

# CableFAX Daily™

Wednesday — January 29, 2014

What the Industry Reads First

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## Real Screen Day 2: Is Unscripted Dying?

For those who think it's business-as-usual in the non-fiction/unscripted world these past few years, think again. With a buffet of unscripted shows of various qualities on cable TV, the genre's suffering a creative crisis, a panel of top producers/network execs at RealScreen Summit in DC suggested Tues. "It's a bad time for non-fiction... The renaissance is over, and that's sad," said **Lifetime** evp/gm *Robert Sharenow*. "The real creative energy is just not there right now... The paradigm has shifted." That's why the network is being "very disciplined" on unscripted content. *Jonathan Murray*, co-founder of **Bunim/Murray Productions** and the co-creator of MTV's "The Real World," might not agree that unscripted programming is in a crisis-mode, but he acknowledged that "there is a lot of mediocre stuff," and "networks should pull the plugs more frequently." He said part of the problem may stem from overly scripted reality shows. "When you start scripting reality, in most cases, it's mediocre," Murray said, adding that it's getting tougher for nets to greenlight or renew unscripted shows. MTV is currently airing Season 29 of Murray's "Real World" franchise, "Real World: Ex-Plosion." "Every year for us is like going to war... to keep the show on air," he said. It might be a different picture across the pond as non-fiction/unscripted series, even scripted reality programs, are booming in the UK, several UK producers told us at the Summit. Meanwhile, unlike 10 or 15 years ago when network execs were execs, "everyone thinks they are producers now," said *Thom Beers*, CEO of **FremantleMedia North America**. **Nat Geo Channels** pres *Howard Owens* doesn't go that route. "I don't want to hire people within the organization [to be producers]," he said. "Our expertise is in distribution, marketing and mergers and acquisitions," so content production is a job for the real producers. *Brent Montgomery*, owner of **Leftfield Pictures**, said network execs should never dictate production. "When a network sends an exec on the first day of production, that's bad," he said. However, Sharenow believes the best shows involve collaboration. "Much like marriage, a show belongs to both parties," he said.

**Comcast 4Q:** As speculation soars that **Comcast** and **Charter** are close to a deal to carve up **Time Warner Cable**, the timing of Comcast's 4Q earnings call Tues couldn't have been better—even if execs declined to get into M&A talk. Instead, financial results offered a reminder that Comcast knows how to grow customers. Comcast had already broadcast that it grew video customers in 4Q (*Cfax*, 1/8), but the results showed growth in data and voice as well. After 26 straight quarters of sub losses, Comcast added 43K video subs, 379K broadband subs and 227K phone customers. **ISI Re-**

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**search** analysts see “strong overall cable execution and financial results, with the ratings turnaround at **NBCU** helping the bottom line. However, the capital returns announcement was a tad below expectations, perhaps as they contemplate funding needs for a potential cable consolidation transaction with Charter Communications and/or Time Warner Cable.” On the tech front, X1 is now in all markets—so look for marketing to ramp up. While Comcast Cable pres/CEO *Neil Smit* was effusive over its contributions—VOD metrics are up 25% on views and 20% on transactions, while churn is down—he said it will take time before it affects sub growth. X1 used to just be for new triple play customers, but now it’s available to some double play subs as well. And by month’s end, everyone should get the X2 guide, Smit said. “That shows you how quickly you can change a software platform,” he said. Other advantages to X1: those customers request DVRs at greater rates. Smit confirmed that **Cox** recently agreed to partner with Comcast on X2 to “better understand” what element might be useful for its next-gen video service. Cox said it’s investigating many options for the delivery of its Contour next-gen product and that X1 is just 1 of them. “This evaluation of the X1 platform is in keeping with our forward-looking focus, and being open to new partnerships as we respond to a quickly evolving video landscape,” a spokesperson said. Comcast also announced Tues it will up its dividend by 15%, as well as increasing its stock repurchase authorization to \$7.5bln with plans to repurchase \$3mln this year. Rate increases for ’14 are expected to be in the 3% range, similar to previous years, but CFO *Michael Angelakis* said more people will be affected by them. Programming costs are expected to grow between 9-10% in ’14, thanks to higher retrans, set-ups in long-term agreements and sports costs. Revenue for the cable biz was up 5.2% to \$10.7bln, and operating cash flow rose 4.8% to \$4.4bln. NBCU’s rev rose 7.5% to \$6.5bln, with cable net revenue up 5.4% to \$9.2bln. Broadcast rev was up 11.5% to \$2.2bln.

**AT&T Numbers:** At the bell, **AT&T** reported consolidated 4Q revenues of \$33.2bln, up 1.8% from a year ago. The telco expects continued consolidated revenue growth in the 2-3% range for ’14. Total **U-verse** revenues grew 27.9% YOY and were up 7% versus the 3Q13, with AT&T citing the lowest-ever churn in U-verse’s history. The video service added 194K subs in the Q, while U-verse high-speed Internet recorded a net gain of 630K subs. Total U-verse high speed Internet subscribers now represent 63% of all wireline broadband subscribers compared with 47% in the year-earlier quarter. Some stats on U-verse users: more than 90% of the video users also signed up for U-verse HSD; about 2/3 of TV subs take 3 or 4 services from AT&T; and U-verse TV penetration of customer locations was at 21% at the end of 4Q. AT&T’s wireline operating income margin was 9.9%, down from 12% in the year-earlier quarter.

**Deals:** **Vodafone** and **Verizon** shareholders approved the \$130bln sale of its 45% stake in **Verizon Wireless** to **Verizon**. **S&P Capital** said the deal would “significantly increase free cash flow” and “make it easier to offer converged solutions between FiOS and Verizon Wireless” as mobile video remains “a big driver.” S&P expects the deal to close by Feb 21.

**Over-the-Airheads:** L.A. broadcasters **KLCS** and **KJLA** are the 1st to ask the **FCC** to channel share. The trial tests 2 stations sharing a single 6 MHz broadcast channel, freeing up spectrum for auction. After approval, KLCS and KJLA will conduct a series of tests in 1Q culminating in KLCS “hosting” KJLA’s content and transmitting a shared stream that will combine the two stations’ primary and multicast content. KLCS and KJLA will also attempt a variety of HD and SD video feeds to confirm the feasibility and technical limits of channel sharing between two unaffiliated broadcast stations.

**WiFi:** Thanks to a public-private partnership, **Cablevision**’s Optimum WiFi is now available at 11 NJ Transit train stations, including Hoboken and Newark Penn Station.

**Ratings:** **Showtime**’s “Shameless” had its highest-rated ep of the season Sun, delivering 1.83mln viewers at 9pm and 2.35mln for the night. -- **Lifetime** is crowing that original movies have helped it to its best Jan delivery in 6 years, with total viewers up 13% compared to Jan ’13 (it’s also up among women 18-49 and 25-54 as well as adults 18-49 and 25-54). -- **ID** is loving Jan, as it marks the 1st month in network history that it averaged a 1.0 HH rating and delivered more than 1mln viewers in prime (1.02mln). Boosting the month was 5 new series premieres, all of which garnered a 1.0 HH rating. The premiere of “Obsession: Dark Desires” with its 1.181mln HH delivery is the net’s best primetime telecast ever among HHs.

**Bowled Over:** Plenty of other ways to get your game on this weekend is the Super Bowl Sunday isn’t your thing. **Animal Planet**’s “Puppy Bowl X” (Sun, 3pm) will feature a training camp hosted at the White House with First Lady *Michelle Obama* and DC elementary schoolers. **Hallmark Channel** has its claws out for its 1st Kitten Bowl, a 3-hour special that begins at noon Sun. Not to be outdone, **Nat Geo Wild** presents Fish Bowl (6-10pm). Yep, 4 hours of a goldfish swimming in a

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bowl (that's like 5K hours in fish years, so let's hope Goldie doesn't die on air). **Weather Channel's** Weather Bowl (natch), starts with an hour-long special that includes a quarter-by-quarter game-day forecast from a team of meteorologists (Fri 8pm ET). The Weather Bowl Halftime Show (8-9pm ET, Sun) will recap how successful the forecasting was as well as offer up each team's hometown celebration forecast. It's not a Bowl, but **Showtime** made a scheduling change, adding new, original eps of "Shameless," "House of Lies" and "Episodes" on Super Bowl Sun. "We have an opportunity to be one of the few scripted alternatives on Super Bowl Sunday," said *Kim Lemon*, Showtime's evp, program planning, scheduling and research. "Shameless went head-to-head... against the strongest NFL championship game we've seen in 19 years, and still grew its audience 17% year-over-year." And if fans would rather watch the Broncos and Seahawks, there is always Showtime Anytime. Let's bowl...

**Programming:** **RLTV** will launch "We're All Heart," a 2-week multiplatform event celebrating Valentine's Day and American Heart Health Month (Feb 3-16). **La-Z-Boy** and **MegaRed** are presenting sponsors of shows devoted to heart-healthy living and romance-themed programming to get the heart swooning.

**People:** **Discovery Comm** promoted *Tom Lofthouse* to svp, programming, **Discovery Digital Nets**.

## CableFAX Daily Stockwatch

Company	01/28 Close	1-Day Ch	Company	01/28 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
21ST CENTURY FOX:	31.27	0.22	GOOGLE:	1123.01	21.78
DIRECTV:	69.05	(0.26)	HARMONIC:	6.67	0.08
DISH:	55.40	0.62	INTEL:	24.90	0.18
DISNEY:	72.88	0.63	JDSU:	11.89	(0.05)
GE:	25.46	0.39	LEVEL 3:	32.67	0.44
<b>MSOS</b>					
CABLEVISION:	16.35	(0.16)	MICROSOFT:	36.27	0.24
CHARTER:	136.65	(0.27)	MOTOROLA MOBILITY:	15.34	(0.38)
COMCAST:	53.35	0.86	NIELSEN:	42.49	(0.27)
COMCAST SPCL:	51.37	0.63	RENTRAK:	54.04	(0.07)
GCI:	10.20	0.06	SEACHANGE:	12.25	0.64
LIBERTY GLOBAL:	82.95	1.53	SONY:	16.42	0.19
LIBERTY INT:	27.27	0.20	SPRINT NEXTEL:	8.86	(0.01)
SHAW COMM:	22.14	(0.15)	TIVO:	12.19	(0.03)
TIME WARNER CABLE:	133.71	0.26	UNIVERSAL ELEC:	36.64	0.66
<b>PROGRAMMING</b>					
AMC NETWORKS:	65.27	(0.34)	VONAGE:	4.57	0.19
CBS:	58.70	0.52	YAHOO:	38.22	1.57
CROWN:	3.03	(0.02)	<b>TELCOS</b>		
DISCOVERY:	77.96	0.66	AT&T:	33.70	0.19
GRUPO TELEVISA:	28.55	(0.18)	VERIZON:	47.36	(0.33)
HSN:	56.66	0.13	<b>MARKET INDICES</b>		
INTERACTIVE CORP:	71.83	1.37	DOW:	15928.56	90.68
LIONSGATE:	31.65	0.69	NASDAQ:	4097.96	14.35
MADISON SQUARE GARDEN:	56.65	0.71	S&P 500:	1792.50	10.94
SCRIPPS INT:	73.57	0.63			
STARZ:	27.76	0.06			
TIME WARNER:	63.14	0.26			
VALUEVISION:	6.04	0.23			
VIACOM:	82.22	1.11			
WWE:	21.96	0.55			
<b>TECHNOLOGY</b>					
ADVANTAGE:	3.25	0.12			
ALCATEL LUCENT:	4.01	0.05			
AMDOCS:	42.53	0.36			
AMPHENOL:	86.09	0.75			
AOL:	48.80	2.61			
APPLE:	506.50	(44)			
ARRIS GROUP:	25.84	0.38			
AVID TECH:	7.19	UNCH			
BLNDER TONGUE:	0.93	-0.00			
BROADCOM:	28.96	(0.32)			
CISCO:	21.75	(0.25)			
CONCURRENT:	8.31	(0.13)			
CONVERGYS:	20.76	0.17			
CSG SYSTEMS:	30.10	0.05			
ECHOSTAR:	47.39	0.12			

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