

CableFAX Daily™

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What the Industry Reads First

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Art of the Deal: How Some of the Industry's Chief Negotiators Tackle the Job

Are deals between programmers and distributors more contentious today than in the past? According to *Patty McCaskill*, svp and chief programming officer at **Suddenlink**, it's not the case with every deal, but generally it's "more contentious than it's been in my career, quite frankly." And she's been in the industry for more than 30 years. "There's a lot at stake and I'd say there's very little room for error," *Tonia O'Connor*, **Univision** pres, distribution sales & marketing, said during a panel at the **WICT Leadership Conference** Mon. *Andrew Rosenberg*, **Time Warner Cable's** svp of content and acquisition, concurred, saying that with so much consumer choice out there, "the stakes are higher than they have been." However, he added that the coverage of these deals, i.e. consumer awareness via the media, has increased. So what's at stake? O'Connor said that while both sides are aligned in terms of wanting new technologies and the rights entailed to be a reality, it's hard to predict 5 to 7 years down the road—and that's necessary with multi-year deals. "Sometimes it's not always aligned on what that world looks like," she said. Also critical is knowing what's at stake for the person across the table, said *Michelle Rice*, evp, affiliate sales and marketing at **TV One**. McCaskill goes into a negotiation, which she likened to a game of "multidimensional chess," armed with lots of research—about the programming, viewership, ratings and what's changed since the last round. She tries to "really look at it holistically," even assigning "a value on what that renewal might look like," she said. O'Connor noted that "having integrity on rates you're offering is incredibly important." But one thing she hates about the business is the fact that the negotiation often doesn't take shape until the expiration of the contract nears. In light of that, Univision has tried to pursue renewals early. Rosenberg agreed: "We try to get in front of the deals," he said, though he admitted that managing deal volume from an operator's perspective is a different challenge. In the end, the key is the relationship between the two parties. "The deal is not over when you sign it," said Rosenberg. "It's an ongoing relationship." And while the deal itself is "the blueprint," the partnership continues and "there is constant tinkering." Indeed, when you near the end of a negotiation, the prospect of a long-term relationship kicks in, said *Jane Rice*, svp, distribution for **AETN**. It's important "to really ask questions" and put yourself in the other party's shoes, she said. All panelists agreed that while maintaining the relationship is key, it's important to take the personal aspect out of the negotiation. In fact, in O'Connor's experience, the boardroom tantrums she's witnessed have had "zero effect, even negative



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In the Courts: Mon was a good day for cable and telco ISPs as the Supreme Court denied an appeal by several power companies challenging an **FCC** pole-attachment order aimed at cutting pole-attachment costs. The FCC’s ‘11 order also sought to streamline the pole attachment process for service providers. “Today’s decision essentially cements the order into law, absent further regulatory changes,” allowing service providers to save costs on pole attachments in the long run, **Stifel Nicolaus** analysts wrote.

Deals: **Time Warner Cable** Business agreed to acquire regional fiber company **DukeNet Comm**, equally owned by **Duke Energy** and **Alinda Capital Partners**, for \$600mln in cash, including the repayment of debt. About 80% of DukeNet’s footprint overlaps with TWC, a spokesman said. With a fiber network of more than 8,700 miles, DukeNet serves wireless carrier, govt and other enterprise customers in NC, SC and 5 other states in the Southeast. The deal, expected to close in 1Q, reflects TWC CFO **Artie Minson’s** recent comments that “disciplined M&A” could play a role in growing the company’s business service segment, noted **Wells Fargo** analysts. They called the deal “a nice tuck-in acquisition” to improve 1 of TWC’s fastest growing segments. In light of intense competition in TWC’s core residential arena, expanding the enterprise market for long-term growth has been an important approach, **S&P** analysts said. **RBC Capital Markets** advised Duke Energy and Alinda on the sale.

Carriage: **Universal Sports Net** scored a multi-year carriage deal with **Verizon FiOS**, making its exclusive Olympics, endurance and adventure sports programming available through the Sports Pass package (\$9.99 a month for basic TV subs and free for FiOS Ultimate subs). The deal also includes out-of-home digital rights across platforms.

TVE: Live TV and out-of-home access are increasingly becoming part of the TVE mix: Following **Verizon FiOS’** launch of out-of-home access to live programming, **AT&T U-Verse** added more than 100 live channels to its TVE lineup across platforms. The addition features more than 20 channels available for out-of-home viewing including sports nets like **NFL Net** and **Pac 12** nets. Available for U-Verse TV subs, AT&T will be adding more live channels and expand them to more devices. -- **Time Warner Cable** scored out-of-home live programming rights deal with **Scripps Networks**, adding the net’s live channels to its lineup of content available on TWC TV outside the home. TWC video subs now have free access to live programming from **Travel Channel**, **Food Network**, **HGTV**, **DIY** and the **Cooking Channel**.

Image Awards: **TV One** snagged the rights for the **NAACP** Image Awards, with the annual gala moving to cable from broadcast. The net’s 5-year deal kicks off in Feb with the 45th NAACP Image Awards. “It puts us in the awards show business in a big way with instant credibility,” TV One chmn/CEO and **Radio One** pres **Alfred Liggins** told us Mon. More at CableFAX.com.

WICT Touchstones: At **WICT’s** Touchstones Luncheon, **Sanya Richards-Ross**, Olympic Gold Medalist and star of **WE tv’s** “Sanya’s Glam & Gold,” provided 3 life lessons: know yourself and what you stand for, build a strong support system around you of family and friends, and be fearless. “Self doubt and fear are ever-present,” she said, but despite that “mental chatter” you must push past it in order to achieve greatness. Woman to Watch **Bernie Han**, Time Warner Cable vp, news & local programming, was humbled by the honor, saying, “I much prefer telling other people what to say than to say it myself.” Her one piece of advice? “Be a mentor... Take the time to identify a future super-

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star,” and you’ll come out feeling just as rewarded as those to whom you provided guidance. **Discovery Comm’s David Zaslav** introduced *Woman to Watch Marjorie Kaplan*, group pres, **Animal Planet, Science Channel & Velocity**, as someone who improves “everything she touches.” She commended WICT for its dedication to “sisterhood,” and its commitment by those who “choose to have an obligation to each other.” And as this year’s Woman of the Year, **AETN chmn Abbe Raven** championed mentoring, which she continues to engage in today. “Mentoring the next generation is the responsibility of every leader today,” she said.

Connect2Compete: Cox upped the speeds for its Connect2Compete low-income broadband adoption program to up to 5 Mbps at the same \$9.95 monthly rate. The new speeds are up to 5 times faster for both new and existing Cox subs participating in the initiative designed to close the broadband adoption gap.

In the States: **Journal Broadcast Group** agreed to sell 2 Palm Springs, CA, TV stations to **OTA Broadcasting**. The deal comes a few weeks after it ended its retrans dispute with **Time Warner Cable** with a new long-term agreement. The systems, **KMIR-TV**, an **NBC** affil, and **My 13 KPSE TV**, a **MyNetwork** affil, were among the stations impacted by the spat.

CableFAX Daily Stockwatch

Company	10/07 Close	1-Day Ch	Company	10/07 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
21ST CENTURY FOX:	33.09	(0.56)	ECHOSTAR:	46.70	(1.05)
DIRECTV:	58.83	(0.53)	GOOGLE:	865.74	(6.61)
DISH:	48.70	0.23	HARMONIC:	7.65	(0.1)
DISNEY:	64.59	(0.71)	INTEL:	22.83	0.02
GE:	23.94	(0.11)	JDSU:	15.03	(0.05)
MSOS					
CABLEVISION:	16.64	(0.3)	LEVEL 3:	27.73	(0.37)
CHARTER:	132.49	(0.15)	MICROSOFT:	33.30	(0.58)
COMCAST:	45.10	(0.54)	NIELSEN:	36.21	(0.19)
COMCAST SPCL:	43.76	(0.17)	RENTRAK:	34.31	(0.44)
GCI:	8.99	(0.01)	SEACHANGE:	12.47	(0.45)
LIBERTY GLOBAL:	77.79	(0.35)	SONY:	20.27	(0.6)
LIBERTY INT:	24.23	(0.2)	SPRINT NEXTEL:	6.38	(0.06)
SHAW COMM:	23.96	(0.1)	TIVO:	12.47	(0.27)
TIME WARNER CABLE:	111.02	(1.77)	UNIVERSAL ELEC:	35.16	(0.68)
WASH POST:	610.35	(5.17)	VONAGE:	3.15	(0.06)
PROGRAMMING					
AMC NETWORKS:	66.76	(1.48)	YAHOO:	34.14	(0.75)
CBS:	55.32	(1.06)	TELCOS		
CROWN:	3.12	(0.04)	AT&T:	34.00	0.25
DISCOVERY:	79.77	(1.5)	VERIZON:	47.29	0.19
GRUPO TELEVISIA:	28.09	(0.39)	MARKET INDICES		
HSN:	51.38	(0.97)	DOW:	14936.24	(136.34)
INTERACTIVE CORP:	55.07	(0.19)	NASDAQ:	3770.38	(37.38)
LIONSGATE:	35.65	(0.68)	S&P 500:	1676.12	(14.38)
MADISON SQUARE GARDEN:	57.58	(1.34)			
SCRIPPS INT:	76.33	(1.34)			
STARZ:	28.28	(0.32)			
TIME WARNER:	65.70	(0.76)			
VALUEVISION:	4.61	(0.04)			
VIACOM:	82.58	(0.81)			
WWE:	10.89	(0.02)			
TECHNOLOGY					
ADVANTAGE:	2.51	0.03			
ALCATEL LUCENT:	3.85	0.01			
AMDOCS:	36.55	(0.63)			
AMPHENOL:	75.81	(0.68)			
AOL:	33.98	(0.64)			
APPLE:	487.75	4.72			
ARRIS GROUP:	17.03	(0.13)			
AVID TECH:	6.35	UNCH			
BLNDER TONGUE:	1.12	0.13			
BROADCOM:	26.50	(0.14)			
CISCO:	22.89	(0.13)			
CONCURRENT:	7.02	0.24			
CONVERGYS:	18.54	(0.13)			
CSG SYSTEMS:	24.36	(0.29)			



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GUEST COLUMNIST

Benchmarking the Present for a More Inclusive Future

By Maria Brennan and Alicin Williamson

Why measure diversity? What does it tell us? Encouraging at times, sometimes not, many times a mixed bag—metrics are key to providing data essential to advancing diversity. If we don't know where we are, how can we chart a course that takes us forward?

With a shared goal of assessing the current state of gender and ethnic inclusion, Women in Cable Telecommunications (WICT) and the National Association for Multi-ethnicity in Communications (NAMIC) have completed our biennial employment research survey.

Funded through the generous support of the Walter Kaitz Foundation, the 2013 NAMIC and WICT Cable Telecommunications Industry Workforce Diversity Survey included 25 companies, representing 59% of the industry workforce—generating the largest sampling size for the study to date. The research was conducted for us by Mercer, a leading global consultant on human capital issues. Both associations are confident that the benchmarked data contained in the NAMIC AIM and WICT PAR research will greatly assist our industry in its efforts to foster diversity and inclusion. On Tuesday in New York, industry leaders will address the survey findings at a Town Hall Meeting presented jointly by NAMIC and WICT in conjunction with Diversity Week.

Mercer has generated an internal labor market (ILM) map that uses current data to project movement over the next five years of women and people of color within companies and throughout the industry. This is a powerful tool that companies can use to construct a human capital planning variable for forecasting any number of business scenarios. As important, these projections will help inform the ongoing dialogue between NAMIC, WICT and industry leaders about ways in which we can continue to partner to drive systemic, sustainable change.

Celebrating its 10th anniversary, WICT's annual PAR Initiative has evolved into a comprehensive advocacy program



Maria Brennan



Alicin Williamson

that examines the status of women in cable based on three criteria critical to women's success: Pay equity, Advancement opportunities and Resources for work/life support. The value of WICT's PAR Initiative continues to flourish with companies utilizing the collective research and resources to set goals, measure progress and adopt effective policies and programs.

NAMIC's AIM (Advancement Investment Measurement) is the latest iteration of the association's employment survey launched in 1999. Providing rich data central to understanding the state of multi-ethnic diversity in the cable telecommunications industry, the survey is a key resource for sustaining the pipeline of professionals of color. NAMIC's flagship education initiatives, the Executive Leadership Development Program and the Leadership Seminar are key outgrowths of the employment research.

As the nation's demographics shift, the research conducted by WICT and NAMIC plays an essential role in analyzing the impact of diversity on the industry. As business and the marketplace become increasingly global, measurement will remain essential for forecasting trends, fostering inclusion and furthering the abundance of innovation that a workforce rich in diversity yields. Through the contribution from the Kaitz Foundation, a diversity champion celebrating its 30th year, and with the support of the industry at-large, NAMIC and WICT are poised to share this important research. We thank you for joining our effort to achieve increased diversity at all levels of the cable telecommunications industry.

Brennan is President and CEO of WICT. Williamson is Principal for The Raben Group and Interim Executive Leader of NAMIC.

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