

CableFAX Daily™

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What the Industry Reads First

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Ops to FCC: IP Transition Inevitable but Takes Time, Strategic Planning

The transition to an all-IP network is well underway, but a complete transition won't happen overnight, and it will take some smart planning to ensure consumers are well protected and informed, ISP representatives said at the FCC's Technology Transitions Policy Task Force workshop, the first of its kind, Mon. Commish *Ajit Pai* called on the agency to act on the pending petition to conduct an IP pilot program. Once created, the program will let companies choose a discrete set of wire centers where they can turn off the old TDM system and migrate customers to an all-IP platform. Such a program will enable a broader transition with essential data, the Republican said. For ISPs like **Cox** and **Verizon**, upgrading to an all-IP system is a no brainer. The traditional network is aging and has "inherent limitations" despite infrastructure improvements, said Verizon svp, national operations support *Thomas Maguire*. Today it's cord cutters; tomorrow it's "cord-nevers," he said. Over time, maintaining the legacy network will become costly and time-consuming, he said, urging accelerating the migration process. Legacy networks also take up significant physical space, said Cox vp of strategic architecture *John Civileto*. Migrating to IP will enable more efficient use of facilities, he said. And events like Hurricane Sandy could help drive the transition, said **Frontier** svp, engineering and technology *Michael Golob*. As ISPs recover services, some subs might simply upgrade to a more advanced technology, he said. However, he said networks are like "oil tankers... You don't turn them around quickly. It's a step-by-step process." Said Maguire: "A lot of it comes down to cost for the subscriber." It's tough to get people off older tech and move them to something more expensive, he acknowledged. While nothing will stop IP from replacing copper, the transition might take 20 or even 30 years, said *David Russell*, dir of solutions marketing for **Calix**. Meanwhile, ISPs must bring new technology in a manner that's seamless and transparent, Civileto said. "As we proceed, we need to focus on simplicity, consistency and reliability," he said.

At our Deadline: The **U.S. Supreme Court** chose not to review **ivi's** petition to overturn a lower court's ruling that the Web streaming firm violated the copyrights of various media industry plaintiffs by retransmitting their signals over the Internet (**Cfax**, 8/28). "NAB is pleased the Supreme Court refused to review the finding that **ivi's** unauthorized retransmission of TV programming over the Internet without the permission of content owners is illegal," said the group in a statement.

Back in the Saddle? *John Malone* sure does like cable, and if a *WSJ* report proves true, he'll soon own a 25% stake in **Charter**. The report, citing unnamed sources, sent Charter shares soaring, closing up nearly 8% Mon. The reported \$2.5bln deal would be Malone's re-entry into cable after selling **TCI** to **AT&T** in '99. Both companies were mum Mon. (Happy first day on the job, *Alex Dudley!*).

Deals: **Cable One** subs were able to walk with zombies Sun night. The MSO reached a multi-year pact with **AMC Nets** ahead of Fri's midnight deadline for the right to continue carrying **AMC** and **WE tv**. "Our goal is always to

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provide our customers and their families with the best TV programming at a reasonable price,” Cable One pres/CEO *Tom MIGHT* said. “We believe we’ve accomplished that in these very difficult negotiations.”

Research: The 13 largest MVPDs added less new video subs in '12 (170K) vs '11 (230k), said **Leichtman Research Group's** latest report. Together, the top providers account for more than 94.7mln subs, with the top 9 cable ops having 51.3mln video subs, satellite TV companies having more than 34.1mln and top telcos having 9.3mln subs. While the top 9 cable ops lost some 1.42mln video subs in '12 vs a loss of 1.6mln in '11, telcos added 1.3mln video subs last year vs 1.5mln net additions in '11. “In this saturated and competitive market, it has become a contest over market share. Cable providers now have a 54% share of the top multi-channel video subscribers in the US, compared to a 58% share two years ago,” said *Bruce Leichtman*, pres of the research firm.

Spectrum Auctions: If the **FCC** insists on holding its incentive auction in 2014, the auction will “almost certainly fail,” **NAB** evp, strategic planning *Rick Kaplan* predicted at a **Media Institute** lunch in D.C. Mon. By failed, he means that there is not enough participation from broadcasters to enable a basic, nationwide commercial wireless band plan or an outcome that results in widespread harmful interference among services. Of particular concern to the broadcast trade group is the NPRM's proposal for variable band plans in adjacent markets throughout the country—meaning that in some markets 1 channel may be used for TV broadcasting but in others the same channel may feature wireless operations. Kaplan, the former chief of the FCC's wireless bureau, believes the FCC plan “tilts toward economics over engineering... I fear engineering is getting lost in the shuffle,” he said. And while the auction is about getting more wireless spectrum, Kaplan sees it as way more important to broadcasters because it has the potential to reduce their share of spectrum by 1/3 (plus there is the issue of repackaging hundreds of stations).

U-Verse: As part of **AT&T U-Verse's** new bundle offer, new subs signing up for HSI can choose a free WiFi-enabled entertainment device Kindle Fire HD, Nexus 7 Tablet, SONOS PLAY:3 or Xbox 360 with access to AT&T WiFi hotspots across the country. In addition, the telco launched 2 new U-Verse apps: U-Verse Jukebox, which allows subs to play songs from their mobile devices on U-Verse TV, and Interactive Workout app, which allows subs to track progress.

Devil in a Blue Tie: **History's** 10-part miniseries “The Bible” grabbed attention for its solid ratings and something else: some viewers think the actor playing Satan resembles *Barack Obama*. Soon after the 3rd installment of “The Bible” started Sun night, some viewers took to Twitter to point out what they claimed was a similar facial structure between Moroccan actor *Mehdi Ouazzani*, appearing as Satan, and the President. History bristled at speculation that the casting might have been deliberate: “History Channel has the highest respect for President Obama. The series was produced with an international and diverse cast of respected actors. It's unfortunate that anyone made this false connection. History's ‘The Bible’ is meant to enlighten people on its rich stories and deep history.” Executive producer *Roma Downey* and *Mark Burnett* also spoke up, calling the claims “utter nonsense.” Ouzaani is “a highly acclaimed Moroccan actor” and has previously played parts in several Biblical epics, including Satanic characters long before Obama was elected President, they said. Downey added that “Both Mark and I have nothing but respect and love our President, who is a fellow Christian. False statements such as these are just designed as a foolish distraction to try and discredit the beauty of the story of The Bible.”

Ratings: “Girls” finished its 2nd season on **HBO** Sun with a gross audience of 4.6mln (linear plays, HBO On Demand/

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HBO Go and DVR). That's on par with Season 1. But the 9pm debut notched 632K, down from the 1mln for Season 1's finale. The season 2 finale delivered 1.1mln viewers over 3 plays.

Programming: TV One picked up a 2nd season of its original sitcom "The Rickey Smiley Show" (summer premiere). The Sept premiere scored a network high 1.08 HH rating/ 468K viewers. -- **Discovery** will televise a rather daring live event June 23: Danger seeker *Nik Wallenda* will traverse the Grand Canyon without using a harness. Best of luck, Nik!

On the Circuit: The Cable Center announced the members of its '13 Cable Hall of Fame Honorary Committee who will serve as the official ambassadors for the center and the Cable Hall of Fame event on June 10 in DC (in conjunction with the **Cable Show**). Members include top execs such as **Time Warner Cable** head *Glenn Britt*, **CTAM** pres *Char Beales* and **Showtime** CEO *Matt Blank*.

People: TV Guide Net named ex-NBCU exec *David Futterman* as vp, paid prog and direct response, ad sales.

Editor's Note: Vine? Viggie? GetGlue? Are you using them? Find out how to use leverage them to drive engagement at our Mar 26 Webinar featuring execs from **Bravo and Style Media, DirecTV** and yes, **GetGlue**. You don't want to miss this one: www.cablefax.com/cfp/webinars/2013_March26/

CableFAX Daily Stockwatch

Company	03/18 Close	1-Day Ch	Company	03/18 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	54.75	(0.24)	CSG SYSTEMS:	19.75	UNCH
DISH:	34.72	(0.43)	ECHOSTAR:	38.48	0.23
DISNEY:	56.83	(0.75)	GOOGLE:	807.79	(6.51)
GE:	23.25	(0.19)	HARMONIC:	5.83	0.05
NEWS CORP:	30.58	(0.22)	INTEL:	21.26	(0.12)
MSOS					
CABLEVISION:	14.25	0.17	JDSU:	14.97	(0.25)
CHARTER:	98.04	7.95	LEVEL 3:	20.42	(0.58)
COMCAST:	40.37	(0.34)	MICROSOFT:	28.10	0.07
COMCAST SPCL:	38.36	(0.3)	RENTRAK:	20.96	(0.51)
GCI:	8.77	0.08	SEACHANGE:	11.72	(0.07)
LIBERTY GLOBAL:	68.24	(0.88)	SONY:	16.81	(0.45)
LIBERTY INT:	21.29	(0.3)	SPRINT NEXTEL:	5.87	0.06
SHAW COMM:	24.05	(0.36)	TIVO:	12.61	(0.04)
TIME WARNER CABLE:	93.43	1.20	UNIVERSAL ELEC:	23.16	(0.03)
VIRGIN MEDIA:	45.98	(0.49)	VONAGE:	2.79	(0.06)
WASH POST:	443.44	(1.26)	YAHOO:	22.01	(0.06)
PROGRAMMING					
AMC NETWORKS:	61.70	0.39	TELCOS		
CBS:	46.54	(0.22)	AT&T:	36.15	(0.28)
CROWN:	2.02	0.02	VERIZON:	48.75	0.73
DISCOVERY:	77.41	0.09	MARKET INDICES		
GRUPO TELEVISIA:	26.19	0.10	DOW:	14452.06	(62.05)
HSN:	54.80	(0.21)	NASDAQ:	3237.59	(11.48)
INTERACTIVE CORP:	43.09	(0.1)	S&P 500:	1552.10	(8.6)
LIONSGATE:	22.80	(0.21)			
OUTDOOR:	8.75	0.01			
SCRIPPS INT:	64.99	0.69			
TIME WARNER:	56.22	(0.43)			
VALUEVISION:	3.38	(0.2)			
VIACOM:	63.75	(0.5)			
WWE:	8.40	(0.15)			
TECHNOLOGY					
ADVANTAGE:	2.30	0.10			
ALCATEL LUCENT:	1.47	(0.03)			
AMDOCS:	35.85	(0.04)			
AMPHENOL:	72.47	0.08			
AOL:	34.06	(0.54)			
APPLE:	455.72	12.06			
ARRIS GROUP:	17.46	(0.1)			
AVID TECH:	6.96	(0.03)			
BLNDER TONGUE:	1.38	UNCH			
BROADCOM:	34.75	0.10			
CISCO:	21.67	(0.26)			
CLEARWIRE:	3.21	UNCH			
CONCURRENT:	7.41	0.26			
CONVERGYS:	16.99	(0.19)			

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