

CableFAX Daily™

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What the Industry Reads First

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Ball Game: News Corp Says Yes to Yankees Net

As expected, **News Corp** sealed the deal for a 49% equity stake in **YES Net**, which extended its TV rights with the **Yankees** through '42. It's a bit of a homecoming for YES top execs, with pres/CEO *Tracy Dolgin*, COO *Ray Hopkins* and pres, programming and prod *John Filippelli* all having previously worked at **Fox** and **Fox Sports**. But Dolgin said the connection is stronger than that. "*James Murdoch* has been on the [**Yankee Global Ent**] board since the '90s. Let's talk about [News COO] *Chase Carey* and how close he is to the *Steinbrenner* family..." Dolgin said Tues. "This is one of the reasons this was a perfect marriage. There is a lot of trust between the people and fondness between the parties involved. Everybody is sure, no matter what's on paper, it will work really well." Financials weren't disclosed, but YES is valued at about \$3bln. The deal reduces the stakes of Yankee Global Ent, **Goldman Sachs** and other investors, with News having the right after 3 years to acquire an additional stake that could bring its ownership to 80%. Dolgin noted how YES' backers are selling down, but not selling out, calling it a rarity in the financial world. "News Corp wrote the book on RSNs. We're a premiere RSN. Having someone come to our board who is so knowledgeable and has so many great ideas can only help. But on a day-to-day basis, you're not going to see many changes," Dolgin said. The transaction should close by year-end. **MLB** still needs to approve the Yankees media rights deal. Ten-year-old YES is available in 9mln HHs in NY, CT, NJ and parts of PA, and is carried nationally by some distributors. With News expected to soon launch a national sports net, some see this as the programmer further flexing its muscle in sports. It already has quite the foothold in the RSN space with 20 nets. It lost the **Lakers** to **Time Warner Cable**, and is currently in negotiations over **Dodgers** rights. If a deal isn't reached in its exclusive negotiating window, TWC is seen as very interested. "News Corp still faces the threat of ever escalating rights in markets like L.A., but at least this event seems to decrease the likelihood that, say, the Lakers or the Dodgers would create their own network rather than licensing their local rights to a third-party RSN... If the Yankees can't do it, then nobody can," **Bernstein Research** said in a note to clients. Dolgin sees it differently. "The Yankees did do that... The Yankees, even in a day if it happens where Fox owns 80%, are obviously going to have a very major say over their brand and programming. That will never change. I cannot conceive of the Yankees not continuing to own a significant piece of this network," he said. "I don't think this deal at all says anything about what the future is for other teams doing their own networks. The Yankees did their own network, they still own a piece of this network, and I think they were glad they did." Bernstein analysts said they're delighted to see News potentially deploying its cash, calling the glut of cash-on-hand the single biggest issue holding back growth of enterprise value. "We've long been a believer in the unique appeal of sports entertainment. Partnering upstream with rights holders is even more important today in the dynamic media marketplace in which we compete," said News deputy COO *James Murdoch* in a statement. "This is a tremendous opportunity to enhance News Corp's industry-leading portfolio of sports properties, while also strategically re-entering the NY market." Yankee Global chmn *Hal Steinbrenner* said his family expects to have a continuing, long-term ownership in the channel

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and “will continue our yearly commitment of fielding a championship caliber team for decades to come.”

Deals: While **NCTC** and **NBCU** are negotiating, one of the co-op’s members went out on its own and struck a comprehensive, multi-year agreement. **Suddenlink** agreed to a deal that includes NBCU’s entire portfolio of broadcast and cable nets as well as expansive rights for the ’14 Winter Olympics, VOD and TV Everywhere. It also covers **NBC** and **Telemundo** O&Os. Suddenlink called the deal “fair and reasonable.” “Among other things, this agreement allows us to enhance our Suddenlink2GO service, which give our customers the ability to enjoy popular programs on multiple devices, inside and outside their homes,” said svp and chief programming officer *Patty McCaskill*.

Retrans: **Charter** subs might lose programming from **LIN TV** stations if the 2 can’t reach an agreement before the current retrans contract expires Nov 29. Eleven LIN-owned and/or operated stations are carried by Charter, including the **CBS** affil in Providence, RI, and **NBC** affil in Grand Rapids, MI. As per usual, rate is the issue, according to the he-said, she-said statements. LIN is demanding 150% fee increase, a Charter spokeswoman said. “We’ve offered a fair and equitable rate to LIN TV, and they’ve refused.” LIN claimed it is compensated “far less than many cable networks.” It isn’t the first time LIN has taken a tough stand in negotiations: In ’08, it teamed up with **DISH** to offer \$50 incentives for Charter subs who dropped the op for DISH. Last year, it pulled stations from **Mediacom** for 6 weeks before a deal was reached. Right now neither side seemed willing to compromise. Let’s hope the Thanksgiving spirit can help the 2 come to a resolution. -- **ACA**, **Time Warner Cable** and **DISH** made an appearance at the FCC last week, asking the agency to use the upcoming quadrennial media ownership order to tighten regulations covering separately owned, same market local stations that coordinate their retrans consent negotiations with MVPDs. They stressed that such coordinated retransmission consent negotiations is a media ownership issue “because it directly implicates local television competition,” according to an ex parte. ACA has documented 65 instances of sharing arrangements in 58 DMAs between non-commonly owned Big 4 network affiliates.

Spectrum Dealings: DISH isn’t happy with a proposed order reportedly being circulated by the **FCC** that governs the 40 MHz of AWS-4 spectrum controlled by the satellite company. In a statement late Tues, it claimed the proposal is “significantly flawed by introducing serious limitations that impair its utility.” While the FCC would grant full terrestrial rights, the proposal to lower power and emissions levels could cripple DISH’s ability to enter the wireless business, said *R. Santon Doge*, DISH’s evp/general counsel, referring to DISH’s proposed plan to build a nationwide mobile network. Perhaps the good news is that the proposed order isn’t final. DISH urged the agency to deliver rules that will make it economically and technically feasible to build the network.

At the Portals: **NAB** and **CTIA** have asked the **FCC** for a 1-month extension to file comments in its incentive auction NPRM. If granted, it would move the Dec 21 comment deadline to no later than Jan 25. The 2 argued that extra time is needed to address the complicated economic, engineering and policy issues raised. -- The **FCC** released its USF FN-PRM on potential modifications to the rules governing Phase I support to further accelerate deployment. The agency sought comments on 2 alternatives to advance broadband in price cap territories using the remaining Connect America Phase I funding. It’s seeking comments on proposed measures to strengthen oversight and transparency of Phase I incremental support. Over 80% of the more than 18mln Americans unserved by broadband live in price cap areas. Of the initial \$300mln in Phase I incremental support allocated to price cap areas, some \$115mln was accepted.

CableFAX

Rescheduled

PROGRAM AWARDS

Top Ops AWARDS

Tuesday, December 4 • Luncheon 12-2pm • Grand Hyatt, NYC

Register Here: www.cablefax.com/ProgramAwards

BUSINESS & FINANCE

On the Tube: NCTA CEO Michael Powell made an appearance on CNBC's "Squawk Box" Tues, where he delved into what sort of impact the threat of the fiscal cliff could have on cable. "Anything that hurts consumer business and puts at risk the chance of returning to a recession and having to return to unemployment of 9-10% or cutting into the discretionary income of households is something that could significantly impact our business," he said. He said he "sincerely" believes something can get done, but has no idea what it is.

People: Jeff Bewkes will remain Time Warner chmn and CEO through '17, the company said. Under the terms of the new agreement, Bewkes' base salary and bonus target will remain unchanged. The deal also provides for annual long-term incentives awards that are tied "directly, and solely, to future financial and shareholder returns."

Editor's Note: No Programmers' Page this week because of the holiday, but we will have our regular TV picks and reviews posted Wed at CableFAX.com.

Business & Finance: BC Partners, CPP Investment Board and a company management team led by CEO Jerry Kent completed the previously announced purchase of Suddenlink for \$6.6bln.

CableFAX Daily Stockwatch

Company	11/20 Close	1-Day Ch	Company	11/20 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	49.09	0.03	CONCURRENT:	5.09	0.09
DISH:	34.85	(0.17)	CONVERGYS:	15.10	(0.01)
DISNEY:	48.44	0.53	CSG SYSTEMS:	18.12	(0.03)
GE:	20.62	(0.04)	ECHOSTAR:	31.57	0.37
NEWS CORP:	24.46	0.01	GOOGLE:	669.97	1.76
MSOS					
CABLEVISION:	14.07	0.17	HARMONIC:	4.20	(0.04)
CHARTER:	70.31	1.67	INTEL:	19.51	(0.74)
COMCAST:	36.56	0.55	JDSU:	10.97	(0.08)
COMCAST SPCL:	35.56	0.49	LEVEL 3:	18.45	(0.28)
GCI:	7.79	0.08	MICROSOFT:	26.71	(0.02)
LIBERTY GLOBAL:	57.71	0.91	RENTRAK:	18.17	(0.22)
LIBERTY INT:	18.89	(0.33)	SEACHANGE:	9.06	0.10
SHAW COMM:	21.35	(0.25)	SONY:	9.99	(0.2)
TIME WARNER CABLE:	92.92	0.54	SPRINT NEXTEL:	5.51	(0.04)
VIRGIN MEDIA:	33.68	0.05	TIVO:	10.15	(0.07)
WASH POST:	343.97	(6.94)	UNIVERSAL ELEC:	15.50	(0.55)
PROGRAMMING					
AMC NETWORKS:	50.99	(0.29)	VONAGE:	2.21	UNCH
CBS:	34.78	0.29	YAHOO:	18.24	(0.12)
CROWN:	1.72	(0.04)	TELCOS		
DISCOVERY:	57.51	0.64	AT&T:	33.68	(0.14)
GRUPO TELEVISA:	22.97	UNCH	VERIZON:	42.82	0.01
HSN:	52.05	0.27	MARKET INDICES		
INTERACTIVE CORP:	42.37	(0.78)	DOW:	12788.51	(7.45)
LIONSGATE:	16.03	0.39	NASDAQ:	2916.68	0.61
LODGENET:	0.10	(0.01)	S&P 500:	1387.81	0.92
NEW FRONTIER:	2.01	UNCH	TECHNOLOGY		
OUTDOOR:	7.42	(0.02)	ADVANTAGE:	2.00	0.05
SCRIPPS INT:	59.93	(0.22)	ALCATEL LUCENT:	0.98	(0.03)
TIME WARNER:	45.63	0.35	AMDOCS:	32.51	(0.11)
VALUEVISION:	1.69	(0.06)	AMPHENOL:	60.42	(0.08)
VIACOM:	50.48	(0.39)	AOL:	35.44	(0.03)
WWE:	7.92	0.05	APPLE:	560.91	(4.82)
TECHNOLOGY					
ARRIS GROUP:	13.68	(0.01)	ARRIS GROUP:	13.68	(0.01)
AVID TECH:	6.05	(0.01)	AVID TECH:	6.05	(0.01)
BLNDER TONGUE:	1.15	(0.05)	BLNDER TONGUE:	1.15	(0.05)
BROADCOM:	31.14	(0.01)	BROADCOM:	31.14	(0.01)
CISCO:	18.34	0.04	CISCO:	18.34	0.04
CLEARWIRE:	2.12	(0.09)	CLEARWIRE:	2.12	(0.09)



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