

CableFAX Daily™

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What the Industry Reads First

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Gaming It: Microsoft Exec Tackles Xbox Friend-or-Foe Question

As if negotiating between MVPDs and programmers wasn't complicated enough, new entrants, including gaming console makers, are in the market. Is the mission to be complementary or does their presence add to the over-the-top threat. **Microsoft** corporate vp, media & entertainment *Blair Westlake* assured us that **Xbox** comes in peace, while at the same time making it clear that it wants to be an entertainment one-stop shop. **Why is it important for you to be a player in the video space?** Our mission is it to make Xbox synonymous with entertainment, and TV, sports, movies and music are all important components of that experience. We already know that video is important to people who use Xbox—entertainment app usage globally on Xbox Live has more than doubled in the past year. **Are you more focused on doing deals with cable networks or with distributors like Comcast and Verizon FIOS?** Both. Our goal is to deliver all the entertainment content people want. Our partnerships with Comcast, AT&T and Verizon in the US, as well as BSkyB in the UK, Telefonica in Spain, Canal+ and Orange in France, Foxtel in Australia and Telus in Canada are prime examples of how we're already working with leading providers of television services throughout the world. And we're continuing to work with leading cable networks to launch apps like the ones we have available today, including **HBO Go**, **NBC News** and **Today** in the US, and **BBC iPlayer** in the UK. **Are gaming consoles more of a threat or an opportunity for traditional cable?** TV operators are our partners. We provide an additive service and choice when it comes to entertainment, enabling operators to deliver their services to new screens and new rooms in the house through Xbox Live. **Will the addition of over-the-top video, the cloud and more advanced gaming increase the life cycle of upcoming console releases?** We're always thinking about what's next for our platform and how to continue to defy the lifecycle convention. With Xbox 360, we extended the lifecycle by introducing controller-free experiences with Kinect and by refreshing the experience with new Xbox Live dashboards and new entertainment content partnerships. Unlike traditional living room devices, consoles are powerful and easily upgraded. **What are the biggest misconceptions people have about video gamers?** The notion that everyone using Xbox is a male between the ages of 18-24. Today we're seeing a more diverse audience playing video games and also turning to Xbox for a wider selection of entertainment experiences. Our goal is to offer something for everyone—the greatest lineup of blockbuster games and a service that features the best entertainment choices.

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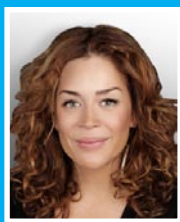
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Pac-12: **Pac-12 Nets** entered into the football-heavy Labor Day weekend without deals with **DirecTV**, **DISH** or **AT&T**.

Comcast is playing up that it's carrying the net when competitors aren't. It sent out a photo to reporters Fri of UC Berkeley Athletic Director *Sandy Barbour* literally dumping her DirecTV satellite into the back of a Comcast truck after having cable installed Thurs. Barbour had been leading a campaign on Twitter to encourage DirecTV to launch Pac-12. In the Bay area, overbuilder **Wave/Astound** also carries Pac-12. DirecTV said it's been working with Pac-12 for several months and will continue to work toward an agreement that "will be fair for both those customers who want to receive Pac 12 programming and those who don't." Cal's opener against Nevada will be on Pac-12 Sat. Still, several Pac-12 games will be available via **ESPN**, **Fox** and other nets. Other MVPDs with deals for Pac-12 Nets include **Cox**, **Time Warner Cable** and **Bright House**.

Retrans: **Local TV** and **DirecTV** reached a new retrans pact ahead of Sat's deadline (**Cfax**, 8/30). Local has 17 stations in DirecTV's footprint, including Memphis **CBS** affil **WREG**. The DBS provider said it's pleased to have reached an agreement that it believes is "fair and equitable" for its customers. Its retrans dispute with Northwest Broadcasting continues, however. DirecTV subs have been without Northwest's **Fox** stations in Binghamton, NY; Medford-Klamath Falls, OR; Spokane; and Yakima-Pasco-Richland-Kennewick, WA, since Aug 13. -- **CBS** added another big retrans deal, with **AT&T U-Verse** renewing its agreements for the CBS O&Os, **Showtime**, **Smithsonian Channel** and **CBS Sports Net**. No word on details, including how many years the contract covers.

That's a Wrap: For the 3rd night in a row, **Fox News** topped all of cable and broadcast during the Republican National Convention's 10-11pm hour. It tallied 9.1mln total viewers and also was the leader in the 25-54 demo (2.56mln), according to **Nielsen** ratings. Also notable: Fox News was down just 2% compared to Night 3 in '08, while **CNN's** 2.33mln viewers are down 52% from '08, and **MSNBC** dropped 25% with 1.88mln.

At the Portals: **FCC** chmn *Julius Genachowski* will circulate a mobile spectrum NPRM Fri (Sept 7) reviewing how much spectrum a carrier is allowed to hold, an agency spokesman said. The proposal, which is related to the spectrum screen standard, is expected to be voted at the Commission's open meeting Sept 28. The move came a week after the FCC's approval of **Verizon Wireless'** spectrum purchase from **Time Warner Cable**, **Comcast**, **Bright House Networks** and **Cox**. Opponents of the deal had asked the FCC to revise the screen standard, claiming the current process doesn't recognize some spectrum blocks are more useful than others. Verizon declined to comment. The screen generally allows a carrier to have up to 1/3 the spectrum deemed suitable for mobile voice and broadband in a local market, with some wrinkles. No details of what's in the NPRM yet, but the review will be key to wireless market structure and help shape—along with antitrust enforcement—how big the carriers can get, most notably **AT&T** and Verizon, **Stifel Nicolaus** analysts said.

Storm Recovery: **Cox** LA made a lot of progress Fri in Isaac recovery efforts. Service had been restored to 83% of customers in Baton Rouge Fri afternoon. The MSO said assessments and restoration remains ongoing in the hardest-hit New Orleans region. Infrastructure there was most heavily damaged, and access is difficult because of road closures and power outages. "We will be working around-the-clock to repair our network and restore services and anticipate that as power is restored, so will our telecommunications services," Cox LA svp, gm *Jacqui Vines* said in a statement.

Carriage: **The Longhorn Network** is up on **AT&T U-Verse**, just in time for kick off against Wyoming on Sat. Under an agreement, the net is available for U-Verse subs in TX with the U100 bundle and above. Outside the state, U-Verse TV U450 subs can access the net. As part of the deal, at a future date, AT&T will launch a live, linear feed of the net online to subs via computers, smartphones and tablets. -- **DirecTV** will add **Nat Geo Mundo** to all its Hispanic TV packages effective Sat. **Fox Movie Channel**, **Nat Geo Wild** and **Fuel** were added to the Más Ultra™ and Lo Máximo™ packages.

Google Un-doings: **Google** said on its official blog that it's shutting down its TV ads product, which it launched in '07 in **AdWords** to bring digital buying and measurement to traditional TV ads. But it's not quitting video ads. "The future of video advertising is extremely bright and we're excited to devote ourselves fully to it," the company said. It's just "video is increasingly going digital and users are now watching across numerous devices. So we've made the hard decision to close our TV Ads product over the next few months and move the team to other areas at Google."

People: **Cineflix Media** tapped ex-NBCU Intl chief *Peter Smith* as CEO. -- **Concurrent** named *James Brickmeier* svp, strategic marketing. Most recently, he served as vp, gm of the video solutions cable and telco product line for Concurrent.

Editor's Note: Your next issue of **CableFAX Daily** will arrive Tues evening. Enjoy the Labor Day weekend!

CableFAX Week in Review

Company	Ticker	8/31 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DIRECTV:	DTV	52.09	(1.03%)	21.82%
DISH:	DISH	31.99	(0.87%)	12.32%
DISNEY:	DIS	49.47	(0.18%)	31.92%
GE:	GE	20.71	(0.43%)	15.63%
NEWS CORP:	NWS	23.55	0.30%	29.54%
MSOS				
CABLEVISION:	CVC	14.95	(1.45%)	5.13%
CHARTER:	CHTR	77.80	0.09%	36.64%
COMCAST:	CMCSA	33.53	(1.24%)	41.42%
COMCAST SPCL:	CMCSK	32.87	(0.51%)	39.52%
GCI:	GNCMA	8.82	(6.07%)	(9.91%)
LIBERTY GLOBAL:	LBTYA	55.27	0.71%	34.71%
LIBERTY INT:	LINTA	18.24	0.33%	12.45%
SHAW COMM:	SJR	20.46	1.09%	5.63%
TIME WARNER CABLE:	TWC	88.82	(0.82%)	39.72%
VIRGIN MEDIA:	VMED	27.57	2.07%	28.95%
WASH POST:	WPO	352.50	0.21%	(6.45%)

PROGRAMMING				
AMC NETWORKS:	AMCX	39.34	0.74%	4.68%
CBS:	CBS	36.34	(0.57%)	33.90%
CROWN:	CRWN	1.72	(3.91%)	42.15%
DISCOVERY:	DISCA	54.84	2.83%	33.85%
GRUPO TELEVISA:	TV	22.98	(0.86%)	9.12%
HSN:	HSNI	45.03	1.33%	24.19%
INTERACTIVE CORP:	IACI	51.84	0.66%	21.69%
LIONSGATE:	LGF	14.78	7.80%	77.64%
LODGENET:	LNET	0.36	(2.7%)	(84.94%)
NEW FRONTIER:	NOOF	1.48	(3.9%)	43.69%
OUTDOOR:	OUTD	6.98	(0.85%)	(6.43%)
SCRIPPS INT:	SNI	59.10	(0.87%)	39.32%
TIME WARNER:	TWX	41.55	(1.28%)	14.97%
VALUEVISION:	VVTV	1.90	(4.52%)	1.06%
VIACOM:	VIA	50.40	(1%)	(5.49%)
WWE:	WWE	8.88	10.45%	(4.72%)

TECHNOLOGY				
ADDVANTAGE:	AEY	2.20	4.76%	4.76%
ALCATEL LUCENT:	ALU	1.13	(3.42%)	(27.56%)
AMDOCS:	DOX	32.24	(0.43%)	13.00%
AMPHENOL:	APH	60.87	(1.28%)	34.10%
AOL:	AOL	33.67	2.28%	122.98%
APPLE:	AAPL	665.24	0.30%	64.26%
ARRIS GROUP:	ARRS	13.63	1.11%	25.97%
AVID TECH:	AVID	9.21	1.10%	7.97%
BROADCOM:	BRCM	35.53	(0.84%)	21.01%
CISCO:	CSCO	19.08	(0.63%)	5.53%
CLEARWIRE:	CLWR	1.60	(8.05%)	(17.53%)
CONCURRENT:	CCUR	4.28	(4.04%)	12.93%
CONVERGYS:	CVG	15.51	1.17%	21.46%
CSG SYSTEMS:	CSGS	21.21	6.05%	44.19%
ECHOSTAR:	SATS	27.01	(1.92%)	28.99%
GOOGLE:	GOOG	685.09	0.95%	6.07%
HARMONIC:	HLIT	4.57	4.58%	(9.33%)
INTEL:	INTC	24.83	(0.32%)	2.39%
JDSU:	JDSU	11.19	(4.2%)	7.18%

Company	Ticker	8/31 Close	1-Week % Chg	YTD %Chg
LEVEL 3:	LVLT	21.55	(3.02%)	26.84%
MICROSOFT:	MSFT	30.82	0.85%	18.72%
RENTRAK:	RENT	17.45	(2.46%)	22.20%
SEACHANGE:	SEAC	8.16	7.79%	16.07%
SONY:	SNE	11.31	(3.42%)	(37.31%)
SPRINT NEXTEL:	S	4.85	(0.82%)	107.26%
TIVO:	TIVO	9.09	(0.98%)	1.34%
UNIVERSAL ELEC:	UEIC	15.27	(0.59%)	(9.48%)
VONAGE:	VG	2.14	1.42%	(12.65%)
YAHOO:	YHOO	14.65	(2.53%)	(9.18%)

TELCOS				
AT&T:	T	36.64	(0.84%)	21.16%
VERIZON:	VZ	42.94	(0.53%)	7.03%

MARKET INDICES				
DOW:	DJI	13090.76	(0.51%)	7.15%
NASDAQ:	IXIC	3066.96	(0.09%)	17.73%
S&P 500:	GSPC	1406.57	(0.32%)	11.85%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS				
COMPANY		CLOSE		1-WK CH
1. WWE:		8.88		10.45%
2. LIONSGATE:		14.78		7.80%
3. SEACHANGE:		8.16		7.79%
4. CSG SYSTEMS:		21.21		6.05%
5. ADDVANTAGE:		2.20		4.76%

THIS WEEK'S STOCK PRICE LOSERS				
COMPANY		CLOSE		1-WK CH
1. CLEARWIRE:		1.60		(8.05%)
2. GCI:		8.82		(6.07%)
3. VALUEVISION:		1.90		(4.52%)
4. JDSU:		11.19		(4.2%)
5. CONCURRENT:		4.28		(4.04%)

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