

# CableFAX Daily™

Friday — January 31, 2014

What the Industry Reads First

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## Sharpshooting Contest: Anything You Can Do I Can Do Better

A few weeks after Charter's conference call, in which mgmt essentially described **Time Warner Cable** as a big, old mess, TWC finally offered up its rebuttal. *Rob Marcus* and team used Thurs' 4Q earnings call to trot out a 3-year improvement plan that includes a challenge for employees to add 1mln customers during that time span. It all kicks off with a relaunch of the brand—first in NYC and L.A.—that is currently dubbed TWC Maxx. Please tell us we're not the only ones singing that catchy **TJ Maxx** jingle every time we read the name? TWC said it will reveal the real name later this year, but for now we're stuck with it. Under TWC Maxx, Internet speeds will triple for popular tiers of service (speed was one of the things Charter dinged TWC on in its call), with standard tier customers going to 50 Mbps, Turbo jumping to 100 Mbps and Ultimate moving to 300 Mbps. Other components include better WiFi and an enhanced video offering (all-digital signals, with L.A.'s conversion starting after the completion last year of NYC, a cloud-based guide, more VOD content, advanced DVRs, etc). The idea of a new moniker is not new, with **Cablevision** and **Comcast** successfully branding their services under Optimum and Xfinity. Charter began introducing its "Spectrum" brand in 1Q, and **Cox** has called its next-gen offering "Contour." After transforming its 2 biggest markets, TWC will roll out the service improvements to the rest of its footprint in '15 and '16. Given the kind of public complaints TWC has endured from high-profile customers like *William Shatner*, the MSO also stressed that it will initiate a stringent review and upgrade of every network hub to ensure optimum service—with West Hollywood, Costa Mesa, portion of Woodside (in Queens) and Staten Island up first. There were hints of big upgrades in the works in Dec, when Marcus spoke at an investor conference. Putting a finer point on it was the appointment of his new COO *Dinni Jain*, who was key in the turnaround strategy at **Insight** and Europe's **NTL**. Jain played a big role in Thurs' dog and pony show, with the exec describing how TWC wasn't as bad as he thought it would be. "This is not the company I thought I knew. It's neither broken or dysfunctional, far from it. This is a new Time Warner Cable..." Jain said, going on to say the company has been almost entirely rebuilt (including centralization). "What I'm inheriting is a platform in which most of the hard and risky work is already completed. It took us several years to get to a similar point of standardization at Insight and, to be honest, we never fully achieved this speed at NTL." It remains to be seen if all this will stave off a deal with Charter/Comcast or at least get the buyer closer to \$160, but TWC's game plan is clear. Shares did close

# CableFAX 25 years

## CableFAX is 25 Years Young!

2014 is a banner year for CableFAX as we celebrate 25 years of bringing the best cable industry coverage to our loyal readers. Much has changed in 25 years, including the development of high-speed internet, consolidation of operators, emergence of new distributors and the proliferation of cable programming. And it doesn't stop there.

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up 1.5%. **MoffettNathanson** analysts likened it all to Custer's last stand at Little Bighorn. The "self-help plan" contains a number of important elements, they said, but more importantly, there is a subtext of "What is it, precisely, that Charter can do that we can't do for ourselves?" In a research note, the analysts concluded that much of the synergies offered up by Charter aren't really synergies, but differences in operating philosophies. So, what does TWC do? Offer up an operating plan similar to Charter's—all digital transition, rebranding and all. "If you believe Charter's plan, then you should believe ours too. If you don't, then you shouldn't want Charter's equity either," senior analyst *Craig Moffett* and company wrote. "With a better 4Q and what is at last a credible plan going forward, Time Warner Cable has now made its case."

**TWC 4Q:** Financials came in pretty much as expected, with 4Q revenue at \$5.6bln (+2% YOY). **Time Warner Cable** lost 217K residential video subs, while HSD gained 39K and voice added 1K. Management pointed to a strong start for '14, with the MSO gaining 25K customer relationships this month vs a 28K loss last Jan. Evidence that plans put in place last year for a turnaround are starting to work? We'll see. "I recognize that last year's residential subscriber performance was dismal," new CEO Rob Marcus said, but he cited significant progress in righting the ship. Net income hit \$540mln vs \$513mln a year earlier.

**Viacom 4Q:** Keep an eye on **Epix**, the joint venture of **Viacom**, **MGM** and **Lions Gate** this year. The channel's backers are looking to step up promotions for the channel and are considering increasing original scripted programming, Viacom chmn/CEO *Phillippe Dauman* said Thurs during the programmer's earnings call. As part of Viacom's recent multi-year deal with **Time Warner Cable**, Epix will be offered for the 1st time to TWC and **Bright House** subs starting in May. Viacom will make all the promotions "work very positively for Time Warner Cable" as it seeks additional distribution deals, Dauman said. The potential **Charter/TWC** merger wouldn't significantly affect Viacom nets, he said. "We look forward to seeing what happens as a result of what's going on now." It was a solid 4Q for Viacom as profit grew 16% YOY to \$547mln, partly helped by strong performance from the cable nets. However, weakness on the movie business drove revenue down 3.5% YOY to \$3.2bln. Remember Dauman's comments last year that there will be a virtual MVPD this year? He's not giving up, saying he now expects "at least one" in '14, "based on a variety of discussions that we are having." "That's a good opportunity for us to enter into a new relationship with emerging distributors," he said. Ratings are up at **Nick** and **Comedy Central**, boosting TV ad sales, which was up 6% YOY to \$2.5bln. Dauman expects sequentially higher domestic ad revenue in 1Q. After an ad slowdown in the last few months, demand appears to have picked up to normal, **Wells Fargo** analysts said in a research note. As Viacom readies to launch **Paramount Channels** in Russia and Hungary and **MTV** networks in Russia and Brazil, Dauman said the company will "take every opportunity we see to launch a new network" internationally.

**Advertising: Comcast NBCU** continues to flex the power of its combined muscle, announcing a suite of new ad products that feature targeting, consumer segmentation and advanced analytics. Aptly named "NBCU+ Powered by Comcast," it lets media buyers match their own consumer data (and 3rd party data) with anonymized Comcast sub data to optimize national campaigns across the NBCU portfolio on linear TV and target them at a HH level on VOD inventory. Examples of how it works include a luxury carmaker targeting geographic zone with a high percentage of luxury vehicle owners.

**At the Portals:** Staff recommendations on **FCC** reform include eliminating specific outdated rules, procedures and data collections, streamlining internal review processes and improving agency transparency, according to a working group report presented at the FCC's open meeting Thurs. The working group will continue to accept recommendations. Senate Commerce member *Dean Heller* (R-NV), who has introduced legislation on process reform before, said he plans to introduce a bill next week on this issue. "I see no reason why the Senate Commerce Committee should not have a full and robust discussion that many, including FCC Chairman *[Tom] Wheeler*, believe should be addressed," he said in a statement following the FCC meeting. Also at the meeting, the agency voted unanimously to start voluntary trials to ensure the transition to IP-based technology. Meanwhile, a **Free Press**-led coalition of public interest groups petitioned the FCC to restore net neutrality rules, 2 weeks after a federal court threw out key parts of them. "It's time for the agency to correct its past mistakes, reclassify broadband as a telecommunications service, and restore Net Neutrality for good," Free Press Internet Campaign dir *Josh Levy* said in a statement. The tentative agenda for next month's FCC meeting includes an order and Further NPRM on ensuring video programming is fully accessible to individuals who are deaf and hard of hearing.

**Digital:** **WWE's** flagship app has surpassed 10mln downloads in 220 countries since its Aug '12 launch. Maybe a good omen for its streaming net set to launch Feb 24? -- The **NFL** announced "NFL Now," a personalized video service that will

# BUSINESS & FINANCE

kick off this summer ahead of football season. Available across Internet-connected devices, the service offers fans contests based on their interests (favorite team, fantasy players, etc). Fans can subscribe to NFL Now Plus for a monthly fee to receive premium content. **Verizon** will be a presenting sponsor of NFL Now and a key distribution partner, making the digital stream available to their customers through LTE Multicast technology.

**On the Hill:** Ranking House Commerce member *Henry Waxman* (D-CA) announced Thurs that after 40 years in office, he won't seek re-election this fall. His top priorities always seemed to sway more toward affordable health insurance and the environment, but he has been at the center of a lot of telecom issues and took much interest in net neutrality.

**Sochi Olympics:** As nets and MSOs prepare for coverage of the Winter Olympics, **Rovi** is making its metadata available worldwide. Data coverage of the games features hour-by-hour event descriptions, athlete profiles, event history and other multimedia content. The data aims to make it easier to search for and schedule show recordings.

**People:** Veteran TV exec *Bruce Levinson* has joined *Glenn Beck's* network **TheBlaze** as vp, content distribution. He'll be based out of Dallas, reporting to **Lynne Costantini**, pres, biz dev. -- *Lisa Fischer* is leaving **ION** to join **UP** as evp, ad sales.

## CableFAX Daily Stockwatch

Company	01/30 Close	1-Day Ch	Company	01/30 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
21ST CENTURY FOX:	32.02	1.29	GOOGLE:	1135.39	28.47
DIRECTV:	69.41	0.75	HARMONIC:	6.60	(0.01)
DISH:	56.48	0.99	INTEL:	24.74	0.06
DISNEY:	73.22	1.89	JDSU:	12.72	0.67
GE:	25.50	0.21	LEVEL 3:	32.03	0.28
<b>MSOS</b>					
CABLEVISION:	16.28	0.01	MICROSOFT:	36.86	0.20
CHARTER:	138.77	0.53	MOTOROLA MOBILITY:	15.93	0.03
COMCAST:	54.19	1.13	NIELSEN:	42.95	0.76
COMCAST SPCL:	52.24	1.13	RENTRAK:	55.67	1.75
GCI:	9.91	(0.02)	SEACHANGE:	12.02	0.05
LIBERTY GLOBAL:	81.03	0.20	SONY:	16.13	0.08
LIBERTY INT:	27.10	0.35	SPRINT NEXTEL:	8.39	(0.26)
SHAW COMM:	22.03	0.12	TIVO:	12.42	0.09
TIME WARNER CABLE:	134.20	2.10	UNIVERSAL ELEC:	36.17	0.99
<b>PROGRAMMING</b>					
AMC NETWORKS:	65.72	0.91	VONAGE:	4.73	(0.06)
CBS:	59.17	1.45	YAHOO:	35.31	0.42
CROWN:	3.05	0.09	<b>TELCOS</b>		
DISCOVERY:	80.33	1.96	AT&T:	33.35	0.04
GRUPO TELEVISA:	28.69	0.43	VERIZON:	47.63	(0.06)
HSN:	55.49	0.38	<b>MARKET INDICES</b>		
INTERACTIVE CORP:	70.59	0.95	DOW:	15848.61	109.82
LIONSGATE:	32.31	1.05	NASDAQ:	4123.12	71.69
MADISON SQUARE GARDEN:	58.34	1.84	S&P 500:	1794.19	19.99
SCRIPPS INT:	73.46	1.09			
STARZ:	27.98	0.79			
TIME WARNER:	63.40	1.08			
VALUEVISION:	6.19	0.48			
VIACOM:	84.12	3.03			
WWE:	23.22	1.79			
<b>TECHNOLOGY</b>					
ADVANTAGE:	3.30	0.04			
ALCATEL LUCENT:	3.98	(0.05)			
AMDOCS:	44.10	1.96			
AMPHENOL:	86.67	1.04			
AOL:	46.25	(0.25)			
APPLE:	499.78	(0.97)			
ARRIS GROUP:	25.86	0.30			
AVID TECH:	7.07	(0.09)			
BLNDER TONGUE:	0.97	0.03			
BROADCOM:	29.21	0.52			
CISCO:	21.98	0.33			
CONCURRENT:	8.44	(0.04)			
CONVERGYS:	20.84	0.30			
CSG SYSTEMS:	30.34	0.19			
ECHOSTAR:	47.88	0.98			

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# PROGRAMMER'S PAGE

## Not Just Another Bond Story...

As *Mat Whitecross* told us, “growing up in Britain, there’s no way you can NOT be a huge Bond fan... It’s part of your DNA.” So it’s no wonder the film director took on **BBC America’s** “Fleming: The Man Who Would Be Bond” (premiered Jan 29), which sports the typical action and love scenes found in every Bond movie but which also tells the story of *Ian Fleming* going from playboy to spy with the outbreak of World War II. The 4-part series goes out of its way to portray the emotional side of Fleming, who authored the Bond novels partly based on his own experiences. “Fleming was tormented,” said Whitecross. “There was a lot of turmoil in his life and he couldn’t find what he wants to do.” In addition, “Fleming’s relationship with women [including his mother], was just as fascinating as his life as a spy,” he said. Indeed, Fleming battles demons throughout the mini-series, with the war where he found his calling perhaps saving him from personal struggles. Why? To quote a line from the mini-series, being a spy means “you can be whatever you want to be.” There’s still plenty of Bond, from ordering a shaken martini, to bedding beautiful women, though their choices of cars can be different. The project was originally to be a film, but the twist and turns in Fleming’s life worked well for a 3-4 hour-long film, Whitecross said. Tailoring the content into a 4-parter worked nicely because each episode has a theme, and “we chose to end it at the most upbeat moment where everything is still there and has potential,” he said, noting Fleming’s life became quite tragic after that. - *Joyce Wang*

**Reviews:** “The Fashion Fund,” Wed, 10p ET, **Ovation**. During TCA, “Fund” was pitched as a docu-series rather than a reality-show competition. Critics were skeptical; they should be no longer. Gorgeously shot, Fund documents an established competition pitting working designers vying for capital and exposure. Among the series’ loftier goals is exploring the creative process. It succeeds, although the pace is far more contemplative than the created-for-TV antics of **Bravo’s** “Project Runway.” Fund has its share of tension, particularly when legendary “Vogue” editor *Anna Wintour* visits young designers. Unfortunately, she says almost nothing. Perhaps that’s **Ovation’s** point—fashion is moved by Wintour’s nearly wordless, subjective strolls, not reality shows. -- “The Gabby Douglas Story,” Sat, 8p, **Lifetime**. After ratings-grabbing films the past 2 weekends—“Flowers in the Attic” (6.1m) and “Lizzie Borden” (4.4m)—“Gabby” must clear a daunting vault. Fortunately, Gabby’s a gold-medal gymnast and this film about her, clichéd though it is, is empowering and decently entertaining. It’s also well-acted, featuring *S. Epatha Merkerson* and *Regina King*, and the real Gabby does the gymnastics. -- “Wahlburgers,” Wed, 10:30p, **A&E**. *Mark and Donnie Wahlberg* help their brother with his burger restaurant. Then there’s mother Wahlberg, who’s a hoot, and gorgeous *Jenny McCarthy*. – Super Bowl Alternatives: “The Puppy Bowl” (**Animal Planet**), “Kitten Bowl” (**Hallmark**) and “Fish Bowl” (**Nat Geo Wild**). - *Seth Arenstein*

Basic Cable Rankings			
(1/20/14-1/26/14)			
Mon-Sun Prime			
1	USA	1.8	1773
2	HIST	1.7	1659
3	DISC	1.6	1523
4	FOXN	1.5	1462
4	DSNY	1.5	1452
6	TBSC	1.4	1418
7	TNT	1.2	1196
7	DSE	1.2	85
9	A&E	1.1	1093
9	ESPN	1.1	1088
9	HGTV	1.1	1067
9	FX	1.1	1039
13	LIFE	1.0	1024
13	NAN	1.0	1004
13	ADSM	1.0	981
13	AMC	1.0	943
13	ID	1.0	879
18	FAM	0.9	884
18	TLC	0.9	852
18	SYFY	0.9	824
21	SPK	0.8	793
21	BRAV	0.8	784
21	TVLD	0.8	735
24	FOOD	0.7	731
24	MTV	0.7	675
24	MSNB	0.7	648
27	TRU	0.6	573
27	CMDY	0.6	564
27	BET	0.6	553
27	HALL	0.6	550
27	VH1	0.6	548
27	DSJR	0.6	395
27	HMC	0.6	295
34	APL	0.5	524
34	EN	0.5	500
34	ESP2	0.5	468
34	LMN	0.5	410
34	OWN	0.5	386
34	H2	0.5	329
40	TRAV	0.4	382
40	NGC	0.4	366
40	WE	0.4	337
40	GSN	0.4	318
40	OXYG	0.4	314
40	INSP	0.4	306
40	NKJR	0.4	304

\*Nielsen data supplied by ABC/Disney

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