

CableFAX Daily™

Wednesday — October 26, 2011

What the Industry Reads First

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New Playbook: DirecTV on Frontline in Battle with Fox

DirecTV may be the 1st distributor to stand up to a major programmer by saying it will take down their channels unless there is real progress on price, but its decision to fire the 1st public shot isn't winning any Web popularity contests. With subs facing the loss of **FX**, **Speed**, **Fox** RSNs and many other cable nets in less than a week, most leaving comments on DirecTV's OurPromisetoYou.com site and **Facebook** page are taking aim at the DBS provider and threatening to cancel service. That's not terribly surprising. By standing up and being the one to threaten to suspend channels, DirecTV has put itself in the position of not being able to fall back on the popular MVPD stance of: we offered to continue carry the channels under our existing terms while we negotiated, but the big, bad programmer said no. Time will tell if the unusual move pays off (at the least, maybe it'll give DirecTV the sort of wildman reputation **Cablevision** and **DISH** have garnered in programming negotiations). As is to be expected, distributors typically get the short-end of the stick in public programming fights, but in recent years we've seen them try to sway the public with arguments over controlling price increases. There has been some success. During Cablevision and **Scripps Networks Interactive's** spat last year that saw **HGTV** and **Food** off the air for weeks, the public gave it to both sides, with one self-professed fan (or ex-fan) launching a Scripps-directed rant at iusedtolovefoodnetwork.wordpress.com. DirecTV's tried the tactic too, with its OurPromisetoYou site charging that News Corp has demanded customers pay nearly 40% more for channels they already receive (a claim Fox characterizes as "ridiculous," by the way). But it just doesn't seem to be resonating... maybe the price card doesn't go down as well because of its reputation for having a higher-end customer base? The message isn't completely lost. Some of the news reports on the spat feature online comments that praise DirecTV for standing up to Fox. One commenter on a *Kansas City Star* piece, referencing the Occupy Wall St movement, called Fox out for bumping rates in this economy. Meanwhile, FX "Sons of Anarchy" creator *Kirk Sutter* isn't doing DirecTV any favors. In a blog post at his Sutterink.blogspot.com, he talks about a promo he taped about the spat to run before Tues' ep. He had to follow FX's script, which "felt like complete bullshit." The script with what he really wanted to say... well, we can't print it in a family publication—but it's on his blog. Here is his own summary, which included homage to FX's *John Landgraf*: "I ... have no delusions that Fox has a big horse in this DTV race. Like all big corporate deals, the Goliaths are fight-

" When you survey damage, you put yourself
in the position of the people who had to
live it."

- Mike Bettes

Every Life.
Every Day.



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ing for bigger chunks of the pie and in the process, the Davids who feed off of the crumbs, are getting screwed. But if you look at the facts, you'll see that DirecTV is applying orange rules to an ever apple-ing world and using their large customer base as leverage."

In the States: CT Gov Daniel Malloy confirmed reports of **NBC Sports Group's** planned move to the state beginning next Sept. A 32-acre site will house properties including **Versus**, **Comcast Sports Management Group**, which oversees 14 RSNs, and **NHL Net**, which will get a new studio. -- **Cablevision** intro'd **Optimum Voice Click-to-Call**, a new service allowing for the placement of calls directly from the Web by turning phone numbers on Web pages into clickable links.

Carriage: **Comcast** began rolling out **TV Guide Net** in HD and full-screen mode Thurs across Philadelphia and NJ and will complete the launch by the end of 1Q12, after which the channel will be fully distributed in the region.

Competition: **AT&T U-verse TV** subs will receive a potential treat Mon when the telco rolls out **Cisco's** advanced wireless IPTV solution across its footprint. The solution will allow consumers to use WiFi to watch video services throughout the home without the need for cables or wires.

VOD: **FIOS TV** added **Fox On Demand** Oct 1, and **Mediacom** will do the same in the coming weeks. The deals feature nearly all Fox prime content the day following linear premiere and for 28 days after. The window currently applies through authentication to **Fox.com**, **Hulu.com** and **Verizon.com/fiostvonline**, while other distributors' customers must wait 8 days to view fresh Fox content.

Plunge from Grace: Erstwhile high-flying **Netflix** shares continued their freefall Tues after the company reported a disappointing 3Q sub loss, plummeting 34.9% to close at \$77.37. The stock closed at an all-time high of \$298.73 on July 13. CEO **Reed Hastings** still sees growth ahead, particularly in streaming. "We'll be very aggressive on promoting streaming Netflix and the benefits, and anyone who wants to also subscribe to DVD will be very welcome, but we're going to be pushing and promoting streaming," he said during a Thurs evening conference call, noting a belief that an influx of streaming subs will outpace expected increases in content costs. Hastings said "relative to pay television, it's not a zero sum game," but did say "when budgets are tight, there's hierarchy of which ones do you use most... and we definitely want to win those [subs]." **DISH's Blockbuster Movie Pass** and **Amazon Prime** have had no impact on the business, he said. **NFLX** users continue to split their time evenly between TV shows and movies.

Technology: **RGB Networks**, **Verimatrix** and **itaas** partnered to let service providers deploy a multiscreen TV Everywhere service including streaming of live video. The partnership is said to dramatically reduce the time, effort and cost to launch multiscreen services by using RGB's scalable IP video delivery solutions, Verimatrix's ability to enhance rev

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BUSINESS & FINANCE

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Ratings: Including Live+7 data, “American Horror Story” recently delivered **FX**’s best premiere in history among 18-49s (3.14mln) and 18-34s (1.77mln). -- **ABC Family**’s “13 Nights of Halloween” is off to its best start ever over 5 nights among total viewers (1.7mln), 18-34s (537K), 18-49s (810K), 12-34s (825K) and all female demos. -- **Style Net**’s premiere of docu-series “Glam Fairy” delivered 249K women 18-49 and 140K women 18-34 to rank as the net’s 2nd most-watched bow ever among the demos.

Programming: **AMC** renewed “The Walking Dead” for a 3rd season. -- **A&E** picked up a 3rd season of “Beyond Scared Straight,” the series premiere of which ranks as the net’s most-watched original series bow ever. -- **Starz** greenlit “Da Vinci’s Demons,” an original adventure series from **BBC Worldwide Prod** that follows the famous artist during his salad days in Renaissance Florence.

People: That didn't take long. Reports have **Turner's** departing *Linda Yaccarino* set to replace *Dave Cassaro* as **NBCU's** head of cable advertising. No word from NBCU (yet, at least). -- **ESPN** welcomed *Michael Bayle* as svp/GM, **ESPN Mobile**. -- **Travel Channel** tapped *David Padrusch* as vp, production and development. -- **Fox Broadcasting** appointed *David Wertheimer* as pres. digital.

CableFAX Daily Stockwatch

| Company | 10/25 Close | 1-Day Ch | Company | 10/25 Close | 1-Day Ch |
|------------------------------|----------------|-------------|---|----------------|-------------|
| BROADCASTERS/DBS/MMDS | | | BLNDER TONGUE: 1.30 (0.02) | | |
| DIRECTV: | 47.02 | (0.78) | BROADCOM: | 35.80 | (1.59) |
| DISH: | 25.82 | (0.63) | CISCO: | 17.62 | 0.08 |
| DISNEY: | 34.51 | (0.86) | CLEARWIRE: | 1.64 | UNCH |
| GE: | 16.22 | (0.23) | CONCURRENT: | 4.29 | UNCH |
| NEWS CORP: | 17.15 | (0.52) | CONVERGYS: | 10.16 | (0.47) |
| MSOS | | | CSG SYSTEMS: | 13.96 | (0.32) |
| CABLEVISION: | 17.49 | (0.58) | ECHOSTAR: | 25.85 | (0.53) |
| CHARTER: | 49.64 | (0.78) | GOOGLE: | 583.16 | (13.26) |
| COMCAST: | 24.21 | (0.46) | HARMONIC: | 4.78 | (0.07) |
| COMCAST SPCL: | 23.85 | (0.43) | INTEL: | 24.63 | 0.04 |
| GCI: | 8.73 | (0.35) | JDSU: | 10.28 | (0.92) |
| KNOLOGY: | 13.73 | (0.53) | LEVEL 3: | 24.36 | (0.69) |
| LIBERTY CAPITAL: | 76.26 | (1.68) | MICROSOFT: | 26.81 | (0.38) |
| LIBERTY GLOBAL: | 41.38 | (0.7) | MOTOROLA MOBILITY: | 38.81 | (0.09) |
| LIBERTY INT: | 15.76 | 0.10 | RENTRAK: | 13.30 | (1.01) |
| SHAW COMM: | 19.49 | (0.42) | SEACHANGE: | 7.81 | (0.37) |
| TIME WARNER CABLE: | 70.31 | (1.53) | SONY: | 20.21 | (0.17) |
| VIRGIN MEDIA: | 27.56 | (0.22) | SPRINT NEXTEL: | 2.70 | 0.01 |
| WASH POST: | 345.22 | (4.62) | THOMAS & BETTS: | 47.84 | (1.07) |
| PROGRAMMING | | | TIVO: | 9.78 | (0.35) |
| AMC NETWORKS: | 33.08 | (1.01) | UNIVERSAL ELEC: | 17.90 | (0.72) |
| CBS: | 24.63 | (0.91) | VONAGE: | 3.17 | (0.01) |
| CROWN: | 1.49 | (0.03) | YAHOO: | 16.24 | (0.47) |
| DISCOVERY: | 42.15 | (0.86) | TELCOS | | |
| GRUPO TELEvisa: | 20.76 | (0.5) | AT&T: | 28.41 | (0.47) |
| HSN: | 35.83 | (0.31) | VERIZON: | 36.19 | (0.74) |
| INTERACTIVE CORP: | 41.25 | (0.76) | MARKET INDICES | | |
| LIBERTY STARZ: | 66.52 | (0.72) | DOW: | 11706.62 | (207) |
| LIONSGATE: | 7.35 | (0.09) | NASDAQ: | 2638.42 | (61.02) |
| LODGENET: | 2.05 | 0.07 | S&P 500: | 1229.05 | (25.14) |
| NEW FRONTIER: | 1.15 | 0.05 | | | |
| OUTDOOR: | 6.60 | (0.15) | | | |
| SCRIPPS INT: | 42.14 | (1.15) | | | |
| TIME WARNER: | 34.01 | (0.9) | | | |
| VALUEVISION: | 3.19 | (0.16) | | | |
| VIACOM: | 52.36 | (1.03) | | | |
| WWE: | 10.39 | (0.33) | | | |
| TECHNOLOGY | | | | | |
| ADDVANTAGE: | 2.13 | -0.00 | | | |
| ALCATEL LUCENT: | 2.69 | (0.11) | | | |
| AMDOCS: | 29.90 | (0.24) | | | |
| AMPHENOL: | 46.12 | (0.76) | | | |
| AOL: | 14.04 | (1.03) | | | |
| APPLE: | 397.77 | (8) | | | |
| ARRIS GROUP: | 11.18 | (0.34) | | | |
| AVID TECH: | 7.25 | (0.26) | | | |
| BIGBAND: | 2.24 | (0.02) | | | |





JOIN WICT IN ATLANTA FOR TECH IT OUT

The Tech It Out Program will be held inside of SCTE's Cable-Tec Expo, with NAMIC and SCTE serving as our partners. The sessions and hours have been expanded to allow time for more in-depth leadership development and a hands-on tour of the Spotlight Pavilion.

Wednesday, November 16

Georgia World Congress Center, Atlanta, GA

1:00–4:00 pm

1:00–1:30 pm **Keynote & Networking Lunch** (boxed lunches provided)

1:30–2:45 **Panel, Leading by Example**

Moderated by **Sherita Caesar**, Vice President, National Video Deployment Engineering, Comcast

CONFIRMED PANELISTS INCLUDE:

Susan Adams, SVP, Engineering & Technical Operations, Comcast, Northeast Division;
2011 Women in Technology Award honoree

Sandy Howe, SVP, Strategic Market Development, ARRIS

Monisha Longacre, Vice President, Portfolio Management & Strategy, The Weather Channel

2:45–3:00 **Closing Keynote**

3:00–3:30 **Networking Break**

3:30–4:00 **Tour of the SCTE Spotlight Pavilion**

REGISTER TODAY AT WWW.WICT.ORG • SPACE IS LIMITED

Registration fee includes boxed lunch and a floor pass to the SCTE Cable-Tec Expo.

Already registered for the SCTE Cable-Tec Expo?—Tech It Out registration is complimentary, but *separate registration is required*.

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