

CableFAX Daily™

Thursday — September 8, 2011

What the Industry Reads First

Volume 22 / No. 173

State of Net-Flux: Starz Ent's Digital Unknowns Mirror Industry's

It certainly doesn't sound as if **Starz Ent's** looking to return to the bargaining table with **Netflix** (*Cfax*, 9/2), not when *John Malone* and **Liberty Media** CEO *Greg Maffei* explained Wed why the pair isn't a good fit anymore at Liberty's annual shareholders' meeting. Maffei said the schism boils down to incongruent goals—namely Starz' protection and active bolstering of its premium brand and content versus NFLX's low streaming price point and customer-facing marquee that's devoid of any other name. "Netflix is the ultimate brand" for its service, said Malone, underscoring how Starz Ent programming gets no promotion via NFLX. The case is obviously different with traditional pay TV ops, who Malone said "are much happier with Starz than they were a year ago" because of pres/CEO *Chris Albrecht* and the company's original programming push. So perhaps stronger relationships led Starz to have the backs of distributors this time around with NFLX, although the \$1.2bln it receives annually from the group no doubt remains a compelling factor. Maffei said Starz is working to develop OTT partnerships with its traditional partners, adding a belief that **DISH** and/or **Comcast** are likely to take the first big leap. DISH is reportedly planning to launch a streaming **Blockbuster** service next month and is also said to be among the final bidders for **Hulu**. Maffei additionally noted how Starz would incur overage fees from studio partners **Disney** and **Sony** if it submitted to NFLX's streaming-heavy model. In short, said Malone, "wholesale dumping... really undermines long-term perceived value." Not so **HBO Go**, which Maffei called "a great product... hopefully it draws demand for Starz Play too." In contrast to many OTT plays, he said, it creates value, reduces churn and stokes interest in HBO content. Malone may or may not agree with that assessment, but he does feel HBO Go represents 1 of the myriad issues still nagging TV Everywhere. The key question surrounding authentication is, "whose customer is it?" said Malone. "Is HBO a wholesaler or will they eventually bypass operators?" Remember, **Time Warner** boss *Jeff Bewkes* has said HBO retains the right to market HBO Go directly to consumers. Also hindering the pay TV industry is Balkanization, which has "always been a curse of the US cable industry" and needs to be addressed, said Malone. In cable, he said, nobody except Comcast and maybe **Time Warner Cable** enjoys enough scale to pull off a successful, NFLX-like OTT play alone. As for content owners, Hulu addresses their needs by segmenting premium programming through **Hulu Plus**, said Malone, and "could become an interesting partner for us." **Amazon's** also a potential partner.

Retrans: The **LIN-Mediacom** retrans feud goes on. At 5pm ET Wed, Mediacom lost LIN's Norfolk-Portsmouth-Newport News stations **WAVY** (NBC affil) and **WVBT** (Fox). Mediacom lost other LIN stations in its footprint last Wed, but Norfolk was given a 1-week extension because of Hurricane Irene. Most Mediacom subs in the market are in eastern NC.

More Liberty: Ad sales remain "pretty strong in the US, surprisingly so," said *John Malone*, and "are not indicating recession." **QVC's** chugging along, he said, showing that the American "consumer is depressed about the country but not broke." -- A hearing is scheduled for Sept 14 in DE Supreme Court regarding **The Bank of NY Mellon Trust Company's** appeal

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of a lower court ruling that the pending split-off of **Liberty Capital** and **Liberty Starz** from **Liberty Media** will not constitute a disposition of all or substantially all the assets of Liberty Media under the indenture governing its public indebtedness. Liberty Media CEO *Greg Maffei* hopes for a quick ruling and closure of the split-off by the end of the month.

Measurement: The **Media Rating Council** voted to accredit **Nielsen Online Campaign Ratings**, which provides overnight audience reach, frequency and Gross Rating Points (GRPs) for Internet display and video advertising. It's the 1st Internet measurement system accredited by the MRC that provides demographic ratings for online advertising campaigns.

Technology: **Comcast, Warner Bros, Disney** and **Rovi** have begun integrating the **Entertainment ID Registry's** IDs into digital content projects such as online retail distribution and VOD ingestion. The IDs identify and track digital content in commercial distribution, regardless of platform or channel.

9/11 Memorial: **History** is collaborating with **The National September 11 Memorial & Museum** and **Broadcastr** on "Call to Remember," gathering voices from people affected on Sept 11. Anyone can record through the toll free call-in line at 855-We-Remember. Stories will be retained in the museum's oral history archive, and some will be shared through Broadcastr. Visitors to the World Trade Center site will also be able to record their voices at interactive kiosks installed at the 9/11 Memorial Visitor Center, which opens to the public on Mon. Broadcastr and the 9/11 Memorial announced their partnership in Jan, and have already made some oral histories available. History collaboration will expand the Museum's collection with crowd-sourced memories from around the world.

At the Portals: The **FCC** hosts a forum Thurs to discuss opportunities and challenges around technology use by adolescents. The Commission has set up a crowdsourcing site at fcc.us/digitalparent to help collect questions from parents. The forum will be Webcast live at 10am ET at www.fcc.gov/live. Parents can also email or tweet questions. Panelists include FCC chmn *Julius Genachowski*, **MTV** vp, public policy *Jason Rzepka* and **Common Sense Media** vp *Alan Simpson*.

Free Football: **NFL RedZone** will be free to a slew of pay TV subs this Sun in honor of opening weekend, with **Comcast, DISH, Cox, Charter, FiOS TV** and **U-verse TV** all participating. Also, **DirectTV** subs who don't subscribe to **NFL Sunday Ticket** will receive that service for no extra charge.

Ratings: **FX's** "Sons of Anarchy" returned for a 4th season Tues night and delivered its most-watched ep ever. The premiere delivered 4.94mIn P2+ and 3.22mIn 18-49s, marking respective YOY gains of 20% and 15%. FX expects the ep to become its most-watched single original ep in history once Live+7 data is available.

Programming: Reflecting on 9/11's effects on sports, **YES** will premiere "9/11 Remembered," a look at how New York sports, and the Yankees in particular, helped unite the NY community, Thurs, 10pm. -- **Bloomberg TV** presents, "Tragedy and Triumph: Wall Street After 9/11," which focuses on **Cantor Fitzgerald; Keefe, Bruyette & Woods;** and **Sandler O'Neil**. -- President *Obama's* speech Thurs night has punted the pregame show officially kicking off the 2011 NFL season to **NBCU's Versus, USA, Syfy** and **G4** along with **NFL Net**. The 90-min "NFL Kickoff 2011" was originally scheduled to air on NBC. NBC will join the pregame special once its speech coverage has concluded. Pregame show is at 7pm ET, game is set for 8:30pm ET. -- **Discovery en Espanol's** ready to roll out 5 new original productions during its Sun night Discovery Presenta block and beginning Sept 18 with "La Ley del Miedo," spotlighting the impacts of the anti-illegal immigration legislation passed by AZ Gov *Jan Brewer* last year. Also featured will be "Los Hipopotamos del Capo" (Oct 2), about *Pablo*

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CableFAX

It's that time again!

Nominate your colleagues, your boss or even yourself for the **CableFAX100**—our annual cable industry power list—which will appear in the December edition of *CableFAX: The Magazine* and whose members will be celebrated during luncheon on **December 8, 2011 in New York**.

Nominate those who might not be headline makers but who are influential behind the scenes within their company and the industry. We also seek nominees who are influential at the regional/local/state level for our Regional list.

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Publication Date: December 8, 2011

Nominations Deadline: September 9, 2011
Nominate at: www.cablefax.com/cablefax100

BUSINESS & FINANCE

Escobar's former wild hippos that now threaten Colombians. -- Syfy greenlit a 2nd season of "Alphas."

Honors: ESPN/ABC Sports pres and Disney Media Nets co-chmn George Bodenheimer was chosen as the recipient of the '11 Grand TAM Award by CTAM's board. Bodenheimer will get the award Oct 7 at CTAM in NYC.

People: Starz Digital Media upped Mara Winokur to svp, digital media, biz dev and strategy, Starz Media, and David Katz to vp, digital media. -- Sundance Channel named Entertainment Weekly PR dir Suzy Berkowitz Weksel as svp, PR.

On the Circuit: WICT NY hosts an Executive Women's Lunch Sept 14, 11am-2pm at the Edison Ballroom in NYC. The topic is "Future Proofing: Staying Ahead of What's Next" and panelists include Discovery's Rebecca Glashow, Needham & Co's Laura Martin, Univision's Tonia O'Connor and Time Warner Cable's Peter Stern. -- ACC announced the finalists for its annual Beacon Awards honoring excellence in cable communications and public affairs. Winners will be announced Oct 6 at the Hilton New York during ACC's annual Forum conference.

Editor's Note: It's that time again. Nominations are due Fri for the CableFAX 100, our annual cable industry power list. Visit CableFAX.com and click on Awards for the nomination form.

CableFAX Daily Stockwatch

Company	09/07 Close	1-Day Ch	Company	09/07 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	42.68	0.62	BLNDER TONGUE:	1.26	0.01
DISH:	25.54	1.48	BROADCOM:	34.64	1.52
DISNEY:	32.63	0.87	CISCO:	15.88	0.60
GE:	15.80	0.55	CLEARWIRE:	3.00	0.04
NEWS CORP:	16.86	0.36	CONCURRENT:	5.50	0.04
MSOS					
CABLEVISION:	17.10	0.53	CONVERGYS:	9.99	0.53
CHARTER:	49.62	1.71	CSG SYSTEMS:	13.13	0.50
COMCAST:	21.39	0.68	ECHOSTAR:	23.94	0.94
COMCAST SPCL:	21.20	0.68	GOOGLE:	534.03	11.85
GCI:	8.86	0.27	HARMONIC:	4.80	0.32
KNOLGY:	13.74	0.74	INTEL:	20.08	0.54
LIBERTY CAPITAL:	69.40	3.31	JDSU:	13.30	0.79
LIBERTY GLOBAL:	38.88	0.80	LEVEL 3:	1.70	0.04
LIBERTY INT:	15.53	0.56	MICROSOFT:	26.00	0.49
SHAW COMM:	21.80	0.25	MOTOROLA MOBILITY:	37.62	(0.05)
TIME WARNER CABLE:	64.08	1.20	RENTRAK:	12.74	0.22
VIRGIN MEDIA:	24.95	0.90	SEACHANGE:	7.89	0.34
WASH POST:	326.05	9.91	SONY:	20.45	0.59
PROGRAMMING					
AMC NETWORKS:	33.97	1.10	SPRINT NEXTEL:	3.47	0.10
CBS:	23.66	0.81	THOMAS & BETTS:	42.70	2.31
CROWN:	1.31	0.15	TIVO:	11.22	0.39
DISCOVERY:	40.38	0.61	UNIVERSAL ELEC:	18.49	1.50
GRUPO TELEVISA:	20.25	0.51	VONAGE:	3.25	0.05
HSN:	32.08	1.26	YAHOO:	13.61	0.70
INTERACTIVE CORP:	39.68	0.81	TELCOS		
LIBERTY STARZ:	67.03	1.57	AT&T:	28.13	0.30
LIONSGATE:	7.08	0.01	VERIZON:	35.62	0.40
LODGENET:	1.90	0.08	MARKET INDICES		
NEW FRONTIER:	1.21	(0.03)	DOW:	11414.86	275.56
OUTDOOR:	6.77	0.25	NASDAQ:	2548.94	75.11
SCRIPPS INT:	41.05	1.12	S&P 500:	1198.62	33.38
TIME WARNER:	30.72	0.73			
VALUEVISION:	3.70	0.41			
VIACOM:	56.40	1.07			
WWE:	9.33	0.50			
TECHNOLOGY					
ADDVANTAGE:	2.20	(0.02)			
ALCATEL LUCENT:	3.41	0.14			
AMDOCS:	27.06	0.78			
AMPHENOL:	45.08	1.73			
AOL:	15.66	0.67			
APPLE:	383.93	4.19			
ARRIS GROUP:	10.73	0.41			
AVID TECH:	9.25	0.31			
BIGBAND:	1.36	UNCH			



LOOK AHEAD WITH FORWARD THINKERS

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Think about that for a minute...

First A...

Commentary by Steve Effros

...then B, then C and so on. That's one way to provide a listing of all the channels a cable operator is offering to customers. It happens to be one of the most useful so far as I am concerned.

Of course there are others. It has long been a tradition, because of the historical roots of the broadcast industry, that "channels" be designated by numbers. There was channel 2, 3, 4..etc. But that was in an era where there were only 13 "VHF" channels. When "UHF" was added, there were a lot of additional numbers, but only a few applied to any given community. So it was still easy to remember. Here in the DC area, everyone knew that the "educational" or "noncommercial" station was and still is channel 26. Simple.

That, however, became a lot more difficult when cable came along and started adding diversity and choice to the video diet. So now there are hundreds of channels, and just listing them by number doesn't work. The numbers on the cable system in my home go over 1000. That's not to say there are a thousand channels, just that the number designations, for whatever reason, are grouped in such a way that we go up to 1845! Clearly that's not conducive to finding or remembering what channel you are looking for, and with the hundreds of channels now available, "scanning the dial" (for those of you who remember television "dials") doesn't work either.

So now what? Well, lots of things have been tried, and we are about to be exposed to a lot more. There's search, affinity grouping of channels, logo listings, "favorites," customized channel lists, "carousels," recommendation engines and I am sure lots more. I have no idea

which will work best. The creativity of the designers and marketers is being put to an enormous test.

This all relates to navigation, one of the issues I have long focused on in this column. We have to figure out ways to make it easier for our customers, but at the same time not create a restrictive box that results in them not being exposed to new programs, new channels, more diversity, etc.

It's not easy, and that's clear from the many different efforts to make it so that have failed. Personally, I have my "favorites" built right into my remote control, so I never have to work my way through the "guide." But that doesn't help when there is a particular show I have heard about on a channel I don't normally watch. That's when the alphabetized list works the best for me.

The very fact that this is all so difficult, and there are so many efforts under way to find "a better way," should tell you that the last thing we should want is for anyone to try to "standardize" or place requirements or restrictions on how guides and program placement is accomplished. Yet that's exactly what some folks are trying to do. It's a mistake.

Legal actions to require certain channels to be listed near other "like" channels, or be on specific tiers are an invitation to trouble that the FCC should actively avoid. "First A..." also refers to the First Amendment, and eventually the government is going to be told by the courts that it has to stay out of these editorial, creative and business decisions. If those decisions violate the unfair competition laws, then the courts will rule on that too. But the FCC becoming a pseudo editor definitely violates the "First A."



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