

# CableFAX Daily™

Friday — July 19, 2013

What the Industry Reads First

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## Retrans Ruckus: CBS, TWC Have Less Than a Week to Reach Deal

The brief reprieve is over, with **Time Warner Cable** and **CBS** trading jabs over a contract that is set to expire on July 24 at 5pm ET. The broadcaster has an ad campaign aimed at the MSO, with customers in NY, L.A. and Dallas in danger of losing the O&O stations next week. (You know TWC has to be disappointed in the big numbers “Under the Dome” has been bringing in...) TWC’s contract was originally set to expire at the end of June, but a brief extension ensued. TWC claims CBS wants it to pay 600%+ more than it pays for the same programming in other areas. CBS chief *Les Moonves* has been adamant on extracting more money for retrans. “We’re going to continue to negotiate and hope to come to a reasonable resolution before our deadline, so that our customers don’t have to endure yet another broadcaster blackout,” TWC said. In a TV spot, CBS says the MSO is “holding your favorite shows hostage,” adding that it has dropped nearly 50 channels in the past 5 years. TWC has numbers too, claiming 84 broadcaster blackouts have occurred in the past 18 months. Moonves “doesn’t seem to care about our customers’ budgets or the going rates for CBS programming.” CBS argues that TWC is balking at negotiating the same sort of deal other MVPDs have struck. “CBS has never been dropped by a cable company before. CBS remains committed to working towards a mutually agreeable contract,” the company said, calling out the MSO for charging customers extra fees for DVR and modem usage, but refusing to pay CBS for delivering its content this way. “Time Warner Cable will be paying 9 other cable networks more than CBS if they get their way—two of which they have financial interest in—Time Warner Sports LA (Lakers) and SNY in NY (Mets).” Pop the popcorn.

**Verizon FIOS 2Q:** Partially thanks to solid FIOS performance, **Verizon’s** 2Q profit climbed 23% YOY to \$2.25bln. The telco added 161K FIOS Internet and 140K FIOS video subs during the period, representing YOY increases of 12.2% and 12.6%, respectively. Meanwhile, CFO *Fran Shammo* suggested that the telco is in talks with content providers about potentially subsidizing data usage for viewers who consume mobile content. “I look at that as the old 1-800 number, where the actual vendor pays for the usage, and not the customer,” he said during the company’s earnings call Thurs. There have been press reports that **ESPN** was considering subsidizing such a model, with Shammo saying such a system could take a while to develop. The big barrier now is “how does the content provider get the value of how many people watch their content on a mobile device to be able to go back to their advertisers in order to monetize that content,” the CFO said. Until that

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gets solved, the subsidy model will be slow to come. "I am thinking maybe next year, but it's certainly not any time in this year that the model will break through," he said. But according to Shammo, "you can't assume that someone's going to pay \$8 a sub on 100 million subs..." Meanwhile, FiOS Internet penetration was 38.6% at the end of 2Q vs 36.6% from the year-ago quarter. At the end of 2Q, some 35% of FiOS internet customers subscribed to FiOS Quantum, which offers speeds ranging from 50 to 300 Mbps. FiOS Video penetration was 34.5% vs 32.6%. The FiOS network passed 18mln premises while broadband connections totaled 8.9mln by the end of the quarter. Overall, net broadband subs increased 45K, offsetting a decline in DSL. In the 1st half, it migrated 169K homes to fiber, toward a target of 300K within FiOS markets this year. FiOS video and broadband, as well as DSL losses, were "all closely in line with expectations," **Moffett Research** analysts wrote. Going forward, FiOS "may be more success than forecast at gaining subscribers," they wrote. Though wireline revenue was "light," margins improved, helping offset some of the wireless miss, according to **New Street** analysts.

**Aereo:** Why should cable ops pay retransmission consent and **Aereo** skip it? "There is a distinction between equipment providers and... MVPDs. The person who makes a tuner, a television set, a box, an antenna doesn't pay retransmission consent because they are providing equipment to the consumer," Aereo CEO and founder *Chet Kanojia* said during an interview that will air on **C-SPAN's** "Communicators" this week. He argued that MVPDs have a "bouquet of rights"—such as forcing people to sell them content—that the Internet doesn't have. "Here's an ecosystem with no rights and a tremendous amount of uncertainty (net neutrality, broadband caps) and in comes a company that creates interesting technology. The idea that you can equate the 2 is just absolutely incorrect." The interview will be available at C-SPAN.org Fri afternoon and on C-SPAN at 6:30pm Sat. This week the US Court of Appeals for the 2nd Circuit rejected broadcasters petition for a review of the court's decision to deny an injunction for Aereo while the copyright suit is pending. It wasn't unanimous, with Judge *Denny Chin* continuing to raise objections. Chin, who also dissented from the panel's decision in Apr, has called Aereo's platform a "*Rube Goldberg*-like contrivance, over-engineered in an attempt to avoid the reach of the Copyright Act and to take advantage of a perceived loophole in the law." Kanojia defended the TV streaming start-up. "We understand the law. We are taking advantage of the guardrails that the law has set up and the purpose is to build technology that complies within those guardrails," he said. "I think that's a perfectly fine thing to do. How would you characterize somebody who looks at the speed limit while driving and sets their car to essentially not exceed the speed limit and follow the law?"

**Emmys 2013:** **Netflix** may have scored some Emmy love Thurs, but don't count on it translating into more subscribers for its service. After all, cable's most-watched series **A&E's** "Duck Dynasty" and **AMC's** "Walking Dead" were snubbed (save for a nomination for outstanding prosthetic makeup for those zombies). It's just further fodder for the argument that what real people and awards shows/critics like often differ significantly. But AMC's not crying. In addition to the killer ratings "Walking Dead" brings in, it garnered 26 Emmy nominations Thurs, tying **FX** for most nominations for a basic cable net. **A&E** scored just 1 nom, but it's a nice one in the lead actress Drama category for *Vera Farmiga's* portrayal of *Norma Bates* in "Bates Motel." AMC's "Mad Men" received 12 noms as "Breaking Bad" picked up 13. FX's "American Horror Story: Asylum" earned the most nominations of any program with 17, while "Louie" became the 1st basic cable show to earn a nomination in the Outstanding Comedy category. As usual, **HBO** dominated the Emmy announcement with 108 noms. Runners-up **CBS** and **NBC** were nowhere close with 53 apiece. HBO's big winner is "Game of Thrones" with 17 nominations, but *Liberace* movie "Behind the Candelabra" also hit gold with 15 noms. Rival **Showtime** pulled in 31, receiving the most lead actor noms of any network with nominees in all 4 lead actor/actress series categories. Netflix's 14 nominations, including a Best Drama nod for "House of Cards," may get lots of attention, but the Emmys are still cable's sandbox. Of the 12 programs to receive 10 or more noms, only 4 belonged to broadcast (**PBS'** "Downton Abbey and NBC's "SNL" and "30 Rock" and **ABC's** "Modern Family"). Still, Netflix can feel good about its originals investment with 9 noms for House of Cards, 3 for "Arrested Development" (including Lead Actor for *Jason Bateman*) and 2 for "Hemlock Grove." Other Emmy winners include **Comedy Central** (16 nominations, with "Daily Show" and "Colbert Report" up for Outstanding Variety Series) **Lifetime** (12 noms, including Outstanding Directing for movie "Ring of Fire"), **Sundance** (10, with "Top of the Lake" for Outstanding Miniseries or Movie) and **History** (10, including Outstanding Miniseries or Movie for "The Bible.")

**Distribution:** **Disney** scored a multi-year distribution renewal with the **National Rural Telecom Cooperative** that includes the distribution of the upcoming **SEC Network**, **ABC News-Univision** joint venture **Fusion** and the **Longhorn Network**. The deal also covers full authentication rights, including access to existing Disney TVE products and

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to-be-launched Watch ABC authenticated on-demand content and Watch ABC Family services, through the nets' own TVE apps and sites. Channels covered by the renewal include **ABC Family, Disney Channel, Disney Junior, Disney XD, ESPN, ESPN2, ESPNU, ESPN Deportes, ESPNEWS, ESPN Classic, ESPN Goal Line, ESPN Buzzer Beater, ESPN GamePlan, ESPN Full Court and ESPN3.** -- Disney inked another distribution deal with **Verizon** to provide FiOS subs new authenticated services, including Watch ABC, Watch Disney Channel, Watch Disney XD and Watch Disney Junior and the upcoming Watch ABC Family service. Also included is distribution of **Fusion**.

**Ratings:** ESPN's ESPYS telecast registered a 1.9 overnight rating (metered market), up 19% from '12. Fan voting rose 28% to 23mln. Hosted by *Jon Hamm*, the Miami Heat was honored as Best Team for the 2nd consecutive year and *LeBron James* won for Best Championship Performance, Best NBA Player and Best Male Athlete.

**People:** Comcast named *BJ Daisey* area vp for Comcast CA's Sacramento Valley. She joined in '99 as an install tech in MD. -- **Nick** upped *Amy Hyland* to evp, ad sales, strategy and planning. It also upped *Jeff Imberman* to svp, ad sales Eastern Region. It hired *Justin Nesci* as svp, digital ad sales.

## CableFAX Daily Stockwatch

Company	07/28 Close	1-Day Ch	Company	07/28 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	64.99	0.44	HARMONIC:	7.07	0.03
DISH:	46.63	0.69	INTEL:	23.24	(0.91)
DISNEY:	65.82	0.46	JDSU:	15.15	0.17
GE:	23.63	0.09	LEVEL 3:	21.91	0.12
NEWS CORP:	31.02	0.86	MICROSOFT:	35.44	(0.3)
<b>MSOS</b>					
CABLEVISION:	18.80	(0.14)	RENTRAK:	21.43	0.15
CHARTER:	124.57	0.42	SEACHANGE:	12.58	UNCH
COMCAST:	44.34	0.47	SONY:	22.14	0.04
COMCAST SPCL:	42.60	0.48	SPRINT NEXTEL:	6.05	(0.2)
GCI:	9.22	(0.01)	TIVO:	11.75	0.08
LIBERTY GLOBAL:	81.29	(0.12)	UNIVERSAL ELEC:	30.23	0.13
LIBERTY INT:	24.45	(0.03)	VONAGE:	3.20	0.10
SHAW COMM:	24.81	0.20	YAHOO:	29.66	UNCH
TIME WARNER CABLE:	113.91	0.56	<b>TELCOS</b>		
WASH POST:	515.50	(0.56)	AT&T:	35.74	(0.22)
<b>PROGRAMMING</b>					
AMC NETWORKS:	68.74	1.07	VERIZON:	49.97	(0.77)
CBS:	53.54	0.91	<b>MARKET INDICES</b>		
CROWN:	2.65	0.15	DOW:	15548.54	78.02
DISCOVERY:	85.49	0.81	NASDAQ:	3611.28	1.28
GRUPO TELEVISIA:	25.80	0.05	S&P 500:	1689.37	8.46
HSN:	58.97	0.35			
INTERACTIVE CORP:	52.57	0.54			
LIONSGATE:	32.07	(0.16)			
SCRIPPS INT:	72.92	1.41			
STARZ:	23.58	0.05			
TIME WARNER:	62.25	0.62			
VALUEVISION:	5.91	0.19			
VIACOM:	74.40	1.42			
WWE:	11.20	0.04			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.33	-0.00			
ALCATEL LUCENT:	2.01	0.05			
AMDOCS:	38.94	0.51			
AMPHENOL:	76.35	(8.22)			
AOL:	37.35	(0.15)			
APPLE:	431.76	1.45			
ARRIS GROUP:	15.43	(0.05)			
AVID TECH:	6.18	(0.01)			
BROADCOM:	33.64	0.04			
CISCO:	25.86	0.14			
CONCURRENT:	7.80	UNCH			
CONVERGYS:	19.27	0.15			
CSG SYSTEMS:	23.64	0.18			
EHOSTAR:	41.67	0.48			
GOOGLE:	910.68	(7.87)			



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# PROGRAMMER'S PAGE

## George's Loss, Lifetime's Gain

If you're trying to get the media and foodies pay attention to yet another food competition show, it's best to pick a host who breaks up with *George Clooney* right before the premiere. *Stacy Keibler*, who hosts **Lifetime's** "Supermarket Superstar" reality show that bows Mon, was able to work through her heartbreak long enough to attend a Culver City food tasting to promote the show this week—one that was crawling with bloggers and camera crews from the likes of **E!** Makes you wonder, though: Could the net have employed secret operatives and spies to sabotage Keibler's relationship with Clooney months ago as part of a devious plan hatched by the PR department? (Remember, this is the "Devious Maids" network). Uh, no. But it's an awesome conspiracy theory. In the meantime, let's talk about the show, which pits several groups of food entrepreneurs against each other in various categories. Each ep follows 3 home chefs pitching a product suitable for the grocery store aisles (*Debbi Fields* of Mrs. Fields Cookies and branding expert *Chris Cornyn* serve as mentors)—sort of "Chopped" meets "Shark Tank." The judge is *Tom Dahlen*, the supermarket buyer for national chain **A&P**. Yes, it's called brand integration folks. The Mon event in L.A. brought out several contestants, all of whom were sworn to secrecy about who won which episodes. But it wasn't a total loss: I did eat a home-made "energy bar" made of mashed up crickets. It wasn't bad. At another station, food truck owner *Don Chow* treated to me to some pretty righteous tamales born out of Chinese-Mexican fusion. Many attendees were food bloggers, who after all are key allies when launching a food show in such a competitive space. In the end, viewers will decide. But will George be watching? - *Michael Grebb*

**Reviews:** "The Cheshire Murders," Mon, 9p, **HBO**. Every summer HBO features some of the world's best documentaries, giving doc guru *Sheila Nevins* much-deserved spotlight time. This outstanding look at the gruesome '07 rape-arson-murder of a mother and her two daughters in a tony CT town continues the tradition of excellence. The thought-provoking film from *Kate Davis* and *David Heilbronner* about an incident that led to renewed debate over the death penalty touches nearly every emotion. It lets the principals tell the story, delving into the lives of the victims' family, the townspeople, even the killers. -- "No Limits," Tues, 8p ET, **ESPNHD**. Among the pleasures of media is being introduced to communities most viewers haven't seen. "No Limits" introduces us to free diving, which challenges men and women to go to great depths underwater on a single breath. One of the legends of this world is *Pipin Ferreras*, a controversial figure whose young wife, *Audrey Mestre*, became a world-class free diver. Due to the sport's reliance on video, director *Alison Ellwood* includes a plethora of excellent footage. This short doc tells Pipin and Audrey's tragic reverse-Icarus tale brilliantly. -- "Bulloch Family Ranch," premiere, Fri, 10p ET, **Up**. Docu series about a self-described redneck couple who host troubled kids. It's an interesting slice of rural life that's family appropriate. - *Seth Arenstein*

Basic Cable Rankings (7/08/13-7/14/13)			
Mon-Sun Prime			
1	USA	1.8	1783
2	HIST	1.6	1613
2	DSNY	1.6	1609
2	TNT	1.6	1533
5	FOXN	1.5	1462
6	TBSC	1.3	1267
7	A&E	1.2	1194
7	FX	1.2	1124
9	HGTV	1.0	996
10	ADSM	0.9	931
10	FOOD	0.9	856
12	DISC	0.8	839
12	SYFY	0.8	817
12	CNN	0.8	813
12	NAN	0.8	802
12	AMC	0.8	742
12	TRU	0.8	709
12	DSE	0.8	56
19	LIFE	0.7	692
19	TLC	0.7	689
19	FAM	0.7	677
19	BRAV	0.7	671
19	SPK	0.7	648
19	BET	0.7	644
19	ID	0.7	595
19	HALL	0.7	583
27	HLN	0.6	634
27	APL	0.6	568
27	TVLD	0.6	560
27	ESPN	0.6	551
27	MSNB	0.6	540
27	VH1	0.6	537
27	LMN	0.6	526
27	DSJR	0.6	345
35	MTV	0.5	537
35	CMDY	0.5	537
35	EN	0.5	446
35	NGC	0.5	383
35	NKJR	0.5	360
40	TRAV	0.4	353
40	OWN	0.4	330
40	DXD	0.4	298
40	GSN	0.4	281
40	INSP	0.4	265
45	OXYG	0.3	263
45	H2	0.3	239

\*Nielsen data supplied by ABC/Disney

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