

CableFAX Daily™

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What the Industry Reads First

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Falling for VOD: MVPDs Put Spotlight on Fall Premieres

With the new fall TV season weeks away, **Verizon FiOS**, **Comcast** and **Cox** are among MVPDs hoping to entice viewers to binge view on VOD and stick around for the premieres. There have been other VOD fests, but none as extensive as this fall's. A recent study of Cox customers found that almost 60% spend their viewing time on "convenience" TV vs live TV. "For us, it's a natural evolution. We've been hearing from our customers that they watch multiple episodes of a TV show on the same day or over a relatively short period of time," said *Denise Myers*, Cox video product marketing dir. "It just makes sense to have that content curated in one convenient place for customers to consume." Verizon's fall VOD marathon kicked off Wed and runs through Sept 26 (the premium portion ends Sun), and features 50 full and catch-up seasons. "We initiated it because we see very clearly people are moving rapidly toward setting their own schedule. Our catchphrase is 'Prime Time is Your Time,'" said *Joe Lawson*, FiOS dir of video strategy and content. Verizon has its own research, with 75% of FiOS TV subs saying they have binge viewed more this year. Comcast's data shows 60% of what its customers watch on Xfinity on Demand is TV shows, with the category growing faster than movies and kids content. In addition to TV shows, Verizon's free VOD fest has a strong premium movie presence through premium net titles, including "The Dark Knight Rises" and "The Hunger Games." Lawson said the top 35-money making movies available in the marathon grossed more than \$5bln last year. Verizon also will have fall season premiere eps that will be available the day after they air. Comcast is taking a different approach, premiering pilot eps on demand for some shows, including **NBC's** "Ironside," **ABC's** "Trophy Wife," and **CBS'** "We Are Men," before their linear debut. While much is made of binge viewing, Comcast svp, gm video services *Matt Strauss* believes the "mini-binge" is the big trend. "Yes, the weekend-long binge-viewing marathon does indeed exist as evidenced by our Watchathon Week in March. But our data suggests more people actually 'mini-binge'—or watch 1-2 episodes per week right around the day the show airs live," he wrote in a recent blog. "This suggests fans are trying to keep up with their favorite shows to stay current and participate in both the physical and digital water-cooler talk the next day." From past, smaller VOD marathons, Verizon found that channels involved saw over a 100% increase in unique set-top usage, with some channels receiving as much as a 300-400% increase. "By putting all the content together, you create this big event perception," Lawson said. All of these promos have at least for

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a period of time premium content available from **HBO, Starz** and **Showtime** to non-subscribers. “While there’s no direct financial return on free content being shown, the FreeView provides great value/satisfaction to our customers and highlights additional programming options available to our customers through added packages or premiums,” said Myers. And that’s what all this is about—creating additional exposure and value that will keep customers tied to their MVPDs.

In the Courts: A NY federal judge denied **ABC’s** motion for a preliminary injunction against **DISH’s** AutoHop commercial skipping service and PrimeTime Anytime feature. The same judge denied a motion by **DISH** to dismiss **CBS’** claims that the satellite provider had breached their retrans consent agreement and fraudulently concealed material info in the negotiation of that agreement. The opinion and order from US District Court for the Southern District Judge *Laura Swain* is under seal, giving parties an opportunity to make requests for redactions of confidential information before it is made public. **DISH** called the denial of **ABC’s** request a victory for consumers. “This is the third federal court decision that has sided with **DISH** on consumers’ right to enjoy television as they want, when they want, including the right to skip commercials, if they so choose,” said **DISH** evp, gen counsel *Stanton Dodge*.

On the Hill: For the most part, the **Senate Commerce** confirmation hearing for **FCC** Republican nominee *Michael O’Rielly*, held in parallel with the confirmation for **FTC** Democrat nominee *Terrell McSweeney*, was a smooth sail. Having said that, Sen *Mark Pryor* (D-AR) questioned whether the former Senate aide might raise any “red flag” for being too partisan. “The last thing we need is partisan divide at the **FCC**,” he said. Typically, “communications policy isn’t overly partisan,” with the exception of a few issues, said *O’Rielly*, who promised non-partisan collaboration. Now that *Tom Wheeler* (confirmation awaiting floor action), the nominee for Commission chair, is paired with a Republican nominee, Sen *John Thune* (R-SD) hopes both nominees can be installed by the mid-Oct recess. Not surprisingly, Republican *O’Rielly* said he favors a “flexible” and “light-touch” regulatory approach, with the exception of establishing and enforcing rules that encourage consumer and businesses’ participation in the communications space. Fielding a question on TV decency enforcement, which groups like **Parents TV Council** urged the committee to question, *O’Rielly* said he believes the **FCC** has the obligation to enforce the statute: “I will commit to that.” Once sworn in, *O’Rielly* will “look for opportunities to reduce unnecessary regulations or those that impose excessive financial burdens.” The Republican ended his fairly short testimony with the line “Stand strong for Freedom.” He explained later that he sees Internet as an opportunity to bring greater freedom to consumers. When it comes to spectrum auctions, *O’Rielly* said when regulators try to “micro-manage or manipulate auctions,” it can lead to winners flipping spectrum. In addition, the federal agency holds too much spectrum that can potentially be reallocated. **FTC** nominee *McSweeney*, a Justice Dept official and former aide to VP *Joe Biden*, fielded several questions from committee head *Jay Rockefeller* (D-WV) on consumer privacy. “I understand your frustration” with self-regulation when it comes to privacy, *McSweeney* said. She said the **FTC** should keep multi-stakeholder approach but uphold its legacy of protecting consumers and competition assertively.

Putting the Hecht in HLN: Former **Nick** pres and **Spike TV** founder *Albie Hecht* joins **HLN** as evp, gm, effective Sept 30. “I wanted someone who could build off the strength that currently exists at **HLN**, which is enjoying one of its highest rated years ever, and evolve the network and its fast-growing digital properties even more,” said **CNN World-wide** pres *Jeff Zucker*. On Sept 25, *Hecht* will be inducted into the **CableFAX** 2013 Program Hall of Fame, which honors those who create excellent content. His move to **HLN** follows **HLN** head *Scot Safon’s* departure last month.

Discovery Intl: **Discovery Networks International** pres/COO *Mark Hollinger* is resigning next June, after 23 years at the company. A search for a successor starts immediately. “Having spent 150 or so days away from home during each of the last several years, most often many time zones away, I am looking forward to being back in the US full-time and spending more time with my family,” *Hollinger* said in a statement.

Advertising: **Analytics Media Group** scored a deal with **FourthWall Media**, which offers cable set-top viewing data, to gain access to its second-by-second TV viewership info. The data enables **AMG** to help marketers and political campaigns target the right TV audiences, the companies said. -- Advanced advertising firm **BlackArrow** formed an advisory board to study topics such as how to mix traditional linear TV buys with new addressable advertising; how to consider multiplatform reach and frequency; and emerging opportunities like VOD advertising. The advisors include execs like *Marcien Jenckes*, svp/gm of video and entertainment services at **Comcast**, and *Marc Krok*, svp, ad sales at **AMC Networks**.

BUSINESS & FINANCE

Google Fiber: Lenexa became the 17th Kansas City-area expansion city for Google Fiber after city council unanimously passed an agreement to bring Google's offerings, which include broadband and TV, to their residents.

Online: "Doctor Who" is coming to Hulu. Hulu scored a multi-year US content deal with **BBC Worldwide** to make its titles available for Hulu Plus subs. The deal is non-exclusive, so BBCA, which also has deals with **Netflix** and **Amazon**, can sign deals with other streaming services.

Programming: "Something to Talk About" will be back on **DirectTV's Audience Network** this fall with the premiere of "Haiti Untold" on Oct 3. The new season of the series will launch with 5 documentaries covering various issues like Hurricane Sandy, gambling addiction and *President Kennedy's* historical term. -- For the 1st time ever, **A&E**, **Lifetime** and **History** are linking up to simulcast a production—the 4-hour, 2-night miniseries "Bonnie & Clyde" starring *Emile Hirsch* and *Holliday Grainger* (Dec 8-9, 9pm). -- **ESPN** finalized its long-term contract with the ATP World Tour to expand the coverage of the BNP Paribas Open in CA, Sony Open Tennis in Miami, and the season-ending Barclays ATP World Tour Finals currently played in London. Under the terms, more than 44 hours will be aired, including, for the 1st time, both the women's and men's championships from the South FL event.

CableFAX Daily Stockwatch

Company	09/18 Close	1-Day Ch	Company	09/18 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
21ST CENTURY FOX:	32.73	0.14	GOOGLE:	903.32	17.21
DIRECTV:	62.90	0.50	HARMONIC:	7.65	0.04
DISH:	48.09	0.84	INTEL:	23.90	0.16
DISNEY:	67.11	0.13	JDSU:	15.22	0.03
GE:	24.86	0.41	LEVEL 3:	27.36	0.96
MSOS					
CABLEVISION:	17.58	0.13	MICROSOFT:	33.32	0.39
CHARTER:	132.39	2.13	NIELSEN:	36.94	0.55
COMCAST:	44.27	(0.18)	RENTRAK:	31.70	(0.79)
COMCAST SPCL:	42.95	(0.15)	SEACHANGE:	11.75	0.01
GCI:	9.21	0.05	SONY:	21.88	0.22
LIBERTY GLOBAL:	79.50	0.13	SPRINT NEXTEL:	6.44	0.05
LIBERTY INT:	24.26	0.47	TIVO:	12.31	0.03
SHAW COMM:	23.63	0.08	UNIVERSAL ELEC:	32.21	0.08
TIME WARNER CABLE:	114.90	1.39	VONAGE:	3.04	(0.01)
WASH POST:	573.26	(2.76)	YAHOO:	30.43	0.43
PROGRAMMING					
AMC NETWORKS:	66.41	0.91	TELCOS		
CBS:	56.81	0.42	AT&T:	34.95	0.20
CROWN:	3.18	(0.06)	VERIZON:	48.72	0.15
DISCOVERY:	80.44	0.95	MARKET INDICES		
GRUPO TELEVISA:	29.16	0.75	DOW:	15676.94	147.21
HSN:	54.70	0.30	NASDAQ:	3783.64	37.94
INTERACTIVE CORP:	53.28	(0.34)	S&P 500:	1725.52	20.76
LIONSGATE:	36.28	(0.72)			
MADISON SQUARE GARDEN:	56.88	0.18			
SCRIPPS INT:	78.18	1.45			
STARZ:	26.96	0.23			
TIME WARNER:	63.34	0.44			
VALUEVISION:	4.55	0.13			
VIACOM:	83.68	0.03			
WWE:	9.81	(0.02)			
TECHNOLOGY					
ADVANTAGE:	2.44	0.00			
ALCATEL LUCENT:	3.47	0.07			
AMDOCS:	37.12	(0.03)			
AMPHENOL:	78.34	0.22			
AOL:	34.37	0.30			
APPLE:	464.68	9.36			
ARRIS GROUP:	16.65	0.14			
AVID TECH:	5.44	0.22			
BROADCOM:	27.65	0.20			
CISCO:	24.80	0.42			
CONCURRENT:	7.60	(0.17)			
CONVERGYS:	18.98	0.19			
CSG SYSTEMS:	24.17	0.03			
ECHOSTAR:	44.95	1.87			

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The Broadcaster's Obligation

Commentary by Steve Effros

Throughout the long years of battle over the premise that local broadcasters are somehow entitled to all sorts of benefits others don't get, the focus has almost always been on why the broadcasters "need" that additional benefit, whether it be "must carry," or non-duplication protection, syndicated exclusivity or, now, retransmission consent. What has usually been left out of the discussion is the question of "why"?



Some of us who have gone through these wars before and testified before Congress on numerous occasions remember that whenever we raised the issue of why, exactly, the broadcaster is to be considered entitled to all these benefits, the response, if there was one at all, is that the broadcaster "serves

the local public interest."

Of course, we challenged those notions. As long as thirty years ago, and certainly today, there is a dearth of local programming. There's local news, to be sure, because the traffic accidents, politics and crime always bring a healthy audience for advertisers. But after that it gets pretty scant. In testimony and FCC filings you can rest assured that the well-worn "tornado" argument will be trotted out. But on closer examination, that argument is a far better one for radio than television and even if there is this basic need to see the havoc, live, you really only need one channel for that.

What wasn't said back then, and is at least somewhat less true today, is that politicians thought they relied on local television coverage and advertising for their campaigns. Cable television's maturity and the advent of the Internet are changing that, however. So now, thanks, as I noted recently, to the painful exercise Time Warner Cable just went through and the unflagging work constantly done by the ACA for the industry, some folks on

Capitol Hill are finally starting to listen.

One of the basic arguments that we have all made is that the broadcasters did not, or should not, have gotten their broadcast spectrum for free without associated obligations. We can all argue about enumerating the "public interest" obligations, but it would seem there shouldn't be any argument that at the very least the broadcasters should have to do whatever they can, at whatever cost, to at least make sure their "public interest" signal is viewable by as many folks as possible in the area they claim as exclusively "theirs!" They've never really done that, relying, instead, on us!

Another ceaseless worker in the field of telling cable's side of this story is Mediacom. Rocco Commisso is legendary. But a letter recently sent to the office of the FCC's Interim Chair, Mignon Clyburn, from Mediacom's General Counsel, Joseph Young, should be read by everyone. This is the clearest summation of the broadcaster's obligation I have seen in a long time: "The Commission should require, as part of the licensee's public service obligations, or as a condition to license issuance or renewal, that before blocking carriage by any distributor willing to continue meaningful negotiations or submit deadlocked negotiations to binding arbitration, the licensee must insure that it's station's signal is available off-air to a very high percentage of households in the station's DMA, without any expense beyond the cost of an affordable in-home antenna. Given the original intent behind the creation of the retransmission consent right and NAB's own statements, broadcasters should not be permitted to force a blackout unless off-air reception is a meaningful option for most viewers within its licensed territory."

That, it seems to me, is a winner of an argument.

Steve

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