

CableFAX Daily™

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What the Industry Reads First

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Futurama: 18-34s, Tech Important to Pay TV Outlook

Oh, those pesky and elusive 18-34s. Tech savvy and multi-tasking mavens where content's concerned, the group is both critical to pay TV's future and a catalyst of change in the industry. Take the burgeoning amount of TV/movie content now available through gaming consoles such as the **Xbox**, primarily a bastion of the younger set. To pres/CEO **Mark Greenberg**, getting **Epix** hooked up through Xbox was a no brainer, particularly since the net launched 2 years ago with the goal to regenerate interest in a premium category that sees its avg age (late 40s) grow older every year. "Gaming consoles created a transformative growth pattern for digital content," said Greenberg, noting how Epix has amassed more than 1mln app downloads via the Xbox over the last 1 week. "The Xbox has offered numbers we've never seen." Considering Epix is ubiquitous in the digital domain, that's saying something. It's available, for example, via **Netflix**, **Roku**, mobile devices, connected TVs and the online offerings of **Verizon**, **Dish** and **Cox**. And it notched 250mln social media impressions for "Britney Spears: Femme Fatale Tour." "IP content is an opportunity for everyone," said Greenberg, who remains confident that "movies are still a good business" for targeting younger demos and others. Consumers watch "way more movies" online compared to through set-tops, he said, adding how comedic content dominates online. Evidenced by Epix's availability in fewer than 10mln pay TV homes (1mln+ growth in '11), however, getting younger consumers to embrace the ole boob tube is no laughing matter. **G4** CEO **Neal Tilles** recently said Millennials aren't necessarily difficult to reach, yet engaging them is another matter (*Cfax*, 12/12). IP offerings help with that engagement, of course, but as with any demo, compelling content still works with 18-34s. Fortunately for cable, broadcast doesn't appear to have its finger on the pulse of TV's future. According to **Turner** research of **Nielsen** data, cable will notch 72% of 18-34 prime viewership this year, compared to 68% a year ago. Not surprisingly, **MTV** dominated the '11 list of top cable originals among the demo, according to Turner, including the top spot with "Jersey Shore" (5.13mln avg) and 3 of the top 4. Interesting, though, is the presence on the list of **AMC's** "The Walking Dead" (3.53mln) and a troika of **FX** shows led by "Sons of Anarchy" (1.91mln). FX, in fact, grew 4Q viewership in the demo by 41% and trailed only **ESPN** and **TBS** in total demo eyeballs.

Carriage: Still mired in a programming fight with **MSG**, **Time Warner Cable** announced it has reached a long-term deal for continued carriage of **NESN** in its 6-state New England territory. The net is also available to customers

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outside New England who receive NESN National or TWC's sports tier. On the other hand, TWC customers may lose MSG if a deal can't be reached by Jan 1. On Wed, MSG took out ads in the NY market encouraging customers to consider **DirecTV, FiOS and RCN**. That prompted surprise from **BTIG's Rich Greenfield**. "While Time Warner losing subs to FIOS is not Cablevision's problem (MSG is now a separate public company from Cablevision), actively marketing switching to FIOS in Manhattan, where a large number of Cablevision subscribers are making their way to work is hard to comprehend given the increasingly competitive dynamic between Verizon and Cablevision," Greenfield wrote. *Jim Dolan* serves as both exec chmn of MSG and pres/CEO of Cablevision.

On the Hill: No SOPA opera Wed. The **House Judiciary** hearing on the Stop Online Piracy Act was canceled, meaning the drama will have to wait until next year. Media companies, including **Viacom** and **NBCU**, support the measure. But some consumers are mobilizing against it, as well as big Internet companies, such as **Google** and **Twitter**. -- Wed's brief House session (the Speaker Pro Tempore adjourned and walked away while Minority Whip *Steny Hoyer* (D-MD) was calling for a vote on the Senate's payroll tax cut) prompted some complaints on **Twitter** that **C-SPAN** cut off the cameras while Dems were still talking. C-SPAN tweeted reminders that it does not control cameras in the House—the Speaker does. C-SPAN has repeatedly asked incoming Speakers for years [including *Nancy Pelosi* (D-CA)] to allow its cameras to cover floor proceedings.

In the Courts: **Nielsen** and **comScore** settled their patent dispute surrounding online measurement that began in March, with both companies agreeing to a cross-licensing agreement. As part of the settlement, comScore acquires ownership of the 4 Nielsen patent families asserted in litigation and Nielsen received ownership of comScore's 4 asserted patent families. Nielsen also acquired approx \$19mln in comScore restricted stock that it agreed to hold for at least 1 year. "We are pleased to put this matter behind us and to bolster our patent portfolio, enabling the application of this intellectual property to many areas involving the Web, such as ad visibility and Web engagement measurements," said comScore pres/CEO Magid Abraham in a release. -- An **ITC** Administrative Law Judge initially determined that **Motorola Mobility** doesn't violate 6 of the 7 **Microsoft** patents listed in MSFT's infringement suit. Moto has its own infringement suit against MSFT pending in several jurisdictions including the ITC.

At the Portals: Customization is everywhere these days, even at the **FCC**. You can now customize your FCC online experience through beta site <http://my.fcc.gov>. (Sorry, operators... there is no option for customizing a retrans reform order...).

Retrans: **DISH** resolved its retrans impasse with **Heritage Broadcasting** that involved approx 5 days of darkness for **Fox** affil **WFQX** and **CBS** affil **WWTW** in Traverse City, MI. No terms were disclosed for the multi-year pact.

OTT: **Western Digital** added streaming movie service **Vudu**, the **SEC Digital Network** and other offerings to its **WD TV Live** and **WD TV Live Hub** media players that currently feature **Netflix**, **Hulu Plus** and **Blockbuster**. The company also intro'd an app for the players that includes a gesture pad to help navigate menu screens and services.

Ratings: Using **Nielsen Online Campaign Ratings**, **Invision** will offer a solution for the media industry to measure and fulfill TV campaign guarantees via online advertising through its **DealMaker Stewardship** product. The overall goal is to remove obstacles and increase flexibility for true cross-platform media sales management. -- **Post-Newsweek** inked a groupwide contract to use **Retrak's** StationView Essentials local market ratings service. Post is urging all broadcasters, agencies and advertisers to support Retrak's census-based solution.

Programming: **Discovery Fit & Health** will pick up Season 2 of "Addicted" (previously on **TLC**). -- **Sportsman Channel** is set to debut 29 new HD shows in 1Q beginning the week of Dec 26. Alongside more than 60 returning series, the new slate includes "MeatEater with Steven Rinella," in which the author and outdoorsman will hunt for and cook his own meals, and 28 days of backcountry survival in "Dropped: Project Alaska." -- **USA** special "Out of Character with Krista Smith" (Jan 11) features the *Vanity Fair* editor interviewing *Gwyneth Paltrow* and *Seth MacFarlane*. -- **WE** greenlit "Tamar and Vince," following "Braxton Family Values" star *Tamar Braxton* and *Vincent Herbert*. Series production begins in Mar. -- *Magic Johnson* is expanding his **ESPN** responsibilities this **NBA** season to become a featured analyst on "Kia NBA Countdown" (**ESPN** and **ABC**) throughout the entire season. In a Tues conference call, Johnson said interest in the NBA hasn't waned despite the league's protracted labor issues and truncated season. "As far as

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fans are concerned about excitement for the season, you saw how last night's Clippers-Lakers [exhibition] game was sold out," he said.

-- **CABLEready** licensed the rights to 100 eps of "Medical Detectives" to **Lifetime**, 35 eps of "A Cook's Tour" to **Cooking Channel** and the "Saw Dogs" rights to **Velocity**.

People: **QVC** promoted *Beth Rubino* to evp, HR and workplace services.

-- **Viacom Intl Media Nets** appointed *Julia Phelps* svp, corp comm.

Obit: **Jewish Life TV** vp, affil and distribution sales *John Sadler* passed away Mon after battling health issues for some time. He was 48. His cable career included stints at **AMC**, **Tech TV** and **Jones Education Networks**. He is survived by his wife and 2 children.

On the Circuit: **NAMIC Southern CA** extended the deadline to enter the NAMIC Vision Awards to Jan 6.

-- **Comcast Cable** pres/CEO *Neil Smit*, evp/CTO *Tony Werner* and evp/ chief network officer *John Schanz* will serve as guest presenters at the **SCTE-Tuck Executive Leadership Program** at Dartmouth College next year (Apr 29-May 4).

Honors: **YES** pres/CEO *Tracy Dolgin* will receive **Cornell's** ILR Alpern Award Mar 29 in NYC. The award is given periodically to an ILR grad whose career accomplishments have been primarily outside the field of industrial and labor relations.

CableFAX Daily Stockwatch

Company	12/21 Close	1-Day Ch	Company	12/21 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	42.99	(0.1)	CLEARWIRE:	2.03	0.15
DISH:	27.76	0.30	CONCURRENT:	3.27	(0.06)
DISNEY:	36.27	0.10	CONVERGYS:	12.74	(0.08)
GE:	17.69	0.41	CSG SYSTEMS:	14.65	(0.12)
NEWS CORP:	18.08	0.25	ECHOSTAR:	20.35	(0.52)
MSOS					
CABLEVISION:	13.82	0.46	GOOGLE:	625.82	(4.55)
CHARTER:	55.60	0.18	HARMONIC:	5.13	(0.03)
COMCAST:	23.59	0.20	INTEL:	23.68	(0.16)
COMCAST SPCL:	23.44	0.19	JDSU:	9.80	(0.1)
GCI:	10.44	(0.12)	LEVEL 3:	17.47	(0.13)
KNOLOGY:	14.07	0.04	MICROSOFT:	25.76	(0.27)
LIBERTY GLOBAL:	40.30	0.03	MOTOROLA MOBILITY:	38.65	(0.05)
LIBERTY INT:	16.29	0.29	RENTRAK:	14.15	(0.01)
SHAW COMM:	19.27	0.07	SEACHANGE:	6.99	(0.14)
TIME WARNER CABLE:	63.06	0.66	SONY:	17.47	0.16
VIRGIN MEDIA:	21.27	0.17	SPRINT NEXTEL:	2.33	(0.03)
WASH POST:	365.41	4.15	THOMAS & BETTS:	54.39	0.89
PROGRAMMING					
AMC NETWORKS:	36.81	(0.32)	TIVO:	9.01	(0.05)
CBS:	26.13	0.29	UNIVERSAL ELEC:	16.93	(0.05)
CROWN:	1.18	(0.04)	VONAGE:	2.34	0.03
DISCOVERY:	40.33	(0.21)	YAHOO:	15.99	0.88
GRUPO TELEVISA:	20.45	0.31	TELCOS		
HSN:	37.39	0.16	AT&T:	29.30	0.18
INTERACTIVE CORP:	41.99	0.10	VERIZON:	39.23	0.02
LIONSGATE:	8.08	(0.1)	MARKET INDICES		
LODGENET:	2.40	(0.02)	DOW:	12107.74	4.16
NEW FRONTIER:	1.03	(0.02)	NASDAQ:	2577.97	(25.76)
OUTDOOR:	7.25	0.25	S&P 500:	1243.72	2.42
SCRIPPS INT:	42.92	0.32			
TIME WARNER:	35.00	0.28			
VALUEVISION:	1.95	0.08			
VIACOM:	48.75	(0.75)			
WWE:	9.58	(0.16)			
TECHNOLOGY					
ADVANTAGE:	2.09	0.02			
ALCATEL LUCENT:	1.55	(0.03)			
AMDOCS:	27.94	0.18			
AMPHENOL:	44.05	0.38			
AOL:	15.10	0.29			
APPLE:	396.44	0.49			
ARRIS GROUP:	10.49	(0.07)			
AVID TECH:	8.75	0.31			
BLNDER TONGUE:	1.25	0.01			
BROADCOM:	28.89	(0.16)			
CISCO:	17.92	(0.48)			

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Silly Season

Commentary by Steve Effros

No, not the holidays themselves, it's what seems to always happen around this time of year that's the silliness I'm talking about. It's never easy to write columns around the holidays. For one thing, it's not clear how many folks are actually reading them. Folks are traveling far and wide to be with family, celebrate, relax and so on. Reading tomes about the latest idiocy taking place in the field of telecommunications is not exactly high on the list.



Nor should it be. But probably precisely because of that, lots of things happen around this time that need to be looked at a lot more closely. It's sort of like the regulatory agency-which-shall-go-nameless that in the past has found it very convenient to release some of its

decisions and research late on a Friday night. By Monday there are other things going on, other headlines, and often the focus never gets back to where it should be. "Corrections" of news stories tend to fall in the same category. The correction never catches up with the "news."

As happens every year, I get to write a column just before a Christmas weekend, and again just before the New Year weekend. So rather than delve deeply into the pros and cons, the logic or lack thereof of the various things I think need to be explored, I'm just going to pose a series of questions about some of the things I see, and promise that we will get back to all of them in the new year in more detail. I'm sure some of you (the few actually working this waning week of the year) have some ideas of your own, so send them to me and I'll include some them next week. Here goes...

- The "public interest" groups are cheering the fact that the AT&T/T-Mobile merger has failed. They want to promote "more competition." But if T-Mobile has no "plan

B" for how they become viable, and AT&T is prevented from adding spectrum to be able to keep up with current competition, how does that create more competition?

- Those same groups are now gearing up the PR machine to convince the FCC and the Justice Department to challenge the spectrum sale from the cable folks to Verizon, and the joint marketing deals as well. The theory is if they are stopped, somehow the cable guys will change their minds and suddenly decide that starting their own, competitive cell phone offering, which was looked at very carefully and abandoned as a bad idea, would actually work! Really?

- The buzz is growing about the cable industry, rather than doing cellular, instead fashioning a massive interconnected (or at least cross-authorized) WiFi service. But has anyone talked to the engineers about what would happen in those unlicensed frequencies if they started being used by massive numbers of folks all at the same time? Is this idea technically feasible?

- That same question, about technical feasibility, is going to be asked in this column a lot during the next year as we suffer through things like the annual CES Show in January when every reporter sees all the "new, neat" stuff like rumored Apple TVs (or those made by someone else) that increase the aspect ratio of the screen again, and the resolution. Anyone bother to ask where the bandwidth is going to come from to transmit those huge files?

That's just a sampling of what I intend to explore over the coming months. More next week.

Have a Happy Holiday.

Steve

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