

CableFAX Daily™

Friday — January 25, 2013

What the Industry Reads First

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U-verse 4Q: 'The Best is Yet to Come'

AT&T exes were bullish on U-verse's outlook during the company's earnings call Thurs, for a good reason: For the first time, the company has more consumer U-verse HSI subs than legacy DSL subs. The telco added 609K U-verse Internet subs in 4Q (vs. 210K in the year-ago quarter) to reach a total of 7.7mln, helping offset losses from DSL. Overall, wireline broadband sub growth was flat though total broadband ARPU was up more than 10% YOY. That's because more subs have upgraded their Internet plans. Some 55% of U-verse broadband subs have a plan delivering speeds up to 12Mbps or higher, up from 46% in the year-ago quarter. About 90% of new U-verse subs also signed up U-verse HSI in the quarter. Additionally, 70% of U-verse TV subs take 3 or 4 other services from the telco. U-verse TV added 192K net new subs to reach 4.5mln in service. In total, U-verse subs have reached 8mln. U-verse TV penetration continues to grow YOY and was at 18.7% at quarter's end. "We believe the best is yet to come. We think there's a lot of room for growth here," CFO *John Stephens* said. The penetration rates for U-verse TV and broadband have just started to climb, he said. "The runway is long." And with the company's Project VIP initiative, which calls for \$14bln investment in wireless and wireline, U-verse growth will continue, he said. U-verse has "a lot of headroom," said CEO *Randall Stephenson*. Despite pension charges and Hurricane Sandy, AT&T narrowed its loss to \$3.9bln vs \$6.7bln in the year-ago quarter. For the full year, the telco earned \$7.3bln. "I don't think there will be any big plans coming out of the (Obama) Administration that will change our plans," Stephenson said. He called for a lower corporate tax rate but applauded the Obama Administration's goal to expand broadband deployment. For '13, the company expects 2% revenue growth YOY. Meanwhile, AT&T restored its U-verse service for "the vast majority of our customers" after outages that affected subs nationwide. "We expect any remaining customer issues will be resolved this morning," a rep said Thurs. The company will provide a credit to affected customers.

Online: Discovery Comm announced a partnership with **AOL** to bring short-form videos from its suite of nets to The AOL On Network's library of more than 470K premium videos. AOL On Network's 14 channels will feature excerpts from series such as **Discovery's** "MythBusters" and **TLC's** "Say Yes to the Dress."

On the Hill: Sen Judiciary has scheduled a hearing Wed titled "What Should America Do About Gun Violence?"

WICT and the Stanford Graduate School of Business

have partnered to launch the WICT Senior Executive Summit, debuting March 10 -14, 2013. This exclusive educational opportunity will combine the excellence of Stanford's top-rated business school with the power of WICT's leadership development programs.

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It comes after the President proposed new gun regs and Vice President Joe Biden met with entertainment execs about violence in media. On Thurs, **Sen Commerce** chmn *Jay Rockefeller* (D-WV) reintroduced his bill on studying the impact violent programming and video games have on kids.

TVE: Cablevision now offers **Watch Disney Channel, Watch Disney XD** and **Watch Disney Junior**, which lets subs who receive the linear channels view the nets on any Internet-connected device.

At the Portals: NAB, AT&T, Verizon Wireless, Intel, Qualcomm and **T-Mobile** have worked together to come up with a core set of principles for organizing wireless and TV operations in the 600 MHz band as the **FCC** proceeds with spectrum auctions. In comments filed Thurs, the companies made several recommendations, including relying on 5 MHz spectrum blocks as building blocks for the band plan and avoiding broadcast TV stations in the “duplex gap,” the spacing between uplink (mobile transmit) and downlink (base transmit). -- **The Expanding Opportunities for Broadcasters Coalition**, which is now at 39 large-market stations, filed comments saying it believes the FCC should be able to reallocate at least 120MHz to raise \$7bln for public safety. Former **Disney** and **Fox** exec *Preston Padden* is exec dir for the coalition. The coalition wants the FCC to provide for intra-round bidding, saying broadcasters should have the option to reject the FCC's initial price while specifying a price they would accept. The group also warned that if Verizon and AT&T are restricted or impeded from participating, the revenue expectations of willing sellers won't be met, and the auction will fail.

Press Clippings: MA island Chappaquiddick may get **Comcast** service, but it won't be cheap. *The Martha's Vineyard Times* reports a new franchise agreement recently endorsed by the cable advisory board would have Comcast provide service to the remote island if enough residents sign up, but each homeowner would have to pay \$2139 toward the cost of the infrastructure. The paper said there will be a 2-year commitment, and at least 270 homeowners would have to sign up.

Research: Military History ranked as the emerging net that cable ops (not affiliated) are most interested in carrying, according to the **Beta Research** Cable Operator Carriage Study. Also ranking high were **Smithsonian Channel** (51%), **FX/Fox Movie Channel** (50%) and **CI, Crime & Investigation** (47%). **NFL Net** was easily the top ranked mid-sized net, with 87%. It was followed by **Fox Business** (69%), **Hallmark Movie** (65%), **Cooking Channel** (64%) and **Nat Geo Wild** (57%). If you look at just the operators with 100K+ subs, **Sony Movie Channel** ranks #1 among emerging nets (33%), followed by **nuvo TV** (31%) and **CI** (27%). The top mid-sized net for that category is **Nat Geo Wild** (25%), followed by **Ovation** (17%), **NFL** (13%) and **Current** (10%).

Lots of Panicking: For several weeks, **NCTA's** Facebook page has been inundated with comments from fans of **A&E's** “Panic 9-1-1.” They're all begging for the reality series to be brought back for another season. It's not really clear why the fans are using the trade group's page to plead their case, but NCTA has taken note. After telling fans a few weeks ago that it isn't directly involved in the programming at A&E, it made a similar post Thurs. “The best way to let A&E know how you feel is to connect with them directly through their Facebook page. If you have other questions about cable and broadband, please don't hesitate to ask. That's why we're here!” NCTA wrote. A&E said it hasn't made a decision yet about the show.

Programming: Some of the first fruits of *Jeff Zucker's* reign at **CNN**: **CNN** and **Turner Sports** have hired veteran **ESPN** reporter *Rachel Nichols*. She'll anchor a new weekend CNN sports program and report for Turner Sports across TV and digital platforms. Her 1st assignment will be the Super Bowl in N'awlins. -- What's different about the Westminster Kennel Club Dog Show this year? **USA** will stream all individual breed judging in real time for the first time ever. The competition will be televised live on **CNBC** Feb 11 from 8-11pm. USA will then air the entire conclusion, including Best in Show, on Feb 12, 8-11pm. -- **TBS'** crowd sourced “Conan” ep is slated for Thurs, 11pm. In Nov, the late night host announced the “Occupy Conan” movement, challenging fans to produce an entire episode by recreating scenes. *Conan O'Brien* will live blog throughout the ep. -- With the **Baltimore Ravens** Super Bowl-bound, **Comcast SportsNet Mid-Atlantic** will feature more than 22 hours of live programming and extensive online content on location in New Orleans, including an expanded 90 min edition of “Ravens Showdown on the Bayou” (Feb 2, 11:30pm and Feb 3 at 9am). -- If you make it on to a reality show, outlandish antics up the chances of you getting your own series. So is the case with **TLC's** “Gypsy Sisters,” which features 4 women introduced in last spring's “My Big Fat American Gypsy Wedding” (debuts Feb 10, 9pm).

Marketing/Advertising: **Time Warner Cable** partnered with **AMC** to produce a 30-sec spot featuring “The Walking Dead” that will debut during the Super Bowl, Feb 3. The ad, which will be seen across its footprint in 44 markets, is part of its

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“Enjoy Better” brand campaign. Nice timing for AMC too, with the series returning from its break on Feb 10. In addition, TWC will launch a Walking Dead sweeps, with fans of its **Facebook** pages able to answer trivia about the show to enter a trip to meet the cast, 1 year of TWC service and more. So, does this mean TWC and **AMC Nets** have struck a new deal for **IFC** and **WE**, which were given an extension after their carriage contract expired Dec 31? Probably unrelated, but it sure has been quiet on that front.

On the Circuit: Things are looking good for **NATPE**, with more than 1K domestic and intl buyers set to attend next week’s conference, the highest number in more than 5 years. One 1st for this year’s gathering: attendees can use their laptops, mobile handsets and tablet devices to access real-time content, participate in live polls, etc. It’s powered by **TVplus**. -- **NAMIC** announced 4 scholarships for its 2013 Leadership Seminars, covering tuition, programming materials and other expenses. The scholarships stem from a gift from the **Walter Kaitz Foundation**. The deadline for submitting applications is Feb 22. Visit www.namic.com.

People: **Discovery** upped **Nancy Daniels** to gm, **Discovery Fitness & Health**. She’ll remain evp, dev West for **Discovery Channel**. -- **CMT** named ex-**Style** exec **Katie Buchanan** as svp, program, planning and scheduling. She’ll relocate to Nashville from L.A.

CableFAX Daily Stockwatch

Company	01/24 Close	1-Day Ch	Company	01/24 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	53.49	0.36	CSG SYSTEMS:	18.29	(0.22)
DISH:	36.63	(0.61)	ECHOSTAR:	36.03	0.22
DISNEY:	53.95	UNCH	GOOGLE:	753.83	12.33
GE:	22.05	0.11	HARMONIC:	5.57	0.13
NEWS CORP:	27.72	(0.27)	INTEL:	20.95	(0.16)
MSOS					
CABLEVISION:	15.09	(0.09)	JDSU:	13.27	(0.13)
CHARTER:	79.22	0.27	LEVEL 3:	24.58	0.12
COMCAST:	39.58	(0.42)	MICROSOFT:	27.63	0.02
COMCAST SPCL:	38.11	(0.28)	RENTRAK:	19.90	(0.13)
GCI:	8.40	UNCH	SEACHANGE:	11.08	0.27
LIBERTY GLOBAL:	67.50	(0.28)	SONY:	13.52	0.27
LIBERTY INT:	21.00	0.12	SPRINT NEXTEL:	5.67	UNCH
SHAW COMM:	23.69	(0.09)	TIVO:	12.24	(0.21)
TIME WARNER CABLE:	100.38	(0.04)	UNIVERSAL ELEC:	19.18	0.18
VIRGIN MEDIA:	39.18	0.05	VONAGE:	2.49	0.04
WASH POST:	387.94	4.67	YAHOO:	20.44	0.33
PROGRAMMING					
AMC NETWORKS:	57.43	0.77	TELCOS		
CBS:	41.98	(0.26)	AT&T:	33.75	(0.03)
CROWN:	1.94	(0.03)	VERIZON:	42.59	(0.2)
DISCOVERY:	68.28	0.10	MARKET INDICES		
GRUPO TELEVISIA:	28.13	(0.13)	DOW:	13825.33	46.00
HSN:	59.18	0.77	NASDAQ:	3130.38	(23.29)
INTERACTIVE CORP:	39.43	(0.87)	S&P 500:	1494.82	0.01
LIONSGATE:	18.03	0.03			
OUTDOOR:	7.48	(0.02)			
SCRIPPS INT:	60.44	0.12			
TIME WARNER:	50.80	(0.02)			
VALUEVISION:	2.70	UNCH			
VIACOM:	61.48	(0.41)			
WWE:	8.30	UNCH			
TECHNOLOGY					
ADDVANTAGE:	2.30	0.02			
ALCATEL LUCENT:	1.70	(0.05)			
AMDOCS:	35.33	0.21			
AMPHENOL:	67.75	0.09			
AOL:	30.80	0.59			
APPLE:	450.50	(63.51)			
ARRIS GROUP:	16.71	0.04			
AVID TECH:	7.37	0.06			
BLNDER TONGUE:	1.38	0.03			
BROADCOM:	34.21	(0.53)			
CISCO:	21.02	0.40			
CLEARWIRE:	3.30	0.09			
CONCURRENT:	6.06	0.04			
CONVERGYS:	16.83	(0.05)			

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OTT Musings: Stakeholders Debate Evolving Content Delivery at CES
 With the Comcast/Disney distribution deal a harbinger for TV Everywhere and Fox's move last summer to put select content behind a pay wall, panelists mulled the ins and outs of over-the-top delivery at an OTT panel at CES. "The tablet, the device, is going to control the TV experience at U-verse," said Jeff Weber, AT&T VP, product and strategy, noting the company's drive into tablet apps and model of providing APIs for developers to send content from device to television. But discernment is critical, panelists agreed. While AT&T has an approval process in place, YouTube abandoned its API-based partnership model two years ago "because we ended up with different apps on diff TV, and performance differed," said Francisco Valera, dir/global head of platform and games partnerships. Touting YouTube's deals with Samsung, LG and its new Xbox partnership, "if we can't control the app, and update features quickly, it's a lost cause," he said. YouTube's recent-day model of investment in original content will stretch the company's presence in specific categories such as "niche cooking and unique travel" channels. "We don't see ourselves becoming a large studio, but we're more than dogs on skateboards," Valera quipped. "We want to bring in proven providers of broadcast quality content that's not sustainable in the cable universe." Valera said YouTube is working on its fourth UI, and moving toward the HTML 5 standard. Noting that unlike other video distributors YouTube always owns its TV and mobile content rights, "Can we bring our content to an AT&T, Cox or Comcast? We can, and that's where we are excited," he said. Initial deals with distributors are rolling out in Europe and Asia, he said. At Cox, focus remains on the UI. "It's important to get the user interface right, especially as more content is added in," said Lisa Pickelsimer, executive director, video product development. Integrated search, recommendations and social media will become more key, Pickelsimer said, noting the bigger role of metadata and the need

PROGRAMMER'S PAGE

Last Townies Standing

Years ago, when I was in South Boston (what the locals call "Southie") working for a local newspaper, I couldn't find a **Starbucks**. Or any other chain store/restaurant for that matter. But things have changed drastically as sushi restaurants and froyo shops moved into the neighborhood. According to "Southie Rules," a reality show that debuts on **A&E** Tues and follows the Winters family as they struggle with gentrification in their neighborhood, "Sushi isn't food. It's bait." As serious as the word gentrification sounds, the show's a total family comedy. Think "Modern Family" with a Southie spin. "We were fascinated by the family," though the initial plan was to play more on gentrification, said *Drew Tappon*, A&E's vp, non-fiction & alternative programming. As one of the few remaining multi-generational Southie clans, the Winters (only 3 have "real jobs," says Tappon) live under the same roof of a 3-level home and own a tattoo store. Despite outsiders (better known to the family as "the yuppies"), the family continues to embrace its Southie way of life. "They thrive by living on the fringe of society" and although all 3 generations are cramped under the same roof, they still have a strong family bond and are just as happy, Tappon said. It's a unique dynamic: family matriarch *Camille* and her ex-husband *Walter* who, while divorced, still sleep in the same bed; their youngest son *Matt* (he loves messing with the yuppies) has a 1-year old with his live-in girlfriend/stay-at-home mom *Jenn* (don't miss their meatball fight); and eldest son *Jon* manages the family's tattoo shop. Keeping the family together are *Leah*, the housewife with loud opinions, and her husband *Jarod*. We will see if the Southies can win the daily turf war against the yuppies that are overrunning their territory. That is, if they don't kill each other first. "Southies" premieres on A&E Tues at 10pm. — *Joyce Wang*

Reviews: "The Americans," premiere, Wed, 10p, **FX**. With the rise of "Homeland" on **Showtime** and the popularity of double-lives stories (Homeland again and **AMC's** 'Breaking Bad'), you can see why FX greenlighted "The Americans." It is set in Cold War Washington, D.C., circa 1980, as Ronald Reagan becomes President. We now know there were hundreds of KGB spies in the U.S., some posing as Americans, leading seemingly mundane lives. *Keri Russell* is Elizabeth, ostensibly a typical wife and mother, but really a hardened KGB operative, obsessed with Mother Russia. She's 'married' to Philip (the wonderful *Matthew Rhys*), a good spy, but soft and distracted. After just 2 pretty entertaining eps, it's tough to know where this series will go, so we hesitate to speculate on its ultimate worth. But like good spies, we'll be watching... in the dark. -- "Spartacus: War of the Damned," premiere, Fri, 9p, **Starz**. As if viewers needed foreshadowing. The opening tableaux for the 4th and final Spartacus installment features streams of theatrical blood, pieces of dead soldiers and a half-clad young woman, also dead. The amount and intensity of violence and sex here make "The Sopranos" seem like "Sesame St." Fortunately, there is a strong cast, dialogue and great incidentals, as Spartacus (a bulked-up *Liam McIntyre*) finally faces a Roman who respects him. -- *Seth Arenstein*

Basic Cable Rankings (1/14/13-1/20/13)			
Mon-Sun Prime			
1	USA	2.0	2026
2	DSNY	1.8	1769
3	FOXN	1.4	1387
4	TBSC	1.3	1335
4	FX	1.3	1288
4	TNT	1.3	1269
4	HIST	1.3	1239
8	ESPN	1.2	1196
8	A&E	1.2	1139
10	DISC	1.1	1104
10	HGTV	1.1	1058
12	ADSM	1.0	993
12	LIFE	1.0	951
14	SYFY	0.9	929
14	FAM	0.9	859
14	ID	0.9	691
14	DSE	0.9	70
18	FOOD	0.8	827
18	NAN	0.8	816
18	BRAV	0.8	782
18	TRU	0.8	743
18	LMN	0.8	644
23	TLC	0.7	690
23	AMC	0.7	681
23	BET	0.7	672
23	MTV	0.7	667
23	TVLD	0.7	648
23	MSNB	0.7	638
23	HALL	0.7	594
30	CMDY	0.6	597
30	SPK	0.6	556
30	OWN	0.6	486
33	APL	0.5	503
33	EN	0.5	480
33	CNN	0.5	477
33	NGC	0.5	413
37	VH1	0.4	417
37	ESP2	0.4	392
37	TRAV	0.4	381
37	NKJR	0.4	332
37	H2	0.4	302
37	SPD	0.4	297
37	OXYG	0.4	287
37	GSN	0.4	277
37	HMC	0.4	177
37	FXM	0.4	168

*Nielsen data supplied by ABC/Disney

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1:30 - 3:00pm ET

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