

CableFAX Daily™

Thursday — July 3, 2014

What the Industry Reads First

Volume 25 / No. 128

Quarterly Report: Sports, Drama and News among 2Q Ratings Highlights

NBA playoffs and scripted dramas helped put **TNT** in the #1 spot for 2Q among total viewers, with the net delivering more than 2.4mln viewers. That's down 9% from 2Q13, but a much smaller drop than runner-up **USA**, whose 2mln delivery was off 25% year-over-year. Hoop action certainly played a huge role in TNT's lead for the Q, but the net has made no secret of its desire to bolster ratings. And it's looking to do it on the back of dramas—which have been part of USA's long-time ratings success. TNT has to feel especially pleased with new kid "The Last Ship," whose premiere drew 5.3mln last month (7.2mln in live +3). Still, the king of drama in cable right now is **HBO**. Despite being a premium net with a smaller household base, all 10 episodes of "Game of Thrones" during S4 accounted for the only scripted series to crack the quarter's list of top 20 most-viewed cable programs. For the record, Thrones rated as most-watched shows #5-14. The only other non-NBA or World Cup shows in the top 20 were the Season 6 premiere of **A&E's** "Duck Dynasty" on June 11 (7.5mln, live +7) and the **BET Awards**, which drew 7.5mln in live + SD on Sun. The quarter's most-viewed program was **ESPN's** coverage of the USA-Portugal World Cup match on June 22. Total viewers for ESPN are up 28% this Q vs 2Q13, thanks to the soccer tourney. **ESPN2** also has benefited, with delivery up 11%. Other 2Q brags include **Fox News**, which celebrated its 50th consecutive quarter as the #1 news net in both prime and total day (for both overall viewers and the 25-54 news demo). **Nick** had a slight edge over **Disney** in total day overall viewers, with 1.6mln vs 1.4mln. Nick is down 9% in total viewers YOY, while Disney is down 19%. Among kids 6-11 in total day, Disney had 491K viewers vs Nick's 401K. However, Nick has the lead in kids 2-11 (834K to Disney's 737K).

USA-Belgium Numbers: The 2-1 loss of Team USA to Belgium on **ESPN** averaged 16.5mln viewers, making it the 2nd-most watched men's soccer telecast in US history. The match delivered 5.1mln total viewers and 2.4mln 18-49 on **Univision**. World Cup live streaming already has surpassed live streaming of the Sochi Olympics on **Comcast's** Xfinity platform. There have already been 9.2mln live streams of the soccer event online or on mobile devices from Xfinity TV subs through the first 18 days, while Sochi saw some 7.8mln live streams in total, the company said in a blog post. The impressive TV Everywhere stats for the soccer tourney continue. WatchESPN averaged 3.5mln unique viewers during the USA-Belgium match, a record for the platform. Univision Digital also had its all-time highest day for live video, with more

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than 5.6mln total streams for the USA-Belgium and Switzerland-Argentina matches.

Xbox Adds Showtime: The launch of **Showtime** Anytime on the Xbox 360 platform this week marked the first launch for the TVE service on game consoles. All Xbox Live members who subscribe to the net can access the app for free for on demand and live programming. As was the case with other TVE apps, the app won't be available on **Microsoft's** latest streaming device Xbox One until later this year.

Rentrak's New Board Member: *Richard Hochhauser*, on Rentrak's board since 2009, is retiring effective Aug 13 (the date of the company's annual shareholder meeting), and *Patricia Gottesman* will stand for election during the meeting. She's currently chairwoman of the Advisory Board of **Ninah**, the qualitative analytics and marketing science arm of **Publicis Groupe** and is a board member of **WWE**. She was previously with **Cablevision** in various sr positions for 29 years.

Press Clippings: EnTouch, one of the regional cable providers in the Houston area that has carried **Comcast SportsNet Houston**, requested to withdraw its complaint against the net due to the "financial burden" of legal action, according to the *Houston Chronicle*. The operator was reportedly trying to get out of its contract with the RSN, seeking assistance from US Bankruptcy Judge *Marvin Isgur*. Now, the company said it will seek alternative remedies in state court once the bankruptcy case related to Houston Regional Sports Net (the Comcast-Astros-Rockets partnership that owns CSN Houston), is settled. -- *The News Tribune* is reportedly battling against Seattle broadcasters in court regarding whether sections of contracts between the city of Tacoma's cable system **Click Cable TV** and Seattle broadcasters can be kept secret. A county court ruled last year that how much Click pays the broadcasters is a trade secret, though the News Tribune argued contract details don't qualify as such.

July 4 Destination America-Style: Prescott, AZ, and Hamtramck, MI, the winning towns in **Destination America's** "Red, White and You" contest, are getting big Independence Day celebrations, courtesy of the network. The lineup includes rides, fireworks and an appearance by the band The Wallflowers in Prescott. Prescott is recovering from wildfires that killed 19 firefighters last year. Hamtramck has persevered in a tough economy.

Philanthropy: As part of **Nick's** ongoing effort to encourage young people to be active in their communities, the net announced *Zack Certner* of NJ as its July NALO Effect award recipient for his commitment to help children with special needs. **TeenNick** will air a short profile of him, which will also be highlighted on TeenNick.com.

Adam Richman Controversy: Travel Channel postponed the premiere of "Man Finds Food," hosted by *Adam Richman* of "Man v. Food" fame, following his rant on social media last week. The net didn't comment beyond the postponement. It was slated to air "American Grilled" in place of Richman's show Wed night. An unofficial "Man Finds Food" Facebook show page posted an update Wed: "As you are aware that the show airing date has been postponed for the moment. Please disregard the report from CNN claiming the show has been postponed indefinitely. As soon as an airing date is confirmed, it will be posted here and on Travel Channel. Stay tune[d] and stay faithful all you MFF loyalist[s]!!" The backlash came after Richman posted a selfie showing his weight loss with the hashtag #thinspiration. Some commenters complained that the term has been used in pro-anorexia circles, prompting angry responses from Richman, one suggesting a commenter commit suicide. Richman apologized later, saying "my behavior was unbecoming and unacceptable."

Programming: To bridge the gap between seasons of the net's unscripted shows, **WEtv** is planning a Web-based series starting with "SWV Reunited," which launched earlier this year and returns for a 2nd season on Aug 14. Dubbed "In Between," the online 6-ep series follows the conclusion of season 1 and will roll out over consecutive Mondays starting on July 7 with videos, blogs, photos and behind-the-scenes footage. -- **Science Channel's** "The Unexplained Files" returns on July 29 for a 2nd season of 12 eps. -- **UP** added former **ABC** series "Supernanny" to its primetime lineup. The net scored off-network cable rights to 116 eps from the show's 6 seasons in a deal with **Disney/ABC** Television Group. The show will premiere on Independence Day weekend starting July 4 in a "Supernanny's Blow UP Bash" marathon. -- **A&E** airs new original series "Epic Ink" featuring staff at an Oregon-based tattoo shop on Aug 20. -- For **Esquire's** 1st-ever live original TV event, it's traveling to Pamplona for the Running of the Bulls from July 7-14. Telemundo's *Guad Venegas* will host. Coverage airs from 2-2:30am ET each night. -- **ESPN** reached a 10-year extension with **Major League Eating**, giving it exclusive rights to a live, 1-hour show of the Fourth of July Intl Hot Dog Eating Contest through 2024. Last year's telecast on ESPN attracted more than 1mln viewers for the 8th straight year. -- **Starz** is developing scripted drama "American

BUSINESS & FINANCE

Gods,” based on *Neil Gaiman’s* urban fantasy novel. The pilot script will be penned by *Bryan Fuller* (“Hannibal”) and *Michael Green* (“The River”), who will also showrun the series. -- You don’t need **Netflix** to binge on “Breaking Bad.” **AMC** will air every ep, in order on Sun nights from Aug 10 to Oct 5 from 5pm-1am. The net will provide a deeper dive online, analyzing with **Facebook** more than 6 years of posts, likes, shares and comments from the fan page. AMC.com will launch the Breaking Bad Binge Companion using the Story Sync platform. -- *Mo Rocca’s* “My Grandmother’s Ravioli” is returning to **Cooking Channel** for a 3rd season on Aug 6. -- On July 13, **AXS TV** will air a 3-hour tribute concert, “Ringo Starr: A Lifetime of Peace and Love,” featuring performances by *Paul McCartney, Joe Walsh, Peter Frampton* and others. **The David Lynch Foundation** will present Starr with the Lifetime of Peace and Love Award.

On Cablefax.com: Could drones be headed to a cable network near you soon? The **FAA** is considering requests from 7 production companies to allow them to use drones for filming for TV and movies. And **CNN** is working with GA Tech to research reporting with unmanned aircraft. More on **Cablefax.com**. While there, be sure to check out our photo gallery of **Nat Geo** execs from the ‘90s, an homage to the net’s upcoming 3-night mini “The ‘90s” The Last Great Decade?” (debuts Sun at 9pm ET).

CableFAX Daily Stockwatch

Company	07/02 Close	1-Day Ch	Company	07/02 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	85.50	0.20	CONVERGYS:	21.34	(0.4)
DISH:	66.22	0.61	CSG SYSTEMS:	26.82	(0.08)
ENTRAVISION:	6.29	(0.13)	ECHOSTAR:	52.48	(0.01)
GRAY TELEVISION:	13.63	0.32	GOOGLE:	582.34	(0.34)
MEDIA GENERAL:	21.45	0.34	HARMONIC:	7.47	(0.12)
NEXSTAR:	52.35	(0.19)	INTEL:	30.98	UNCH
SINCLAIR:	35.74	0.21	INTERACTIVE CORP:	68.85	(1.5)
MSOS					
CABLEVISION:	17.90	0.22	JDSU:	12.50	(0.04)
CHARTER:	162.00	1.60	LEVEL 3:	44.05	(0.42)
COMCAST:	54.55	0.45	MICROSOFT:	41.90	0.03
COMCAST SPCL:	54.23	0.38	NIELSEN:	49.24	0.07
GCI:	11.01	(0.21)	RENTRAK:	53.19	(0.05)
GRAHAM HOLDING:	728.60	6.35	SEACHANGE:	8.29	UNCH
LIBERTY GLOBAL:	44.68	0.15	SONY:	16.92	(0.21)
LIBERTY INT:	29.58	(0.01)	SPRINT NEXTEL:	8.48	(0.05)
SHAW COMM:	25.97	0.06	TIVO:	13.27	0.17
TIME WARNER CABLE:	149.49	1.05	UNIVERSAL ELEC:	49.41	(0.23)
PROGRAMMING					
21ST CENTURY FOX:	35.70	0.40	VONAGE:	3.77	0.01
AMC NETWORKS:	62.05	(0.13)	YAHOO:	35.88	0.53
CBS:	64.30	1.38	TELCOS		
CROWN:	3.67	0.04	AT&T:	35.67	0.19
DISCOVERY:	75.93	0.74	CENTURYLINK:	35.94	(0.38)
DISNEY:	86.44	(0.03)	TDS:	26.08	0.41
GRUPO TELEVISA:	35.21	0.26	VERIZON:	49.66	0.29
HSN:	59.22	(0.7)	MARKET INDICES		
LIONSGATE:	29.13	(0.15)	DOW:	16.00	511.00
MADISON SQUARE GARDEN:	61.72	(0.08)	NASDAQ:	4457.73	(0.92)
SCRIPPS INT:	81.19	(0.32)	S&P 500:	1974.62	1.30
STARZ:	29.87	(0.3)			
TIME WARNER:	70.93	0.36			
VALUEVISION:	5.15	(0.05)			
VIACOM:	87.24	0.33			
WWE:	11.87	0.12			
TECHNOLOGY					
ADVANTAGE:	2.64	(0.09)			
ALCATEL LUCENT:	3.67	0.14			
AMDOCS:	46.52	(0.05)			
AMPHENOL:	97.20	(0.15)			
AOL:	40.80	0.16			
APPLE:	93.48	(0.04)			
ARRIS GROUP:	32.56	(0.1)			
AVID TECH:	7.55	0.02			
BROADCOM:	37.61	0.04			
CISCO:	25.03	(0.05)			
CONCURRENT:	7.47	0.05			



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Think about that for a minute...

Philosophical Differences

Commentary by Steve Effros

A long, long time ago, when I was part of the group of lawyers at the FCC drafting what would become the first federal regulations on cable television, a guy by the name of Antonin Scalia, who had been appointed by President Richard Nixon at the time to be General Counsel to the White House Office of Telecommunications Policy, contacted me about my focus, which was on franchising and federal/state/local interrelationships. Scalia (yes, that one) wanted to know what the FCC intended to do about the particular legal problems regarding "CATV" in rural areas.

He sent me some materials, and we went back and forth on the issues. He, I recall then, was very interested in the intent of what we were trying to draft. Now, not so much. As the longest current sitting member of the Supreme Court, Scalia has become famous, or some would say infamous, for his fiery and sometimes snarky comments, both when in the Majority and when he writes a dissent, relating to his views of how the laws should be judged.

In the recent Aereo decision, as I noted last week, Scalia, in the dissent, argued that it simply was not the job of the courts to interpret the law, only to apply it. His view of "textualism," which he has written about extensively, suggests that the "intent" of those who write the laws is irrelevant and evidence in any form other than the words of the statute itself should not be of any significance. We differ. Of course that really doesn't matter, since he has a vote and I don't, but I just wanted to spend a little time exploring the philosophical idea since it really goes to the heart of what the Court is going to be struggling with during an age of rapid technological change.



Scalia described the Aereo technical gimmick/business plan as a "loophole." He said that it's the job of lawyers to find those loopholes in the law, but it is not the job of the courts to remedy them. That is only for the law writers. The court, according to Scalia in this case, should look solely to the words on the page.

But as someone who tried to draft those words, I can tell you that without an understanding of the contextual relationship and intent of the folks who wrote and voted on the law, it is virtually impossible to adhere to the Scalia viewpoint. Take a look at the term "car" for instance. There are lots of laws about cars. The traditional definition, especially when those laws were written, included the concept of a vehicle with an internal combustion engine. From the "textualist" point of view, does that mean that today's new all-electric cars are not subject to those laws? No speed limits? No safety rules? No registration? That just doesn't make sense. We know what the intent of the legislation is, clearly, and the fact that the text uses terms that have been technologically superceded is something that has to be taken into account or all our laws would need constant revision, and with Congress in traditional political gridlock, that could create chaos.

So pardon me for going off on a little 600-word law seminar rant, but it seems to me the Supreme Court, as it did in affirming cellphone privacy against unreasonable searches this week, has to look at the intent and meaning of laws, and the Constitution, applied today, not just the words. Happily, in the Aereo case, the majority agreed.

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry)

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