

# Cablefax Daily™

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What the Industry Reads First

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## Communacopia Day 2: Cord-Cutting, OTT and Video-Nevers

Threads of cord-cutting wound their way throughout **Goldman Sachs'** Communacopia conference Thurs, with the consensus emerging that some sort of change to the model is inevitable. "I suspect over long-term the business will change dramatically. But I don't expect that will happen in a big hurry. The price pressure in rising programming costs will accelerate that," said **Liberty Media** pres/CEO *Greg Maffei*. Does that mean the door is open for new TV bundles or levels of tiering? "Two trends work against that. When you see these consolidated large content companies, they are going to work hard to make sure there's no tiering of their stuff, but it's too a broad of a base as possible," he said. "But some distributors are going to feel pressure and make the bite and do something different because they have to. There are 2 tectonic plates crashing here." He said it was no surprise that *Charlie Ergen* and **DISH** are at the forefront, with plans for an OTT service. "You would've guessed he's the logical one to make a break and try to do something different just because he's an innovator and he has a different base and he's willing to take risks with it." While DISH has been clear that the service will target a limited market, there has been some investor concern that it could make the higher priced video package vulnerable. Maffei said the key in any case—whether it's a new tier of service, a promo or an OTT offering—is to not let discounts affect the whole bundle. "Try[ing] hard to not let them pollute the higher-priced tiers is the goal," he said. **Verizon** CEO *Lowell McAdam* spoke at the conference, revealing plans to launch its Internet video service (fueled by its purchase of **Intel's** OnCue) in mid-2015. He said tier 1 content providers are having engaging discussions, including the Big 4. "If you look at an over-the-top, I think you could end up with a bundle that will have the major broadcast content providers, and we would use our network around multicast to handle that very efficiently. And then you'd have a lot of these sort of custom channels that people can do the video demand, the IPTV much more interactive that you could have on these individual channels," McAdam said. He added that conversations with content companies have changed "dramatically" over the last 6 months. What about the direct-to-consumer approach, does it make sense to make **Starz** available in that way? "The first and more logical step is to work with distributors to offer it in a broadband package that doesn't require you to take all that sports programming," Maffei said, noting it would be easy to do since Starz is independent and doesn't have other nets tied to it. Starz CEO *Chris Albrecht* made that same point later in the day, saying he's not as concerned

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about the 8mln-10mln homes that might have broadband and not video, but the 50mln homes that might have broadband and no premium nets. He argued that it becomes an economical model that will affect more than millennials, saying that as baby boomers live longer they'll have to look for different choices as they stretch their money over more years. It doesn't sound like this is just a theoretical discussion. When asked how receptive he sees traditional MVPDs to a bundle of broadband access plus Starz Play, Albrecht said he just talked to his team last week and said "we need to make a case for this." Whether **Sony's** virtual MVPD service launches or not, "it's becoming more in the consciousness of everyone... [that] this is going to happen," he said. For the 4th year in a row, the number of Americans who say they intend to cut the cord has risen. That is according to June data collected by **Frank N. Magid Assoc**, which continued its annual tradition of presenting research on cord-cutting at the conference. This most recent study reveals that 2.9% of Pay TV consumers are "very likely" to cancel their Pay TV in the year ahead. This is up slightly from last year (2.7%) and up from 2.2% two years ago. No surprise that sports fans are more tethered, with 4.9% of 25-34-year-olds saying they are very likely to cut the cord, while only 1.4% of **ESPN** viewers said they are likely to say goodbye to pay TV. **Viacom** on Thurs offered up some new research that was a bit more optimistic. Its study of more than 1500 US Viacom viewers ages 13-44 found that 33% of millennials only watch live TV and 66% watch live TV at some point in their viewing (that compares to 45% of Gen Xers only watching live and 80% watching it live at any point in their viewing path). Of course, that doesn't mean they're happy with the TV status quo, with 84% of viewers surveyed agreeing they'll have more option for where, how and what to watch. Albrecht put it succinctly: "There's no question that they'll be attached to some cord from these distributors. The question is whether they'll be video-nevers."

**WiFi Everywhere:** Soon **Comcast** subs will be able to enjoy WiFi spots in Europe for free. And **Liberty Global** customers will have access to more than 10mln Xfinity hotspots (8mln by end of year). Comcast subs will have access to Liberty Global hotspots in the UK, Belgium, Netherlands, Poland, Ireland and Switzerland (2.5mln by EOY). This news takes on greater importance considering reports that the iPhone 6 is expected to roughly double data usage. The operators plan to trial the shared WiFi later this year and offer it on a wide-scale basis in 2015.

**Net Neutrality Numbers:** How did Wed's Internet Slowdown stunt fare? Organizers said the day of protests generated nearly 300K calls, 2mln+ emails to Congress and more than 700K comments at the **FCC**, whose servers were overwhelmed for a period. On Wed, various websites, including **Reddit**, featured an icon representing a slow-load Internet to their sites that users could click on to initiate a series of actions to Congress, the White House and FCC. According to organizers, more than 10K websites participated and the spinning icon was shared on Facebook more than 1.1mln times. Reply comments in the FCC's Open Internet proceeding are due Mon.

**Labor Watch: Cablevision** said its Brooklyn techs voted against continued representation by the **CWA** in an anonymous poll conducted by a 3rd party group. The MSO and union have a years-long battle over union representation that has included CWA filing a complaint with the **Natl Labor Relations Board**. CVC said the vote was 129 to 115 against representation by Local 1109 of the CWA and featured 93% of the employees. Last year, Cablevision employees in Brooklyn filed a petition with the NLRB asking for a binding, decertification vote, but it hasn't happened with Cablevision claiming CWA has filed baseless claims to block the vote. "It is time for the CWA to respect our employees' wishes and withdraw. In addition, Mayor *de Blasio* is repaying a political debt to the CWA and the Working Families Party, and is advocating the union's agenda against the wishes of our employees," said a Cablevision statement.

**AT&T-DirecTV Probe:** State attorneys general working with DOJ on the legality of a **Comcast-Time Warner Cable** merger have expanded their investigation to include **AT&T-DirecTV**, *Reuters* reported, citing sources close to the probe.

**Technology: Rovi** is showing off its new HTML5-based multiplatform guide at **IBC** this week. The guide is designed to streamline the integration of 3rd-party applications and services. This capability is expected to help service providers quickly on-board additional value-added offerings for subscribers such as home security or interest-specific apps for weather, streaming video or music. -- **ActiveVideo** joined the RDK community as a licensee, bringing cloud-based browser delivery of HTML5-based interactive TV, content and applications to RDK devices. By combining the RDK's device-based approach with the power of the cloud, we can help the RDK and industry at-large achieve greater scale, faster time-to-market and consistency for television experiences across entire device footprints," said pres/CEO *Jeff Miller* in a statement.

# BUSINESS & FINANCE

**People:** Billy Kimball has stepped down from his post as chief programming officer at **Fusion**, and **Wade Beckett** has been tapped for the job. Beckett, who spent 6 years at **NBCU's G4**, comes on board full-time in early Oct. He most recently served as showrunner for **ESPN's "SportsNation,"** which has the youngest audience of all of ESPN's studio-based shows. -- **Grande** pres **Matt Murphy** is leaving to found a new private equity firm after having served as head of the overbuilder for the past 5 years. Grande's vp, retail ops **Matt Rohre** will serve in the interim role of svp, ops/gm effective Oct 1. -- **Momita SenGupta** was upped to evp, production for **Viacom Ent Group**. -- **Comcast** promoted **Rudy Brioché, Lindsey Dickinson, David Don, Jordan Goldstein** and **Sam Lancaster** to vps based in DC. The company also hired **Julie Laine** as vp, chief transaction compliance officer and sr deputy general counsel in Philly. -- **Michael Ouweleen** was named chief marketing officer of **Cartoon Network, Adult Swim** and **Boomerang**. He most recently was svp, exec creative dir for Cartoon's Creative Group. -- **Nat Geographic Channels Intl's** group content hub upped **Mark Francis** to vp, commissioning and regional programming and promoted **Maggie Rhodes** to vp, global acquisitions and co-productions. **Emanuele Madeddu** was elevated to svp, marketing and creative.

## CableFAX Daily Stockwatch

Company	09/11 Close	1-Day Ch	Company	09/11 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	87.00	0.35	CONVERGYS:	18.86	0.27
DISH:	66.30	0.54	CSG SYSTEMS:	26.92	(0.18)
ENTRAVISION:	4.58	(0.07)	ECHOSTAR:	51.51	0.26
GRAY TELEVISION:	9.37	0.18	GOOGLE:	581.35	(1.75)
MEDIA GENERAL:	15.35	0.26	HARMONIC:	6.97	0.04
NEXSTAR:	44.26	(0.17)	INTEL:	35.02	UNCH
SINCLAIR:	28.13	(0.02)	INTERACTIVE CORP:	71.54	(0.11)
<b>MSOS</b>					
CABLEVISION:	19.15	0.23	JDSU:	13.36	1.25
CHARTER:	158.80	1.17	LEVEL 3:	45.16	(0.02)
COMCAST:	56.98	0.07	MICROSOFT:	47.00	0.16
COMCAST SPCL:	56.66	0.04	NIELSEN:	45.64	(0.13)
GCI:	11.06	0.04	RENTRAK:	54.50	2.10
GRAHAM HOLDING:	711.54	2.74	SEACHANGE:	7.56	(0.13)
LIBERTY GLOBAL:	43.86	1.75	SONY:	19.80	0.30
LIBERTY INT:	29.34	(0.07)	SPRINT NEXTEL:	6.57	0.42
SHAW COMM:	25.08	(0.07)	TIVO:	14.06	0.96
TIME WARNER CABLE:	154.24	0.73	UNIVERSAL ELEC:	54.80	0.06
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	35.30	(0.26)	VONAGE:	3.48	(0.02)
AMC NETWORKS:	62.52	(0.17)	YAHOO:	41.26	0.12
CBS:	58.13	0.49	<b>TELCOS</b>		
CROWN:	3.37	0.04	AT&T:	34.85	0.15
DISCOVERY:	40.37	(0.6)	CENTURYLINK:	40.38	0.69
DISNEY:	89.97	0.45	TDS:	26.44	0.39
GRUPO TELEVISIA:	35.70	(0.44)	VERIZON:	49.01	0.26
HSN:	60.18	0.12	<b>MARKET INDICES</b>		
LIONSGATE:	33.16	(0.18)	DOW:	17049.00	(19.71)
MSG:	65.83	0.11	NASDAQ:	4591.81	5.28
SCRIPPS INT:	78.52	(0.11)	S&P 500:	1997.45	1.76
STARZ:	31.20	(0.04)	<b>TECHNOLOGY</b>		
TIME WARNER:	76.76	0.83	ADDVANTAGE:	2.36	0.03
VALUEVISION:	5.12	(0.01)	AMDOCS:	47.90	(0.04)
VIACOM:	79.98	(0.26)	AMPHENOL:	104.44	1.04
WWE:	15.15	0.53	AOL:	42.64	0.61
<b>MARKET INDICES</b>					
			APPLE:	101.43	0.43
			ARRIS GROUP:	30.86	0.36
			AVID TECH:	9.01	(0.04)
			BLNDER TONGUE:	1.48	0.01
			BROADCOM:	40.71	0.09
			CISCO:	25.18	0.25
			CONCURRENT:	7.85	(0.06)



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# PROGRAMMER'S PAGE

## Have Stardom, Will Paint

It seems like one of the advantages of celebrityhood would be the ability to hire people to do your home renovations, but given the number of stars picking up sledgehammers, having your own home improvement series appears to be the more fashionable route these days. The latest entry into this category is **HGTV's** "The Jennie Garth Project" (premieres Tues with back-to-back eps starting at 9pm ET). The "Beverly Hills, 90210" alum and current star of **ABC Family's** "Mystery Girls" has a contractor, but she's not afraid to get dirty as she revamps a ranch house in the Hollywood Hills that is more Brady Bunch than Brenda and Brandon Walsh. She eschews a designer, declaring she wants to decorate it herself. "She's relatable. She is someone with young kids and similar challenges when it comes to improving your home that so many people face," HGTV gm *Allison Page* told us. "She seems knowledgeable and passionate, but real and vulnerable. It's a challenging process." In the first ep, Garth nixes a fireplace project that exceeded her \$3K budget by 17 grand. Don't get us wrong. She's not buying her couch at Ikea, but this doesn't feel like a romp through the extravagance of "Lifestyles of the Rich and Famous." Page said HGTV's celebrity home shows, which include "Rev Run's Renovation," start with the star first—but "in our shows, the ones hosted by celebrities, they really are rolling up their sleeves." In Oct, HGTV sibling **DIY** welcomes another celeb renovating an outdated 1970s home as *William Shatner* boldly goes where—well, where a lot of other celebs have gone. In Nov on HGTV, movie star *Gary Sinise* joins **Food Network** host *Robert Irvine* and HGTV designer *Genevieve Gorder* to give military service men and women a home transformation. And *Vanilla Ice* will be back with a brand new invention of his DIY series in Oct. Will it ever stop? Yo, I don't know. - *Amy Maclean*

**Reviews:** "Terror at the Mall," Mon, 9p, **HBO**. The disastrous terrorist attack on an upscale Kenyan shopping mall last September is grippingly re-told by survivors, augmented by fabulous use of security camera footage. Director/producer *Dan Reed* purposely is spare in his role as a dispassionate narrator, correctly allowing participants and footage to speak. Still, Reed opens by applauding civilian heroics and later deftly skewers Kenyan authorities' tardy response. -- "American War Generals," Sun, 8p, **Nat Geo**. Kudos to Nat Geo for arranging the largest gathering of 4-star generals ever, with Gen *Barry McCaffrey* brilliantly leading the charge for frankness. The film also has breadth, beginning its look at Pentagon strategy with Vietnam. Yet, lacks objectivity since only the generals are heard. The film picks up steam in its discussion of Iraq and Afghanistan, featuring Gen. *Stanley McChrystal*. While he had Iraq on an upswing when a "Rolling Stone" piece prompted McChrystal's resignation, today's violence there makes it difficult to assess what might have been had he remained. -- "Deliverance Creek," premiere, Sat, 8p, **Lifetime**. Hang in there. This Civil War drama starring the wonderful *Lauren Ambrose* meanders along well-worn territory, but eventually things get mighty interesting. -- "The Intruders," Sat, 10p ET, **BBC Am**. Finally, we think we know what's going on in this intriguing thriller. Uh, no we don't. - *Seth Arenstein*

Basic Cable Rankings (9/1/14-9/7/14)			
Mon-Sun Prime			
ESPN	1	0.9	2198
DSNY	2	0.8	2096
HIST	2	0.8	1999
FOXN	4	0.7	1707
USA	4	0.7	1676
TBSC	6	0.6	1497
HGTV	6	0.6	1497
TNT	6	0.6	1387
DISC	9	0.5	1126
A&E	9	0.5	1116
FX	11	0.4	1065
LIFE	11	0.4	1058
ADSM	11	0.4	1033
TLC	11	0.4	1028
FOOD	11	0.4	1025
SYFY	11	0.4	1003
NAN	11	0.4	946
FAM	11	0.4	883
AMC	11	0.4	864
DSE	11	0.4	84
SPK	21	0.3	831
ESP2	21	0.3	783
VH1	21	0.3	745
ID	21	0.3	732
HALL	21	0.3	634
BRAV	21	0.3	630
FXX	21	0.3	584
DSJR	21	0.3	555
CMDY	29	0.2	582
BET	29	0.2	554
EN	29	0.2	549
TVLD	29	0.2	543
MTV	29	0.2	521
WETV	29	0.2	514
MSNB	29	0.2	509
TRU	29	0.2	488
APL	29	0.2	483
CNN	29	0.2	471
LMN	29	0.2	446
WGNA	29	0.2	414
NGC	29	0.2	393
GSN	29	0.2	392
NKJR	29	0.2	392
TRAV	29	0.2	391
H2	29	0.2	390
HLN	29	0.2	383

\*Nielsen data supplied by ABC/Disney



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