

CableFAX Daily™

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What the Industry Reads First

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Legal Notes: Net Neutrality Ruling Could Take Longer Than First Thought

A decision on **Verizon** and **Metro PCS**' challenge of FCC's the net neutrality order could take even longer than first expected. **Stifel Nicolaus** analysts released a note Mon that said they don't expect the case to be heard until the fall, which would likely push a decision to 4Q or 1Q14. "The briefing schedule was completed in Jan and there seemed to be a good chance a 3-judge panel would be named any day to hear the case, with oral argument scheduled for no later than May and a ruling possible over the summer," the note said. "But our understanding is the case will not be scheduled for oral argument before next September (absent unforeseen circumstances), though the panel could be named sooner." D.C. virtually shuts down in the summer. The Court of Appeals typically takes a break from oral arguments between May and Sept. Many view it as the most important broadband action pending. If it's overturned, not only is the rule out the window, but the FCC's broadband regulatory authority could be in danger. The other big case on everyone's radar is **Cablevision**'s antitrust suit against **Viacom** over channel bundling. That one is going to take a long time as well. Just last week, the federal court in NY issued an order extending the amount of time Viacom has to respond to the complaint, giving the programmer until May 8. Meanwhile, a decision is expected at any time in **Time Warner Cable** and **NCTA**'s challenge of the FCC's program carriage dispute resolution process, including standstill provisions, for independent programmers. Oral arguments occurred in the 2nd Circuit back in Oct. Also pending is the DC Circuit's ruling on **Comcast**'s challenge of an **FCC** decision that it violated program carriage rules by putting **Tennis Channel** on a sports tier in most markets. The court heard oral arguments just last month. But the line of questioning didn't seem to bode well for the FCC's case, which means a decision could come faster than usual.

Violence in Media: Sen Commerce chmn **Jay Rockefeller** returned to his home state of WV Mon for a roundtable on violent content and adolescent behavior. The Democrat introduced a bill in Jan that would have the **National Academy of Sciences** conduct a study and investigation of the connection between violent video games and violent video programming and harmful effects on children. Mon's roundtable was attended by parents, teachers, mental health experts, natl advocacy groups and reps from the entertainment industry. "Our children are constantly bombarded with violent images on television and in movies and video games," Rockefeller said in a statement. "For busy parents, monitoring

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every minute of their kids' lives simply isn't possible—so we need to arm parents and other responsible adults with the best available information about violent media. We also need more answers about what this exposure is doing to kids' impressionable minds and emotions, and I pledge to do everything possible to get those answers."

TV Everywhere: Clearleap renewed its deal with **HBO** to process and distribute multiple formats of the net's SVOD programming, including enabling authentication of HBO Go. See our recent Q&A with Clearleap CEO *Braxton Jarratt* at **CableFAX.com** (click "More Stories"). -- **AT&T** teamed with **ESPN** to launch WatchESPN, enabling AT&T U-verse subs to access ESPN nets live online across platforms. Specifically, the app allows subs receiving ESPN's linear nets as part of their U-Verse TV subscription to stream live events and programming from ESPN, **ESPN2**, **ESPN3** and **ESPNU**. Subs can also access ESPN Goal Line and ESPN Buzzer Beater through the app when those channels are in season. In addition, **Disney Junior** will be available to U-Verse subs on Mar 29.

Online: In honor of *William Shatner's* 82nd birthday (this past Fri), **Hulu** is making every ep of "Star Trek" series available online, for the public for free, through the end of Mar.

From the Street: **Viacom** has become "increasingly dependent on digital licensing to offset declines in other areas," said a new report by **Bernstein Research**. Though licensing revenue could more than offset lost ad revenue, the economics have peaked, the report said. Going forward, "cannibalization will get worse" and licensing fees will eventually come down, creating an offset to "any hoped-for return to ad revenue growth" at Viacom, it said, noting Viacom's contract with **Netflix** is due for renewal in 2Q. "Certainly **Netflix** wants to continue having **Nickelodeon** content" but "they don't need all of it," the report said. "And Viacom desperately needs their revenue." Meanwhile, **Disney's** signals to Netflix might be critical, the report said. If Netflix believes Disney is "on a path to significantly decrease TV content on SVOD and focus instead on TV Everywhere as its VOD solution," then Viacom's pricing power over the SVOD players is greatly increased, the report said.

Ratings: **CBS Sports** and **Turner Sports'** live coverage of the '13 **NCAA** Division I Men's Basketball Championship across **TBS**, **CBS**, **TNT** and **truTV** averaged a 6.3/14 overnight rating, the highest rating for the opening week of the tournament in 23 years, when the tournament expanded to its current format, according to **Nielsen**. The nets' combined coverage is up 5% YOY while Turner Sports and CBS Sports' 3rd round coverage on Sun averaged an overnight HH rating of 7.6, the highest rating for the 1st Sun of the tournament in 20 years.

Research: Nearly 1/3 of content that pay-TV subs watch each week is recorded on DVR, said a study by **Vanson Bourne** on behalf of **Motorola Mobility**. Though DVR owners tend to watch an average of 1 hour more content a week, some 36% of all content recorded is never actually viewed, the study said, citing the US as the most wasteful content market, with 41% of recorded content never being consumed. However, the US leads all countries in video consumption, with the average American watching 23 hours of TV and 6 hours of movies each week.

Carriage: **Verizon FiOS** added **beIN Sport HD** and **beIN Sport en Espanol HD** to its lineup. The channels are available now to FiOS TV subs in FL, TX, CA, and Pittsburgh, and will be available in all markets by mid-April.

Programming: **TBS** renewed "Cougar Town" for a 5th season. -- **Nat Geo** will join with **Scott Free Productions** to produce a film based on "Killing Jesus: A History," the recently announced book from *Bill O'Reilly*. The net's 1st scripted film, which debuted earlier this year, was based on O'Reilly's bestseller "Killing Lincoln," and it's in preproduction of a film adaptation of "Killing Kennedy." -- The jury may still be out on Ultra HD, but **3net Studios**, the global production company from **Sony**, **Discovery** and **IMAX**, is wasting no time getting to work. It has 3 new native 4K series in development ("National Parks Adventure," "Metropolis" and "Made by Man"). It also has begun principal photography on 2 native 3D series for global distribution—"Turn & Burn," a 6-ep, hour long, reality programming about El Reyes Garage in Venice, CA, and "Dark Secrets," fictional recreations of supernatural psychic events. Additionally, it is finalizing post-production for returning series "Hillbilly Blood: A Hardscrabble Life," which is slated for a special 3D/2D simulcast on 3net and **Destination America** on Apr 13, 10pm. -- **RLTV** launches "Second Act," a series looking at significant changes for adults 50+ starring carpenter *Paul DiMeo* of "Extreme Makeover: Home Edition" (Apr 18, 8pm ET). -- **FOX Sports** continued its 15-year relationship (began on **Speed** in '97) with **Dorna Sports**, signing a new multiyear rights deal to motorcycle racing series, the MotoGP World Championship. Under the deal, Fox will air races on Speed and the newly announced **Fox Sports 1** this year. The season opens April 7 on Speed with the Commercial Bank Grand

BUSINESS & FINANCE

Prix of Qatar live at 3pm, with Moto2 at 11 pm and Moto3 airing April 9 at noon. Qualifying is available on **SPEED2**, the authenticated broadband net. -- **Esquire Network's** 1st original series "Knight Fight" will premiere Apr 23 at 9pm. The 10-ep series features underground, after-hour cooking bouts in LA.

Upfronts: Nat Geo's upfront slate features 4 new series, including "Building Wild," extreme DIY series on building retreats in America's last frontiers, and "Die Trying," women and men push the limits of adventure and endurance (kayaking 40-foot waves) in the name of science. **Nat Geo Wild's** slate includes new series "Jobs that Bite," in which host *Jeremy Brandt* tries it all from wrangling ostriches to tagging sharks, and an unnamed show from Dog Whisperer *Cesar Millan* about helping troubled dogs find a new home.

People: Comcast Corp named *Jennifer Daley* and *James McCue* as vps and assistant treasurers. -- **Fox Sports Media Group** upped *Kai Dhalliwal* to svp, business & legal affairs.

On the Circuit: GMC seeks screenwriters for the 3rd annual GMC Faith and Family Screenplay Competition at the American Black Film Festival. Three finalists will compete for a \$5K prize. The net is currently finishing production on last year's winning screenplay, "In the Meantime."

CableFAX Daily Stockwatch

Company	03/25 Close	1-Day Ch	Company	03/25 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	55.74	0.37	CONVERGYS:	17.03	(0.02)
DISH:	37.97	0.18	CSG SYSTEMS:	19.96	0.16
DISNEY:	56.21	(0.57)	ECHOSTAR:	38.82	0.22
GE:	23.24	(0.13)	GOOGLE:	809.64	(0.67)
NEWS CORP:	30.44	(0.13)	HARMONIC:	5.77	UNCH
MSOS					
CABLEVISION:	14.84	(0.1)	INTEL:	21.15	(0.18)
CHARTER:	102.44	(0.84)	JDSU:	13.64	0.17
COMCAST:	41.72	0.49	LEVEL 3:	20.42	0.38
COMCAST SPCL:	39.42	0.36	MICROSOFT:	28.16	(0.09)
GCI:	8.79	(0.02)	RENTRAK:	21.24	(0.15)
LIBERTY GLOBAL:	69.52	(1.09)	SEACHANGE:	12.08	0.15
LIBERTY INT:	21.78	(0.06)	SONY:	17.77	0.09
SHAW COMM:	24.23	(0.06)	SPRINT NEXTEL:	6.03	(0.11)
TIME WARNER CABLE:	95.37	(0.42)	TIVO:	12.29	(0.04)
VIRGIN MEDIA:	47.19	(0.4)	UNIVERSAL ELEC:	23.80	0.19
WASH POST:	455.58	13.21	VONAGE:	2.83	(0.02)
PROGRAMMING					
AMC NETWORKS:	62.31	0.53	YAHOO:	23.38	0.12
CBS:	45.42	(0.56)	TELCOS		
CROWN:	2.03	UNCH	AT&T:	36.39	(0.04)
DISCOVERY:	79.07	(0.06)	VERIZON:	49.16	0.14
GRUPO TELEvisa:	26.07	0.08	MARKET INDICES		
HSN:	55.39	(0.45)	DOW:	14447.75	(64.28)
INTERACTIVE CORP:	44.25	0.16	NASDAQ:	3235.30	(9.7)
LIONSGATE:	23.19	0.87	S&P 500:	1551.69	(5.2)
OUTDOOR:	8.79	0.02	TECHNOLOGY		
SCRIPPS INT:	63.99	(0.82)	ADDVANTAGE:	2.36	(0.02)
STARZ:	21.47	0.16	ALCATEL LUCENT:	1.33	(0.07)
TIME WARNER:	56.54	(0.25)	AMDOCS:	35.52	(0.07)
VALUEVISION:	3.32	(0.12)	AMPHENOL:	72.60	(0.62)
VIACOM:	63.20	(0.44)	AOL:	35.87	(0.5)
WWE:	8.73	0.03	APPLE:	463.58	1.67
TECHNOLOGY					
ARRIS GROUP:	17.11	0.01	ARRIS GROUP:	17.11	0.01
AVID TECH:	6.70	0.14	AVID TECH:	6.70	0.14
BLNDER TONGUE:	1.37	UNCH	BLNDER TONGUE:	1.37	UNCH
BROADCOM:	34.19	(0.23)	BROADCOM:	34.19	(0.23)
CISCO:	20.85	0.10	CISCO:	20.85	0.10
CLEARWIRE:	3.25	0.01	CLEARWIRE:	3.25	0.01
CONCURRENT:	7.87	0.08	CONCURRENT:	7.87	0.08

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