

# CableFAX Daily™

Tuesday — May 14, 2013

What the Industry Reads First

Volume 24 / No. 093

## State of Video: Sen Hearing to Have it All, Including A la Carte, Retrans

The point of Tues' "State of Video" hearing isn't to talk about Sen *John McCain's* (R-AZ) a la carte bill, but the legislation introduced last week will get a moment in the spotlight. McCain, a former **Senate Commerce** member, is expected to speak before the Sen Communications subcmte on his bill. While **NCTA** dismissed a la carte as a "lose-lose proposition," some cable operators are hoping to use McCain's bill to push a wider discussion on wholesale bundling practices. "There is clearly a need for greater flexibility on the part of distributors like us, to offer smaller, more-economical packages of channels that are better targeted to diverse consumer interests and incomes," **Suddenlink** chmn/CEO *Jerry Kent* said in a statement Mon. "We applaud the spotlight this bill places on a real industry problem. The ability of powerful TV network owners to force more channels and higher costs on distributors and consumers threatens to price some households out of the multichannel video market." **Mediacom** chmn/CEO *Rocco Commisso* sent McCain a letter Mon saying that while he doesn't think a full a la carte system (voluntary or mandatory) is necessarily viable or desirable, allowing cable companies great control over how networks are offered would be "highly beneficial" for consumers. "As your comments make clear, it is the practices of content licensors at the 'wholesale' level that, at the 'retail' level, force consumers to pay billions for channels they do not want," Commisso wrote. **The American TV Alliance**, which counts **Time Warner Cable** and **DISH** (whose gen counsel is testifying at Tues' hearing) as members, applauded McCain for recognizing "the real and growing problem of outdated video regulations." The bottom line is that MVPDs may not agree with McCain's bill (which would tie the compulsory copyright license to a la carte offerings), but they would like to use it to open up stalled discussions on programming practices. **NAB** chief Gordon Smith will testify at Tues' hearing, challenging calls for reform. "The system is not broken, which leads me to question the calls to fix what is successfully working in practice every day. I would argue that changing these laws is not in the public's best interest and will do nothing more than pick winners and losers in what is today a very competitive marketplace," Smith said in prepared testimony. NCTA's *Michael Powell* will talk about cable's role as an innovative force in video and the number of new entrants into the marketplace (**Netflix**, **Amazon**, **Apple TV**, etc). His prepared testimony walks the NCTA-line and doesn't suggest any reform to retrans or bundling

## CableFAX

### Join our Social Networking Groups!

Share ideas, connect with colleagues and be the first to hear about important industry events and deadlines.

The CableFAX editorial staff will also reach out to these social networking groups for story ideas and contributors to webinars, articles and other executive-level content produced by CableFAX – join in the conversation now!

[www.cablefax.com](http://www.cablefax.com)



CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefaxdaily.com ● fax:301.738.8453 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Sales Mgr, Susan Kim, 301.354.2010, skim@accessintel.com ● Marketing Dir: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Prod: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group ● Subs/Client Svcs: 301.354.2101 ● Group Subs: Amy Russell, 301.354.1599, arussell@accessintel.com

rules. Instead, it's all about light-touch regulation. "While some surgical changes to the law may be appropriate, a broad 'rewrite' is not necessary and could even be counterproductive by introducing uncertainty and displacing or skewing the marketplace rivalries that are providing today's consumers with the unparalleled choice I described earlier," Powell's testimony reads. Reform flag wavers will have to rely on DISH's *Stanton Dodge* and **Public Knowledge** staff attorney *John Bergmayer*, who are both expected to make a pitch for changing retrans rules.

**Staying CALM?** The FCC released stats for 4Q complaints last week, which showed large spikes in the number of complaints for cable and broadcast. The reason isn't exactly clear, but here's something to consider. The CALM Act, which requires MVPDs and broadcasters to keep commercials from blaring louder than programming, went into effect in the last few weeks of the quarter, on Dec 13. The Commission did not break out any specifics on whether there were any CALM complaints in Dec, but there were increases in complaints overall for the industries. Cable and satellite services' informal complaints increased by more than 67% from 1675 in 3Q12 to 2799, primarily due to an increase in complaints regarding programming issues. By comparison, the number of complaints for cable in 4Q11 decreased by more than 12% to 1461 from 1663 in the previous Q. Radio and TV broadcast complaints in 4Q12 posted a triple-digit increase, up more than 104% from 2714 to 5544 during the period, due to an increase in complaints regarding "Programming – General Criticism." Of course, 4Q is also the time of year retrans and program carriage disputes are most likely to break out, so that also may be a factor.

**TVE:** Starting Tues afternoon, ABC's "Watch ABC" authenticated service will be available to all viewers in the NYC and Philly area via **WABC-TV** and **WPVI** through a special open access preview running through the end of June. It's the first live streaming service for any of the Big 4 broadcasters. Most content, including network primetime shows and local market programming, should be available for live streaming. Following the end of the open access preview, the Watch ABC live streams will continue to be available in NYC and Philadelphia to authenticated users. MVPDs with authentication deals with **ABC/Disney** include **Comcast, Cablevision, Cox, Charter, Midcontinent Communications** and **AT&T U-verse**. Over-the-air-only households won't be able access the streaming service, but can still view the ABC Full-Episode Player. This summer Watch ABC will roll out in the other 6 ABC-owned station markets, which include L.A. (**KABC-TV**), Chicago (**WLS-TV**), San Fran (**KGO-TV**), Houston (**KTRK-TV**), Raleigh-Durham (**WTVD-TV**) and Fresno (**KFSN-TV**). ABC also reached a deal with **Hearst** to launch the service in its 13 ABC station markets, which include Boston and Milwaukee. Agreements with other station groups are expected before the launch of the new fall season.

**Outdoor:** **Outdoor Channel Holdings** will convene a special meeting of stockholders on Thurs to consider **Kroenke Sports & Ent's** \$10.25/share proposal. Last week, Kroenke topped **Sportsman Channel** parent **InterMedia's** \$9.75/share offer, and the companies' amended their merger agreement to say the board must submit the Kroenke proposal for adoption at the meeting. Outdoor also announced a memo of understanding for a putative class action suit filed against Outdoor and KSE in March that claimed the Kroenke offer was inadequate. Counsel for the parties have agreed upon the terms of a settlement, which include the dismissal with prejudice of all claims. The proposed settlement is conditioned on the consummation of the merger and final approval by the court.

**Sassa to Rey:** **El Rey**, which launches in Dec with nationwide carriage on **Comcast**, named media exec **Scott Sassa** as vice chmn. Sassa was most recently pres, **Hearst Ent & Syndication**, but he's also served as pres, **NBC West Coast** and pres, **Turner Ent Group** (launching **TNT, Cartoon** and **TCM** during his tenure). **El Rey**, an English-language net geared toward young audiences, is being launched by filmmaker **Robert Rodriguez** and **FactoryMade Ventures**. It was one of 4 minority owned-and-operated nets that Comcast announced plans to launch as part of its NBCU transaction commitments. The net also announced that **Antoinette Alfonso Zel** will step into the newly created role of CMO.

**Going Green:** **Cox** completed a 181 kilowatt solar roof installation in Warwick, RI, and a 500 kilowatt ground mount installation in Portsmouth, RI. It said the project will prevent 573 tons of carbon from entering the environment annually, enough to generate power to 77 average-sized homes.

**Programming:** **NBA TV** will televise the NBA Social Media Awards presented by **SAP** on June 12, 8p ET. **Chris Webber** (@realchriswebber) will host. -- **TV One** debuts series "Fatal Attraction," June 3, 9pm ET, which features reenactments of a crime linked to dangerous romance. -- **Disney Junior's** "Sofia the First" expands to daily telecast on June

# BUSINESS & FINANCE

10. New eps of it and “Jake and the Neverland Pirates” will debut throughout the net’s “Pirate and Princess Summer.”

**People:** CableLabs hired Tom Lookabaugh as evp, R&D, where he’ll lead the organization’s development efforts with a strong focus on the delivery of platforms that enable high-speed access and next-gen services. He was formerly vp of ViaSat’s commercial mobility arm and previously served as CEO of PolyCiper, a jv formed by Comcast, Time Warner and Cox to develop downloadable conditional access security products. -- Quinn Brown joined CMT in the newly created post of exec producer.

**Upfronts:** Telemundo’s ’13-’14 slate features more than 1K hours of new content, including 5 telenovelas and 2 daytime series. New shows include a variety competition series in association with Ryan Seacrest Prod and a game show with the kids vs grown-ups theme. Last week, Telemundo announced the launch of Fluency, a multiplatform studio that will develop and produce programming for bilingual audiences.

**Business/Finance:** Suddenlink parent Cequel Comm priced \$750mln of 5.125% sr notes due ’21. The net proceeds will be to redeem the remaining \$712.6mln in outstanding 8.625% sr notes due ’17 and to pay related fees and expenses.

## CableFAX Daily Stockwatch

Company	05/13 Close	1-Day Ch	Company	05/13 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	63.99	0.19	CONVERGYS:	17.82	(0.15)
DISH:	38.81	(0.38)	CSG SYSTEMS:	21.77	0.06
DISNEY:	67.32	0.12	ECHOSTAR:	38.40	(1.62)
GE:	22.85	(0.05)	GOOGLE:	877.53	(2.7)
NEWS CORP:	33.44	0.04	HARMONIC:	5.85	(0.03)
<b>MSOS</b>					
CABLEVISION:	15.45	(0.38)	INTEL:	24.08	(0.42)
CHARTER:	111.65	1.59	JDSU:	13.28	(0.18)
COMCAST:	43.19	0.11	LEVEL 3:	23.51	(0.29)
COMCAST SPCL:	41.28	(0.05)	MICROSOFT:	33.03	0.34
GCI:	9.32	(0.16)	RENTRAK:	24.12	0.13
LIBERTY GLOBAL:	76.89	(0.04)	SEACHANGE:	10.97	0.02
LIBERTY INT:	23.22	(0.07)	SONY:	18.89	0.97
SHAW COMM:	22.94	0.15	SPRINT NEXTEL:	7.18	(0.18)
TIME WARNER CABLE:	98.17	0.13	TIVO:	11.98	(0.05)
VIRGIN MEDIA:	50.93	0.03	UNIVERSAL ELEC:	26.78	1.74
WASH POST:	452.34	(0.55)	VONAGE:	2.76	(0.02)
<b>PROGRAMMING</b>					
AMC NETWORKS:	66.39	(0.25)	YAHOO:	26.39	(0.44)
CBS:	48.98	1.23	<b>TELCOS</b>		
CROWN:	2.07	UNCH	AT&T:	37.00	(0.36)
DISCOVERY:	77.58	(1.1)	VERIZON:	52.55	(0.34)
GRUPO TELEVISA:	26.50	(0.1)	<b>MARKET INDICES</b>		
HSN:	55.27	(0.23)	DOW:	15091.68	(26.81)
INTERACTIVE CORP:	48.77	0.13	NASDAQ:	3438.79	2.21
LIONSGATE:	26.16	(0.17)	S&P 500:	1633.77	0.07
OUTDOOR:	10.32	0.02	<b>TECHNOLOGY</b>		
SCRIPPS INT:	68.49	(0.5)	ADVANTAGE:	2.25	(0.08)
STARZ:	22.59	(0.6)	ALCATEL LUCENT:	1.47	(0.03)
TIME WARNER:	60.91	(0.03)	AMDOCS:	36.04	(0.16)
VALUEVISION:	4.01	(0.09)	AMPHENOL:	79.84	(0.45)
VIACOM:	69.31	(0.4)	AOL:	38.21	(0.85)
WWE:	9.28	(0.11)	APPLE:	454.74	1.77
<b>MARKET INDICES</b>					
			ARRIS GROUP:	16.50	0.16
			AVID TECH:	6.92	0.01
			BLNDER TONGUE:	1.12	0.10
			BROADCOM:	36.21	(0.41)
			CISCO:	21.27	0.17
			CLEARWIRE:	3.16	(0.09)
			CONCURRENT:	7.43	(0.08)



THE WICT  
SIGNATURE  
LUNCHEON

# STYLE MEETS SUBSTANCE

June 10, 2013  
11:30 am-1:30 pm

Washington Convention Center  
Washington, DC

TABLES AND TICKETS NOW AVAILABLE AT  
[WICTSIGNATURELUNCHEON.COM](http://WICTSIGNATURELUNCHEON.COM)



WICT RECOGNIZES STYLE  
AS THE PREMIER SPONSOR