

# CableFAX Daily™

Thursday — July 18, 2013

What the Industry Reads First

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## At the Top: Martin to Succeed Kent in the Middle of Turner's Renewalpalooza

After more than a decade leading Turner, *Phil Kent* will step down as CEO at year-end with **Time Warner** CFO/CAO *John Martin* succeeding him. "Nothing changes for me or any of you until then," Kent wrote in a memo to Turner employees. "I'll come in tomorrow and be on the job with the same enthusiasm as today, just as I know you will." Kent, who will become Turner's chmn during a transitional period next year, described the decision as one he made in the course of many conversations with TWX CEO Bewkes. As for his replacement, he has risen through the financial ranks, having had a previous stint as CFO at Time Warner Cable. Martin, 46, inherits Turner at a critical venture—the bulk of its distribution deals are up for renewal between now and sometime in '16. Some of those agreements are 5-10 years old, with Turner looking for a much larger fee given **NBA, MLB** and other sports rights. Plus, there is the strength of originals on **TBS** and **TNT**, which go head-to-head with broadcast in the upfronts. Less impressive is **CNN**, which is a work in progress under the new leadership of *Jeff Zucker*. Given MVPDs' distaste for rate hikes, there is always the potential for things to turn ugly. It's clearly an important job, with some wondering if Bewkes is grooming Martin as his replacement. Turner is the largest division now for Time Warner. Martin will be based primarily out of NY but will have an office in Atlanta and will spend a lot of time there, we're told. Kent is based in Atlanta, but is in NY, DC, LA, etc, as need be. "John is one of the most capable and strategically-minded executives I know," Bewkes said in announcing the mgmt change. "As CFO, he led the design and implementation of our financial strategy that has helped Time Warner deliver superior shareholder returns. But he is also a broad and thoughtful business thinker whose inclusive management style and focus on driving the business forward will fit well with the Turner tradition. I have great confidence he will build on the success Phil has achieved to take Turner to even greater heights." TWX plans to name a successor for Martin in the coming weeks.

**Return of Olbermann:** Don't trust *Keith Olbermann* on predictions for his career path. As he told reporters during an **ESPN** conference call Wed, he thought he would never be back. But after departing ESPN 16 years ago on less than friendly terms, the "mann" is back, perhaps thanks to a "heart to heart" he had with long-time ESPN sports-caster *Chris Berman*. "Olbermann," a late-night, weekday program on **ESPN2** will start airing Aug 26. Perhaps the return was timed to the launch of Fox Sports 1, which starts next month. "Clearly the timing of some of what we are

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doing is intended to put us in a competitive position,” ESPN pres *John Skipper* said. The controversial sports commentator seemed eager to mend his relationship with the net, saying he doesn’t want to have his previous relationship with ESPN “to be in the obituary.” “I could apologize a thousand times but all that’s going to make a difference is how I conduct myself,” he said. “I can’t show people my attitude in my heart towards this company, and what it has meant to me in the past and what it means for me right now.” Skipper was on the same page: “Keith is committed to working through that, and I am in support of that,” he said. “It is as much about what Keith is going to do than it is about what people at ESPN have in their memories or previous experiences,” he said. Olbermann, who has been vocal about political issues on TV and on social media and also had political gigs with **MSNBC**, **Fox** and **Current TV**, made it clear that this show is all about sports. “We are not going to talk politics,” he said, denying reports that there’s a related contract clause. “I don’t know where that came from.” Having said that, there could be exceptions: “If the House is considering a bill to make PED use a capital offense, we will cover it. If *Barack Obama* runs onto the field during the All Star Game, we will talk about it. If *George Bush* wanted to talk baseball, I would be happy to have him,” he said. Calling Olbermann a “one-of-a-kind personality,” Skipper said “Keith brings a blend of editorial sophistication and unpredictability—you can never be sure what you will get.” Just ask *Al Gore*...

**On the Hill:** **NCTA** is speaking out against “patent trolls,” entities formed for accumulating and suing over the patent rights of others. It joined several industries, including **NAB**, **the American Bankers Assn**, **CEA** and the **National Grocers Assn**, that wrote Congress Wed and urging reform to end patent abuse. The letter specifically calls out Judiciary chairs *Patrick Leahy* (D-VT) and *Bob Goodlatte*’s (R-VA) work for legislative solutions and President *Obama*’s call for action. “There is no single solution to this complex question, but meaningful reforms like these would make it more difficult for patent trolls to continue their destructive business model. This broad support and the willingness of Congress to work across the aisle and across chambers on this complex issue is a testament to its importance,” the letter concludes. -- *Ed Markey* (D-MA), who recently turned Senator from Representative, officially joined **Senate Commerce**, headed by *John Rockefeller* (D-WV). “Senator Markey shares my commitment to making sure consumers have more control over their personal information. And he shares my deep commitment to bring the power of technology to all students through E-Rate,” Rockefeller said in a statement.

**At the Portals:** The **FCC** is having 2nd thoughts about its handling of the Connect America Fund program. In May, it made it optional for carriers to report changes to planned Phase 1 deployments. In an order released Wed, it’s now requiring carriers to report updates to planned deployments to the FCC, state commissions and relevant Tribal governments. “Making this reporting mandatory will further transparency regarding the use of this funding, for the benefit of regulators and the general public,” the FCC said. **ACA** applauded the change, saying it will better ensure that Connect America Funds aren’t allocated in areas served by its members.

**B2B:** **Bright House** launched its hosted voice services for small to mid-sized businesses. The cloud-based phone offering, which uses Bright House’s managed fiber network for all call traffic, features add-on services like disaster recovery, unified messaging, call overflow queue, auto attendant and improved call logs, the company said.

**Programming:** **Discovery**’s highly anticipated 2-night special featuring all 20 living White House Chiefs of Staff, “The Presidents’ Gatekeepers,” will debut Sept 11 and 12 at 9pm each night. -- **Fox Sports 1** will feature “Fox Soccer Daily,” a live soccer news and analysis program airing weekdays beginning Aug 19, 2 days after the net’s launch. Not sure it will help **Fox Soccer** fans deal with the migration of the net to **FXX** in Sept. -- **NBC Sports Net** airs the opening round of celebrity golf tourney American Century Championship Fri, 4-7pm, with weekend coverage on **NBC** and **Golf Channel** re-airing the 1st round on Sat from 11am-2pm. -- **TVGN**’s fall slate includes reality fare “Mother of all Talent,” featuring a mother-daughter duo who have built a talent agency for kids and “Tequila Sisters,” a multi-generational Hispanic family led by tequila entrepreneur *Bill* and his wife *Lori*. The net’s also working on a reality show featuring *Wendy Williams* and series with country music’s *John Rich* that will feature performances and celebrity interviews.

**Online:** Folks willing to pay \$2/month or \$20/year can get a subscription to **Sonar Ent**’s **YouTube** channel “Minis + Movies,” drawing from Sonar’s more than 500 classic miniseries and made-for-TV movies, such as “Loneseome

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Dove” and “Merlin.” -- **Outside TV** launched a digital portal at outside-television.com to showcase in a mosaic format thousands of adventure videos. The plan is to replenish materials at least once every 24 hours to keep the site fresh for return visitors. Outside said the portal is a standalone media asset vs a supplementary promotional platform, complete with imbedding social media and interactive apps into the video.

**Technology:** OH-based **Buckeye CableSystem** plans to upgrade to the latest version of Broadband Command Center from **Incognito Software** to activate and provision voice and data services for its 130K subs.

**Advertising/Marketing:** **Ford Motor** has committed to a multimedia partnership with **Sportsman Channel** owner **InterMedia Partners** revolving around TV series “The Outfitters Built by Ford F-Series,” which debuted on the net July 4. Elements include an original Website, social presence, consumer promotions and print and digital advertising.

**People:** **NatGeo** upped former **Style Network** exec **Heather Moran** to evp, programming and strategy. In addition, **Brad Dancer**, svp, audience and business development for NatGeo US and NatGeo WILD, becomes svp, programming planning and research for the net. Both will continue to report to pres **Howard Owens**.

## CableFAX Daily Stockwatch

Company	07/17 Close	1-Day Ch	Company	07/17 Close	1-Day Ch			
<b>BROADCASTERS/DBS/MMDS</b>								
DIRECTV:	64.55	(0.49)	GOOGLE:	918.55	(1.06)			
DISH:	45.94	1.30	HARMONIC:	7.04	(0.02)			
DISNEY:	65.36	0.33	INTEL:	24.15	(0.1)			
GE:	23.54	0.11	JDSU:	14.98	0.08			
NEWS CORP:	30.16	(0.06)	LEVEL 3:	21.79	(0.01)			
<b>MSOS</b>								
CABLEVISION:	18.94	0.36	MICROSOFT:	35.74	(0.53)			
CHARTER:	124.15	0.33	RENTRAK:	21.28	0.05			
COMCAST:	43.87	(0.12)	SEACHANGE:	12.58	0.08			
COMCAST SPCL:	42.12	(0.01)	SONY:	22.10	0.14			
GCI:	9.23	0.01	SPRINT NEXTEL:	6.25	(0.23)			
LIBERTY GLOBAL:	81.41	1.65	TIVO:	11.67	0.02			
LIBERTY INT:	24.48	(0.01)	UNIVERSAL ELEC:	30.10	(0.03)			
SHAW COMM:	24.61	0.02	VONAGE:	3.10	(0.11)			
TIME WARNER CABLE:	113.35	(0.03)	YAHOO:	29.66	2.78			
WASH POST:	516.06	(0.79)	<b>TELCOS</b>					
<b>PROGRAMMING</b>								
AMC NETWORKS:	67.67	(0.37)	AT&T:	35.96	0.08			
CBS:	52.63	(0.05)	VERIZON:	50.74	0.46			
CROWN:	2.50	UNCH	<b>MARKET INDICES</b>					
DISCOVERY:	84.68	0.35	DOW:	15470.52	18.67			
GRUPO TELEVISIA:	25.75	0.61	NASDAQ:	3610.00	11.50			
HSN:	58.62	0.91	S&P 500:	1680.91	4.65			
INTERACTIVE CORP:	52.03	1.19	<b>TECHNOLOGY</b>					
LIONSGATE:	32.23	0.29	ADDVANTAGE:	2.33	0.01			
SCRIPPS INT:	71.51	(1.01)	ALCATEL LUCENT:	1.96	0.06			
STARZ:	23.53	(0.12)	AMDOCS:	38.43	0.26			
TIME WARNER:	61.63	0.34	AMPHENOL:	84.57	0.29			
VALUEVISION:	5.72	(0.04)	AOL:	37.50	0.09			
VIACOM:	72.98	0.65	APPLE:	430.31	0.12			
WWE:	11.16	(0.05)	ARRIS GROUP:	15.48	0.17			
<b>TECHNOLOGY</b>								
ADDVANTAGE:	2.33	0.01	AVID TECH:	6.19	0.02			
ALCATEL LUCENT:	1.96	0.06	BLNDER TONGUE:	0.97	(0.01)			
AMDOCS:	38.43	0.26	BROADCOM:	33.60	(1.25)			
AMPHENOL:	84.57	0.29	CISCO:	25.72	0.01			
AOL:	37.50	0.09	CONCURRENT:	7.80	0.10			
APPLE:	430.31	0.12	CONVERGYS:	19.12	(0.01)			
ARRIS GROUP:	15.48	0.17	CSG SYSTEMS:	23.46	0.04			
AVID TECH:	6.19	0.02	ECHOSTAR:	41.19	0.17			
BLNDER TONGUE:	0.97	(0.01)						
BROADCOM:	33.60	(1.25)						
CISCO:	25.72	0.01						
CONCURRENT:	7.80	0.10						
CONVERGYS:	19.12	(0.01)						
CSG SYSTEMS:	23.46	0.04						
ECHOSTAR:	41.19	0.17						

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## Think about that for a minute...

### New Competitive Playing Fields

Commentary by Steve Effros

Once upon a time, when cable was young, it introduced competition into the world of television being delivered into the home. It started out as simply an antenna service delivering broadcast signals but matured into a video competitor of the broadcasters by enabling customers to get more channels, and enabling program producers to break away from the rigid control of the broadcast networks.



Diversity worked. Viewers liked options, and they liked multiple channels, not just the three or four network dominated signals. Programmers liked those options, too, because it gave an alternative way to get viewers other than broadcast television or the movies. Don't let anyone tell you that cable was ever a "monopoly." Competition has always existed.

If anything, the problem for cable was that it got extremely successful and the multiple channel diversity became expected. For a while there was only one place, other than broadcasting, to get it: cable. But that didn't last long either. Along came satellite, another way to deliver viewing choice. And the DVD "rental" distribution model arrived as well. Competition has been fierce ever since. Now, with IP delivery of video, multiple program streams and options have not only become the norm, they have multiplied.

Nurtured by cable, the programmers developed channels both by being extremely creative as well as finding all the available "niche" program opportunities and spending lots of money competing with each other to secure product, including news and sports. The expectation has grown that all "multi-channel video program deliverers" will deliver all of those channels. Delivery has, almost by unthinking default, become considered a commodity service.

That's about to change. Competition has started to blossom with different delivery services offering exclusive

programming. Netflix has made major inroads by saying that certain programs can only be seen by subscribing to its delivery service. Cable is likely to do the same, or at least try to. The programmers are going to fight that trend, eventually wanting to distribute on as many platforms, including streaming, as possible (the model being what they achieved with cable and DBS). But on their own terms. Whether those models morph over to streaming IP delivery in aggregated offerings or as individual channels is too early to tell. But new ways to compete for customers are clearly upon us.

The one most talked about today is program navigation. Old program guides and grids are simply not good enough any more for the variety of video and information that can be accessed by a home screen. I remember talking to Cox's Pat Esser several years ago about his frustration at seeing this coming and yet not being able to get a quick turnaround on developing new user interfaces because of embedded technology. Well, now Cox has a slick new user interface, as does Comcast and other operators. Granted, it's being rolled out slowly because it often requires new boxes, but the competition for consumers in this sphere is on, and it's less about which list of channels is available and a lot more about ease of use, convenience and control.

That's going to be the challenge for the immediate future: ease of use, convenience, and control. Sure, consumers want, and will get more flexibility in packaging, and pricing options too (sports guys, are you listening—new research shows you're not as viewer dominant as you might think). But the immediate competitive future's going to be about user interfaces, ubiquitous availability and time shifting. The new competitive playing fields.

*Steve*

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