

# CableFAX Daily™

Friday — September 14, 2012

What the Industry Reads First

Volume 23 / No. 178

## Football Huddle: DirecTV Free Sun Ticket Promo Not as Hot as 2011 Offer

DirecTV isn't seeing the same frenzy over its free NFL Sun Ticket offer that it did last fall, and it's OK with that. "Internally, we didn't expect it to be as strong as last year. There was a lot of pent-up demand," DirecTV CFO *Pat Doyle* said during a **Bank of America** investor conference Thurs. This year, less people are eligible as DirecTV strives for less "low-value, high risk" customers, plus qualifying packages are about \$5 more a month. As for those subs who did get in on the promo last year, Doyle said there hasn't been any unusual churn activity. On the plus side, early indications are that the strategy of converting last year's free Sun Ticket subs to paying customers is working. "The jury is still out, but as of today, we're pleased with what we're seeing," Doyle said. Asked if he's worried the NFL is diluting the value of Sun Ticket by making more content available across cable (a la **RedZone**), Doyle said it has been a steady progression that has included the introduction of Thurs night games on **NFL Net** (and now even more Thurs night games on NFL Net). "Certainly, it will be a topic of conversation when our contract comes up for renewal. We've tried to enhance it by doing streaming and getting Sun Ticket to more devices," Doyle said. "The good news is NFL seems to be as popular as ever. The games that we do have, there is a high demand for them. The brand of the NFL is doing very well." Sports, in general, continues to carry big price tags, with Doyle making it clear DirecTV won't be paying for everything. "Our view would be that a lot of the sports content should go into a sports tier or be PPV, but the content owners are resisting that. Ultimately it will be because you really are taxing the non-sports watcher at home," he said. DirecTV made headlines in July for a programming spat, but this one wasn't over sports. The DBS provider lost **Viacom** stations for 9 days in their carriage spat (which did impact churn). "Unfortunately, you'll probably see more of that to the extent the content owners aren't realistic on the ability to absorb cost increases," Doyle said. "We have to get to a place where the content owners do care about the customer." Other highlights: DirecTV doesn't believe it needs a broadband offering, and it's still interested in a merger with **DISH**. But that would depend on the gov't's willingness to approve such a deal. Perhaps Nov's election could have an impact. "We think ultimately that it is a combo that would be good for consumers and should get done."

**Conference Speak:** NBC is NBCU's #1 priority, but there is also room for improvement at the cable nets, according to NBCU CEO *Steve Burke*. "We think cable is terrific. But we don't think we've fully monetized those cable channels,"

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he said at **Bank of America Merrill Lynch's** media conference Thurs. He pointed to **USA's** affil fees, saying they are substantially lower than **TBS** and **TNT**. Similarly, he said advertising CPMs for NBCU nets in some instances are 25-30% below others. Still, cable does pretty well, accounting for about 80% of cash flow with 8 channels making over \$200mln a year. Burke also believes there is more potential for **Telemundo**, which he said makes less than \$50mln a year vs the \$900mln he estimated **Univision** pulls in a year. "To me, that's an opportunity," he said. As for NBC, Burke said it has \$1bln upside if it performs in line with the other Big 3 broadcast nets. -- As telcos continue to lose access lines, some wonder if **AT&T** would sell or upgrade the lines for broadband. The truth is AT&T is still evaluating its options, according to CFO *John Stephens*. The challenge is finding a broadband resolution for non-urban lines, he said at BoA's conference Thurs. Hopefully there's a conclusion by year-end, he said. Though the telco has been losing wireline subs, especially DSL customers, Stephens said its U-Verse Internet offering allows for greater ARPUs, which in term means revenue growth. U-Verse video is holding up well too. "We feel good" about the revenue growth rate in a challenging economic environment, he said. AT&T is also pleased with the progress it's made in the past year to get more spectrum. The company acquired 700 MHz spectrum from **Qualcomm** and hopes to acquire 2.3 GHz WCS spectrum from **NextWave** and other companies. AT&T is confident about its 5-year plan for its spectrum needs, he said. Still, more needs to be done to continue to get more spectrum, he emphasized. The **Verizon/cable** spectrum deal is a good sign that signals a "positive movement toward getting idle spectrum into the hands of people who will actually put them to use," he said. Ditto for the **FCC's** recent move to review its spectrum screen rules.

**ACC Notebook:** **NCTA** chief *Michael Powell* had a few words of advice for cable communicators at the **ACC** Forum Thurs: tell a good story. "You have to be sober about this, whether it's Tolstoy or **CableFAX**—you have to put up a good fight." With news today tending to "wallow in conflict," the challenge is creating a compelling story about cable that's positive, while sounding authentic. "We have to learn how to turn positive things into sizzle," he said. So what's cable doing wrong? "I think the cable industry has been kind of insular," he said. Cable's CEOs are great people, but frankly they're shy. "You never see a cable CEO on the cover of *Time* magazine bragging about anything," he said. "We're not that versed in blowing our own horn." But cable is certainly in the position to do so, he explained, given that it's the leading broadband provider, perhaps the central entertainment space, it "sustains diversity" by creating niche networks for Americans' vast plate of tastes and preferences, and, last but not at all least, its business model supports such variety. "We're at the big boy table now... We're in the big tent. And when you're in the big tent, people try to kick you out." Cable's C-suite needs to be confident about discussing the industry, he said. On what we can learn from *Steve Jobs*, Powell suggested cable can innovate faster than it's currently doing. Take Apple, which upgrades the software for its devices 3-4 times per year and creates a whole new one every year. "If you haven't noticed, the cable box doesn't do that," he said. The point is, it should. If more people looked at the industry's products with Jobs' "relentless perfectionist" mindset, cable would be the better for it. -- And **ACC's** coveted Golden Beacon goes to... (drum roll) **Time Warner Cable's** Connect a Million Minds STEM initiative. At Thurs luncheon in NYC, the group awarded 41 Beacons for excellence in cable communications and public affairs. See the full list of winners at cablecommunicators.org.

**Kaitz:** Yes, it was a nice surprise when *Jennifer Lopez* suddenly emerged from backstage during the **Kaitz** dinner Wed to announce that "I am proud to be part of the cable industry" in recognition of her new deal with **nuvoTV**. But perhaps even more entertaining was **Showtime** CEO *Matt Blank's* comment after she exited. "*Lady Ga Ga* will be appearing at the **CableLabs** board meeting tomorrow." Classic. Meanwhile, **Cox** pres *Pat Esser* accepted the Diversity Champion award for his company's diversity efforts. "Our industry is swimming in a sea of change," he said. "Diversity and inclusion must be a part of our business strategy." This year's Kaitz dinner raised \$1.6mln for cable's diversity programs. The Diversity Advocate award went to **Healthy MEdia: Commission for Positive Images of Women and Girls**.

**Programming:** Under a multi-year agreement, **Fox Sports** will televise **TCU's** athletics events and related programming on **Fox Sports Southwest** and its other regional and national nets. The deal includes 1 Horned Frog football game, all available men's basketball games and mutually agreed on Olympic sports like women's basketball, baseball, soccer and volleyball contests. -- **Time Warner Cable SportsNet** announced James Worthy, Chris McGee, Dave Miller and Mike Trydekk are joining the upcoming L.A. RSN's on-air team. -- The phrase "My Life is a **Lifetime** Movie" is no longer just a joke. It's also the title of a hybrid unscripted series for the net. Set to debut Oct 17 at 10pm, the show

# BUSINESS & FINANCE

will weave together highly cinematic recreations and 1st person interviews with women in peril who recount their jaw-dropping experiences (such as a teacher rocked by shocking accusations of sexual misconduct and a woman who was unknowingly dating a Cuban spy). -- **TLC** booked a 2nd season of wedding series "Randy to the Rescue" with 10 hour-long eps slated to premiere May, '13. -- **Showtime** renewed its comedy series "Episodes" for a 3rd season.

**People:** Nancy Dubuc was appointed to the newly established role of president and media for **A+E Nets**. She will now oversee all content creation, brand development and marketing for the entire A+E Networks' portfolio including **A&E**, **Lifetime** and **History** and their affiliated brands. In addition, Dubuc will oversee A+E Nets' intl and digital divisions. A+E pres *Bob DeBitetto* and evps *Dan Suratt* and *Steve Ronson* will now report to Dubuc, who continues to report to *Abbe Raven*. -- Longtime **Showtime** CFO *Jerry Scro* will retire in Jan. *Christina Spade* was promoted to evp, CFO. Scro has been at Showtime for more than 23 years, 16 as CFO. -- *Ed Hardy* plans to retire as pres of **GAC** at the end of the year. He's served in the post since **Scrapps Nets Interactive** acquired Great American Country in '04. Veteran programmer *Sarah Trahern* will succeed Hardy and lead GAC as svp and gm.-- **CBS Sports** named *Bess Barnes* vp, college sports programming.

## CableFAX Daily Stockwatch

Company	09/13 Close	1-Day Ch	Company	09/13 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>			<b>CONCURRENT:</b> ..... 4.44 ..... (0.01)		
DIRECTV:	54.19	0.93	CONVERGYS:	16.14	0.06
DISH:	33.15	0.45	CSG SYSTEMS:	22.31	0.46
DISNEY:	52.60	0.90	ECHOSTAR:	29.63	(0.25)
GE:	22.02	0.13	GOOGLE:	706.04	15.16
NEWS CORP:	24.73	0.25	HARMONIC:	4.92	0.10
<b>MSOS</b>			INTEL:	23.36	0.17
CABLEVISION:	16.61	0.28	JDSU:	12.91	0.22
CHARTER:	81.63	1.43	LEVEL 3:	24.40	1.10
COMCAST:	35.25	0.66	MICROSOFT:	30.93	0.15
COMCAST SPCL:	34.41	0.61	RENTRAK:	17.76	0.24
GCI:	9.26	(0.06)	SEACHANGE:	8.05	(0.07)
LIBERTY GLOBAL:	57.78	0.66	SONY:	12.50	0.46
LIBERTY INT:	18.75	0.10	SPRINT NEXTEL:	5.20	0.10
SHAW COMM:	20.73	0.20	TIVO:	9.81	0.12
TIME WARNER CABLE:	92.96	1.18	UNIVERSAL ELEC:	17.22	0.82
VIRGIN MEDIA:	30.00	0.34	VONAGE:	2.40	0.02
WASH POST:	354.10	3.42	YAHOO:	15.60	0.20
<b>PROGRAMMING</b>			<b>TELCOS</b>		
AMC NETWORKS:	41.10	(0.41)	AT&T:	38.15	0.43
CBS:	36.95	0.79	VERIZON:	45.58	0.69
CROWN:	1.71	0.05	<b>MARKET INDICES</b>		
DISCOVERY:	58.15	1.50	DOW:	13539.86	206.51
GRUPO TELEVISA:	24.69	1.01	NASDAQ:	3155.83	41.52
HSN:	47.22	0.17	S&P 500:	1459.99	23.43
INTERACTIVE CORP:	52.13	0.69			
LIONSGATE:	15.58	0.43			
LODGENET:	0.44	-0.00			
NEW FRONTIER:	1.40	0.01			
OUTDOOR:	7.25	0.26			
SCRIPPS INT:	61.56	0.04			
TIME WARNER:	44.33	1.26			
VALUEVISION:	1.89	UNCH			
VIACOM:	53.27	1.18			
WWE:	8.84	0.18			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.21	(0.02)			
ALCATEL LUCENT:	1.22	0.02			
AMDOCS:	33.21	0.04			
AMPHENOL:	62.43	1.16			
AOL:	33.82	(0.32)			
APPLE:	682.98	13.19			
ARRIS GROUP:	13.92	(0.01)			
AVID TECH:	9.68	0.06			
BLINDER TONGUE:	1.10	UNCH			
BROADCOM:	36.17	0.09			
CISCO:	19.36	0.28			
CLEARWIRE:	1.61	(0.02)			

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# PROGRAMMER'S PAGE

## Sports Gets Social...

Sports execs at the **NAMIC** conference this week insisted social media surrounding live sports does in fact drive ratings. Speaking of the massive social media participation during the Olympic Games, **NBC Sports Ventures** svp *Rob Simmelkjaer* said the programmer strove to harness the social energy and “assemble that audience during primetime.” But the challenges were numerous. For one, in Beijing the schedule was more convenient. We can all recall **NBC's** snafus in London with tape delays, like the spoiler promo that revealed *Missy Franklin's* gold-medal win prior to the race airing in prime. But Simmelkjaer said ratings in London were up 12% compared to Beijing and that the results far surpassed expectations. A core driver was social media. According to the net's research dept, those who engaged in social media about the Games were 60% more likely to watch primetime coverage. “There's no question that it drove people to watch,” he said. *Mark Tatum*, evp, global marketing partnerships for the **NBA**, said the league has seen similar results. This year the NBA has seen record high ratings. He believes that the 320mln likes and followers, facilitated by hundreds of players with **Twitter** handles and **Facebook** pages, are a clear driver of increased viewership. In this “digital water cooler” age, fans are talking about games in real time now across social networks—with or without your supervision. “If those efforts weren't done professionally, they would have been done anyway,” said *Steve Pamon*, head of sports & ent marketing at **JP Morgan Chase**. Going forward, there will be more on-the-go apps like **WatchESPN**, predicted **ESPN Deportes** gm *Lino Garcia* because, frankly, “sports are mobile.” But from a sponsor's perspective, said Pamon, the next gen of mobile sports apps need to do better by being more interactive and focused on storytelling, as NBC Sports apps for the Olympics have done. It's “less about content being available,” he said. “It's really more about the context being presented.” *KH*

**Reviews:** “White Collar,” Tues, 9p, **USA**. This is the mid-season finale for FBI agent Burke (*Tim DeKay*) and partner/former con artist Caffrey (*Matt Bomer*). As a result, we're obligated to say little. We'll say it's a well-written piece with relationships underlying the cops and robbers stuff. And guest *Treat Williams*, 60, remains among the screen's more intriguing presences. -- “Sons of Anarchy,” Tues, 10p, **FX**. Just as “White Collar” explores relationships, remove the biker trappings and “SoA” also leans heavily on human relations. This 2nd ep of Season 5 shows that despite leather, violence, crude language and racism, for these bikers love, or at least companionship, often is the answer. -- “Tamar & Vince,” premiere, Thurs, 10p, **Wetv**. Speaking of love and relationships, **Wetv's** new series proves reality TV demands outsized personalities. Not a problem here. *Toni Braxton's* younger sib has ‘tude to spare. Pity her quiet, music exec husband *Vince*. Really pity him if *Tamar* is like this when the cameras are off. -- “Eating Giants: Hippo,” special, Sun, 10p, **Animal Planet**. Hidden cameras in Zambia record 7 days of animals chowing down on a 2mln-calorie meal—a 1-ton hippo is the main course. Although strong stomachs are required, it's a fantastically interesting program. Especially useful is commentary from the animal specialists who excitedly describe the feast.

Basic Cable Rankings			
(9/03/12-9/09/12)			
Mon-Sun Prime			
1	USA	2.1	2098
2	DSNY	1.6	1604
2	MSNB	1.6	1484
4	HIST	1.5	1522
4	FOXN	1.5	1507
4	TNT	1.5	1463
7	CNN	1.4	1407
7	ESPN	1.4	1383
7	TBSC	1.4	1377
10	HGTV	1.2	1139
11	MTV	1.1	1105
11	ESP2	1.1	1050
11	DSE	1.1	88
14	LIFE	1.0	1024
14	TLC	1.0	970
14	A&E	1.0	966
17	ADSM	0.9	895
17	SYFY	0.9	891
17	FOOD	0.9	870
17	DISC	0.9	850
17	TRU	0.9	800
17	AMC	0.9	798
23	FX	0.8	743
23	FAM	0.8	743
23	ID	0.8	599
23	NKJR	0.8	579
27	NAN	0.7	686
27	VH1	0.7	680
27	TVLD	0.7	677
27	CMDY	0.7	675
27	HALL	0.7	615
27	BRAV	0.7	614
27	LMN	0.7	548
34	SPK	0.5	511
34	EN	0.5	508
34	APL	0.5	507
34	BET	0.5	463
34	NGC	0.5	429
34	GSN	0.5	340
40	DXD	0.4	280
40	WE	0.4	239
42	TRAV	0.3	313
42	HLN	0.3	285
42	OXYG	0.3	275
42	OWN	0.3	271
42	CMT	0.3	237

\*Nielsen data supplied by ABC/Disney

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