

# Cablefax Daily™

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What the Industry Reads First

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## After Discovery: John Hendricks Tackles SVOD Streaming Service, 4K

John Hendricks was the first mover on non-fiction programming when he founded the **Discovery Channel** in 1985. Today, he gets to stay ahead of curve again with the launch of a multiscreen SVOD service dubbed **CuriosityStream** that includes 4K programming. Having thought about such a service for decades, Hendricks decided that it's best to do it in an independent fashion. That's why he planned the launch during his early retirement from Discovery (last May), he told us in an interview. The service, set to debut Mar 18 with more than 800 video titles, is commercial free because "we don't want to be ratings driven." The model creates a huge advantage, "allowing us to do things you might not have done in an ad-supported world," he said, calling programs on demand the 3rd revolution in TV. The service targets the roughly 17mln broadband-only HHs, as well as the 10% of the 100mln pay-TV HHs interested in a few streaming SVOD services on top of their bundles. "Over time, my goal is to penetrate 50% or more of those 17 million homes without cable or satellite... It might take us 3 years, it might take us 5 years." Ultimately, Hendricks, now the head of a venture dubbed **Curiosity Project**, hopes to reach 15-20mln in a decade. Another important segment beyond broadband-only homes is the 4K market. Hendricks expects roughly 10mln 4K TV HHs by the end of 2016, with the rollout expected to accelerate as prices come down. "We will be programming very aggressively in 4K," he pledged. "We will have high penetration in 4K because we are dealing with very upscale households. There isn't much price sensitivity... We might get 50% penetration within that [4K] market space. My hope is that 10 years from now, 4K is just like HD." And without the legacy constraints in the linear TV world, SVOD players are better positioned to jump on 4K, he said. CuriosityStream already has started the production of series such as "Big Picture Earth," a 20-part 4K series. Since broadband-only HHs are a big target market for the SVOD service, the Discovery founder supports anything that can help increase broadband investment and improve network infrastructure. Regarding the pending **Comcast-Time Warner Cable** and **AT&T-DirecTV** mergers, he said a bigger company is better positioned to invest in broadband infrastructure. Not surprisingly, Hendricks isn't a fan of net neutrality regulations. "Regulating broadband delivery when cable operators are in the best positions to manage the information flowing on the pipeline they build is deeply troubling." On the content side, he expects the traditional cable bundle, "very affordable on a per channel basis" to "stay intact for a pretty good while." Despite all the talks about a la carte, he



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said replicating the economic model in an a la carte world would mean much higher cost for each individual channel. That said, “Ergen kind of surprised me with his Sling TV.” **DISH** announced at **CES** last week that it’s launching a streaming TV programming bundle that starts at \$20 and includes **ESPN**. “We will pay really close attention and see how that service rolls out and does in the non-payTV households,” Hendricks said. CuriosityStream will start at \$2.99 per month for SD streaming, \$3.99 per month for 720p, \$5.99 per month for 1080 HD, and \$9.99 per month for 4K. It will feature original series as well as content from the **BBC, NHK, ZED, Terra Noa, and Flame Distribution**.

**Fox News-DISH Deal:** You knew it had to end eventually, right? **DISH** and **Fox News Nets** reached a multi-year deal Thurs that saw **Fox News** and **Fox Business** return to the DBS provider’s customers. DISH lost the channels as of 12:01am Dec 21. No details were given, though sources close to the deal pegged the rate at north of \$1.50/sub with Fox Business also moving to the same tier as the flagship channel. “We know these negotiations were frustrating and we cannot thank you enough for remaining patient as we work to finalize this agreement,” DISH said in a statement on its website that credited customers’ comments with bringing both sides “together in a spirit of compromise.” The official statement from DISH and Fox News: “We thank the viewers of FOX News and FOX Business and DISH customers for their patience throughout this process.”

**Outdoor Parent Restructures:** **Kroenke Sports & Entertainment (KSE)**, parent of **Outdoor Channel** and the recently acquired **Sportsman Channel**, formed the KSE Outdoor Group and revamped its sr management team as part of a restructuring. *Jim Liberatore*, pres/CEO of KSE Outdoor Group’s outdoor networks division, adds oversight of Sportsman Channel to his role, which already includes Outdoor Channel and the **World Fishing Network**. He replaces *Gavin Harvey*, CEO of Sportsman Channel. *Jeff Paro*, pres/CEO of the company’s outdoor publishing and digital media division, will continue the role he had when these assets were part of Intermedia. Liberatore and Paro will report directly to *Matt Hutchings*, evp and COO of KSE and pres of KSE Media Ventures.

**Defining an MVPD:** Comments on the **FCC’s** NPRM proposing online video distributors be classified as MVPDs are due Feb 17, with replies due Mar 2. The Media Bureau announced the deadlines Thurs following the Commission’s approval of the NPRM Dec 17. The Commission also seeks comment on an alternate interpretation that would require an entity to control a transmission path to qualify as an MVPD. The docket number is 14-261.

**Dauman’s Contract:** **Viacom** extended its employment agreement with pres/CEO *Philippe Dauman* through the end of ’18, adding 2 years to his previous contract that ran through Dec 31, ’16. His \$3.5mln base salary will remain unchanged, and he’ll continue to be eligible for performance-based compensation and equity awards (in ’13, his compensation totaled \$37.2mln). In the next 3 years, Viacom will see roughly 30% of its subscriber base come up for renewal. Dauman also has made it clear that the company will be looking to increase its share of non-Nielsen measured advertising over the next few years, taking it from 30% to 50%. Dauman has served as pres/CEO since Sept ’06 and has been a member of Viacom’s board since ’87.

**NBCU’s Ad Targeting:** **NBCU** is hoping to separate itself from the pack with the launch of “Audience Targeting Platform,” which incorporates set-top viewing data from several 3rd party sources along with 1st and 3rd party consumer data to identify top performing, client-specific inventory across its portfolio of cable and broadcast nets.

**Neutrality Hearing:** **Sen Commerce** chmn *John Thune* (R-SD) will convene a hearing Wed at 2:30pm ET titled “Protecting the Internet and Consumers through Congressional Action.” The witness list hasn’t been posted, but the description says non-govt witnesses will testify about the **FCC’s** current authority and Congress’ options to update outdated laws for the Internet age. Thune and **House Commerce** head *Fred Upton* (R-MI) are working on a bill that would head off a Title II approach at the FCC by prohibiting blocking and throttling and paid prioritization.

**Programming:** Journalist *Mariana van Zeller* joins chef *Michael Voltaggio* in **Travel Channel** series “Breaking Borders” (premieres Mar 15, 9pm ET). The duo travel to conflict zones and talk about issues that divide over a tasty meal. -- One day after **ABC** chief *Paul Lee* was asked at **TCA** if there would ever be a black Bachelor, **WE tv** announced the premiere date for its own dating competition series starting an African American bachelor. “Match Made in Heaven” (Feb 4, 10pm) features real estate magnate *Shawn Bullard* looking for his love among 24 single women. **NFL** spiritual advisor *Ken Johnson* offers him guidance along the way. (FYI, Lee said at some point ABC would like to do it...)

# BUSINESS & FINANCE

**Ratings:** “Kate Plus Eight” still has legs for **TLC**, with Tues night’s special drawing 1.8mln viewers, up double digits over its summer special. The series premiere of “My Big Fat Fabulous Life” averaged 1.3mln viewers at 10pm, with the 2 combining to give **TLC** the #2 spot for the night. -- The debut of “Barrett Jackson-Live,” the world-renowned car auction marked **Velocity’s** best prime telecast ever, with 517K total viewers tuning in (364K men 18+).

**People:** **Cable One** promoted *Julie Laulis* to pres, COO. She started at the MSO in '99 as Northwest div marketing dir. Prior to joining **Cable One**, she was at **Hauser** and **Jones Intercable**. “Julie has a broad 32-year cable background, and in her 15 years at **Cable ONE** she has demonstrated an ability to run day-to-day operations and execute difficult changes with exceptional results,” said CEO Tom Might. **Cable One** also elevated *Alan Silverman* to svp, gen counsel and sec. -- **Charter** tapped *Adam Falk*, most recently of **Cablevision**, as svp, govt affairs, managing its local and state govt affairs team. *Waldo McMillan*, most recently of **Capstone Counsel**, was named vp, govt affairs, overseeing Charter’s federal legislative efforts. Former **FCC** staffer *Tamara Lipper Smith* was named vp, govt affairs, responsible for creating and implementing strategies for communication of Charter’s policy positions. All 3 will report to evp *Catherine Bohigian*.

## Cablefax Daily Stockwatch

Company	01/15 Close	1-Day Ch	Company	01/15 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>			<b>CONVERGYS:</b> ..... 19.88 ..... 0.14		
DIRECTV:	85.37	0.74	CSG SYSTEMS:	25.13	(0.19)
DISH:	70.19	(0.25)	ECHOSTAR:	50.60	(0.74)
ENTRAVISION:	6.21	(0.07)	GOOGLE:	501.79	0.92
GRAY TELEVISION:	9.91	(0.45)	HARMONIC:	6.76	(0.17)
MEDIA GENERAL:	14.75	(0.28)	INTEL:	36.19	(0.16)
NEXSTAR:	46.85	(0.26)	INTERACTIVE CORP:	60.84	(0.57)
SINCLAIR:	24.57	(0.26)	JDSU:	12.94	(0.46)
<b>MSOS</b>			LEVEL 3:	47.30	(0.58)
CABLEVISION:	19.56	(0.04)	MICROSOFT:	45.48	(0.47)
CHARTER:	160.49	2.36	NETFLIX:	323.76	(0.48)
COMCAST:	56.00	0.18	NIELSEN:	42.20	(0.6)
COMCAST SPCL:	55.59	0.12	RENTRAK:	71.63	0.77
GCI:	14.88	(0.03)	SEACHANGE:	6.25	(0.19)
GRAHAM HOLDING:	877.98	5.01	SONY:	20.93	0.23
LIBERTY BROADBAND:	49.06	0.93	SPRINT NEXTEL:	4.09	(0.04)
LIBERTY GLOBAL:	47.18	(0.66)	TIVO:	10.37	(0.14)
SHAW COMM:	25.17	(0.07)	UNIVERSAL ELEC:	63.01	(0.99)
TIME WARNER CABLE:	143.37	0.14	VONAGE:	4.20	0.03
<b>PROGRAMMING</b>			YAHOO:	46.23	(1.28)
21ST CENTURY FOX:	34.59	(0.27)	<b>TELCOS</b>		
AMC NETWORKS:	61.48	(0.58)	AT&T:	33.26	(0.07)
CBS:	53.55	(0.92)	CENTURYLINK:	38.30	(0.01)
CROWN:	3.31	(0.05)	TDS:	23.41	(0.52)
DISCOVERY:	29.47	(0.53)	VERIZON:	47.10	0.13
DISNEY:	94.35	0.12	<b>MARKET INDICES</b>		
GRUPO TELEVISIA:	32.00	(0.36)	DOW:	17320.71	(106.38)
HSN:	74.04	(2.21)	NASDAQ:	4570.82	(68.5)
LIONSGATE:	28.99	(0.38)	S&P 500:	1992.67	(18.6)
MSG:	72.17	(0.37)			
SCRIPPS INT:	72.93	(0.82)			
STARZ:	28.10	0.04			
TIME WARNER:	82.42	0.03			
VIACOM:	66.78	(1.29)			
WWE:	10.30	(0.42)			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.40	0.01			
AMDOCS:	47.03	(0.19)			
AMPHENOL:	51.93	(0.52)			
AOL:	46.21	(0.22)			
APPLE:	106.82	(2.98)			
ARRIS GROUP:	27.82	(0.33)			
AVID TECH:	14.35	(0.63)			
BLNDER TONGUE:	1.92	(0.23)			
BROADCOM:	40.95	(0.34)			
CISCO:	27.41	(0.51)			
COMMSCOPE:	25.73	(0.02)			
CONCURRENT:	7.04	(0.01)			



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# PROGRAMMER'S PAGE

## Now Trending on TV

It is tempting to make sage pronouncements about the state of television, based on several cable days at **Winter TCA**. A better course is to look at trends on display at the tour. While reality television is far from dead, there was a dearth of new series in that genre on display. More than that, several series premiering at TCA poked fun at reality TV. "Barely Famous" (March premiere, **VH1**) spoofs reality by featuring the exploits of a pair of gorgeous sisters who are famous for being famous and spring from a celebrity dad (sound familiar?). As characters in the show, sisters *Erin* and *Sara* insist they'd never lower themselves to do reality, but a camera crew is filming them. A complication: Erin and Sara Foster, who play the sisters, actually are siblings and daughters of Hollywood producer *David Foster*. So, to a degree, they hail from the lifestyle they're mocking. "UnREAL" (2015 premiere, **Lifetime**) targets competition-dating reality series (think "The Bachelor") by following *Rachel* (*Shiri Appleby*), a staffer whose job calls for her to manipulate contestants into outrageous situations that will boost ratings. Shows about history or historic figures or shows based in historic times are healthy.

The list of new shows at TCA that deal with old subjects is long. You'd expect **History** to be included here and it is, with mini "Texas Rising" (Memorial Day premiere), detailing the Texas Revolution. Native Texan *Bill Paxton*, who's related to *Sam Houston*, plays him. *Roland Joffé* ("The Killing Fields") directs. But would you expect Lifetime to do history? Its successful *Lizzie Borden* film has spawned limited series "The Lizzie Borden Chronicles" (April premiere). The story picks up in 1892, after Lizzie (*Christina Ricci*) makes her father and stepmother into a Waldorf salad. "When we looked at the research, we realized many people in Lizzie's life died under mysterious circumstances, which became the basis for our story," Lifetime evp/GM *Rob Sharenow* says. While it's history, "we bring a totally fresh and contemporary voice to her story," including an indie soundtrack.

Some historic figures, 18th century pirates, for example, didn't keep detailed records, so "Black Sails" (Season 2 premiere, Jan 24, **Starz**) inserts fictional *Capt. Flint* and *Long John Silver* into the story. Still, one of the series' strengths is its portrayal of pirates as people, albeit bloody ones. "For us, it's about trying to find the human truth... and... make it feel like these are people behaving as people do," says co-creator/exec prod *Jon Steinberg*. Other history-based shows bowing at TCA included a doc about *Frank Sinatra* and a film about *Bessie Smith* (both **HBO**), a biopic about *Marilyn Monroe* (Lifetime) and **BBC America's** 19th century drama "Jonathan Strange & Mr. Norrell." Even **Comedy Central** got into the act, touting *Ben Stiller*-produced "Another Period" (summer premiere), about a ridiculously rich family in early 20th century Rhode Island. Another trend, brewing for years—locate your reality show in the 49th state and put the word Alaska in the title. Heck, Wikipedia even has an entry called "TV Shows set in Alaska." Honest. -- *Seth Arenstein*

Basic Cable Rankings (1/05/15-1/11/15) Mon-Sun Prime			
1	USA	1.6	1535
2	TBSC	1.4	1382
3	DSNY	1.3	1262
3	FOXN	1.3	1230
5	HGTV	1.2	1135
5	FX	1.2	1105
7	TNT	1.1	1091
7	HIST	1.1	1074
7	DISC	1.1	1062
10	DSE	1.0	67
11	ESPN	0.9	863
11	ADSM	0.9	855
11	ID	0.9	740
14	TLC	0.8	793
14	A&E	0.8	779
14	FOOD	0.8	762
17	LIFE	0.7	707
17	BRAV	0.7	691
17	NAN	0.7	649
17	FAM	0.7	635
17	HALL	0.7	604
17	DSJR	0.7	491
23	SYFY	0.6	616
23	SPK	0.6	604
23	APL	0.6	585
23	AMC	0.6	561
23	CNN	0.6	549
23	TVLD	0.6	547
23	OWN	0.6	471
30	CMDY	0.5	487
30	MSNB	0.5	463
30	H2	0.5	347
30	HMM	0.5	284
34	VH1	0.4	386
34	BET	0.4	385
34	MTV	0.4	364
34	LMN	0.4	347
34	GSN	0.4	331
34	WETV	0.4	319
34	NGWD	0.4	210
34	DFAM	0.4	23
42	EN	0.3	320
42	CNBC	0.3	305
42	HLN	0.3	303
42	TRAV	0.3	301
42	NGC	0.3	297

\*Nielsen data supplied by ABC/Disney

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