

CableFAX Daily™

Thursday — January 19, 2012

What the Industry Reads First

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Language of the Deal: Univision-DISH More than Meets the Eye

It didn't get quite the headlines that **Disney** and **Comcast's** agreement did earlier this month, but make no mistake about it: **Univision's** new pact with **DISH** is a big deal. Given that Univision completed its first round of retrans deals ever about 3 years ago, some may have thought the agreement announced last week, which includes the launch of 3 new nets, was just part of the routine renewal process. It wasn't. "Their retrans is not up," *Tonia O'Connor*, pres of Univision distribution sales & marketing, assured us. "This is an example of a distributor being opportunistic." And frankly, the fact that DISH is the 1st distributor on board for Univision's telenovela, sports and news nets, as well as being the Spanish-language programmer's 1st authentication partner, speaks volumes as to how significant MVPDs view these offerings. DISH isn't known for overpaying or for being a pushover at the bargaining table. Recall that during retrans talks in '09, Univision ran ads warning DISH subs they may lose its channels because the provider was making "unreasonable demands." How quickly the tides change, especially when helped along by '10 Census data and strong ratings (Univision out-delivered 1 or more of the English-language broadcast nets on 5 of the 7 nights last week among 18-49s). Another clear indicator from the deal: growing Hispanics is a strong priority for DISH—and thus, don't be surprised to see its competitors quickly following suit and signing their own deals. Also noteworthy about the authentication aspect of this deal is that Univision, unlike many of its English-language broadcast brethren, has kept most of its content behind lock and key (the essence of its **Hulu** deal is really Hulu plus, not the free portion of the site). "We want to make our content available to our audience anytime and anywhere they want to view it, especially in light of the fact that our audience are huge, early adopters of technology," O'Connor said. "We believe the best way to do that is through authentication." She declined to get specific on negotiations with other distributors, but said they were ongoing and at least in some cases advanced. No exact launch date for Univision's 3 new cable nets—**Univision Deportes**, **Univision tnovelas** and **Univision Noticias**—beyond the first half of the year. Stay tuned...

Greater AXS: HDNet is scheduled to relaunch this summer as **AXS TV** (pronounced access), a jv involving *Mark Cuban*, of course, along with **AEG**, **Ryan Seacrest Media** and **Creative Arts Agency**. The goal is to leverage the partnership's global reach and content portfolio to create live ent and lifestyle programming. For example, AEG's af-

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filiation with more than 100 global venues will lead to behind-the-scenes access to live concerts and music festivals, award shows and pop culture events. HDNet programming including “HDNet Fights,” “Inside MMA,” “Dan Rather Reports” and select other series will continue on AXS. **DISH** has committed to expanded distribution of AXS, which will premiere in more than 35mln homes, and will begin offering AXS-branded VOD concerts starting Mar 15. Also, DISH will work with AEG to offer ticketing opportunities to its subs, and with AXS will launch **AXS Headliner Club**, an online audition site providing local bands and musicians the opportunity to audition to perform at an AEG-affiliated club or theater. “This is a major step on our way to offering more live programming than any other entertainment and lifestyle network,” said Cuban in a release. “And our partnership with DISH to offer unique subscriber services will allow AXS TV to change the value proposition between networks, distributors, and subscribers.”

Retrans: Day 37 of Cordillera’s blackout of stations on **Time Warner Cable**, and it doesn’t look pretty (see: www.kristv.com/timewarner). Less dramatic was **Newport’s** retrans blackout on **Verizon FiOS** systems in Syracuse, Albany and Harrisburg. The stations went dark Fri, but were back on FiOS by Sun afternoon. “The new retransmission agreement contains rates and other terms that Verizon believes are reasonable and are in subscribers’ best interests,” a Verizon spokesperson said. Meanwhile, **DirecTV** and **Sunbeam** are still duking it out, with the *Orlando Sun-Sentinel* reporting that several subs who have complained about the blackout have been given credits of varying amounts on their bills. Meanwhile, ACA reminded the FCC in reply comments Tues that it supports public disclosure of any agreement, including shared services agreements, that would allow separately owned TV stations in the same local market to coordinate their retrans consent negotiations with pay-TV providers.

On the Hill: On Wed, blackouts meant more than retrans spats with **Wikipedia**, **CEA** and many others making their Websites dark to protest antipiracy bills SOPA (Stop Online Protection Act) and PIPA (Protect IP Act). **NCTA** and media companies have been supportive of the measures as they look for ways to combat online piracy, while critics complain it would give the govt unprecedented access to censor the Web. Ranking House Communications subcmte member *Anna Eshoo* (D-CA) joined the bills’ opponents by blacking out her Website in support of the protests. “History is being made by the more than 10,000 websites that have chosen to boycott SOPA by participating in today’s blackout,” Eshoo said.

Carriage: **Sportsman Channel** surpassed the 30mln HH milestone, clocking 31.1mln, according to **Nielsen**. -- **Outdoor Channel HD** is now available in the top 25 US markets after launching on **Cox AZ** serving Phoenix and Tucson.

At the Portals: Here’s a reminder to maintain good visibility of your antenna structures. The **FCC** Enforcement Bureau notified **Suddenlink** and **James Cable** that they are apparently liable for \$10K each for failure to clean and repaint antenna structures. Both ops have 30 days to sign a statement that the structures have been taken care of. -- The **FCC** Media Bureau ordered that **DISH** disclose to **Madison Square Garden** and **MSG Holdings’** outside counsel certain affiliation agreements with RSNs. This is part of the program access complaint DISH filed in Sept ’10 against the companies.

Show Biz: Imagine all the people... lingering in “Imagine Park,” the interactive forum on the exhibit floor at **The Cable Show** (May 21-23, Boston). **NCTA** has opened the window for proposals for exhibiting at the park, a fully equipped amphitheater in the middle of the floor.

No Guide: While **Lionsgate** and **TV Guide Net** remain mum regarding a report the company is taking steps to sell the channel, LGF could absolutely use the money following its agreement to acquire **Summit Ent** for \$412.5mln. The net has been working toward broader full-screen distribution since its purchase by LGF for \$255mln in late ’08 (**OneEquity Partners** now owns 49%), and was expected to reach full-screen penetration of 80% by last month. Despite this and original programming, **Miller Tabak’s** *David Joyce* estimates TV Guide Net’s EBITDA has fallen to \$7mln from approx \$35mln 3 years ago, and said the channel’s carrying value is approx \$111mln. However, its 80mln household coverage (with 100mln maximum) could mean “distribution upside... We believe a strategic buyer with more access to content and with an array of cable networks already in its portfolio could justify a higher valuation, given synergy potential.”

Wireless: Poppycock! That’s what **LightSquared’s** saying about the process used by **Air Force Space Command** to test interference of the company’s network with GPS devices. It was “rigged by manufacturers of GPS receivers and govt end users to produce bogus [negative] results,” said LightSquared, which has faced for months the thorny interference issue that may scuttle its operations. As a result, Light has asked the **NTIA** to both re-evaluate the testing round and join with the



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FCC to conduct a 2nd testing round at an independent lab. No matter the outcome, said **Stifel Nicolaus**, LightSquared's nightmare should continue. Even if the company's correct about the testing being biased, considerable time would still be required to secure unconditional FCC approval for network operations, said the firm, adding LightSquared "faces a daunting uphill challenge... given the powerful institutional resistance and pressure—and time is fast becoming the enemy."

Online: comScore's data show 182mln US Internet users watched online video in Dec for an avg of 23.2 hours/viewer, underscoring the explosive growth in online content. But to really drive home the latter point, consider the following comparables: in Nov the respective numbers were 183mln and 20.5 hours, in June 178mln and 16.8 hours, and last Dec 172mln and 14.6 hours. Hours/viewers, then, jumped nearly 60% in 12 months. **Viacom Digital** (45.76mln), **Hulu** (31.24mln) and **Turner Digital** (26.69mln), ranked among the top 10 sites in Dec in unique video viewers.

Ratings: ESPN scored last week with more than its coverage of the BCS Championship, which now ranks as cable's 2nd most-watched telecast ever with 24.21mln total viewers. The final 12min of the game and 3 surrounding programming blocks combined to garner 55.35mln P2+, allowing the net to dominate the telecast top 5. Not surprisingly, ESPN led the week in prime with a 3.2/3.18mln. -- From Jan 9-15, **Investigation Discovery's** delivered its best prime week ever among total viewers (765K), HHs (614K), 25-54s (371K) and women 25-54 (248K). -- The season finale of **AMC's** "Hell on Wheels" attracted 2.8mln total viewers, and the show now ranks as the net's 2nd highest-rated series through season 1 averages of 3mln viewers, 1.3mln 18-49s and 1.4mln 25-54s. -- **Disney Channel's** original movie "Frenemies" premiered to 4.2mln P2+ Fri night to rank as cable's top telecast in the time period.

Programming: **Sundance Channel's** "10 Days of Sundance" (Fri) highlights the net's full-court press at this year's **Sundance Film Festival**. Also included: daily blogs at **Sundancechannel.com**, a media lounge, several on-site private events and an appearance by the stars of net series "Push Girls." -- **Tiki Barber** will host **ReelzChannel** special "Hollywood's Gridiron Greats" (Jan 28), which will chronicle the NFL-to-Tinseltown moves of *Lawrence Taylor*, *Howie Long* and others and spotlight actors such as *Cuba Gooding, Jr.*, who experienced career boosts by taking roles as football players.

People: **Fox Sports Media Group** welcomed *Michael Bloom* as svp to oversee a new original programming div covering all Fox nets including **Speed**, **Fox Soccer**, **Fuel** and RSNs. -- **Univision** tapped *Luis Fernandez-Rocha* as svp, **TeleFutura**, and *Carlos Bardasano* as vp, programming and original productions for the net.

Business/Finance: **UBS** downgraded **DirecTV** to 'neutral' from 'buy' and lowered its price target to \$46 from \$53 on likely slowing sub growth in the US. "We believe the maturity of the U.S. pay TV market and increased competition from cable will require DTV to focus less on subscriber growth and more on retention and profitability," said the firm. -- **Cablevision** was dropped to 'sell' from 'hold' by **S&P**, which also lowered its price target by \$4 to \$12 in part because the departures of *Tom Rutledge* and *John Bickham* "renew our concerns with corporate governance."

Editor's Note: The rest of the issue consists of coverage from TCA. Due to space constraints and the fact that most of the cable panels took place over the weekend, we will continue to feature TCA coverage over the next few days.

Viacom: **TV Land's** ride on the "Hot in Cleveland" party train continues, with the *Betty White* hit picking up a 4th season with 24 new eps and a *Cedric the Entertainer* spinoff called "Have Faith," which follows his ex-R&B singer/preacher character into its own standalone sit-com with *Niecy Nash*. Creator *Suzanne Martin* said she has wanted to do a show set in a church for a long time and noted that it's a setting ripe with story possibilities (weddings, funerals, dances, plays, etc). Cedric found some parallels between his career and the role. "I definitely pulled on some of my experiences as a standup and an entertainer," he said. Interestingly, Nash said her dad is actually a R&B singer who became a preacher in real life. "How about that for coincidence?," she said. And in another case of life imitating art on TV Land, *Fran Drescher* walked critics through her new show "Happily Divorced" (Mar 7), which puts her character in the same house with a recently out-of-the-closet ex-husband—and her new boyfriend. It's based on her own divorce, after which her husband came out and later reconciled with her following her bout with cancer. "At that moment, all the anger melted away, and all that was left was the love," she said. -- *Keegan-Michael Key* and *Jordan Peele* sustainably stirred the critics to laughter (never easy, especially in the morning) as they described their new **Comedy Central** sketch series "Key & Peele" (Jan 31), which touts a *Dave Chappelle*-esque sensibility (and includes Key's dead-on *Barack Obama* impression). *Kent Alterman*, Comedy Central head of original programming and production, said the net hasn't nixed any bits, many of which poke fun at the root of racial stereotypes. "We embrace that nothing is off limits," he said. More importantly, both Key and Peele said they're glad that President Obama has made the world safe for African-American nerds. "Before Obama, all we had was Urkel," said Peele. -- New **Nickelodeon** series "How to Rock" (Feb 4 premiere) has talented and great-

looking teens, but it teaches a lesson and does so through music. Lead character Kacey (*Cymphonique Miller*) is a HS student in the cool crowd, until she's forced to wear braces and glasses. Suddenly she's on the outs with the 'in group,' but is adopted by the school's un-cool musicians. Through the music she blossoms once again. The lesson: embrace who you are, Nick chief *Marjorie Cohn* says. Pesky TCA critics were concerned about an alternate message, upset that Kacey drops the glasses and braces when she becomes popular again. Can't an heroic lead character wear braces and glasses, they asked. Uh, ever hear of "Ugly Betty"? -- "We're just a typical country couple" living in the crazy world of Hollywood, said infamous "Bachelor" 'dumpee' *Melissa Rycroft*, previewing her **CMT** reality series "Melissa and Tye: A New Reality" (April premiere). A great-looking, newly married Dallas-based couple, they've decided to give her Hollywood career "a shot," likening her abilities to *Kelly Ripa's* hosting talent. But Tye has a business in Texas and will commute between Dallas and LA, adding pressure to the new marriage. Acknowledging reality TV marriages don't always last, she says, "You can't blame reality TV for the break-ups, you should blame the people." Tye adds, "Nothing's gonna happen to us, we're gonna be fine." Hope so. -- If **VH-1** caters to "smart, fun-loving, slightly rebellious adults... who haven't completely grown up," as evp, original programming and dev *Jeff Olde* said, "Stevie TV" (Mar 4) should resonate. The show features *Stevie Ryan*, a free-spirit who cut her teeth on **YouTube** and stands ready to satirize pop culture and its denizens through comedic sketches. "It highlights the silliness of what we're watching now," said Ryan, adding she's "a tranny at heart." That predilection's evident in her renditions of personalities including *Lady Gaga*, *Kim Kardashian* and *Paris Hilton* that are spot-on and hilarious in aesthetics, mannerisms and speech. Interestingly, Ryan said she always comes to love the people she spoofs; not surprisingly, save for *Kim Kardashian*. VH1 "has let me fly with things," she said, the statement's proof in her inclusion of characters from the net's "Mob Wives." She's undoubtedly "female funny" said Olde, who no doubt hopes Ryan holds widespread comedic appeal.

TNT: TNT's heading toward a critical summer, one that could produce either uncomfortable heat or cool success. That's the risk inherent to greenlighting extensions of an American TV classic ("Dallas") and tremendous cable franchise ("The Closer"). "Being king was great" said *Larry Hagman* of his iconic role as J.R. Ewing in the Fri night soap/drama that captivated a nation for 14 seasons and 357 eps. Now, he's reprising the role along with friends *Patrick Duffy* and *Linda Gray* as Bobby Ewing and Sue Ellen Ewing, respectively. "It was like snapping your fingers" and we were those characters once again, said Duffy, echoing Gray's view that the triumvirate has experienced a "seamless transition" from the past to the present. TNT evp, programming *Michael Wright* said the show is "not a remake, not a reboot," rather the Ewing family has endured and matured without cameras for 20 years only to return with a new generation of kin. "We're honoring the past and freshening for now," said exec prod *Michael Robin*. "The mythology is firmly in place with [the] show." Talent including *Jordana Brewster*, *Josh Henderson* (J.R.'s son) and *Jesse Metcalfe* (Bobby's son) rep the new generation, with Metcalfe saying the show retains the "timeless themes" of greed, power, love, desire and betrayal. Yet so much has occurred since the king reigned, in life and on TV. "Everybody on 'Friends' owes me at least 10%," said Hagman of his iconic turn. "When we did 'Dallas' there were three networks... people had to watch something because we were in a major recession, and here we are again." Indeed, welcome back to South Fork. -- "The Closer," meanwhile, has not been as groundbreaking as "Dallas" but nonetheless enjoys a loyal following that is no doubt ruing the acclaimed show's end come summer after 7 seasons. TNT's looking to maintain the beat with "Major Crimes," a spinoff with many of the same cast and characters. The difference, said Wright, is that Crimes will focus on convictions instead of the confessions sought by dynamite *Kyra Sedgwick* (who's not returning) in Closer. "We see them all back at their desks" performing the same tasks, said exec prod *James Duff* of the hold-over characters. "I think people will come to see what happens." The veracity of that prediction remains to be seen, but Closer, while carried by Sedgwick, has been delightfully augmented by a compelling and memorable ensemble cast. "They can really shoulder the weight," said exec prod *Michael Robin* of the group. "We start in a really fertile place for all that." Added *Robert Gossett*, who gets promoted to the post of assistant chief in Crimes: "We have a running start with this show." In praising the collaborative nature of Crimes in which all the characters will get the chance to carry individual eps, the excellent *G.W. Bailey*, who plays Detective Lt. Provenza, said his grandkids are ecstatic his character is continuing because "papa's wallet will remain open." For Wright and TNT, the main concern is the audience's openness to an amalgam of change and sameness. -- Also this summer to TNT comes "Perception," in which star *Eric McCormack* stars as a schizophrenic neuroscientist (no doubt an enticing mixture) and prof who helps the Feds solve difficult cases. McCormack cracked that the producers refused his request to "make this guy a gay lawyer" (think "Will and Grace") before saying his intriguing character takes an awful lot of energy to play, particularly given his dealings with the real and imagined. The fun of the show won't arise from the character's delusional visions per se,

BUSINESS & FINANCE

he said, but rather from the meaning and timing of each vision (not to mention his imaginary girlfriend). "His brain is like his best friend and his worst enemy," said McCormack. Said exec prod *Ken Biller*: "We examine and explore some really fascinating disorders that are based on real cases." The lovely *Rachael Leigh Cook* is among the show's co-stars.

TV Guide Network: Manicure aficionados can rest easy: **TV Guide Net** chmn *Allen Shapiro* told critics that its 1st original reality show "Nail Files" is expected to return for a 2nd season after "a few minor negotiations." Meanwhile, the net on Mar 4 will premiere "Hollywood Girls Night" featuring friends former Miss USA *Ali Landry* and *Alison Sweeney* ("Days of Our Lives") and their "private" potluck dinners with famous mom friends. Uh, not so private now. The net's main pitch to critics was "Still Holding On," an 8-ep series following the 3 members of rock band *Wilson Phillips* (*Carnie and Wendy Wilson*, and *Chynna Phillips*) as they... sort of just "be" *Wilson Phillips* trying to juggle careers and motherhood. "We're working moms," said *Carnie Wilson*. "We're pretty wacky and kooky... but it's also inspiration for moms too." The show includes a behind-the-scenes look at recording sessions for new album "Dedicated" in which they sing the *Beach Boys* and *The Mama's and the Papa's* hits written by their famous fathers.

CableFAX Daily Stockwatch

Company	01/18 Close	1-Day Ch	Company	01/18 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	42.18	(1.32)	CLEARWIRE:	1.85	0.01
DISH:	29.06	(0.04)	CONCURRENT:	3.68	(0.1)
DISNEY:	39.02	0.54	CONVERGYS:	13.00	0.29
GE:	19.02	0.28	CSG SYSTEMS:	15.85	0.14
NEWS CORP:	19.57	0.28	ECHOSTAR:	23.70	0.70
MSOS					
CABLEVISION:	13.75	(0.22)	GOOGLE:	632.91	4.33
CHARTER:	56.44	(0.53)	HARMONIC:	5.46	0.26
COMCAST:	25.72	0.18	INTEL:	25.39	0.35
COMCAST SPCL:	25.15	0.20	JDSU:	12.64	0.86
GCI:	10.02	0.37	LEVEL 3:	18.68	0.80
KNOLGY:	14.30	0.08	MICROSOFT:	28.23	(0.03)
LIBERTY GLOBAL:	43.92	0.85	MOTOROLA MOBILITY:	38.60	0.05
LIBERTY INT:	17.25	0.10	RENTRAK:	15.80	0.44
SHAW COMM:	19.90	0.33	SEACHANGE:	6.74	0.11
TIME WARNER CABLE:	66.38	0.12	SONY:	17.12	0.35
VIRGIN MEDIA:	23.86	(0.19)	SPRINT NEXTEL:	2.33	0.12
WASH POST:	387.50	(0.75)	THOMAS & BETTS:	57.99	1.34
PROGRAMMING					
AMC NETWORKS:	40.20	0.87	TIVO:	10.43	0.10
CBS:	28.29	0.20	UNIVERSAL ELEC:	17.84	(0.05)
CROWN:	1.18	(0.03)	VONAGE:	2.33	UNCH
DISCOVERY:	43.99	0.29	YAHOO:	15.92	0.49
GRUPO TELEVISIA:	21.50	0.72	TELCOS		
HSN:	36.64	0.04	AT&T:	30.33	0.08
INTERACTIVE CORP:	42.56	0.90	VERIZON:	39.01	(0.01)
LIONSGATE:	9.14	0.20	MARKET INDICES		
LODGENET:	3.02	0.19	DOW:	12578.95	96.88
NEW FRONTIER:	1.03	(0.07)	NASDAQ:	2769.71	41.63
OUTDOOR:	7.57	0.20	S&P 500:	1308.04	14.37
SCRIPPS INT:	45.14	1.33			
TIME WARNER:	37.39	0.08			
VALUEVISION:	1.58	(0.07)			
VIACOM:	53.50	0.20			
WWE:	9.59	0.13			
TECHNOLOGY					
ADDVANTAGE:	2.15	(0.04)			
ALCATEL LUCENT:	1.88	0.10			
AMDOCS:	29.16	(0.04)			
AMPHENOL:	53.56	5.29			
AOL:	15.70	0.66			
APPLE:	429.11	4.41			
ARRIS GROUP:	11.11	0.17			
AVID TECH:	9.41	0.51			
BLNDER TONGUE:	1.34	0.04			
BROADCOM:	33.35	1.13			
CISCO:	19.54	0.23			



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Integration

Commentary by Steve Effros

We've heard a lot about competition, consolidation and convergence over the years. When it came to production and delivery of "television" (now "video"), it was all about wanting more competition, the concern over consolidation of big companies, and the expectation that there was going to be a convergence of the television set and the other screen in the house, the computer.



It hasn't quite worked out that way, because, I think, of the assumption that underlying all those events would be the remainder of a fundamental business plan: the way video was sold, delivered, and paid for in the first place.

We are used to a model where video is aggregated, in a network and then by an MVPD, and distributed to consumers who pay for it both with a subscription fee and/or through derived advertising revenue. The "dual revenue stream" has proved to be essential for many different business plans including "free, over-the-air television," which now relies on both advertising revenue and retransmission consent fees. Without those fees, the broadcasters acknowledge they could no longer be competitive. The newspaper and magazine industries, by the way, have the same dual model.

The consumer winds up paying fees through different mechanisms. In the case of video delivery, the consumer is often not really aware that some of the fee he or she thinks is going for "delivery"—that is, the cable service or the satellite service—is actually going to the programmer. And in the case of video delivery over the newest "competitor," the Internet, the notion that things are "free" is finally fading as aggregators such as Hulu, Vudu, Netflix and the like charge fees directly and in some cases offer discounts if the viewer accepts advertising along with the subscription. Delivery is extra.

So far, so good. But now we are starting to see a new variation. Not necessarily bad, but certainly one that could change consumer perceptions and acceptance relating to the sale of the delivery technology itself.

My son got a new Kindle the other day. Likes it a lot. But found it very disconcerting that advertising showed up (and changed) on the screen while he was not using it. Turn it on to read something and a new ad is sitting there first. Take it out a little later and a different ad is already sitting on the screen.

Apparently Amazon is selling ads and inserting them on the Kindle as a part of the technology bundle, having nothing to do with what that technology is being used for. You could want a Kindle to read a book or read a newspaper or your email... no matter. Buy the device, get the ads. Or, pay a higher price and you don't get the ads. Your choice, advertising revenue or additional purchase fee revenue. But this is not for programming. This is unique to the purchase of the device itself. That's something new.

This may point the way to a new paradigm for the sale of technology, where the technology itself is paid for with a dual revenue stream. The sale of cell phones with service contracts is another. It raises the interesting question of how willing the consumer will be to start paying a dual revenue stream for both the technology and the "programming."

Technology competition is flourishing, and the competition is all about ease of use, elegance of design, and, of course, new technology (think motion and voice recognition). That's great. but it also may mean the integration of a new payment model. Think about that.

Steve

T:202-630-2099
steve@effros.com

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