

CableFAX Daily™

Friday — June 14, 2013

What the Industry Reads First

Volume 24 / No. 115

Cable '13: It's Over, What Did We Learn?

We know *MC Hammer* is still too legit too quit, but beyond that, there were other observations from the 62nd **Cable Show**—and not all of them involved **Comcast's** X2. The biggest takeaway: Cable wanted the gathering to be all about telling its story, but others had different ideas. While programmers and operators showed off their TV Everywhere initiatives and boasted about investing hundreds of billions of dollars in broadband, the story in the press revolved around virtual MSOs and whether cable is hindering their creation. This was undoubtedly helped along by a **BTIG** blog post on Tues by *Rich Greenfield* in which he said 1 or more incumbent MVPDs have added a clause in programming contracts that prevent the programmer from licensing their nets to non-facilities based/virtual MVPDs (The **FCC** prevented **Comcast** from doing that in its **NBCU** merger conditions). *Bloomberg* reported that **Time Warner Cable** CEO *Glenn Britt*, in a meeting with analysts at the show, said the MSO may have some contracts that prevent programmers from offering content to online pay TV providers. A TWC spokesperson said it was “absurd to suggest that, in today’s highly competitive video marketplace, obtaining some level of exclusivity is anticompetitive,” and listed examples (**NFL** Sunday Ticket on **DirectTV** and “Arrested Development’s” new eps on **Netflix**). “In fact, the amount and scope of exclusivity and windowing in Time Warner Cable’s arrangements with programmers pales by comparison to that found between other players in the entertainment ecosystem,” she said. It wasn’t just the virtual MSO story that stole headlines from the show. On Wed, the **House Communications** subcommittee hearing on STELA broadened to take on pretty much all of video, including retrans consent, FCC carriage rules and cable prices—all of which got little attention at the annual trade show.

More Cable Show Takeaways: What did get a lot of focus at the Cable Show was the cloud and next-generation apps. Used to the complaints about cable’s pace, the need to move faster was acknowledged several times, including by **Charter’s** *Tom Rutledge* during a general session. At a **CableFAX** Tech breakfast, **Buckeye** CTO *Joe Jensen* lamented that it took 3 years to create category folders in VOD. “We need to innovate in weeks, not years,” he said. But maybe cable is like the tortoise in *Aesop’s* fable. “While we understand the market’s ‘need for speed,’ we think a measured rollout of all the new products/services is a sound one—both from a financial and an operational perspective,” **Wells**

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PROGRAM AWARDS

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Fargo Securities *Marci Ryvicker* wrote in a research note summing up her thoughts on the show. “At the end of the day, we continue to view the cable industry as one of the most innovative and collaborative.” Some of that collaboration could be seen in **Time Warner Cable’s** launch of its TWC TV app on **Samsung** Smart TVs. Then there was **Comcast’s** X2 demo, with a user interface and voice search that had many drooling. But look for complaining on the time it will take to actually come to market. The plus side of the wait? Ryvicker notes the cost of boxes should come down in the next 18 months, improving ROI. A large part of the exhibit floor was dominated by second screen displays. “Personalized” or “customized” was the key word in many demonstrations from programmers and distributors. Instead of bashing digital piracy, password sharing or discussing cable cord cutting, cable execs talked about how the industry is embracing digital viewing and such viewing isn’t cannibalizing linear. Other trends included a big focus on smart home technology. **Mediacom** used the show to announce its home management deal with **Comporium**, while software firm **Itaas** showcased its solution for Time Warner Cable subs that allows remote control of things like lighting and temperature via mobile devices and/or smart TV. Comcast announced a service allowing subs to just take a home automation service vs home automation plus security. Display technology drew large crowds throughout the entire show, whether it’s Samsung’s ultraHD or **CableLabs** showing 4K content on a **Sony** TV.

Over-the-Airheads: Get ready to do more retrans consent deals with **Gannett**. The broadcaster is on its way to become the 4th largest owner of major network affiliates, reaching nearly a 3rd of all US HHs under a proposed acquisition of **Belo** for \$2.2bln, including \$715mln in debt. The price is 28.1% higher than the closing price of Belo stock on Wed. The proposed deal nearly doubles Gannett’s stations from 23 to 43, including stations to be serviced by Gannett through shared services or similar sharing arrangements. Post-transaction, Gannett is expected to have 21 stations in the top 25 markets, and will become the top **CBS** affil, the #4 **ABC** affil, and will expand its already #1 **NBC** affil position. The deal is expected to close by year-end, subject to approvals by the **FCC**, **DOJ** and holders of 2/3 of the voting power of Belo shares. The 5 markets that will have either cross-ownership or TV overlap, as a result of the deal, include Phoenix, St Louis, Portland/Salem, Louisville, and Tucson, according to **Wells Fargo** analysts. “The new Gannett will be well positioned to lead innovation, bolster our existing growth initiatives and take advantage of new opportunities in the emerging digital media landscape,” Gracia Martore, Gannett pres/CEO said.

Clearwire: The **Clearwire/Sprint/DISH/Softbank** opera continues to drag. Postponing the shareholder vote for the 4th time, Clearwire said the vote is now scheduled for June 24. Meanwhile, the board recommended that shareholders accept DISH’s \$4.4 per share offer, which tops Sprint’s \$3.4 per share bid. DISH’s offer expires at midnight July 2. While evaluating the board’s recommendation, Sprint continues to “have every intention of enforcing its governance rights.” In addition, “all commercial agreements, including network and customer agreements, will be honored and enforced as it regards our ongoing relationship with Clearwire,” the telco said. While Sprint, currently a majority shareholder of Clearwire, is likely to operate its plans without owning the whole company, it will most likely raise its bid, **S&P** analysts wrote. Having DISH as a minority partner, if the proposed merger goes through, will prevent Sprint from incorporating Clearwire’s spectrum and achieving its goal of building out its network, they said. DISH might have temporarily won the battle over Clearwire, it’s still fighting another one against Softbank over Sprint. After SoftBank upped its offer this week to \$21.6bln, Sprint gave the thumbs up: Sprint board and the special committee reviewing the merger unanimously recommended for the Japanese carrier’s proposed transaction. The satellite provider is now facing a June 18 deadline to make its final offer.

DISH: **DISH** and regional wireless carrier **NTELOS** have deployed broadband service in rural VA using 2.5GHz spectrum, following the companies’ recent announcement on their plan to co-develop a fixed mobile broadband service. Speeds at initial test sites ranged from 20 Mbps to more than 50 Mbps. The companies have activated 2 wireless tower test sites and tapped **Ericsson** and **Alcatel-Lucent** as equipment vendors.

WiFi: The **NJ Transit** board authorized the agency to enter into a public-private partnership with **Cablevision** for high-speed WiFi at stations and onboard trains. “The Wi-Fi access will be provided to NJ Transit customers via a dedicated, trackside Wi-Fi network—the first of its kind in the nation—at no cost to the agency,” NJ Transit said. Under the 20-year contract, Cablevision will begin the rollout with a focus on major stations like Newark Penn Station and Hoboken Terminal. The project is expected to be substantially completed by the end of ’16. CVC subs will have

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free access, while non-customers will be able to use it for a “reasonable,” yet undetermined fee, the MSO said.

Programming: ONE World Sports will move to HD on Aug 1, and debut a new on-air look with new branding and a global sports ticker. Additionally, the net will relaunch its Website and introduce a new app for mobile streaming of its content. Programming additions include telecasts of 7 homes games of the NY Cosmos.

Public Affairs: Time Warner Cable's Connect a Million Minds initiative, in partnership with youth program **826 National**, is expanding its STEM and creative writing program. The upgraded Commitment to Action project includes the publication of a book next fall. A compilation of STEM lesson plans and creative writing, the book is designed for use in afterschool programs. The book will be informed by a series of workshops taking place over the next year. -- **The Ad Council** and **UNCF** will unveil a new PSA campaign in DC Fri with **Sec of Education Arne Duncan**. The “Better Futures” campaign carries the tagline: “A mind is a terrible thing to waste... but a wonderful thing to invest in.”

Oops! A quote on a la carte said during an RSN panel at the **Cable Show** in Wed's issue was misattributed to **Time Warner Cable's David Rone**. It was said by *Jon Litner*, group pres, **NBC Sports Group**.

CableFAX Daily Stockwatch

Company	06/13 Close	1-Day Ch	Company	06/13 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
DIRECTV:	61.16	1.00	GOOGLE:	877.00	5.02			
DISH:	38.47	0.76	HARMONIC:	6.24	0.07			
DISNEY:	64.30	1.31	INTEL:	24.99	0.53			
GE:	23.68	0.18	JDSU:	14.29	0.25			
NEWS CORP:	31.80	0.69	LEVEL 3:	21.59	0.52			
MSOS								
CABLEVISION:	14.17	0.24	MICROSOFT:	34.72	(0.28)			
CHARTER:	110.89	(0.5)	RENTRAK:	23.30	0.05			
COMCAST:	39.75	0.23	SEACHANGE:	11.32	0.07			
COMCAST SPCL:	38.22	0.11	SONY:	21.03	0.75			
GCI:	8.47	(0.02)	SPRINT NEXTEL:	7.32	(0.03)			
LIBERTY GLOBAL:	73.62	1.03	TIVO:	11.17	0.29			
LIBERTY INT:	22.45	0.25	UNIVERSAL ELEC:	27.70	0.66			
SHAW COMM:	22.31	0.24	VONAGE:	2.90	0.09			
TIME WARNER CABLE:	96.15	2.25	YAHOO:	26.37	0.48			
WASH POST:	484.45	13.31	TELCOS					
PROGRAMMING								
AMC NETWORKS:	64.00	0.57	AT&T:	36.30	0.68			
CBS:	47.36	1.44	VERIZON:	50.64	0.74			
CROWN:	1.99	0.05	MARKET INDICES					
DISCOVERY:	76.06	2.49	DOW:	15176.08	180.85			
GRUPO TELEVISIA:	23.71	0.41	NASDAQ:	3445.37	44.94			
HSN:	57.20	1.66	S&P 500:	1636.36	23.84			
INTERACTIVE CORP:	49.70	0.63	TECHNOLOGY					
LIONSGATE:	27.74	0.93	ADVANTAGE:	2.23	(0.02)			
SCRIPPS INT:	66.75	2.35	ALCATEL LUCENT:	1.84	0.08			
STARZ:	22.85	1.14	AMDOCS:	35.72	0.35			
TIME WARNER:	57.91	1.75	AMPHENOL:	77.04	0.95			
VALUEVISION:	5.02	0.01	AOL:	35.74	0.52			
VIACOM:	67.59	1.72	APPLE:	435.96	3.77			
WWE:	9.94	0.22	ARRIS GROUP:	14.41	0.24			
TECHNOLOGY								
ADDVANTAGE:	2.23	(0.02)	AVID TECH:	6.32	0.08			
ALCATEL LUCENT:	1.84	0.08	BROADCOM:	33.54	0.24			
AMDOCS:	35.72	0.35	CISCO:	24.35	0.36			
AMPHENOL:	77.04	0.95	CLEARWIRE:	4.47	0.10			
AOL:	35.74	0.52	CONCURRENT:	7.92	0.06			
APPLE:	435.96	3.77	CONVERGYS:	18.18	0.48			
ARRIS GROUP:	14.41	0.24	CSG SYSTEMS:	21.26	0.52			
AVID TECH:	6.32	0.08	ECHOSTAR:	40.02	UNCH			
BROADCOM:	33.54	0.24						
CISCO:	24.35	0.36						
CLEARWIRE:	4.47	0.10						
CONCURRENT:	7.92	0.06						
CONVERGYS:	18.18	0.48						
CSG SYSTEMS:	21.26	0.52						
ECHOSTAR:	40.02	UNCH						

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PROGRAMMER'S PAGE

The Magic is Back...

Before the first episode of period drama "Magic City" even aired on **Starz** last year, pres/CEO *Chris Albrecht* had already renewed it for a 2nd season. That was part intuition, part guts. And while it's unclear whether Albrecht's blind bet will ultimately pay off (S1 ratings were mixed), the network appears to be doubling down. In fact, Season 2 of this gritty drama about late '50s/early '60s Miami (premieres Sun) promises to be bigger and more star studded than its freshman run. "The first season in my head kind of set the table," creator and showrunner *Mitch Glazer* told **CableFAX**. "With the second one, I could really hit warp speed with the storytelling." Not only will the show's world get bigger, with lead character *Ike Evans (Jeffrey Dean Morgan)* traveling to Cuba to try to set up gambling operations, but Glazer has also recruited his pal and legendary thespian *James Caan* to play Chicago mob boss *Sy Berman*, who comes to town to reign in local heavy *Ben Diamond (Danny Huston)*. Caan tells us he took the gig partly because of his friendship with Glazer but also because the part, which Glazer created specifically for him, was so well written. In fact, Caan said most movie scripts he gets are "just not good... The stuff on **HBO** and [Starz] is better than what's out there—at least compared to the movies that I like to see." Glazer actually wrote another movie for Caan that's still in development, so these guys go way back. "We kind of half-ass collaborate," said Caan. "I mean, he wrote [Magic City], but we're all excited about the script, and I'd come up with an idea and call him in the middle of the night. So that's something you usually don't get." Other guest stars added this season include *Esai Morales, Sherilyn Fenn* and *Jamie Harris*—all of whom Starz hopes will jetison *Magic City* toward bigger ratings. Glazer says he's already mapping out Season 3, even though Starz has yet to commit to another run. "It's a very expensive show to make," he notes. But then again, millions went to build the show's massive soundstage in Miami, so... "What else are you going to do with it?," he jokes. "Here's hoping. I would love to come back." — *Michael Grebb [Go to CableFAX.com for the full interviews with James Caan and Mitch Glazer].*

Reviews: "Love, Marilyn," Mon, 9p, **HBO**. While some 1K books have been written about *Marilyn Monroe*, this *Liz Garbus* film is a terrific addition. Read by panoply of stars, the letters are supplemented by interviews with *Amy Greene*, widow of Monroe's photographer *Milton Greene*, and excellent footage. The portrait that emerges is of a woman from humble beginnings who carefully created herself as a celebrity and eventually realized her monetary value. Garbus' sensitive and insightful film will do much to keep interest in *Monroe* vibrant. -- "Nurse Jackie," season 5 finale, Sun, 9p, **Showtime**. This season has been a perfect storm for "Jackie." The writing and new characters added to its talented cast led by *Edie Falco* have been excellent. It's arguably the series' finest season, despite the near absence of *Eve Best*. Sunday's jaw-dropping finale is no exception. -- "Fatherless to Fatherhood," Father's Day, 8p ET, **ASPIRE**. Music executive *Kobie Brown* directs this conversational and provocative doc about fathers. Via interviews, it looks at the problems of uninvolved fathers and transitions to fatherhood's joys. - *Seth Arenstein*

Basic Cable Rankings (6/03/13-6/09/13)			
Mon-Sun Prime			
1	USA	2.2	2205
2	TNT	2.1	2028
3	DSNY	1.6	1620
3	FOXN	1.6	1544
3	HIST	1.6	1543
6	TBSC	1.3	1257
6	NBCS	1.3	1010
8	A&E	1.2	1215
9	HGTV	1.0	987
10	ADSM	0.9	918
10	DISC	0.9	881
10	DSE	0.9	68
13	FOOD	0.8	838
13	NAN	0.8	835
13	TLC	0.8	813
13	LIFE	0.8	783
13	SYFY	0.8	767
13	FX	0.8	754
13	ID	0.8	688
20	FAM	0.7	721
20	AMC	0.7	703
20	BRAV	0.7	692
20	ESPN	0.7	642
20	TRU	0.7	635
25	APL	0.6	557
25	LMN	0.6	496
27	SPK	0.5	516
27	TVLD	0.5	512
27	MTV	0.5	491
27	CMT	0.5	481
27	HALL	0.5	460
27	BET	0.5	451
27	VH1	0.5	448
27	CMDY	0.5	443
27	EN	0.5	441
27	MSNB	0.5	438
27	OWN	0.5	389
27	H2	0.5	339
27	DSJR	0.5	290
40	CNN	0.4	393
40	NGC	0.4	358
40	HLN	0.4	345
40	NKJR	0.4	340
40	OXYG	0.4	282
40	HMC	0.4	200
46	ESP2	0.3	324

*Nielsen data supplied by ABC/Disney

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