

# CableFAX Daily™

Wednesday — November 23, 2011

What the Industry Reads First

Volume 22 / No. 227

## Skipper Aboard: Bodenheimer Passes the Torch

In a missive that read like a farewell, *George Bodenheimer* talked about the changes for 2012 that will see *John Skipper* assume the duties of his role as pres, **ESPN** and co-chair of **Disney Media Networks**. "We are in very good shape both domestically and internationally on many fronts, including rights, distribution, ad sales, ratings and digital distribution and I simply decided that after 13 years as president and nearly 31 years at the company, it was a good time for me to step aside and allow others to lead our continuing efforts," Bodenheimer wrote. He'll take on the new post of exec chmn of ESPN, which he will hold for at least the next 12 months. While it's a no-brainer that Skipper would lead ESPN, the timing took some by surprise Tues, raising questions as to whether Bodenheimer is gearing up for a larger role at ESPN/Disney. There wasn't much evidence of that, and it seems unlikely he would replace *Bob Iger*. Conventional wisdom is that title will go to Disney parks & resorts chmn *Tom Staggs* or CFO *Jay Rasulo*. Bodenheimer said that succession planning has long been a part of Disney's focus and that this is a process he began last spring. Iger noted that Bodenheimer initiated those conversations. "George has said repeatedly that ESPN's success has been led by its collaborative corporate culture and a deep bench of executive talent. While that remains true, it obviously and intentionally downplays his leadership and many significant contributions," Iger said in a statement. Skipper, who has served as evp, content since Oct '05, will assume his new role Jan 1. "John's record of achievement as head of our content division and his prior experience in ad Sales and launching ESPN The Magazine have prepared him well to take on these roles. I am confident that in John we have a leader who will continue to serve our fans, support our people and champion our continued growth. I look forward to assisting in this transition," said Bodenheimer, who will provide strategic direction and support the transition and continue to report to Iger. Skipper will have a dual report to Iger and Bodenheimer.

**Another Nail?** Piling on to the **DOJ's** decision to sue to prevent the **AT&T-Mobile** merger is the **FCC**, which has circulated an order for an administrative law judge hearing on the transaction. That's not a good thing for AT&T. It essentially means the burden is on it to prove the deal is in the public interest, with the Commission believing it would create an unprecedented level of concentration in the wireless market. "The record clearly shows that—in no uncertain terms—this merger would result in a massive loss of US jobs and investment," said an FCC senior official. AT&T called the action "dis-

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appointing” and “yet another example” of a govt agency acting to prevent “billions” in new investment and thousands of new jobs. Merger opponents, such as **Free Press**, predictably applauded the news. **DISH Network** was among those happy, saying the combo “would harm consumers by reducing competition and by raising barriers to entry for potential new entrants like DISH Network.” DISH said it believes its own efforts in seeking to enter the wireless broadband market will drive job creation and further stimulate competition. The ALJ hearing is not expected to begin until after the DOJ trial against AT&T, which is slated for Feb. **Stifel Nicolaus** said the hearing adds another layer of govt resistance and delay for the deal, noting the process could take a year or more. “There is little to no precedent in this area on such a big deal,” the firm said. It’s not over yet, though. The 2 could keep fighting the DOJ opposition in court and work out a settlement with the govt.

**At the Portals:** The FCC’s tentative agenda for its Dec 13 open meeting has but one item—a report and order implementing the CALM Act. This is the bill passed by Congress that prevents distributors from transmitting commercials at a louder volume than the material they accompany. Cable ops, particularly smaller ones, have some concerns over the implementation of the legislation.

**Boob Tube Love:** Sure, there are more devices to keep us busy, but Americans report no significant change in the total time they spend watching a traditional TV set, according to the latest **Frank N Magid Assoc** study. While more than 50% of online consumers watch TV shows and movies online at least occasionally, there is still growth in their use of VOD, DVR, and DVD options, the report found. But here’s a stat that should make you rethink the traditional TV model: With 40% indicating they’ll shop for a new TV in the next year, 62% said Internet connectivity is an important factor in their decision to buy a new set. The survey backed up the drop in 3D interest, with the proportion of those who plan to buy such a set dropping from 67% last year to 49%. 3% of HH now own a 3D set, Magid said.

**Deals:** Proving that system swaps do still occur from time to time, **Charter** and **James Cable** completed their previously announced trade of systems in AL and GA. Charter swapped its Douglas, GA system (5200 subs) to James for operations in Roanoke and Gu-Win, AL (8300 subs), as well as Eatonton, GA (fun fact: the small town is the birthplace of “The Color Purple” author *Alice Walker*, “Uncle Remus” author *Joel Chandler Harris* and **Chick-fil-A** founder *S. Truett Cathy*).

**Ratings:** Big news in the weekly ratings race. **Disney** toppled **Nick** in Total Day last week, with a 1.3 HH rating vs a 1.2 for the long-time Total Day champ. Disney also bested Nick in HH delivery: 1.31mln vs 1.24mln. Disney also was #1 in total day total viewers (1.74mln), marking the net’s 1st victory in 4 years and only its 2nd time-ever as the week’s most-watched cable net. What helped Disney? “Tinker Bell and the Pixie Hollow Games” premiere Sat, which was the #1 animated cablecast in total viewers for the week. Also helping was Fri’s “Jessie,” which notched a 3.1 HH rating. **Viacom** pres/CEO *Philippe Dauman* complained during a recent earnings call about an “inexplicable drop” in Nick’s ratings since mid-Sept, saying that the company has had extensive discussions with **Nielsen** and the **Media Ratings Council**. Nielsen said earlier this month that it has been working with Viacom and MRC, but that to date, the review process confirms its measurement methodology. -- **Hallmark Channel** scored more than 8.9mln unduplicated viewers this past weekend for its trio of original Christmas movies. The top performer was “A Christmas Wish,” with a 3.5 HH rating. For more on holiday programming, see our Roundtable on pages 4-5. -- New character *Cherry Jam* and joined **The Hub**’s “Strawberry Shortcakes’s Berry Bitty Adventures,” and it looks like she’s pretty popular. Her episode was the series’ best-ever performance among kids 2-11 (259K), 6-11 (140K) and in HHs (243K).

**Programming:** **GSN** slipped on its boogie shoes and acquired the off-network rights to ABC’s “Dancing with the Stars.” Seasons 4-13 will begin airing in Jan. The deal also includes the upcoming 14th season. -- **Bravo**’s “Watch What Happens: Live” moves to 5 nights a week, making it the only daily, live show in late night. With Bravo exec *Andy Cohen* increasing his host duties, *Jerry Leo* was upped to evp, program strategy and production. Cohen’s new role is evp, dev and talent, where he’ll focus on creating new original content, new formats and identifying “Bravolebrities.” He’ll continue to serve as exec producer on “Top Chef” and “The Real Housewives” franchise. -- **Nuvo TV** will show a Black Friday marathon of “Operation: Osmin” (1pm). Intense trainer *Osmin Hernandez* puts 1st season recruits through workouts, and viewers can apply online to become Osmin’s latest victim and face a one-week training session with him, with results appearing in their own training webisode. -- **BBC America** greenlit for “No Kitchen Required,” a new competitive cooking series in which 3 chefs dropped in remote locations must use local resources to cook and be judged by the locals. A spring ’12 premiere is planned.

# BUSINESS & FINANCE

**Technology:** Invidi says it was granted a “critical” patent for key functionality underlying its addressable ad system. The patent covers the delivery of addressable ads where the decision of which ad to deliver occurs at the viewing device level in order to allow for better targeting.

**Marketing:** IFC begins “Portlandia: The Tour,” Dec 27 in Portland, OR. The show’s co-creators, writers and stars will share anecdotes, perform music, and show sneak peaks of the upcoming season. Destinations include: Portland, Seattle, San Francisco, Los Angeles, Chicago, and New York.

**Intl:** Rivals **Golf Channel Japan** (part of the **NBC Sports Group**) and **Japan Golf Net** are burying the hatchet, announcing a partnership to create 1 co-branded channel to serve golf fans in Japan. The nets will combine in Apr '12.

**People:** **EPIX** upped *Andy Hunter* to the newly created post of gm, digital media applications and products. Hunter will report directly to pres/CEO *Mark Greenberg*. -- **AMC Nets** appointed *Alicia Broughel* as sr counsel and compliance office for AMC Nets and *John Derderian* as sr counsel for **AMC/Sundance Channel Global** effective immediately.

**Trivia Time:** Which 2010 **CableFAX 100** exec’s daughter has filled his iPad with *Miley Cyrus* and *Justin Bieber*? Tweet or Facebook ([www.facebook.com/cablefax](http://www.facebook.com/cablefax)) us your answer.

## CableFAX Daily Stockwatch

Company	11/22 Close	1-Day Ch	Company	11/22 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	46.35	(0.15)	BROADCOM:	31.62	(0.54)
DISH:	23.76	0.17	CISCO:	17.92	(0.08)
DISNEY:	34.02	(0.31)	CLEARWIRE:	1.52	(0.07)
GE:	14.99	(0.25)	CONCURRENT:	3.57	(0.1)
NEWS CORP:	16.69	0.09	CONVERGYS:	11.80	(0.12)
<b>MSOS</b>					
CABLEVISION:	14.64	(0.02)	CSG SYSTEMS:	14.14	(0.23)
CHARTER:	52.46	0.39	ECHOSTAR:	21.47	(0.11)
COMCAST:	21.39	(0.13)	GOOGLE:	580.00	(0.94)
COMCAST SPCL:	21.19	(0.09)	HARMONIC:	5.08	0.06
GCI:	9.50	0.02	INTEL:	23.24	(0.33)
KNOWLOGY:	13.35	(0.13)	JDSU:	10.36	(0.13)
LIBERTY CAPITAL:	74.43	(0.98)	LEVEL 3:	19.64	0.41
LIBERTY GLOBAL:	40.64	0.01	MICROSOFT:	24.79	(0.21)
LIBERTY INT:	15.40	(0.16)	MOTOROLA MOBILITY:	38.57	(0.13)
SHAW COMM:	20.33	(0.15)	RENTRAK:	12.99	(0.07)
TIME WARNER CABLE:	59.20	(0.57)	SEACHANGE:	7.67	(0.23)
VIRGIN MEDIA:	22.70	0.04	SONY:	16.57	0.29
WASH POST:	343.19	(1.96)	SPRINT NEXTEL:	2.62	0.02
<b>PROGRAMMING</b>					
AMC NETWORKS:	35.87	(1.25)	THOMAS & BETTS:	49.77	(0.73)
CBS:	24.26	0.17	TIVO:	9.57	(0.01)
CROWN:	1.44	0.01	UNIVERSAL ELEC:	14.98	(0.83)
DISCOVERY:	40.58	0.49	VONAGE:	2.40	(0.08)
GRUPO TELEVISIA:	19.56	(0.27)	YAHOO:	14.97	(0.02)
HSN:	35.53	0.02	<b>TELCOS</b>		
INTERACTIVE CORP:	39.86	(0.19)	AT&T:	28.08	(0.28)
LIBERTY STARZ:	65.40	(0.89)	VERIZON:	36.19	0.12
LIONSGATE:	8.54	0.07	<b>MARKET INDICES</b>		
LODGENET:	2.11	0.07	DOW:	11493.72	(53.59)
NEW FRONTIER:	1.10	0.01	NASDAQ:	2521.28	(1.86)
OUTDOOR:	6.80	(0.15)	S&P 500:	1188.04	(4.94)
SCRIPPS INT:	38.64	(0.31)			
TIME WARNER:	32.73	(0.45)			
VALUEVISION:	1.77	0.11			
VIACOM:	51.11	(0.26)			
WWE:	9.25	(0.06)			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.03	0.02			
ALCATEL LUCENT:	1.59	(0.27)			
AMDOCS:	28.10	(0.25)			
AMPHENOL:	43.21	(0.4)			
AOL:	14.03	(0.3)			
APPLE:	376.51	7.50			
ARRIS GROUP:	10.14	(0.1)			
AVID TECH:	6.88	(0.21)			
BLNDER TONGUE:	1.13	0.04			

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# CableFAX Roundtable

## Holiday Glow By the TV

Haul out the holly—and the holiday programming. Most networks will run at least one or two holiday-themed shows over the next few weeks, while others turn their primetime lineup into a feast of family-friendly festive fare—with movies front and center. Here to talk turkey about their extensive holiday plans are **ABC Family** pres *Michael Riley*, **GMC** pres *Charley Humbard*, **Hallmark Channels** chief *Bill Abbott* and **TCM** svp, programming *Charlie Tabesh*.



*Bill Abbott*



*Charley Humbard*



*Michael Riley*



*Charlie Tabesh*

### What's the primary philosophy in how you approach your audience with holiday-themed content?

**Charlie Tabesh:** We want to play as many holiday movies as possible leading into Christmas. Our audience expects it, and it's one of our most popular genres. And while we try not to repeat films within a month, we make an exception for Christmas movies, playing some of them two or (rarely) three times in December. Since this is a time that many families are together, we want to give them an opportunity to enjoy the films with each other. We also play a fair amount of religious movies to celebrate the holiday. Having said that, by Christmas night, our attitude is that it's time to wind down and, on occasion, we've had some fun mixing it up. One year, we devoted Christmas night to films about evil children; another year, to dysfunctional families; and another year, we did *A Very Jewish Christmas with Fiddler on the Roof*, *Yentl* and *The Jazz Singer*.

**Michael Riley:** Holidays are big for us. "25 Days of Christmas" is a beloved tradition at ABC Family and is the biggest programming event of the year. It's so big in fact that we launched a "Countdown to 25 Days" programming event just to get all the excitement in. Our core audience, Millennials, love their families and enjoy spending time with them so, holiday-themed content they can watch with their family and celebrate the season is right up their alley.

**Charley Humbard:** GMC is "America's Christmas Channel" and all programming and packaging celebrates this initiative.

**Bill Abbott:** We embrace all elements of our "Count-

down to Christmas" campaign in the spirit of celebrating time-honored seasonal traditions. It's a time of year when friends and families gather. Our primary objective is to deliver high-quality, feel-good, holiday programming that the whole family will want to watch together. We continue to hear from our audience that gathering to watch Hallmark Channel during the holidays each year is a tradition in its own right.

### How do you ensure holiday programming doesn't stray from your core mission and extends your brand?

**Abbott:** That's easy! The Hallmark brand is synonymous with the celebration of holidays and special occasions—as well as life's everyday moments—so the true connection and relevance is there. Christmas, by its very nature, is an extension of the Hallmark brand, and holiday programming is one of the things that we do best.

**Humbard:** Christmas is an opportunity for us to showcase the music, movies and series episodes that celebrate the purpose of Christmas. As the premiere brand for uplifting entertainment, there really is no better uplifting programming than Christmas-related content.

**Tabesh:** We always provide a context for the films, both by programming them with other holiday titles that have similar themes or stars, and by having Robert Osborne there to host them. These movies are a perfect fit for our brand.

**Riley:** We take advantage of holiday programming. This year during our 13 Nights of Halloween we created a "Pretty Little Liars" prequel—this enables us to theme and stunt Halloween and give our viewers spe-

## CableFAX Roundtable

cial insight into one of our key originals that is absolutely on brand. With “Count Down to 25 Days” and “25 Days of Christmas” we are careful to program movies that are in line with our viewers’ tastes and also create original movies just for the event. This year *Amy Smart* and *Mark-Paul Gosselaar* star in the world premiere of our new original movie “12 Dates of Christmas.”

### What do advertisers tell you they want when it comes to holiday-themed programming? And what has worked best for you?

**Abbott:** During this time of year, much of our retail, packaged good, and technology clients—to name only a few categories—are leveraging a holiday message. Much of the creative is about family, and Santa, and snowmen, and celebration, which aligns perfectly with our programming. So, Hallmark Channel’s “Countdown to Christmas” programming initiative really offers an environment of seamless transition from our movies and specials into the advertising. One thing that continues to work especially well is our customized vignettes. For example, this year we created customized “Celebrate the Tradition” vignettes around the traditions of holiday decorating and gathering for family meals. We signed a number of sponsors for the vignettes, which feature sneak peeks at scenes from our new Christmas movies depicting the two traditions.

**Riley:** Advertisers are looking for ways to reach mass audience in days or weeks prior to the holiday. Our “Countdown to 25 Days” and “25 Days of Christmas” provide a true destination more than a month ahead, which aligns well with their marketing schedules... And almost all brands have some kind of retail event for Christmas—think special Polar Bear packaging for Coke or collectible packaged foods as well as every brick and mortar and e-stores.

**Humbard:** They want a positive message that has heart and can be embraced by the largest audience. Our original movies, music specials and Christmas themed series have been extremely effective for us. There was great enthusiasm in the ad community, for example, for our upcoming GMC World Premiere Movie, “The Heart of Christmas,” which premieres on December 4.

### What kind of budgets make sense when you’re looking at original programming during the holidays? What kind of factors do you consider when choosing what to put on?

**Humbard:** We focus on programming that will support our ratings while celebrating the season. We look for

movies that fit our brand and Christmas music that features the biggest names in gospel and Christian music, as well as country and pop.

**Tabesh:** Since our core product is classic movies, our budget challenge is related to how much we should allocate toward acquiring films that are primarily playable during one time of the year. While we can always find ways to play a film like “Miracle on 34th Street” in other months—during “31 Days of Oscar,” or by making Natalie Wood our star-of-the-month, for example—the reality is we’re licensing a title like that for 12 months primarily so we can use it in December. Having said that, this year we are doing an original documentary related to Christmas movies, “A Night at the Movies: Merry Christmas!,” so we invest in the genre both through our acquisitions and our original programming.

**Abbott:** Budgets for our holiday movies are consistent with what we spend on our content throughout the year centered on presenting a quality, high-rated offering. For all of our many original productions including 14 new Christmas movies this year, specials, and our acquisitions, it’s imperative that the content is quality and consistent with our core brand values.

### Since this is such a huge chunk of programming for you, when will you start thinking about your December 2012 holiday block?

**Riley:** Now.

**Abbott:** Yesterday! We’ve already green-lit movies that will air as a part of “Countdown to Christmas” next season. Year-round, we’re always in some stage of development on our holiday programming,

**Humbard:** We begin planning in Q1 and are always producing and acquiring Christmas themed content.

**Tabesh:** Key films need to be licensed several years in advance so, in a broad sense, we’ve already begun to think about 2012 and beyond. We’ve lined up most of the films and laid out some of the themes we want to cover. The actual schedule won’t be completed until much closer, however.

### What’s your all-time favorite holiday movie?

**Humbard:** “A Christmas Story”

**Abbott:** It’s a classic! “White Christmas.”

**Riley:** “It’s a Wonderful Life” (always) and National Lampoon’s Christmas Vacation as a close second!

**Tabesh:** “It’s a Wonderful Life”