

CableFAX Daily™

Monday — October 22, 2012

What the Industry Reads First

Volume 23 / No. 204

\$9bn Question: How High Will Cable's Share of Political Ad Pot Go?

With the election just weeks away, political ad spending is going really well. Really, really well. But not \$9bn well. That's the upper range of estimates for political ad spending on TV this election cycle. "To put it in perspective, the budget for PA is I think about \$21bn... \$9bn is really high. I think we were just over \$2bn in 2010," said *Tim Kay*, cable ad firm **NCC Media's** dir political strategy. He expects some \$3bn spent for TV overall, with cable capturing about \$600m of that. **Comcast Spotlight** vp, political ad sales *Dan Sinagoga* also dismissed the \$9bn estimates thrown out by **Borrell** and others. "It's going to be the biggest year ever, but I think what people have to recognize is how the ebbs and flows of this business come. 65% of the political ad dollars spent for the year are spent from Labor Day through Election Day. There really is not enough bandwidth for \$9.8bn to be spent." Sinagoga expects political ad spending for the year to come in at a record \$4bn, with cable pulling a 22-25 share. Magna Global estimates the '12 election cycle will generate more than \$2.7bn in political advertising, up 30.4% from \$2.1bn in '10. The key takeaway for these last 2 weeks: it's far from over. "In those final 2 weeks, I think they're going to have to expand their ad spending into additional states. It's not moving enough of the needle for either of the 2," said Sinagoga. So, get ready for more ads! Associations, which includes outside PACs, is by far the biggest spender, Kay said. That's not surprising given the **Citizens United** case. "[Cable] had no *Romney* money until the Fri after the Republican convention," said Kay. "But you did see significant amount of money from the super PACs and outside groups. It's almost like they were carrying the way for Romney until he came up after the convention." A lot of that super PAC money is also starting to go toward key House and Senate races, said Sinagoga. Another '12 election tidbit: the money that's traditionally thrown at local news nets is finally starting to dissipate a little. "The fact that you are starting to see the campaigns go 15, 20, 35 networks deep in the general election is a testament to the fact it's not your daddy and mommy's TV anymore," Sinagoga said. "It's a different landscape. You have a voting electorate use to living in a 200-channel universe." There's still plenty of money for broadcast though. In a recent research note, **Wells Fargo Securities' Marci Ryvicker** pegged local spot at \$3bn and local cable's share of political at \$550m (up from \$333m in '08), with cable growing at the expense of radio and newspapers. She complimented cable on a greater

CableFAX

Save the Date

Top Ops
AWARDS



Tuesday, October 30, 2012

Join us as we celebrate the CableFAX Program Awards and honor the Top Operators of the Year. This outstanding event will bring together those who create amazing content and those who excel in bringing it to the viewers.

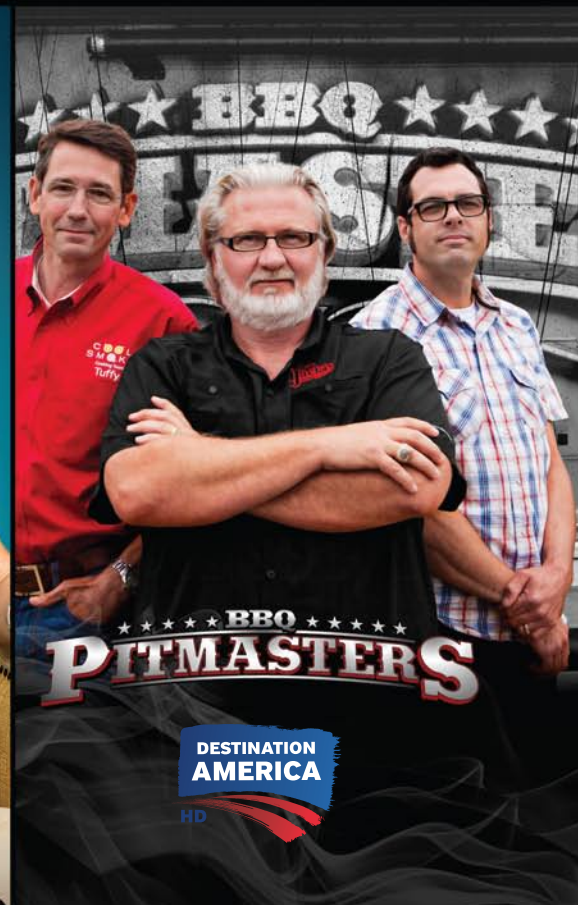
Register Today!

www.CableFAX.com/ProgramAwards

20973

HD IS ON THE MOVE

Discovery Channel HD, TLC HD and Destination America HD are transitioning from MPEG2 to MPEG4 and are moving to Galaxy 13 Transponder 22.



Move it, don't lose it.

Avoid signal interruption. Call our Motorola project support hotline at **1-800-308-6272** for authorization today or visit <http://www.irdrollout.com/discovery>.

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, 323.380.6263, 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 ● Group Publisher, Media Entertainment: Denise O'Connor ● Publisher: Debbie Vodenos, 301.354.1695, dvodenos@accessintel.com ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Marketing Dir: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Prod: Joann Fato, jfato@accessintel.com ● Diane Schwartz SVP Media Comms Group ● Subs/Client Svcs: 301.354.2101, ● Group Subs: Amy Russell, 301.354.1599, arussell@accessintel.com

focus on advertising from large players, such as **Comcast** and **Time Warner Cable**, as well as its geo-targeting. The outcome of Mon's debate will be one of the last deciding factors (if not the last) on how the remaining ad money is spent. "There's light at the end of the tunnel" for those tired of political ads, but "it's a long tunnel," quipped Kay.

Ultra HD: We reported **CableLabs** CEO *Phil McKinney's* prediction of 2013 **CES**: 4K will replace the buzz on 3D (**Cfax**, 10/17). Well, 4K will now officially be known as Ultra HD, according to **CEA**. CEA's Board of Industry Leaders unanimously voted Thurs to endorse the trade association's 4K Working Group's name recommendation and related performance attributes. The Working Group, now known as the CEA Ultra HD Working Group, was formed earlier this year to work on ways to define and educate consumers about the new technology with more than 8mln pixels of resolution, 4 times the resolution of today's HD TVs. The group defined the main characteristics of Ultra HD TVs, monitors and projectors for the home. Minimum performance attributes include display resolution of at least 8mln active pixels, with at least 3,840 horizontally and at least 2,160 vertically. Display will have an aspect ratio with width to height of at least 16x9. To use the Ultra HD label, display products will require at least 1 digital input capable of carrying and presenting native 4K format video from this input at full 3,840 x 2,160 resolution without relying solely on up-converting. As expected, Ultra HD will be "prominently" displayed at the 2013 CES. Sports has always been a driver for adoption of the latest display technology and the case with Ultra HD will be similar, a CEA spokesman said. However, all programming can benefit. Earlier in the week, **3net** announced **3net Studios**, which will produce Ultra HD along with 3D content.

In the States: **Time Warner Cable** opened its new Wilmington, NC, HQ Wed. The 45K square ft facility has LEED Silver Certification and houses more than 300 employees, including ops, Time Warner Cable Business Class, Time Warner Cable Media and News 14 Carolina. Total cost of the project was \$6.4mln, with TWC signing a long-term lease for the building.

Online: Joining iPad, Macs and PCs in the TVE arsenal, iPhone and iPod Touch are the latest devices activated by **Pac-12 Digital**, allowing access of Pac-12 Networks on these devices. Available at video.pac-12.com and in the App Store, Pac-12 Now allows users to log in with their TV provider username to watch the net. Additional features of the app for iPhone and iPod Touch include: programming guide for easy navigation; condensed games and other on demand video; continuously updated editorial and feature video programming; live scoreboard; TV provider support equivalent to those on iPad and the Web. An app for Android devices is coming. Meanwhile, no progress has been made in the conference's negotiations with DirectTV, several media reports said, quoting Pac-12 Commissioner *Larry Scott* Thurs.

Ratings: **TBS'** coverage of the ALCS between Detroit and NY averaged 5.9mln total viewers across 4 games, an increase of 28% over last year's avg 4.6mln. -- **FX's** "American Horror Story: Asylum" was insane. We are talking about ratings. The new miniseries was the #2 primetime program Wed night in AD 18-34, women 18-34 and men 18-34, behind ABC's "Modern Family." However, it was the #1 program in the 10pm time-period in those demos. For the night, the 1st chapter of the series, "Welcome to Briarcliff," drew a combined multi-telecast audience of 5.79mln, 4.17mln AD 18-49 and 2.7mln AD 18-34 (premiere at 10 and encore at 11:05 and 1am).

Programming: **BBC America** renewed its 1st original scripted series, "Copper," for a 2nd season. -- **Comedy Central** ordered "Triptank," a weekly, half-hour series showcasing various fast-paced, hard-hitting animated shorts delivered in a variety of animation styles. The series is slated to premiere 8 eps next fall. -- **The Hub** will premiere new animated series "Littlest Pet Shop" at 11 am on Nov 10, right after the 10am Season 3 debut of "My Little Pony: Friendship is Magic."-- *Bret Michaels* will be rocking some RVs at **Travel Channel** after rocking some love at **VH1**. The musician will host Travel's new original "Rock My RV," premiering in '13. The 8 half-hour series will reveal Michaels' passion for mobile mansions.

On the Circuit: **Bright House's** *James Simmons* of Tampa, FL, outpaced a field of 28 competitors and won the overall **SCTE** Intl Cable-Tec Games title Thurs. Defending champ Greg Brakefield of Comporium took 2nd.

People: **MSG** named former **MTV** exec *Ocean MacAdams* svp, programming and acquisitions.

CableFAX Week in Review

Company	Ticker	10/19 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DIRECTV:	DTV	51.35	3.03%	20.09%
DISH:	DISH	35.47	6.23%	24.54%
DISNEY:	DIS	51.90	2.59%	38.40%
GE:	GE	22.03	(2%)	23.00%
NEWS CORP:	NWS	25.36	3.17%	39.49%
MSOS				
CABLEVISION:	CVC	18.39	8.75%	29.32%
CHARTER:	CHTR	78.54	3.17%	37.93%
COMCAST:	CMCSA	36.95	3.27%	55.84%
COMCAST SPCL:	CMCSK	36.03	3.15%	52.93%
GCI:	GNCMA	9.00	(4.76%)	(8.07%)
LIBERTY GLOBAL:	LBTYA	62.10	2.04%	51.35%
LIBERTY INT:	LINTA	20.03	2.82%	23.49%
SHAW COMM:	SJR	20.75	1.22%	7.12%
TIME WARNER CABLE:	TWC	99.70	2.93%	56.83%
VIRGIN MEDIA:	VMED	32.80	6.81%	53.41%
WASH POST:	WPO	345.75	(3.82%)	(8.24%)

Company	Ticker	10/19 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
AMC NETWORKS:	AMCX	45.52	9.80%	21.14%
CBS:	CBS	33.74	(0.09%)	24.32%
CROWN:	CRWN	1.66	0.61%	37.19%
DISCOVERY:	DISCA	60.44	(0.49%)	47.52%
GRUPO TELEvisa:	TV	23.53	(1.42%)	11.73%
HSN:	HSNI	48.48	1.53%	33.70%
INTERACTIVE CORP:	IACI	52.69	(1.61%)	23.69%
LIONSGATE:	LGF	16.05	6.29%	92.91%
LODGENET:	LNET	0.35	(41.67%)	(85.36%)
NEW FRONTIER:	NOOF	1.99	49.62%	93.20%
OUTDOOR:	OUTD	7.20	(1.77%)	(3.49%)
SCRIPPS INT:	SNI	63.19	1.07%	48.96%
TIME WARNER:	TWX	44.93	(0.29%)	24.32%
VALUEVISION:	VVTV	2.43	(4.71%)	29.26%
VIACOM:	VIA	55.26	0.62%	3.62%
WWE:	WWE	8.06	(1.95%)	(13.52%)

Company	Ticker	10/19 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
ADVANTAGE:	AEY	2.05	(2.38%)	(2.38%)
ALCATEL LUCENT:	ALU	1.12	12.00%	(28.21%)
AMDOCS:	DOX	32.86	2.05%	15.18%
AMPHENOL:	APH	61.11	4.34%	34.63%
AOL:	AOL	36.27	(1.36%)	140.20%
APPLE:	AAPL	609.84	(3.16%)	50.58%
ARRIS GROUP:	ARRS	13.03	3.54%	20.38%
AVID TECH:	AVID	8.17	(7.89%)	(4.22%)
BROADCOM:	BRCM	33.33	1.31%	13.52%
CISCO:	CSCO	18.04	(2.01%)	(0.22%)
CLEARWIRE:	CLWR	1.85	(20.26%)	(4.64%)
CONCURRENT:	CCUR	5.45	8.57%	43.80%
CONVERGYS:	CVG	15.89	0.70%	24.43%
CSG SYSTEMS:	CSGS	21.79	0.32%	48.13%
ECHOSTAR:	SATS	30.95	0.26%	47.80%
GOOGLE:	GOOG	681.79	(8.45%)	5.56%
HARMONIC:	HLIT	4.27	(5.74%)	(15.28%)
INTEL:	INTC	21.27	(1%)	(12.31%)
JDSU:	JDSU	10.17	(1.26%)	(2.59%)

Company	Ticker	10/19 Close	1-Week % Chg	YTD %Chg
LEVEL 3:	LVL	22.61	4.63%	33.08%
MICROSOFT:	MSFT	28.64	(1.92%)	10.32%
RENTRAK:	RENT	16.75	(1%)	17.30%
SEACHANGE:	SEAC	8.36	0.72%	18.92%
SONY:	SNE	12.15	6.95%	(32.65%)
SPRINT NEXTEL:	S	5.65	(1.4%)	141.45%
TIVO:	TIVO	9.94	0.00%	10.81%
UNIVERSAL ELEC:	UEIC	16.79	(4.71%)	(0.47%)
VONAGE:	VG	2.16	(6.49%)	(11.84%)
YAHOO:	YHOO	15.84	(1.55%)	(1.8%)

Company	Ticker	10/19 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	35.32	(0.87%)	16.80%
VERIZON:	VZ	45.16	1.21%	12.56%

Index	Value	1-Week % Chg	YTD %Chg	
MARKET INDICES				
DOW:	DJI	13343.51	0.11%	9.22%
NASDAQ:	IXIC	3005.62	(1.26%)	15.37%
S&P 500:	GSPC	1433.19	0.32%	13.96%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. NEW FRONTIER:	1.99	49.62%
2. BLNDR TONGUE:	1.14	13.20%
3. ALCATEL LUCENT:	1.12	12.00%
4. AMC NETWORKS:	45.52	9.80%
5. CABLEVISION:	18.39	8.75%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. LODGENET:	0.35	(41.67%)
2. CLEARWIRE:	1.85	(20.26%)
3. GOOGLE:	681.79	(8.45%)
4. AVID TECH:	8.17	(7.89%)
5. VONAGE:	2.16	(6.49%)

Corporate Licenses

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

CableFAX Daily
WHAT THE INDUSTRY READS FIRST.

