

CableFAX Daily™

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What the Industry Reads First

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FCC Friday: Net Neutrality, Spectrum Auction, USF for Genachowski's Last Day

With Fri marking FCC chmn *Julius Genachowski's* last day in office, there was a flurry of final activity at the Commission before he scooted over to the **Aspen Institute**, the unofficial rest stop for all outgoing FCC chairs. Not related to his departure, but still a key development: **T-Mobile** withdrew its challenge to the FCC's open Internet rules, leaving **Verizon** as the sole net neutrality challenger. Genachowski applauded the move. "Since 2010, our strong and balanced rules have been protecting entrepreneurs and consumers, and have increased certainty and predictability for investors in Internet services as well as networks," the chmn said. Cable has been apprehensive about the net neutrality litigation, worried it could open the door more regulation and possible Title II classification. **Public Knowledge** also applauded T-Mobile dropping out of the suit. "The rules are working. While they're not perfect, they reassure Internet companies that they will be able to reach users, they give ISPs a framework under which they can manage their networks, and they provide a mechanism for working out disputes," said pres/CEO *Gigi Sohn*. -- The Wireless Telecom Bureau on Fri announced that it wants to supplement the public record on the 600 MHz band plan (comments due June 14; replies June 18), seeking input on band plans that start with downlink at Channel 51, permit broadcast TV operations in the duplex gap and are based on time-division duplexing. The notice didn't sit well with GOP commish *Ajit Pai*. Complaining that it was circulated 48 hours ago without any prior consultation, he said the public notice refocuses attention on a variety of band plans "with little or no support in the record." -- The latest version of the FCC's Connect America Fund Phase II cost model, released by the agency Fri, modified cable coverage to reflect census blocks served by cable providers (based on the National Broadband Map, data as of June '12) that have reported voice subscriptions to the agency. Previous versions of the model only provided the option to filter out cable ops as providing broadband service meeting a specified speed, regardless of whether they also provide voice services. The latest cost model also made minor adjustments to the fixed wireless voice coverage. -- The FCC agreed to lift over 120 outdated regulatory requirements on telcos as part of its ongoing initiative to remove barriers to investment and "modernize for the digital age," the agency said Fri. Rules eliminated include requirements to keep paper records. However, important consumer protection, competition, universal service and public safety requirements will stay. Among them is a requirement that companies notify consumers when services are being cancelled. -- Meanwhile, the agency is getting ready for the changeover. On Mon, *Mignon Clyburn* steps into the role of acting chmn. FCC chmn candidate *Tom Wheeler* is prepping for the post. To avoid a conflict of interest, he will divest his stocks in telecom, media and tech firms including **AT&T, Verizon, Time Warner Cable, Cablevision, Comcast, DISH, Google, Time Warner, Disney, AMC Networks** and Scripps, within 90 days of his Senate confirmation, according to disclosure forms from the Office of Government Ethics this week. The former **NCTA** head will also cease his consulting practice (**Shiloh Group**) and resign from the board of directors of **EarthLink**. In addition, he will step down from venture capital firm **Core Capital** and from the board of newsletter company **SmartBrief**.



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Deals: At last, **Kroenke's** acquisition of **Outdoor Channel Holdings** is complete, with the Denver sports and multimedia company paying \$10.25/share in cash after **InterMedia** drove up the price with multiple counter proposals. "This combination will enable Outdoor Channel to expand in serving the vast and growing consumer base for outdoor enthusiast programming while providing an unparalleled platform for distributors, producers and advertisers," the companies said. Kroenke's portfolio includes RSN **Altitude Sports & Ent**, **NHL's CO Avalanche** and **NBA's Denver Nuggets**, as well as a 50% interest in World Fishing Net. "Being under the KSE umbrella will also greatly strengthen our ability to invest in assets, expand our distribution and continue to generate the unparalleled experience our viewers expect," said Outdoor pres/CEO *Tom Hornish*. "*Stan Kroenke* is an avid sportsman and conservationist, as well as one of the country's most respected sports owners and media leaders. We look forward to working with him and his management team to reach our shared vision for growth and reach for the network."

At the Portals: PA-based **Blue Ridge Cable** is asking the FCC to modify the market for broadcaster **WACP** so that it is not required to carry the station. Blue Ridge said it has never carried the broadcaster and that the communities it serves are situated well beyond the natural geographic market of WACP. The station, owned by **Western Pacific Broadcast**, began broadcasting in Oct. It fills a void in the VHF band in the area created with the '09 digital transition.

Upfronts: **USA** is bringing in a lot of laughs: The net greenlit its 1st-ever original half-hour comedies, "Sirens" and "Playing House" (both debuting 1Q), and will air reruns of "Modern Family" starting Sept 24. Also as part of its upfront announcement, the net ordered comedy pilot "Love is Dead." On the drama side, it will start production on "Horizon," a period genre project, and kick off the summer original drama slate with "Graceland." USA also is expanding its Characters Unite collaboration with NFL with a new series of vignettes during the **NFL** regular season. It culminates with the 3rd annual NFL Characters Unite special documentary premiering around the Super Bowl. Meanwhile, Emmy-award winning journalist *Cat Greenleaf* will be the first host of USA's daytime programming block starting in 4Q. Digitally, USA is making content and engagement available across all platforms with a new brand look to complement its screen unification strategy. To ease viewing on all devices, the net is moving the digital navigation tools to the bottom of the screen, putting the content front and center and placing the interactivity bar within a thumb's reach. The new capabilities will go live on June 6.

From the Streets: SVOD providers, such as **Netflix**, pose "significant ratings cannibalization risk" to TV nets, according to **Bernstein Research** analysts. The "balance of power is now shifting firmly in favor of" SVOD providers, they wrote in a research note Fri, calling content companies "addicted to SVOD licensing revenue." SVOD providers can tell which programs are actually being watched, giving them the ammunition to only license the specific programs they want. Bernstein said that seems to be happening now between Netflix and **Viacom**. A hint of things to come could be found in kids' programming, where traditional TV ratings have gapped significantly lower in Netflix HHs vs non-Netflix HHs. There's one exception: **Cartoon Network**, which was the only kids' net not on Netflix up until early this year.

People: **Ovation** named *Jason Black* of **EQAL Media** as vp, original programming and head of digital media.

Sad News: We were saddened to hear of the passing of *Eric Thomas*, who succumbed to cancer this week. Thomas was a long-time cable PR professional who spent many years helping to keep the cable portion of **TCA** running smoothly. Thomas' Memorial gathering is May 18, 2-5pm at Longview Gallery (1234 9th St NW) in Washington D.C. He'll be missed.



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CableFAX is excited to honor this year's Sales Hall of Fame Inductees

June 24 • Grand Hyatt, NYC

Congratulations

- **Greg D'Alba, Turner Broadcasting System**
- **Steve Gigliotti, Scripps Networks Interactive**
- **Cathy Hetzel, Rentrak**
- **Alan Klein, IFC/Sundance Channel**



CableFAX will also honor the Sales Executives of the Year at the awards breakfast on June 24. All of the honorees took chances and made incredible strides in the cable industry. Join us in celebrating them. Space is limited, so register yourself and your team today at CableFAX.com

If you have any questions, or would like to register by phone, please contact Saun Sayamongkhun at saun@accessintel.com or 301-354-1694.

CableFAX Week in Review

Company	Ticker	5/17 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DIRECTV:	DTV	65.21	2.21%	30.00%
DISH:	DISH	38.99	(0.51%)	7.12%
DISNEY:	DIS	66.58	(0.92%)	33.72%
GE:	GE	23.46	2.45%	11.77%
NEWS CORP:	NWS	33.35	(0.15%)	27.10%
MSOS				
CABLEVISION:	CVC	15.43	(2.53%)	3.28%
CHARTER:	CHTR	112.14	1.89%	47.09%
COMCAST:	CMCSA	42.64	(1.02%)	14.13%
COMCAST SPCL:	CMCSK	41.02	(0.74%)	14.21%
GCI:	GNCMA	9.52	0.42%	(0.73%)
LIBERTY GLOBAL:	LBTYA	75.49	(1.87%)	19.90%
LIBERTY INT:	LINTA	23.35	0.26%	18.65%
SHAW COMM:	SJR	22.63	(1.05%)	(1.52%)
TIME WARNER CABLE:	TWC	97.95	(0.09%)	0.78%
VIRGIN MEDIA:	VMED	50.36	(1.06%)	37.03%
WASH POST:	WPO	466.81	3.07%	27.82%

PROGRAMMING				
AMC NETWORKS:	AMCX	66.44	(0.3%)	34.22%
CBS:	CBS	51.53	7.92%	35.43%
CROWN:	CRWN	2.04	1.49%	10.27%
DISCOVERY:	DISCA	78.85	0.22%	24.21%
GRUPO TELEVISA:	TV	26.89	1.09%	1.17%
HSN:	HSNI	55.71	0.38%	1.14%
INTERACTIVE CORP:	IACI	51.25	4.85%	8.49%
LIONSGATE:	LGF	27.52	4.52%	67.80%
SCRIPPS INT:	SNI	69.05	0.09%	19.22%
STARZ:	STRZA	22.70	(2.11%)	0.00%
TIME WARNER:	TWX	60.71	(0.38%)	26.93%
VALUEVISION:	VTV	3.90	(4.88%)	116.67%
VIACOM:	VIA	70.39	0.98%	29.70%
WWE:	WWE	9.25	(0.54%)	17.24%

TECHNOLOGY				
ADDVANTAGE:	AEY	2.19	(7.2%)	10.05%
ALCATEL LUCENT:	ALU	1.54	14.93%	10.79%
AMDOCS:	DOX	36.29	0.25%	6.77%
AMPHENOL:	APH	83.29	3.74%	28.73%
AOL:	AOL	37.16	(4.86%)	25.50%
APPLE:	AAPL	433.26	(4.35%)	(18.59%)
ARRIS GROUP:	ARRS	16.75	2.51%	12.12%
AVID TECH:	AVID	7.01	1.45%	(7.52%)
BLNDER TONGUE:	BDR	1.00	5.26%	(13.04%)
BROADCOM:	BRCM	37.55	2.54%	13.07%
CISCO:	CSCO	24.24	14.88%	23.36%
CLEARWIRE:	CLWR	3.20	(5.33%)	10.73%
CONCURRENT:	CCUR	6.99	(6.92%)	21.78%
CONVERGYS:	CVG	18.12	0.83%	10.42%
CSG SYSTEMS:	CSGS	21.61	(0.46%)	18.87%
ECHOSTAR:	SATS	40.46	1.10%	18.23%
GOOGLE:	GOOG	909.18	3.29%	28.53%
HARMONIC:	HLIT	6.05	2.89%	19.33%
INTEL:	INTC	24.04	(1.88%)	16.59%
JDSU:	JDSU	13.97	3.79%	3.48%
LEVEL 3:	LVT	22.84	(4.03%)	(1.17%)

Company	Ticker	5/17 Close	1-Week % Chg	YTD %Chg
MICROSOFT:	MSFT	34.87	6.67%	30.55%
RENTRAK:	RENT	24.21	4.13%	24.22%
SEACHANGE:	SEAC	11.59	5.65%	19.86%
SONY:	SNE	20.34	18.53%	81.61%
SPRINT NEXTEL:	S	7.32	(0.54%)	29.10%
TIVO:	TIVO	12.58	4.57%	2.19%
UNIVERSAL ELEC:	UEIC	26.57	6.11%	37.31%
VONAGE:	VG	2.75	(4.18%)	16.03%
YAHOO:	YHOO	26.52	(1.16%)	33.27%

TELCOS				
AT&T:	T	37.44	0.21%	11.06%
VERIZON:	VZ	53.35	0.87%	23.30%

MARKET INDICES				
DOW:	DJI	15354.40	1.56%	17.17%
NASDAQ:	IXIC	3498.97	1.82%	15.88%
S&P 500:	GSPC	1667.47	2.07%	16.92%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. SONY:	20.34	18.53%
2. ALCATEL LUCENT:	1.54	14.93%
3. CISCO:	24.24	14.88%
4. CBS:	51.53	7.92%
5. MICROSOFT:	34.87	6.67%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. ADDVANTAGE:	2.19	(7.2%)
2. CONCURRENT:	6.99	(6.92%)
3. CLEARWIRE:	3.20	(5.33%)
4. VALUEVISION:	3.90	(4.88%)
5. AOL:	37.16	(4.86%)

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