

CableFAX Daily™

Thursday — July 21, 2011

What the Industry Reads First

Volume 22 / No. 139

A Season of Sales: Multichannel Discounts Heavy, Widespread

Oh, how we at **CableFAX** wish our MVPD subscriptions were expiring shortly. **SNL Kagan** estimates nearly 4% of occupied US homes, or 4.5mln, will employ Web video in lieu of a multichannel video package by the end of the year, and 10% (12.1mln) by '15—so perhaps it's the cord-cutting threat. Or, maybe it's simply the relatively high moving rates that are typical of the late summer. But whatever the reason(s), price wars among service providers has produced some smashing deals for new customers. Consider **DirecTV's** current offerings that are bolstered by a pair of new TV ads and dubbed as the DBS op's "best ever." With a 2-year contract for any of DirecTV's 3 highest-price packages, for example, new subs will receive the following: \$31 off the regular monthly price and free HD (channels and equipment) for 1 year; free **HBO**, **Cinemax**, **Showtime** and **Starz** for 3 months; free installation and a season of NFL Sunday Ticket and To-Go companion service for zilch. The football features are perhaps the most interesting, as pres/CEO *Mike White* has said in the past that DirecTV may have a difficult time turning a profit on its deal with the **NFL**. A spokesman said new subs have been offered Sun Ticket before at no extra charge with the purchase of a specific programming package, and that "the latest offer just enables more of our new customers to try out our most popular sports subscription service." **DISH** is touting similar savings for 1 year, including money off monthly programming fees, free HD for life, free Blockbuster for 3 months and the same premium nets listed above free for 3 months. Strictly for new customers who sign up online, **Comcast's** offering its Starter XF triple play for \$99.99/month for a year with a 2-year contract, plus \$100 Visa gift card and free **Showtime** for 3 months. **FIOS TV** features online an \$84.99/month triple-play, with the pricing good for 1 year and no contract required. The telco's also offering a bundle of DSL service featuring speeds up to 1Mbps, home phone and DirecTV video for \$54.99/month for 1 year provided the DTV contract runs 2 years. Free Sunday Ticket is also included. Data on 2Q multichannel sub adds begins with **AT&T** Thurs and Verizon Fri.

5Qs with Sundance Channel's Sarah Barnett: *In March, Sundance Channel doubled its original programming hours with 7 returning series and 2 nonfiction series in development. CableFAX spoke with evp/gm Sarah Barnett about the channel's new direction in branding, its "poptimist" target audience and what's up next. What have your goals been since you took on this role?* When I took over this seat just over two years ago, we built on the Sundance brand by add-

CableFAX's Most Powerful Women in Cable 2011

Who are cable's most powerful women executives?

Help us decide by nominating the executives you think should be included in our annual list of the Most Powerful Women in Cable. We will rank the top 50 most powerful women, and run a list of the second 50, in the November 2011 issue of CableFAX: The Magazine. Nominations are open to all cable operators, programmers, vendors and trade associations.

Nominations Due: **Friday July 29, 2011**
Nominate Now at: www.cablefax.com/2011powerfulwomen

Questions: Mary Lou French at mfrench@accessintel.com or 301.354.1851

Advertising Information:

Debbie Vodenos, Publisher, dvodenos@accessintel.com or 301.354.1695
Amy Abbey, Associate Publisher, aabbey@accessintel.com or 301.354.1629

Publication Date: November 2011

19105

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax: 301.738.8453 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 301.354.1790, mgrebb@accessintel.com ● Senior Online Editor: Chad Heiges, 301.354.1828, cheiges@accessintel.com ● Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Contributor: Seth Arenstein ● Publisher: Debbie Vodenos, 301.354-1695, dvodenos@accessintel.com ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Marketing Dir: Carol Brault, 301.354.1763, cbrault@accessintel.com ● Prod: Joann Fato, 301.354.1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Subs/Client Services: 301.354.2101, fax 301.309.3847 ● Group Subs: Carol Brault, 301.354.1763, cbrault@accessintel.com

ing a bit of pop to entertainment. Sundance has quality and substance—we're not messing with that. But we think there's an audience that is actually hungry for shows that have substance and fun. A lot of reality TV out there that people watch can be very compelling, but we can offer something that's quite distinct for our audience. **When did the shift in branding begin?** I'd say last year, with our show "Girls Who Like Boys Who Like Boys," about straight women and their gay best friends. There was a huge social media phenomenon and it was an example of what I was setting out to do. **How did you integrate social media?** We started a Facebook page for that show about six months out. It was a docu-series that followed four different couples through a number of different life events... And before the show launched, we had hundreds of thousands of people on our Facebook page. They were a natural audience for a TV show. Once we started introducing it to them they were committed. **You refer to your audience as "poptimists." What does that mean?** We coined this phrase, because that's what cable channels do! We wanted something pithy and succinct to sum up how we see our audience. Obviously it's based on a lot of research that we did. We see it as more of a mindset than a narrow demographic. It's more about the way our audience sees their world than it is just about adults 25-54 etc. etc. **What's on the horizon for Sundance Channel?** At the end of August, we launch a show called "Quirky," about a company that democratizes product design... Then we have a show called "Shoobox Sessions," launching in October. It's similar to our show "Iconoclasts," which was probably our most well known original series... Then in November we have season two of "Girls Who Like Boys Who Like Boys." We're moving it from New York to Nashville. **[For an extended version of this interview, go to cablefax.com]**

Competition: FIOS TV rolled out in CA, TX and VA direct streaming of Internet radio service Pandora. Subs can access their existing accounts or create a new one through Motorola DVRs and HD set-tops. Additional market launches are on tap.

On the Hill: Reps Ed Markey (D-MA), John Conyers, Jr. (D-MI) and Anna Eshoo (D-CA) wrote a letter asking the FCC and DOJ to conduct a thorough yet expeditious review of AT&T's proposed acquisition of T-Mobile USA. The trio believes the deal "could reduce competition and increase consumer costs at a time our country can least afford it." Sen Antitrust subcmte chmn Herb Kohl (D-WI) supported the sentiment with his own letter, and in a Wed statement said the subcmte "will take a close look at what this loss of competition will mean for people who increasingly rely on wireless phone service to connect to friends, family and the Internet."

Advertising: BigBand expects to welcome AT&T as a material customer later this year as the telco starts deploying BigBand's Media Services Platform as part of U-verse TV's local ad insertion solution. The platform aims to help operators increase ad rev by supporting specific markets via the preparation and splicing of local ads into national program feeds. BigBand investors cheered the news, sending the company's shares up 9%. -- **Extreme Reach** data shows a 50% increase in HD ad distribution over the last 6 months, with 20% of all 2Q ads distributed in HD. As of June 30, 63% of local cable ops supported HD ads, compared to 44% of local broadcasters.

Relieve: Despite the rumors of a planned Apple HDTV, cable ops can breathe a little easier today after the tech wasn't mentioned during the company's earnings call and COO Timothy Clark downplayed Apple TV. "It's clear that customers love the product. We really guided right when we went to the new Apple TV just last fall," said Clark. "But right now, it's still a hobby status that we're continuing to invest in it because we think that there is something there." Apple sold a record 20.3mln iPhones last quarter, up from 8.3mln a year ago, and a record 9.2mln iPads, up from 3.3mln. The latter device offers more than 100K specific apps.

OTT: A non-exclusive licensing agreement grants Amazon the right to stream TV shows from the CBS library including "The Tudors" and "Cheers" to Amazon Instant Video customers. The deal adds 2K eps to Amazon's service that now counts more than 8K movies and TV shows. -- Roku intro'd a new family of streaming players that bring casual games such as Angry Birds to TVs alongside nearly 300 channels of content. FoxNews.com will be added shortly.

Technology: In a letter to staff, CNN pres Jim Walton said the net's apps for the iPhone and iPad have been downloaded more than 10mln times globally. -- Allowing viewers to browse red carpet events, breaking news and online content, E!'s Live from the Red Carpet app is now available on Microsoft Windows Phone and Windows Slate devices.

Ratings: History scored last week its best week in history in prime among total viewers (2.59mln), 18-49s (1.11mln), 25-54s (1.23mln) and men 25-54 (779K). -- The 4th season premiere of Style Net's "Giuliana & Bill" garnered 289K P2+, up 28% over last season's bow.

BUSINESS & FINANCE

Programming: HBO doc special "Derek Jeter 3K" (July 28) chronicles the Yankees shortstop's joining of the 3,000 hit club. -- **Bravo** and **Ryan Seacrest Prod** are partnering on docu-series "Shahs of Sunset" (wt), which spotlights a group of younger Persian-American friends in L.A.

-- **TV Land** picked up a 2nd season of "Happily Divorced," starring *Fran Drescher*. -- **Churchill Downs** and **The Stronach Group** renewed their partnership in **HRTV** and committed to exclusively provide the net with racing content. -- Originally produced by **Comcast SportsNet Bay Area**, "Out. The Glenn Burke Story" will premiere on **Versus** Aug 9 while telling the story of the 1st openly gay MLB player.

Assoc Moves: Former **FCC** Consumer and Government Affairs Bureau chief *K. Dane Snowden* will join **NCTA** Aug 22 as chief of staff, a new role responsible for working closely with pres/CEO *Michael Powell* and evp *James Assey* to oversee daily operations and strategic initiatives.

People: *Michael Haggerty* becomes svp, research, **Bravo** and **Style Media**.

Business/Finance: **Nexstar Broadcasting** shares soared 26.53% Wed after the *WSJ* reported the group has hired a financial advisor to engage potential buyers. -- TV advertising remained strong in 2Q, said **Nomura Securities'** *Michael Nathanson*, who said **CBS** and **Scripps Nets** have the greatest potential to deliver earnings surprises.

CableFAX Daily Stockwatch

Company	07/20 Close	1-Day Ch	Company	07/20 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	52.48	(0.32)	BLNDER TONGUE:	1.70	0.03
DISH:	31.59	0.20	BROADCOM:	35.06	0.38
DISNEY:	39.36	(0.18)	CISCO:	15.82	0.16
GE:	18.79	0.21	CLEARWIRE:	3.20	0.04
NEWS CORP:	16.42	0.17	CONCURRENT:	6.35	0.00
MSOS					
CABLEVISION:	25.85	(0.38)	CONVERGYS:	13.00	(0.05)
CHARTER:	58.78	1.37	CSG SYSTEMS:	18.58	0.12
COMCAST:	24.09	(0.38)	ECHOSTAR:	36.21	(0.57)
COMCAST SPCL:	23.44	(0.26)	GOOGLE:	595.35	(7.2)
GCI:	12.09	(0.03)	HARMONIC:	7.06	(0.02)
KNOLGY:	14.11	(0.17)	INTEL:	22.99	(0.07)
LIBERTY CAPITAL:	84.08	(1.67)	JDSU:	14.60	(0.23)
LIBERTY GLOBAL:	42.51	(0.12)	LEVEL 3:	2.33	(0.02)
LIBERTY INT:	16.42	(0.08)	MICROSOFT:	27.06	(0.48)
SHAW COMM:	22.73	(0.01)	MOTOROLA MOBILITY:	22.41	(0.47)
TIME WARNER CABLE:	76.58	(0.65)	RENTRAK:	18.50	(0.43)
VIRGIN MEDIA:	26.70	(0.34)	SEACHANGE:	10.75	(0.03)
WASH POST:	419.20	0.99	SONY:	26.72	0.07
PROGRAMMING					
AMC NETWORKS:	37.32	0.35	SPRINT NEXTEL:	5.19	(0.07)
CBS:	28.74	0.78	THOMAS & BETTS:	54.20	0.34
CROWN:	1.85	0.01	TIVO:	9.99	(0.19)
DISCOVERY:	40.21	(0.76)	UNIVERSAL ELEC:	24.20	(0.04)
GRUPO TELEVISIA:	22.10	0.04	VONAGE:	4.07	(0.28)
HSN:	33.53	(0.31)	YAHOO:	13.48	(1.11)
INTERACTIVE CORP:	37.18	(0.36)	TELCOS		
LIBERTY:	40.47	(0.14)	AT&T:	30.23	(0.1)
LIBERTY STARZ:	75.78	(0.15)	VERIZON:	37.33	0.36
LIONSGATE:	7.00	0.04	MARKET INDICES		
LODGENET:	3.05	0.18	DOW:	12571.91	(15.51)
NEW FRONTIER:	1.48	0.05	NASDAQ:	2814.23	(12.29)
SCRIPPS INT:	46.40	(0.06)	S&P 500:	1325.84	(0.89)
TIME WARNER:	35.46	0.01			
VALUEVISION:	7.91	(0.17)			
VIACOM:	55.90	(0.59)			
WWE:	10.07	0.08			
TECHNOLOGY					
ADDVANTAGE:	2.61	0.02			
ALCATEL LUCENT:	5.14	(0.03)			
AMDOCS:	31.56	0.12			
AMPHENOL:	50.15	(1.53)			
AOL:	18.91	(0.42)			
APPLE:	386.90	10.05			
ARRIS GROUP:	11.44	(0.1)			
AVID TECH:	18.69	(1.27)			
BIGBAND:	2.25	0.19			

TRADITIONAL TV VIEWERSHIP INCREASED BY HOW MANY MINUTES YEAR-OVER-YEAR?

Want the answer? Just Ask Nielsen.™

ANSWER: 22 minutes per month

Traditional TV viewership remains dominant while consumers are increasing time spent viewing video content across platforms. For more information about emerging trends in media consumption download The Cross-Platform Report at Nielsen.com.



Think about that for a minute...

\$3,700 Per Second

Commentary by Steve Effros

That's a pretty astounding number. No, I'm not going even close to a discussion of the national debt, or the cost of the wars we're in, or how much health care costs. That number, \$3,700 per second, is the calculated average of what Apple racks up in sales, based on its latest quarterly results. The company reported nearly \$28.6 billion in revenue, \$7.3 billion in profit.



As usual, when I read something like that, it gets me thinking. Apple is getting to the point of being almost astonishingly successful. Its market value is, according to reports, starting to approach the world's most valuable company, Exxon Mobil, based on such calculations.

Full disclosure: while I use a PC to draft this column, I'm an Apple fan, with both an iPhone and an iPad in constant use, much to the chagrin of my wife. I think Apple has done a brilliant job of design, of ease of use, of business planning.

And speaking of business planning, the explosion of innovation and consumer joy spread by Apple has happened in a very self-controlled, unregulated atmosphere closely guarded by the company to assure that they continue to provide what their customers clearly want, based on results, and so that they can assure quality control and adherence to their particular, apparently appreciated, standards. In other words, the opposite of the notion of "neutrality."

Clearly the way Apple is doing things works, for both the company and consumers. There can't be much argument about that. The difficulty for those who argue that there should be a different model, a government-imposed "open" model that prohibits the type of quality control and tiered, managed product development Apple

has championed, is that the only "peg" for making that philosophical argument is that things would be "better" or that there would theoretically be more innovation, to the benefit of the public, if Apple were not allowed to conduct its business the way it does.

Mandated "neutrality" is the equivalent of saying that Apple would not be allowed to impose conditions and quality controls on the "apps" that it allows to be sold in its "App Store." Apple iPhones and iPads would have to be "open" for anyone to use in any way they wanted, and, as Apple points out, would then be far more prone to hacking, viruses, and all sorts of other problems.

Of course, there is a competitor that is also seeing a lot of success in the same field: the Android system, promoted by Google, has gained many fans and is being installed on lots of phones, tablets and the like and is certainly creating a healthy competitive counter to Apple's products. So we have a managed offering and an "open" offering on the market, available to consumers. That's great. It works. And the government has nothing to do with it. The marketplace seems to be working just fine.

The theorists who insist that things would be even better, with even more innovation, will be hard pressed to show why the entire market should be mandated to operate in one way when both methodologies seem to be able to operate side by side without any government intervention.

Regulation should only take place when there is a proved need, a demonstrated market failure (like the banking excesses we are trying to dig out of). The development of broadband facilities, services and consumer products doesn't come close to fitting that description. Not when the market is humming with happy consumers to the tune of \$3,700 per second.

Steve

T:202-630-2099
steve@effros.com

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