

CableFAX Daily™

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What the Industry Reads First

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Spectrum Dealing: Handicapping the Cable-Verizon Wireless' Arrangement

Odds are rising that the **FCC** will approve the **Verizon Wireless**/cable spectrum deal this summer, but it all may depend on whether applicants can agree on potential conditions such as revising joint marketing agreements and prime spectrum divestitures. A Verizon rep spoke of ongoing meetings with the FCC, calling the overall process "constructive and positive" and projecting confidence that the deal would close in mid-summer. But *Harold Feld*, legal dir at **Public Knowledge**, reminded us that applicants can take all the time they want to negotiate because, unlike the **AT&T/T-Mobile** deal, this proposed transaction has no penalty fees. He also pondered whether applicants might be inclined to see how the election turns out first. Talks could hinge on several big areas of concern, he said, including joint marketing efforts in overlapping service areas, exclusivity issues regarding the resale agreements, WiFi roaming and WiFi licensing. Public Knowledge is part of an alliance to fight, or at least condition, the deal. **Verizon** CTO *Tony Melone* said Thurs at the **TIA** conference that the FCC shouldn't trouble itself with evaluating the marketing deal because it's a separate pact and irrelevant to the spectrum transaction. Of course, with cable hoping to access to Verizon's powerful marketing machine, scaling back those deals could end up worse for cable than for Verizon, **Stifel Nicolaus** analysts said. But they added that the focus could be on Verizon's wireline region, limiting the scope of revisions. The bottom line from Stifel: "We don't expect showstoppers." Verizon's 700MHz A&B Block could help AT&T and T-Mobile, but **Credit Suisse** analysts said both would need high frequency spectrum that can be deployed immediately and noted that they could buy capacity from **Clearwire** or **DISH**. Stay tuned...

At the Portals: Tick-tock.. If nothing happens at the **FCC** by Tues, the viewability order will sunset. On the table is an order that extends viewability for 6 months (a "transition" period) and grants small systems an HD exemption for another 3 years. The rule, which was approved as part of the DTV transition, requires cable ops to carry the analog and digital signals of must-carry stations. -- The **FCC** granted **Baja Broadband** a limited extension of its waiver for deploying set-tops with integrated security. The Media Bureau said Baja has demonstrated extraordinary financial hardship and that Baja has said there is a shortage of DTAs in the market. The operator said vendors are only ship-



The advertisement features a light blue background with a stylized globe. Silhouettes of people are arranged in a semi-circle around the globe. The text is as follows:

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ping DTAs to companies placing larger orders than Baja wishes to place. The FCC said Baja can only order and deploy non-CableCARD boxes until it receives delivery of DTAs.

Retrans Recap: In the latest episode of “As the Retrans Consent Cycle Turns,” **Diversified Comm’s WABI** told viewers it didn’t intend to blame **DirectTV** and numbers can be deceiving. “If our effort to inform you and other subscribers [of the possible removal of stations] appeared to place blame on DirecTV, it was not our intent to do so,” WABI said in a 500+-word Web missive. “We simply wanted to make sure that DirecTV viewers were aware of the possible loss of the stations.” It also went on to take issue with DirecTV’s assertion that it has requested a 300% increase in compensation. “Percentage increases can be misleading—particularly with low numbers. 5 cents, for example, is a 400% increase over 1 cent. It’s a meaningless assertion without real numbers,” the broadcaster said. DirecTV lost the ME **CBS** station as well as the Gainesville, FL, ABC affiliate on June 5. Like sands through the hour glass, so are the seconds that **DISH** continues to be without 14 **Hoak** broadcast stations. At our deadline Fri, those seconds totaled roughly 234K, though both sides were said to be talking. And **Time Warner Cable**, which has been in retrans crosshairs more or less since Dec, was poised to make it through the weekend without any retrans flares, with **Block Comm** and the 5-month-old **Cordillera** disputes history. **ATVA**, a coalition that includes several MVPDs, informed reporters that broadcast blackouts have impacted 53 markets this year, while NAB pointed scribes to an **SNL Kagan** chart comparing broadcast retrans increases to fees paid to basic cable nets (projected to be \$2bln for broadcast vs \$28.8bln for basic cable this year).

Rumor Mill: **Comcast** didn’t mince words in dismissing *The NY Times*’ report Fri that Comcast is exploring whether **BSkyB**’s 39% New Corp stake could be available for purchase. “This is complete rubbish, it is total speculation and inaccurate,” said a Comcast spokesperson. The Times did call it all very preliminary. -- Intel is reportedly working on a set-top box solution employing facial recognition tech. **Reuters** broke the news, writing that the tech doesn’t identify specific viewer but could provide general data about viewers’ gender or age to help targeted ad. Intel couldn’t be reached immediately for comments.

Online: Online video might have the largest increase in media spending this year, said a **BrightRoll** survey completed in ’11 by US ad execs. Regarding allocation of digital video budgets, 65% of the execs surveyed said they are likely to include smartphones, over half are likely to include tablets and 30% are likely to include connected TVs. Other findings include: Most of the execs surveyed believe online video is an equally or more effective medium than TV; most online video would be behaviorally targeted. The survey indicates more advertisers move their budgets to digital media, said BrightRoll CEO *Tod Sacerdoti*, noting a gap in understanding success metrics for digital video campaigns.

Technology: **Pac-12 Ent** tapped online video company **Ooyala** to develop and deploy the Pac-12 digital net, promising authenticated viewers the ability to watch the net anywhere. Pac-12 said it’s the 1st time such technology has been designed alongside a broadcast network experience at launch. The digital net will be ready when Pac-12 Nets launch on Aug 15.

Ratings: **NBA** playoffs keep sizzling for **ESPN**. Game 6 of the Eastern Conference finals Thurs night scored an 8.2 overnight rating, making it the highest-rating (preliminary) for a playoff game since records started being kept in ’03.

Online: “True Blood” season 5 bonus content is coming to **HBO GO** Sun. Expect full-length episodes of the series alongside never-before-seen clips. The content can be accessed online and on iPad.

Public Affairs: **Discovery en Espanol** is partnering with **AT&T** Chicago for “Descubre tu Talento” (Discover Your Talent), a multimedia public affairs campaign to raise awareness of career opportunities within the US Hispanic community. Volunteers with AT&T’s Hispanic employee resource group (Hacemos) will mentor applicants at the Chicago Job Corps site, and other company volunteers will get involved.

Business and Finance: **Viacom** announced a \$400mln debt offering. Net proceeds will include but are not limited to the repayment of outstanding indebtedness and the repurchase of shares under its share repurchase program.

Oops: **NAMIC Mid-Atlantic**’s creative showcase is set for Thurs (June 14) at **Discovery**’s Silver Spring HQ. -- Two-part crime drama “Thorne” debuts on **Encore**, not **Starz**, Tues and Wed at 9pm.

CableFAX Week in Review

Company	Ticker	6/08 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

DIRECTV:	DTV	44.10	(0.79%)	3.13%
DISH:	DISH	27.90	(0.5%)	(2.04%)
DISNEY:	DIS	46.24	1.16%	23.31%
GE:	GE	19.20	0.58%	7.20%
NEWS CORP:	NWS	19.68	1.44%	8.25%

MSOS

CABLEVISION:	CVC	11.55	0.96%	(18.78%)
CHARTER:	CHTR	64.12	2.26%	12.61%
COMCAST:	CMCSA	30.27	4.70%	27.67%
COMCAST SPCL:	CMCSK	29.76	3.62%	26.32%
GCI:	GNCMA	6.97	9.94%	(28.8%)
KNOLOGY:	KNOL	19.59	0.41%	37.96%
LIBERTY GLOBAL:	LBTYA	46.66	1.00%	13.72%
LIBERTY INT:	LINTA	16.69	(0.42%)	2.90%
SHAW COMM:	SJR	18.89	(1%)	(2.48%)
TIME WARNER CABLE:	TWC	76.07	0.89%	19.66%
VIRGIN MEDIA:	VMED	22.83	3.63%	6.78%
WASH POST:	WPO	365.78	4.86%	(2.93%)

PROGRAMMING

AMC NETWORKS:	AMCX	38.27	(0.83%)	1.84%
CBS:	CBS	32.24	6.30%	18.79%
CROWN:	CRWN	1.53	1.32%	26.45%
DISCOVERY:	DISCA	51.02	4.89%	24.53%
GRUPO TELEVISIA:	TV	19.50	2.69%	(7.41%)
HSN:	HSNI	39.89	2.54%	10.01%
INTERACTIVE CORP:	IACI	45.26	0.76%	6.24%
LIONSGATE:	LGF	13.04	(2.1%)	56.73%
LODGENET:	LNET	1.44	(7.1%)	(39.75%)
NEW FRONTIER:	NOOF	1.56	(8.24%)	51.46%
OUTDOOR:	OUTD	6.27	(4.86%)	(15.95%)
SCRIPPS INT:	SNI	56.42	3.01%	33.00%
TIME WARNER:	TWX	35.23	2.20%	(2.52%)
VALUEVISION:	VVTV	1.80	3.45%	(4.26%)
VIACOM:	VIA	51.74	(2.01%)	(2.98%)
WWE:	WWE	7.92	0.51%	(15.02%)

TECHNOLOGY

ADVANTAGE:	AEY	2.15	(11.16%)	2.38%
ALCATEL LUCENT:	ALU	1.59	1.27%	1.92%
AMDOCS:	DOX	28.96	0.73%	1.51%
AMPHENOL:	APH	54.86	3.14%	20.86%
AOL:	AOL	27.48	0.18%	81.99%
APPLE:	AAPL	580.32	0.45%	43.29%
ARRIS GROUP:	ARRS	12.76	3.49%	17.93%
AVID TECH:	AVID	7.06	(1.12%)	(17.23%)
BLNDER TONGUE:	BDR	1.05	1.94%	(13.93%)
BROADCOM:	BRCM	34.06	5.29%	16.01%
CISCO:	CSCO	16.73	4.82%	(7.47%)
CLEARWIRE:	CLWR	1.19	2.59%	(38.66%)
CONCURRENT:	CCUR	3.80	(6.63%)	0.26%
CONVERGYS:	CVG	14.34	4.22%	12.29%
CSG SYSTEMS:	CSGS	16.47	0.73%	11.96%
ECHOSTAR:	SATS	27.26	(2.54%)	30.18%
GOOGLE:	GOOG	580.45	(0.07%)	(10.13%)
HARMONIC:	HLIT	4.42	0.68%	(12.3%)

Company	Ticker	6/08 Close	1-Week % Chg	YTD %Chg
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INTEL:	INTC	26.41	2.21%	8.91%
JDSU:	JDSU	10.52	9.02%	0.77%
LEVEL 3:	LVLTL	21.35	0.57%	25.66%
MICROSOFT:	MSFT	29.65	1.58%	14.21%
RENTRAK:	RENT	18.29	12.90%	28.08%
SEACHANGE:	SEAC	8.18	2.38%	16.36%
SONY:	SNE	12.85	(2.95%)	(28.77%)
SPRINT NEXTEL:	S	2.98	15.95%	27.35%
TIVO:	TIVO	8.20	(3.98%)	(8.58%)
UNIVERSAL ELEC:	UEIC	12.46	(4.89%)	(26.14%)
VONAGE:	VG	1.79	(2.19%)	(26.94%)
YAHOO:	YHOO	15.65	4.89%	(2.98%)

TELCOS

AT&T:	T	34.55	1.11%	14.25%
VERIZON:	VZ	42.44	1.92%	5.78%

MARKET INDICES

DOW:	DJI	12554.20	1.30%	2.76%
NASDAQ:	IXIC	2858.42	1.10%	9.72%
S&P 500:	GSPC	1325.66	1.17%	5.41%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. SPRINT NEXTEL:	2.98	15.95%
2. RENTRAK:	18.29	12.90%
3. GCI:	6.97	9.94%
4. JDSU:	10.52	9.02%
5. CBS:	32.24	6.30%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. ADVANTAGE:	2.15	(11.16%)
2. NEW FRONTIER:	1.56	(8.24%)
3. LODGENET:	1.44	(7.1%)
4. CONCURRENT:	3.80	(6.63%)
5. UNIVERSAL ELEC:	12.46	(4.89%)



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