

CableFAX Daily™

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What the Industry Reads First

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Doctor's Diagnosis: OTT Pushes Cable to Team Up

Cable's good old days are long over, and it's time to look ahead as the battle of TV service is moving online and the fragmented cable market is putting TV Everywhere services at a disadvantage to over-the-top players, said Liberty Media's John Malone during the company's annual meeting Thurs. His solution is collaboration, whether through joint ventures or consolidation. "I see no reason why a vehicle, whether it's Xfinity or the equivalent... can't be bought and syndicated," he said. He envisions entrepreneurs coming in and starting "something from scratch that the industry at large can get behind, [giving] it the ability to purchase content on a ubiquitous basis." Even the biggest player like **Comcast**, which covers 25% of the country, doesn't have the scale to buy national programming alone, he said. The history of the business is "replete with the industry solving its balkanization and scale problems through joint efforts. I think that can be done again," he said, citing earlier cable joint ventures like **@Home** (backed by **Comcast**, **Cox** and his own **TCI** in the late 90's). Other innovations, such as HFC and MPEG video compression, were also created through collaboration. Syndication could be key to cable's ability to monetize TVE, Malone said, pointing to **Comcast's** VIPER (video IP engineering and research) project, which seeks easier ways to deliver high quality video to a wide range of screens. "Had TV Everywhere become TV Everywhere as we sit, we would be looking at new revenue streams, we would be looking at a way to manage the issue of ad skipping and elimination. The content side and the distribution side still have a huge monetization system to defend. I think at some point they will realize that," he said. MSOs waited for too long to deploy TVE, which created this window of opportunity" for **Netflix**, he said. Ultimately, consolidation is THE answer to OTT competition, as "fewer rational players generally work better together than more," said Malone, who has touted the idea of consolidations among major operators for months. And vertical integration might be the answer to a better programmer-distributor relationship. Malone recalled that during the TCI days, "we were able to organize the industry on a broad set of joint ventures... We created things like **Discovery** and **Black Entertainment Television**... We supported *Ted Turner*." For now, everyone waits for Malone's next move.

More Liberty: While *John Malone* eyes consolidation, **Charter** head *Tom Rutledge* seeks faster speeds—as fast as 10 Gbps. Speaking at **Liberty Media's** investor meeting Thurs, the CEO said the speed goal is possible in the next 7 years.

CableFAX Webinar

Selling TV Everywhere: Marketing and PR Strategies to Drive TVE Awareness

Tuesday, October 29 1:30-3:00pm ET

Now that TV Everywhere is a reality, the challenge for cable operators and programmers remains how to ensure that consumers and businesses understand how it works, what's available and how it differs from OTT services. Join CableFAX to discuss savvy marketing skills and smart PR strategies that go beyond the norm to ensure TVE success for your brand.

Register Today!

at www.CableFAX.com/webinars

You and your team will learn how to:

- Maximize the TVE message for full effectiveness.
- Pitch the value of TVE as a customer retention strategy.
- Drive increased tune-in and engagement with unique TVE marketing and PR strategies. Overcome the Internet noise blurring the definition of TVE.
- Improve the bottom line by more effectively marketing TVE's benefits.

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Ultra-fast speeds might be a way to combat wireless competition. The economics at the margins could cause **Verizon Wireless** and **AT&T** to be more competitive on a mobile broadband basis, though it “hasn’t really been a substitution yet,” the exec said. Also part of Rutledge’s master plan: cloud-based services and going all digital. The company is testing a cloud-based programming guide in its Fort Worth, TX system. Its digital upgrade is on track to be completed by the end of next year. Ahead of the investor meeting, Liberty announced the completion of a share repurchase program with **Comcast**, in which it pays the MSO \$417mln in cash for 5.2% of outstanding Liberty Media stock. The deal also ended a lengthy revenue-sharing agreement related to **CNBC**. In other news, **Liberty Interactive** is splitting into 2 tracking stocks: the cable TV shopping business QVC Group stock and the e-commerce business Liberty Digital Commerce stock. Liberty expects that the Series A and Series B Liberty Digital Commerce common stock will trade under the symbols “LDCA” and “LDCB” and that the Series A and Series B QVC Group common stock will trade under the symbols “QVCA” and “QVCB,” in each case, on **Nasdaq**. The changes are expected to occur in the 1st half of next year.

Aereo: **Aereo** scored another win with a MA federal court ruling against **Hearst**-owned station **WCVB**, the **ABC** affil in Boston. The court denied the request for preliminary injunction from the broadcaster, which alleged Aereo violated public performance rights. The judge ruled that the broadcaster failed to “make a sufficient showing that it is likely to prevail on any of its claims...” The court also denied Aereo’s motion to transfer the case to NY, saying “Hearst’s decision to limit the scope of the suit to WCVB’s local programming and Aereo’s local activities also weights in favor of resolving the suit here rather than in New York.” Hearst can appeal the case to the 1st Circuit Court of Appeals. The importance of the ruling is that it’s Aereo’s 1st victory outside the 2nd Circuit appeals court (which covers NY) where it has relied heavily on the “binding precedent of a **Cablevision** remote DVR case to beat back broadcaster requests for injunctive relief,” **Stifel Nicolaus** analysts wrote, noting broadcasters are reportedly planning to ask the Supreme Court to reverse the 2nd Circuit decision favoring Aereo. The analysts expect Aereo to cite the absence so far of a circuit split over its litigation to argue that the high court should not review the case. Separately, Aereo, currently available in NYC, Boston, Atlanta, Salt Lake City, Miami, Houston and Dallas, announced its service will be available for Android users starting Oct 22. The app, which will be released in a public beta, will be compatible with devices running Android OS 4.2 or higher.

Juris is Back: It was a case of the Rainbow Connection when it came to filling **WE tv**’s open pres, gm spot. *Marc Juris*, who spent time at **AMC Nets** predecessor **Rainbow Media** as **Fuse** pres and svp and gm of **AMC**, was announced as WE’s new chief on Thurs. “We’re glad to have Marc Juris back at the company,” said AMC Nets COO *Ed Carroll*. “Marc possesses a unique blend of programming and marketing expertise and has a proven track record of growing both brands and ratings.” Most recently, Juris was evp, COO of **truTV**. “I’m excited to have the opportunity to lead WE tv at this moment in its evolution, and to rejoin a company that played a major role in launching and shaping my career,” Juris said. Earlier this month, it was announced that *Kim Martin*, WE’s pres/gm for 9 years, would transition to an advisory role.

Kaitz Dinner: Oh, what a night. **NCTA** chief *Michael Powell* helped set the stage for the **Walter Kaitz Foundation**’s 30th anniversary fundraising dinner by throwing out his teleprompter remarks because “it’s not a night for canned scripts, it’s a night to speak from the heart.” He went on to talk about how his grandparents immigrated to the US from Jamaica so that their children could have more opportunities. Cable is “trying to create a community where you don’t have to move out to move up,” he said. The dinner raised more than \$1.7mln for cable diversity programs. **NUVOtv** and “Extra’s” *Mario Lopez* (and his dimples) emceed the evening, with **Sony Pictures Ent** recognized with the Diversity Champion Award. “To think and act inclusively isn’t just a goal, but an imperative,” said SPE pres, worldwide nets *Andy Kaplan*. **The League of United Latin American Citizens** received the Diversity Advocate honor, with natl exec dir *Brent Wilkes* telling the industry it has the “potential to be the great equalizer” through broadband and diversity in entertainment. And then there was *Jennifer Hudson*... She brought the house down. Cable peeps will talk about her performance for years to come, especially “Why Is It So Hard.” Hat tip to **Viacom** and **BET Nets** for delivering. And thanks to **TV One** who continued the night of star power with a kicking after party featuring *Chaka Khan*, *Chante Moore* and *Keke Wyatt* (and for Ms Hudson for sticking around front and center to watch). **Who Was that Guy?** That was the biggest question on everyone’s mind at the TV One after party. After the divas left the stage, the DJ had the dance floor rocking. And guess what? Most of you are pretty good dancers. But there was that one guy who stole the show. He was popping with almost every lady in the house, including Wyatt. But who was he? Even the R&B singer didn’t know.

BUSINESS & FINANCE

CableFAX investigated, and we can tell you that it was *Jonathan Arons*. He might be better remembered as the dancing trombone player from "America's Got Talent" a few years ago. Arons told us he's with musician and bandleader *Ray Chew*, who was backing up the divas. Arons hits the floor and helps get the party started. And that he did...

Distribution: **Cox** expanded its distribution of **Sportsman Channel** to 6 new markets, including cities from CT, OH, VA, NE, ID and RI. The net will join several networks including **NFL Redzone** in new programming tier, Sports Pak 2.

Ratings: The premiere ep of **FX's** "American Horror Story: Coven" Wed night was the most-watched telecast ever for the franchise, scoring 5.54mln total viewers, 3.87mln 18-49 and 2.34mln 18-34. It ranked #1 for the night in 18-34 against all broadcast shows in primetime and #2 in 18-49, behind "Modern Family."

People: Congrats to *Justin Venech*, who will move from vp, PR at **Time Warner Cable** to vp, comm at **Charter**. The gig has him reporting to former TWC comm exec *Alex Dudley*.

Obit: The mother of **CableFAX** contributor *Seth Arenstein*, *Renee Arenstein*, 84, passed away late last week in DC. Our thoughts are with Seth and his family. Feel free to drop him a note at seth@setharenstein.com. We're sure he'd appreciate it.

CableFAX Daily Stockwatch

Company	10/10 Close	1-Day Ch	Company	10/10 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
21ST CENTURY FOX:	32.87	0.67	ECHOSTAR:	45.93	0.61
DIRECTV:	60.15	2.20	GOOGLE:	868.24	12.38
DISH:	47.68	1.05	HARMONIC:	7.57	0.17
DISNEY:	65.58	1.99	INTEL:	23.10	0.51
GE:	24.25	0.68	JDSU:	14.57	0.34
MSOS					
CABLEVISION:	16.43	0.21	LEVEL 3:	26.92	0.56
CHARTER:	136.09	4.59	MICROSOFT:	33.76	0.69
COMCAST:	45.35	1.02	NIELSEN:	37.31	1.20
COMCAST SPCL:	43.89	0.89	RENTRAK:	34.96	2.23
GCI:	9.01	0.23	SEACHANGE:	12.67	0.31
LIBERTY GLOBAL:	76.68	1.78	SONY:	19.57	(0.18)
LIBERTY INT:	24.50	1.64	SPRINT NEXTEL:	5.97	(0.03)
SHAW COMM:	24.06	0.50	TIVO:	12.23	0.16
TIME WARNER CABLE:	116.95	6.68	UNIVERSAL ELEC:	34.48	0.86
WASH POST:	610.00	5.69	VONAGE:	3.54	0.49
PROGRAMMING					
AMC NETWORKS:	64.17	1.02	YAHOO:	33.87	0.86
CBS:	55.76	2.14	TELCOS		
CROWN:	3.19	0.05	AT&T:	34.15	0.40
DISCOVERY:	80.15	2.22	VERIZON:	46.86	0.66
GRUPO TELEVISIA:	27.96	0.57	MARKET INDICES		
HSN:	52.02	1.01	DOW:	15126.07	323.09
INTERACTIVE CORP:	54.91	1.77	NASDAQ:	3760.75	82.97
LIONSGATE:	34.85	0.33	S&P 500:	1692.56	36.16
MADISON SQUARE GARDEN:	56.94	0.54			
SCRIPPS INT:	76.95	2.22			
STARZ:	28.83	0.90			
TIME WARNER:	67.32	2.71			
VALUEVISION:	4.68	0.28			
VIACOM:	81.40	0.95			
WWE:	10.90	0.10			
TECHNOLOGY					
ADVANTAGE:	2.47	0.02			
ALCATEL LUCENT:	3.69	0.18			
AMDOCS:	36.89	0.23			
AMPHENOL:	76.18	0.49			
AOL:	33.66	0.95			
APPLE:	489.64	3.05			
ARRIS GROUP:	16.99	0.21			
AVID TECH:	6.39	0.06			
BLNDER TONGUE:	0.95	(0.04)			
BROADCOM:	26.70	0.55			
CISCO:	23.01	0.51			
CONCURRENT:	7.01	0.19			
CONVERGYS:	18.75	0.52			
CSG SYSTEMS:	24.56	0.64			

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CableFAX Daily
WHAT THE INDUSTRY
READS FIRST.



PROGRAMMER'S PAGE

Live Ink

The season finale of **Spike TV's "Ink Master"** on Tues, in which *Joey "Hollywood" Hamilton* took home the \$100K prize with a gorgeous underwater mermaid scene, was quite the nail biter. Each tattoo from the remaining 3 finalists, carved into human canvases for a whopping 35 hours, was nothing short of epic. The coolest part? Aside from witnessing the first drag-dressing Ramones cover band at the Ink48 hotel after party, it would be the live, timed tattooing aspect. Two contestants who'd already left the show were given a chance to redeem themselves with live tattooing before a studio audience. And viewers at home voted for the winner. After the event, I caught up with *Chris Rantamaki*, Spike TV's svp of original series, to chat about the series. **There are so many talented tattoo artists out there. How do you choose the contestants?** This past season we had more than 15K tattoo artists apply to be on the series, so we had the luxury of being able to choose from the best of the best. Art is always top priority in our selection process. We examine artists' individual portfolios so we can assess which artists have the best potential to excel in the various tattoo styles. Artists have to prove that they can master all tattoo styles in order to walk away with this title. Considering the number of styles we test in a season, that's one tough bar to meet. **What made you want to do the finale live?** Why not do it live?! Since Season 1 we wanted for the show to have some element of live tattooing and this season's finale gave us the chance. Viewers could watch the show on TV and watch the live tattoos being streamed on their mobile devices at the same time. It was a true dual screen experience that immersed viewers like never before. **How has this show been a differentiator for the network? Has it helped with female viewership at all?** The show skews 50/50 and we love that. Spike is broadening its viewership... and "Ink Master" is key to that success. *Kaylee Hultgren*

Reviews: "Mondays at Racine," premiere, Mon, 9pm, **HBO**. Presented during Breast Cancer Awareness month, this Emmy-nominated doc looks at a beauty salon, 2 sisters who own it and its courageous patrons. The sisters offer cancer patients a free day of pampering each month. As this gorgeously simple film shows, the beauty treatments are incidental to the tremendous support provided by staff and fellow cancer patients. -- "Big Break: Puerto Rico," Tues, 9pm ET, **Golf**. The net's ability to create interesting variations on its "Big Break" franchise seems limitless. This time it pits six teams of three, with trios composed of 2 former BB contenders and a retired **NFL** player. Besides assessing the football players' golf game—they're all excellent—it's fun to see whether huge *Chris Doleman* has an advantage over smaller footballers, like *Jerry Rice* or kicker *Al Del Greco*. -- "Gem Hunt," premiere, Wed, 10p, **Travel**. Who knew acquiring valuable gems was such a dangerous business? It's also a perfect backdrop, as Canadian *Ron LeBlanc* and his scarves globetrot in search of nacreous stones. -- "The Walking Dead," Season 4 premiere, Sun, 9p, **AMC**. Relative calm erupts despite hordes of un-dead 'walkers' on the loose. That's because *Rick (Andrew Lincoln)* and the others are using a prison as a refuge. But you know this can't last, right? *Seth Arenstein*

Basic Cable Rankings (9/30/13-10/06/13)			
Mon-Sun Prime			
1	TBSC	2.8	2772
2	ESPN	2.2	2182
3	DSNY	1.6	1573
4	FOXN	1.5	1444
5	USA	1.3	1320
6	A&E	1.1	1054
6	HIST	1.1	1053
8	ADSM	1.0	967
8	HGTV	1.0	956
8	NFLN	1.0	755
8	DSE	1.0	73
12	FX	0.9	922
12	TNT	0.9	908
14	TLC	0.8	817
14	NAN	0.8	809
14	LIFE	0.8	794
14	FOOD	0.8	780
14	SYFY	0.8	771
19	AMC	0.7	740
19	MSNB	0.7	726
19	CMDY	0.7	723
19	BRAV	0.7	672
19	TVLD	0.7	652
19	ID	0.7	581
25	SPK	0.6	632
25	FAM	0.6	600
25	DISC	0.6	598
25	CNN	0.6	596
25	HALL	0.6	541
25	DSJR	0.6	385
31	MTV	0.5	522
31	BET	0.5	501
31	TRU	0.5	480
31	APL	0.5	450
31	LMN	0.5	394
36	VH1	0.4	407
36	EN	0.4	396
36	NGC	0.4	342
36	NKJR	0.4	311
36	SCI	0.4	273
36	HMC	0.4	201
42	ESP2	0.3	337
42	TRAV	0.3	321
42	HLN	0.3	281
42	OWN	0.3	279
42	DXD	0.3	261

*Nielsen data supplied by ABC/Disney



2013 Most Powerful Women in Cable

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