

CableFAX Daily™

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What the Industry Reads First

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Splitsville: Microsoft, NBC Call it Quits on MSNBC.com Partnership

Microsoft and NBC Universal, the couple who came together 16 years ago to form jv **msnbc.com**, ended their partnership Sun. The software giant agreed to sell its 50% stake, making NBC the sole owner of the site. NBC immediately rebranded the site as NBCNews.com. Visitors should see little differences for now, according to editor-in-chief *Jennifer Sizemore*. "So while you'll notice some changes to our logos and navigation, nothing's going away." In fact, there's more to come: **MSNBC TV** will launch a new digital home in '13. Until then, the TV digital content will continue to be available on the NBC News site. Meanwhile, as part of a 2-year transition, some staff will be co-located at NBC's HQ in NY to create unified multiplatform teams while others will remain in the Seattle area for the coming "NBC News Innovation Center," which focuses on digital innovation and tech, as well as new ideas for NBC News and NBCU. *Charlie Tillinghast*, the site's president and publisher, will continue to head the legacy MSNBC Digital Network properties, reporting to *Vivian Schiller*, svp & chief digital officer of NBC News. The jv is gone but the relationship remains: MSN will continue to be a distribution partner for NBCNews.com, featuring NBC News links to content on the MSN homepage and other properties. Financial terms were not disclosed, but the NYT reported that Microsoft is getting \$300mln, a portion of which comes from the site's past profits. When the 2 announced the JV, Microsoft agreed to pay \$220mln over 5 years for a 50% interest in MSNBC Cable. The split represents many new opportunities for NBC News, including the ability to better align TV with digital, innovate around content delivery and fully integrate digital into "everything that we do," Schiller said. "Through this new structure, we'll grow by engaging users with our content directly, and on every platform. This is a different model from the rest, and given where the future of online news is trending, we see it as a model with staying power," she said. NBC News will benefit from "proper brand alignment" between the TV properties and their Web counterparts: NBC News and NBCNews.com, MSNBC cable and msnbc.com, and "The Today Show" and Today.com, said Tillinghast. **Miller Tabak** analysts said the breakup allows NBC to more effectively cross-sell ads of the unified brand on TV and online. Breakup talks had been reported from as early as '10 and continued after **Comcast** acquired a majority stake in NBCU in '11. NBC was reportedly feeling restricted on ad sales because Microsoft ran that part of the business. No disruption in the site's traffic is expected, NBC News said. The site bagged nearly 40mln unique users in June.

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What the Industry Reads First

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OTT Musings: Stakeholders Debate Evolving Content Delivery at CES

With the **Comcast/Disney** distribution deal a harbinger for TV Everywhere and **Fox's** move last summer to put select content behind a pay wall, panelists mulled the ins and outs of over-the-top delivery at an OTT panel at CES. "The tablet, the device, is going to control the TV experience at U-verse," said *Jeff Weber*, AT&T VP, product and strategy, noting the company's drive into tablet apps and model of providing APIs for developers to send content from device to television. But discernment is critical, panelists agreed. While AT&T has an approval process in place, **YouTube** abandoned its API-based partnership model two years ago "because we ended up with different apps on diff TV, and performance differed," said *Francisco Valera*, dir/global head of platform and games partnerships. "YouTubing YouTube's deals with **Samsung LG** and its new **XBox** partnership, "I we can't control the app, and update features quickly, it's a lost cause," he said. YouTube's recent-day model of investment in original content will stretch the company's presence in specific categories such as "niche cooking and unique travel" channels. "We don't see ourselves becoming a large studio, but we're more than dogs on skateboards," Valera quipped. "We want to bring in proven providers of broadcast quality content that's not sustainable in the cable universe." Valera said YouTube is working on its fourth UI, and moving toward the HTML 5 standard. Noting that unlike other video distributors YouTube always owns its TV and mobile content rights. "Can we bring our content to an AT&T, Cox or Comcast? We can, and that's where we are excited," he said. Initial deals with distributors are rolling out in Europe and Asia, he said. At Cox, focus remains on the UI. "It's important to get the user interface right, especially as more content is added in," said *Lisa Pickelsimer*, executive director, video product development. Integrated search, recommendations and social media will become more key, Pickelsimer said, noting the bigger role of metadata and the need for standards in referencing content. Social media is tricky, she noted. "Just because we are friends on Facebook doesn't mean we share content interests." Social TV is a top of mind at **Sony**, said *Shawn Laydon*, Sony Networked Entertainment COO. A goal of the **Playstation** Network is to enable cameras and other interfaces to let users share a more dynamic real-time experience than just pausing to tweet a score," Laydon said. But AT&T's Weber sounded a more reluctant note. "It's not an experience our customers want... It seemed so forced on the TV," he said. "Part of what drove U-verse-enabled [device] thinking is now you have a device that knows what you're watching and it is a more natural social environment." — *Cathy Applefeld Olson*

ABC Exec Session: As with **Fox (Clax 1/10)**, ABC's TCA presentation offered further evidence to how the Big 4 are keeping an eye on cable. *Paul Lee* accentuated the positive Tues, praising ABC hits like "Revenge" and "Once Upon a Time" but also giving props to his cable sensibility Lee, who famously supercharged **ABC Family** before taking over as pres, **ABC Ent** in Aug '10, partially credited a cable-like push for Once. "ABC exp, planning and scheduling" *Jeff Bader* did a

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Retrans: While **Nexstar** has asked the **FCC** to step in and stop **Time Warner Cable** and **Bright House** from importing their signals into some markets that have lost their **Hearst** stations (*Cfax, 7/16*), it appears some of the displaced viewers are big fans of the out-of-state newscasts. “This morning I woke up (in Orlando) to your news program! It was a great way to start the day since I’m from PA and miss it terribly,” said one email to **WBRE**. “I would take your news cast over our news folks any day.” Another viewer noted that Wilkes Barre, PA-based **WBRE**’s meteorologist mentioned NC weather and wondered if he could also give the forecasts for the Orlando-Melbourne area. “I don’t know what happened, but I enjoyed watching your news broadcast for the last 2 hours...,” read another enclosed in Nexstar’s FCC filing. Hearst stations were still dark on TWC Mon. A TWC rep said negotiations continue. Hearst stations went dark on TWC systems on July 10.

Watch Disney: In the month or so since **Comcast** launched **Disney**’s Watch Disney suite of apps, there have been 5.6mln downloads and more than 70mln video views, said Disney Media co-chair **Anne Sweeney** at *Fortune*’s Brainstorm Tech conference in Aspen, CO on Mon.

On the Hill: At last, **Sen Commerce** announced its July 24 hearing “The Cable Act at 20.” It’s a follow-up to Apr’s hearing on the future of online video, with a look at the Act’s impact 20 years after its passage. “In particular, I want to take a close look at how we make sure that consumers do not continue to get caught in the crossfire in programming disputes, facing dark screens and losing access to news, sports, and other entertainment programming,” cmte chmn **Jay Rockefeller** (D-WV) said in a statement. Given the amount of programming dust-ups of late, timing is right on... Witnesses include **Time Warner Cable**’s **Melinda Witmer**, **NAB**’s **Gordon Smith**, **WOW!** CEO **Colleen Abdoulah**, **CBS**’ **Martin Franks**, former **Disney** exec/**Univ of CO** adjunct law prof **Preston Padden** and **Consumer Federation of America**’s **Mark Cooper**.

Programming Battle Royale: The weekend came and went, and still no return of **Viacom** channels to **DirectTV**. Both sides say they’re still talking, and there seemed to be a lot less Twitter chatter from the 2 Mon—possibly a good sign. **DirectTV** subs who missed out on **Nick**’s “One Direction” doc Sat night can watch it on Nick.com for the next week (parents of teens will understand the significance of this...). **DirectTV** said Mon it was getting closer to a long-term deal. It also pointed fans of **Comedy Central**’s “The Daily Show” and “The Colbert Report” to **Hulu**, noting that while Viacom removed the series from their own free Websites last week, they’re free on Hulu. -- Guess **Comcast** didn’t want anyone to forget about its ongoing skirmish with **Tennis Channel**. While the MSO hasn’t dropped the net, it’s appealing to the full **FCC** an ALJ decision that found it discriminates against Tennis. No word on when that FCC decision might come, but a full slate of commissioners are now on board, raising hopes that it will be sooner rather than later. In a blog post Mon, Comcast/NBCU DC pres **Kyle McSarrow** said it’s time for the govt to rethink program carriage (blog.comcast.com). The ALJ decision would require Tennis to be treated like Comcast-owned **Golf** and **NBC Sports** (ie, Tennis wants to be moved off the sports tier). “Though undoubtedly well-intentioned, the ALJ’s ruling was a breathtaking regulatory overreach,” McSarrow wrote, saying it was the 1st time govt has ordered a cable company to carry a particular net on a particular tier. **Tennis Channel** said the blog post contained inaccuracies (ie, **DirectTV** and **DISH** provide **Tennis Channel** with distribution “many times larger” than Comcast). “There is nothing new in this blog post that Comcast hasn’t already argued in front of the FCC, and that hasn’t already been rejected by the ALJ, the FCC Enforcement Bureau and the FCC Media Bureau,” a spokesperson said.

Deals: Good reminder that not every programming negotiation turns ugly. **Comcast** and **Scripps Nets Interactive** announced a long-term deal that includes Scripps’ 1st deal for TV Everywhere distribution. Additionally, the new contract includes increased VOD offerings and the use of Comcast’s advanced advertising platforms, such as dynamic ad insertion.

Ratings: Season 5 of **AMC**’s “Breaking Bad” was the series’ most-watched ep ever—even without **DISH** subs. The show scored 2.9mln viewers/2.2HH rating, up 14% over Season 4’s premiere. Factor in the 11:30 ET repeat, and the show attracted 3.5mln total viewers. The premiere delivered 1.8mln 25-54s +28% vs last season’s premiere) and 1.9mln 18-49s (+34%). **AMC** offered the premiere online to shut-out **DISH** subs, who lost all **AMC** Nets at the end of June.

Latino Fans: Hispanics enjoy sporting events like the rest of Americans, though their interests straddle both traditional US and Latin American sports. Wrestling, football and soccer kickoff the list of popular sports among Latino sports enthusiasts, each with an avid following. For example, **USA**’s **WWE** programming was #3 on Nielsen’s Hispanic Top 25 prime-time telecasts during the week of July 2. For the same week, **Fox**’s “UFC Primetime” was #2 on the weekend top 25 Hispanic cable programs list. Meanwhile, the Euro semifinals this year delivered strong ratings for Spanish-language **ESPN**

BUSINESS & FINANCE

Deportes, averaging a 7.0 Hispanic household coverage rating (up 79% compared to '08) with 380k Hispanic households and 586k viewers—up 176% and 250% compared to '08, respectively. [Register for CableFAX's Webinar July 17 at 1:30pm and learn from top execs at **Comcast, ESPN and Univision** about the growing Latino market and what it means for the cable and sports media].

Research: The end of set-top box domination looms, according to **IHS**. In '15, nearly half of all devices obtaining TV services from 43 of the biggest global pay-TV ops with multi-screen capabilities will be multi-screen devices, up from just 18% in '11, it said. Read more at www.CableFAXDaily.com. -- New on the top 10 cable show list is **VH1's** "Love and Hip HOP Atlanta," (#6) a spin-off of the original "Love & Hip Hop" series. Check out the latest rankings at www.CableFAXDaily.com.

People: Thomas Wlodkowski joined **Comcast** as vp, accessibility. -- **Turner Entertainment Networks** named **Nicole Priem** and **Matt Bunting** svp, sponsorship solutions and svp, creative for the **TEN Sponsor Shop**, respectively. -- **TV Guide Network** hired **Michael DuPont** as evp, ad sales.

On the Circuit: **Cox** pres **Pat Esser** and **TV One** pres/CEO **Wonya Lucas** will serve as honorary co-chairs for the upcoming **NAMIC** conference, Sept 11-12, NYC. The theme for this year's conference is "Diversity4: Culture. Audience.Innovation.Leadership."

CableFAX Daily Stockwatch

Company	07/16 Close	1-Day Ch	Company	07/16 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	48.22	(0.1)	CONCURRENT:	4.12	0.10
DISH:	27.62	0.29	CONVERGYS:	14.91	0.22
DISNEY:	47.86	(0.33)	CSG SYSTEMS:	17.56	UNCH
GE:	19.59	(0.18)	ECHOSTAR:	25.99	0.01
NEWS CORP:	22.02	(0.09)	GOOGLE:	574.92	(1.6)
MSOS					
CABLEVISION:	13.06	(0.04)	HARMONIC:	3.93	(0.08)
CHARTER:	72.53	(0.34)	INTEL:	25.13	(0.12)
COMCAST:	31.83	(0.04)	JDSU:	8.82	(0.17)
COMCAST SPCL:	31.38	0.02	LEVEL 3:	20.17	0.05
GCI:	9.91	(0.1)	MICROSOFT:	29.44	0.05
KNOLLOGY:	19.75	0.02	RENTRAK:	19.55	(0.85)
LIBERTY GLOBAL:	50.99	0.67	SEACHANGE:	7.92	(0.15)
LIBERTY INT:	17.79	(0.12)	SONY:	12.60	(0.06)
SHAW COMM:	19.65	(0.03)	SPRINT NEXTEL:	3.46	0.13
TIME WARNER CABLE:	82.71	(0.75)	TIVO:	7.93	(0.14)
VIRGIN MEDIA:	24.80	0.06	UNIVERSAL ELEC:	13.61	(0.36)
WASH POST:	356.51	0.86	VONAGE:	1.86	(0.04)
PROGRAMMING					
AMC NETWORKS:	42.49	(0.1)	YAHOO:	15.64	(0.1)
CBS:	31.50	0.21	TELCOS		
CROWN:	1.76	0.03	AT&T:	35.42	0.07
DISCOVERY:	49.39	(1)	VERIZON:	45.27	0.06
GRUPO TELEVISIA:	22.24	0.35	MARKET INDICES		
HSN:	42.84	0.24	DOW:	12727.21	(49.88)
INTERACTIVE CORP:	47.69	1.14	NASDAQ:	2896.94	(11.53)
LIONSGATE:	14.35	(0.19)	S&P 500:	1353.64	(3.14)
LODGENET:	1.29	0.01			
NEW FRONTIER:	1.62	0.03			
OUTDOOR:	7.14	(0.1)			
SCRIPPS INT:	53.56	(1.4)			
TIME WARNER:	38.12	(0.07)			
VALUEVISION:	2.26	(0.08)			
VIACOM:	48.84	(0.35)			
WWE:	7.72	(0.09)			
TECHNOLOGY					
ADVANTAGE:	2.10	-0.00			
ALCATEL LUCENT:	1.37	(0.06)			
AMDOCS:	29.87	0.07			
AMPHENOL:	51.72	(0.36)			
AOL:	27.85	0.33			
APPLE:	606.91	1.94			
ARRIS GROUP:	13.77	(0.07)			
AVID TECH:	7.26	(0.44)			
BROADCOM:	30.81	(0.21)			
CISCO:	16.19	(0.12)			
CLEARWIRE:	1.07	(0.03)			

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