

CableFAX Daily™

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What the Industry Reads First

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Retrans Repeat: Hearst Rings Warning Bell for TWC Subs

Too early to say if this will amount to much: **Hearst** stations have started warning **Time Warner Cable** subs that the MSO is set to lose them July 1 if a new carriage deal is not reached. Impacted markets include Louisville, where recently acquired **Insight** subs lost the **Block**-owned **Fox** and **MyNetwork TV** stations for about a week earlier this month, as well as Cincinnati, Greensboro, NC, and the Orlando **NBC** affil in **Bright House's** footprint. There is something a little different about this notice. Louisville station WLKY told subs on its Website that Insight (aka Time Warner Cable) has asserted it has the right to continue carrying the signal until July 25. "Hearst believes that Insight does not have that authority without Hearst's consent and is reserving all rights if such unauthorized carriage occurs," the broadcaster said. Messaging is already up from TWC though, which cites June 30 as the day the contract expires. Perhaps the discrepancy is related to July sweeps, which runs through July 25. In the past, operators have argued that federal law requires them to keep stations on the air until a sweeps period ends. It's not clear if MVPDs are required to drop stations during sweeps if a broadcaster requests it. A drop of NBC affiliates on July 25 could be tough as the Opening Ceremonies for the Summer Olympics are on the network July 27. Despite the subscriber warnings, this all could be a lot of hullabaloo about nothing. In Dec, Hearst published similar warnings aimed at **AT&T**, **Charter**, **Mediacom** and others, but no stations went dark. TWC said it is making every effort to reach an agreement. At LetsKeepItOn.com, TWC made the argument that switching providers isn't the solution. The **American TV Alliance** has said every major TV provider has faced these threats this year, with more than 50 stations across the country having been blacked out for at least 1 MVPD. **DirectTV** is familiar with the issue. Its showdown with **Diversified Comm** continues, with stations in Bangor, ME, and Gainesville, FL, dark on the DBS system for 2 weeks now. In fact, CEO *Mike White* had meetings with **FCC** commissioners *Julius Genachowski*, *Robert McDowell*, *Mignon Clyburn*, *Ajit Pai* and *Jessica Rosenworcel* last week, urging (once again) changes in retrans rules, including the ability to temporarily import distant signals in cases of bargaining impasses. TWC is no stranger to retrans blackouts either. In addition to the Block dispute, TWC lost the **Cordillera**-owned **NBC** affil in Corpus Christi for 5 months.

Research: Believe it or not, people still turn to the big screen for most viewing occasions, despite the growing use of tablets, PCs and smartphones, according to a study by **CTAM** partner **Chadwick Martin Bailey**. This includes major televised events, like the Super Bowl (99%). TV is also the preferred viewing device while chatting online or using **Facebook** (61%). A barrier to greater usage of online viewing of TV and movies is simply a lack of understanding, the study said, citing confusion and uncertainty over show availability. Meanwhile, nearly 40% of the 50+ crowd have watched a TV show or movie in the past week, representing a demographic shift as older Americans are changing online viewing behaviors while the youngsters have hit a plateau. Online viewing habits vary from device to device: Smartphones aren't the 1st device of choice, but in certain situations, it's the best device available.

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Deals: SeaChange bought **Flashlight Consulting**, which specializes in developing software for digital TVs and set-top boxes. As part of the agreement, SeaChange will create a unit in Flashlight's homebase of Portland for its 20 employees. Flashlight CEO *Eric Miller* becomes vp, engineering at SeaChange.

In the States: Houstonians with Xfinity Triple Play service can make **Skype** calls on the big screen now for \$9.95 a month. **Comcast** is marketing its Skype-on-Xfinity HD video calling service in the city, a month after launching the product in Boston, Seattle and 8 other markets. To use the service, here's the checklist: Xfinity Internet, HDMI capable Comcast cable set-top box and a Skype account.

Ratings: The 3-play season finale of "Girls" netted 2mln viewers Sun night for **HBO** with a gross audience of 4.1mln for the season. The initial airing at 10pm drew 1mln to become the 2nd most-watched premiere play of the season.

Programming: Caution: Synergy at Work. Steel roller coaster, the Seven Dwarfs Mine Train, is under construction at **Walt Disney World** and expected to open in '14. On Tues, **Disney TV Animation** announced it has begun production on new animated series "The 7D," a comedic take on the Seven Dwarfs set to debut on **Disney Junior** in '14. -- **HGTV** will bow its 500th ep of "House Hunters International" Wed at 10:30pm ET. In this ep, a family is on a quest to move to the south of France. Ooh là là! -- **FEARnet** has bragging rights for Apr, ranking at the #1 free HD VOD movie provider with 501,349 orders, according to **Rentrak** data. Combine SD, HD and ESP, and VOD orders for FEARnet hit 5.8mln for the month (+11% vs Mar '12). -- **The Hub** renewed "Family Game Night" for a 3rd season to debut this fall. -- **Sen Judiciary** leaders have asked Supreme Court Justice *John Roberts* to allow TV cameras to capture the reading of the court's ruling on healthcare, which is expected to come in the next 2 weeks. Good luck... The court denied **C-SPAN's** request in Mar to televise the oral argument in the case. -- Newbie **ONE World Sports** obtained the exclusive rights to distribute 28 selected home baseball games of the Hiroshima Carp in the US.

Technology: **Cablevision** and **Toshiba America Information Systems** announced interoperability certification between Optimum Voice SIP Trunking from Optimum Business and Toshiba's IPedge IP and Strata CIX IP business phone systems. The certified solution is an option for small and medium businesses wanting to have an IP PBX system without the cost of an analog gateway and/or traditional T1 solution. Optimum Voice SIP Trunking provides VoIP access and network-based telephony services to pre-certified IP-PBXs. It is delivered through a converged voice and data network.

Awards: Kudos to **AMC**, which took home the most Broadcast TV Journalists Assoc's Critic' Choice TV Awards for a cable net Mon evening (3). **NBC** was the overall winner with 5 awards, while **ABC** had 3. Other cable nets with multiple wins included **FX** and **Showtime** (2 each). **HBO, Travel and Showtime** each had 1 win. Showtime's "Homeland" and AMC's "Breaking Bad" were the cable shows with the most wins (taking 2 each), including Best Drama Series ("Homeland") and Best Actor in a Drama Series (*Bryan Cranston* of "Breaking Bad"). Best Reality Series went to Travel's "Anthony Bourdain: No Reservations." -- **Nick** led cable nets at the Daytime Creative Arts & Ent Emmy awards, with 10 wins. It was second only to overall winner **PBS** (13). **The National Academy of TV Arts & Sciences'** awards, hosted by **Entertainment Studios'** *Byron Allen*, are a precursor to the Daytime Entertainment Emmys that will be shown live on **HLN** Sat at 8pm ET. Other cablers winning Creative Arts & Ent honors include **The Hub** (2), **Cartoon** (1), **Disney** (1), **Food** (1), **MTV** (1), **Style** (1), **OWN** (1) and **VH1** (1).



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BUSINESS & FINANCE

Business/Finance: ISI Media raised Charter to \$77 from \$68, reflecting a new pricing proposition aimed at increasing the penetration of bundled services, a rate increase undertaken in Mar/Apr for video and HSD customers, and ISI's new lower capex expectations. -- **Ooyala** raised \$35mln in new capital as it works to standardize digital video experiences provided by MSOs and TV programmers. **Telstra Applications and Ventures Group**, a subsidiary of Australia's largest telecommunications and information services company **Telstra**, led the Series E round, with prior investors **Sierra Ventures, Rembrandt Venture Partners** and **CID Group** participating in addition to other strategic investors. -- Time for another **DISH** acquisition analyst note... The video market might not be competitive enough to allow either **AT&T** or **DirectTV** to buy DISH, according to *Jason Bazinet* with **Citigroup**. And he's not certain that the **FCC** would let AT&T use DISH spectrum. Politics, of course, would play a role. Scrutiny of a satellite TV merger from the DOJ is likely even if the White House goes Republican in Nov, the analyst said. However, some form of wireless consolidation is likely in the next 12-24 months, including a potential **Sprint/T-Mobile** combination.


Oops: New **Univision** hire **Rob Thun** is evp, business operations.

CableFAX Daily Stockwatch

Company	06/19 Close	1-Day Ch	Company	06/19 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	45.75	0.43	CLEARWIRE:	1.15	0.01
DISH:	28.03	0.41	CONCURRENT:	3.85	0.03
DISNEY:	47.51	0.41	CONVERGYS:	14.40	0.01
GE:	20.00	0.25	CSG SYSTEMS:	16.60	0.38
NEWS CORP:	20.51	0.19	ECHOSTAR:	27.68	0.68
MSOS					
CABLEVISION:	12.53	0.14	GOOGLE:	581.53	10.68
CHARTER:	68.98	1.35	HARMONIC:	4.21	0.01
COMCAST:	31.31	0.15	INTEL:	27.51	0.09
COMCAST SPCL:	30.78	0.19	JDSU:	10.51	0.07
GCI:	8.25	0.38	LEVEL 3:	21.85	0.06
KNOLLOGY:	19.62	(0.06)	MICROSOFT:	30.70	0.86
LIBERTY GLOBAL:	48.50	0.46	RENTRAK:	19.50	(0.12)
LIBERTY INT:	16.69	0.40	SEACHANGE:	8.28	0.17
SHAW COMM:	19.09	0.29	SONY:	13.56	0.13
TIME WARNER CABLE:	79.65	0.75	SPRINT NEXTEL:	3.15	0.07
VIRGIN MEDIA:	23.61	0.21	TIVO:	8.23	0.04
WASH POST:	376.92	2.12	UNIVERSAL ELEC:	11.97	0.01
PROGRAMMING					
AMC NETWORKS:	38.60	0.29	VONAGE:	1.92	0.01
CBS:	31.95	0.32	YAHOO:	15.65	0.16
CROWN:	1.62	0.05	TELCOS		
DISCOVERY:	51.84	0.65	AT&T:	35.47	(0.16)
GRUPO TELEVISIA:	19.96	0.01	VERIZON:	43.73	(0.09)
HSN:	40.90	(0.1)	MARKET INDICES		
INTERACTIVE CORP:	45.72	(0.47)	DOW:	12837.33	95.51
LIONSGATE:	14.43	(0.07)	NASDAQ:	2929.76	34.43
LODGENET:	1.49	(0.01)	S&P 500:	1357.98	13.20
NEW FRONTIER:	1.68	0.04			
OUTDOOR:	7.17	0.43			
SCRIPPS INT:	56.72	(0.32)			
TIME WARNER:	37.33	0.18			
VALUEVISION:	1.71	(0.07)			
VIACOM:	52.91	(0.09)			
WWE:	7.75	0.16			
TECHNOLOGY					
ADVANTAGE:	2.07	0.01			
ALCATEL LUCENT:	1.67	0.09			
AMDOCS:	29.64	0.21			
AMPHENOL:	57.33	0.89			
AOL:	26.72	(0.24)			
APPLE:	587.41	1.63			
ARRIS GROUP:	13.51	0.08			
AVID TECH:	6.89	0.12			
BLNDER TONGUE:	1.22	0.07			
BROADCOM:	34.98	0.32			
CISCO:	17.18	0.04			






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