturally came up. And Landgraf, as usual, didn't mince words about whether that model could somehow supplant linear TV. "No matter how much hype there is, I have to see the data that proves that you can create a hit that way or I'm not going to follow it," he said, noting he's skeptical that Netflix and others will start breaking out numbers the way **Nielsen**-rated nets do. "I think they like the fact that they don't have to have a report card," he said. "And, you know, maybe if I didn't have to have a report card, I wouldn't want one either. On the other hand, I think report cards are good because they keep you honest, basically." As for advertising dollars, "I don't think it will be the same amount of ad load that we have in a linear

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broadcast,” he said. “But I think it will be fewer ads, and they’ll be more targeted ads. So they’ll have more value on CPM basis, and it will kind of all even out.”

Now What? DISH shares closed up 2.45% following the news of its unsolicited bid for part of **Clearwire’s** spectrum (**Cfax**, 1/9). **Sprint**, which is in the process of acquiring Clearwire, saw shares dip 1.5%. The next step will be for Clearwire to decide which path it wants to take. **ISI Media** analysts believe DISH’s chances of prevailing are slim, noting that with Sprint a 50% shareholder in Clearwire, it believes it has rights that can prevent a transaction with a 3rd party. It still can be advantageous to DISH even if it doesn’t get any transaction done. “We think it will be strategic for DISH to get a seat at the table of this consortium (Sprint, **Softbank & Clearwire**), which is becoming a more formidable competitor in the US wireless market,” ISI said. **Wells Fargo Securities** is much more optimistic about a deal’s chances. “We DO think this is for real, we DO think at least a part of this gets done, and we DO think [Sprint] may be forced to negotiate a spectrum share deal with *Charlie [Ergen]*,” analysts said in a research note. “The market may not get it right away, but we do—and we are buyers of DISH here.” DISH offered to buy up to 24% of Clearwire’s 2.5GHz spectrum, acquire CLWR’s equity for \$3.30/share and enter into a commercial arrangement where CLWR would construct and maintain a wireless network using AWS-4 and 2.5GHz spectrum. Clearwire shares closed up more than 7% Wed.

Genachowski at CES: The **FCC** will take action to free up wireless spectrum to increase speed and capacity for WiFi usage at busy hubs like airports and convention centers, and in homes where multiple device use often pose challenges. Chmn *Julius Genachowski* announced the government-wide initiative, set to begin in Feb, during his annual Q&A-style sit-down with **CEA** chairman *Gary Shapiro* at CES. The initiative would unleash the largest block of unlicensed spectrum in the 5GHz band, some of it in use by other government agencies like the DoD, for expansion of WiFi since 2003. “We’ll keep nurturing today’s WiFi as we also develop a next generation of spectrum policies to drive our mobile future for our innovators and our economy,” he said. In a typically gregarious conversation with Shapiro, Genachowski said nary a word about the cable industry, focusing instead on plans for the first broadcast incentive auction and his prognosis for the National Broadband plan in 10 years: “100 deployment; 100% adoption.” The session’s most unrehearsed moment came early on, when an audience member unleashed an agitated monologue seemingly related to a perceived link between cell phones and cancer, before being escorted out.

Inside the Beltway: Advocacy group **Women’s Media Center** has launched a petition calling for President *Obama* to nominate a woman as the next chair of the **FCC**. The Commission has never been led by a woman. “The media business is run mostly by men—and, some would argue, mostly for men,” the group said. “Women make up over 51% of the US population but hold 6% of all TV and radio station licenses. Almost every major telecom is headed by a man. The glass ceiling is firmly in place in the media and telecom sectors.” Current FCC chmn *Julius Genachowski* is widely expected to step down soon.

CES Notebook: Broadband penetration will surpass 650mln HHs worldwide this year, and nearly 430mln homes worldwide will have a data network this year, according to a white paper released at **CES** by **Parks Associates**. Other tidbits: 90% of pay TV customers in N America have access to TV Everywhere; tablet owners watch 6 hours of video on the device per week; and US rev from IP-connected home service bundles will reach \$780mln this year and \$1bln next year. -- **Samsung Electronics** plans to use data from **Rovi** Video, a collection of metadata on TV, movies and celebrities, in its new smart TVs and tablets for North America and Europe. In a separate release, Rovi announced the DivX digital rights management used with its adaptive streaming format, has been approved by the **Digital Entertainment Content Ecosystem**, a consortium of major Hollywood studios, CE makers and retailers, system integrators and DRM vendors, for streaming use within the UltraViolet ecosystem, enabling UltraViolet retailers to offer HD OTT video streaming. -- **Samsung** will make **Univision’s UVideos**, a bilingual digital video net, available on all of its ’13 Smart TVs, connected Blu-ray players and home theater systems. UVideos offers thousands of hours of daytime, primetime, entertainment, sports and news Univision programming. UVideos is a key part of Univision’s TVE strategy, having launched already with **AT&T, Cablevision** and **DISH**.

Fiber Feelings: One of the key messages from *John Donovan*, AT&T sr evp, technology and network operations, is “wireless networks have a tremendous wireline component.” That means expanding fiber to reach an additional 1mln business customer locations (50% of the multi-tenant business buildings are in its wireline service area), as stated in the telco’s Project VIP Plan. The plan calls for a \$14bln investment to expand wireless and wireline broadband networks. Everything is taking a more integrated approach, Donovan said at the **Citi** investor conference Wed. AT&T expects the proactive fiber deployment to increase business revenue growth, accelerate provisioning and facilitate the installation of distributed antenna systems and small cell technology to help offload wireless traffic, he said. AT&T is also working to expand **U-Verse** by more than 1/3, or about 8.5mln additional customer locations, by year-end ’15 and upgrade its U-Verse speeds of up to 75Mbps.

Ratings: Ultra slick move by **Bravo** Mon night. Not only did it seamlessly integrate spinoff series “Vanderpump Rules” into a new episode of “Real Housewives of Beverly Hills,” but it was listed as a 2-hour “Real Housewives” event. That meant that those DVR-ing RH found the new series already recorded and ready for them to sample. Take note of this... There wasn’t even a commercial interruption before the new show started. Vanderpump is off to a promising start, with 1.9 total viewers and over 1mln 18-49s, making it the net’s highest-rated series launch since “Bethenny’s Getting Married?” -- A Halloween special in Jan? It worked for **TLC**’s “Honey Boo Boo,” with 3.1mln P2+ tuning in Sun night, the highest total viewer delivery to date. Can Sun’s Thanksgiving special (9pm) top it? -- “Cougar Town” made itself at home on **TBS** Tues, drawing 1.3mln 18-49s in Live + Same Day for its debut on the net. -- Fri’s double-ep, season opener of **IFC** original series “Portlandia” delivered more than 1.1mln total viewers (combined), 731K homes and 751K viewers in the 18-49 demo.

FX at TCA: **FX**’s new series “The Americans” (premieres Jan 30) brings a slow-burning spy thriller to the small screen, with a twist: It’s set in 1981 during the height of the Cold War as a spy couple played by *Keri Russell* and *Matthew Rhys* try not to blow their KGB covers as they pretend to be a typical suburban family. While Russell enjoyed accessing her “masculine aggression” (she kicks a guy’s head through the wall), critics wondered whether the Soviet sleeper cells upon which they’re based really saw that much action. “I think that whole story hasn’t been told yet,” said *Joel Fields*, who was in the **CIA** from ’90-’94 and tried to keep the series somewhat grounded in spycraft reality. But you know... it’s a TV show. -- Fresh off its S4 premiere Jan 8, FX once again showcased its *Elmore Leonard*-inspired Southern cop noir “Justified,” with showrunner *Graham Yost* noting that the *Raylan Givens* character remains calm but dangerous. “He doesn’t yell very much, and that’s fun to write for,” he said. Interestingly, Yost also said during a press gaggle after the panel that he’s still in contact with *Steven Spielberg* and *Tom Hanks* about a new WWII mini-series (we’re guessing it will end up on **HBO**) centered on the Army Air Corp. “If they want to do a mini-series on proctology, I will slap on the gloves and go,” he joked. -- FX throws a new twist into the next season of “Ultimate Fighter” (premieres Jan 22), in which mixed-martial arts athletes compete for a **UFC** contract. This time, they’re families are along for the ride. “I wish we did it five seasons ago,” said UFC pres *Dana White*, arguing that the family component “definitely humanizes them” and could help challenge misconceptions about the fighters. -- FX will soon welcome back “Totally Biased with *W. Kamau Bell*” (returns Jan 17), which uses comedy to tackle touchy subjects like class and race. Exec prod *Chris Rock* told critics he’s only 8 years older than host Bell, so he wouldn’t consider himself a mentor. But Bell said it’s Rock’s advice beyond the show that matters. “This is a great mentorship,” he said. “I mean, it’s great that the results come out on the TV show, but I really feel like that’s the stuff... that I will take with me through the rest of my career.”

Programming: **TNT** greenlit “Cold Justice,” a new unscripted procedural drama. The 8-ep series will debut late summer. -- America’s largest free concert, the annual Philly 4th of July Jam, will be available to viewers nationwide through live broadcast on **VH1** and HD music channel **Palladia**. It also will be live streamed on VH1.com. -- **Sundance Channel** greenlit 6 eps of the nonfiction series “The Writers’ Room,” which takes viewers inside the writers’ rooms of some of today’s TV shows. It is slated to premiere in the second half of ’13. -- **History** debuts 8-part series “The Ultimate Guide to the Presidents” on Tues at 9pm ET.

Marketing: **Time Warner Cable** got itself a top golf partner. The MSO has teamed with World Golf Champion *Jan Poulter* in support of its “Enjoy Sports Better” initiative that helps subs enjoy the sports more. The partnership will feature Poulter in a national advertising campaign and appearances at golf tournaments and opportunities with customers in TWC markets. Additionally, Poulter will connect with TWC subs via the company’s **YouTube** channel as well as its social media pages.

BUSINESS & FINANCE

Online: Comcast says it's the 1st MVPD to provide its customers with a live stream of **ESPN Buzzer Beater** on its own Website, Xfinity.com/TV. Additionally, customers who subscribe to Comcast's sports tier are also able to watch ESPN Buzzer Beater live on TV as well as through WatchESPN online at WatchESPN.com, on smartphones and tablets via the WatchESPN app, and through ESPN on Xbox LIVE to Gold members at no additional cost.

-- **Eonline** continues its digital expansion by launching a new "Live From The Red Carpet" section Wed. The new program will integrate features like the E! Livestream companion show, the Glam Cam 360 fashion experience as well as behind-the-scenes access and fashion and beauty coverage. The site reached a record 13.2mln monthly unique viewers in Dec.

Editor's Note: Don't miss our upcoming Webinar on how the cloud and related apps are changing the game for programmers and operators. How will business relationships change as cloud-based apps become more pervasive? Find out by registering now. For more info, go to: http://www.cablefax.com/cfp/webinars/2013_january22/.

Oops! The upcoming "Jenny McCarthy Project" is on **VH1**, not **Comedy Central**. It debuts Feb 8.

CableFAX Daily Stockwatch

Company	01/09 Close	1-Day Ch	Company	01/09 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	51.86	1.40	CSG SYSTEMS:	19.50	0.09
DISH:	36.85	0.88	ECHOSTAR:	34.51	0.02
DISNEY:	50.78	0.02	GOOGLE:	738.12	4.82
GE:	20.95	0.05	HARMONIC:	5.08	(0.02)
NEWS CORP:	27.00	0.34	INTEL:	21.45	0.36
MSOS					
CABLEVISION:	14.99	0.08	JDSU:	13.52	(0.32)
CHARTER:	78.60	1.40	LEVEL 3:	24.32	(0.13)
COMCAST:	38.42	0.26	MICROSOFT:	26.70	0.15
COMCAST SPCL:	36.91	0.30	RENTRAK:	20.31	0.36
GCI:	9.09	0.22	SEACHANGE:	10.49	0.34
LIBERTY GLOBAL:	65.96	0.50	SONY:	10.74	0.02
LIBERTY INT:	20.82	0.24	SPRINT NEXTEL:	5.88	(0.09)
SHAW COMM:	23.02	0.19	TIVO:	12.80	0.13
TIME WARNER CABLE:	97.56	1.20	UNIVERSAL ELEC:	18.85	0.08
VIRGIN MEDIA:	37.60	0.01	VONAGE:	2.49	(0.02)
WASH POST:	370.65	(0.75)	YAHOO:	19.33	(0.33)
PROGRAMMING					
AMC NETWORKS:	53.77	2.37	TELCOS		
CBS:	37.95	0.43	AT&T:	34.24	(0.11)
CROWN:	2.02	0.02	VERIZON:	43.00	(0.1)
DISCOVERY:	67.76	(0.09)	MARKET INDICES		
GRUPO TELEVISA:	27.80	0.29	DOW:	13390.51	61.66
HSN:	58.27	0.58	NASDAQ:	3105.81	14.00
INTERACTIVE CORP:	45.48	0.02	S&P 500:	1461.02	3.87
LIONSGATE:	17.51	0.05			
LODGENET:	0.04	0.00			
OUTDOOR:	7.69	UNCH			
SCRIPPS INT:	58.75	(0.37)			
TIME WARNER:	49.63	(0.52)			
VALUEVISION:	2.16	0.11			
VIACOM:	58.76	0.90			
WWE:	8.04	0.01			
TECHNOLOGY					
ADVANTAGE:	2.10	(0.04)			
ALCATEL LUCENT:	1.56	(0.02)			
AMDOCS:	34.71	0.08			
AMPHENOL:	67.51	0.82			
AOL:	29.66	(0.04)			
APPLE:	517.10	(8.21)			
ARRIS GROUP:	15.35	(0.01)			
AVID TECH:	7.74	0.16			
BROADCOM:	34.52	0.50			
CISCO:	20.30	(0.01)			
CLEARWIRE:	3.13	0.21			
CONCURRENT:	6.17	0.01			
CONVERGYS:	17.03	(0.02)			

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Think about that for a minute...

Just Askin'

Commentary by Steve Effros

OK, so now that the holidays are over and we are in the process of getting used to writing "13" instead of "12," where are we? What are the raging debates that will consume the cable television industry policy world for the next year, and are they any different from the past year? The short answer is no, they're not, and the issues will be unlikely to be resolved this year either. So here are just a few of the questions we'll be faced with.



I've decided to pose them all as questions just awaiting the "right" answer... we'll see during the year how close to answers we get.

Question 1: How is it that the "public interest" community thinks it's so simple to build a telecommunications infrastructure? The predictable "noise" for

the beginning of the year will be new books and papers suggesting, once again, that US broadband is woefully "behind" someone, somewhere, and that what we really need is a common-carrier, net-neutral, FTTH, government funded system that will "assure" our technological future. The estimated cost? A low-ball \$140 billion.

Now let's leave aside the fact that these folks seem to have missed all the deficit and debt hand-wringing we are going through, and the budget cuts that are inevitable, and assume that you could actually build out a full, fiber to the home infrastructure, nationwide, covering every home, for a mere \$140 Billion. One of the questions they have ignored is how long it would take, another is how much it would cost to maintain it and keep it up to the "most modern" technology they demand.

We have loads of evidence that these same details have repeatedly been left out of calculations and assumptions relating to past "municipal" cable system efforts, most of which have very seriously missed their marks. He who

ignores history is condemned to repeat it. But in this case I think the noise will just be noise.

Question 2: Why is it that the FCC insists on accepting the notion that it should "anticipate" market failures and therefore write prophylactic rules before there are real issues needing remedies? This comes down to the old perceived necessity of "protecting one's turf." The FCC knows that broadband has been remarkably successful, and that there is almost no evidence of market abuse or failure. Yet we have "net neutrality" rules in court because they simply couldn't avoid the political pressure to do something about protecting their jurisdictional power over the newest telecommunications technology. Understood, and we'll see what the courts have to say this year about all that, but regardless of which way the court goes, you can be assured that the politicians will want to get in on the game. It's just too big a target to ignore. So while I don't think we'll see legislation this year, we will certainly start to hear significant talk of it, and we're foolish if we don't take that seriously and start doing our own homework as to what we want and how we want to get it. This is one of those questions that is answered periodically and can have a major impact (see retransmission consent) for years to come.

Question 3: Who are we? That's a multiple-part question. The FCC is going to try to figure out a realistic definition for "multichannel video program distributors" and the industry is going to try to figure out whether a conglomeration speaking for cable system operators/programmers/broadcasters can still be effective.

That's a good one.

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry)

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