

# CableFAX Daily™

Thursday — January 26, 2012

What the Industry Reads First

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## Staying Soapy: Disney Keeping the Suds in the Bucket for Now

Now that an exact date has been set for **Disney Junior's** launch (Mar 23), does that mean **SOAPnet** is gearing up to bid adieu? Not exactly. As the preschool net gm *Nancy Kanter* told us last month, some operators will carry both Disney Junior and SOAP for a period of time (*Cfax*, 12/5). Carriage agreements for Disney Junior have been announced with **Comcast, Time Warner Cable, Cablevision, Bright House Networks** and **Verizon**, and expectations are that those distributors will continue carrying SOAP until it is no longer available (ie, they'll likely want to have the same offerings as competitors who haven't signed deals yet). "We've always viewed the launch of Disney Junior as a transition, not a flip of a switch, and as such SOAPnet will remain available for an undetermined period of time as additional carriage deals for Disney Junior are finalized with distributors," a spokesperson said. A comparable situation was in Mar 2010, when **Fox Reality** flipped to **Nat Geo Wild** but stayed on the air for a time. SOAP continues to operate almost like it's business as usual. Head to its Website, and you won't find any mentions of an impending shutdown. However, you also won't find any details about new original programming since it is winding down. Press releases are still coming out, but smartly, some of the programming stunts are aimed at directing the mostly female viewership to **ABC Family**. Earlier this month, SOAP featured a 10-ep marathon of ABC Family series "The Lying Game" as well as a re-broadcast of the winter premiere episode. Confusion about the status of SOAP can be seen in the comment sections on Websites talking about the Lying Game marathon. "Does this mean SOAPnet isn't going away?" read one comment on **Zap2it's** "TV By the Numbers." Often when a TV channel or program is going away, fans galvanize, and SOAPnet is no exception. Over on **Facebook**, nearly 9K people have joined a group called "I would pay a network/cable/satellite provider to save my soaps!" Tactics for the small-but-vocal group have included encouraging fans to bombard a Web article on **Disney CEO Bob Iger's** \$31.4mln in '11 compensation with comments on the demise of SOAP and **ABC's** "All My Children" and "One Life to Live" as well as a fax and email campaign directed at Iger, Daytime (now called **Times Square Studios**) head *Victoria Dummer* and **ABC Ent** pres *Paul Lee*. Soap fans were dealt another blow in Nov when **Prospect Park**, which had licensed "All My Children" and "One Life to Live" from ABC to produce new eps online, announced that it was suspending its plans because of the "constraints of the current marketplace." While daytime soap viewers (and their programs) are disappearing, there does seem to be a revival of the prime soap with shows like ABC's "Once Upon a Time." Even sophisticated **PBS** has a soapy feel with "Downton Abbey." Everything is cyclical...

**NFLX:** Netflix lost 358K paying streaming and 2.77mln DVD subs in 4Q, but the company continues to adroitly manage ongoing customer defections as domestic rev increased approx 43% YOY and 5.9% sequentially. NFLX said streaming memberships (227K) grew faster than expected in 4Q, noting a return in Dec to "strongly positive net streaming additions." YTD, quarterly streaming adds are tracking close to 1.7mln. More from the earnings call tomorrow. At **NATPE** on Tues, chief content officer *Ted Sarandos* said original series "House of Cards" and original eps of "Arrested Development" will hit NFLX

## A Holiday Leader

Countdown to Christmas featured  
1038 hours of holiday programming reaching  
nearly 75 million unduplicated viewers!

**Hallmark**  
CHANNEL

The Nielsen Company, NPower Reach and Frequency Report (11/12/11-1/20/12), Line 4 3 Total Day  
Count unduplicated audience of 74,880 million viewers (P2+). Subject to qualifications upon request.

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in early '13—following “Lilyhammer” (Feb 6)—and that by the middle of '13 the site will offer 5 original shows. The remaining **Starz** content leaves NFLX at the end of next month. NFLX shares rose more than 10% in after-hours trading.

**At the Portals:** The **FCC's** tentative Feb agenda includes consideration of a Report and Order to extend outage reporting under Part 4 of the rules to interconnected VoIP service providers.

**Carriage:** VOD net **Shalom** announced the launch of a free, 24/7 linear channel offering daily newscasts from Israel, call-in programs, etc. Shalom TV Live is being made available to providers for free in HD and SD. The free VOD channel is available in 43mln US and Canadian homes. Shalom has agreements with 3 distributors for the linear net, which debuts Feb 1. -- **nuvoTV** landed HD launches in Miami (**Comcast**), Puerto Rico (**Choice Cable**) and Bakersfield, CA (**Bright House**).

**Advertising/Marketing:** **WWE Digital Properties** bowed to offer targeted digital ads across **WWE.com** and other sites including **Maxim.com**, **Majorleaguegaming.com** and **PBR.com** (Pro Bull Riding). The venture touts a reach of 18mln uniques/month and a deep dive into the male 18-34 demo.

**Notable Moves:** **ESPN** pres *John Skipper*, who assumed the post Jan 1, announced structural changes to emphasize leadership continuity while fostering growth. *John Kosner* was upped to evp, digital and print media, while evp, programming and acquisitions *John Wildhack* and evp, production *Norby Williamson* will swap roles. Also, *Marie Donoghue* assumes the role of svp, global strategy, business dev and business affairs. All 4 execs will report to Skipper. -- **Comcast** named as area vp, CAs Southwest Bay Area *Amy Lynch*, who becomes the 1st woman to oversee cable ops in Silicon Valley and the San Francisco Peninsula. Lynch replaces *Ralph Martinez*, now regional vp for the MSO's Twin Cities Region.

**Ratings:** **Bravo** enjoyed a particularly fruitful Mon night, with the season 2 finale of “The Real Housewives of Beverly Hills” scoring series highs among total viewers (3.03mln) and 18-49s (2.01mln)—nuptials always help—“It’s a Brad, Brad World” delivering season highs among the same 2 metrics (1.1mln, 782K) and “Watch What Happens Live” following suit (1.3mln, 844K).

**Programming:** **USA's** poised not only to expand into scripted comedy, but the reality genre as well with “The Moment” (3Q), in which grocery clerk-turned-NFL MVP *Kurt Warner* guides men and women through chances to reclaim derailed or postponed career dreams. -- As **Golf Channel's** most-watched original series ever, “Feherty Live” returns Feb 27 with a new 1-hour format and timeslot, Mondays following “The Haney Project.” The premiere ep will feature a special show from Super Bowl XLVI. -- **HGTV** ordered 3 of its newest series, ordering 13 eps each of design show “Kitchen Cousins,” makeover series “The High Low Project” and real estate program “Selling L.A.” -- Tune-in alert. Media mogul and philanthropist *Ted Turner* will be featured on a new ep of “Oprah’s Master Class” (Sun, 10pm). -- **Bloomberg TV's** *Trish Regan* scored an exclusive interview with Treasury Sec *Timothy Geithner*. The 1-hour special was set to air Wed night at 8pm ET.

**People:** **Sundance Channel** named *Monica Bloom* as svp, marketing. She was formerly the head of brand strategy and dev for (**RED**), the NY-based org created by *Bono* and *Bobby Shriver* to drive corporate profits into the fight against AIDS. -- **Travel Channel** tapped *Amelie Tseng* as vp, comm.

**On the Circuit:** **GMC** is partnering with the **American Black Film Festival** on the 2nd annual GMC Faith and Family

# The CableFAXIES awards

LATE DEADLINE: JANUARY 27, 2012

Entry Questions: **Mary-Lou French** at 301-354-1851;  
mfrench@accessintel.com

[www.CableFaxiesAwards.com](http://www.CableFaxiesAwards.com)

## Saluting Cable's Top Marketing & PR Programs and People

The CableFaxies Awards salute the year's most outstanding communications initiatives and programs in the highly competitive and dynamic Cable arena. **The coveted awards set the industry benchmark for excellence across all areas of PR and marketing.**

The winners and honorable mentions will be saluted during an awards event in Spring 2012 in New York City.



# BUSINESS & FINANCE

Screenplay competition. Submissions for the competition are being solicited now through Mar 15 by the ABFF, with the grand prize winner receiving \$5K. GMC is producing and premiering last year's winner "Raising Izzie" on the net in July. Runner-up "Somebody's Child" will premiere on the net in Aug.

**Business/Finance: Bluefin Labs**, which has an analytics platform that analyzes and organizes social media conversations about US TV, announced it has raised \$12mIn in Series B funding led by **Time Warner** investments. Bluefin clients include **CBS, Fox, Discovery, MediaCom, MTVN** and **Starcom MediaVest**. -- **Collins Stewart** increased the price target for **Cablevision** to \$30 from \$27, saying fundamentals should improve in FY12. It also raised **Comcast's** target to \$36 from \$32, saying the MSO should benefit from cable results and a \$3bn+ repurchase increase. The firm raised the target for **Time Warner Cable**, which reports results Thurs, to \$96 from \$85. "Despite higher 1Q12 sub losses (due to MSG), fundamentals improve. We expect a dividend increase to yield 3.5%," Collins Stewart told clients. **DirectTV's** price target was raised to \$68 from \$59, with the firm suggesting investors take advantage of the pullback. **DISH**, on the other hand, saw its price target reduced to \$35 from \$37.

## CableFAX Daily Stockwatch

Company	01/25 Close	1-Day Ch	Company	01/25 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	44.44	0.67	CLEARWIRE:	1.82	0.01
DISH:	28.72	(0.13)	CONCURRENT:	3.70	(0.07)
DISNEY:	39.56	0.31	CONVERGYS:	13.46	0.11
GE:	19.13	0.29	CSG SYSTEMS:	15.95	0.12
NEWS CORP:	19.48	(0.19)	ECHOSTAR:	25.21	(0.3)
<b>MSOS</b>					
CABLEVISION:	14.73	0.57	GOOGLE:	569.49	(11.44)
CHARTER:	57.71	1.07	HARMONIC:	5.90	0.09
COMCAST:	26.12	0.26	INTEL:	26.90	0.01
COMCAST SPCL:	25.15	(0.05)	JDSU:	13.57	0.00
GCI:	10.39	(0.03)	LEVEL 3:	19.81	0.93
KNOWLOGY:	14.89	0.25	MICROSOFT:	29.56	0.22
LIBERTY GLOBAL:	45.71	0.84	MOTOROLA MOBILITY:	38.60	(0.04)
LIBERTY INT:	16.65	0.04	RENTRAK:	17.77	0.72
SHAW COMM:	19.83	0.20	SEACHANGE:	7.08	(0.13)
TIME WARNER CABLE:	69.11	0.48	SONY:	18.66	0.71
VIRGIN MEDIA:	24.06	0.27	SPRINT NEXTEL:	2.20	0.03
WASH POST:	397.18	4.85	THOMAS & BETTS:	57.88	(0.04)
<b>PROGRAMMING</b>					
AMC NETWORKS:	41.89	0.10	TIVO:	10.54	0.11
CBS:	28.76	0.12	UNIVERSAL ELEC:	18.44	0.15
CROWN:	1.26	(0.03)	VONAGE:	2.34	0.03
DISCOVERY:	44.48	0.78	YAHOO:	15.56	(0.13)
GRUPO TELEVISIA:	20.75	(0.3)	<b>TELCOS</b>		
HSN:	36.35	0.22	AT&T:	30.21	0.12
INTERACTIVE CORP:	42.16	(0.44)	VERIZON:	37.69	(0.1)
LIONSGATE:	10.83	1.08	<b>MARKET INDICES</b>		
LODGENET:	3.75	0.18	DOW:	12758.85	83.10
NEW FRONTIER:	1.06	(0.03)	NASDAQ:	2818.31	31.67
OUTDOOR:	7.61	(0.08)	S&P 500:	1326.06	11.41
SCRIPPS INT:	45.69	0.45			
TIME WARNER:	38.21	0.64			
VALUEVISION:	1.65	0.03			
VIACOM:	54.56	0.44			
WWE:	9.65	0.02			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.21	0.04			
ALCATEL LUCENT:	1.81	(0.13)			
AMDOCS:	29.70	0.09			
AMPHENOL:	54.70	(0.05)			
AOL:	15.84	0.19			
APPLE:	446.66	26.25			
ARRIS GROUP:	11.51	(0.01)			
AVID TECH:	9.75	0.11			
BLNDER TONGUE:	1.36	(0.03)			
BROADCOM:	35.79	0.57			
CISCO:	19.83	0.01			



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## Think about that for a minute...

### Turner III?

Commentary by Steve Effros

You may remember that in the so-called “Turner II” legal case challenging the federal “must carry” rules, the Supreme Court, in a fractured decision, upheld the rules in part saying they did not directly challenge the First Amendment prerogatives of cable operators.

Without belaboring all the details, while several lower courts had ruled against the “must carry” regime, the Supremes didn’t focus on the First Amendment analysis because the lower courts had concluded, the second time around, that the rules only minimally impinged on cable’s editorial rights. The decision was based on economic theory (Congress and the NAB said broadcasters had to be “protected”) and the justification that the government was not engaged in editorial decision making, something the First Amendment prohibits, because the rules simply say that if you are going to carry any broadcast signal you “must carry” all local television stations demanding carriage... regardless of editorial content.

Now an FCC Administrative Law Judge at the Commission has decided it should go a lot further. I think that could lead to a “Turner III” type case, but one that will finally get the Commission and Congress out of the business of making editorial decisions for cable.

The ALJ has remarkably decided that there is no difference between golf and tennis, that they are both in the “sports genre.” As cable channels, they both aim at the same male 25-54 demographic, and they target the same advertisers. Thus, Comcast cannot make an editorial decision to place one channel it owns, The Golf Channel, on a more broadly distributed tier than The Tennis Channel, which it also carries, that likewise features those three attributes. This favoritism of its own

channel, given that the two are, according to the ALJ, “similarly situated,” is not allowed. This is the government defining and deciding on content.

Which “sports” (or presumably any other “genre”) must be treated similarly? I could point out that a Playboy-type channel could fit those same criteria, given that there are lots of, particularly younger, guys who consider sex a sport! Don’t need to go there. Is it “competition”? Is it that the channels seek to attract the same group and thereby have an effect on advertising decisions? Is it that they play with balls? Those could be found, depending on the particular system’s subscribers, about bowling, polo, jai alai or lots of others.

If we take out the use of a ball, then will the FCC start deciding based on what it generally considers a “sport”? The International Olympic Committee has already accepted synchronized swimming and curling, and is being petitioned to include ballroom dancing. Are we at the point where the FCC is going to decide what we can and cannot treat “equally” on our channels based on its editorial judgment?

What about boxing? A boxing channel might be something a cable operator could support, and even own and promote. But an operator (as has already happened) could also make the editorial decision that “ultimate fighting”—which appeals to the same demographic, is fought in a “ring” and certainly competes for a similar audience—would not be allowed on his system. Is the FCC going to intercede but still claim it’s not making editorial content decisions?

I almost hope the Commissioners don’t read the ALJ decision too carefully. I did, and had to stop after each page and wonder aloud why the government is even considering the things he did! Let this one go to the Court. I suspect we would finally be able to say; “game over.”

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*Steve*

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CableFAX

## Sales Executive of the Year Awards

saluting cable sales leadership

**Questions:** Mary Lou French  
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mfrench@accessintel.com

## Saluting Sales Excellence in the Cable Marketplace

The CableFAX Sales Executive of the Year Awards recognizes sales forces across cable who work tirelessly behind the scenes to drive revenue and keep our dynamic marketplace growing and business moving forward. The winners and honorable mentions will be saluted during an awards event in Spring 2012 in NYC.

**Entry Deadline: February 3, 2012**  
**www.cablefaxsalesawards.com**