

CableFAX Daily™

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What the Industry Reads First

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Wheeler Confirmation: What's Next?

For the most part, the Senate Commerce confirmation hearing for *Tom Wheeler* was a smooth ride, with confirmation likely for the former **NCTA** head and *President Obama's* pick for **FCC** chmn. But that doesn't mean a confirmation will come any time soon, at least not until Republicans can nominate a replacement for com-mish *Robert McDowell*, several observers said. That process could take time because it doesn't appear that a specific candidate has been identified. In addition, though most Republicans seemed receptive, Sen *Ted Cruz* (R-TX) could potentially put the confirmation on hold, one observer said, noting that Cruz voiced concern about potential FCC action to regulate political advertising and suggested it was an issue that could still "derail" the confirmation. He asked Wheeler to respond in writing on the subject. Senators' questions to Wheeler are due next Tues. Another observer predicted a confirmation could come in the fall after Congress' Aug recess, while **Stifel Nicolaus'** analysts also noted the possibility of delay, but "we don't expect this issue to be an ultimate show-stopper." Some experts expect spectrum incentive auctions and broadband adoption to take priority in the Wheeler FCC even though several senators at the hearing were eager to address sports black-outs and retrans disputes. Sen *John McCain* (R-AZ) and *Richard Blumenthal* (D-CT) urged FCC acting chair *Mignon Clyburn* to move to a NPRM regarding the Sports Blackout Rule. In a letter, the senators noted it has been more than a year since the agency initiated the docket as a NOI to determine whether the rule remains in the public interest. Commenters have put forth "a wide arrange of proposals," so "it's time for the Commission to take the next logical step." But the letter also said legislation isn't the only way to address the matter, noting that Congress never instructed the FCC to promulgate the sports blackout rule in the first place and arguing that the agency has "ample authority" to update the rules without any Congressional action.

M&A: While the **DISH/Sprint/Softbank** merger soap opera might finally come to an end, the **Sprint/Clearwire/DISH** battle is expected to rage on. DISH said it continues to see "strategic value" in a merger with Sprint, but the telco's decision to "prematurely terminate our due diligence process" and "accept extreme deal protections in its revised agreement with SoftBank," among other things, has made it "impracticable" for DISH to submit

June 24, 2013 | Awards Breakfast | 8:30 – 10:30 am | Grand Hyatt in NYC

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a revised offer by the June 18 deadline imposed by Sprint. The move paves the way for SoftBank to close its acquisition of Sprint by the end of June, **S&P** analysts wrote. They expect the **FCC** to approve the deal shortly after Sprint's shareholder vote on the SoftBank offer on June 25. **New Street** analysts said DISH could still submit a revised offer ahead of the vote, but it's unlikely. Regarding Clearwire, S&P's analysts said Sprint will continue to "fight hard" to prevent DISH from taking a large minority stake.

In the Courts: The cost of **Time Warner Cable's** rights deals with **LA Dodgers** and **LA Lakers** are being unlawfully passed onto subs without giving them the opportunity to opt out of those channels, according to a lawsuit filed by several of the MSO's subs. The lawsuit, filed Tues in LA Superior Court, claimed subs will be forced to pay about \$4-\$5 in additional fees per month as a result of the deals and TWC's bundling practice. The company declined to comment.

On the Hill: **Senate Commerce** chmn *Jay Rockefeller* (D-WV) lauded **Mozilla's** move to turn "Do-Not-Track" on at Firefox browser as default and block 3rd-party cookies to protect consumers' personal information online. "This is welcome news from Mozilla. It proves there's a market for giving consumers strong privacy protections, and demonstrates that developers are eager to do this when online advertisers fall short," he said. With 2 major Web browsers now blocking 3rd-party cookies by default, it's even more important to "give businesses the regulatory certainty they need and consumers the privacy protections they deserve," he said. **Apple's** safari browser also blocks 3rd-party cookies. "I hope this will end the emerging back and forth so we can act quickly to pass new legislation," Rockefeller said. In Feb, the senator introduced the "Do-Not-Track Online Act of 2013," which was opposed by advertisers.

At the Portals: Broadcasters shouldn't be subject to **FCC's** content regulation, according to a filing with the agency by **Public Knowledge, TechFreedom, Electronic Frontier Foundation** and the **Center for Democracy & Technology**. "Whatever the FCC's rules of indecency are, they should be clear, and should not bend and shift to reflect the popular mood or in response to current events," the groups argued. They also said they're troubled by the lack of certainty, citing a recent example in which former FCC chmn *Julius Genachowski* declined to take enforcement action against broadcasters who aired **Red Sox** star player *David Ortiz's* remarks after the Boston Marathon bombing that "This is our f--king city, and nobody is going to dictate our freedom." The agency's proposal to address "egregious" incidents of indecency is a step in the right direction, the groups said. However, amending current regs is just "putting a better caliber of lipstick on the same old pig."

TVE: **Apple TV** is the latest device featuring **HBO Go** and **WatchESPN**. Like other programmers' TVE offering, subscription through distributors is required. While the HBO app allows access to full seasons of HBO shows with bonus features and behind-the-scenes extras, the ESPN app enables live access to **ESPN, ESPN2, ESPNU, ESPN3** and **ESPN Buzzer Beater/Goal Line**.

Social TV: Social TV firm **ConectTV** is partnering with media research firm **SmithGeiger** to analyze 2nd-screen social TV viewing behavior. The goals: "Validate the higher value of second screen companion ads that synchronize with broadcast spots as well as quantify brand benefits of social ad impressions over standard 'eyeballs'"

New Products: **Time Warner Cable** upgraded its VoiceZone Connect app for computers. Available for TWC's digital phone subs, the app now allows users to make calls from any location using the "Click to Call" feature. Subs can add up to 5 numbers for this feature, in addition to the home phone number. Subs also can get real-time notifications for new voicemail messages with a special ringtone. In addition, contact numbers can now be up to 16 digits, helpful for subs who make international calls.

NBA Finals: Online viewing for Game 6 of the **NBA** finals on **ABC.com** and the **ESPN3** simulcast garnered more than 25mln total minutes and an average minute audience of 129K across desktops, smartphones, tablets and the Xbox, according to **Adobe SiteCatalyst**. **ESPN** said that makes it the most streamed NBA game of the season or post-season in '12. In addition, NBA content across ESPN digital platforms generated over 100mln total minutes, the largest single day of the NBA Playoffs, with more than half of those minutes consumed on mobile devices. NBA content on ESPN.com also logged an average minute audience of 22K, up 211% vs games 1-5.

BUSINESS & FINANCE

Programming: TLC will air “Breaking Amish: Brave New World: The Shunning Truth,” a 2-part after show, on July 7. -- **MSG Network** debuts its new original series “The Bracket,” which pits NY’s best athletes against each other to determine the best in different categories, on Thurs. -- **Cartoon Network** premieres “Beware the Batman” on July 13. -- **One World Sports’** programming this weekend includes exclusive soccer coverage of the Chinese Super League and live Yomiuri Giants action from Nippon Professional Baseball. -- **BBC America’s** original drama series “Copper” returns Sun for a 2nd season.

Editor’s Note: It’s creeping up on you ever so slowly... but like a predator stalking its prey, the **Program Awards** deadline lurks in the shadows. That’s our overly dramatic and creative way of reminding you that Fri is the Program Awards deadline. More info: <http://www.cable360.net/cfp/events/program2013/> -- More than 200 of your friends and colleagues in the cable sales, marketing and PR arenas have registered to join us in NYC on June 24 for the annual **Sales Exec of the Year and Faxies Breakfast**. Will you be there? Sign up today at: <http://www.cablefax.com/cfp/awards/cablefaxiesseoy2013/> -- We’re gearing up for another exciting **Social Media Webinar**. More info: http://www.cablefax.com/cfp/webinars/2013_July23/

CableFAX Daily Stockwatch

Company	06/19 Close	1-Day Ch	Company	06/19 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	62.08	(1.5)	ECHOSTAR:	39.70	(0.27)
DISH:	39.27	0.18	GOOGLE:	900.68	0.06
DISNEY:	64.33	(0.96)	HARMONIC:	6.25	(0.09)
GE:	23.98	(0.35)	INTEL:	25.00	(0.47)
NEWS CORP:	32.34	0.63	JDSU:	14.27	(0.14)
MSOS					
CABLEVISION:	15.19	(0.11)	LEVEL 3:	21.51	(0.45)
CHARTER:	117.80	(0.15)	MICROSOFT:	34.59	(0.39)
COMCAST:	40.21	(0.18)	RENTRAK:	20.41	(0.34)
COMCAST SPCL:	38.54	(0.24)	SEACHANGE:	11.75	(0.08)
GCI:	8.12	(0.11)	SONY:	20.49	(0.91)
LIBERTY GLOBAL:	70.73	(1.15)	SPRINT NEXTEL:	7.00	(0.32)
LIBERTY INT:	22.82	(0.19)	TIVO:	11.13	(0.06)
SHAW COMM:	22.40	(0.45)	UNIVERSAL ELEC:	27.55	(0.11)
TIME WARNER CABLE:	102.49	(0.52)	VONAGE:	2.75	(0.03)
WASH POST:	487.00	(4.66)	YAHOO:	26.24	(0.42)
PROGRAMMING					
AMC NETWORKS:	64.66	0.47	TELCOS		
CBS:	48.38	(0.37)	AT&T:	35.25	(0.92)
CROWN:	1.95	(0.01)	VERIZON:	50.05	(1.5)
DISCOVERY:	76.53	(1.31)	MARKET INDICES		
GRUPO TELEVISA:	23.47	(0.24)	DOW:	15112.19	(206.04)
HSN:	55.13	(1.24)	NASDAQ:	3443.20	(38.98)
INTERACTIVE CORP:	49.00	(0.7)	S&P 500:	1628.93	(22.88)
LIONSGATE:	28.55	0.41			
SCRIPPS INT:	67.76	(0.17)			
STARZ:	22.62	(0.26)			
TIME WARNER:	57.86	(1.03)			
VALUEVISION:	5.28	(0.04)			
VIACOM:	68.42	(0.47)			
WWE:	9.98	(0.08)			
TECHNOLOGY					
ADVANTAGE:	2.24	0.01			
ALCATEL LUCENT:	1.93	0.06			
AMDOCS:	36.16	(0.24)			
AMPHENOL:	78.27	(1.01)			
AOL:	36.51	(0.25)			
APPLE:	423.00	(8.77)			
ARRIS GROUP:	14.74	(0.15)			
AVID TECH:	6.32	(0.09)			
BLNDER TONGUE:	1.01	(0.02)			
BROADCOM:	34.16	(0.46)			
CISCO:	24.68	(0.14)			
CLEARWIRE:	4.70	0.14			
CONCURRENT:	7.91	0.09			
CONVERGYS:	18.01	(0.43)			
CSG SYSTEMS:	21.82	(0.15)			



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The Basics

Commentary by Steve Effros

OK, so the last few columns have been very “rah-rah” about cable. That shouldn’t come as a surprise given that there are so few of us writing about this industry noting what we have been doing right, as well as the stuff we do wrong. If you read the “blogs,” or listen to the politicians, you would think that cable and broadband in this country are in such disrepair, so out of sync with the cost structures elsewhere in the world, and so antiquated that a “crisis” is upon us. None of that, of course, is true, and I’ll start, once again, publishing the numbers to prove it in the coming months. But it’s also necessary to remember, every once in a while, that no matter how advanced our technology, no matter how much it’s being used by our customers, no matter how many awards the programming is getting, there’s still a need to remember the basics.



I heard a story the other day that says it all. Luckily, it wasn’t the “cable guy” who had the problem, it was the “satellite guy.” But it’s a teachable moment for all of us. A friend of mine has a new place well away from Town. In other words, he barely gets a cell signal, and running a cable drop to his place down by the river would be prohibitive. The answer: satellite. He wants it for both television and broadband as there’s no other effective way to get either, and he wants to be able to do work down there.

The satellite guy showed up (relatively) on time. Not a problem there. But after going up on the roof, finding the drop which had already been wired in, and mounting the antenna, things got a little... well, actually, amusing. You see the installer had been trained very well. He had a hand-held, smartphone-like device that

all he had to do was read off the coordinates it would automatically provide, and that would tell him exactly where to aim the antenna to get the best signal. That’s how he installed dishes. That’s the only way he was trained to install those dishes.

One little problem; the “device,” needed a cell signal to work! Well, why does one get satellite service instead of cable or cellular? Because you can’t get cable or cellular—otherwise you would have gotten that in the first place! So our poor satellite guy was desperately trying to see if he could get any reasonable signal so that his magic device would tell him which way to point the antenna! He eventually gave up and asked my friend “which way is South?” From there they managed to get the signal and the story ended happily.

But it should teach us something: remember the basics! Why are folks using our service? What is it that most of them really want? What’s the easiest and quickest way to give it to them? How can we help our CSRs, our office staff, our technicians do their jobs, understanding that they are all part of an industry that does not start out with the best expectations on the part of the customer calling in?

Let’s not kid ourselves. We do a very good job in a very complex and demanding service business. Our competitors learn that once they actually try to do it. But that won’t be the experience of our customer if, for instance, the uber-technology our installers arrive with doesn’t also tell them which way is South! The basics.

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry)

CableFAX

PROGRAM AWARDS

From the most outstanding cable programs to the best surprise ending, the annual CableFAX Program Awards honor the best in cable programming, content and people. This unique awards program from the industry’s most trusted brand, CableFAX, raises the bar on what’s good on and about cable. Now’s your chance to win a CableFAX Program Award and get recognized for bringing value to your viewers.

It’s simple to compete, as your content and people speak for themselves. But you have to enter to be considered, so don’t let your competitors steal the show. We’ll be honoring the winners and honorable mentions in September.

Sponsorship Opportunities: Amy Abbey at aabbey@accessintel.com
Entry Questions: Mary Lou French at 301.354.1851 or mfrench@accessintel.com

