

CableFAX Daily™

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What the Industry Reads First

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5 Questions: ACA Polkas Its Way Into Year 20

ACA pres/CEO Matt Polka gave us a rundown before the group's 20th Anniversary Summit kicking off Tues in DC.

What are the issues that ACA plans to take up to the Hill? Reform of the '92 Cable Act is huge for us. We will be asking the Congress to look at changes in the marketplace since '92. Meanwhile, with Congress again reviewing STELA (the Satellite Television Extension and Localism Act), the argument over retrans reform could come up again. ACA will be asking Congress to continue the process it started in '12 with hearings (on retrans). It also will urge Congress to hold additional legislative hearings on various ideas they are considering. **Looking back, is ACA still fighting for the same thing vs 10-20 years ago?** When ACA was founded, the goal was to make sure laws and regulations didn't disproportionately affect small and independent cable ops. That is as true today as ever. The truth is things do take time in Washington, and we are determined to change things that have been around for a long time. As we work on new issues, the principles of what we advocate for have been the same. **What are the hot button issues for Congress this year?** In addition to STELA, broadband deployment in rural areas is a significant issue (The House Communications subcommittee held a broadband stimulus oversight hearing last week). ACA's view is government subsidy on broadband is good as long as it doesn't subsidize overbuilds. The same argument applies to USF: Regulators should drive broadband efficiency to high-cost areas. Net neutrality is another hot button issue. Our members want to be able to manage broadband networks so they can work with subs and provide quality services. The discussion over usage-based pricing and data caps will continue. **Will the Cablevision-Viacom lawsuit be big buzz at the Summit?** It's a topic of conversation, and we will be having discussions with members about it. The lawsuit highlights the issues that are taking place today in the wholesale programming market: tying and bundling practices of major content companies force ops to pay for channels they don't want to offer to subs. **What do you want out of the Summit?** We have seen so much change in the last 20 years, and change will occur at a much faster pace. We want to help legislators and regulators figure out how to absorb the changes and stay ahead of them as well as better ways to serve consumers.

At the Portals: The FCC Media Bureau is staying the "Benchmark Condition" Order it issued in Dec until the Commission can consider a request for review filed by **CBS, Viacom, Disney** and other content companies. It all relates to a condition in the FCC's 2011 approval of the **Comcast-NBCU** transaction. Under that benchmark condition, an online video distributor that signs a deal with a Comcast-NBCU competitor can seek "comparable" NBC content on similar terms and conditions. In Dec, the Bureau clarified that online video distributors who invoke the condition contained must disclose the terms of comparable peer programming agreements to outside experts and Comcast's outside counsel. CBS and the content firms filed an application for review of the Benchmark Condition Order in Jan, arguing for reversal because it requires an unlawful disclosure of the peer deals and is an improper grant of an untimely petition for reconsideration by Comcast-NBCU.

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Piracy: Following last month's implementation of the copyright violation early warning system, the **Congressional Internet Caucus** held a public hearing Fri outlining the process. Copyright is confusing, and the goal is "education, not punishment," said *Jill Lesser*, exec dir for the **Center for Copyright Information**. The alert system, which targets residential Internet users, will help get people's attention on piracy issues, she said. The content owners send infringement notices to the ISPs, which seeks to change consumer behavior rather than "bring the hammer down," said *Jerry Berman*, chmn of the Caucus' advisory committee. It's "a voluntary and not a draconian solution and is worth studying. It would be hopeful to give it a chance rather than surround it with hot rhetoric," he said. ISPs including **Verizon, AT&T, Comcast** and **Time Warner Cable** participate in the program. After several warnings, Verizon will throttle its Internet speeds, said Verizon svp *Tom Daily*.

In the States: **Time Warner Cable** reached a \$2.2m settlement with the **NY Atty General's** office following a 2-year investigation that alleged the MSO overcharged subs in 10 Upstate towns and villages. TWC must pay \$2.2m in refunds to more than 18K customers and stop charging fees that exceed amounts permitted in LFAs, the AG's office said. Although TWC reduced franchise fees and voluntarily made \$1.4m in refunds to subscribers in 8 towns in '07 and '10, it continued to overcharge consumers in the communities, the AG charged. TWC said it is prepared to be in full compliance with the settlement, and impacted customers will receive a credit proportional to their monthly video charges on their statement within 90 days. -- Pole attachment controversy never dies. A TN Sen cmte recently approved a 94% increase that broadband providers would have to pay to the state's govt-owned utilities and electric co-ops in order to attach fiber lines to their utility poles, *The Chattanooga* reports. That works out to an average of nearly \$34 per pole—way above the \$7 avg in the FCC's formula for privately owned, non-govt poles. -- GA's House on Thurs voted against the Municipal Broadband Investment Act, which would have restricted a city's ability to start its own broadband network. Under the bill, new muni networks only could launch in areas where Internet speeds were slower than 3Mbps.

Google Fiber: **Google Fiber** is offering **ESPN3D** and **3net** for an additional \$5/month with its Gigabit + TV plan (\$120/mo). Meanwhile, cable ops continue to wrestle with just what a residential customer could do with a whole gig. At an investor conference on Wed, **Charter** CEO *Tom Rutledge* said he worries about Google, even though he doesn't think overbuilding makes much economic sense. While the Kansas City Google Fiber offering is pretty small, "it is resonating in the political world. You see people calling for 1GB services, so maybe that's the objective," he said. With today's applications, Rutledge believes it's hard to envision a 1GB residential scenario, but he stressed cable's network can achieve it if the need arises.

Broadband: **Comcast** is ramping up the speeds of its "Blast!" and "Extreme 50" HSD services in IN, and it will up the Performance tier in Apr. Blast jumps from download speeds of up to 50Mbps from 25/10Mbps upload from 4Mbps. Extreme 50 customers will see downloads of up to 105Mbps (formerly 50Mbps) and uploads of up to 20Mbps (from 15Mbps). Performance will increase from 15/2Mbps to 25Mbps/5Mbps.

Programming: **GMC's** Easter programming slate includes the premiere of original movie "The Carpenter's Miracle" Mar 30 and Mar 31 at 7, 9 and 11. The flick is about a carpenter whose touch miraculously brings a dead boy back and the media circus that follows.

People: **Crown Media Family Nets** made 2 promotions in the distribution dept: *Laura Lee* becomes evp and *Holly Mauer* is now vp.

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CableFAX Week in Review

Company	Ticker	3/8 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

DIRECTV:	DTV	50.08	3.15%	(0.16%)
DISH:	DISH	34.45	(0.72%)	(5.36%)
DISNEY:	DIS	57.39	3.72%	15.26%
GE:	GE	23.77	2.50%	13.24%
NEWS CORP:	NWS	31.01	4.76%	18.18%

MSOS

CABLEVISION:	CVC	13.96	1.45%	(6.56%)
CHARTER:	CHTR	89.06	2.97%	16.82%
COMCAST:	CMCSA	41.00	2.42%	9.74%
COMCAST SPCL:	CMCSK	38.99	1.59%	8.55%
GCI:	GNCMA	8.28	(2.59%)	(13.66%)
LIBERTY GLOBAL:	LBTYA	71.74	3.78%	13.95%
LIBERTY INT:	LINTA	21.61	3.79%	9.81%
SHAW COMM:	SJR	23.86	0.13%	3.83%
TIME WARNER CABLE:	TWC	89.77	1.22%	(7.63%)
VIRGIN MEDIA:	VMED	47.70	2.36%	29.80%
WASH POST:	WPO	414.69	4.76%	13.55%

PROGRAMMING

AMC NETWORKS:	AMCX	59.27	4.00%	19.74%
CBS:	CBS	46.00	5.63%	20.89%
CROWN:	CRWN	2.14	4.39%	15.68%
DISCOVERY:	DISCA	77.90	4.03%	22.72%
GRUPO TELEvisa:	TV	26.96	(1.89%)	1.43%
HSN:	HSNI	54.24	0.48%	(1.53%)
INTERACTIVE CORP:	IACI	43.57	5.65%	(7.77%)
LIONSGATE:	LGF	22.19	1.79%	35.30%
OUTDOOR:	OUTD	8.80	14.14%	15.79%
SCRIPPS INT:	SNI	64.34	0.06%	11.08%
TIME WARNER:	TWX	57.46	7.16%	20.13%
VALUEVISION:	VTV	3.17	17.41%	76.11%
VIACOM:	VIA	64.54	4.40%	18.92%
WWE:	WWE	8.77	2.21%	11.15%

TECHNOLOGY

ADVANTAGE:	AEY	2.20	6.28%	10.55%
ALCATEL LUCENT:	ALU	1.48	4.96%	6.47%
AMDOCS:	DOX	36.04	(1.42%)	6.03%
AMPHENOL:	APH	73.24	2.13%	13.20%
AOL:	AOL	37.48	2.26%	26.58%
APPLE:	AAPL	431.72	0.29%	(18.88%)
ARRIS GROUP:	ARRS	17.71	3.33%	18.54%
AVID TECH:	AVID	6.85	(10.57%)	(9.63%)
BLNDER TONGUE:	BDR	1.35	(4.93%)	17.39%
BROADCOM:	BRCM	33.50	0.78%	0.87%
CISCO:	CSCO	21.83	4.45%	11.09%
CLEARWIRE:	CLWR	3.18	0.00%	10.03%
CONCURRENT:	CCUR	7.29	4.29%	27.00%
CONVERGYS:	CVG	17.01	2.16%	3.66%
CSG SYSTEMS:	CSGS	19.55	1.61%	7.54%
ECHOSTAR:	SATS	38.33	1.73%	12.01%
GOOGLE:	GOOG	831.52	3.14%	17.55%
HARMONIC:	HLIT	5.82	2.46%	14.79%
INTEL:	INTC	21.58	2.62%	4.66%
JDSU:	JDSU	15.48	10.18%	14.67%
LEVEL 3:	LVT	21.49	8.04%	(7.01%)

Company	Ticker	3/8 Close	1-Week % Chg	YTD %Chg
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MICROSOFT:	MSFT	28.00	0.18%	4.83%
RENTAK:	RENT	21.53	1.89%	10.47%
SEACHANGE:	SEAC	11.19	(2.27%)	15.72%
SONY:	SNE	15.59	2.36%	39.20%
SPRINT NEXTEL:	S	5.88	1.38%	3.70%
TIVO:	TIVO	12.74	2.00%	3.49%
UNIVERSAL ELEC:	UEIC	21.32	9.78%	10.18%
VONAGE:	VG	2.82	7.63%	18.99%
YAHOO:	YHOO	22.90	4.38%	15.08%

TELCOS

AT&T:	T	36.68	1.86%	8.81%
VERIZON:	VZ	47.96	2.65%	10.84%

MARKET INDICES

DOW:	DJI	14397.07	2.18%	9.87%
NASDAQ:	IXIC	3244.37	2.35%	7.45%
S&P 500:	GSPC	1551.18	2.17%	8.76%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. VALUEVISION:	3.17	17.41%
2. OUTDOOR:	8.80	14.14%
3. JDSU:	15.48	10.18%
4. UNIVERSAL ELEC:	21.32	9.78%
5. LEVEL 3:	21.49	8.04%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. AVID TECH:	6.85	(10.57%)
2. BLNDER TONGUE:	1.35	(4.93%)
3. GCI:	8.28	(2.59%)
4. SEACHANGE:	11.19	(2.27%)
5. GRUPO TELEvisa:	26.96	(1.89%)

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