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Programming Poker: Carriage/Retrans Arena Increasingly High-Stakes

At the card table with multiplatform content distributors, chief *Bob Iger*'s confident that **Disney** and other programmers have the better hand. And the proliferation of new platforms and devices, he said, strengthens that hand further, providing opportunities for both new avenues for monetization and a larger pot for existing ones—a contention to keep in mind as **Time Warner Cable** faces a Disney/**ESPN** contract expiration at the end of Aug. "It doesn't surprise me that we're standing quite tall," said Iger of programmers. "With all the new platforms out there…even though there's more fragmentation and more opportunity, we almost stand taller because we've demonstrated countless times that great content can do well on just about any platform." But that assessment doesn't mean Disney's devaluing its relationships with providers, or that Time Warner Cable should start a comprehensive savings program now. "I think you have to be mindful of the potential backlash, both on the regulatory front and on the consumer front," said Iger of pricing demands that may lead to high-profile carriage/retrans standoffs (see Disney-**Cablevision** or **Fox**-TWC). "Just because you have leverage you can't just put any number on it…you have to balance the short-term desire to increase revenue with the long-term prospect of potential fallout if you do it too fast, too high." Still, Iger doesn't believe the gov't will move to tinker with carriage/retrans pricing, or that there's imminent danger of an a la carte mandate. TWC and other cable ops may find solace in Iger's acknowledgment that programmers must be cautious about using new platforms going forward. ESPN is "offering some products that could be viewed [as] potentially over the top, but it's pretty limited," he said. "As the ability of consumers to connect [new devices] to a big screen grows then we're going to have to be more careful about that and there will be more exclusivity." On the flip side, however, Iger remains confident that ESPN will be able to demand higher rates from both advertisers and distributors because of its heavy investment in programming and tech. "While current platform revenue is certainly important and needs to be respected, it's not necessarily to be protected at the cost of not occupying space on new media platforms," said Iger. "Status quo is not an option." It's apparently not an option in the carriage-retrans arena either.

Ch-ch-changes: Lots of big programming hires following the Memorial Day weekend. His name was kicked around in relation to the **BBC Worldwide America** post, and on Wed it became official. Former **Nick/MTVN** exec *Herb Scannell* is now pres of the company's US operations, including **BBC America**, filling a post vacated by *Garth Ancier* at the end of Mar. Scannell, whose appointment is effective immediately, was most recently CEO of digital media company **Next New Networks**. "I've been associated with innovative brands and businesses throughout my career, and there's none more innovative in television than the BBC," Scannell said. "The cable channel with a desirable upscale audience has great growth in front of it." He also wants to expand BBC Worldwide America's production agenda. -- Former **Versus** chief *Gavin Harvey* has been named CEO of **Sportsman Channel**. Harvey's no stranger to outdoor programming, having led Versus back in its more outdoorsy OLN days. He opted not to relocate when Versus moved its HQ to Philly from Stamford, CT, in '08, and signed on as **Fuse** gm last Aug. Harvey, who starts July 6, will split time between NYC

CableFAX
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Deadline: June 4, 2010

More Information:
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- ❑ Best Actress in Cable
- ❑ Best Cable Program
- ❑ Best New Cable Program
- ❑ Best Producer
- ❑ Best Writer
- ❑ Best Director
- ❑ Hall of Fame: Open to actors, writers, directors and producers for a body of work

By Genre: Best Show or Series In The Following Genre
- ❑ Animals/Nature
- ❑ Animated
- ❑ Children's
- ❑ Comedy
- ❑ Documentary
- ❑ Drama
- ❑ Education/Instructional
- ❑ Family Friendly
- ❑ Faith Based/Religious
- ❑ Fitness/Health
- ❑ Food
- ❑ Music
- ❑ News
- ❑ Public Affairs
- ❑ Reality/Game Show
- ❑ Sci Fi
- ❑ Sports
- ❑ Talk Shows
- ❑ Best Regional Program
- ❑ Other: enter your best in a genre not mentioned above

By Genre: Best Actor/Actress/Host In The Following Genres
- ❑ Animals/Nature
- ❑ Comedy
- ❑ Drama
- ❑ Family Friendly
- ❑ Food
- ❑ Music
- ❑ News/Public Affairs
- ❑ Reality/Game Show
- ❑ Sports
- ❑ Talk Shows
- ❑ Best Regional Program
- ❑ Other: enter your best in a genre not mentioned above

Special Categories:
- ❑ Best Opening Sequence
- ❑ Best Surprise Ending

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- ❑ Best Online/Mobile Extras for a Linear Show
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Title of Entry/Name of Entrant (as you'd like it to appear on your award if selected):______________________

____

Company and/or Client: ______________________

Contact Name of person submitting entry Job Title: ______________________

Address: ______________________

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The awards are presented by the most trusted information source in cable: CableFAX Daily and sister brand CableFAX: The Magazine.

Questions? Contact Awards Coordinator Rebecca Stortstrom at 301-354-1610; rebecca@accessintel.com.
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and **Sportsman's** New Berlin, WI, home (Milwaukee area). Sportsman pres *Willy Burkhardt* will stay on through the transition and then depart. Sportsman, owned by **InterMedia Outdoor Holdings**, has been steadily picking up carriage, with distribution now at nearly 26mln HHs. "I'm extremely excited to be back in outdoor television and to join a network with so much momentum," Harvey said. "With all the complementary media and content assets that exist in InterMedia Outdoors, Sportsman Channel is uniquely positioned to deliver unbeatable value to distributors, advertisers, and outdoor enthusiasts." Over at Fuse, evp, sales *David Clark* will serve as interim GM until a new evp, gm is named. -- Not a new hire, but a noteworthy promotion. *Frances Berwick* was upped to pres, **Bravo Media**. She has held the post of evp, gm of Bravo since Jan '08, and during her tenure increased original programming by 33%. She'll continue to report to *Lauren Zalaznick*, pres, **NBCU** Women & Lifestyle Ent Nets.

Unlimited Response: **AT&T**'s intro of wireless data plans that include usage caps generated backlash across the Web Wed because the plans basically replace unlimited data options at a time when the **FCC**'s heavily focused on broadband protocol. The telco's couching the plans—DataPlus provides 200MB of data/month, DataPro 2GB—as a key way to make the Internet more affordable to a greater number of customers, but **Free Press** believes the issue burrows far deeper. The new plans indicate "that AT&T is choosing to manage scarcity and ration its network, rather than build to meet users' needs," said the org. "The fact that AT&T can introduce an Internet overcharging scheme that bears no resemblance to the cost of operating the network, despite constant complaints about the network's quality, further demonstrates that our wireless markets are not competitive." **Stifel Nicolaus** believes AT&T's tiered pricing plans won't face the legislative pressure that some cable ops endured over similar plans because: the telco's lowering the entry level price at the same time it increases pricing for high users; it's in a better position to argue that it has wireless traffic management issues; and it created a notification safety net for consumers who exceed their monthly data allotment. "We would expect the FCC to emphasize the need for accurate information provided to consumers, and there could be repercussions if companies fall down on this," wrote the firm. DataPlus runs $15/month, DataPro $25, and customers are subject to respective additional charges of $15 and $10 if they exceed the plan limits. DataPro customers can also add a $20/month tethering option that allows for the use of smartphones as a broadband modem for laptop computers, netbooks or other devices. Perhaps expecting a backlash, AT&T's offering existing iPad customers the option to keep their $30/month unlimited plan. Both new plans include unlimited access at no additional charge to more than 20K AT&T Wi-Fi Hot Spots. According to reports from the **D8** conference, **Apple** CEO *Steve Jobs* defended AT&T's recent wireless network performance woes (particularly related to the **iPhone**), which many believe are the main reason for the new data caps.

WiFi on Rails: It's clear **Cablevision** wants to be the WiFi MacDaddy, submitting a proposal to the **Metropolitan Transportation Authority** to provide its WiFi service on **Long Island Rail Road** and **Metro-North** trains at no cost to MTA. There would be unlimited free access to CVC HSD subs (take that **AT&T**). Non-customers would be provided a "reasonable access option," the MSO said. CVC has committed to having the entire system built and activated within 12 months of being selected. It has made a huge WiFi push, already providing free service to its HSD customers at nearly 200 MTA commuter rail stations (ie, parking lots and train platforms). It has deployed tens of thousands of access points in its footprint and linked up with **Time Warner Cable** and **Comcast** to allow their HSD subs to roam across the companies' respective WiFi in the NY metro area at no additional charge. CVC subs are accessing Optimum WiFi more than 3mln times/month today, at speeds of up to 3Mbps downstream/1.5Mbps upstream.

Retrans: While fireworks may be expected in **Time Warner Cable** and **Disney/ESPN's** contract renewal negotiations, there hasn't been as much as a sparkler yet. So, for now, we'll have to entertain ourselves by reading their dueling, scholarly papers at the **FCC**. Tues night, TWC filed a response to a Disney-submitted study from **Navigant Economics'** *Jeffrey Eisenach* that argued video programming cost increases weren't to blame for cable prices *(**Cfax**, 4/27)*. Calling Eisenach's analysis "fundamentally flawed," TWC's response from **Charles River Assoc** consultants argues that the report provides no relevant information on the impact of programming cost increases on retail prices because his methodology of comparing costs and revenues over time has "only the loosest connection to this issue of causation." Both papers are comments on the FCC's query into whether it should update retrans rules. TWC said Disney's paper should have not have relevance to the Commission's consideration of reforms.

Programming: Call it a lucky bounce. Long ago **SNY** had the minor league Buffalo Bisons-Syracuse Chiefs game

BUSINESS & FINANCE

(Thurs, 1p ET, repeated at 7p ET) on its schedule. That contest has taken on greater significance as it's the final tune-up for can't-miss pitcher *Stephen Strasburg* before he heads to DC to make his big league debut for the Nats, June 8 vs Pittsburgh on **ESPN**. **Versus** will carry Thurs' game nationally—marking the 1st time the net's aired professional baseball. DC-area RSN **MASN** also will carry Strasburg's final Triple-A start on tape delay at 7pm. -- "Futurama" debuts its 6th season of 12 all-new eps, June 24 on **Comedy Central**. It has been more than 6 years since the series' last original ep. -- The entire cast of the "Jersey Shore" will appear live on the red carpet for the "Jersey Shore Blow-Out at the **MTV** Movie Awards," 8pm, Sun. They'll also premiere the first 10 mins of season 2 of the hit reality show.

Earnings: Though **Lionsgate** reported a $19.5mln net loss for its fiscal year ended Mar 31, compared to a $178.5mln net loss a yr earlier, the co touted record rev ($1.58bln, +8%) for the period primarily due to an increase in TV prod rev and $113.6mln in new rev form **TV Guide Net** and **TVGuide.com**. The TV biz notched record rev of $350.9mln (+58%), including a rise in rev for domestic series licensing (+48%) on a 63% jump in deliveries of shows including **AMC**'s "Mad Men," **Showtime**'s "Weeds" and "Nurse Jackie" and **Starz**' "Crash."

CableFAX Daily Stockwatch

Company	06/02 Close	1-Day Ch
BROADCASTERS/DBS/MMDS		
DIRECTV:	38.56	1.10
DISH:	20.94	0.48
DISNEY:	34.74	1.41
GE:	16.35	0.37
NEWS CORP:	15.43	0.49
MSOS		
CABLEVISION:	25.08	0.71
COMCAST:	18.38	0.36
COMCAST SPCL:	17.40	0.28
GCI:	6.15	0.23
KNOLOGY:	12.06	0.13
LIBERTY CAPITAL:	43.55	0.96
LIBERTY GLOBAL:	26.20	0.86
LIBERTY INT:	13.04	0.57
MEDIACOM:	6.43	0.16
RCN:	14.50	0.10
SHAW COMM:	18.62	0.72
TIME WARNER CABLE:	54.82	0.53
VIRGIN MEDIA:	16.20	0.37
WASH POST:	464.42	12.71
PROGRAMMING		
CBS:	14.63	0.55
CROWN:	1.83	0.07
DISCOVERY:	39.07	1.99
GRUPO TELEVISA:	18.81	0.25
HSN:	26.31	1.10
INTERACTIVE CORP:	23.19	0.15
LIBERTY:	32.63	0.76
LIBERTY STARZ:	52.74	0.24
LIONSGATE:	7.01	0.18
LODGENET:	5.28	0.22
NEW FRONTIER:	1.83	0.03
OUTDOOR:	5.69	0.14
PLAYBOY:	3.71	0.12
SCRIPPS INT:	46.25	1.93
TIME WARNER:	31.07	0.89
VALUEVISION:	2.09	(0.12)
VIACOM:	37.45	0.92
WWE:	16.76	0.11
TECHNOLOGY		
ADC:	7.96	0.15
ADDVANTAGE:	2.83	0.03
ALCATEL LUCENT:	2.60	0.07
AMDOCS:	27.69	(0.06)
AMPHENOL:	41.95	0.90
AOL:	20.98	0.49
APPLE:	263.95	3.12
ARRIS GROUP:	10.93	0.18
AVID TECH:	13.48	0.54
BIGBAND:	2.86	0.03
BLNDER TONGUE:	1.28	(0.02)
BROADCOM:	35.36	1.33
CISCO:	23.35	0.35
CLEARWIRE:	8.07	0.20
COMMSCOPE:	27.15	0.55
CONCURRENT:	5.31	(0.01)
CONVERGYS:	10.49	0.03
CSG SYSTEMS:	20.49	0.28
ECHOSTAR:	20.75	0.19
GOOGLE:	493.37	11.00
HARMONIC:	5.84	0.11
INTEL:	21.81	0.63
JDSU:	11.00	0.31
LEVEL 3:	1.28	0.02
MICROSOFT:	26.46	0.57
MOTOROLA:	6.85	0.15
PHILIPS:	29.90	0.57
RENTRAK:	24.13	0.65
SEACHANGE:	8.13	0.12
SONY:	30.15	(0.08)
SPRINT NEXTEL:	4.99	0.23
THOMAS & BETTS:	39.24	(0.03)
TIVO:	8.82	0.25
TOLLGRADE:	6.50	0.00
UNIVERSAL ELEC:	20.21	1.32
VONAGE:	2.02	0.02
YAHOO:	15.18	0.16
TELCOS		
AT&T:	24.78	0.45
QWEST:	5.30	0.10
VERIZON:	27.59	0.38
MARKET INDICES		
DOW:	10249.54	225.52
NASDAQ:	2281.07	58.74

Think about that for a minute...

'Plastics'

OK, I'm showing my age, and all of you who don't remember the following dialogue from the classic film "The Graduate" (1967) with Dustin Hoffman should watch it and then you'll understand! Hoffman is just graduating from college and gets snared in an affair with the wife of his father's business partner. The classic line comes when a family friend is giving him advice about his future. The advice: "Plastics." It is, he is told, the business of the future… a sure bet.

I was reminded of that line when I was thinking about what the potential outcomes might be of the ever-shifting landscape of video entertainment delivery. The word I would unfortunately use: "Marketing."

Steve Effros

I regret having to say that, but it looks like the way things are heading right now it seems to me that the more powerful the marketing muscle, the more "successful" a company will be in the new world that is taking shape.

That's not good. We are entering an era when video can be accessed in an exponentially increasing volume from multiple sources. The "public policy" push is to encourage, mandate or even finance more and more infrastructure sources of video (as well, of course, as voice, data, etc.). Indeed the entire current focus is on "broadband" distribution by both wire and wireless (which includes broadcast). The objective seems to be to maximize the availability of information and entertainment in as many delivery modes as possible.

Sounds good. By doing so, the popular theory is there will be more access to more diverse material by a wider audience. The goal, it is said, would be for 100 percent penetration of "broadband" nationwide, and concerted efforts to get everyone to use it.

But in the context of entertainment, would that really result in a vast increase in multiple sources of quality programming and increased diversity? Let's not forget we had that same notion nearly forced down our throats through a prior policy fixation, "a la carte." There was one major problem; virtually every serious study suggested that if all programming were offered "a la carte" we would ultimately wind up with fewer quality programs and they would be more expensive!

Why? Because if you dilute the broth too much the soup becomes tasteless. In other words, if all anyone watches is "the long tail" of programming with little aggregation of mass audiences then there isn't enough financial muscle to really create top quality product. That's not to say there won't be any, and sure, some will come from "independent" sources and become "viral phenomena." But not many.

I could be wrong, but I fear that new career direction, "marketing," may become the engine that drives video even more than today. I am concerned, and I would hope the regulators who read this would consider it carefully, that this unalloyed push toward maximization of "unbundling" will inadvertently result in the exact opposite of the objective of "more choice."

It will result in the companies which have the biggest marketing muscle, the ones able to cross-promote their programming, having the highest likelihood of success. They will aggregate the viewers and by doing so, they will continue to increase their marketing clout and reach. We will not get more broadly viewed "channels" or "programs," we will get fewer. We will have structured the market in such a way that the big get bigger purely because they have more marketing resources.

Just as plastic turned out to have a lot of downsides, so too does a system which inadvertently creates dominant "marketers." Beware.

Steve

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