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What the Industry Reads First

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Maffei: Digital Godzillas Threaten Traditional Media, But It's Not Inevitable

While aspects of **Facebook, Google, YouTube, Spotify** and other new companies may be the envy of traditional media, **Liberty Media-Liberty Interactive** Pres/CEO *Greg Maffei* told those gathered at Tues' Media Institute lunch in DC that domination by these firms is far from inevitable and is just one of several possible future scenarios. In a speech titled "Digital Godzilla Eats Media King Kong," he said cable companies, operating smartly, can compete. Maffei combined Moore's Law and his own 'Laws of the Internet' ("If it can be free, it will be; If it can be known, it will be; and If it can be shared, it will be.") to survey the influence of "the digital explosion" and look at future risks for traditional media companies. "YouTube has 1bln unique users/month...100 hours of video are uploaded every minute. No traditional media company can claim those kinds of statistics," he said. Facebook boasts 1bln monthly active users, 15% of all time spent on the Internet is spent on Facebook and if Facebook users were a country, it would be the world's second largest, behind China and just ahead of India. "It's mind numbing." While media has diversified its traditionally local business, emerging tech businesses can operate everywhere. "There's no large media company in the U.S. deriving more than half its profits from overseas," he said. Even **Discovery's** enviable international portfolio pales next to the global reach of YouTube, Maffei said. In his overview of cable's future, he mentioned the business has "many positive attributes," but "you can see a lot of pressure" from "rising content costs...and operators not being able to pass those costs through to the consumer." Most OTT users today are using it as an ancillary service, but eventually the majority of users could be cord cutters. In addition, providing OTT will put "a lot of stress" on networks to enable a service that "you're not getting paid a lot of money for." The former Microsoft exec is less concerned about **Google Fiber**. "I have no idea if they'll build out to 50 more cities or 5...I tend to think it will be 5." His reasoning is that Google will have "proved its point" about high speed with its build-out, but managing the business profitably will be much harder. Turning to the present, Maffei noted, "...we invested in **Charter** last year. We come out of the cable business. We were pretty actively involved in helping our friends at Charter in the **Comcast-Time Warner Cable** triangle, which will involve incremental capital from us as well. So we think that future [where digital godzillas consume everything] is not a foregone conclusion. We think there's a lot of great things happening in the cable busi-

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ness, and there's a lot of great opportunities to serve customers and serve shareholders. But I point out the risks. And while I say it's not a foregone conclusion..."much "of it is related to cable companies operating in their own smart way. I have said before...things like **Netflix** are largely the failure of the cable business. If TV Everywhere had been what it should have been...Netflix would have a heckuva lot less attractive future...."

Wheeler On the Hill: Along with net neutrality, spectrum auctions and consolidation, House Tech subcmte members grilled **FCC** chmn *Tom Wheeler* on retrans disputes during an FCC oversight hearing Tues. *Peter Welch* (D-VT) brought up blocking of online access during recent retrans and programming disputes. Wheeler said "there's a reason to be concerned." He has firsthand experience having subscribed to an ISP that had online content blocked from a program provider during a dispute. "I think that is something that is of concern and that we all should worry about," he said. Take consolidation, which drew questions from several Democrats. *Doris Matsui* (D-CA) urged oversight hearings on the **AT&T-DirectTV** deal as well as the **Comcast-Time Warner Cable** deal while fellow Californian *Anna Eshoo* said she's concerned on the deals' impact on the Internet. Wheeler, without commenting directly on those deals, said the agency reviews consolidation with consumer interest and competition in mind. As for Open Internet regs, Matsui made it clear that she believes paid priority should be banned. Wheeler seemed to be on the same page, saying he thought paid priority wouldn't be commercially reasonable. He reiterated that the DC Circuit, which struck down key parts of the FCC's Open Internet rules, gave the agency broad authority over broadband. "My proposal is that if something interferes with that, which I believe paid priority does, we can move against it," he said.

Verizon Talks DISH: Don't count on a **Verizon-DISH** tie-up, at least not anytime soon. Calling such an arrangement a "fantasy," the telco's CEO *Lowell McAdam* said "I don't feel that owning a satellite is something that I'm finding intriguing at this point...There have not been any discussions and there aren't any discussions going on with Dish." McAdam's remarks came Tues at the **JP Morgan** Global Technology, Media and Telecom Conference. Meanwhile, McAdam noted pay-TV sub growth has slowed down at Verizon while broadband sub growth continues. "We used to sell a TV service and an equal number of broadband services and we're seeing the gap now increase significantly," McAdam said. "You saw that in the first quarter where we had 20, 30 and 40 percent more broadband sales than linear TV sales." Moving forward, Verizon will focus on delivering video over wireless and OTT services, in addition to traditional pay-TV services. "I think this gets back to our philosophy of mobile first, over-the-top and a broadband play is where we want to be... versus the continuation of linear TV...Because the content costs are going up so much, I think a pure broadband play is at least or more attractive for us and we're encouraged by that trend," he said.

Oxygen Taps Beamy: **Oxygen** partnered with **Beamy** (formerly **zeebox**) to launch a multiplatform initiative for its "Bad Girls Club" reality series. As part of an effort to expand multiplatform experiences across all of Oxygen's original programming, Beamy launched a bracket, which is syndicated on Oxygen.com, Oxygen Now, and on Beamy.com, allowing viewers to vote on the "Ultimate Bad Girl Moments." In addition, Beamy launched its 1st video podcast series dubbed "BCaps" to recap fans' favorite shows.

Research: The 17 largest cable and telco ISP providers in the US, representing some 93% of the market, added some 1.2mln net new HSI subs in 1Q, according to **Leichtman Research**. That's 5% more than the net adds in the same period a year ago. The cable companies, which added 970K new subs, accounted for 83% of the total net new broadband additions for the quarter vs telcos. "With nearly 1.2 million net additions in the first quarter of 2014, broadband providers had their best quarter in two years," said pres *Bruce Leichtman*. "If recent history is an indicator, however, gains will be slower over the next couple of quarters. In each of the past four years, net adds in the first quarter were greater than in the second and third quarters combined."

WEtv Taps Ensequence: Interactive media company **Ensequence** launched PROMOTIONS+, a national advertising product that aims to make cable networks' own promotional spots interactive. The service was launched with cable net partner **WEtv** on certain Samsung Smart TVs. All packages include cloud-based HD-DVR.

Nimble Expands: Cloud-based TV service **NimbleTV**, which aims to enable users with a cable subscription to

BUSINESS & FINANCE

watch TV from any location, will expand beyond NY: It will support channels from Chicago starting Aug 1 and later this year will add local channels from Atlanta, Boston, Dallas, Detroit, Philly, LA, San Francisco and DC. The service works on various platforms including **Roku**, **Apple TV**, iOS platforms and some Android platforms, as well as various Internet-enabled TVs.

Programming: Travel Channel's new original series, "Man Finds Food," hosted by *Adam Richman*, premieres July 2. -- **Pivot** launched a development initiative dubbed "Pivot Creative Collective," designed to be a place for emerging voices to develop new programming. -- **Fox Sports 1** airs a pair of military-themed specials on Memorial Day: documentary "B.R.C. 2014: Best Ranger" and a "Golden Boy Live!" title fight.

People: Cablevision tapped *Kevin Packingham* as evp, product management, effective immediately. He will report to *Kristin Dolan*, chief operating officer. Packingham was most recently chief product officer for **Samsung Telecoms America**. -- **MTV** upped *Colin Nash* to svp of series development of West Coast Reality Programming. He will continue to report to *Lauren Dolgen*, head of West Coast reality programming and evp of series development. He was most recently vp of series development.

CableFAX Daily Stockwatch

Company	05/20 Close	1-Day Ch	Company	05/20 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	82.99	(1.66)	CONCURRENT:	8.05	(0.01)
DISH:	57.53	(1.83)	CONVERGYS:	21.79	(0.34)
ENTRAVISION:	5.17	(0.13)	CSG SYSTEMS:	24.93	(0.42)
GRAY TELEVISION:	10.36	(0.33)	ECHOSTAR:	50.32	(0.2)
MEDIA GENERAL:	16.85	(0.25)	GOOGLE:	529.77	0.91
NEXSTAR:	42.85	(0.56)	HARMONIC:	7.27	(0.11)
SINCLAIR:	29.39	0.06	INTEL:	26.04	UNCH
MSOS					
CABLEVISION:	17.20	(0.26)	INTERACTIVE CORP:	62.11	(0.88)
CHARTER:	138.96	0.28	JDSU:	10.79	(0.26)
COMCAST:	50.65	(0.25)	LEVEL 3:	43.83	(0.26)
COMCAST SPCL:	50.09	(0.16)	MICROSOFT:	39.68	(0.07)
GCI:	11.17	(0.22)	NIELSEN:	47.02	(0.26)
GRAHAM HOLDING:	675.08	(4.97)	RENTRAK:	49.08	(1.01)
LIBERTY GLOBAL:	43.85	(0.09)	SEACHANGE:	9.38	(0.13)
LIBERTY INT:	28.04	(0.39)	SONY:	16.01	(0.31)
SHAW COMM:	24.80	(0.17)	SPRINT NEXTEL:	8.99	(0.13)
TIME WARNER CABLE:	137.85	(0.58)	TIVO:	11.75	(0.33)
PROGRAMMING					
21ST CENTURY FOX:	34.09	(0.03)	UNIVERSAL ELEC:	40.22	(0.3)
AMC NETWORKS:	59.83	(0.17)	VONAGE:	3.62	(0.08)
CBS:	57.09	(0.27)	YAHOO:	33.87	(0.02)
CROWN:	3.44	(0.01)	TELCOS		
DISCOVERY:	73.73	0.06	AT&T:	35.50	(0.88)
DISNEY:	81.09	0.04	CENTURYLINK:	37.58	(0.39)
GRUPO TELEVISIA:	33.30	(0.45)	TDS:	26.20	(0.46)
HSN:	53.74	(1.41)	VERIZON:	48.65	(0.5)
LIONSGATE:	27.52	1.20	MARKET INDICES		
MADISON SQUARE GARDEN:	51.06	0.23	DOW:	16374.31	(137.55)
SCRIPPS INT:	74.02	(1.67)	NASDAQ:	4096.89	(28.92)
STARZ:	29.52	(0.17)	S&P 500:	1872.83	(12.25)
TIME WARNER:	69.21	(0.9)			
VALUEVISION:	5.02	(0.22)			
VIACOM:	83.48	(0.89)			
WWE:	10.93	(0.03)			
TECHNOLOGY					
ADVANTAGE:	2.65	0.08			
ALCATEL LUCENT:	3.83	(0.03)			
AMDOCS:	47.31	(0.05)			
AMPHENOL:	94.60	(1.17)			
AOL:	36.47	(0.33)			
APPLE:	604.71	0.12			
ARRIS GROUP:	29.52	(0.39)			
AVID TECH:	7.21	(0.04)			
BLNDER TONGUE:	0.94	0.10			
BROADCOM:	30.30	0.23			
CISCO:	24.12	(0.23)			

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PROGRAM AWARDS

IT'S TIME TO ENTER!

The annual **Cablefax Program Awards** honor the best shows and people for providing exceptional cable content. This unique awards program from the industry's most trusted brand raises the bar for outstanding cable programming and honors cable's contribution to this new Golden Age of Television. Now's your chance to win a Cablefax Program Award and get recognized for the incredible value that cable's content brings to viewers.

The winners and honorable mentions will be honored **October 14, 2014** in Los Angeles.

Winners and honorable mentions will be awarded in the following categories:

Platinum/People Categories:

- Best Actor in Cable
- Best Actress in Cable
- Best Cable Program
- Best New Cable Program
- Best Showrunner
- Hall of Fame: Open to actors, writers, directors, producers and programming executives for a body of work

By Genre: Best Show or Series In The Following Genre:

- Animals/Nature
- Animated
- Children's
- Comedy
- Documentary
- Drama
- Education/Instructional
- Faith Based/Religious
- Family Friendly
- Food
- Music
- News
- Public Affairs
- Reality*
- Reality Competition/Game Show
- Regional Program
- Sci Fi
- Sports
- Talk Shows
- Other: enter your best in a genre (not mentioned above)

By Genre: Best Actor/Actress/Host In The Following Genres:

- Comedy
- Drama
- Family Friendly
- Food
- Music
- News/Public Affairs
- Reality Competition/Game Show
- Regional Program
- Sports
- Talk Shows
- Other: enter your best in a genre (not mentioned above)

Special Category:

- Best Opening Sequence

Tech Categories:

- Best Online/Mobile Extras for a Linear Show
- Best Online-Only/Mobile-Only Show
- Best Video on Demand Program/Special

Enter by
June 20!

Questions: Contact Mary-Lou French at mfrench@accessintel.com or (301) 354-1851.

Enter online at www.cablefaxprogramawards.com