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Retrans Rodeo: Economic Figures to Contemplate, More Upcoming Deadlines

It's Day 26.5, and there are so few signs of progress on **CBS-Time Warner Cable** (at least outwardly) that even a bland statement from the **FCC** saying it is "engaged at the highest levels" with the companies makes headlines. It's a far cry from formal involvement (neither side has filed a complaint at the Commission), and it's not really that different from interim chair *Mignon Clyburn*'s statement earlier this month, in which she told reporters that the Commission is in touch with both parties and actively monitoring the status of the dispute. But, we're nearly a month into this and news is scarce. Even scarcer is news regarding **Journal Broadcasting**'s blackout on Time Warner Cable, which has hit the 35-day mark. And there's a new potential retrans flare-up on the horizon, with **Cable One**'s contract with Sioux City's **KTIV**, an NBC affil owned by **Quincy Newspapers**, expiring at midnight Sat. Quincy also owns a **CW** station in the market. "Our goal is reach an agreement that is fair for everyone and avoid disruption to our customers. We will continue to negotiate hard to avoid an outrageous rate increase, which we will eventually have to pass onto our customers," a Cable One spokesperson said. **SNL Kagan** analysts issued a report Wed suggesting that expectations regarding retrans revenue growth may have to be adjusted. "CBS is thought to be currently receiving in the range of $0.65-$0.75/sub/month but would like to move that to $2 over the life of the new agreement. Our latest projections show the industry generating more than $3 billion in retrans fees this year and up to $6.1 billion by 2018," SNL said. "But that's based on average fees of $0.56/sub/month across the whole industry in 2013, all market ranges and large to small owners, rising to $1.00/sub/month in 2018. Doubling that increases the potential revenue base to more than $12 billion in 2018." Don't freak out too much over that figure. The report goes on to say it doesn't think that will happen because not all broadcasters have the sort of leverage as CBS. Another risk to broadcasters' retrans fees is the potential of long-term declines in multichannel subs. SNL's $6bln retrans figure assume multichannel subs grow from 100.4mln at the end of '11 to nearly 104mln by the end of '18. But MVPDs lost 366K subs in 2Q, ending up at 100.2mln, with analysts saying they'll soon be updating multichannel projections. "All other things equal, modeling a 1% annual loss of multichannel subs takes our annual retrans revenue total from $6.05 billion to $5.61 billion," SNL said. Assuming TWC-CBS comes to an end in the next few weeks, the retrans ruckus

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reprieve could be short. Disney's contract with DISH is up at the end of Sept.

Deals: **Trendrr** is now part of **Twitter**, with the social media tracking firm announcing the acquisition Wed. Trendrr said it would honor existing contracts for Trendrr.TV, but doesn't plan to establish new ones going forward. "Curatorr, our Twitter certified product, will work with media companies, marketers, and display eco-system partners to create compelling user experiences – continuing to pursue our initial charter of focusing on the real-time aspects of TV and media," Trendrr said in a blog post. In Feb, Twitter bought social TV analytics company **Bluefin Labs** for reportedly near $90mln. -- **Comcast**'s online ticketing service **Fandango** is looking to beef up its promotional efforts with the acquisition of **Quantum Loyalty Solutions,** a NV-based company specializing in reward redemption programs. Terms of the deal were not disclosed. Quantum owns Hollywood Movie Money, which provides loyalty programs and promotional programs. "The marriage of Quantum's promotions business and Fandango's ticketing platform will offer unprecedented new opportunities for studios, exhibitors and brands to engage with millions of moviegoers," Fandango pres *Paul Yanover* said in a statement. The deal is expected to make Hollywood Movie Money currency more convenient for consumers, as many rewards will now be redeemable through Fandango's website and mobile apps. The deal would also help Fandango expand its reach to more than 95% of theaters in the US.

Research: Consumers are watching more TV on their mobile devices and are watching one piece of content across several locations and times aka "place-shifted viewing", according to an annual report on consumer trends in the TV area by **Ericsson ConsumerLab**. Among the findings, 72% of respondents used mobile devices to watch content at least weekly, while 42% of them did so outside the home. About 75% of people multi-tasked by using mobile devices while watching TV. In addition, some 41% of respondents aged 65-69 watched streaming video or time-shifted video more than once a week. There is "a continuing re-definition of television and video among consumers," according to sr researcher *Anders Erlandsson.* Given that 82% of people use **YouTube** or similar services at least monthly, "we had to wonder whether watching a recipe online in the kitchen counts as 'watching TV' or just 'getting instructions'," he said. More than half of the respondents said their computer and Internet connection are integral parts of their TV and video consumption habits. Don't panic yet, cable TV, as linear TV still has an important role and "we don't see any decline in frequency of usage," Erlandsson said. Some 36% of respondents cited live sporting events as a very important part of their TV habits.

Technology: **Comcast**'s Silicon Valley unit quietly launched an iPad app. Dubbed Xfinity Games, the app is powered by Origin, a Web-based game delivery service by **Electronic Arts**. It enables "console-quality video games" directly to TV using Comcast X1 set-top. Games are available through the Xfinity Games web storefront. After launching a game from the web storefront, the app turns the iPad into the controller. -- **CEA** launched "CESpec," a new program to develop industry standards at CES. These new standards projects will be launched at the show in Jan (Jan 7-10) with the goal of being completed in time for the following CES. CEA said anyone can submit a proposal for a new CESpec, but must do so by Sept 30 by visiting the standards section of CE.org. Proposals must be supported by at least 6 people, none of whom may be from the same company, and all of whom must be willing to actively participate in moving the draft standard through the CEA standards approval process.

Apps: **ESPN**'s Spanish-language and 24/7 news and information sports nets are now accessible on computers, smartphones, tablets and Apple TV with a **Time Warner Cable** TV subscription. The net officially launched **ESPN Deportes** and **ESPNews** on WatchESPN accessible online at WatchESPN.com, on smartphones and tablets via WatchESPN and on Apple TV through authentication. The features are coming soon to ESPN on Xbox Live to Gold members. The launch came just in time for Spain's Supercopa Final between Barcelona and Atlético Madrid live on ESPN Deportes at 5pm on Wed.

Ratings: The finale of **HGTV**'s property competition series "Brother vs. Brother" drew an affluent crowd. The Sun program at 10pm scored a 0.79 P25-54 rating and was a top 5 program in all of cable for the night among 25-54 viewers in HHs with $100K+ income. During its 6-week run, the series was up 100% over the same time period last year. In addition, 12.5mln viewers tuned in to the series and 57% of the show's A25-54 prime viewers reside in HHs

BUSINESS & FINANCE

with $100k+ income.

Programming: **TLC** ordered 2 additional eps of "Breaking Amish: LA," bringing the series total to 11 eps. -- **OWN** booked docu-series "Crazy.Sexy.Life." Set in Harlem and featuring 4 NY women with fast-paced professional lives, the series is scheduled to debut early next year. -- College football returns to **MSG Networks** this fall with a lineup of over 35 games, including 3 matchups in Aug and Sept featuring teams currently ranked in the Associated Press Preseason Top 25 poll, as well as weekly action from the **SEC** every Sat and up to 10 games from the **ACC.**

People: *Robert Liuag* was named vice president of research for **HGTV** and **DIY.** -- **Telemundo Media** appointed media research vet *Latha Sarathy* as vp, **Telemundo Media Digital Research** and upped *Yatisha Bothwell* to vp, insights and strategy, both effective immediately. They will be based in NY and report to *Gregg Liebman*, svp, ad sales insights and strategy, Telemundo Media.

Public Affairs: OK2TALK, **NAB's** public service announcement campaign designed to end the stigma around mental health, has received $6.9mln in donated broadcast airtime since its launch July 23. The PSAs have aired on local TV stations more than 48K times.

CableFAX Daily Stockwatch

Company	08/28 Close	1-Day Ch
BROADCASTERS/DBS/MMDS		
21ST CENTURY FOX:	31.57	(0.03)
DIRECTV:	58.34	0.36
DISH:	44.49	0.20
DISNEY:	60.81	0.12
GE:	23.20	0.02
MSOS		
CABLEVISION:	17.90	0.51
CHARTER:	120.00	(1.01)
COMCAST:	41.92	0.12
COMCAST SPCL:	40.49	0.19
GCI:	9.15	0.33
LIBERTY GLOBAL:	76.14	0.49
LIBERTY INT:	22.27	(0.16)
SHAW COMM:	24.07	0.07
TIME WARNER CABLE:	108.03	0.99
WASH POST:	568.75	(3.15)
PROGRAMMING		
AMC NETWORKS:	61.32	(0.35)
CBS:	51.58	0.42
CROWN:	2.97	0.01
DISCOVERY:	78.19	(0.09)
GRUPO TELEVISA:	25.40	(0.39)
HSN:	54.96	(0.17)
INTERACTIVE CORP:	49.64	0.39
LIONSGATE:	34.60	(0.28)
SCRIPPS INT:	73.17	0.14
STARZ:	24.41	0.22
TIME WARNER:	60.98	(0.24)
VALUEVISION:	4.79	0.12
VIACOM:	79.61	0.89
WWE:	9.78	(0.05)
TECHNOLOGY		
ADDVANTAGE:	2.44	UNCH
ALCATEL LUCENT:	2.66	0.09
AMDOCS:	36.87	(0.4)
AMPHENOL:	76.09	0.92
AOL:	33.88	(0.17)
APPLE:	490.90	2.31
ARRIS GROUP:	15.83	(0.15)
AVID TECH:	5.45	UNCH
BLNDER TONGUE:	0.88	(0.02)
BROADCOM:	24.92	0.06
CISCO:	23.45	(0.04)
CONCURRENT:	7.68	(0.93)
CONVERGYS:	18.01	(0.02)
CSG SYSTEMS:	23.88	(0.08)
ECHOSTAR:	40.28	(0.31)
GOOGLE:	848.55	(1.6)
HARMONIC:	7.26	0.13
INTEL:	22.29	0.09
JDSU:	13.06	0.01
LEVEL 3:	22.29	0.05
MICROSOFT:	33.02	(0.24)
RENTRAK:	24.26	0.87
SEACHANGE:	9.97	(0.21)
SONY:	20.16	(0.22)
SPRINT NEXTEL:	6.66	(0.09)
TIVO:	11.58	0.61
UNIVERSAL ELEC:	31.13	0.12
VONAGE:	3.16	0.03
YAHOO:	27.11	0.11
TELCOS		
AT&T:	33.58	(0.11)
VERIZON:	46.56	(0.39)
MARKET INDICES		
DOW:	14824.51	48.38
NASDAQ:	3593.35	14.82
S&P 500:	1634.96	4.48

Think about that for a minute...

The Name Game

Commentary by Steve Effros

We're all familiar with the notion that "a rose, by any other name, would smell as sweet!" Shakespeare taught us that. But is broadband by any other name still broadband? Ironically, that becomes a significant question these days as the elbowing continues over regulation in this new electronic age.

The most recent survey by the well-respected Pew organization frames the issue well. They report that a little over 70 percent of US adults (18 and over) have a high-speed broadband connection at home. We're not talking about all the use at work, which results in even higher numbers, but at home. What's really interesting is that if you add smartphone wireless access the percentage goes up to 80 percent. That's pretty darn good for a technology that had barely gotten going at the turn of the century. Pew notes that only about 4 percent of US homes had what they characterized as broadband connections in 2001.

But now a question is raised as to whether the wireless broadband is really "high speed!" That's not because the question makes much sense, it's because it's being asked to protect the theory that broadband deployment (and the "digital divide") are still significant problems, and as such need governmental intervention. It's just silly.

Anyone walking down a city street today is at risk of being bumped into by someone staring at their phone instead of where they are going. Those folks clearly find their wireless broadband connection sufficient to do whatever it is they're doing. The concern over the "digital divide" has to do with income and race, but in both cases, the numbers equalize when wireless smartphones are included in the mix, as Pew did in its latest study. The bottom line is that broadband adoption has been proceeding remarkably well, and the volume of use is dramatically increasing. Pew notes that more than 50% of those still not "connected" say they just don't see any reason to!

So what's the issue? Why is there still such angst about broadband adoption? The answer, I fear, is pretty simple; if government entities like the FCC acknowledge that things are going well, then they don't have any justification to retain, or at least try to argue they have jurisdiction to impose regulations and maintain controls. So there's a built in bias to find a problem. In this case, that problem is getting harder and harder to find, so the solution is to keep changing the name of the purported "problem" and in that way keep control.

That's why we now see the focus change to "high speed," and it's predictable that the target speed will always increase to assure that a perceived "problem" remains. When "broadband" took over from "dial-up" that was the legitimate measure of progress, or so it seemed. The Pew studies and charts all used it. But now some are arguing that speed has to continually be ramped up because, after all, with more speed we can think of more things to do with this great technology, and we don't want anyone "left behind."

There are a host of problems, however, with that thinking. As noted before, a Ferrari goes a lot faster than a Ford, but both will get you where you need to go. For "government services," or communications, or distant learning, regular old "broadband" works just fine. "1 Gig" or whatever the next purported milestone is, just provides a continued excuse to constantly change the name so regulation can stay in the game.

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