

CableFAX Daily™

Tuesday — July 2, 2013

What the Industry Reads First

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Deal's Closed: Charter Wraps Up Optimum West Deal

Charter grew a little bit, with its deal for the former **Bresnan** systems closing Mon. The \$1.6bn deal for **Cablevision's** Optimum West assets gives the MSO systems in CO, MT, WY and UT passing more than 660K homes and serving 375K residential and business customers. The systems, which were rebranded from Bresnan to Optimum in '11 following CVC's \$1.4bn purchase, will be renamed Charter. However, the MSO provided no timeframe for the rebrand. "These former Bresnan properties, which under Cablevision's leadership became some of the fastest growing cable properties in the United States, are an ideal fit for Charter, and we anticipate a smooth and efficient integration process," Charter pres/CEO *Tom Rutledge* said in a statement (Hey, didn't he used to run those systems?). Meanwhile, there continue to be whispers—err, make that shouts—about whether a *John Malone*-backed Charter will make a go of a much bigger expansion. The talk specifically about **Time Warner Cable** prompted the well-worn suggestion that TWC might go after Cablevision or **Cox**. A *Reuters* story Fri that raised the issue—reporting that TWC has contacted the companies in recent months—said neither has shown any interest so far in selling. Cablevision shares soared Mon, closing up nearly 10%—though the gain seems to be more about merger speculation. Charter and TWC each shed about 1%. Charter funded the acquisition of Optimum West with \$1.5bn of committed bank financing to Charter Communications Operating, LLC, and liquidity from cash on hand and its revolving credit facility.

In the Courts: Cablevision filed an emergency application for a stay with the **US Supreme Court**, seeking immediate suspension of the **National Labor Relations Board's** pursuit of complaints against the company. Specifically, it wants to stop an upcoming administrative trial related to complaints filed with the NLRB by **CWA**. The latest move in the ongoing saga comes after the DC Circuit rejected Cablevision's request for a stay last week (the court only acted on the stay, not its petition, which is still pending). Cablevision argues that 2 different federal courts of appeals (the DC Circuit and the 3rd Circuit) have ruled that NLRB lacks a valid quorum and thus has no authority to take action. "The role of Congress is to ensure a balanced NLRB, and the Obama Administration bypassed Congress in order to stack the NLRB in favor of Big Labor," Cablevision said in a statement. "Two different federal courts—the D.C. Circuit and the 3rd Circuit—have established that the NLRB is illegally constituted and has no authority to take action. The NLRB continues to ignore these

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rulings, and we ask the Supreme Court to compel the NLRB to immediately halt its unlawful proceedings against Cablevision." All of this wrangling has delayed a vote by employees on whether they still want CWA to represent them.

Over-the-Airheads: MSOs, are you ready for more retrans face time with **Tribune**? About 2 weeks after **Gannet's** \$2.2bln acquisition of **Belo**, **Tribune** announced its proposed purchase of **Local TV Holdings'** 19 stations in 16 markets for \$2.73bln in cash. The deal, if approved by **DoJ** and the **FCC**, would increase Tribune's stations from 23 to 42, including 14 **CW** affils, 14 **Fox** affils, 5 **CBS** affils, 3 **ABC** affils, 2 **NBC** affils and 4 independents. Post-transaction, Tribune will own 14 stations in the top 20 markets. It will also become the #1 Fox affil group and expand its position as the #1 CW affil group. Tribune said the acquisition "will also lead to more meaningful conversations with affiliates about distribution, which is especially important to the future of **WGN America**," 1 of 4 superstations owned by Tribune and the only remaining superstation with national distribution. The transaction will make Tribune the #1 local TV affil group in the country, **Peter Liguori**, pres/CEO said in a statement. As part of the deal, Tribune will add stations in prime cities like Denver, Cleveland, St Louis, Kansas City, Salt Lake City and Milwaukee.

TVE: Disney/ABC expanded its "Watch ABC" live streaming service to 4 additional markets: L.A. Chicago, San Fran and Raleigh-Durham. It's already available in NYC and Philly. Disney has authenticated agreements in place with several MVPDs, including **Comcast**, **Charter**, **Cox**, **Cablevision**, **Midcontinent** and **AT&T U-verse**. Watch ABC should roll out to the final 2 ABC O&Os—Houston and Fresno—prior to the launch of the new fall season. **Hearst** has said it plans to launch the service, and other station groups are discussing it.

On the Hill: Rep **Joe Barton** (R-TX) has issues with **Google's** response to his Google Glass privacy concerns. In a statement, the co-founder of Congress' bi-partisan privacy caucus said "there were questions that were not adequately answered and some not answered at all." Google Glass has the potential to "change the way people communicate and interact... It's important that people's rights be protected and vital that privacy is built into the device," he said. Google said it has no plans to revise its privacy policy as it develops Google Glass, though a personal site will be offered to manage users' mobile apps. But Google said it won't include facial recognition features unless "we have appropriate privacy protections in place."

Internet TV: Cox is trialing broadband TV service flareWatch for \$35/month in Orange County, CA. First reported by **Variety**, the service offers 97 live channels and 30 hours of network DVR storage. While the price may seem especially attractive to cord cutters, a Cox rep said it is a promotional rate in line with promo pricing for expanded basic (Cox Advanced TV). "At its simplest, we are testing a new consumer device and user interface to see how customers react. It also gives customers another video option to choose from as they consider Cox products," the rep said. The service uses Fanhattan's Fan TV set-top (\$99 each). Programmers we spoke to Mon were on board with the trial.

Retrans: Time Warner Cable and **DISH** both reached extensions to retrans contracts expiring over the weekend with **Journal** and **Media General**, respectively. And we keep waiting to see if TWC and **CBS** will turn ugly or get done quietly.

At the Portals: The **FCC's** Office of Engineering and Tech granted approval for **Google** to operate its "TV bands database system" to provide service to the public. The system will support unlicensed radio devices that transmit on unused channels in the spectrum bands used by broadcast (TV white spaces).

Ratings: The premiere of **Showtime's** original series "Ray Donovan" scored 1.35mln viewers Sun night, besting all other Showtime freshman comedy and drama series, including the "Homeland" premiere in '11. -- The premiere of **Lifetime** original movie "Anna Nicole" averaged 3.3mln total viewers Sat and scored a 2.6 HH rating.

Programming: GSN ordered a 2nd season of original series "The Chase" for 8 eps. A new season of the quiz show is slated to air later this year.-- As if there aren't enough Mafias already (think **HBO's** "Boardwalk Empire" and **VH1's** "Mob Wives"), **Nat Geo** will premiere "Inside the American Mob," which features the modern Mafia, on July 28. -- **Time Warner Cable SportsNet** will televise the **LA Lakers'** '13 NBA Summer League Games live, starting July 12 with the game against the Cleveland Cavaliers. Additional Lakers coverage on TWC SportsNet this summer includes "Access SportsNet: Lakers," a live, studio show that airs weekly during the off-season. -- **Soledad O'Brien** has signed on as a special correspondent for **Al Jazeera America**, which is expected to launch in late Aug. Her production company also will provide doc specials for the channel, formerly **Current TV**. -- **Smith-**

BUSINESS & FINANCE

sonian kicks off a marathon of its aerial project "Aerial America" at midnight July 4 with highlights of 31 states. The show is shot from a helicopter with a state-of-the-art **Cineflex** HD camera system. -- **Sportsman Channel** will honor members of the military with a July 4 "Made in America" marathon (7am-7pm). Throughout the day, soldiers will convey personal testimonials, and a social media ticker will run at the bottom of the screen. -- Season 2 of "The Rickey Smiley Show" will debut on **TV One** July 26, 9pm ET.

People: **Nick** named *Andrea Fasulo* svp, retail and movie marketing, Nickelodeon Group. -- **Sundance Channel** named *Alysse Bezaehler* vp, head of production, a newly created position. -- *Michael Nathanson*, formerly of **Nomura Securities**, will team up with *Craig Moffett*. When he joins **Moffett Research** later this summer, the firm will become **Moffett-Nathanson**. *Moffett* and *Nathanson* previously worked together at **Sanford Bernstein**. The firm also will add *Patrick O'Connell*, *Ethan Steinberg*, *John Towers* and *David Cielusniak*.

Business/Finance: Sounds like *Bob Iger* will stick around as CEO of **Disney** for a bit longer. The company extended his contract as CEO through June 30, '16 from Mar 31, '15, according to an **SEC** filing. Under the previous contract, he would serve as exec chmn until June 30, '16, but relinquish the CEO title in Apr '15.

CableFAX Daily Stockwatch

Company	07/01 Close	1-Day Ch	Company	07/01 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	62.38	0.74	ECHOSTAR:	39.05	(0.06)
DISH:	42.92	0.40	GOOGLE:	887.88	7.51
DISNEY:	63.93	0.78	HARMONIC:	6.48	0.13
GE:	23.34	0.15	INTEL:	23.89	(0.34)
NEWS CORP:	14.87	3.33	JDSU:	14.44	0.05
MSOS					
CABLEVISION:	18.44	1.62	LEVEL 3:	20.89	(0.19)
CHARTER:	122.22	(1.63)	MICROSOFT:	34.36	(0.18)
COMCAST:	40.66	(0.9)	RENTRAK:	20.69	0.62
COMCAST SPCL:	38.95	(0.53)	SEACHANGE:	11.71	UNCH
GCI:	8.44	0.61	SONY:	21.47	0.28
LIBERTY GLOBAL:	74.41	0.92	SPRINT NEXTEL:	7.07	0.05
LIBERTY INT:	23.33	0.32	TIVO:	11.05	UNCH
SHAW COMM:	23.97	(0.06)	UNIVERSAL ELEC:	28.88	0.75
TIME WARNER CABLE:	110.95	(1.53)	VONAGE:	2.75	(0.08)
WASH POST:	491.18	7.41	YAHOO:	25.24	0.11
PROGRAMMING					
AMC NETWORKS:	65.52	0.19	TELICOS		
CBS:	48.73	(0.14)	AT&T:	35.30	(0.1)
CROWN:	2.47	UNCH	VERIZON:	50.36	0.02
DISCOVERY:	77.79	0.55	MARKET INDICES		
GRUPO TELEVISIA:	24.68	(0.16)	DOW:	14974.96	65.36
HSN:	54.21	0.49	NASDAQ:	3434.49	31.24
INTERACTIVE CORP:	47.54	(0.04)	S&P 500:	1614.96	8.68
LIONSGATE:	29.19	1.72			
SCRIPPS INT:	67.61	0.85			
STARZ:	21.72	(0.38)			
TIME WARNER:	58.30	0.48			
VALUEVISION:	5.35	0.24			
VIACOM:	68.21	(0.23)			
WWE:	10.33	0.02			
TECHNOLOGY					
ADVANTAGE:	2.27	(0.01)			
ALCATEL LUCENT:	1.79	(0.03)			
AMDOCS:	37.00	(0.09)			
AMPHENOL:	78.50	0.56			
AOL:	36.77	0.29			
APPLE:	409.22	12.69			
ARRIS GROUP:	14.55	0.20			
AVID TECH:	5.79	(0.09)			
BLNDER TONGUE:	1.02	(0.05)			
BROADCOM:	33.19	(0.6)			
CISCO:	24.34	0.17			
CLEARWIRE:	5.00	0.01			
CONCURRENT:	7.60	(0.05)			
CONVERGYS:	17.96	0.53			
CSG SYSTEMS:	22.04	0.27			

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4K Demos Continue

Despite the lack of content and the industry's "wait-and-see" attitude, 4K testing and demonstration continues. **Intelsat** and **Ericsson** recently demonstrated 4K, end-to-end video transmission over satellite to **Turner Broadcasting's** facilities in Atlanta, GA. The companies claimed it was the first transmission of a 4K signal over satellite in North America. During the demonstration, Intelsat's Galaxy 13 satellite delivered a 4:2:2 10-bit, 4K signal at 60 frames per second. Ericsson encoded and decoded the 100 Mbps video feed, using its AVP 2000 contribution encoders and RX8200 receivers, capable of 4K operations as well as HD and SD. "Demonstrations such as this show operators that it is possible to start building the necessary ecosystem and a library of UHD TV content now as the industry readies itself for the rollout of commercial services in the coming years," said *Giles Wilson*, Ericsson's head of TV compression business. At the Cable Show, **Comcast**, teaming with vendors like **Arris**, **Intel**, **Broadcom** and **Elemental Technologies**, also showcased its 4K programming. "While 4K Ultra HD is in the early stages, Comcast is ready to deliver what could be the next-generation of video as the content and devices are developed and become more readily available for use in consumers' homes," the company said during the show. Meanwhile, the newest entrant into the 4K market is **Toshiba**. The manufacturer recently announced it will offer 3 versions of its 4K TV series this fall, featuring its CEVO 4K quad+dual core processor built-in to handle image processing and its cloud TV applications. The devices will also feature built-in WiFi, Miracast (a peer-to-peer wireless screencast standard), and WiDi, Intel's wireless display technology. The device will be competing with more than 30 other Ultra HD devices scheduled for release this year.

Streaming: **DirectTV** renamed and upgraded its streaming service Nomad and launched GenieGo, which allows Windows and iOS users to stream video across platforms over wireless connections. Compatible with current DirecTV customers' Genie or HD DVR, the Nomad 2.0 allows

programs to be downloaded on up to five different devices. GenieGo also features an auto-download series function, allowing users to program the system to automatically prepare to sync new episodes to mobile devices as soon as it's recorded by DVR. Customers can access up to 20 hours of recorded content across platforms at a given time. They can also connect a hard drive to the device for additional programming.

Comcast: As **Comcast** integrates its Reference Design Kit worldwide, Indian tech firm **Tata Elxsi** has launched a software bundle created for the RDK using IP & hybrid set-top boxes. The cloud-based RDK platform seeks to enable easy deployment and upgrades by operators.

WiFi: **Cox** is making its Hospitality WiFi available across its footprint later this summer. The MSO, which has been connecting hotels in parts of its footprint for a couple of years, seeks to offer a consistent WiFi service through a direct connection from its national fiber backbone or HFC network. Cox's WiFi offering features remote network monitoring, guest troubleshooting and support.

In the States: **Fibertech Networks**, a provider serving businesses in the eastern and central US, has added over 850 miles of fiber to its network in Connecticut, whose cable providers include **Comcast**, **Time Warner Cable**, **Charter** and **Cablevision**. The addition gives the fiber provider more than 3500 of its own fiber route miles in the state. The Connecticut network connects all of the state's major cities, including Hartford, Bridgeport, Stamford, Danbury, New London and New Haven.

T-Commerce: It's all about monetizing TV viewing: TV engagement firm **Delivery Agent** is teaming with **PayPal** to bring T-commerce advertising features to global retail brands. Through its network of CE manufacturers, cable, satellite and telco service providers, Delivery Agent seeks to give PayPal's retail partners access to approx 85mln homes. Retailers could engage consumers directly via their own advertising or via "contextually relevant television programming," Delivery Agent said.

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