

# CableFAX Daily™

Wednesday — March 6, 2013

What the Industry Reads First

Volume 24 / No. 044

## Secret's Out: News Corp to Launch 24/7 National Sports Net

The not-so-secret secret is out: come Aug 17, **Fox Sports** will launch a 24/7 national sports network. The net will be called **Fox Sports 1** and replace **Speed**, which has a distribution of 85 mln homes. "We have been looking at a national sports channel with various degrees of seriousness for I'd say 15 years," said *David Hill*, **News Corp** sr evp and ex-Fox Sports chmn at a press event Tues prior to the Fox Sports upfront. Fox has been buying up sports rights for years. "We've amassed enough live events where we can have scale, we can have significance and we can be a major player in the market," said *Randy Freer*, co-pres and COO, Fox Sports Media Group. To be sure, Fox execs have been opportunistic recently, swooping in when rights to major sports and leagues like NASCAR and FIFA went on the market. Freer said Fox's landing of World Cup rights set the groundwork to leverage local RSNs and local over-the-air affiliates for coverage, and News Corp's TV properties for distribution. Speaking at the **Deutsche Bank** investor conference also on Tues, News Corp pres, COO and deputy chmn *Chase Carey* said FS1 is "very much a part of growing and adding a new dimension to our business." He said News Corp can handle sports rights costs, but "there's no question we recognize sports is a double-edged sword." All the same, sports is even more valuable and unique in "a world that continues to fragment and has technologies that sort of turn these rights on their head." Success won't happen overnight, execs agreed. Carey predicted losses for "a couple years" as "we ramp up the rate with it," but he noted that the net's launch with national distribution means the climb will be "nothing close to what it would be if we were trying to build a network from scratch." Hill echoed that sentiment at the Fox Sports press conference: "It's going to be 2 or 3 years." He said the net won't be wholly focused on beating **ESPN**: "The quality of sports journalism on ESPN is world class," he said, adding that competing with the sports juggernaut is "not going to be easy, but we'll give it a shot." *Eric Shanks*, co-pres and COO Fox Sports Media Group, said the net's sports rights packages are the #1 reason people will tune in. "We have the games people want to watch," he said. The challenge will be getting them to stick around. FS1 will have nearly 5K hours of live programming per year, amounting to 55% of its total slate. Fox hopes to hit the 90 mln mark at launch. Programming will fall under 7 categories: college basketball, college football, MLB (beginning in '14), NASCAR, soccer, UFC and news. When it comes to original programming, "it's a quality play not a quantity play," said *Bill Wanger*, evp, programming and research, FOX Sports Media Group. Shows include a sports talk show called "Rush Hour" hosted by *Regis Philbin* and airing on weekdays, "Fox Football Daily," a live daily show hosted by Fox personalities like *Terry Bradshaw* and *Erin Andrews*, the nightly news show "Fox Sports Live" and the continuation of Fox's doc franchise "Being," which will look first at the life and career of *Mike Tyson* this fall. The net also will launch a morning sports show by the time the Super Bowl rolls around. On the TV Everywhere front, Fox will redesign FoxSports.com as Fox Sports Go, which by August will give subs access to up to 1K live events annually via authentication from the company's RSNs, broadcast and cable

## The CableFAXIES awards

FINAL ENTRY DEADLINE: MARCH 8

ENTER AT: [www.CableFaxiesAwards.com](http://www.CableFaxiesAwards.com)Entry Questions: Mary-Lou French at 301-354-1851; [mfrench@accessintel.com](mailto:mfrench@accessintel.com)

### Sponsorship Opportunities:

Amy Abbey at 301-354-1629; [aabbey@accessintel.com](mailto:aabbey@accessintel.com)Susan Kim at 301-354-2010; [skim@accessintel.com](mailto:skim@accessintel.com)

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 of the CableFAXIES Awards are from networks, operators, PR firms, vendors, corporations, agencies and other entertainment companies who took chances, made tremendous strides and understand the power of PR and marketing in the cable industry. The winners and honorable mentions will be saluted during an awards event in May 2013 in New York City.

21559

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax:301.738.8453 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Sales Mgr, Susan, Kim, 301.354.2010, skim@accessintel.com ● Marketing Dir: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Prod: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group ● Subs/Client Svcs: 301.354.2101 ● Group Subs: Amy Russell, 301.354.1599, arussell@accessintel.com

nets, all in one place. No comment from Shanks on Fox Soccer's future, after the net lost the rights to the English Premier League to **NBCU**, other than to affirm Fox's commitment to soccer. "We want to maintain the leadership position we have in soccer," Shanks told reporters after the press event. "Putting the games and shoulder programming on Fox Sports 1" will be the way to do that, he said.

**TWC Talk:** With full-year guidance spooking investors earlier this year, **Time Warner Cable** pres/COO **Rob Marcus** tried to set the record straight Tues. "I think coming out of earnings last quarter, there was this general perception that somehow management's perspective on the longer-term prospects of the business had changed," he said at **Deutsche Bank's** investor conference. "Really nothing could be farther from the truth." Basically, TWC expects more rev from business services, which has higher margins than residential. And on residential, it will get more money from HSD as opposed to lower margin video and voice. What about those pesky programming costs? Last year was unusually low at about 5% growth, a big gap from '13's forecasted 10% growth. Marcus pointed to the launch late last year of **NFL Net, Redzone, Pac-12** and early this year **beIN Sport**. "Those obviously had only partial year or maybe not even any impact at all on 2012 costs. [They] will have full year impact in 2013," he said, adding that renewals with increased rates (such as **Fox**) and 1-time items in '12 that lowered programming costs also contribute to the '12 to '13 gap. Upcoming for Time Warner Cable is a cloud-based guide set to debut in the 2nd half of the year and taking its in-home TWC TV app outside the home. Marcus said the company should be in the position early next Q to start that process. In other words, a subset of the 300 linear channels and 4K VOD assets will be available (those it has TVE deals with). As for speculation that CEO **Glenn Britt** will retire at year-end, heir apparent Marcus said, "We quickly put out a statement that no such decisions had been made by Glenn or by the board or otherwise. And what I can tell you is that Glenn is still very much engaged and very much in charge of Time Warner Cable. And that's good for all of us."

**Internet Essentials:** Nearly 1.5 years into the Internet Essentials program, **Comcast** continues to expand and upgrade the initiative to offer low-cost broadband to low-income families. As we have reported, the op is expanding eligibility criteria to include parochial, private and home-school students, bringing the estimated total number of eligible families to nearly 2.6mIn (**Cfax**, 3/4). Comcast's efforts to streamline the application process and ramp up promos have spurred higher application rates and "massive improvement in converting applications into actual customers," said evp **David Cohen** during a conference call Tues. The company will start accepting online applications this spring and is also expanding low-cost computer options by offering Internet-ready desktops or laptops for less than \$150, in addition to the netbooks that Comcast already offers. The option will be piloted in Philly and Chicago before national rollouts. Internet Essentials is also honoring the top 15 performing school districts with the Gold Medal School District of Excellence Awards. Each recognized district will be given 50 laptops for families or schools with winners to be announced in the fall, and Cohen said the program has connected more than 150K low-income families or 600K Americans over the last 6 months. When it comes to top Internet Essentials markets, Chicago continued to see the most demand, recording more than 15500 subs, followed by Atlanta (11K), Houston (7600), SF (7400), Denver (6100), Detroit (5800), Philly (5700), Seattle (5400) and Fresno, CA (4700). Cohen noted that at Detroit has the highest penetration rate, with 11.5% of eligible families signing up.

100  
CableFAX

Best Advice/Motto Series



**"Never stop learning."**

**Curt Henninger**  
SVP, California Region  
Comcast Cable

Sponsored By:  **MOTOROLA**

**MOTOROLA MEDIOS+**  
MAKING ANY SCREEN YOUR MAIN SCREEN REALITY

[www.motorola.com/videosolutions](http://www.motorola.com/videosolutions)

Check out the best advice from our CableFAX 100 honorees at [cablefax.com/cablefaxmag](http://cablefax.com/cablefaxmag)

**Conference Notebook:** News Corp is about halfway through the process of resetting Fox News' license fee rate, according to News COO Chase Carey's remarks at Deutsche Bank's investor conference Tues. On the retrans front, Carey said the company wants to keep deals reasonably short so that it can revisit what it believes is a fair value for the programming. "If a channel like ESPN is worth \$5, then one of these networks is worth every bit of that, if not more," he said. "We're obviously not getting that." -- Upfront pricing this year looks "favorable" for Discovery, said CEO David Zaslav. The ad market remains strong, and cancellations are low, he said. "The market has not slowed down. If anything, the volume has been in front of us and positive," he said. "You will see some meaningful moderation in our content investment this year because we've got more stuff that's working," and "we expect our market share will continue to grow pretty aggressively," he said. "It's not going to go down," but "you will see a significant leveling off." The chief exec mentioned competitor History, which launched "Pawn Stars" on Mon night when Discovery was airing repeats. "It was very smart. We weren't looking at them, they were looking at us," he said. Meanwhile, "OWN is doing terrifically well in terms of turning its narrative around," he said. Zaslav also sees continued growth in global markets, noting recent international acquisitions. The company saw double digit growth in its overseas operations last year despite weak economies in EU and a weaker Brazil market, he said. -- Liberty Media CEO Greg Maffei once again suggested a potential Starz deal with a larger company. "We will see if there's a partnership out there for Starz that makes sense," he said. Starz has had "a heck of a run in terms of free cash flow" in the past couple years, he said. Starz spun off from Liberty earlier this year.

**Advertising:** The National Advertising Review Board (NARB) recommended Frontier discontinue some ad claims challenged by Suddenlink, including ones suggesting that Frontier's "dedicated" Internet connection is faster, more reliable or offers better privacy/security than cable. NAD, however, found that a Frontier radio ad was unlikely to mislead consumers about whether Suddenlink had local managers and a 100% US based workforce. -- ABC, ABC Family and ESPN have adopted Nielsen Online Campaign ratings to manage demo guarantees for online video campaigns.

**On the Hill:** Sen Commerce holds a hearing Tues on FCC oversight with all 5 commissioners slated to testify.

**Ratings:** Nat Geo Wild's "The Incredible Dr Pol" notched a 0.4 among 25-54s and 657K total viewers on Sat, tying the net's record for best-rated telecast ever. -- Sat's network premiere of "Ice Age 2" on The Hub is its best telecast ever among total viewers (810K), HHs (482) and adults 25-54 (283K). It was The Hub's best Sat ever among total viewers (285K).

**Programming:** Jon Stewart will take a hiatus from "The Daily Show" on Comedy Central starting in June to direct his 1st feature film, "Rosewater." Correspondent and writer John Oliver will host for the 8 weeks of original eps scheduled during Stewart's break. -- Esquire Net (nee G4) greenlit 2 new original series: "How I Rock It," (wt) in which host Baron Davis profiles the athletes, musicians and other celebs setting the style for today's man, and "Risky Listing," (wt) featuring high-end agents in the competitive world of NY nightlife real estate. -- Disney Junior ordered a 2nd season of "Sofia the First," which is celebrating its 5th straight week as the #1 series for kids 2-5. -- Starz' Anchor Bay inked a home entertainment distribution output agreement with AMC Nets, which includes future scripted series to be produced in-house by AMC, IFC and Sundance (including Sundance's "Rectify" and upcoming AMC drama "Low Winter Sun").

**Upfronts:** CMT announced 4 new series premiering later this year, including "The Dirty South," "Hillbillies for Hire," and the acquired series "Cops Reloaded" from Fox. It also booked 4 returning series, including "Swamp Pawn" (greenlit for a 2nd season of 10 eps) and "My Big Redneck Vacation" (4th season). It also signed on for 4 pilots including "Bad Blood," "Steve Austin's Broken Skull Ranch," "Methbusters" and "Shootout."

**WiFi Dealings:** WiFi Alliance and Wireless Gigabit Alliance finalized the agreement to consolidate WiGig technology and certification development in WiFi Alliance. The groups announced the merger in Dec.

**People:** Sundance Channel named Nena Rodrigue as its head of programming. She most recently served as evp and exec prod of Wolf Films, where she grew the "Law and Order" franchise. -- Fresh off taking 4th place in Feb Sweeps, Univision announced the formation of the Corporate Business Dev Group, which will be led by Tonia O'Connor, pres, content distribution and corp biz dev. She'll also continue to oversee distribution. The new group will be focused on expanding Univision's reach to non-traditional outlets that recognize the growth opportunity of serving Hispanics. -- Charter hired Alex Dudley as svp, communications and upped

# BUSINESS & FINANCE

Richard Dykhouse to evp, general counsel and corporate sec. Dudley, most recently **Time Warner Cable's** group vp, public relations, will start Mar 18. He'll be based at the MSO's new Stamford office. -- **Discovery Ent Intl** promoted *Elliot Wagner* to vp, program sales and Canadian Partnerships.

**Affiliate Relations: Music Choice** is teaming with **Comcast Cable** for the "Amp Your Campus" social media challenge. Some 40 campus locations will vie for the best college town in the US with the winner getting a private concert in their community featuring *Hot Chelle Rae* and *Sammy Adams*.

**Editor's Note:** Time is running out. The late entry deadline for the **CableFAXies** nominations is Friday: [www.cablefax.com/awards](http://www.cablefax.com/awards) -- And time's also running out to reserve your spot at our annual Best of the Web awards on Mar 20 in NYC where we will also celebrate the coveted "Digital Hot List" of top cable execs driving digital innovation. Not only that, but special guests include cable veteran *Lou Borrelli*, who will discuss his life as an investor in recent ventures like **ShowGo.tv** and **NimbleTV**, as well as some inquisitive content from our pals *Josh Clark* and *Chuck Bryant*, co-hosts of **Science's** "Stuff You Should Know." So come one, come all. You might just learn something. More info: <http://www.cablefax.com/cfp/events/bow2013/>

## CableFAX Daily Stockwatch

Company	03/05 Close	1-Day Ch	Company	03/05 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	48.94	UNCH	HARMONIC:	5.70	0.11
DISH:	34.71	0.12	INTEL:	21.51	0.24
DISNEY:	56.48	0.68	JDSU:	14.15	0.17
GE:	23.59	0.32	LEVEL 3:	20.00	0.33
NEWS CORP:	30.57	0.72	MICROSOFT:	28.35	0.20
<b>MSOS</b>					
CABLEVISION:	13.88	(0.01)	RENTRAK:	21.17	0.60
CHARTER:	87.61	0.62	SEACHANGE:	11.34	0.07
COMCAST:	40.95	0.57	SONY:	15.51	(0.06)
COMCAST SPCL:	39.00	0.42	SPRINT NEXTEL:	5.87	0.04
GCI:	8.39	0.10	TIVO:	12.59	(0.13)
LIBERTY GLOBAL:	70.82	0.73	UNIVERSAL ELEC:	20.55	(0.21)
LIBERTY INT:	21.35	0.27	VONAGE:	2.62	UNCH
SHAW COMM:	24.13	0.20	YAHOO:	22.95	0.25
VIRGIN MEDIA:	47.29	0.30	<b>TELCOS</b>		
WASH POST:	409.59	9.46	VERIZON:	47.69	0.58
<b>PROGRAMMING</b>					
AMC NETWORKS:	58.25	1.11	<b>MARKET INDICES</b>		
CBS:	44.88	1.10	DOW:	14253.77	125.95
CROWN:	2.04	0.02	NASDAQ:	3224.13	42.10
DISCOVERY:	76.60	1.01	S&P 500:	1539.79	14.59
HSN:	54.27	0.65			
INTERACTIVE CORP:	42.61	1.62			
LIONSGATE:	22.08	(0.06)			
OUTDOOR:	8.71	0.06			
SCRIPPS INT:	64.54	(0.22)			
VALUEVISION:	2.66	0.02			
VIACOM:	63.31	1.14			
WWE:	8.72	0.12			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.20	0.01			
ALCATEL LUCENT:	1.45	0.06			
AMDOCS:	36.32	(0.03)			
AMPHENOL:	72.58	0.61			
AOL:	37.85	0.52			
APPLE:	431.14	11.09			
ARRIS GROUP:	17.40	0.32			
AVID TECH:	6.54	(0.15)			
BLNDER TONGUE:	1.30	UNCH			
BROADCOM:	33.30	(0.15)			
CISCO:	21.22	0.48			
CLEARWIRE:	3.15	UNCH			
CONCURRENT:	7.00	0.08			
CONVERGYS:	16.78	0.29			
CSG SYSTEMS:	19.50	0.20			
EHOSTAR:	38.14	0.68			
GOOGLE:	838.60	17.10			

## CableFAX Webinar

### Social Buzz: Leveraging New Social Media Tools to Drive and Build Loyalty

Join CableFAX for a webinar that will put you in sync with the latest trends in social media consumption.

March 26 | 1:30 - 3:00 p.m. ET

REGISTER ONLINE [www.cablefax.com/webinar](http://www.cablefax.com/webinar)