

CableFAX Daily™

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What the Industry Reads First

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Deal Talk: Outside Gets In at Cox

No one ever said being an independent, start-up network was easy, but deals do get done. Case in point: **Outside TV** recently struck a distribution pact with **Cox** that will make it available on the MSO's new Sports Pak 2 tier. In Aug, the MSO began introducing the tier, which includes **NFL RedZone**, **World Fishing Net** and **Universal Sports**, for about \$10 extra each month. It's gradually rolling out across Cox's footprint. Not every net is willing to go the sports tier route, but Outside has stepped up to the plate, signing a deal for **Comcast's** sports tier and an **NCTC** deal that allows for tiering (though some ops have given it broader coverage). "We see ourselves as part of the solution to what is a problem for a lot of the MVPDs, which is a real attack on their margins. Our belief is that in creating some of these new packages where there is sufficient audience to support it is that those levels of service will grow over time," said **Dennis Gillespie**, Outside's svp, distribution. Outside, based on the Outside magazine brand, offers adventure lifestyle programming. While aimed at outdoor sports like snowboarding, skiing, surfing and mountain biking, it focuses more on the athletes and unlike fellow sports tier network Universal Sports, it doesn't feature competitive events. The combination of Cox carriage along with Comcast and the NCTC means that Outside will soon be available in 9 of the 10 largest US cities; 17 of the top 20; 24 of the top 30; and 35 of Nielsen's 50 largest markets overall. Outside has inked deals with **Google Fiber** and **CenturyLink** as well. Gillespie said Outside has also held "conversations" with **Intel Media**, which plans a virtual MSO streaming service. When dealing with traditional operators, Gillespie said success depends on offering "a high quality product that's differentiated from everything else on the dial, and it also has an audience."

DISH-Disney: No sign of a deal between **DISH** and **Disney** at our deadline, but no public blackout threats either. In fact, DISH tweeted to a customer that it's "optimistic that we will get deals done that allow you to continue to enjoy your shows." With the contract set to expire at 12:01am Tues (10/1), we're betting on an extension as the 2 sides continue to talk.

Retrans: **DISH** also faces a midnight deadline with **Media General** Mon. If a new retrans pact isn't forged by midnight, it could lose broadcast stations in 17 markets, including Birmingham, AL; Jackson, MS; and Tampa-St Petersburg, FL. The deal originally expired June 30, but a 3-month extension was granted. DISH has offered a short-term extension of the

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Access Intelligence, LLC, 4 Choke Cherry Road, 2nd Floor, Rockville, MD 20850

existing deal until Media General is acquired by **Young Broadcasting**, which it has a long-term agreement in place with, but the broadcaster has not agreed to it. The Young-Media General deal is expected to close in late 3Q or early 4Q.

Shutdown: A government shutdown was looking increasingly likely at our deadline Mon. A shutdown, of course, would put the kibosh on hearings, including Tues' House Communications subcmte hearing on the 5GHz spectrum band.

Comcast svp, biz dev *Tom Nagel* is on the witness list, and according to his testimony would urge regulators and legislators to allocate additional spectrum in the 5 GHz band for unlicensed use and remove regulatory obstacles that hamper use of already-allocated unlicensed spectrum. A potential shutdown could also shutter the **FCC's** cybersecurity forum. Under a shutdown plan, suspended activities at the FCC include consumer complaint and inquiry communications, consumer protection and local competition enforcement, licensing services, and equipment authorizations, among others. Acting chairwoman *Mignon Clyburn* and the 2 commissioners, as well as 38 other employees will be retained, if the plan's activated. The remaining 1716 employees will be furloughed and sent home.

Kroenke Moves: After 2 years as pres/gm of **Comcast SportsNet Houston**, *Matt Hutchings* will return to **Kroenke Sports & Ent** in the newly created post of evp, COO (see Chapter 11 below for more on CSN Houston). In his new role, Hutchings will oversee KSE TV operations, including **Altitude**, **Outdoor Channel** and KSE's interest in **World Fishing Network**, KSE venue operations, Soccer and Lacrosse operations and merchandise operations. In addition, *Stephen Stieneker* was upped to evp, gen counsel at Kroenke.

Outage: **DirectTV** suffered an approx 50-min outage Sunday, smack in the middle of **NFL** game time around 5pm ET. Local channels went down in a several markets, with the satellite provider blaming a network router at its broadcast center.

Marketing: **Interbrand's** annual report on the Best Global Brands lists some familiar names. **Discovery** made its 1st appearance on the list, ranking at #70. Other media companies on the list are **Disney** (#14, down 1 spot vs '12) and **MTV** (#78, down from #67). **Apple** stole the #1 spot from **Coca-Cola**, which fell to #3. **Google** rose to #2 from #4 in '12.

Launch Pad: **AlternaTV** will introduce a Hispanic-focused wellness channel, **INTI Network**, to US MVPDs in Oct. Named after the Peruvian Inca's word for sun, the net will feature original programming on holistic lifestyles, yoga, self-development, spiritual awakening, the arts and Latino culture specifically targeted to 25- to 54-year-old Latinos. Among the U.S. carriage partners working with AlternaTV are **AT&T U-Verse**, **Cablevision**, **Charter**, **Comcast**, **DirectTV**, **DISH**, **Grande**, **RCN**, **San Bruno Municipal Cable TV**, **Time Warner Cable** and **Wave Broadband**.

Chapter 11: Houston has a problem. Affiliates of **Comcast/NBCU** filed an involuntary Chapter 11 bankruptcy petition against the RSN owned by the **Astros**, **Rockets** and Comcast/NBCU. The net has struggled, with no major MVPDs carrying the net besides Comcast. The Houston Astros, which has the largest stake in the venture, said Comcast improperly filed the petition in an attempt to prevent the team from terminating the media rights agreement between the Astros and the RSN. The RSN "failed to pay the Astros media rights fees in July, August and September, and we have invested additional money in order to keep the network viable through our season," the Astros said in a statement. "Despite not receiving our media rights fees, our objective has not changed. We will continue to work toward obtaining full carriage so that all of our fans are able to watch the Astros games while making sure that the Astros are able to compete for championships."

Ratings: The finale of **AMC's** "Breaking Bad" on Sun night scored a series-record 10.3mln viewers, up 300% over last year's finale. The delivery includes 6.7mln 18-49. An expanded aftershow "Talking Bad" drew 4.4mln viewers, including 2.9mln 18-49. -- Sun night marked the return of **Showtime's** "Homeland," which scored its highest-rated premiere with 1.9mln viewers at 9pm and 2.61mln viewers for the night. The delivery topped its season 2 debut by 9% and 26% respectively. -- **Showtime's** new drama series "Master of Sex" debuted the same night to 1mln viewers at 10pm and 1.4mln viewers for the night, tying the "Homeland" Season 1 premiere. More than 1mln and counting have sampled the series premiere, which was offered 2 weeks prior to its premiere across multiple platforms.

Programming: **Smithsonian Channel** will mark the 50th anniversary of *JFK's* assassination with *Kevin Spacey*-narrated doc "The Day Kennedy Died" (Nov 17, 9pm). -- **CNN** greenlit a 3rd season of "*Anthony Bourdain Parts Unknown*." -- **IFC** ordered original series "Garfunkel & Oates." Featuring female comedy-folk duo *Riki Lindhome* and *Kate Micucci*, the series will debut next year. It also booked a pilot, "American Storage." In addition, the net inked

BUSINESS & FINANCE

a first-look deal with podcast network **Earwolf** and is developing a comedy project with writer/producer *Rolin Jones*. -- **Spike TV** inked new seasons of "Ink Master" and "Tattoo Nightmares." The 13 1-hour eps of "Ink Master" and 26 eps of "Tattoo Nightmares" both debut next year. -- **Hallmark Channel's** "Debbie Macomber's Cedar Cove" was renewed for a 2nd season.

Deals: Nielsen completed its \$1.3bln acquisition of **Arbitron**, which is being rebranded Nielsen Audio and will be integrated into Nielsen's US Watch unit.

Intl: **Nat Geo Channels International** announced the launch of **Nat Geo People**, which will replace intl net **Nat Geo Adventure**. People, which features stories of notable individuals and subcultures, is set to launch in 50 countries early next year.

People: **DirectTV** hired *Adam Braff* as svp, business analytics. The former head of customer data & analytics as **JP Morgan Chase** will oversee in-depth analysis of US sub dynamics. -- **CNN Worldwide** named *Geraldine Moriba* vp of diversity and inclusion, reporting to pres *Jeff Zucker*. She will chair CNN's diversity council and advise the net's management team on diversity issues. -- **Comcast** named *David Tashjian* vp of sales and marketing for the Mile High region, responsible for growing the MSO's residential consumer products.

CableFAX Daily Stockwatch

Company	09/30 Close	1-Day Ch	Company	09/30 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
21ST CENTURY FOX:	33.51	0.25	ECHOSTAR:	43.94	0.54
DIRECTV:	59.78	(0.18)	GOOGLE:	875.91	(0.48)
DISH:	45.01	0.55	HARMONIC:	7.68	(0.1)
DISNEY:	64.49	(0.7)	INTEL:	22.92	(0.06)
GE:	23.89	(0.16)	JDSU:	14.71	0.05
MSOS					
CABLEVISION:	16.84	0.01	LEVEL 3:	26.69	0.37
CHARTER:	134.76	1.19	MICROSOFT:	33.28	0.01
COMCAST:	45.12	0.38	NIELSEN:	36.45	0.13
COMCAST SPCL:	43.35	0.32	RENTRAK:	32.62	0.17
GCI:	9.52	(0.04)	SEACHANGE:	11.47	(0.12)
LIBERTY GLOBAL:	79.35	(0.5)	SONY:	21.52	0.23
LIBERTY INT:	23.47	(0.28)	SPRINT NEXTEL:	6.22	0.06
SHAW COMM:	23.24	(0.04)	TIVO:	12.44	(0.01)
TIME WARNER CABLE:	111.60	(0.57)	UNIVERSAL ELEC:	36.03	(0.38)
WASH POST:	611.35	0.36	VONAGE:	3.14	(0.01)
PROGRAMMING					
AMC NETWORKS:	68.50	1.62	YAHOO:	33.17	(0.38)
CBS:	55.16	(0.34)	TELCOS		
CROWN:	3.08	(0.07)	AT&T:	33.82	(0.16)
DISCOVERY:	84.42	(0.42)	VERIZON:	46.67	(0.33)
GRUPO TELEVISIA:	27.95	(0.03)	MARKET INDICES		
HSN:	53.62	(0.82)	DOW:	15129.67	(128.57)
INTERACTIVE CORP:	54.67	0.15	NASDAQ:	3771.48	(10.12)
LIONSGATE:	35.05	(0.79)	S&P 500:	1681.55	(10.2)
MADISON SQUARE GARDEN:	58.07	(0.49)			
SCRIPPS INT:	78.11	UNCH			
STARZ:	28.13	0.11			
TIME WARNER:	65.81	(0.39)			
VALUEVISION:	4.36	(0.14)			
VIACOM:	83.81	(0.84)			
WWE:	10.17	0.10			
TECHNOLOGY					
ADVANTAGE:	2.45	(0.01)			
ALCATEL LUCENT:	3.53	(0.12)			
AMDOCS:	36.64	(0.43)			
AMPHENOL:	77.38	(0.16)			
AOL:	34.58	0.19			
APPLE:	476.75	(6)			
ARRIS GROUP:	17.05	0.04			
AVID TECH:	6.00	0.16			
BLNDER TONGUE:	0.94	0.04			
BROADCOM:	26.02	0.18			
CISCO:	23.43	0.10			
CONCURRENT:	7.22	0.14			
CONVERGYS:	18.75	(0.12)			
CSG SYSTEMS:	25.05	0.13			

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CableFAX TECH

Aereo CEO Speaks...

Aereo continues to shake up the media biz as its sub levels have jumped tenfold in the last few months. And at the **Goldman Sachs** Communocatia conference last week, CEO *Chet Kanojia* noted that service is particularly popular among people aged 25-45, half of whom interestingly are pay-TV subs. Of course, the past 18 months has been anything but a smooth ride for Aereo, which was sued by a consortium of broadcasters over copyright infringement last year. And although Aereo has won most legal rounds so far, broadcasters cheered when a CA district court slapped an injunction on Aereo-like **FilmOnX**. Kanojia said Aereo hasn't examined FilmOnX's system, but he reiterated the company's argument that it merely leases equipment to consumers as many companies do. He compared the Aereo legal battle to the earlier court decision concerning **Cablevision's** remote DVR. "If you stop Aereo, you would be stopping entire industries," he said. Business-wise, Aereo is expanding, adding 4 more cities to its rollout plan this year: Columbus, OH; Cincinnati; Indianapolis; and San Antonio. The goal is to reach a total of 105m people by the end of the year. The company has delayed its launch in Chicago after it "encountered issues with our beta site," Aereo said in a blog post Fri. The company is working on a solution.

Video Discovery: Personalized video discovery service provider **Digitalsmiths** is expanding its footprint by opening the Digitalsmiths Global Discovery Center in Denver. The new facility aims to enable video service providers to preview, simulate and test deployments of the Digitalsmiths Seamless Discovery platform across multi-screen environments.

Smart Homes: More than 70% of telecom and cable operators in the US will offer home automation services by the end of the year, said research firm **Infonetics**. Some providers, such as Verizon,

have started experimenting with using smart home services to reach homes outside their territories. "One of the more interesting trends we're seeing in the home automation market is the concept of a provider offering services to end customers over another operator's broadband connection," Infonetics principal analyst *Jeff Heynen* said in a statement. In terms of equipment vendors, **iControl**, which counts cable MSOs like **Comcast**, **Time Warner Cable**, and **Cox** as customers, is the top hardware and software provider, followed by **4Home**, **Cisco**, **Control4** and **Huawei**, according to Infonetics.

B2B: Comcast's latest business customer is **McMenamins**, a family-owned business which operates pubs, breweries, music venues, hotels and theaters in Oregon and Washington. McMenamins is currently using Comcast's Ethernet services at 6 locations in both states including a 50 Mbps Ethernet connection at their headquarters in Portland as well as 10 Mbps Ethernet connections at Hotel Oregon, White Eagle Saloon, Grand Lodge, Mission Theater and Pub, and the Olympic Club Hotel in Centralia, Washington. McMenamins also uses Comcast's TV services at 51 of their 57 locations, as well as PRI Trunks at their larger hotel properties.

Finance: Entropic, the semiconductor vendor for smart home service providers, announced a share repurchase program under which up to \$30 million worth of the company's common stock may be repurchased. Purchases under the program may be made until Sept 30, '14, through open market or privately negotiated transactions, block trades or otherwise.

Editor's Note: Don't forget about the **CableFAX Tech Awards**, with an entry deadline of Nov 1 and categories ranging from TVE tech to cloud solutions to home networking/automation to tech marketing/PR. More info at: <http://www.cablefax.com/cfp/events/cablefax-techawards/>



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