

CableFAX Daily™

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What the Industry Reads First

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Zas Honored: Discovery CEO Awarded Fred Dressler Leadership Award

“The Zas moves fast.” That’s how **Firefly3** principal and former **Viacom** CEO *Tom Freston* described *David Zaslav*, recipient of the Fred Dressler Leadership Award at the 8th annual The Mirror Awards luncheon in NYC Wed. Like, nuclear reactor fast. Legendary journo *Tom Brokaw* said it best, according to Freston, in a video presented by **Discovery Comm** (“I used to think of him as a small nuclear reactor. Now I think of him as a large nuclear reactor,” Brokaw explained). “Basically, he blew up Discovery,” Freston said. A company that was already perceived as an industry leader “is now almost unrecognizable since David took the helm.” Freston also praised Zaslav’s outlook on the future. “While many companies have carefully mined their existing businesses these last years, David totally kicked ass, launching many businesses,” like **OWN, The Hub, American Heroes Network**—not to mention his international conquest. Freston poked fun about some of the titles getting shipped abroad and its lucky recipients: “Just about everybody but North Koreans now get to watch blockbuster shows like ‘Who the Bleep Did I Marry,’ and ‘I Didn’t Know I was Pregnant.’ And soon, alcohol-starved nations around the world are going to get to see the Discovery hit ‘Moonshiners.’” And then there’s the apartment hunting—also done in rapid speed. According to Freston, Zaslav scooped up *Conan O’Brien’s* digs a couple years ago when scoping out a second home in Manhattan. “He said, ‘I want to move in right away, so I managed to buy all the furniture.’” Zas took everything, save the food and a few family photographs. Aside from amusing anecdotes, Freston reminded attendees that when Zaslav joined the industry from a law firm in the mid-1980s, “he was a guy who was in awe of what we called the cable cowboys, the great entrepreneurs who set the foundation on which this amazing business... is built,” he said. *Ted Turner, Chuck Dolan, John Malone, John Hendricks* to name a few. He’s become “one of the most colorful cowboys on today’s stage,” he said. And even though you might get a phone call from him at any hour, in which he’s likely to “blurt out something at great speed, and then just hang up and go away... you learn to appreciate his efficiency and wish you could do that kind of thing yourself,” Freston said. “I think *Fred Dressler* must be smiling, and if there’s a person more deserving of this award, please let me know.” Zaslav thanked the former Viacom exec and others, including *Bob Miron*. “He drove the whole initiative of taking Discovery internationally around the world,” Zaslav said, adding he pushed for no profits taken out by *John Malone* or the **Newhouse** family for the first 25 years of the company—all was invested back in content.

The FAXIES &



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Awards Breakfast

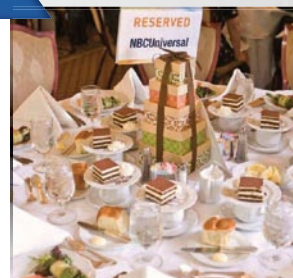
June 10 ♦ 8:30 – 10:30 a.m. ♦ Grand Hyatt, NYC



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*Table positioning is based on a first come basis, so register early.



For more information on this exciting industry event, visit www.cablefax.com

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Zaslav closed on a personal note regarding the award's namesake, his good friend Fred Dressler, who succumbed to pancreatic cancer in 2007 after retiring as evp, programming at **Time Warner Cable**. "This award means a lot to me," he said. "Fred was a great, great friend to so many of us in this business, but he was truly a very special friend to me." Back in the days when it was "a much more humble time," they traveled together, to cable shows and beyond. "We never turned down an event," he said, "because we never got to go to fun things like the French Open and Wimbledon... There's no better friend to me than Fred," he said. "I learned so much from him. I miss him, I miss him a lot."

AT&T Promises Fiber Expansion: AT&T said approval of its **DirectTV** transaction would allow it to upgrade 2mln additional locations to high-speed broadband with Gigapower FTTP (fiber to the premises) and expand its broadband footprint to 13mln more locations where the company will offer linear TV-HSD bundle. AT&T made the statements in an SEC filing Tues. The telco promised that the expansion will occur within 4 years upon completion of the merger. Overall, a bigger AT&T would offer a pay TV, broadband and mobile service bundle to at least 70mln customer locations, as well as a pay TV and wireless bundle to another 45mln locations, the company said. Post-merger, fixed wireless broadband service will offer speeds of 10-15 Mbps during peak periods "with even higher maximum speeds during off peak times," AT&T said.

Verizon Swings Back: Verizon took **Netflix** to task for displaying messages on the screen for users who experience buffering that says: "The Verizon network is crowded right now." "The claim is not only inaccurate, it is deliberately misleading," wrote *David Young*, vp, Verizon federal regulatory affairs, on the telco's blog Wed. "The source of the problem is almost certainly NOT congestion in Verizon's network. Instead, the problem is most likely congestion on the connection that Netflix has chosen to use to reach Verizon's network." Young said it appears to be a PR stunt to "deliberately mislead" customers so they can be used as "pawns" in business negotiations and regulatory proceedings.

Microsoft Gets More Social: Microsoft is adding a slew of apps to its **Xbox** platform, including **Twitter** for Xbox One and Xbox 360 globally. Directly integrated into Xbox One's TV service in the US, Twitter will be optimized for the biggest screen in the house, allowing users to see Tweets related to the shows they are watching. In addition, Twitter on Xbox One will be integrated into the TV listings section of OneGuide where users can see the shows that people are tweeting about in real-time. The shows will also be highlighted in a new "trending" section within OneGuide. Other apps scheduled to launch by the end of this holiday season include **HBO Go**, **Comedy Central**, **Showtime Anytime** and Major League Gaming. With the new additions, Microsoft's app catalog will increase by 25% to reach 225+ apps around the world.

Some CALM Changes: The **FCC** announced some changes to its rules on the volume of TV commercials, saying it hoped the changes will result in a "modest decrease in the perceived loudness of certain commercials." The Commission adopted new recommended practices that apply an improved loudness measurement algorithm to conform to the Intl Telecom Union's updated BS.1770 measurement algorithm. What does that mean? The algorithm employs gating that will exclude very quiet or silent passages of a commercial when calculating the average loudness of an ad spot. The new recommended practices take effect June 4, 2015, 1 year from the release of Thurs' 2nd report and order on CALM. Stations and MVPDs can implement it early, however. The FCC's rules, which require broadcasters and MVPDs to ensure commercial volumes don't grow louder than programming, went into effect in Dec '12.

Netflix for Grande: Grande's **TiVo** customers now officially have instant access to **Netflix** through the same set top used to watch live TV, VOD and other web content. The overbuilder joined **Atlantic Broadband** and **RCN** in Apr as the 1st providers to announce a deal in the US to offer Netflix bundled with linear service through TiVo. **Suddenlink** announced a similar deal last month. Grande TiVo customers must have a separate Netflix subscription, coordinated directly through Netflix, in order to access Netflix content. A TiVo box is included with Grande's Get-It-All bundles, which include Internet and TV service starting at \$79.99 per month.

PwC's Crystal Ball: Cable's recent subscriber trend reversal could be a fluke, if **PricewaterhouseCoopers'** Entertainment and Media Outlook report bears out. The 5-year market forecast sees cable's share of HHs declining to 53.9mln in 2018 from 54.8mln at the end of last year. During that timeframe, it believes satellite will pick up 1.8mln subs, growing to 36.2mln, while telco-backed IPTV should hit 16.8mln (up 5.4mln). More from PwC's outlook at **Cablefax.com**.

Food Gets TV-Commerce: **Food Network** is teaming with TV marketing firm **Delivery Agent** to offer an omni-screen commerce service through Web, mobile, tablet and TV and offering contextual products from more than 50 shows and 30

BUSINESS & FINANCE

celebrity chefs and hosts.

Programming: Lifetime picked up 4 unscripted programs, including “Born in the Wild,” “Girlfriend Intervention,” “Kosher Soul,” and “Threads.” -- **Showtime** ordered a 2nd season of its drama series “Penny Dreadful,” which will debut in 2015. -- **History** booked scripted miniseries “Sons of Liberty” from **A+E Studios** and **Stephen David Entertainment**. The 6-part miniseries starts production this summer. -- **The Africa Channel** will present live, commercial-free coverage of the private memorial service for *Maya Angelou* from Wake Forest University on Sat, 10am ET. -- Want to geek out on Emmy talk? **A&E** will telecast *The Hollywood Reporter* Roundtable series, featuring leading Emmy-contenders in discussions leading up to the nominations. The 4-part roundtables will air at 8 and 9am on June 8 and June 15.

People: Former **FCC** chmn *Julius Genachowski* was elected to **MasterCard**'s board for a 1-year term. Genachowski joined **The Carlyle Group** as managing dir of telecom and media after leaving the FCC a year ago.

Editor's Note: What do you do when **Facebook**'s algorithms change? How can you use data to mount a successful upgrade campaign for premium nets? How do you go beyond likes and increase tune in? We'll tackle that and more in our upcoming webinar “How Cable Can Maximize an Evolving Facebook” on June 17 at 1:30pm ET. Register your site today [here](#).

CableFAX Daily Stockwatch

Company	06/04 Close	1-Day Ch	Company	06/04 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	82.55	0.08	CONCURRENT:	8.05	0.02
DISH:	58.95	(0.3)	CONVERGYS:	21.52	0.06
ENTRAVISION:	5.28	0.03	CSG SYSTEMS:	25.62	0.08
GRAY TELEVISION:	11.89	0.06	ECHOSTAR:	50.80	(0.35)
MEDIA GENERAL:	18.09	0.04	GOOGLE:	544.66	(0.28)
NEXSTAR:	46.24	(0.39)	HARMONIC:	7.24	(0.01)
SINCLAIR:	30.46	0.01	INTEL:	27.60	(0.06)
MSOS					
CABLEVISION:	17.50	0.09	INTERACTIVE CORP:	66.48	0.35
CHARTER:	147.48	0.26	JDSU:	10.74	(0.01)
COMCAST:	52.29	(0.03)	LEVEL 3:	43.62	0.57
COMCAST SPCL:	52.00	(0.01)	MICROSOFT:	40.32	0.03
GCI:	10.89	(0.21)	NIELSEN:	47.23	0.18
GRAHAM HOLDING:	692.01	4.61	RENTRAK:	45.57	(2.61)
LIBERTY GLOBAL:	44.25	(0.94)	SEACHANGE:	9.25	(0.03)
LIBERTY INT:	29.13	0.07	SONY:	16.24	0.16
SHAW COMM:	25.11	0.13	SPRINT NEXTEL:	9.40	(0.1)
TIME WARNER CABLE:	141.99	0.40	TIVO:	11.98	0.17
PROGRAMMING					
21ST CENTURY FOX:	35.50	0.11	UNIVERSAL ELEC:	44.04	0.42
AMC NETWORKS:	59.56	(1.17)	VONAGE:	3.43	(0.08)
CBS:	59.84	0.22	YAHOO:	34.73	0.08
CROWN:	3.45	(0.06)	TELCOS		
DISCOVERY:	78.63	0.80	AT&T:	35.05	(0.15)
DISNEY:	84.24	0.36	CENTURYLINK:	38.03	UNCH
GRUPO TELEVISIA:	33.90	0.12	TDS:	26.61	(0.37)
HSN:	56.03	0.55	VERIZON:	49.15	(0.14)
LIONSGATE:	27.20	(0.14)	MARKET INDICES		
MADISON SQUARE GARDEN:	56.20	0.22	DOW:	16737.53	15.19
SCRIPPS INT:	76.20	(0.69)	NASDAQ:	4251.64	17.56
STARZ:	30.74	0.22	S&P 500:	1927.88	3.64
TIME WARNER:	70.51	(0.24)	TECHNOLOGY		
VALUEVISION:	4.62	0.31	ADDVANTAGE:	2.96	0.04
VIACOM:	86.94	(0.17)	ALCATEL LUCENT:	3.84	0.02
WWE:	11.12	0.10	AMDOCS:	48.67	(0.15)
MARKET INDICES					
DOW: 16737.53 15.19					
NASDAQ: 4251.64 17.56					
S&P 500: 1927.88 3.64					

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Think about that for a minute...

A Comedy of Errors

Commentary by Steve Effros

John Oliver, formerly on Jon Stewart's Comedy Central "Daily Show" but now running his own copy of the show over on HBO, did a piece last Sunday on "net neutrality." It was, with apologies to William Shakespeare, a comedy of errors.



But of course that's what comedy is all about. As Stewart constantly says; hey, this is not reality, this is not "news," this is comedy! A lot of folks apparently didn't get that message during the Oliver skit. He ended it by pleading with all the "monsters" who spend most of their Internet time looking at cat videos or complaining about actresses gaining weight (his descriptions) to instead use their talent for misspelling and hit their "caps" key in organized rage against the FCC idea, allegedly, to "end" neutrality on the Internet. He implored them all to send comments to the FCC docket on net neutrality. Apparently they did. The FCC web site has been inundated with email comments in the past several days and has crashed at least twice.

All of this is weirdly instructive in some way. First, all you have to do is listen to the Oliver rant to understand that he was trying to milk it for a laugh, and any effort at being accurate about what he was saying or what the actual issue was about had nothing whatever to do with the program. OK, that's fair. That's always been his schtick. It was absurdly easy for his writers to take clips from real news programs all saying things like the FCC was "for the first time" proposing that the Internet not treat data equally. The fact they were all wrong in saying that is irrelevant. As a matter of fact, Oliver made one very interesting observation; that the Internet is not broken, and the FCC should not be trying to fix it! Well, I'd certainly agree with that!

Oliver repeats the folly that the Internet, or broadband, was designed and has always delivered data in an undifferentiated way... that all data is treated the same. That hasn't ever been the case since the Internet protocols were first created. There have always been coded "headers" on data to give an indication of how the system could treat different types of data. Prioritization has always been part of the scheme, and the stuff, like video and audio, which may need priority over stuff like email data has always been identified so that "quality of service" could be improved. But never mind all that. Oliver was just trying to get a laugh, and he did. He also proved an unfortunate point about today's "public comments." They are being seen by some as a type of referendum. It's as though if enough people yell the same thing at the same time, no matter what it is they are yelling and no matter if they have any real notion of what they are yelling about, that should somehow "count" for something. Well, sorry, but it doesn't.

Just getting lots of folks to send an email or file a comment in this electronic age doesn't really tell you anything. Indeed, if you count the number of comments received—300,000 to 500,000—and realize that there are 86 MILLION U.S. subscribers using broadband facilities, you could just as easily say that it would appear most folks are very satisfied!

But that's not accurate either. Reacting to comedy is not serious comment. Ignoring serious issues is not smart either. Both result in a comedy of errors.

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry)

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