

CableFAX Daily™

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What the Industry Reads First

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New Volley: Tennis Appeals Comcast Ruling

The **Tennis Channel/Comcast** match isn't over yet. As expected, Tennis returned the ball Fri, the deadline to file an appeal, with a petition for rehearing of the DC Circuit Court of Appeal's ruling on **FCC's** decision on its spat with Comcast. The net wants the full court to review whether intentional discrimination claims require proof of economic loss due to discrimination. The ruling "departed from well-settled anti-discrimination law, ignored congressional intent and erroneously rejected extensive findings made by the **FCC**," the net said in a statement. "Comcast's programming business benefits from weakening the independent Tennis Channel's ability to compete for programming and advertisers. This is exactly what Congress sought to prohibit when it adopted the Cable Act." Alternatively, the case should be remanded for consideration, it said. Comcast countered that "a unanimous panel of the U.S. Court of Appeals emphatically rejected Tennis Channel's complaint in a well-considered opinion" and that it continues to "treat Tennis Channel fairly, making it available to those customers who want it in full accordance with our contract." The FCC voted 3-2 on party lines last year, saying Comcast had discriminated against Tennis in favor of its own networks, **Golf** and **Versus** (now **NBC Sports**). Upon Comcast's appeal, the court sided with the MSO and ruled that the agency didn't provide evidence that Comcast discriminated against Tennis on the basis of affiliation. Among other things, the court's decision is "contrary to both congressional intent and the FCC's interpretation of Section 616" of the Communications Act, the Tennis petition said. It also contended that DC Circuit's decision requires the Commission to focus "solely on the economic consequences" of expanding Tennis Channel's carriage for Comcast's cable distribution business, and to ignore evidence that Comcast's programming businesses benefit "substantially" from Comcast's decision to restrict its carriage of Tennis. "The decision thus ignores the very problem that prompted Congress to enact Section 616—that vertically-integrated MVPDs will take advantage of their role as distributors to stifle competition in programming." In addition, the court's decision "allows MVPDs to apply a double standard that will eviscerate Section 616." Comcast in its earlier brief argued that the FCC's order "severely misinterprets" Section 616 of the Communications Act, replacing the statutory requirement of an "unreasonable restraint on fair competition with a standard that could be easily satisfied by a reasonable restraint." The ball is now in the court's court.

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Hulu: Sorry **DirectTV**, **Time Warner Cable** and other reported **Hulu** bidders, but there won't be a sale after all. Owners of the streaming service, **21st Century Fox**, **NBCU** and **Disney**, jointly announced that they will maintain ownership and provide \$750mln in cash to fund future growth. "We believe the best path forward for Hulu is a meaningful recapitalization that will further accelerate its growth under the current ownership structure," the companies said in a statement. **Chase Carey**, pres/COO of 21st Century Fox, acknowledged that the owners had "meaningful conversations with a number of potential partners and buyers, each with impressive plans and offers to match." However, with the company and Disney "fully aligned in our collective vision and goals for the business," the companies decided to cancel the sale process, he said (NBCU has no say because of the Comcast merger restrictions). Disney chmn/CEO **Robert Iger** said Disney and its partners are "committing resources to enable Hulu to achieve its maximum potential."

On the Hill: Senate Commerce has circulated a draft cybersecurity proposal seeking to set up voluntary standards for industries, among other things, according to a committee source. The draft is a collaboration of Committee chmn **Jay Rockefeller** (D-WV) and ranking member **John Thune** (R-SD). Specifically, the draft legislation would strengthen cyber research and development, improve the cyber workforce and education, increase the public's awareness of cyber risks and cybersecurity, and give **NIST** standards oversight. After last year's cybersecurity legislation failed, Rockefeller was the 1st to urge **President Obama** to issue an Executive Order to create a voluntary public-private partnership to fight against cyber threats. Rockefeller expects to mark up the bill later this month, with support from Thune, the committee source said.

Retrans: American TV Alliance, with partners like **Time Warner Cable**, **Bright House**, and **DISH**, slammed recent retrans spats, some of which fell into the sweeps period (Time Warner Cable/**Journal**). "Broadcasters have no problem taking down their signal right before the World Series, the Super Bowl and other marquis events, in order to gain more leverage, but when a dispute interferes with 'sweeps' period, they suddenly oppose blackouts," the group said. "Consumers deserve rules that protect them from blackouts at all times, not just when it's beneficial to broadcasters," it said in a statement.

In the States: Verizon is teaming with "Take the HELM (Hired and Expand in Lower Manhattan)," a competition offering more than \$1.25mln to companies opening offices in the area. Verizon will provide its FiOS Quantum HSI service (300 Mbps down; up to 65 Mbps up) for free for 1 year to the winners in the startup category. The deadline for entry is Mon. -- **Cablevision**, **Time Warner Cable** and NYC officials will announce areas in city parks that have been connected with public WiFi Tues. The service is provided as part of the city's agreement with the MSOs at the time of the cable franchise renewals in '11. -- **AT&T** is hiring more than 75 U-Verse installers, sales consultants and customer service reps in AR.

People: Univision upped **Sarah Madigan** to the newly created position of evp, content distribution.

R&B DIVAS LA TAKEOVER THE WILD, WILD WEST!
A Top Year-to-date Wednesday Primetime Reality Series Premiere Telecast on Ad-Supported Cable Among P25-54

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Source: Nielsen TV Toolbox (Live + SD), P25-54 (000), Measurement: 12/31/12-07/03/13, Ad-Supported Cable Reality Series Type Code, Wednesday Primetime (8pm-11pm) Telecast Ranker, Include Premieres Only, Season 1, Episode 1 Telecast Only 1 Divas LA Premiere #2 behind SYTY's 1/16/13 10pm "Ghost Mine" premiere

CableFAX Week in Review

Company	Ticker	7/12 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

DIRECTV:	DTV	64.91	5.30%	29.41%
DISH:	DISH	43.12	1.41%	18.46%
DISNEY:	DIS	66.98	6.06%	34.53%
GE:	GE	23.76	1.71%	13.20%
NEWS CORP:	FOXA	30.19	0.00%	0.00%

MSOS

CABLEVISION:	CVC	18.81	11.83%	25.90%
CHARTER:	CHTR	124.67	0.66%	63.52%
COMCAST:	CMCSA	44.68	7.02%	19.59%
COMCAST SPCL:	CMCSK	42.72	7.69%	18.93%
GCI:	GNCMA	9.28	18.52%	(3.23%)
LIBERTY GLOBAL:	LBTYA	79.22	7.80%	25.83%
LIBERTY INT:	LINTA	24.50	6.48%	24.49%
SHAW COMM:	SJR	24.62	2.46%	7.14%
TIME WARNER CABLE:	TWC	115.16	2.38%	18.49%
WASH POST:	WPO	515.33	6.52%	41.11%

PROGRAMMING

AMC NETWORKS:	AMCX	68.60	5.01%	38.59%
CBS:	CBS	52.89	8.23%	39.00%
CROWN:	CRWN	2.50	1.21%	35.14%
DISCOVERY:	DISCA	85.07	10.14%	34.01%
GRUPO TELEVISIA:	TV	25.40	2.25%	(4.44%)
HSN:	HSNI	57.87	7.73%	5.07%
INTERACTIVE CORP:	IACI	51.03	7.25%	8.02%
LIONSGATE:	LGF	32.89	19.73%	100.55%
SCRIPPS INT:	SNI	72.69	8.88%	25.50%
STARZ:	STRZA	23.89	8.10%	0.00%
TIME WARNER:	TWX	61.70	6.71%	29.00%
VALUEVISION:	VVTV	5.58	9.20%	210.00%
VIACOM:	VIA	72.41	5.80%	33.43%
WWE:	WWE	11.01	6.79%	39.54%

TECHNOLOGY

ADDVANTAGE:	AEY	2.34	3.08%	17.59%
ALCATEL LUCENT:	ALU	1.94	6.59%	39.57%
AMDOCS:	DOX	38.41	3.56%	13.00%
AMPHENOL:	APH	85.38	9.55%	31.96%
AOL:	AOL	37.90	3.89%	28.00%
APPLE:	AAPL	426.51	7.56%	(19.85%)
ARRIS GROUP:	ARRS	15.50	8.01%	3.75%
AVID TECH:	AVID	6.21	5.61%	(18.07%)
BLNDER TONGUE:	BDR	0.99	4.21%	(13.91%)
BROADCOM:	BRCM	34.83	3.05%	4.88%
CISCO:	CSCO	25.94	6.57%	32.01%
CONCURRENT:	CCUR	7.88	3.01%	37.28%
CONVERGYS:	CVG	19.12	9.70%	16.51%
CSG SYSTEMS:	CSGS	23.60	8.41%	29.81%
ECHOSTAR:	SATS	40.99	4.81%	19.78%
GOOGLE:	GOOG	923.00	4.84%	30.48%
HARMONIC:	HLIT	6.89	10.77%	35.90%
INTEL:	INTC	23.90	(1.36%)	15.91%
JDSU:	JDSU	15.14	5.21%	12.15%
LEVEL 3:	LVT	21.75	3.18%	(5.88%)
MICROSOFT:	MSFT	35.67	3.24%	33.55%
RENTRAK:	RENT	20.54	2.34%	5.39%

Company	Ticker	7/12 Close	1-Week % Chg	YTD %Chg
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SEACHANGE:	SEAC	11.96	2.13%	23.68%
SONY:	SNE	22.19	4.72%	98.13%
SPRINT NEXTEL:	S	6.45	(8.12%)	13.76%
TIVO:	TIVO	11.62	5.16%	(5.61%)
UNIVERSAL ELEC:	UEIC	30.64	8.92%	58.35%
VONAGE:	VG	3.08	8.83%	29.96%
YAHOO:	YHOO	27.23	8.36%	36.83%

TELCOS

AT&T:	T	35.81	1.16%	6.23%
VERIZON:	VZ	50.41	0.14%	16.50%

MARKET INDICES

DOW:	DJI	15464.30	3.72%	18.01%
NASDAQ:	IXIC	3479.38	3.64%	15.23%
S&P 500:	GSPC	1680.19	4.60%	17.81%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. LIONSGATE:	32.89	19.73%
2. GCI:	9.28	18.52%
3. CABLEVISION:	18.81	11.83%
4. HARMONIC:	6.89	10.77%
5. DISCOVERY:	85.07	10.14%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. SPRINT NEXTEL:	6.45	(8.12%)
2. INTEL:	23.90	(1.36%)
3. CLEARWIRE:	4.99	(0.2%)
4. NEWS CORP:	30.19	0.00%
5. VERIZON:	50.41	0.14%

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