

CableFAX Daily™

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What the Industry Reads First

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The Clock Strikes '12: Another Hectic Year in Store for Cable

The still-low cost of capital nearly ensures more cable system deals will emerge in '12, when **Time Warner Cable-Insight** may get a green light. Whether transactions will be chiefly on the smaller or larger side remains unknown, however, and it will be interesting to see if incoming **Charter** CEO *Tom Rutledge* will move to unload the MSO's SoCal systems after the option was explored in '11. What appears a certainty for the upcoming 12 months is continued controversy surrounding retrans and the escalating costs of sports programming. **ACA** pres/CEO *Matt Polka* believes the issues are related and that the camel's back is close to breaking. "Burgeoning rights fees for sports on broadcast TV and cable will draw increasing political, consumer and analysts' focus, and these outrageous fees will shine a light on the bundling and penalty practices of the major conglomerate programmers, as well as how the retransmission consent rules are being abused to the detriment of all consumers," said Polka in looking ahead. "Cable and satellite TV bills will continue to increase unless Congress and the FCC address the out-of-control retransmission consent and sports programming markets." Also proponents of retrans reform, Time Warner Cable's *Glenn Britt*, **DISH**'s *Charlie Ergen* and **DirectTV**'s *Mike White* have all either intimated or expressly stated a desire for deeper sports tiers to help defray the rising content costs. Will **ESPN**'s Sept re-up of **MNF** through '21 and the subsequent league deals forged by **NBC** and **CBS** act the straw? The **FCC** has so far avoided retrans reform, but Sen *Jim DeMint* (R-SC) and Rep *Steve Scalise* (R-LA) recently intro'd a comprehensive video bill that would repeal retrans consent provisions and the **Copyright Act**'s compulsory license provisions, as well as repeal the ownership limits imposed on local media operators. And last week, the Commission voted to propose eliminating the broadcast/newspaper cross-ownership rules and approved a Notice of Proposed Rulemaking seeking comment on whether shared services agreements and other pacts violate local market station limits. So, the '12 Capitol Hill docket should be intense. On the programming side, **Bravo** and **Style Media** pres *Frances Berwick* foresees a further shifting of power away from programmers. In '12, we'll see "more social TV and viewer engagement—as we pass the reigns of screening behavior to viewers, it is evident they want a closer connection to the content, the characters and other viewers." Indeed, **comScore** notes how "the importance of social networking in today's online experience cannot be

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overstated. Social networking is the most popular online activity worldwide, accounting for nearly 1 in every 5 minutes spent online in October 2011.” Expect programmers to ramp their commitments to social networking to build and enhance brands/franchises, particularly among tech-savvy younger demos. Ahh yes... tech, the mercurial disruptor in the cable space that fortunately provides opportunities as well as threats. **BlackArrow** pres *Nick Troiano* thinks '12 will bring “the introduction of the first integrated, single-device, STB/TV solution announced by a major pay-TV operator.” Moreover, he said, “we will see material consolidation in the media and technology space with **Adobe** and **Netflix** being purchased while **Apple** and **Google** will both introduce a pay-TV alternative for TV viewing with support from a major programmer.” With gaming consoles and mobile apps already altering the TV landscape, concerted and/or enhanced efforts by behemoths Apple and Google could make for a very interesting new year. **Canoe** CEO *Kathy Timko* insists that “iTV will gain momentum” in '12, opening up fresh and exciting ways for advertisers and programmers alike to engage viewers. Perhaps hopefully, she also foresees *C.C. Sabathia* winning 20 games next season for the NY Yankees. For cable ops and programmers, winning in the contemporary fluid marketplace is a goal rife with challenges and potential pitfalls. Ops including **Comcast**, Time Warner Cable, **Bright House** and **Cox**, though, appear on the way to a “W” in wireless by virtue of their tie-ups with **Verizon**, pacts that will surely spur additional changes in the arena. Major moves are anticipated by DISH and **AT&T**, although **Sanford Bernstein's** *Craig Moffett* disagrees with the notion that a takeout of DISH is a foregone conclusion. He does foresee continued domination by cable ops on wired broadband, and points to cable WiFi as a burgeoning '12 issue to watch. MSOs' WiFi plays “can, in short order, be interconnected across operators,” said Moffett. “Think of the implications; customers will have WiFi in their home, in their office, and in most of the places they congregate.” For now, have a very happy New Year. But look forward to another busy, topsy-turvy 12 months.

'11 Ratings: Not surprisingly, myriad nets scored record-setting years in '11, including **History**, **ABC Family** and **A&E**. Notching its best year ever for the 6th consecutive year, History was the only top-5 net to achieve growth among 18-49s and 25-54s over the past 12 months, and ranked 4th among 25-54s, 5th among 18-49s and 2nd among men 18-49 and men 25-54. Overall, History ranked 5th in '11 prime with a 1.5/1.45m, and ABC Family—powered by its most-watched year in history in prime among P2+, 18-34s, 18-49s and 12-34s—tied for 10th with 1.0/1.01m. A&E (1.2/1.18m) took 7th owing to its best year ever among P2+, 18-49s and 25-54s. **ESPN** (1.7/1.74m) ranked 3rd in prime, powered yet again by cable's most-watched series, **MNF**. The franchise averaged a 9.7 rating and 13.25m total viewers, the latter metric marked by a 9.6% YOY decline on some less-than-compelling matchups. The Sept 26 Redskins-Cowboys tilt led all the games with 17.10m P2+. **USA** won the year in prime with a 2.4/2.39m, while **Disney Channel** (1.9/1.89m) took 2nd, **TNT** (1.7/1.68m) tied for 3rd and **Fox News** (1.5/1.50m) tied for 5th. History (+21%) and **FX** (+20%) led the larger nets in YOY gains in total viewership, while the list of other impressive growth engines includes **Nat Geo Wild** (+52%), **Investigation Discovery** (+48%), **Planet Green** (+46%) and **Hallmark Movie Channel** (+45%). Notable decliners include **NBA TV** (-40%), **Nick at Nite** (-22%) and **Teen Nick** (-21%). After an extremely trying 4Q, **Nickelodeon** managed to shed just 6% in total day for the year. **Nielsen's** '11 telecast rankers weren't available by deadline, although **Turner's** research of Nielsen data shows ESPN swept the top 10 annual telecast list, led by the BCS title game on Jan 10 (27.42m total viewers). Only **MTV's** “VMAs” (13.49m) and **TNT's** pro hoops playoff coverage of 2 Heat-Bulls games (11.14m, 10.92m) prevented a clean sweep by ESPN of the '11 cable telecast top 25 among total viewers. MTV's “Jersey Shore” paced all cable originals in total viewers with 9.29m, according to Turner, ahead of **AMC's** “The Walking Dead” (8.87m), TNT's “Rizzoli & Isles” (8.14m) and “The Closer” (8.13m) and History's “Pawn Stars” (7.02m). USA earned 8 entries on the top 20 list, led by “Royal Pains” (6.56m). Jersey and Dead also ranked 1-2 among 18-49 delivery and swapped spots among 25-54s. The respective category top 5s were completed by FX's “Sons of Anarchy,” Pawn and **BET's** “The Game,” and Pawn, TNT's “Falling Skies” and Anarchy. For the year, according to Turner, cable pushed its HH share versus broadcast to 67%, up from 66% a year ago, and to approx 68% from 65% among 18-49s. **Fox** was the only broadcaster to achieve gains in '11 in HH rating (+4%) and among 18-49s (+3%), while **NBC** was the clear laggard in both metrics (-13%).

Retrans: No important retrans handshakes to report leading up to what should become a busy weekend. **Time War-**

BUSINESS & FINANCE

ner Cable doesn't anticipate any interruptions in service for San Diego CBS affil KFMB or Fox and CBS programming through WAGM in Presque Isle, ME, although deals have yet to be forged. Alas, there's no update on the MSO's dealings with Cordillera, which pulled 4 stations, including NBC affil KRIS in Corpus Christi, TX, on Dec 13. TWC's reminding its customers of the online availability of NBC's NFL games. **Mediacom** still has a number of deals to wrap up, including with Fox affil KPTH out of Sioux City, IA. **Hearst** and **Allbritton**, meanwhile, continue to target numerous MVPDs.

Programming: Mon kicks off more than 10 hours of BCS Bowl pre-game, game and post-game coverage across **ESPN**, **ESPN2**, **ESPNU** and **ESPN Classic**. The flagship net will air the Tostitos Fiesta Bowl that night, the Allstate Sugar Bowl on Tues, Discover Orange Bowl on Wed and the Allstate BCS National Championship on Jan 9. -- **Fox News** and **CNN** are set for comprehensive coverage of the IA Caucuses next week. Fox's runs from Sun-Tues and culminates in 3-hour prime special "America's Election Headquarters: Iowa Caucuses" (8-11pm ET). CNN's includes special "Countdown to Iowa: Final 48 Hours" on Sun and wraps with election night coverage from 7pm-midnight on Tues featuring anchors *Wolf Blitzer*, *Anderson Cooper* and others.

CableFAX Daily Stockwatch

Company	12/29 Close	1-Day Ch	Company	12/29 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	42.84	0.19	CLEARWIRE:	1.92	0.01
DISH:	28.42	0.51	CONCURRENT:	3.29	(0.06)
DISNEY:	37.71	0.47	CONVERGYS:	12.80	0.31
GE:	18.07	0.24	CSG SYSTEMS:	14.57	0.28
NEWS CORP:	18.21	0.35	ECHOSTAR:	21.17	0.28
MSOS					
CABLEVISION:	14.30	0.22	GOOGLE:	642.40	2.70
CHARTER:	56.88	0.92	HARMONIC:	5.13	0.09
COMCAST:	23.83	0.38	INTEL:	24.55	0.33
COMCAST SPCL:	23.66	0.36	JDSU:	10.51	0.07
GCI:	9.73	0.32	LEVEL 3:	16.78	0.06
KNOLOGY:	14.21	0.23	MICROSOFT:	26.02	0.20
LIBERTY GLOBAL:	40.93	0.17	MOTOROLA MOBILITY:	38.80	0.05
LIBERTY INT:	16.25	0.10	RENTRAK:	13.66	0.14
SHAW COMM:	19.59	0.14	SEACHANGE:	7.03	0.07
TIME WARNER CABLE:	63.06	0.83	SONY:	17.68	0.60
VIRGIN MEDIA:	21.34	0.37	SPRINT NEXTEL:	2.31	0.03
WASH POST:	379.50	7.23	THOMAS & BETTS:	55.07	1.03
PROGRAMMING					
AMC NETWORKS:	37.26	0.02	TIVO:	8.97	0.18
CBS:	27.24	0.33	UNIVERSAL ELEC:	16.61	0.47
CROWN:	1.16	0.02	VONAGE:	2.50	0.04
DISCOVERY:	41.00	0.34	YAHOO:	16.13	0.35
GRUPO TELEVISA:	20.97	0.49	TELCOS		
HSN:	37.03	(0.07)	AT&T:	30.17	0.22
INTERACTIVE CORP:	42.57	0.06	VERIZON:	40.05	0.29
LIONSGATE:	8.06	0.06	MARKET INDICES		
LODGENET:	2.36	(0.04)	DOW:	12287.04	135.63
NEW FRONTIER:	1.07	0.04	NASDAQ:	2613.74	23.76
OUTDOOR:	7.42	0.22	S&P 500:	1263.02	13.38
SCRIPPS INT:	42.84	0.36			
TIME WARNER:	36.38	0.48			
VALUEVISION:	1.96	0.08			
VIACOM:	52.62	0.48			
WWE:	9.33	0.11			
TECHNOLOGY					
ADDVANTAGE:	2.02	0.02			
ALCATEL LUCENT:	1.54	0.01			
AMDOCS:	28.39	0.13			
AMPHENOL:	45.84	0.61			
AOL:	15.09	0.11			
APPLE:	405.12	2.48			
ARRIS GROUP:	10.81	0.21			
AVID TECH:	8.63	0.04			
BLNDER TONGUE:	1.15	0.00			
BROADCOM:	29.44	0.03			
CISCO:	18.25	0.09			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Taking Aim

Sportsman Channel CEO *Gavin Harvey* would rather be enjoying the great outdoors this time of year, yet he knows his continuing forays into the concrete jungle, spreading the word about the net and its loyal viewers, will help target and bag Sportsman's '12 trophy: non-endemic advertisers. "There's an awesome success story happening here," said Harvey. Camouflage leader **Realtree's** Tues night sponsorship solidifies the net's plum perch amid a "lifestyle that's becoming more mainstream," he said, but relationships with major truck brands and home improvement players are needed to bring home the real bacon. Harvey believes a slate of 29 new 1Q shows will help, particularly coupled with a focus on "young authoritative personalities." For example, Sportsman expects relatively well-known author, hunter and outdoorsman *Steven Rinella* to lure the big game. If it's ad sales and distribution bacon the net seeks, "MeatEater" (Sun), in which Rinella hunts for and cooks his own meals, may just be the appropriate weapon. Still, Harvey knows the competition is fierce in the outdoors programming space. **ESPN** may have vacated field and stream, but **Outdoor Channel** still lurks and nets including **History**, **Discovery Channel** and **Nat Geo** have dipped their toes into the lucrative waters. Plus, Harvey said it's surprising how many young media buyers are neutral to the opportunities in the great outdoors. "There's still definitely work to do in education," he said. Yet Sportsman maintains "the best endemic offering on TV" of hunting, shooting and fishing content, said Harvey, as others have begun feasting on more entertainment fare. As such, '12 may provide a steady diet of ad rev and distribution gains for Sportsman. So Harvey continues on the road in an attempt to both kill it with new partners and pile up competitive road kill. *CH*

Notable: While your subs are readying for New Year's Eve, they should set the DVR (6p, Sat) as **History** has "Page One," a doc about *The NY Times*. -- **NBC Sports Net** (formerly Versus and Outdoor Life Network) offers its 1st original, "Cold War on Ice," about the '72 Canada vs U.S.S.R. hockey series from former **HBO** Sports chief *Ross Greenburg*. -- Sure, **Food** starts '12 hot with *Rachael Ray* and *Guy Fieri* in a cook-off (Sun, 9p), but the main event is *Bobby Flay* and *Marcela Valladolid* vs *Andrew Zimmern* and *Masuhara Morimoto* in "Iron Chef America" (10p). *SA*

Ahead: January brings new shows seeking another season and returning series wanting the same. -- "House of Lies" (Jan 8, 10p, **Showtime**) forgoes a warm-up, opening with naked bottoms (and the bodies attached to them). "Lies" is less shocking in its portrayal of consultants as shallow, sex-crazed con artists. Can the excellent *Don Cheadle* and *Kristen Bell* keep viewers interested until an interesting plot begins in ep 5? -- Hormones also dominate "I Just Want My Pants Back" (**MTV**, Feb 2, 11p), but when the grunting & grinding subside, this coming-of-age story is compelling, as is the young cast. -- **TNT** deftly mixes new elements with ol' J.R. (*Larry Hagman*) in a worthy re-boot of camp classic "Dallas" (date/time TBD). *SA*

Basic Cable Rankings (12/27/10-12/25/11) Mon-Sun Prime			
1	USA	2.4	2392
2	DSNY	1.9	1894
3	ESPN	1.7	1737
3	TNT	1.7	1677
5	FOXN	1.5	1496
5	HIST	1.5	1450
7	TBSC	1.2	1193
7	A&E	1.2	1175
9	FX	1.1	1126
10	NAN	1	1027
10	FAM	1	1014
10	SYFY	1	967
10	HGTV	1	961
10	ADSM	1	959
15	DISC	0.9	940
15	MTV	0.9	937
15	AMC	0.9	891
15	LIFE	0.9	879
15	FOOD	0.9	870
15	TLC	0.9	851
15	TRU	0.9	797
15	DSE	0.9	64
23	CMDY	0.8	771
23	BRAV	0.8	766
23	HALL	0.8	656
23	NKJR	0.8	614
27	TVLD	0.7	692
27	SPK	0.7	671
27	MSNB	0.7	646
27	BET	0.7	619
31	CNN	0.6	565
31	EN	0.6	542
31	LMN	0.6	475
31	ID	0.6	455
35	APL	0.5	440
35	NGC	0.5	346
37	VH1	0.4	436
37	HLN	0.4	436
37	ESP2	0.4	414
37	TRAV	0.4	348
37	OXYG	0.4	331
37	NKTN	0.4	216
37	NFLN	0.4	210
37	HMC	0.4	160
45	DXD	0.3	263
45	CMT	0.3	255

*Nielsen data supplied by ABC/Disney

The CableFAXIES awards

DEADLINE: JANUARY 20, 2012

Entry Questions: **Mary-Lou French** at 301-354-1851;
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