

# CableFAX Daily™

Friday — January 18, 2013

What the Industry Reads First

Volume 24 / No. 013

## MMTC Day 2: Current, Former FCCers Talk Reforms, Transition, Data Caps

In addition to current FCC commissioners *Mignon Clyburn* and *Ajit Pai*, day 2 of the Broadband and Social Justice Summit by the **Minority Media & Telecom Counsel** featured a rare reunion of former FCC chairmen. Though there's some consensus on the telecom industry's inevitable transition from copper to IP and the need to improve FCC efficiency, the FCCers differed on the need to revamp the '96 Telecom Act. The reality is regulations and Congress aren't keeping up with technological changes, said Republican commish *Pai*, who introduced the idea of creating an IP Transition Task Force. As a result, the Commission's to-do list in '13 should include creating a regulatory framework that would expedite the country's transition to all-IP networks, he said. "We are in an era of convergence" and regulations need to reflect technology and market changes, he said. Also on *Pai's* list: Freeing up more spectrum and updating media rules. *Pai's* democratic counterpart commish *Mignon Clyburn's* also agrees on a push to ensure regulation is keeping pace with changes. And it appears that former FCC heads at the summit are also on board. "IP transition is going to happen at some point whether you like it or not," said *Dick Wiley*, who served in the *Nixon* and *Ford* administrations. It was speculated that '13 will see the transition occur, though it's uncertain whether providers would be required to keep 2 networks, he said. The industry "goes where consumers want to go, and they are going IP," **NCTA** CEO *Michael Powell*, who was designated chmn by President *George Bush* in '01. Former commish *Michael Copps*, who was acting chmn in '09, was the voice of caution: Though transition to IP seems logical, there needs to be consumer protection and oversight measures in place. Meanwhile, tier pricing again stole some of the spotlight. *Pai* seemed supportive of the pricing option, though he suggested monitoring the practice with caution. Whatever the Commission decides to do with tier pricing, the next FCC chair is charged with the responsibility to deliver faster, better and cheaper broadband to everyone, said *Reed Hundt*, who was appointed FCC chmn by President *Bill Clinton* in '93. The truth is the broadband business requires significant fixed cost and constant operational expenses. That's why the principal purpose of data caps is to monetize the high fixed costs, according to *Powell*. Everyone paying the same price means light users subsidizing heavy users while the reality is there's a growing diversity of consumer's data consumption, he said. Meanwhile, the former FCC heads hammered the agency's inefficiency. "FCC' may be a synonym for 'No,'" *Hundt* joked. Having said that, the FCC's track record is superior than

Entries Deadline: March 1, 2013

## The CableFAXIES awards

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We look forward to seeing your entry and saluting cable's best PR & marketing efforts of the year.

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federal agencies like the **SEC** when it comes to lack of action, he said. Part of the problem is that the agency's structured around an outdated model created when the pace was substantially slower, Powell said. Congressional restraint, lack of clear solutions, complexity of issues and the high volume of work also contributed to delays in action at the agency, Wiley said. And often times, partisan gridlock and competing agendas stand in the way of progress, said Copps, who proposed an annual report that tracks progress. He also urged the agency to delegate more to bureaus. Pai said the Commission also needs clear deadlines and an annual review as a "meaningful exercise" to scrutinize existing processes. Count Copps out among those urging a rewrite of the '96 Telecom Act, which he said "envisions more competition and consumer protection than we ended up with." Powell disagreed: "The statute is clogging our ability to innovate faster." Wiley hopes a law that's "not nearly as complex." The consensus is the Act missed the biggest innovation of telecom: broadband.

**Netflix CDN:** What's with **Time Warner Cable's** beef over **Netflix's** content delivery network? **Public Knowledge** svp **Harold Feld** blogged that he's suspicious and harkened back to the 2010 blowup between **Comcast** and **Level 3** over the MSO demanding a recurring fee for its transmission of Netflix content. Netflix is offering ISPs its private CDN Netflix Open Connect, which lets them receive enhanced video for free. But in a statement, Time Warner Cable said the service is "actually closing off access to some of its content while seeking unprecedented preferential treatment from ISPs." The MSO is in discussions with Netflix but said its own network is "more than capable" of delivering this content to Netflix subs today. "We believe it is wrong for Netflix to withhold any content formats from our subscribers and the subscribers of many other ISPs." Feld's take: "Why did Netflix have to artificially create an incentive to get TWC (and the other major MVPD/access providers) to even come to the table to discuss connecting to their CDN? Could it be because you are actually making Netflix pay through the nose to deliver its content to you via traditional CDNs, so that 'free' actually means 'no longer able to collect CDN fees from our chief video rival?'" **Cablevision** is the first major MSO to sign up for Open Connect. **Charter** said it has held talks with Netflix but has no current plans to launch it. **Cox** said it continues to explore options to integrate 3rd party provider content but hasn't announced specific agreements. **Comcast** could not be reached for comment by deadline.

**Technology:** **Comcast Cable** has upgraded to **Ciena's** newest 100G coherent optical technology for its core network in an effort to meet customer demand for high-speed, high capacity services and apps, such as cloud computing and mobile data. "Adding Ciena's WaveLogic 3 to our already installed 6500 Packet-Optical Platforms lets us leverage that investment to deliver more content, faster Internet speeds and enable new cloud-based applications for our customers, while also providing future core 400G scalability," said **Kevin McElearney**, svp, network engineering, at Comcast Cable. Comcast said it has been deploying Ciena's coherent 40G and 100G technologies across its fiber network since '09.

**At the Portals:** The **FCC** launched a new Website with info for incentive auction stakeholders, particularly broadcasters. The latest staff summary and other resources are available at [www.fcc.gov/learnprogram](http://www.fcc.gov/learnprogram).

**Programming:** TNT greenlit "Marshal Law: Texas" (wt), an unscripted drama from **Warner Horizon TV**, **Jerry Bruckheimer TV** and **Megalomedia**. It ordered 6 eps of the series about on the elite Gulf Coast Violent Offenders and Fugitive Task Force. -- **BBC America** will co-produce with **Sky Atlantic** drama "Fleming" (wt) about the life of James Bond creator **Ian Fleming**. -- RLTV and AARP are teaming on 2 specials hosted by **Jane Pauley**: "Boomers 2.0: A Generation Re-Imagined," Jan 31 at 9pm and "Rethink 50+ Town Hall," Feb 7, 9pm ET. -- **Lifetime** said "The Client List" will return Mar 10 at 10pm. -- **C-SPAN's** first 2-season original series is set to begin Feb 18, 9pm ET. "First Ladies: Influence and Image," on which the

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# BUSINESS & FINANCE

net teamed partnered with the White House Historical Association, looks at the private lives of first ladies and their years in the White House. A new 90-min program will air each week on C-SPAN and **C-SPAN 3, C-SPAN Radio** and via livestreaming on c-span.org. -- **Investigation Discovery's** Jan premieres and returning series include the S2 of "Scorned: Love Kills" on Jan 26, "Desperate Measures" on Jan 18 and "My Dirty Little Secrets" on Jan 29.

**People: CMT** named ex-Sundance Channel exec *Peter Mannes* vp, creative services. -- *Tony Dunaif* was named svp, digital products for **In Demand**. Dunaif was svp, syndication and strategic partnerships at **Health-Nation**. -- FCC commish *Robert McDowell's* chief of staff *Angela Giancarlo* will leave in Feb. *Erin McGrath*, legal adviser for media issues, has acquired the wireless, international and public safety portfolio. -- *Joe Bernard* was upped to svp, ad sales for **mun2**.

**On the Circuit: Suddenlink** evp, CFO *Mary Meduski* was elected to chair **WICT's** board. **Cox** vp, content acquisitions *Kathy Payne* becomes Immediate Past Chair. **WICT** also said that incumbent board member *Marva Johnson*, corp vp, govt & industry affairs for **Bright House**, will advance to the board's exec committee and serve as chair of chapter development. First-timers to the board include **Cisco's** *Marc Aldrich*, **Cox's** *Jennifer Hightower* and **Crown Media's** *Susanne McAvoy*.

## CableFAX Daily Stockwatch

Company	01/17 Close	1-Day Ch	Company	01/17 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	53.03	0.24	CSG SYSTEMS:	19.02	(0.1)
DISH:	37.75	0.40	ECHOSTAR:	35.31	0.27
DISNEY:	52.41	0.88	GOOGLE:	711.32	(3.87)
GE:	21.30	0.18	HARMONIC:	5.24	0.15
NEWS CORP:	27.95	0.47	INTEL:	22.68	0.57
<b>MSOS</b>					
CABLEVISION:	15.34	0.11	JDSU:	13.61	0.11
CHARTER:	78.95	0.61	LEVEL 3:	23.85	0.27
COMCAST:	39.95	0.77	MICROSOFT:	27.25	0.21
COMCAST SPCL:	38.48	0.82	RENTRAK:	19.98	0.68
GCI:	8.49	0.02	SEACHANGE:	10.75	0.15
LIBERTY GLOBAL:	68.52	0.98	SONY:	11.91	0.71
LIBERTY INT:	21.08	0.12	SPRINT NEXTEL:	5.63	0.10
SHAW COMM:	23.57	0.06	TIVO:	12.02	0.08
TIME WARNER CABLE:	99.52	0.67	UNIVERSAL ELEC:	18.52	UNCH
VIRGIN MEDIA:	38.45	(0.25)	VONAGE:	2.47	(0.03)
WASH POST:	381.21	1.43	YAHOO:	20.13	0.06
<b>PROGRAMMING</b>					
AMC NETWORKS:	55.56	1.04	<b>TELCOS</b>		
CBS:	40.95	3.01	AT&T:	33.20	(0.06)
CROWN:	1.98	(0.02)	VERIZON:	42.13	0.62
DISCOVERY:	67.35	0.42	<b>MARKET INDICES</b>		
GRUPO TELEVISIA:	27.78	0.37	DOW:	13596.02	84.79
HSN:	59.18	(0.33)	NASDAQ:	3136.00	18.46
INTERACTIVE CORP:	41.83	(0.55)	S&P 500:	1480.94	8.31
LIONSGATE:	18.31	0.32			
OUTDOOR:	7.46	(0.04)			
SCRIPPS INT:	58.90	0.57			
TIME WARNER:	49.40	0.23			
VALUEVISION:	2.37	0.14			
VIACOM:	60.10	0.49			
WWE:	8.19	0.13			
<b>TECHNOLOGY</b>					
ADDVANTAGE:	2.17	(0.02)			
ALCATEL LUCENT:	1.69	0.04			
AMDOCS:	35.11	(0.16)			
AMPHENOL:	67.83	(0.43)			
AOL:	30.33	0.35			
APPLE:	502.68	(3.41)			
ARRIS GROUP:	16.43	0.17			
AVID TECH:	7.63	0.24			
BLNDER TONGUE:	1.18	0.03			
BROADCOM:	35.14	0.14			
CISCO:	20.95	(0.08)			
CLEARWIRE:	3.14	UNCH			
CONCURRENT:	6.07	0.08			
CONVERGYS:	17.00	0.10			

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**OTT Musings: Stakeholders Debate Evolving Content Delivery at CES**  
 With the Comcast/Disney distribution deal a harbinger for TV Everywhere and Fox's move last summer to put select content behind a pay wall, panelists mulled the ins and outs of over-the-top delivery at an OTT panel at CES. "The tablet, the device, is going to control the TV experience at U-verse," said Jeff Weber, AT&T VP, product and strategy, noting the company's drive into tablet apps and model of providing APIs for developers to send content from device to television. But discernment is critical, panelists agreed. While AT&T has an approval process in place, YouTube abandoned its API-based partnership model two years ago "because we ended up with different apps on different TV, and performance differed," said Francisco Valera, dir/global head of platform and games partnerships. Touting YouTube's deals with Samsung, LG and its new Xbox partnership, "if we can't control the app, and update features quickly, it's a lost cause," he said. YouTube's recent-day model of investment in original content will stretch the company's presence in specific categories such as "niche cooking and unique travel" channels. "We don't see ourselves becoming a large studio, but we're more than dogs on skateboards," Valera quipped. "We want to bring in proven providers of broadcast quality content that's not sustainable in the cable universe." Valera said YouTube is working on its fourth UI, and moving toward the HTML5 standard. Noting that unlike other video distributors YouTube always owns its TV and mobile content rights, "Can we bring our content to an AT&T, Cox or Comcast? We can, and that's where we are excited," he said. Initial deals with distributors are rolling out in Europe and Asia, he said. At Cox, focus remains on the UI. "It's important to get the user interface right, especially as more content is added in," said Lisa Pickelsimer, executive director, video product development. Integrated search, recommendations and social media will become more key, Pickelsimer said, noting the bigger role of metadata and the need



# PROGRAMMER'S PAGE

## Brit Pop Invasion...

The popular UK girl group “The Saturdays,” featured in the new reality show “Chasing the Saturdays” premiering this Sun on **E!**, is hoping to make it big in the U.S. “We’ve done a few reality shows back at home, and we wanted to do something that would go global,” The Saturdays’ *Mollie King* told critics at the E! luncheon during TCA earlier this month. “So we spoke to our management and they put us in touch with [producers] *Peter Engel* and *Albert Spevack*.” The group met with many networks but was partial to E!: “We’re huge fans of the Kardashians,” said King. “It’s nice this way that people get to know our personalities as well as our music.” But don’t expect another “Real Housewives.” There won’t be any catfights, the girls assured us. Nor have producers encouraged feuds to spike the drama. But there’s plenty of reality show fodder to be filmed sans encouragement—like partying, industry-fueled breakdowns and high-profile romantic flings. Five years ago, the girls auditioned for a spot in the group, much like the Spice Girls did—a comparison which, quite frankly, thrills The Saturdays. “We grew up with their posters on our wall. We’re massive fans, so it’s a lovely complement,” said King. “We’re lucky that we got on really, because you know when you’re sort of thrown together you can’t always guarantee that you’re going to gel.” American audiences are getting to know some British talent and athletes these days. For example, Frankie saw a photo of Manchester United soccer player *Wayne Rooney* at the E! office, which surprised her. And then there’s the One Direction craze. But will The Saturdays’ public and private outings—replete with British celebrity romances with rugby players and UK boy band stars—be enough to attract American audiences? “I think reality TV and music really go hand in hand these days, obviously with shows like ‘The Voice’ and ‘X Factor,’” King said. We’ll see if “Chasing the Saturdays” will catch more than the resident Anglophiles. - *Kaylee Hultgren*

**Reviews:** “Girls,” Sun, 9p, **HBO**. Season 2’s initial 4 eps of Golden Globe winner “Girls” (best comedy, best actress *Lena Dunham*) indicate an even better year than its rookie outing, with creator/star Dunham raising stakes and grabbing ratings (ep 1 rose 43%). Camera angles are better, too. Tonight Hannah has serious boyfriend troubles. -- “Ripper Street,” premiere, Sat, 9p, ET, **BBC America**. Everything works in this Victorian-era drama: the cast, led by *Matthew Macfadyen*, its grimy sets and storyline, where Macfadyen’s Inspector Reid struggles to keep the peace in Jack the Ripper’s wake. A cool part here is watching police sans modern technology. But also enjoyable is its depiction of forensics’ early days. -- “Californication,” Sun, 10:30p, **Showtime**. The first 2 eps of what appears to be the series’ final season begin slowly, with Hank (*David Duchovny*) even drunker, smellier and higher than usual. Things liven up tonight as gorgeous rock muse Faith (*Maggie Grace*) enters. Is it too much to hope for “Californication” to end on a ‘high’ note? -- “Banshee,” Fri, 10p, **Cinemax**. It’s ep 2, but “Banshee” is moving fast, with an ex-con impersonating a sheriff, sex and drugs with an Amish backdrop, including a devilishly violent Amish crime lord. -- “The Scapegoat,” Tues, 8p ET, **Ovation**. Terrific tale of false identity and more in post-WWII Britain. - *Seth Arenstein*

Basic Cable Rankings			
(1/07/13-1/13/13)			
Mon-Sun Prime			
1	ESPN	3.3	3265
2	USA	2.0	2025
3	DSNY	1.8	1781
4	TBSC	1.5	1487
5	FX	1.4	1357
6	FOXN	1.3	1282
6	HIST	1.3	1253
8	TNT	1.2	1225
9	A&E	1.1	1098
9	HGTV	1.1	1080
9	DISC	1.1	1056
9	DSE	1.1	86
13	ADSM	1.0	1020
14	NAN	0.9	857
14	BRAV	0.9	837
16	LIFE	0.8	831
16	FAM	0.8	804
16	FOOD	0.8	795
16	SYFY	0.8	773
16	TRU	0.8	724
16	ID	0.8	625
22	TLC	0.7	731
22	MTV	0.7	669
22	TVLD	0.7	636
22	MSNB	0.7	632
26	CMDY	0.6	588
26	BET	0.6	574
26	AMC	0.6	570
26	LMN	0.6	531
26	HALL	0.6	485
31	SPK	0.5	510
31	VH1	0.5	483
31	APL	0.5	478
34	CNN	0.4	419
34	TRAV	0.4	378
34	NGC	0.4	372
34	NKJR	0.4	332
34	DXD	0.4	310
34	H2	0.4	288
34	HMC	0.4	187
41	EN	0.3	313
41	ESP2	0.3	303
41	OXYG	0.3	271
41	HLN	0.3	264
41	GSN	0.3	264
41	INSP	0.3	241

\*Nielsen data supplied by ABC/Disney

## CableFAX Webinar

Thursday, January 31, 2013  
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