

CableFAX Daily™

Friday — September 13, 2013

What the Industry Reads First

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Retrans Redux: Both Sides Step Up Rhetoric as Washington Listens

Day 4 of retrans talk, with the latest round a dissection of 2 Hill hearings this week. “The only people you see saying retrans isn’t broken is broadcasters,” said **Public Knowledge’s** *John Bergmayer* in a Q&A with reporters Thurs hosted by MVPD-backed **American Television Alliance**. Reform is coming, but the question is in what form, he said. Not everyone is as certain as Bergmayer, even among those who want adjustments. “I do think we need change in Washington, but whether or not we’re going to get that, I don’t know,” **Cablevision CFO Gregg Seibert** said at an investor conference Thurs. **NAB** evp *Dennis Wharton* held his own news conference with reporters Thurs, continuing to beat the drum that **DISH, Time Warner Cable** and **DirectTV** are manufacturing a crisis and calling ATVA an organization bankrolled by the 3. All are partners of the coalition of pay TV companies, along with multiple other MVPDs, Public Knowledge and a few programmers, such as **Discovery, Starz** and **The Africa Channel**. Wharton ducked a question about what allies broadcasters have in retrans, instead questioning why public interest groups are siding “with cable and the big TV cartel” and not going after rebates and elimination of early termination fees during programming disputes. Wed’s House Communications subcommittee hearing was short on NAB support, prompting a question about how the lobbying group is viewed on the Hill. “I think we have lots of friends in Congress,” Wharton said. “We’re a long way from this bill ever getting anywhere... [NAB CEO] *Gordon Smith* has a few friends, I know that.” **Mediacom**, not surprisingly, weighed into the retrans rehash, with gen counsel *Joseph Young* firing off a letter to Wharton Thurs on NAB’s reaction to Rep *Anna Eshoo’s* (D-CA) draft legislation on retrans. Young honed in on NAB’s statement about how giving rebates or outs for pay TV contracts during disputes would be “pro-consumer,” writing that stations never offer MVPDs or their subs a rebate/reduction in retrans fees or allow them to terminate their retrans deals without penalty for programming that loses its popularity (or moves to cable) during the course of an agreement. “Since there is no justification for applying that principle at the retail but not the wholesale level, we assume that NAB’s members will now agree to grant [those rights] if a station loses sports or other major programming or suffers a significant decline in viewership,” provided MVPDs commit to give rebates and a penalty-free contract exit during blackouts, the Mediacom counsel wrote. There is a momentum and a vehicle (STELA) that retrans reform hasn’t seen in a long time. Expect this kind of back and forth to go on for several months.

OTT Question: While **Disney** and **Nick** offer kids’ content on SVOD services, **Cartoon** was the lone holdout for a long time. But earlier this year, it gave in and did a deal with **Netflix** that took effect Mar 30. **Bernstein Research** has watched it closely because Cartoon was previously the only major kids’ net whose ratings did not go down in Netflix HHs (remember all the heat over **Nick’s** ratings drop?). “The results are in, and they are stark,” the analysts said in a note Thurs, finding that ratings in Netflix HHs have gapped down -10% vs ratings in non-Netflix homes, and **Adult Swim** has gapped down -18%. “If there is anybody out there who still didn’t believe that SVOD



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hurt kids ratings, this should put an end to the debate,” Bernstein said, adding that Cartoon looks to be making a few million dollars net, so the decision could be financially positive. The analysts would’ve preferred Cartoon not do the deal, saying it’s financially immaterial, thus “why take the risk?” Cartoon said it assumed the licensing to Netflix could cause a decline of 3-5% in viewership nationally, with its own recent analyses and that of Bernstein confirming a national impact of about 3%. “Any other declines are not due to Netflix and were also anticipated in part because we knew we would not have such hits as ‘Ninjago’ returning in the 1st part of the year and a lot of our new content would be debuting at the end of the summer going into the 4th quarter,” Cartoon said. The launch of new show “Uncle Grandpa” on Sept 2 (2.8 among kids 6-11) resulted in the net’s 1st week of year-to-date ratings parity since Mar.

Technology: Liberty Global is using ActiveVideo’s CloudTV for its Horizon TV platform now rolling out in Europe and Latin America. It’s an effort “to complement [Liberty’s] cloud UI strategy and expand Horizon-like experiences, including cloud DVR, VOD navigation and advanced applications, to STBs and connected devices,” said Liberty Global Europe CTO Aamir Hussain.

On the Hill: House Judiciary chmn Bob Goodlatte (R-VA) along with Reps Anna Eshoo (D-CA), Spencer Bachus (R-AL) and others on Thurs introduced the Permanent Internet Tax Freedom Act. Like its Senate companion bill introduced last month, it would place a permanent moratorium on the ability of state and local govts to impose new taxes on Internet access or to impose multiple taxes on e-commerce. NCTA hopes the legislation soon becomes law.

Programming: ESPN Deportes launched “ESPN Sync,” a Spanish-language, Web-based app that enhances sports viewing with a unique 2nd-screen experience during live sporting events. The app, which ESPN says is the 1st of its kind, will make its debut during Sat’s *Mayweather-Canelo* fight. -- Aaron Sorkin is the 1st guest on AXS TV’s limited series “The Big Interview,” hosted by Dan Rather (premieres Sept 16, 8pm ET). -- “Snooki & JWoww” is back for Season 3 on MTV, Oct 22, 10pm. -- YES Net will televise 5 Brooklyn Nets preseason games this fall, its most ever. -- History bows new series “American Daredevils” (think *Evel Knievel*) on Oct 22 with back-to-back eps.

Show Biz: The growing lineup for WICT’s Leadership Conference (Oct 7-8m BT Marriott Marquis) includes NCTA’s Michael Powell, Suddenlink’s Patty McCaskill, Scripps Nets’ Lori Hickok and Time Warner Cable’s Melinda Witmer. -- SCTE Cable-Tec Expo will feature a cross-section of C-suite execs, including Cox pres Pat

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BUSINESS & FINANCE

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Public Affairs: Cartoon is adding new projects and programs to its “Stop Bullying: Speak Up” campaign. New partner programs include an essay contest with **The Congressional Black Caucus Foundation**, a new PSA with **The Ad Council** and a rally highlighting the program to **Boys & Girls Clubs of America**. On Oct 6, the net debuts new movie, “Contest,” a story about a bully and his victim.

Honors: A+E Nets’ “History En Espanol: Colors of My Culture” was the recipient of **CTAM’s** “Top of the Mark” award, presented Tues along with an induction of **HBO’s** “True Blood” to the CTAM HoF (*Cfax, 9/11*). **Comedy Central’s** teasers for “Kroll Show” earned the “Most Innovative” Mark. The other 154 Mark winners can be found at CTAM.com.


Business/Finance: Disney plans to buy back \$6-\$8bln of its stock, starting next year, according to CFO **Jay Rasulo’s** remarks at an investor conference Thurs. Shares rose 2.4%. -- Outgoing **Time Warner Cable CEO Glenn Britt** cashed in some shares of Time Warner Cable stock Wed, netting a \$4.3mln profit, according to an **SEC** filing. He exercised options to buy 50K shares at \$23.48 (about \$1.17mln) and then sold the shares for a little more than \$110 each the same day.

CableFAX Daily Stockwatch

Company	09/12 Close	1-Day Ch	Company	09/12 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
21ST CENTURY FOX:	32.31	(0.15)	ECHOSTAR:	42.69	(0.71)
DIRECTV:	61.34	(0.17)	GOOGLE:	893.06	(3.13)
DISH:	46.96	(0.07)	HARMONIC:	7.50	0.01
DISNEY:	65.49	1.55	INTEL:	22.63	(0.18)
GE:	23.85	(0.24)	JDSU:	14.99	(0.09)
MSOS					
CABLEVISION:	17.65	(0.07)	LEVEL 3:	25.49	(0.51)
CHARTER:	128.28	(0.83)	MICROSOFT:	32.69	(0.05)
COMCAST:	43.49	(0.31)	RENTRAK:	30.32	1.78
COMCAST SPCL:	42.07	(0.34)	SEACHANGE:	11.53	0.05
GCI:	9.25	(0.09)	SONY:	21.16	(0.26)
LIBERTY GLOBAL:	77.81	(0.19)	SPRINT NEXTEL:	6.69	0.19
LIBERTY INT:	23.65	(0.29)	TIVO:	12.21	0.04
SHAW COMM:	23.23	(0.49)	UNIVERSAL ELEC:	31.97	(0.45)
TIME WARNER CABLE:	110.56	0.13	VONAGE:	3.10	(0.02)
WASH POST:	579.66	(4.03)	YAHOO:	29.65	0.46
PROGRAMMING					
AMC NETWORKS:	62.60	(0.19)	TELCOS		
CBS:	55.26	0.73	AT&T:	34.38	0.41
CROWN:	3.13	0.03	VERIZON:	47.35	0.83
DISCOVERY:	78.04	(0.25)	MARKET INDICES		
GRUPO TELEVISIA:	27.15	(0.63)	DOW:	15300.64	(25.96)
HSN:	56.30	(0.02)	NASDAQ:	3715.97	(9.04)
INTERACTIVE CORP:	53.15	(0.01)	S&P 500:	1683.42	(5.71)
LIONSGATE:	36.47	(0.54)			
MADISON SQUARE GARDEN:	55.99	0.90			
SCRIPPS INT:	74.07	(0.35)			
STARZ:	26.07	0.07			
TIME WARNER:	62.80	(0.52)			
VALUEVISION:	4.33	(0.09)			
VIACOM:	82.81	0.50			
WWE:	10.14	(0.02)			
TECHNOLOGY					
ADVANTAGE:	2.50	0.02			
ALCATEL LUCENT:	3.48	0.08			
AMDOCS:	37.22	(0.42)			
AMPHENOL:	77.73	(0.38)			
AOL:	34.38	0.82			
APPLE:	472.69	4.98			
ARRIS GROUP:	16.13	0.20			
AVID TECH:	5.56	(0.2)			
BLNDER TONGUE:	0.86	(0.01)			
BROADCOM:	26.02	(0.07)			
CISCO:	24.29	(0.09)			
CONCURRENT:	7.91	0.06			
CONVERGYS:	18.10	(0.31)			
CSG SYSTEMS:	23.77	(0.33)			



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PROGRAMMER'S PAGE

Rewarding Bad Behavior...

“Breaking Bad” creator *Vince Gilligan* had been itching to give his Saul Goodman character a spinoff for months. But without a signed deal, it was just a pipe dream cooked up in a meth lab. That is, until this week when **AMC** and **Sony Pictures Television** finally announced a greenlit series that promises to reveal how Saul, played by *Bob Odenkirk*... became the unscrupulous lawyer who guides Walter White deeper into the organized-crime rabbit hole. From the moment Gilligan introduced us to this ethically challenged sleazeball telling us we “better call Saul,” fans knew they were in for some comic relief. But when I sat down with Odenkirk last month during TCA, the actor insisted that any Saul spinoff mustn't stray too far toward the light. “I think it has to keep some of the darkness if it happens,” he said. “It has to maintain some of that. It can't just be silly.” And why not? “You know, one of the reasons [Saul] is funny is that he's surrounded by such grim people and situations,” he said. “And so I hope [Gilligan] keeps that.” It's hard to imagine that Gilligan, now perhaps the most respected showrunner in Hollywood, could possibly screw this one up. But it's also safe to assume that Odenkirk—a prolific writer himself, especially in the sketch comedy world—will also put his fingerprints on the storytelling. “Make it a distinctive show,” he said. “Make it not something that you expect to see on a network, but something that has some kick to it and some complexity to it.” Amazingly, Saul's introduction in Season 2 was supposed to last only 3 or 4 eps, but Odenkirk's spin on the character was so deliciously sleazy, so amorally slimy, so darkly funny that... well, Saul quickly became a fan favorite and an integral part of the series. “I love the challenge,” he says. “I'm 50 and doing something new. It's great. I love sketch comedy, and I've done it my whole life. And I still do it. But doing something new, what a gift.” **[Read the full interview at www.cablefax.com]** – *Michael Grebb*

Reviews: “The Newsroom,” season 2 finale, Sun, 10p, **HBO**. At its best, “The Newsroom” looks provocatively inside TV journalism. And watching *Jeff Daniels*, *Sam Waterston* and *Jane Fonda* is a delight. Yet Newsroom's prone to preaching and derailing from interesting moments into ‘who's got a crush on whom’ drivel. Only the quick of ear can decipher the rapid-fire dialogue without using rewind. Had it ended after two seasons, Newsroom's Sunday ep would be a good closer, wrapping several storylines. It also begins a story, which, if handled intelligently, might make season 3 terrific. – “*Anthony Bourdain Parts Unknown*,” season 2 premiere, Sun, 9p, **CNN**. At the start of this interesting ep, Tony Bourdain acknowledges next week's culinary globetrot will be trouble. The American foodie, who admits to having Jewish roots, makes his first foray to Jerusalem, the West Bank and Gaza. “I'll be seen as a Zionist tool, a self-hating Jew... a socialist, fascist, CIA agent and worse,” he says. He will be, but this is an amazing trip inside the region and its kitchens. Bourdain gingerly mixes food and politics. And for dessert, a sliver of hope. – “*Key and Peele*,” season 3 premiere, Wed, 10:30p, **Comedy**. Few TV series are doing sketch comedy. That alone makes “K&P” worth a look. It also happens to be good. - *Seth Arenstein*

Basic Cable Rankings (9/2/13-9/8/13)			
Mon-Sun Prime			
1	ESPN	2.1	2053
2	USA	2	1975
3	DSNY	1.8	1834
4	TNT	1.4	1353
5	HIST	1.3	1304
5	FOXN	1.3	1277
7	TBSC	1.2	1234
7	A&E	1.2	1191
9	HGTV	1.1	1133
10	LIFE	1	960
10	DSE	1	73
12	AMC	0.9	934
12	ADSM	0.9	918
12	FX	0.9	884
12	TLC	0.9	851
16	DISC	0.8	829
16	SYFY	0.8	803
16	NAN	0.8	763
16	FOOD	0.8	756
16	FAM	0.8	733
21	CMDY	0.7	727
21	TVLD	0.7	660
21	BRAV	0.7	657
21	BET	0.7	617
21	HALL	0.7	615
21	TRU	0.7	607
21	OWN	0.7	549
28	ESP2	0.6	620
28	SPK	0.6	577
28	MTV	0.6	559
28	ID	0.6	547
28	LMN	0.6	472
28	DSJR	0.6	371
34	APL	0.5	520
34	MSN	0.5	456
36	VH1	0.4	413
36	EN	0.4	413

*Nielsen data supplied by ABC/Disney

Celebrate and Reach the Most Influential Minorities in Cable

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