

CableFAX Daily™

Thursday — August 16, 2012

What the Industry Reads First

Volume 23 / No. 158

Summer Winner: USA on Top Again, Despite Ratings Declines

USA is the overall gold medal winner, and we're not talking about the Olympics. We mean those *other* summer games. With less than 2 weeks left, USA is poised to take the #1 spot in prime among ad-supported cable nets for the 7th consecutive summer by a healthy margin in 18-49s, 18-34s and total viewers. **CableFAX** will delve further into how everyone fared in the coming weeks, but given USA's crown (it's also been #1 in total viewers and 18-49s for the past 6 years), we're giving USA svp, research *Ted Linhart* a moment in the spotlight. **Summer has traditionally been an important time for cable nets, but we've seen more new broadcast shows debut over the years. Is summer still a big deal for cable?** Yes, even though broadcast has tried and found some successes. Summer is a big time for cable—partially because broadcast is down, partially because cable has found its rhythm. It is when most people launch stuff, although arguably, in the last 5 years it's probably a little less important as people launch shows [at different times]. AMC's "The Walking Dead" launches in Oct, and we launch shows in Jan, like "Fairly Legal," and in the fall. Cable's branching out, but summer is still where you find the bulk of the product. **Did the Olympics make a big difference?** It makes a difference. Since it's in the middle of the summer, it didn't affect our launches. It certainly is massive competition against you for 2 weeks. And we saw everybody take hits that 1st week. It was very hard to avoid not taking a hit, essentially because the numbers were so much bigger than I think everyone expected. If it was starting in June, it would probably play a bigger role. **Year-to-date, USA has a sizeable lead over #2 TNT in P2+ (3.03mln total viewers vs 2.83mln). However, USA's ratings are down 18%, while TNT is up 9% and TBS and History are up 40% and 15%, respectively.** TBS is up simply because they have "The Big Bang Theory." They put that on last fall, and it quickly got very big numbers. They've dropped off considerably, but they are still much higher than anything TBS has had on in years. And TNT is very heavily influenced by a calendar trick, if you will. The NBA strike last fall pushed the finals into what is technically the summer for Nielsen. History had [#1 entertainment telecast of all-time on cable] "Hatfield & McCoys" for the first 3 days of summer. **If you take those nets out of the equation, most everyone is down YOY. We've seen that the past couple of quarters. Is there a reason for concern?** Each network will have its own oddities. But in general, I do think we're seeing an explosion of how people can watch TV on other platforms. It was there last year, but it seems to me in the past year people have figured



CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax:301.738.8453 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 818.945.5309, 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 ● Publisher: Debbie Vodenos, 301.354.1695, dvodenos@accessintel.com ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Marketing Dir: Barbara Bauer, 301.354.1796, bbauer@accessintel.com ● Prod: Joann Fato, 301.354.1681, jfato@accessintel.com ● Diane Schwartz/SVP and Group Publisher ● Subs/Client Services: 301.354.2101, fax 301.309.3847 ● Group Subs: Amy Russell, 301.354.1599, arussell@accessintel.com

out a lot more... Also, except for "Big Bang," a lot of the [repeats] on many networks, including ours, are a year older and nothing really significant has [been added]. Two summers from now, we'll have "Modern Family" on in its 1st summer. I am sure that summer will look up dramatically over the summer of '13. **How is Nielsen doing when it comes to measuring beyond linear and DVR playback?** They are doing well enough, I guess. They could always do more. The iPad measurement is coming next year. We'll see. One thing they've done, which USA has taken big advantage of, is if you have the same commercials on air that you have on VOD, you'll get credit in a Nielsen home for someone watching your program On Demand. They take baby steps. But I think what people forget is they have to do a lot of evaluation and make it thoroughly objective... They are inching along. Could they be faster? Yes. Is faster better? Maybe not because it may mean mistakes. **So, when you're #1, eventually you have to fall. Is that something that worries you?** We still like being #1. It's nice to say. Years ago, it was really front-and-center. But these days, I think if you're not #1, it maybe isn't going to change so much. We know at some point it will come to an end. We've already lost quarters... Even when you see our decline, we're still #1 by wide margins. I think that's pretty telling for not only our past and current, but our future.

On the Hill: Congress lost a telecom/cable veteran Wed and as a result, the chairmanship on the powerful **House Commerce Oversight** subcmte is up for grabs. Rep *Cliff Stearns* conceded the Republican primary for Florida's 3rd congressional district to veterinarian *Ted Yoho* after losing a narrow-margin race. The 12-term congressman has been a strong opponent of net neutrality regulations and has criticized the **FCC's** handling of **LightSquared's** proposal to build a nationwide wireless network. The House Communications ranking member has also advocated releasing more spectrum.

Broadband Adoption: **Comcast** said its low-cost Internet service aimed at low-income HHs has netted nearly 100K families (or 400K individuals) in its 1st full year of availability. The announcement came Wed in Chicago, where the Internet Essentials program was launched. Mayor *Rahm Emanuel* joined Comcast evp *David Cohen* in announcing the kickoff for Year 2. The program is available to families with children eligible to receive reduced price school lunches under the National School Lunch Program in more than 4K school districts in 39 states and D.C. Chicago leads the country in adoption of the program with nearly 7K new families signing up for the \$10/month service. Comcast will sign up eligible families for at least 3 years, through the end of the '13-14 school year. Any household that qualifies during this three-year period will remain eligible for Internet Essentials if at least one child eligible for a free or reduced lunch remains living in the household. More details, including a video featuring FCC chmn *Julius Genachowski* and Rep *John Lewis* (D-GA), at blog.comcast.com.

Advertising: **Pivotal Research Group** revised expectations for ad-supported media down to 1.4% growth vs 2.3% previously, citing 2Q trends. "What seemed an improving environment in 1Q12 now appears to have been a 'false dawn,'" with 2Q looking more like late 2011, analysts said. National TV only grew by 2% in 2Q with network TV posting negative growth and cable seeing diminished growth. For the sector, Pivotal expects '12 growth of 3.1% vs its previous 4.8% expectation. One upside: local TV, which outpaced Pivotal's 2Q expectations (9.8% growth vs 7.8%). "Political is likely to have had stronger impact than originally forecast, especially on local broadcasting," the firm said, projecting \$2.9bln in political rev in '12.

Deals: **HBO** subs will continue to have access to **Fox** movies under an output deal. The net has been the network home of **20 Century Fox** films for more than 30 years, and the extension will carry the relationship into the next decade. The films have always increased the value of the service, said *Bruce Grivetti*, pres, film programming with HBO.

Election '12: **Univision** CEO *Randy Falco* sent a letter Wed to the **Commission on Presidential Debates** expressing his disappointment that none of the debates feature Hispanic moderators—specifically Univision's *Jorge Ramos* and *Maria Elena Salinas*. He proposed Univision host a forum for the presidential candidates to address Hispanic Americans. "We strongly believe the Commission should entertain the notion of adding an additional debate that will speak directly to this burgeoning audience so influential to the presidential dialogue and outcome in order to maximize Hispanic voter participation," Falco wrote. *Politico* reported Wed afternoon that the Commission won't be adding any additional debates, and that it is confident the moderators see their assignment as representing all Americans.

Launch Pad: **TiVo's** will partner with **SeaChange** to enable cable ops to offer an advanced VOD experience to subs using TiVo set-tops including the latest multi-tuner DVR models. The new generation solution supports both **Cisco** and **Motorola's** digital platforms. -- The **ESPN** global soccer platform **ESPNFC** is official. Initially launched as a preview in April, the platform debuted Wed in conjunction with the start of the new soccer seasons and international friendlies world-

BUSINESS & FINANCE

wide. ESPNFC will be integrated into ESPNdeportes.com.

Carriage: Start-up net **beIN Sport** is headed to **DirecTV**. Subs will have access to international sports programming, including soccer tournaments from Europe and South America.

Programming: Live CA high school football programming is coming to **Comcast Hometown Network** subs. The Comcast regional net covering northern and central CA will televise 21 games this season and will add live contests for the 1st time. An additional 12 games will have a 5 minute video highlights package, available via VOD. The telecasts kick off Aug 25 at 7pm. -- **truTV** ordered 9 half-hour episodes of "Hardcore Pawn: Chicago," set to premiere later this year. -- Ready for a bumpy ride **FUEL TV** subs? The net booked the 4th season of racing docu-series "The Moto: Inside The Outdoors," premiering Sept 29 at 8pm.

On the Circuit: *Chelsea Clinton*, special correspondent for **NBC News** since '11, will commence the **WICT** Leadership Conference with opening remarks and a Q&A session Mon, Sept 10 at the Hilton NY.

Business/Finance: This helps explain **AMC Nets** big decline yesterday (the stock fell 4.5%, posting its biggest decline in 3 months). *Chuck Dolan* sold 1.75mln shares of Class A common stock (that's \$72mln worth of stock) for liquidity and tax planning purposes.

CableFAX Daily Stockwatch

Company	08/15 Close	1-Day Ch	Company	08/15 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	51.53	(0.38)	CONCURRENT:	4.27	(0.06)
DISH:	31.05	0.42	CONVERGYS:	15.65	(0.06)
DISNEY:	49.89	0.20	CSG SYSTEMS:	19.96	(0.04)
GE:	20.96	0.02	ECHOSTAR:	28.40	(0.32)
NEWS CORP:	23.54	0.06	GOOGLE:	667.54	(1.12)
MSOS					
CABLEVISION:	15.37	(0.13)	HARMONIC:	4.42	0.13
CHARTER:	79.80	1.30	INTEL:	26.27	(0.21)
COMCAST:	34.19	(0.17)	JDSU:	11.56	0.88
COMCAST SPCL:	33.25	(0.42)	LEVEL 3:	21.90	0.28
GCI:	9.68	0.04	MICROSOFT:	30.20	0.07
LIBERTY GLOBAL:	56.46	0.17	RENTRAK:	17.55	0.45
LIBERTY INT:	18.08	0.36	SEACHANGE:	7.33	0.09
SHAW COMM:	20.10	0.05	SONY:	11.39	(0.32)
TIME WARNER CABLE:	89.77	(0.83)	SPRINT NEXTEL:	5.39	0.40
VIRGIN MEDIA:	27.49	0.09	TIVO:	8.97	0.17
WASH POST:	346.69	0.57	UNIVERSAL ELEC:	15.01	0.11
PROGRAMMING					
AMC NETWORKS:	41.07	(0.09)	VONAGE:	2.13	0.02
CBS:	36.07	0.07	YAHOO:	14.76	0.03
CROWN:	1.70	0.02	TELCOS		
DISCOVERY:	53.20	0.07	AT&T:	37.10	(0.15)
GRUPO TELEVISIA:	23.44	0.03	VERIZON:	44.19	(0.14)
HSN:	44.21	0.18	MARKET INDICES		
INTERACTIVE CORP:	52.47	0.75	DOW:	13164.78	(7.36)
LIONSGATE:	14.47	0.34	NASDAQ:	3030.93	13.95
LODGENET:	0.55	(0.03)	S&P 500:	1405.53	1.60
NEW FRONTIER:	1.57	0.02			
OUTDOOR:	6.89	0.08			
SCRIPPS INT:	59.13	(0.18)			
TIME WARNER:	42.69	0.28			
VALUEVISION:	1.83	0.11			
VIACOM:	50.88	0.43			
WWE:	8.45	0.03			
TECHNOLOGY					
ADVANTAGE:	2.10	0.02			
ALCATEL LUCENT:	1.14	(0.01)			
AMDOCS:	31.81	0.20			
AMPHENOL:	61.71	(0.17)			
AOL:	32.98	(0.24)			
APPLE:	630.83	(0.86)			
ARRIS GROUP:	13.55	0.07			
AVID TECH:	8.56	0.12			
BLNDER TONGUE:	1.00	0.02			
BROADCOM:	34.71	0.30			
CISCO:	17.35	0.18			
CLEARWIRE:	1.71	0.03			

THE 29TH ANNUAL WALTER KAITZ FOUNDATION FUNDRAISING DINNER HONOREES

DIVERSITY CHAMPION



DIVERSITY ADVOCATE

Healthy Media

Commission for Positive Images of Women and Girls

Join us on **Wednesday, September 12, 2012**, at the **Hilton New York** and celebrate the achievements of these two extraordinary honorees.

PRESENTING SPONSOR



NBCUniversal

DINNER HOST

TimeWarner



Think about that for a minute...

Olympian Tastes

Commentary by Steve Effros

A whole lot of folks had a large appetite when it came to viewing the Olympics. Congratulations are due to Comcast/NBC for figuring out how to feed everyone what they wanted. It's ironic that the folks who wanted to feed their Olympic hunger one way, in some cases, chose to complain about how other folks wanted to indulge, but Comcast/NBC turned out to be the winner by understanding the true differences in taste and serving up the Olympics on multiple tables.



It was somewhat hard to miss all the stories, early on, about the "onslaught" of tweets complaining about the Olympic coverage. It was also hard to miss that at the end of the two weeks, Comcast/NBC had scored a major coup, with the most watched television

event to date, and one that beat virtually all expectations both as to how many folks would tune in, and stay tuned in, and even that elusive objective for any sporting event of this magnitude; it could even have turned into a profitable venture. The live streaming of the Olympics broke all sorts of records as well, both from the point of view of how many hours were made available and how many folks logged in.

Comcast/NBC chose to stream, live, all the events as they happened in London. Multiple streams were available online all the time, both by sport and focused on specific contests. The number of folks taking advantage of that streaming opportunity was very impressive, far larger than the twitter contingent that spent most of its time complaining that the events weren't being "broadcast" live at the same time. This points up to me some realities that need to be explored, particularly the distinction between the "a la carte" offering of events as they happened in a time zone far removed from American

viewers, and the entertainment product that was selected, edited, packaged and offered on a different medium in prime viewing time. Those are very different things! It's a mistake to compare them.

It seems that folks who consider themselves "sports fans" broke into two camps as to how they watch and what they consider important. Some viewed events purely as contests, and wanted to see who won when they won. They were very focused on the "live" aspect of the event and the result. They were the ones most vocal about wanting everything "broadcast" live rather than packaged for prime time. They got the opportunity to see those events the way they wanted to, live, if they chose to watch a streamed broadband showing available to them.

The other camp was more interested in watching the process of the event and the people who were participating in it. While some of them would have preferred more "spoiler alerts" from the news media before the result of a race was announced and before the packaged programming was offered in prime time, they still, obviously, were more interested in seeing the athletes perform than they were disappointed by the fact that they knew, or may have known, the winner. Indeed for many, it may have been the fact that there was prior information about a great performance or a great win that resulted in the interest to watch in the first place. The ratings prove the point that this form of packaged entertainment was immensely successful, whether any individual critic liked it or not.

That's the point. Two different technologies were appropriately used for different audiences interested in different things. They both worked. Comcast/NBC catered to both tastes.

Steve

T:202-630-2099
steve@effros.com

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

Corporate Licenses



For group subscriptions to
CableFAX Daily
or company-wide access
contact Amy Russell at
ARussell@AccessIntel.com

www.CableFAX.com

CableFAX Daily
WHAT THE INDUSTRY
READS FIRST.

