

# CableFAX Daily™

Thursday — December 12, 2013

What the Industry Reads First

Volume 24 / No. 240

## FYI: BIO to Become Lifestyle Net Aimed at Inspiring, Not Instructing

The handwriting was on the wall that something was afoot. Just days after **AETN** promoted *Nancy Dubuc* to CEO, she brought former **BBC Worldwide** exec *Jana Bennett* on board to head up **BIO** and **LMN**. Shortly thereafter, *Gena McCarthy* moved from **Lifetime** to **BIO** to head up programming. The mystery was solved Wed when AETN announced **BIO** would flip to a lifestyle net called **FYI** this coming summer. "When Nancy spoke as a new CEO about growth opportunities for the company, this was one of the ones," Bennett, pres of **FYI** an **LMN**, told us. Not only is AETN breaking new ground with a lifestyle channel, but it's going for a younger, upscale audience. In other words, this isn't your mother's *Martha Stewart*. A lifestyle net and a younger demo may not sound like a logical fit, given the importance of online and social media sites like **Pinterest**, but Bennett believes **FYI** will appeal to 18-49s. It can do that by "having television shows that are informal and inherently more immersive—less of an instruction manual and much more of an adventure," she said. "We want to make sure it isn't living in a TV bubble, which somehow isn't aware that a lot of the tools people use are in digital." Look for digital to be an important part of **FYI**, with AETN emphasizing that this will be a personalized viewing experience. No specific details on programming until early next year, with the channel in active development on more than 30 potential series that are intended to "inspire, not instruct." Bennett said it will be a range of factual formats, including some docu-series (but "no straight-up reality"). "We want the net to be attached to creativity in all its various forms—whether that's how you eat or what you might do socially in different parts of your life. It's not the same as instructional television," she said. More announcements should be coming soon on the programming team. The **BIO** brand will continue to exist on various platforms throughout the US, with **BIO.com** not going away. Distributors already have been approached about the change, with **FYI** nearing availability in 70mln homes if current affiliates agree to carry it. As for the name itself, think **FYI** in terms of For Your Inspiration, Innovation, Imagination, Ideas... The logo features a comma, not a period, after the I, which Bennett explained is meant to convey that "there is always more to explore."

**New Member of the Family:** It didn't take **Disney/ABC** long to settle on a new pres for **ABC Family**. *Tom Ascheim*, who previously served as evp, gm of **Nickelodeon TV** and CEO of **Newsweek**, steps into the role immediately. The net, which has been on a ratings tear, announced in Sept that *Michael Riley* was stepping down to explore endeavors with a greater

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CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Sales Mgr: Susan Kim, 301.354.2010, skim@accessintel.com ● Dir of Market Dev: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Prod: Jo Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group ● Scott Gentry, Dir of Bus Dev, sgentry@accessintel.com ● Group Subs: Amy Russell, 301.354.1599, arussell@accessintel.com ● Sub Questions, Client Services: 301.354.2101, clientservices@accessintel.com  
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intl focus. Ascheim is an interesting pick. He has played not only in the TV and magazine sandbox, but also in digital—very important for ABCF's millennial audience. He was chief strategy officer at **Sesame Workshop** and evp of **Sesame Learning**, helping develop a digital, in-school and companion-home offering. Additionally, he oversaw the development of Jigsaw, a new device agnostic adaptive engine that will deliver Sesame's whole child curriculum for young children and parents. Ascheim comes aboard at a nice time, with the net #1 in women 18-34 for the 2nd consecutive summer and a top 5 net among women 18-49 and viewers 12-34. Still, he said he's "confident that we have only just begun to tap its full potential." **Disney Media Nets** co-chair and **Disney/ABC TV Group** pres *Anne Sweeney* knew Ascheim during her time at Nick. "Since then, he has only reinforced my opinion of his abilities. Whether in print, television, or the financial sector, Tom has gone from success to success," she said. "He has a proven capability of leading creative teams, and I'm thrilled that he'll now bring his innovative, entrepreneurial spirit to bear on behalf of ABC Family and the Disney/ABC Television Group."

**On the Hill:** It was a busy Wed for House Commerce as it advanced the **FCC** Process Reform Act after the Republican majority and Democratic minority reached a compromise earlier this week. The committee also OKed the Federal Spectrum Incentive Act, which would create a new path for government spectrum users to relinquish airwaves and receive a portion of net auction revenues instead of relocation costs. **NCTA** pres/CEO *Michael Powell* praised moving the FCC reform legislation forward. The group encourages the full House to quickly approve the bill. Broadcasters also welcomed the move. -- **FCC** newbies chmn *Tom Wheeler* and Republican commish *Michael O'Reilly* will meet the House communications subcmte for the 1st time since they took office at the FCC oversight hearing on Thurs. Wheeler will lay out his plans to improve FCC process, including improving the accountability by establishing internal deadlines and updating the agency's tracking systems to better monitor and report on the status of open items, according to his testimony. O'Reilly, on the other hand, said he's "very open" to considering proposals that can't be executed without legislation, according to his testimony. The panel will ask Wheeler about his intention to delay the spectrum auction to '15, according to a majority staff memo.

**SAG Bag:** In what could be a precursor to the Oscar and Golden Globes, cable has nice representation among the nominees for the 20th annual **Screen Actors Guild Awards** (simulcast live Jan 18 on **TNT** and **TBS**). Among the 8 TV categories, **AMC's** "Breaking Bad" got the most noms (4, including a stunt ensemble nomination). **Showtime's** "Homeland," **HBO's** "Game of Thrones" and "Boardwalk Empire" each received 3 nods, as did **CBS'** "Big Bang Theory" and **ABC's** "Modern Family." Other programs with multiple nods include **Netflix's** "Arrested Development," **HBO's** "Veep" and "Behind the Candelabra," and **PBS'** "Downton Abbey" (all received 2). **HBO** had the most nominations of any net at 13. **Showtime** and **AMC** tied for 2nd place with 5 noms each. OTT player **Netflix's** 3 noms tied with those of **NBC** and **CBS**. **Sundance** had 2 (both for "Top of the Lake"), while **BBC America**, **FX**, **Lifetime** and **Nat Geo** all received 1. *Rob Lowe's* nom as *JFK* in **Nat Geo's** "Killing Kennedy" marks the net's 1st-ever SAG nomination. **Lifetime's** nom was for *Angela Bassett's* portrayal of *Coretta Scott King* in "Betty & Coretta." **BBCA's** nod was for *Helena Bonham Carter* in "Burton and Taylor," while *Jessica Lange* ("American Horror Story: Coven") got **FX's** sole nom.

**Rumor Mill:** It's not just MSO stock benefiting from M&A rumblings. **Scripps Nets Interactive** shares closed up nearly 8% Wed following a *Variety* report that the idea of acquiring it was talked about at **Discovery's** board meeting. If that sounds dubious to you, you're not alone. **Bernstein Research** analysts called the sourcing "fairly weak." "We hope the board of every large cap media company discusses such topics regularly. That doesn't mean it's going to happen," said a Bernstein note to clients. Still, the analysts noted further believability here because the 2 companies almost got together 3 years ago. "We believe the best argument for Discovery to buy Scripps is to unlock the international opportunity which Scripps cannot pursue themselves," the analysts wrote.

**Social TV:** As expected, **Comcast** added new partners to its SeeIT platform, a partnership with **Twitter** that seeks to connect social media activity to actual viewership. The new partners—**ABC Entertainment Group**, **AETN**, **AMC Networks**, **Cablevision's Optimum TV**, **Charter**, **Crown Media Family Networks**, **Discovery Communications**, **Fox Networks Group** and **Time Warner Cable**—are expected to join SEEIT as early as the 1st quarter.

**RDK:** To accelerate the set-top and gateway development cycle, **Samsung** has licensed the Reference Design Kit from **RDK Management**, a joint venture between **Comcast** and **Time Warner Cable**. The vendor has already started deploying set-tops based on the RDK and is looking to add more RDK-based projects in the US and abroad, *Stephen Goldstein*, vp/gm at Samsung Electronics America's enterprise business division, said in a release.

# BUSINESS & FINANCE

**At the Portals:** One potential problem for Sinclair's pending \$985mln acquisition of Allbritton: the FCC's Media Bureau alleges that the sidecar deals in Charleston, SC; Birmingham, AL; and Harrisburg, PA, would violate local TV ownership rules. In a letter Fri, the Bureau's video division chief said the deal is structured in a way that it would eliminate the grandfathered status of certain LMAs. The Bureau wants more info and calls on Sinclair to amend or withdraw the applications. Stay tuned.

**Advertising:** Remember **Canoe**? It's still afloat. The advanced advertising venture is now working with **ABC, ABC Family** and multi-platform, on demand sports programmer **Sports-kool** on dynamic ad insertion. "The technology is rolling out in the coming weeks," said *Chris Pizzuro*, Canoe's head of product, sales and marketing. Canoe shifted its focus to VOD from iTV in Feb '12, closing its NYC office and laying off 120 employees.

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Company	12/11 Close	1-Day Ch	Company	12/11 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
21ST CENTURY FOX:	32.69	(0.47)	GOOGLE:	1077.29	(7.37)
DIRECTV:	66.92	(1.05)	HARMONIC:	6.96	(0.12)
DISH:	53.76	(0.68)	INTEL:	24.42	(0.4)
DISNEY:	70.52	(1.05)	JDSU:	12.18	(0.14)
GE:	26.58	(0.56)	LEVEL 3:	30.16	(0.59)
<b>MSOS</b>					
CABLEVISION:	16.22	(0.29)	MICROSOFT:	37.61	(0.5)
CHARTER:	130.82	(0.93)	MOTOROLA MOBILITY:	14.41	(0.07)
COMCAST:	48.66	(0.73)	NIELSEN:	43.30	(0.13)
COMCAST SPCL:	47.12	(0.68)	RENTRAK:	35.29	(0.35)
GCI:	9.27	0.07	SEACHANGE:	11.11	(0.25)
LIBERTY GLOBAL:	84.67	(0.7)	SONY:	17.44	(0.18)
LIBERTY INT:	27.22	(0.23)	SPRINT NEXTEL:	8.11	0.13
SHAW COMM:	23.52	(0.49)	TIVO:	12.38	UNCH
TIME WARNER CABLE:	131.50	(0.36)	UNIVERSAL ELEC:	35.96	(0.02)
<b>PROGRAMMING</b>					
AMC NETWORKS:	64.98	1.67	VONAGE:	3.26	0.04
CBS:	58.44	(0.8)	YAHOO:	39.16	(1.06)
CROWN:	3.34	UNCH	<b>TELCOS</b>		
DISCOVERY:	84.53	(0.64)	AT&T:	33.95	(0.45)
GRUPO TELEVISA:	29.71	(0.06)	VERIZON:	48.49	(0.56)
HSN:	59.75	(0.14)	<b>MARKET INDICES</b>		
INTERACTIVE CORP:	58.88	(0.43)	DOW:	15843.53	(129.6)
LIONSGATE:	28.29	(0.68)	NASDAQ:	4003.81	(56.68)
MADISON SQUARE GARDEN:	55.16	(0.91)	S&P 500:	1782.22	(20.4)
SCRIPPS INT:	81.00	5.75			
STARZ:	27.43	(0.59)			
TIME WARNER:	66.42	(0.19)			
VALUEVISION:	6.22	(0.13)			
VIACOM:	81.03	(1.78)			
WWE:	14.17	(0.41)			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.57	0.00			
ALCATEL LUCENT:	4.54	0.03			
AMDOCS:	40.29	(0.05)			
AMPHENOL:	84.95	(1.53)			
AOL:	42.65	(1.56)			
APPLE:	561.36	(4.19)			
ARRIS GROUP:	21.51	0.12			
AVID TECH:	8.17	(0.17)			
BLNDER TONGUE:	0.98	(0.02)			
BROADCOM:	28.68	0.17			
CISCO:	20.88	(0.33)			
CONCURRENT:	7.72	(0.18)			
CONVERGYS:	19.77	(0.26)			
CSG SYSTEMS:	28.94	(0.06)			
ECHOSTAR:	48.72	0.23			

## CableFAX webinar

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## Think about that for a minute...

### Thick and Thin

Commentary by Steve Effros

I wrote a column many years ago about the “desired” trend toward “thin client” boxes out in the field for cable television. The industry was trying to simplify the equipment by having a “thin” dumb box and doing as much processing in the headend as possible, limiting the cost of the “CPE,” or customer premises equipment.



There were difficulties, however, especially as we were moving toward more sophisticated channel guides and the capability to do “search” and the like. In the really early days of experimenting with these new types of offerings—the beginnings of “two-way” cable—some of the experiments required boxes (the first experimental ones for Time Warner Cable were built by Sun Microsystems) that cost over \$5000 apiece and still didn’t get the job done. “Thin” they were not!

Technical challenges were overcome, like the speed with which a channel could be changed when the signal was going all the way from the home to the headend and back again. We learned that consumers wanted “instant” channel changes. Delays were unacceptable. Even today, a two-second delay loses viewers. Of course sticking what amounted to a massive computer in everyone’s home wasn’t about to work, either.

Technology and time changed all that. Storage got cheaper, and is getting cheaper still, so the core of the guide could be housed in each box. The reaction time to switch channels was massively aided as bidirectional speed increased in the network, and now, with DVRs in more than 50% of television homes, the ability to get the television you want when you want it is enjoyed by many.

The next steps in this progress are already being made. The DISH “Hopper” idea, which makes it easy for a viewer to record a vast amount of programming almost

automatically and maintain those files on a constantly updating storage device really does allow the consumer to decide what to watch, when. The storage is only going to get larger and cheaper. Instead of going in the direction of “thin clients” and a “thick” headend, we seem to be watching an opposite trend; the box in the home is being given more capability, not less.

“But wait,” you say... isn’t the next step “IP” and “OTT-Cloud” delivery where the programming will simply be available for the taking from a central server? I would challenge that assumption. At the very least, it’s going to be a world where storage will be in the individual device and “downloading” rather than “streaming” will be the norm. Why? Because the infrastructure we have built is not designed for everyone to do one-to-one communications of extremely large files of data, such as television shows. The backbone of the broadband system is simply not designed to handle that load, even if you put fiber in the “last mile” to all homes. It’s a totally inefficient way to deliver that data dump. If 50% of prime time viewers tried to stream all at once, the system would collapse.

Instead, given the changing market, where consumers buy the home devices such as Tivo’s, SlingBoxes or iPads, and at the same time high capacity storage devices are getting cheaper, it makes little sense to rebuild the entire distribution infrastructure to do what we can already do with a “thick client” in the home. It also resolves a lot of legal issues as well, regarding copyright use, privacy and the like. “Thick” and “Thin” may be changing places, and that’s not all bad.

*Steve*

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# Got Orange?\*

\*Coming soon from CableFAX.