

CableFAX Daily™

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What the Industry Reads First

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Sporting Views: Top Execs Parse Sports Rights Costs, Multiplatforms

RSN rights deals have to stand on their own as opposed to bigger broadcast deals that can afford sometimes to be loss leaders, **Fox Sports** co-pres *Eric Shanks* at *Variety's* Sports Entertainment Summit Thurs. The topic came up when Shanks and **Time Warner Cable Sports** pres *David Rone* were asked about the L.A. Dodgers, whose TV rights are thought to be worth up to \$4bln. "There is a point where your spreadsheet says it doesn't make sense. Some people are willing to risk further above that and some people aren't," Shanks said, explaining that a lot of it depends on the portfolio. "I think time will tell for both of us." As for monetizing expensive sports rights, Shanks likes Fox's positioning. "I think that to be real player on the buy side and the sell side, you kind of have to have all the different levels... the RSN side, national cable, national entertainment, and broadcast, because when you are buying rights these days, in order to make sense of the price tag, you have to be able to kind of monetize it all the way through the chain," he said. The next step for Fox will be non-traditional platforms, allowing fans to use various devices to connect to their teams. But of course that brings up the complicated issue of digital rights. Shanks called it "crazy" that **MLB** currently prohibits people from watching their local team on a computer or mobile device. "It will get worked out over time," he said. When the **Lakers** and **Galaxy**-focused **Time Warner Cable Sports** and **Time Warner Cable Deportes** debut Oct 1 in LA, they'll feature live in-market game streaming to computers and mobile devices as well as an integrated social media experience. Likewise, when **Pac-12** launches Aug 15, TV Everywhere streaming will be in place. Especially young fans "are not just watching sports anymore. They want to participate," said Pac-12 Ent pres *Gary Stevenson*. So, how do you measure the success of multiplatform efforts? "I think that the barometer for success is if customers continue to subscribe to their pay TV," said Shanks, pointing to how the services are intended to be value-adds. *Adam Klein*, who chairs **Katten Muchin Rosenman's** sports law practice, said another indicator is team/league feedback. "If the fans of a particular team are not getting to see the game in whatever fashion they expect to see it, they will let the teams know and the teams aren't going to be happy. I suspect you are going to be the first ones to know," he said. TWC's Rone said it goes beyond seeing the game any way fans want it. "Can we have that deep connection that we desire," he asked. He believes there is a huge market for nonevent programming on the RSNs, touting the recent excitement over *Steve Nash* coming to the Lakers. "People are so excited about

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what this team can be,” he said, pooh-poohing the idea of just giving them a game and pre- and post-game show with all the blog chatter out there. **HBO** is a net that has successfully offered viewers more than the event programming, through critically acclaimed series such as “Hard Knocks.” “There’s 24/7 analysis, breakdown of games on ESPN and all of these other channels... so you have to find your space,” said HBO Sports pres *Ken Hershman*. “We have to get subscribers to want to pay month in and month out to renew their subscriptions and these are the kinds of anchor programming that we do outside of live boxing that help deliver that value message.”

Aereo Aftermath: Interactive Corp chmn *Barry Diller* was crowing on **Bloomberg TV** Thurs about **Aereo’s** legal win Thurs, when a federal judge denied broadcasters’ request for a preliminary injunction for the Internet streaming service. IAC is backer of the start-up. “I really did think we were on the side of the angels. The ability for a consumer, an American, to receive broadcast over the air signals is their right. And we’re simply a technologically advantaged way of doing it in a modern way,” he said. Of course, this isn’t over with the underlying copyright claim still undecided, but it’s caused some head-scratching over what it could mean for retrans consent if Aereo eventual prevails. Could MVPDs provide subs with individual antennas a la Aereo and get out of retrans fees? **Wells Fargo** analysts don’t think there is a real risk to retrans dollars. “We find this impractical given that this would likely require changes to the set top box, which would cost money. But we do believe this concept could be used as negotiating leverage should Aereo ultimately prevail,” the firm told clients. Diller said told Bloomberg it will be in every major city at some point next year. **Stifel Nicolaus** analysts believe that expansion beyond its nascent operations in NYC would increase legal risks. In a research note, Stifel warned that the case has a long way to go: “Our guess is the broadcast/media companies are more likely to ultimately prevail. But by winning yesterday, Aereo improved its legal prospects, and if the case starts to spur reactions in the marketplace by various players, it could turn up the heat in Congress about overhauling the retransmission-consent rules and broader video policy framework.” Late Wed night at the Allen & Co retreat in Sun Valley, **Liberty Media’s John Malone** also made the Aereo-retrans connection. “Good for Barry,” he told reporters. “I love the concept because it will ultimately defang broadcast retransmission [consent], which I always thought was one of the worst decisions out of the government.” But Malone said broadcasters could eventually neuter a ruling favorable to Aereo by putting more content on cable. “The effect will be to cause the broadcast guys to just take their important programming off of their broadcast networks and put them on their cable networks,” he said. “So I think it’s a whole lot of noise which ultimately won’t change things much.” Also at Sun Valley, **Google** exec chmn *Eric Schmidt* chimed in late Thurs, calling Aereo “clever” but confessing he couldn’t predict the final legal outcome. “What I like about Barry is that he’s willing to challenge conventional wisdom,” he said. “And he’s particularly good at threading the needle.” But is it stealing? Schmidt said that’s a “regulatory issue” but “if it’s theft, theft is not good.”

Programming Battles: DISH subs won’t be completely locked out of Sun’s Season 5 premiere of “Breaking Bad,” with **AMC** announcing it will offer a special live stream of the series to DISH customers who register for access at amctv.com/breakingbad4dish (It doesn’t seem like there would be any way to verify whether someone was a DISH sub or not) AMC said it wanted to give DISH customers “an extra week to switch providers so they can enjoy the rest of the season.” -- **Viacom** nets were still dark on **DirecTV**, but talks continued Thurs. DirecTV is making all 8 **Encore** Channels (including Encore Family) available to all customers through July 31 as a thank you for their patience as negotiations continue. It’s not everyday **Cox** programming head *Bob Wilson* weighs in on someone else’s fight, but he’s speaking up on Viacom-DirecTV. “This is a reflection of an unbalanced multichannel video business model that has two major effects: continued significant increases in the cost of programming that are the main driver of rising cable and satellite TV service bills, and wide disparities between what large and small distributors pay for programming, resulting in similar disparities in what respective customers pay for service.” -- **Hearst** and **Time Warner Cable** still didn’t have a retrans deal at our deadline.

Privacy Alert: Several participants at **NTIA’s** 1st meeting to develop a consensus on mobile privacy guidelines Thurs told the agency to take a step back and provide more information on what it’s looking for and how the process works. Additionally, such guidelines should be worked on by the industry, which has the expertise in mobile standards, said *Berin Szoka*, founder of **TechFreedom**. The agency chose to tackle mobile privacy “as an initial topic because it is a privacy challenge that affects many consumers yet is discrete enough to be addressed in a reasonable

BUSINESS & FINANCE

period of time,” NTIA Administrator Lawrence Strickling recently wrote in a blog post.

Programming: Disney ordered a 4th season of “Good Luck Charlie.”

Honors: HBO ranked up the most News & Doc Emmy nominations among cable nets, with 15 nods.

CBS' 43 noms were the most of any broadcast, cable or Internet outlet. Other cablers in the running: **CNN & CNNi (9), Discovery (5), Nat Geo (5), History (4), Animal Planet (3), Smithsonian (3), BBCA (3), HDNet (2), MSNBC (2), Science (2) and VH1 (2).** **Al Jazeera English, Bloomberg, CNBC, Current, Showtime, Sundance and TLC** all have 1 nomination.

London Olympics: The big game is 2 weeks away. **NBC Olympics**, a unit of the **NBC Sports Group**, is teaming with **Adobe**, adding 2 video apps to the Olympics tech lineup. **NBC Olympics Live Extra** allows cable, satellite and telco subs to live stream more than 3,500 hours of content, including all 32 sports, every athletic competition and all 302 medal events. The other app, simply titled **NBC Olympics**, offers short-form highlights, TV and online schedules, live results, columns and the new **Primetime Companion** feature—the second-screen service for NBC's nightly prime Olympic broadcasts.

People: MTV promoted *Jason Rzepka* to svp, public affairs.

CableFAX Daily Stockwatch

Company	07/12 Close	1-Day Ch	Company	07/12 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	47.55	(0.6)	CONVERGYS:	14.56	(0.36)
DISH:	26.31	(0.49)	CSG SYSTEMS:	17.45	(0.09)
DISNEY:	47.41	0.14	ECHOSTAR:	25.92	(0.44)
GE:	19.44	(0.24)	GOOGLE:	570.48	(0.71)
NEWS CORP:	21.73	(0.15)	HARMONIC:	4.01	(0.18)
MSOS					
CABLEVISION:	12.80	(0.15)	INTEL:	24.74	(0.65)
CHARTER:	72.78	1.19	JDSU:	9.03	(0.34)
COMCAST:	31.10	(0.63)	LEVEL 3:	19.83	(0.18)
COMCAST SPCL:	30.64	(0.5)	MICROSOFT:	28.63	(0.67)
GCI:	9.74	(0.03)	RENTRAK:	19.84	0.41
KNOLGY:	19.74	0.05	SEACHANGE:	7.88	0.24
LIBERTY GLOBAL:	49.21	(0.01)	SONY:	12.50	(0.37)
LIBERTY INT:	17.50	(0.21)	SPRINT NEXTEL:	3.20	(0.03)
SHAW COMM:	19.51	0.15	TIVO:	8.10	0.24
TIME WARNER CABLE:	82.05	(0.71)	UNIVERSAL ELEC:	13.81	UNCH
VIRGIN MEDIA:	24.16	(0.1)	VONAGE:	1.93	(0.06)
WASH POST:	353.00	(11)	YAHOO:	15.69	(0.11)
PROGRAMMING					
AMC NETWORKS:	41.30	0.57	TELCOS		
CBS:	30.61	(0.31)	AT&T:	34.87	(0.39)
CROWN:	1.73	(0.01)	VERIZON:	44.67	(0.23)
DISCOVERY:	50.24	0.22	MARKET INDICES		
GRUPO TELEVISIA:	21.59	(0.04)	DOW:	12573.27	(31.26)
HSN:	41.73	0.03	NASDAQ:	2866.19	(21.79)
INTERACTIVE CORP:	45.74	(1.36)	S&P 500:	1334.76	(6.69)
LIONSGATE:	14.41	0.22			
LODGENET:	1.29	0.04			
NEW FRONTIER:	1.53	(0.07)			
OUTDOOR:	7.32	UNCH			
SCRIPPS INT:	52.88	(0.47)			
TIME WARNER:	37.71	(0.39)			
VALUEVISION:	2.35	(0.05)			
VIACOM:	48.42	(0.56)			
WWE:	7.71	(0.15)			
TECHNOLOGY					
ALCATEL LUCENT:	1.46	(0.04)			
AMDOCS:	29.75	(0.12)			
AMPHENOL:	51.47	(0.36)			
AOL:	27.53	(0.38)			
APPLE:	598.90	(5.53)			
ARRIS GROUP:	13.65	(0.12)			
AVID TECH:	7.94	(0.18)			
BROADCOM:	30.86	(0.33)			
CISCO:	15.98	(0.4)			
CLEARWIRE:	1.10	(0.01)			
CONCURRENT:	4.00	UNCH			



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PROGRAMMER'S PAGE

Stalking Moguls... and Other Summer Games

Being a media mogul has its privileges, and one of them is attending **Allen & Co's** annual retreat in Sun Valley, ID, where the deer, antelope and content CEOs play while surrounded by mountainous vistas and money-drenched clouds of smug. Not that there's anything wrong with that. This is the most powerful, influential and globally dominant group of people to gather in one place since the ancient Roman Senate. And they know it. Too bad that the dreaded media long ago decided to stake out the Sun Valley Resort, hoping to catch these Masters of the Universe as they trudge in and out of the closed sessions and the "no press allowed" bar at the Lodge where earpiece-toting security men—dressed in what can only be described as "mafioso-casual/chic"—glare at reporters hovering just outside the entrance. It's a humiliating gig. Here, we rank in the pecking order somewhere between a Dickensian street urchin and elk roadkill. But sometimes you get lucky, as we did when **Liberty Media's John Malone** emerged late Wed night from that closed bar sporting a Hawaiian shirt and Bermuda shorts—yes, we'll give you a moment to digest that—to gab about a number of topics including his fight with *Mel Karmazin* (who wasn't in Sun Valley) over **XM Sirius** to his thoughts on the **Aereo** suit (see p2). Most of the moguls avoid us at all costs. But that's okay because just walking around the resort can yield interesting sights. *Rupert Murdoch* in a Panama-Jack looking hat on a stroll with his sons. *Harvey Weinstein* in a t-shirt, laughing like a Teddy Bear. *Les Moonves* trudging across a grass field by himself. *Anne Sweeney* making the rounds. *Mark Zuckerberg* just hanging out in the coffee shop. *Sergey Brin* tooling around with his "Google Glass" specs. Sun Valley's a small resort town. But this week... it's Rome. *MG*

Reviews: "Political Animals," premiere, 10p, Sun, **USA**. A former First Lady married to a popular but flawed 2-term, southern Prez seeks the nomination, loses the primary and becomes—yes—Secretary of State. "The Hillary Clinton Story," right? Well... Madame Secretary has sons (sorry, Chelsea), 1 works at State, the other is unemployed, but somehow has enough dough to buy drugs and sex. Released now to hook political junkies, this 6-part mini is as much about politics as "Dallas" is about oil. Still, *Sigourney Weaver's* strong TV debut, a funky plot, good cast and D.C. footage kept us entertained. -- "Breaking Bad," season debut, Sun, 10p, **AMC**. While "BB" is among TV's cleverest, its ability to reinvent itself yearly makes it a standout. This 5th and final season has mild-mannered school teacher Walt (3-time Emmy winner *Bryan Cranston*) reinventing himself as a full-fledged criminal. And enjoy *Jonathan Banks* as an appropriately creepy hit man. -- "Episodes," Sun, 10:30p, **Showtime**. No longer content to zing Americans repeatedly, "Episodes" has evolved into an amusing adult comedy, whacking mercilessly at Hollywood, *Matt LeBlanc* and fidelity. It's perhaps cable's most improved series. -- "Can You Survive a Horror Movie?" Fri, 9p, **Syfy**. This special might work if you're brave enough to face zombies or vampires. If not, why watch 3 annoying hosts fight monsters?

Basic Cable Rankings (7/8/12-7/13/12)			
Mon-Sun Prime			
1	TNT	1.9	1834
2	USA	1.8	1754
3	DSNY	1.5	1495
3	HIST	1.5	1493
5	TBSC	1.2	1173
5	FOXN	1.2	1163
7	A&E	1.1	1114
7	FX	1.1	1094
9	HGTV	0.9	925
9	SYFY	0.9	900
9	ESPN	0.9	899
9	FOOD	0.9	874
9	AMC	0.9	823
14	ADSM	0.8	840
14	LIFE	0.8	787
14	TRU	0.8	777
14	TLC	0.8	755
14	BET	0.8	689
14	NKJR	0.8	625
14	DSE	0.8	62
21	DISC	0.7	695
21	FAM	0.7	676
21	ID	0.7	529
24	SPK	0.6	615
24	TVLD	0.6	577
24	CMDY	0.6	576
24	LMN	0.6	521
28	NAN	0.5	528
28	APL	0.5	509
28	MSNB	0.5	506
28	VH1	0.5	506
28	BRAV	0.5	500
28	MTV	0.5	495
28	EN	0.5	491
35	HALL	0.4	382
35	NGC	0.4	377
35	OXYG	0.4	339
38	CNN	0.3	333
38	TRAV	0.3	304
38	DXD	0.3	268
38	GSN	0.3	258
38	HLN	0.3	256
38	CMT	0.3	249
38	ESP2	0.3	248
38	OWN	0.3	243
38	WE	0.3	213

*Nielsen data supplied by ABC/Disney

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