

CableFAX Daily™

Monday — October 10, 2011

What the Industry Reads First

Volume 22 / No. 195

Zombie Jamboree: 'Walking Dead' Breathes New Life into Netflix

AMC Networks has entered the **Netflix** streaming business after taking a thoughtful and careful approach, said CEO *Josh Sapan* during **CTAM**'s closing general session Fri. The agreement's key component is its timing: starting Fri with the 1st season of AMC's zombie thriller "The Walking Dead," certain AMC Nets series will be streamed instantly to Netflix members in the US and Canada just prior to the premiere of subsequent seasons. Dead returns Oct 16. While the show is exclusive to NFLX, the service also scored non-exclusive rights within the same window to programs including **IFC**'s "Portlandia," **WE tv**'s "Bridezillas" and **Sundance Channel**'s "Girls Who Like Boys Who Like Boys." A primary concern of the deal, said Sapan, was making sure distributors and clients were on board. "We were and are particularly concerned about the cable ecosystem and its health, and the way in which Internet video is sympathetic or not with that. We were probably more deliberate, more cautious, more removed than others." The decision was in part fueled by the positive numbers that AMC Nets' studio partner **Lionsgate** has enjoyed from selling AMC's "Mad Men" to Netflix. "We studied it," said Sapan, and found that the show's first ep from season 1 was one of the most requested shows on Netflix when "Mad Men" season 4 ratings were hitting all-time highs at the same time. "It led us to conclude that there's a proper window," he said. Prior to inking the deal, AMC Networks sought input from cable ops. For the most part, said Sapan, the distributor community agreed that a "digital syndication window was a sensible approach." **Merrill Lynch**'s *Jessica Reif Cohen* agrees with the approach. While last year the talk was all about the disruptiveness of over the top, "now it's really evolved into another window," Cohen said at the confab after Sapan's interview. "Netflix is a window, and it's so beneficial to the programming business. Instead of disrupting everything it's actually incredibly enhanced the value of libraries, serial dramas. It's been a halo effect for programmers." To wit: AMC Nets' NFLX deal essentially allows the company to benefit from NFLX money and exposure while "vigorously protecting the cable ecosystem," said Sapan. He noted some of the new rev will be used to support prod of fresh shows, important since AMC Nets has been recently caught in programming's catch-22 of having to pay up for successful series such as "Mad Men."

Sprint Wireless Plans: As expected, **Sprint** colored its nationwide wireless network plans at a Fri investor day, plans that are underway and include a transition to LTE, coverage of 176mln POPs by the end of '12 and network completion by the

CableFAX Webinar:

Social Media for Cable:**What Works for Your Bottom Line****October 12, 2011****1:30 – 3:00 pm ET**

Social media continues to drive marketing and audience engagement, and nowhere is that more apparent than within the cable industry where watercooler buzz and word-of-mouth can make or break a product or show. But...what really works when it comes to turning social media activities into the kind of buzz that fuels your profits? Unlock the techniques, principles and best practices that go miles toward helping any organization reach its social media goals. Join us as industry experts from Time Warner Cable, Bravo and Charter share their tips and best practices for social media's pivotal role in cable's future success.

Register Now at: www.cablefax.com/socialmediaoct12/

19461

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax:301.738.8453 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 818.945.5309, mgrebb@accessintel.com ● Assoc Editor: Chad Heiges, 301.354.1828, cheiges@accessintel.com ● Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Contributor: Seth Arenstein ● Publisher: Debbie Vodenos, 301.354.1695, dvodenos@accessintel.com ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Marketing Dir: Kate Schaeffer, 301.354.2303, kschaeffer@accessintel.com ● Prod: Joann Fato, 301.354.1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Subs/Client Services: 301.354.2101, fax 301.309.3847 ● Group Subs: Debbie Vodenos, 301.354.1695, dvodenos@accessintel.com

end of '13 with 250mln POPs. The unexpected came in the form of Sprint's movement away from **Clearwire**, in which it owns a majority stake. Sprint said it will cease selling devices compatible with Clearwire's network in late '12 and is relying on **Lightsquared** to help meet its spectrum needs through '15. If Sprint shares were battered on the news (-19.9%), Clearwire's were victimized by a brutal sell off (-32.2%). CLWR sought to reassure investors Fri to no avail. "As the largest wholesaler of 4G capacity, with unmatched spectrum, Clearwire is uniquely positioned to offer capacity to Sprint, and other carriers, particularly in urban areas where demand is high and their 4G spectrum will be inadequate," said the company. "Sprint remains dependent on Clearwire for 4G and nothing about today's announcement changes that."

A la Carte: We told you last week that despite a *Reuters* article intimating otherwise, there is no grand plan underway to move toward a la carte pricing (*Cfax*, 9/29). Now the industry itself is speaking out. "I think it had a lot very, very wrong. It gave the impression that there was a concerted effort to develop a regulatory based a la carte regime. I know of absolutely no such effort, including having called around intensively to try to verify," **NCTA** pres/CEO *Michael Powell* said Fri in response to a reporter's question. In a **CTAM** panel Fri morning **Time Warner Cable** evp, chief strategy officer *Peter Stern* put the rumor to rest rather bluntly: "The answer is not a la carte. It's a terrible customer experience." What the industry should work toward instead is more risk-taking with smaller and more flexible packages, Stern said. Indeed, Powell, said there is a collective conversation going on now between programmers and operators about ways to create more affordability in general. "The thing to emphasize is that's happening in the market...[ie, not govt mandate]. And today, we're talking about packaging as opposed to the historical purist every single channel sold separately," Powell said. Ultimately, packages will need to be more customized to the consumer—with the help of yield optimization—and diverse, yet still remain simple, Stern said. "That's our challenge for the next 10 years," he said. **Merrill Lynch's Jessica Reif Cohen** seconded the idea of customization to the consumer, in particular as it relates to ads. "Adjustable advertising is just beginning," she said. "In the next 15 years it could be explosive."

USF: Yes, there have been some debates over some of the details to overhauling USF, but there is a general consensus that it's time to get something done. That's why **NCTA** chief *Michael Powell* believes that USF and ICC reform really will be accomplished by the **FCC**. "There is a commonality that we can't sit still any more," Powell said at a briefing with reporters Fri. USF/ICC is slated to be voted on at the Commission's Oct 27 meeting. There is no order yet, and with 3 weeks of vote getting ahead, it's unclear whether cable's concerns (hard cap, right of first refusal, etc) will be met. "The chmn has given many speeches and remarks and in many public meetings we've had with him, these principles [that cable has] seem to be very well understood and appreciated," Powell said. "I don't know the details. I might quibble a lot with the details, but you will see recognition of these points...in a way, that at least gives us comfort at the 50K foot level that there's clear recognition that reform needs to achieve these principle objectives. I'm also heartened that he said in his speech he's not adopting any plan wholesale."

Ratings: **TBS'** series-deciding game between the Yankees and Tigers delivered 9.72mln P2+ and a 6.2 HH rating Thurs night to become the most-watched LDS matchup in cable history. -- **Versus** netted 874K viewers for its Thurs night **NHL** season-opening Flyers-Bruins game, good for the net's most-viewed regular-season game ever. -- **truTV's** "Hardcore Pawn" ended its 4th season by delivering 2.55mln viewers, marking the largest audience ever for a series on the net. -- **Discovery en Espanol** earned in 3Q its highest prime performance ever among Hispanics 18-49 (+6%). -- **FX** original "American Horror Story" reeled in 3.2mln viewers for its Wed night premiere.

People: **Disney** laid much of the ground work for changes at the top, extending through June '16 the contract of *Bob Iger*, who will act as chmn/CEO until Mar '15. A new CEO will be named at that time and Iger will thereafter serve as exec chmn until expiration of his contract.

On the Circuit: CTAM's closing night party was held off site at Hotel Gansevoort's Plunge Rooftop Lounge and sponsored by the French channel **TV5Monde USA**, also celebrating its 10th year. And it did so with quite a bit of panache. Entertainment included a fashion show with exceptionally talented eye candy. Beyond stylish and stunning, the gazelle-like creatures sang opera. The dance floor was well-populated by CTAM folks, Euros and even a guy playing the sax through a wireless mic. Pure awesome. -- Ovation spiced up 1 of **CTAM's** general sessions by bringing in a couple of ridiculously talented dancers from past seasons of "So You Think You Can Dance," which Ovation has been featuring on the net along with special extras. A swanky lunch at Blue Fin after the session included photo ops with the dancers for lucky invitees.

GET APPY

CONGRATS
TO THE 2011 CTAM
iTV IDOL AWARD
WINNER!

iTV
IDOL

THE GROUNDBREAKING APPLICATIONS COMPETITION THAT UNVEILED THE LATEST APPS FROM FIVE FINALISTS AT THE CTAM IN NEW YORK CONFERENCE. ATTENDEES VOTED AND SELECTED THEIR TOP CHOICE FOR BEST INTERACTIVE APP.

SHOWTIME
BRACE YOURSELF

THEIR INNOVATIVE, UPSIDE APP ALLOWS VIEWERS TO LEARN MORE AND EVEN WATCH FULL SAMPLE EPISODES OF HIT SHOWTIME PROGRAMMING.

ACKNOWLEDGEMENTS ARE
ALSO DESERVED FOR THESE
TOP FINALISTS

WE tv/FUSE/MSG/Ensequence

Instrasonics Limited

itaas

The Weather Channel and Nielsen MediaSync

2ND
PLACE

CO-SPONSORED BY

CANOE VENTURES  **CTAM**

WWW.CTAMNYC.COM

CableFAX Week in Review

Company	Ticker	10/07 Close	1-Week % Chg	YTD %Chg
---------	--------	----------------	-----------------	-------------

BROADCASTERS/DBS/MMDS

DIRECTV:	DTV	43.53	2.98%	9.02%
DISH:	DISH	26.18	4.51%	33.16%
DISNEY:	DIS	31.70	5.11%	(15.49%)
GE:	GE	15.50	1.84%	(13.46%)
NEWS CORP:	NWS	16.30	4.49%	(0.73%)

MSOS

CABLEVISION:	CVC	16.37	4.07%	(51.63%)
CHARTER:	CHTR	46.63	(0.45%)	19.75%
COMCAST:	CMCSA	22.06	5.45%	0.41%
COMCAST SPCL:	CMCSK	21.85	5.45%	5.00%
GCI:	GNCMA	7.93	(3.29%)	(37.36%)
KNOLOGY:	KNOL	12.88	(0.77%)	(17.59%)
LIBERTY CAPITAL:	LCAPA	65.22	(4.16%)	4.25%
LIBERTY GLOBAL:	LBTYA	36.09	(0.25%)	2.01%
LIBERTY INT:	LINTA	14.87	(6.95%)	(5.71%)
SHAW COMM:	SJR	20.17	(0.15%)	(5.66%)
TIME WARNER CABLE:	TWC	67.52	7.74%	2.26%
VIRGIN MEDIA:	VMED	24.39	0.16%	(10.46%)
WASH POST:	WPO	330.33	1.03%	(24.84%)

PROGRAMMING

AMC NETWORKS:	AMCX	32.63	2.13%	(18.12%)
CBS:	CBS	21.51	5.54%	12.91%
CROWN:	CRWN	1.32	(7.69%)	(49.62%)
GRUPO TELEvisa:	TV	19.19	4.35%	(25.99%)
HSN:	HSNI	32.36	(2.32%)	5.58%
INTERACTIVE CORP:	IACI	38.64	(2.3%)	34.63%
LIBERTY STARZ:	LSTZA	60.12	(14.19%)	(9.57%)
LIONSGATE:	LGF	6.87	(0.58%)	5.53%
LODGENET:	LNET	1.60	(5.33%)	(62.35%)
NEW FRONTIER:	NOOF	1.07	(2.73%)	(43.39%)
OUTDOOR:	OUTD	6.44	12.59%	(10.18%)
SCRIPPS INT:	SNL	37.92	1.91%	(26.72%)
TIME WARNER:	TWX	30.85	2.94%	(4.1%)
VALUEVISION:	VVTV	2.38	0.85%	(61.05%)
VIACOM:	VIA	48.66	0.62%	6.11%
WWE:	WWE	9.31	4.49%	(34.62%)

TECHNOLOGY

ADVANTAGE:	AEY	2.16	(7.69%)	(31.21%)
ALCATEL LUCENT:	ALU	2.59	(11%)	(12.5%)
AMDOCS:	DOX	27.71	2.18%	0.87%
AMPHENOL:	APH	42.39	3.97%	(19.69%)
AOL:	AOL	12.71	5.92%	(46.39%)
APPLE:	AAPL	369.80	(3.02%)	14.65%
ARRIS GROUP:	ARRS	11.12	7.96%	(0.89%)
AVID TECH:	AVID	8.25	6.59%	(52.75%)
BIGBAND:	BBND	1.23	(3.91%)	(56.07%)
BLNDER TONGUE:	BDR	1.25	1.63%	(40.48%)
BROADCOM:	BRCM	35.27	5.95%	(19.01%)
CISCO:	CSCO	16.66	7.48%	(17.65%)
CLEARWIRE:	CLWR	1.39	(40.34%)	(73.01%)
CONCURRENT:	CCUR	4.55	(18.6%)	(10.08%)
CONVERGYS:	CVG	9.21	(1.81%)	(30.07%)
CSG SYSTEMS:	CSGS	12.67	0.24%	(33.1%)
ECHOSTAR:	SATS	22.93	1.42%	(8.17%)

Company	Ticker	10/07 Close	1-Week % Chg	YTD %Chg
---------	--------	----------------	-----------------	-------------

GOOGLE:	GOOG	515.12	0.02%	(13.28%)
HARMONIC:	HLIT	4.38	2.82%	(48.89%)
INTEL:	INTC	22.29	4.45%	5.99%
JDSU:	JDSU	10.06	(24.08%)	(30.52%)
LEVEL 3:	LVL	1.69	13.42%	72.45%
MICROSOFT:	MSFT	26.25	4.75%	(5.95%)
MOTOROLA MOBILITY:	MMI	37.92	0.37%	30.31%
RENTAK:	RENT	12.26	(2.62%)	(59.35%)
SEACHANGE:	SEAC	7.98	3.10%	(6.67%)
SONY:	SNE	18.25	(3.95%)	(48.89%)
SPRINT NEXTEL:	S	2.41	(20.72%)	(43.03%)
THOMAS & BETTS:	TNB	42.95	7.62%	(11.08%)
TIVO:	TIVO	9.55	2.25%	10.66%
UNIVERSAL ELEC:	UEIC	17.15	4.64%	(39.55%)
VONAGE:	VG	2.59	(0.38%)	15.63%
YAHOO:	YHOO	15.47	17.46%	(6.98%)

TELCOS

AT&T:	T	28.44	2.12%	(3.2%)
VERIZON:	VZ	36.16	(1.74%)	1.06%

MARKET INDICES

DOW:	DJI	11103.12	1.74%	(4.1%)
NASDAQ:	IXIC	2479.35	2.65%	(6.54%)
S&P 500:	GSPC	1155.46	2.12%	(8.12%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. YAHOO:	15.47	17.46%
2. LEVEL 3:	1.69	13.42%
3. OUTDOOR:	6.44	12.59%
4. ARRIS GROUP:	11.12	7.96%
5. TIME WARNER CABLE:	67.52	7.74%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. CLEARWIRE:	1.39	(40.34%)
2. JDSU:	10.06	(24.08%)
3. SPRINT NEXTEL:	2.41	(20.72%)
4. CONCURRENT:	4.55	(18.6%)
5. LIBERTY STARZ:	60.12	(14.19%)

CableFAX IS GOING TO **HOLLYWOOD**

Save the date
October 18, 2011

PROGRAM & Top Ops AWARDS Luncheon

Noon to 2pm | Renaissance Hollywood Hotel & Spa. **Questions:** Saun Sayamongkhun at saun@accessintel.com