

# CableFAX Daily™

Tuesday — June 25, 2013

What the Industry Reads First

Volume 24 / No. 122

## Intel OTT: It's Coming, but Will It Prevail?

It's no secret that **Intel** wants a piece of the TV pie. And as expected, the company will launch its over-the-top TV service **Intel Media** this year, with both live linear and on-demand programming, a spokesman confirmed. The chip company is "broadly engaged with all of the major programmers" and "feels good about the progress we have made to date," he said. While TV cord-cutters are a potential target audience, Intel is also targeting younger connected audiences (individuals and families) that "value live television but are unhappy with the current model of delivery." Unlike **Roku**, which could co-exist with pay-TV services as Roku and some cable execs had suggested, Intel doesn't expect its upcoming offering to be used with one's existing pay-TV service, the rep said. The company hasn't publicly demonstrated the service, though **Barron's** columnist *Tiernan Ray* offered a glimpse. He reported "a wide array of popular channels to choose from that would be familiar to any couch potato," though the final programming lineup is still in the works. In addition, the user interface features "an elegant simple menu" that allows simply switching between channels and easy ordering for movies. The columnist claimed the remote control responds faster than it normally does on cable. He also outlined a time-shifting feature that "goes beyond DVR," allowing access to recent eps. But it's not all smooth sailing for Intel and others looking to become "virtual MSOs." According to analyst *Craig Moffett* of **Moffett Research**, OTT providers need to "substantially" undercut traditional Pay TV pricing. Specifically, OTTs need to acquire content at a lower price—unlikely as content providers would seem to have little interest in helping a new distributor to pay them less than linear TV providers. Intel is reportedly offering programmers a 75% premium over what they pay to traditional providers, but it still has yet to close any content deals. Intel may face considerable hurdles: You'll recall that during the Cable Show, a blog post by **BTIG's Rich Greenfield** spurred press reports that 1 or more incumbent MVPDs have added a clause in programming contracts that prevent programmers from licensing their nets to non-facilities based/virtual MVPDs (The FCC prevented Comcast from doing that in its NBCU merger conditions). In addition, content providers have little incentive to unbundle, something that Sen *John McCain's* (R-AZ) a la-carte-video bill seeks to do. However, as McCain's bill faces resistance from both parties on the Hill, forcing programmers to unbundle seems unlikely. Moffett estimated that each channel would have to be priced a lot higher to make up for the lost affiliate fees and advertising.

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## PROGRAM AWARDS

**Sponsorship Opportunities:** Amy Abbey at  
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**Entry Questions:** Mary Lou French at  
301.354.1851 or mfrench@accessintel.com

From the most outstanding cable programs to the best surprise ending, the annual CableFAX Program Awards honor the best in cable programming, content and people. This unique awards program from the industry's most trusted brand, CableFAX, raises the bar on what's good on and about cable. Now's your chance to win a CableFAX Program Award and get recognized for bringing value to your viewers.

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He estimated that a channel desired by 10% of the market might need to charge 10 times as much in an a-la-carte world. Finally, the fact that the service is delivered over Internet could be a problem. If ISPs charged an additional \$40 in order for consumers to use Intel's service, Intel Media "would almost certainly fail."

**Retrans:** **Journal Broadcasting** continues to negotiate with **Time Warner Cable** as their contract covering stations in Milwaukee, Green Bay-Appleton, Palm Springs and Omaha expires on Sun. According to *Journal Sentinel*, owned by the **Journal Communications**, which owns **Journal Broadcasting**, Milwaukee-based **NBC** affil **WTMJ-TV** ran a crawl over the weekend informing its viewers about the negotiation. "We hope that a mutually beneficial agreement can be reached," the net said. TWC said the broadcaster wants a 200% fee increase to continue the same programming. While the company desires a fair agreement, the demands are "just outrageous," TWC said in a statement. "It's up to us to fight back and keep prices as affordable as possible," TWC said. The stations that can potentially be affected include NBC affils **WTMJ**, **KMIR** and **WGBA**, **MyNetworkTV** affils **WACY** and **KPSE-LP** and **CBS** affil **KMTV**. -- On the regulatory front, **ACA** continued to fire back at **NAB** on the issue of whether or not independently owned Big 4 affils in the same designated market area should be allowed to jointly negotiate retrans fees. Such practices will lead to increases in programming fees, which means higher MVPD subscription prices and consumer harm, ACA said. Among its supplemental comments filed at the **FCC**, NAB claimed broadcasters should be allowed to collude because it will provide them with extra funds that can be used to improve quality of programming. The broadcasters' group is advocating a policy of "having the Commission selectively allow collusion in industries where it determines that it would be desirable from a public policy perspective for the participants in the industry to earn higher revenues," ACA said, arguing that NAB wants the FCC to "sanction collusive price setting by non-commonly owned broadcasters" in the same DMA. It worries that the result of such a declarations by the FCC would be "much more extensive collusion" in which multiple Big 4 broadcasters in a market might begin to jointly negotiate retrans consent agreements when they do not engage in any other joint programming or marketing arrangements. It might well become the norm that "all four of the Big 4 stations in many DMAs begin to threaten simultaneous withdrawal of all of their signals as coercive bargaining strategy to increase retransmission consent fees," ACA said.

**TVE:** **Time Warner Cable** launched **Starz** authenticated online services, **Starz Play** and **Encore Play**. The services enable subs of the channels to access more than 1K monthly titles across platforms for free.

**Sports Deals:** **ESPN** scored a strike with an extended contract with the **Professional Bowlers Association**. Under the new 5-year deal, which starts with the '13 World Series of Bowling debuting on ESPN on Dec 1, coverage of the PBA Tour and the PBA League grows to 36 hours from 25.2 hours a year. The 2nd season of the PBA League debuts Jan 5.

**Madness:** The finale of the 6th season of **AMC's** "Mad Men" generated some mad ratings: It scored a 2.1 HH and 2.7mln viewers Sun night, the highest-rated finale in series history. Through the 1st 10 eps this season, the series averaged 2.1mln viewers within 3 days and an average of 2.4mln additional viewers within 7 days of the live telecast.

**Kudos:** All hail to the Faxies and Sales Exec of the Year honorees recognized at **CableFAX's** breakfast in NYC Mon morning. The event—complete with a hilarious interlude by comedienne *Vanessa Hollingshead*—included some sage advice from our 2013 Sales Hall of Fame inductees **Turner's** *Greg D'Alba*, **Scripps'** *Steve Gigliotti*, **Reentrak's** *Cathy Hetzel* and **IFC/Sundance's** *Alan Klein*. The bottom line for better sales, according to our inductees? Listen. To see a full listing of all our winners and honorable mentions, go to: <http://www.cablefax.com/cfp/awards/cablefaxesey2013winners/>

**Marketing:** **Showtime** is working with **Zipcar** to offer a complimentary advance drive-in screening. Zipcar members in Boston, DC, NYC and San Francisco can view on Wed the 8th and final season premiere of "Dexter" and the series premiere of "Ray Donovan." Both series debut on Showtime on Sun. The companies will announce screening locations later.

**Ratings:** **Lifetime's** drama series "Devious Maids" averaged 2mln total viewers in its premiere Sun night. It also averaged 865K 25-54, 826K 18-49, 662K women 25-54 and 633K women 18-49. -- Separately, **Lifetime's** original movie "Jodi Arias: Dirty Little Secret," averaged 3.1mln total viewers (+55% vs Lifetime's 2013 original movie average). In key demos, it averaged 1.3mln 25-54, 1.2mln 18-49, 927K women 25-54 and 870K women 18-49 in its world premiere Sat night. -- **Discovery's** "Skywire Live with *Nik Wallenda*" on Sun night, scored 8.5mln total viewers P2+, with the walk segment bagging 13mln total viewers P2+. The pre-show averaged 3.86 HH, 2.67 25-54 and 6.25mln total viewers P2+.

**Research:** The "wait and see" attitude prevails when it comes to the adoption of 4K TV, according to **Bernstein Research**

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analysts. They expect “it will be a long time before any of the US media companies invest substantially behind 4K.” After the “fizzled 3D experiment,” there’s “a palpable sense of ‘upgrade fatigue’ in the US consumer market,” the analysts wrote. They expect higher costs, lack of content and broadcast standards, and delays in production will lead to lower shipments than expected. Manufacturers of 4K TVs may end up “over-building based on inflated expectations,” and then be forced to reduce pricing to achieve volumes.

**Programming: Hallmark Channel** started the production of its 2-hour original movie “The Color of Rain,” slated to premiere on Father’s Day next year. -- **Investigation Discovery’s** July 4th programming block “Explosive Love” features a primetime marathon of its series “Happily Ever After” and encore eps of its crime programs like “Who the Bleep Did I Marry?” “Scorned: Love Kills,” “Poisoned Passions,” and “Fatal Vows.” -- **BBC America** debuts drama series “Broadchurch” as part of its Dramaville programming block on Aug 7. -- **GSN** premieres its new version of “Minute to Win It” Tues. -- The premiere of **MTV’s** “Wild ‘N Out Wildest Moments” airs on **MTV2** on Tues. The 1-hour special counts down the top 10 moments in the program’s history.

**Editor’s Note:** The new “late deadline” for the Program Awards is Fri. More info: <http://www.cable360.net/cfp/events/program2013/>

## CableFAX Daily Stockwatch

Company	06/24 Close	1-Day Ch	Company	06/24 Close	1-Day Ch			
<b>BROADCASTERS/DBS/MMDS</b>								
DIRECTV:	60.74	(0.99)	GOOGLE:	869.79	(11.14)			
DISH:	39.17	(1.24)	HARMONIC:	6.16	(0.06)			
DISNEY:	62.44	(0.29)	INTEL:	23.58	(0.61)			
GE:	22.93	(0.43)	JDSU:	13.67	(0.37)			
NEWS CORP:	31.38	(0.28)	LEVEL 3:	19.99	(0.66)			
<b>MSOS</b>								
CABLEVISION:	14.79	(0.17)	MICROSOFT:	33.72	0.45			
CHARTER:	118.44	(1.24)	RENTRAK:	21.15	0.24			
COMCAST:	39.78	0.01	SEACHANGE:	11.43	(0.14)			
COMCAST SPCL:	38.11	UNCH	SONY:	19.94	(0.44)			
GCI:	7.71	(0.17)	SPRINT NEXTEL:	6.86	(0.11)			
LIBERTY GLOBAL:	69.70	(0.41)	TIVO:	10.77	(0.26)			
LIBERTY INT:	21.91	(0.19)	UNIVERSAL ELEC:	27.05	0.37			
SHAW COMM:	21.58	(0.23)	VONAGE:	2.77	(0.02)			
TIME WARNER CABLE:	99.75	(2.08)	YAHOO:	24.07	(1.12)			
WASH POST:	477.93	(0.89)	<b>TELCOS</b>					
<b>PROGRAMMING</b>								
AMC NETWORKS:	62.27	(1.17)	AT&T:	34.46	(0.01)			
CBS:	46.66	(0.23)	VERIZON:	49.12	(0.4)			
CROWN:	2.08	0.03	<b>MARKET INDICES</b>					
DISCOVERY:	75.14	(0.28)	DOW:	14659.56	(139.84)			
GRUPO TELEVISA:	22.31	(0.18)	NASDAQ:	3320.76	(36.49)			
HSN:	52.32	(0.29)	S&P 500:	1573.09	(19.34)			
INTERACTIVE CORP:	46.77	(0.55)	<b>TECHNOLOGY</b>					
LIONSGATE:	27.29	(1.01)	ADDVANTAGE:	2.21	(0.02)			
SCRIPPS INT:	65.07	(0.97)	ALCATEL LUCENT:	1.80	(0.14)			
STARZ:	21.40	(0.5)	AMDOCS:	36.16	0.01			
TIME WARNER:	56.28	(0.53)	AMPHENOL:	74.96	(1.43)			
VALUEVISION:	4.90	(0.22)	AOL:	34.50	(0.32)			
VIACOM:	66.16	(0.78)	APPLE:	402.54	(10.96)			
WWE:	9.79	(0.05)	ARRIS GROUP:	14.35	(0.29)			
<b>TECHNOLOGY</b>								
ADDVANTAGE:	2.21	(0.02)	AVID TECH:	6.19	(0.11)			
ALCATEL LUCENT:	1.80	(0.14)	BROADCOM:	32.92	(0.33)			
AMDOCS:	36.16	0.01	CISCO:	24.05	(0.43)			
AMPHENOL:	74.96	(1.43)	CLEARWIRE:	5.03	(0.05)			
AOL:	34.50	(0.32)	CONCURRENT:	7.16	(0.51)			
APPLE:	402.54	(10.96)	CONVERGYS:	17.46	(0.28)			
ARRIS GROUP:	14.35	(0.29)	CSG SYSTEMS:	21.39	(0.18)			
AVID TECH:	6.19	(0.11)	ECHOSTAR:	38.13	(0.49)			
BROADCOM:	32.92	(0.33)						
CISCO:	24.05	(0.43)						
CLEARWIRE:	5.03	(0.05)						
CONCURRENT:	7.16	(0.51)						
CONVERGYS:	17.46	(0.28)						
CSG SYSTEMS:	21.39	(0.18)						
ECHOSTAR:	38.13	(0.49)						



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## CableFAX TECH

### DISH Targets Hospitality Biz

TV service providers like DISH is looking at energy-efficient in-room entertainment services for hotels. So the satcaster has launched SMARTbox, a satellite TV platform targeted at hotels and hospitality operations and aiming to improve the in-room media experience and reduce costs for operators. The 3 racks measuring 7-feet tall could be replaced with a single SMARTbox unit built to standard rack-width spacing. It stands 9 inches high. DISH claimed the device, which allows remote monitoring, enables up to a 90% reduction in power consumption and up to a 93% reduction in rack space compared to similar wares. Instead of the industry standard of 12-24 HD channels, the service can provide 36-96 channels in HD and SD with one unit capable of providing HD and SD channels simultaneously. DISH is working to “create a new trend for delivering TV to the hotel and hospitality industry,” Robert Grosz, DISH’s vp, commercial sales told us. Meanwhile, the ability to monitor TV services offsite is critical as it allows the operator to more quickly alert the hotel and resolve any issues with the system, he said, adding that the company looks to customize its offerings to provide both HD and SD analog/digital channels through a hotel in a single unit. The ability to offer both digital HD and analog SD also makes it easier for hotels to transition to HD, said dir, product mgmt Alistair Chatwin. The goal is to provide “the flexibility to connect varying TVs throughout their facility, including in the guest rooms, lobby ad workout facility,” Grosz said. According to DISH, most hotel solutions use modified residential receivers. Smartbox was designed as an enterprise-grade solution.

**Partnerships:** Personalized video discovery service provider DigitalSmiths is helping zeebox offer video discovery features across all of its supported platforms. Launched this week, the zeebox “Recommended For You” feature offers personalized recommendations based

on viewing behavior within the zeebox app. In addition, zeebox’s “Similar Shows” feature lets users discover related content similar to the show currently being watched, what has been watched, or what is available in the future. “Our users tell us that program discovery is a key use for second screen applications,” said zeebox co-founder/CTO Anthony Rose. “People love the zeebox program guide, but scrolling through a list of 150 channels is not the future. What you want is a small set of program recommendations, just for you, that you can watch right now.”

**DOCSIS 3.1:** Cable operators are expected to get “a 360-degree view of DOCSIS 3.1” at the DOCSIS 3.1 Engineering Pre-Conference Symposium on Oct 21 in Atlanta. Co-hosted by SCTE and CableLabs, the event at Cable-Tec Expo will provide information about the downstream physical layer, the downstream convergence layer, the upstream physical layer, upstream framing onto the PHY, and the MAC layer. In addition, the symposium will address preparation of cable networks for the standard and an overview of MSOs’ deployment plans.

**Customer Service:** Amdocs launched a new packaged software and hardware offering for online charging. Amdocs’ clients include operators like Comcast, DISH and DirecTV. Dubbed Amdocs Charging Smart Start, the offering allows service providers to deploy real-time charging capabilities into the network. Initially targeting prepaid or data monetization, the service can be extended with additional charging features. “Service providers are under increasing pressure to quickly monetize network investments,” said Rebecca Prudhomme, vp, product and solutions marketing. “Deploying Amdocs Charging Smart Start will allow for quick time-to-revenue from prepaid or data offerings. Moreover, the offering guarantees a smart evolution to convergent charging since it is designed to be easily extended with additional capabilities...”

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## Webinar

Tuesday, July 23

1:00-3:00pm ET

### Social Media Measurement: Strategies for Measuring Tune-In and Engagement with Cable Brands

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