

# CableFAX Daily™

Thursday — April 11, 2013

What the Industry Reads First

Volume 24 / No. 070

## Adios, Andy: Turner's Heller Consulting for MacAndrews & Forbes

After nearly 28 years with **Time Warner**, *Andy Heller* recently left the building. On Apr 1, he started consulting for **MacAndrews & Forbes**, a holding company with interests in various public and private companies, including **Revlon**. Reached by email Wed, Heller said it was a great run and that he loved every minute, but is "very much looking forward to some new exciting challenges and opportunities as the industry tries to redefine itself in a fully digital and IP-based environment." MacAndrews has companies in that space, with wholly-owned subsidiary **Deluxe Entertainment Services Group** announcing at **NAB** Tues the launch of "MediaCloud," a cloud-based playout platform for broadcasters. Heller left his post as vice chmn of **Turner** at the end of Mar, with *Multi 1st* reporting the news of his departure on Tues. "This industry has given me the opportunity to have multiple careers in a variety of settings and to showcase very different skill sets in each one," Heller wrote in a good-bye memo. "I have made life-long friends, launched numerous new businesses, taken companies private and then public and then private again. I have been directly involved in the inner workings of three game-changing mergers and acquisitions. Along the way, I've had the privilege of working alongside some of the smartest, most insightful and creative people anyone could ever have the pleasure of knowing, all while being given the opportunity to educate, inform and entertain the world." His departure is described as mutual, with Heller and Turner chmn/CEO *Phil Kent* agreeing that his work guiding the introduction and rollout of TV Everywhere was complete. Case in point, **NCAA** March Madness Live, managed by **Turner Sports**, scored 49mln live video streams this year, up 168% YOY. The app saw more than 14mln hours of live video consumed, also an all-time record. Kent and Time Warner chief *Jeff Bewkes* put TVE strategic leadership under Heller in '09 because of his broad experience (in addition to spending 15 years at Turner, Heller had been assistant gen counsel at Time Warner Cable). Kent also said the other reason for putting Heller in charge of TVE was more pragmatic. "No one else we knew had the relationships, integrity and goodwill to bring together so many competing interests, agendas and egos to help design what was literally a new business model for our industry. Today, Turner's TV Everywhere authenticated content is available to 80mln cable customers, with the support and partnership of the majority of US cable distributors," Kent wrote in a memo dated Feb 28, when Heller announced his departure. As the primary question for TVE has moved beyond

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Most  
Powerful  
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Most  
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Minorities

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It's that time of year again. Ok, it is really 6 months early, but this year **CableFAX** is shaking it up!

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“when is it going to be everywhere” to “what’s next,” it seems appropriate Heller is tackling the same question...

**On the Hill:** Pres Obama’s ’14 budget, released Wed, includes setting user fees for spectrum licenses and allowing the **FCC** to auction predominantly domestic satellite service, which it says could bring the govt \$4.8bln by ’23. However, this sort of language has been included before, and it has never been included in the final budget passed by Congress. The fee would be for licenses not allocated via auctions. -- The **House Intelligence Committee** passed CISPA, the Cyber Intelligence Sharing and Protection Act late Wed. -- At a House Communications subcmte markup Wed, House Republicans continued to push for a bill that will make it the US policy to promote global Internet freedom. Democrats, including *Anna Eshoo* (D-CA), warned in a statement that the legislation as now written will undermine the **FCC**’s net neutrality rules and “unintentionally impact ongoing or future agency litigation, or undermine Administration flexibility in conducting foreign policy.” The markup continues Thurs, with Eshoo set to propose amendments to the bill. Subcmte chmn *Greg Walden* (R-OR), on the other hand, sees no downside to stating Internet Freedom in US law because “this is a principle that we’ve already unanimously said we believe in.” -- The head of **Senate Commerce** wants the **SEC** to up its cybersecurity game. *John Rockefeller* (D-WV) told the agency in a letter to issue Commission-level guidance on disclosure obligations for companies on cybersecurity risks. Formal guidance from the SEC will be “a strong signal to the market that companies need to take their cybersecurity efforts seriously,” he said.

**Milestones:** **Roku** said it has shipped its 5 millionth streaming player, and has delivered 8bln streams of video and music since ’08. “Today, 25% of Roku players stream more than 35 hours per week to a TV. According to *Nielsen*, the average American spends 34 hours per week watching live TV. That means 1 in 4 Roku customers are enjoying the vast majority of their TV time with Roku, making Roku one of the most coveted streaming platforms,” founder and CEO *Anthony Wood* wrote in a company blog post.

**In the States:** **Cox** and **Verizon Wireless** have launched their bundled service offering in metro Phoenix and Southern AZ, as well as Vegas. New and current Cox and Verizon Wireless customers who sign up for services from both companies can get a Visa prepaid debit card valued up to \$100, depending on the services chosen. The Verizon-Cox bundles are already available in certain cities in CA, KS, NE, AR and OK.

**Canceled:** **MTV** said Wed it will not move forward with Season 2 of “Buckwild” following the death of star *Shain Gandee*. “We love the cast and the show and this was not an easy decision, but given Shain’s tragic passing and essential presence on the show, we felt it was not appropriate to continue without him,” the net said. On Sun, MTV will run a special “Buckwild: WV to the NYC,” which was shot before production had begun on Season 2. “With the support of his parents, *Dale* and *Loretta Gandee*, we will run the tribute following a day of programming dedicated to Shain in which we will air the entire first season of ‘Buckwild,’” MTV said.

**Energy Conscious:** **SCTE** held its SEMI (Smart Energy Management Initiative) Forum in Atlanta Wed, with **Cox Comm** evp, CTO *Kevin Hart* discussing how **Cox Ent** companies, including Cox Comm, are participating in Cox Conserves. In a news release, SCTE ticked off some of the highlights from the presentation: Cox’s use of GPS systems has resulted in savings of more than 1mln gallons of fuel and reduction of 25mln pounds of CO2 emissions; a freestanding canopy solar array at Cox Ent’s HQ produces some 140K kWh of energy, reduces carbon emissions by 94 tons and provides shade for employees’ vehicles.

**Upfront:** **Syfy**’s upcoming programming includes an original programming slate, a trio of new reality series and 19 scripted and reality projects. The net is teaming with **Fox Television Studios** and several producers to develop the series project “No Place.” Syfy will also start production on the pilot of “High Moon.” In addition, 12 all-new eps of season 2 of “Ghost Mine” will premiere Sept ’13. Reality series currently in production are: “Rogan Questions Everything,” “Cosworld” and “Fandemonium.” The net renewed original drama “Being Human” for a 4th season.

**Ratings:** Season 2 premiere of **History**’s “Counting Cars” bagged 2.9mln total viewers while premiere eps of the net’s “American Restoration” delivered 2.6mln total viewers.

**Programming:** **WEtv** booked 3 new unscripted original series: “The Lylas,” “Pregnant & Dating,” and “Southern Royals.” -- **Starz Ent** will offer the **Starz** and **Encore** premium channel packages in a free preview nationwide, including subs with **AT&T U-verse**, **Cox**, **DirectTV**, **DISH**, **Verizon FiOS TV** and other regional providers. Non-sub can sample the program-

# BUSINESS & FINANCE

ming for free from Apr 11 to Apr 15 (dates/availability of channels vary by distributor). -- **TLC's** "Long Island Medium" returns for a 4th season on May 12. -- **Lifetime** will premiere new drama "Devious Maids" on June 23 at 10pm. -- "Magic City," **Starz's** 1950s Miami-based drama, will return with a new season on June 14 at 9pm.

**On the Circuit:** **NAMIC** announced that **Scripps Nets Interactive** chief **Ken Lowe** will keynote the graduation ceremony honoring Class XII of its Executive Leadership Development Program. Slated for Apr 25, it's the 1st class to graduate under **NAMIC's** academic partnership with the Univ of VA Darden School of Business.

**People:** **Nickelodeon Group** named **Jessica Murphy** vp, strategic property planning and marketing.

**Oops:** A question posed to **David Poltrak** at **TiVo's** TRA breakfast was referring to whether **CBS** would become a full-fledged cable network, not **Fox**. Also, "that's competition" should have been attributed to **Fox Cable Networks' Bruce Lefkowitz** in reference to fragmentation.

**Editor's Note:** Friday is the deadline for **CableFAX** 100 nominations, along with noms for our Most Powerful Women and Most Influential Minorities in Cable. We now have a consolidated form where you can nominate for all 3 magazines at the same time. Visit [cablefax.com/cablefaxmag/2013nominations.html](http://cablefax.com/cablefaxmag/2013nominations.html)

## CableFAX Daily Stockwatch

Company	04/10 Close	1-Day Ch	Company	04/10 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	55.98	0.56	CONVERGYS:	16.85	0.48
DISH:	36.69	0.45	CSG SYSTEMS:	20.71	0.51
DISNEY:	60.11	0.97	ECHOSTAR:	37.94	0.24
GE:	23.58	0.52	GOOGLE:	790.18	12.53
NEWS CORP:	31.40	0.04	HARMONIC:	5.93	0.21
<b>MSOS</b>					
CABLEVISION:	14.51	0.10	INTEL:	22.26	0.51
CHARTER:	103.67	0.09	JDSU:	13.98	0.65
COMCAST:	41.62	0.34	LEVEL 3:	21.00	(0.2)
COMCAST SPCL:	39.36	0.34	MICROSOFT:	30.28	0.67
GCI:	9.22	0.30	RENTRAK:	23.06	1.33
LIBERTY GLOBAL:	73.79	0.10	SEACHANGE:	10.95	(0.46)
LIBERTY INT:	21.17	0.18	SONY:	16.93	0.14
SHAW COMM:	24.65	0.59	SPRINT NEXTEL:	6.25	(0.03)
TIME WARNER CABLE:	94.23	(0.45)	TIVO:	11.76	0.40
VIRGIN MEDIA:	49.45	0.17	UNIVERSAL ELEC:	22.60	0.68
WASH POST:	449.44	9.13	VONAGE:	2.95	0.04
<b>PROGRAMMING</b>					
AMC NETWORKS:	65.04	0.43	YAHOO:	24.20	0.37
CBS:	46.61	0.75	<b>TELCOS</b>		
CROWN:	2.05	0.02	AT&T:	38.18	0.42
DISCOVERY:	80.44	1.84	VERIZON:	49.86	0.50
GRUPO TELEVISA:	27.89	0.70	<b>MARKET INDICES</b>		
HSN:	52.91	0.16	DOW:	14802.24	128.78
INTERACTIVE CORP:	45.88	1.38	NASDAQ:	3297.25	59.39
LIONSGATE:	23.80	0.52	S&P 500:	1587.73	19.12
OUTDOOR:	8.96	0.11			
SCRIPPS INT:	67.26	0.97			
STARZ:	21.77	0.45			
TIME WARNER:	59.56	0.77			
VALUEVISION:	3.72	0.18			
VIACOM:	66.28	1.14			
WWE:	8.96	0.18			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.33	(0.01)			
ALCATEL LUCENT:	1.48	0.06			
AMDOCS:	35.44	(0.01)			
AMPHENOL:	74.36	1.36			
AOL:	39.34	0.06			
APPLE:	435.69	8.71			
ARRIS GROUP:	17.26	0.85			
AVID TECH:	6.51	0.30			
BLNDER TONGUE:	1.01	0.01			
BROADCOM:	34.32	0.58			
CISCO:	21.47	0.50			
CLEARWIRE:	3.25	(0.01)			
CONCURRENT:	7.16	0.18			



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## Think about that for a minute...

### What, Why...

Commentary by Steve Effros

Sorry, but my journalism genes keep banging me in the head as I read the nonsense written in the consumer press about Aereo. Absolutely, the broadcasters haven't explained themselves, and headlines about Fox "threatening" to put its programs exclusively on cable certainly make for better copy, but c'mon... at least the old requirement of "who, what, when, where and why" should still apply!



Apparently that's not the case with the *Washington Post* anymore. Once again there's a Page One piece, this time about Aereo, that seems to have left out key ingredients, like the "what" and "why" of the dispute between Aereo and the broadcasters!

To be sure, it got the "who" in there. And the "where" and "when" (in New York, but coming to a big city near you soon...). There were also a lot of editorial observations about folks being tired of paying for cable, and that the "plan" for Aereo is to offer what the article suggests folks should want, which is a la carte programming. It leaves out the fact that Aereo doesn't offer a la carte programming, but hey... who's counting.

As usual, however, the news that the broadcasters and the cable guys are allegedly shaking in their boots about this new competitor is not only the lead of the story, it's the whole story. What's left out is the real story.

The piece rightly points out that Aereo picks up over the air broadcast signals and delivers them to its customers. Cable systems do precisely the same thing. What's missing—and anyone who read the article would not know—is that the law requires cable operators to pay for those broadcast signals before they can charge someone for the delivery. The article also didn't mention that Aereo doesn't pay, and claims the reason is that the signals

are picked up by an array of really tiny "leased" antennas rather than one big one! Instead, it just mentions that two courts have agreed with Aereo's contentions.

Of course, that's not quite right. An appeals court agreed with a lower court that there were insufficient grounds to enjoin Aereo from currently offering its type of cable service. No one has yet agreed that the legal questions of whether those little fingernail things actually constitute the entire "antenna" and whether having separate ones rather than one big one is probative of whether the copyright law applies or not. There hasn't been a trial yet. But it's not in the article.

That, of course, is the "what" and the "why." What's the argument about? Well, the broadcasters have successfully got Congress to write laws to guarantee them a dual revenue stream, presumably in order to protect "local" broadcasting. Those laws are the Copyright Law and the Telecom Act rules on "retransmission consent." At the moment, no one has even taken the "retrans" stuff to court. They started with copyright, and that's far from done. The "why" is that the broadcaster's can rightfully be concerned that if a technical gimmick—a loophole, as one judge characterized it—can gut the intent of the law, then everyone, including cable operators, could theoretically figure out ways to drive through that loophole. The end of the broadcast dual revenue stream.

The clear intent of the laws would be thwarted. I'm not necessarily opposed to that, could be fun! But without the "what" and the "why," readers are left with what looks like an ad for Aereo and no real understanding of what's really going on. Bad journalism.

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry)

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