

# Cablefax Daily™

Thursday — September 1, 2016

What the Industry Reads First

Volume 27 / No. 169

## Summer Ratings: Cable News Nets are Feeling Hot, Hot, Hot

Summer ratings sure don't give any credence to the adage that Americans wait until Labor Day to really start paying attention to the presidential race. Not only was **Fox News** up 22% in prime and total day for summer vs summer '15, but it was the #1 cable network in both dayparts for the period (May 30-Aug 28; Live-7 blended with Live-3 and Live+SD), according to **Nielsen** data. Fox News averaged 2.37mln total viewers in prime, and 1.36mln in total day. **CNN** saw its primetime delivery jump 100% to 1.2mln, while total day rose 78% to 787K. **MSNBC** posted similar gains of 76% to 655K for total day and 86% to 1.18mln for prime in summer. News accounted for 4 of the top 10 cable programs for summer. Three of those 4 programs were for Fox News' GOP Convention coverage, the highest averaging 9.98mln viewers. The other top ranking news telecast belongs to CNN's DNC coverage (7.9mln). August was an especially hot month for the news nets, with Fox News topping basic cable in both prime and total day for a 2nd consecutive month and a 4th month this calendar year. MSNBC got to boast that it topped CNN in Aug, averaging 1.14mln total viewers in prime vs CNN's 849K. CNN had the edge in total day (681K vs 656K). Summer 2016 wasn't all politics though. **TNT's** coverage of Game 7 between Oklahoma City and Golden State was the season's most-watched show (16.2mln), followed by the 4 eps of **HBO's** "Game of Thrones" that were part of the summer period. GoT's June 26 finale averaged 12.1mln viewers, making it the 2nd most-watched cable show this summer. In prime, **USA** finished 2nd in total viewers behind Fox News, with its average of 1.6mln down about 16% compared to last year. HGTV (1.56mln, -5%), TNT (1.56mln, -23%) and HBO (1.44mln, +6%) round out the top 5 cable nets in prime. CNN had the biggest YOY increase in prime, followed by El Rey (+88% to 60K), MSNBC's 86% uptick, Fox Business (84% to 114K—FBN's "Varney & Company" beat CNBC's "Squawk on the Street/Squawk Alley" for the 1st time ever with 180K vs 167K total viewers) and Nick Jr (+50% to 591K). The majority of cable nets declined in summer with Syfy (-38% to 703K), BET (-32% to 419K), Disney (-27% to 1.37mln), A&E (-24% to 747K) and Discovery (-20% to 1.28mln) among the decliners. On the total day side, Nick was 2nd to Fox News in P2+ with 1.28mln viewers. That's up 4% vs last year. The net was up 11% in prime to 1.22mln.

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Cablefax's fourth annual TV Innovation Summit on September 22 in NYC will give industry executives the skills to integrate new techniques and vital takeaways that will supercharge their business strategies.

#### 8:00 - 10:00 a.m. | Cablefax Program Awards & Top Ops Breakfast

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*Awards Breakfast included in All Access Pass – Separate registration required.*

#### 10:00 - 10:40 a.m. | Registration, Network

#### 10:40 - 10:45 a.m. | Welcome

#### 10:45 - 11:05 a.m. | Panel

Whether going to market with a new service or trying to have it both ways, media companies face a complex landscape. Meanwhile, distributors face their own challenges. Join us for a panel discussion with industry's top researchers and analysts, moderated by Cablefax's own analysts, discussing the key trends driving the industry.

**View the Full 2016 Program**  
**CLICK HERE**  
**or Register at [www.CFXtvsummit.com](http://www.CFXtvsummit.com)**

How niche is too niche? Recent earnings reports tell us that some niche services are struggling. How do you build a national bundle? How do you make Sling TV and Playstation Vue gain traction? How do you build self-sustaining businesses? How do regulatory actions such as the FCC's set-top proposal and the net neutrality decision influence future strategies? What are the new OTT models on the horizon—and how are consumers likely to respond? How do new technologies like 4K and Virtual Reality affect bandwidth economics in an OTT world?

#### SPEAKER:



**Craig Moffett**  
Principal  
MoffettNathanson

#### MODERATOR:



**Michael Grebb**  
Publisher  
Cablefax

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**Rovi-TiVo:** Ahead of Rovi closing on its \$1.1bn acquisition of TiVo, *John Burke* will step down as COO of Rovi. *Pete Thompson* was named as the new evp, COO. Prior to joining the company, Thompson served as vp, strategic partnerships for **Sonos** and as svp for **Ericsson's** TV Division. Burke will serve in a strategic capacity until year-end to assist in the transition and TiVo integration. The TiVo deal is expected to close Sept 7. According to TiVo's 10-Q, the company's MSO-installed sub based increased by 239K in 2Q, while TiVo-owned subscriptions decreased by 3K during the same period, which ended July 31.

**Auction Stage 2:** 114 Megahertz. That's the spectrum clearing target that has been set by the **FCC's** optimization procedure for Stage 2 of the broadcast television spectrum incentive auction. That's down from the initial clearing target of 126 Megahertz, which was not met in Stage 1. Bidding in the reverse auction will begin Sept 13 at 10am ET and go until 2pm. Under the band plan associated with the new spectrum clearing target, 90 megahertz, or 9 paired blocks vs the initial 10, of licensed spectrum will be offered in the forward auction on a near-nationwide basis. **Wells Fargo Securities** believe that the quick end to Stage 1 of the auction could be really good for **DISH**, **Nexstar** and **Comcast** because if the pace continues the whole enchilada could wrap before yearend. "Clearly this is a far cry from the \$88.4bn (\$2.18/MHz Pop for broadcast and \$2.75/MHz Pop for wireless) that was required to end the auction at this first stage, but it was in line with Street expectations as no one we spoke with (including many broadcasters themselves) had anticipated this first stage netting more than \$20-25bn," said a Wells Fargo research note (Stage 1 netted \$22.5bn). "More important to us than the aggregate proceeds or MHz pop value is the fact that Stage 1 ended much sooner than expected—which means that subsequent stages might end sooner than expected."

**CBS All-Access:** **CBS** launched a commercial-free option of "CBS All Access" for \$9.99/month. Well, mostly commercial free... CBS Access's live-streaming offering of local CBS stations (available in 150 markets) will feature the same ads as the over-the-air broadcasts and select on demand programs will include promotional interruptions. The existing \$5.99/month plan with reduced commercial loads continues to be available. The new option gives the OTT service more of a **Netflix** feel, with subs having access to more than 7500 eps, including full current seasons of primetime series and library content.

**DISH-ONE World:** **DISH** confirmed that it's been unable to negotiate the terms of a new distribution agreement with **ONE World Sports**. Their 5-year deal expired on Tues (**CFX**, 8/31). "DISH constantly evaluates the content we carry and we work to provide channels that our customers demand. As a result, channels are sometimes removed to address a combination of customer interests and business objectives," the DBS provider said.

**Programmatic Advertising: Extreme Reach**, the enterprise cloud platform that powers the start-to-finish workflow for brand TV and video ads, is working with programmatic TV ad platform **AdMore** to help speed creative buys for clients and agencies. The integration creates efficiency in the workflow process and validates the ongoing commitment to having machine to machine exchanges in place across platforms, AdMore said.

**Programming: Weather Channel** will air nearly 80 hours of continuous live coverage of Tropical Storm Hermine starting Thurs at 5am and into the weekend. The net bumped up its coverage plans as Hermine was upgraded from a tropical depression to a tropical storm. It represents the 1st hurricane watch issued by the **National Hurricane Center** for parts of FL in 4 years. Ten meteorologists and reporters will be stationed across the state, where Gov *Rick Scott* has declared a state of emergency in 42 counties. -- **FYI** greenlit the culinary series "Man vs Master," where unknown chefs compete for the opportunity to work with a world-renowned celebrity chef—but first they have to beat the master. Thirteen hour-long eps, hosted by chef Richard Blais, will premiere in 2017. -- **Cartoon** will expand the "Mighty Magisworld" franchise with a linear series to launch on Sept 29 at 6:30pm. More than 400 pieces of original content, such as interactive shorts and digital games, will connect fans via a mobile app scheduled to launch later this fall. -- Season 2 of **Turner's** eSports league with WME, ELEAGUE, is a go for next month. It kicks off Sept 7 with preliminary rounds with "Counter Strike: Global Offensive" the video game star. Preliminary rounds start Oct 21 and the final championship will be covered live on TBS at 4pm Dec 3. The net will televise a weekly Fri night showcase at 10pm throughout the group stage round.

# BUSINESS & FINANCE

**Who's Bad?!** Sling TV's new ad campaign takes aim at cable operators with Hollywood actor and 'bad authority' Danny Trejo pulling the trigger. "People say I'm evil," the long-haired, tattooed actor begins in on TV spot. "I say evil is how cable companies trick you with a low rate and then bam! Your bill is over \$100 a month." With a slam on traditional pay TV providers, it's no surprise that Sling's affiliation with DISH is not mentioned. Targeting the general market and Latino audiences, 4 multimedia videos launched Wed. The campaign spans across TV, digital, social, mobile, print and new media platforms.

**People:** FCC chmn Tom Wheeler named Henning Schulzrinne as senior adviser for technology. He will take over as FCC chief technologist at year-end when Scott Jordan leaves the agency. Schulzrinne previously served as FCC Chief Technologist from 2011 to 2014.

**On the Circuit:** Olympian Jackie Joyner-Kersey will deliver the opening keynote at the 2016 WICT Leadership Conference on Sept 19 at the NY Marriott Marquis. The 6-time Olympic medalist established the Jackie Joyner-Kersey Foundation in 1988 and was recently named a national spokeswoman for Comcast's "Internet Essentials." For more information, visit [www.wictconference.org](http://www.wictconference.org).

## Cablefax Daily Stockwatch

| Company                      | 08/31 Close | 1-Day Ch | Company               | 08/31 Close | 1-Day Ch |  |  |  |
|------------------------------|-------------|----------|-----------------------|-------------|----------|--|--|--|
| <b>BROADCASTERS/DBS/MMDS</b> |             |          |                       |             |          |  |  |  |
| DISH:                        | 50.23       | 0.40     | INTEL:                | 35.89       | 0.19     |  |  |  |
| ENTRAVISION:                 | 7.51        | 0.07     | INTERACTIVE CORP:     | 58.71       | 0.38     |  |  |  |
| GRAY TELEVISION:             | 11.23       | 0.09     | LEVEL 3:              | 49.64       | (0.39)   |  |  |  |
| MEDIA GENERAL:               | 17.68       | (0.01)   | MICROSOFT:            | 57.46       | (0.43)   |  |  |  |
| NEXSTAR:                     | 52.72       | 0.54     | NETFLIX:              | 97.45       | UNCH     |  |  |  |
| SINCLAIR:                    | 28.48       | (0.13)   | NIELSEN:              | 53.27       | 0.18     |  |  |  |
| TEGNA:                       | 20.27       | (0.21)   | SEACHANGE:            | 2.92        | 0.02     |  |  |  |
| <b>MSOS</b>                  |             |          |                       |             |          |  |  |  |
| CABLE ONE:                   | 541.98      | 6.05     | SONY:                 | 32.18       | (0.41)   |  |  |  |
| CHARTER:                     | 257.21      | 1.18     | SPRINT NEXTEL:        | 6.19        | 0.05     |  |  |  |
| COMCAST:                     | 65.26       | (0.29)   | SYNACOR:              | 2.82        | 0.01     |  |  |  |
| GCI:                         | 13.90       | 0.02     | TIVO:                 | 10.61       | (0.23)   |  |  |  |
| LIBERTY BROADBAND:           | 67.45       | (0.05)   | UNIVERSAL ELEC:       | 74.03       | (0.93)   |  |  |  |
| LIBERTY GLOBAL:              | 31.65       | 0.44     | VONAGE:               | 5.80        | (0.09)   |  |  |  |
| SHAW COMM:                   | 20.01       | (0.09)   | YAHOO:                | 42.75       | 0.17     |  |  |  |
| SHENTEL:                     | 25.72       | (0.04)   | <b>TELCOS</b>         |             |          |  |  |  |
| <b>PROGRAMMING</b>           |             |          |                       |             |          |  |  |  |
| 21ST CENTURY FOX:            | 24.54       | (0.01)   | AT&T:                 | 40.88       | (0.01)   |  |  |  |
| AMC NETWORKS:                | 54.34       | (0.12)   | CENTURYLINK:          | 27.79       | (0.24)   |  |  |  |
| CBS:                         | 51.04       | (0.24)   | FRONTIER:             | 4.60        | (0.03)   |  |  |  |
| DISCOVERY:                   | 25.51       | (0.08)   | TDS:                  | 27.85       | (0.15)   |  |  |  |
| DISNEY:                      | 94.42       | (0.44)   | VERIZON:              | 52.31       | 0.04     |  |  |  |
| GRUPO TELEVISIA:             | 27.32       | (0.1)    | <b>MARKET INDICES</b> |             |          |  |  |  |
| HSN:                         | 41.78       | (0.46)   | DOW:                  | 18400.88    | (53.42)  |  |  |  |
| LIONSGATE:                   | 20.96       | 0.10     | NASDAQ:               | 5213.22     | (9.77)   |  |  |  |
| MSG NETWORKS:                | 17.49       | (0.06)   | S&P 500:              | 2170.95     | (5.17)   |  |  |  |
| SCRIPPS INT:                 | 63.37       | 0.05     | <b>TECHNOLOGY</b>     |             |          |  |  |  |
| STARZ:                       | 31.19       | (0.1)    | ADVANTAGE:            | 1.97        | (0.09)   |  |  |  |
| TIME WARNER:                 | 78.39       | (0.52)   | AMDOCS:               | 60.12       | 0.41     |  |  |  |
| VIACOM:                      | 45.19       | (0.66)   | AMPHENOL:             | 62.29       | 0.02     |  |  |  |
| WWE:                         | 20.78       | (0.24)   | APPLE:                | 106.10      | 0.10     |  |  |  |
| <b>TECHNOLOGY</b>            |             |          |                       |             |          |  |  |  |
| ARRIS GROUP:                 | 28.07       | 0.01     | AVID TECH:            | 8.99        | (0.19)   |  |  |  |
| CONCURRENT:                  | 5.45        | 0.30     | BLNDER TONGUE:        | 0.59        | 0.01     |  |  |  |
| CONVERGYS:                   | 29.83       | 0.02     | CISCO:                | 31.44       | (0.1)    |  |  |  |
| CSG SYSTEMS:                 | 43.72       | 0.01     | COMMSCOPE:            | 29.57       | 0.05     |  |  |  |
| EHOSTAR:                     | 38.76       | (0.17)   | CONCURRENT:           | 5.45        | 0.30     |  |  |  |
| GOOGLE:                      | 767.05      | (2.04)   | CONVERGYS:            | 29.83       | 0.02     |  |  |  |
| HARMONIC:                    | 4.34        | (0.02)   | CSG SYSTEMS:          | 43.72       | 0.01     |  |  |  |

# DIVERSITY

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## Think about that for a minute...

### Headlines

Commentary by Steve Effros

Labor Day is just ahead, vacation time is ending and most of you are either on the road or have just endured a traffic jam getting to or from your last “get-away” before we all start back to work for real. Well, maybe not all of us.



Congress, for instance, has no intention of “getting back to work” since they haven’t really been doing much for the past several years in any event. They’re going to be very busy with the elections for the next two months.

So what to write about during the week fewer folks will be reading anything than at any other time? I decided to just peruse the telecom headlines and see where they led me. I’ll have lots more to say about these topics as we go along, but for now, let’s take a look at what created a stir this past week in our bailiwick.

First up; a call by Hillary Clinton to make sure every kid in the country can have broadband service by 2020 so they can do their homework. This should be a no-brainer, and I ought to point out to the Clinton folks that the industry has just about completed that task four years early!

It’s not like there’s a major part of the country without broadband service. That’s just not true. Well, at least service that can be used to get homework done or interact with government web sites. The issue is whether we’re going to continue to have the FCC “move the goalposts” on the definition of “broadband.” You don’t need 10, 20, or 100Mb speeds to do either of those laudatory things. You may someday need it to watch 8K videos and play interconnected games in “virtual reality.” Yes, that’s neat and we’re getting there, but don’t suggest that just because the FCC keeps changing the definition of “broadband” to insist on more/faster than the fundamental service is not available. It already is. And for those places

that are just too far away from the wired infrastructure to make it reasonable to wire them, it’s the government’s spectrum that should be freed up to resolve the problem.

Then there’s the FCC’s announcement that it’s not going to appeal the court decision that said they can’t run roughshod over the Constitution and the separation of powers between the feds and the states. A totally predicted decision. The States decide what towns and cities can or can’t do, not the FCC. If you want to change that, talk to the State legislatures.

So that’s what Tom Wheeler announced he will now do; promote new State laws or eliminate the ones that prevent localities from jumping into the wireline infrastructure business. Never mind that some of those prohibitions by the States were adopted after seeing the financial disasters other localities had gotten themselves into. Tom is both a policy guy and a business guy. He knows best and is willing to testify to that effect.

We all agree that modern, fast broadband is great, although building entire fiber systems may not be so smart... ask Google. But should the government be building these things as utilities? Well, Tom has some business experience in that. He headed up NABU after leaving the NCTA. It was an “ahead of its time” technology offering internet-like service. It failed. We should have known Tom’s proclivities had we looked carefully at the name; NABU stood for “Natural Access to Bi-directional Utilities.” It turned out “net neutrality” was a catchier phrase.

*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. His views do not necessarily reflect the views of Cablefax.)*

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