

CableFAX Daily™

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What the Industry Reads First

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Keep the Card: TiVo's Quest to Ensure CableCARDS Remain Available at Retail

It has been 6 months since the Court of Appeals for the DC Circuit ruled the FCC lacked authority to impose encoding rules on satellite TV companies and other MVPDs to prevent signal theft. While the court case focused on satellite, the DC Circuit vacated the entire rule, including provisions that apply to cable operators. Enter **TiVo**. With the FCC having not stepped in to do anything since Jan's ruling, the company now wants the rules reinstated, particularly when it comes to the provision that consumers must be able to access cable content on retail devices (like TiVo's) via CableCARDS. TiVo's petition doesn't mention any cases of cable operators rejecting customers' requests for CableCARDS, but with hundreds of thousands of cable customers relying on the cards, the CE maker would rather be safe than sorry. "These vacated rules include standards for encoding of signals and conditional access that cable operators, content providers, equipment manufacturers agreed to a decade ago, and that consumers have relied on for the past decade without controversy," TiVo said in its petition. "By vacating these rules, the Court created an unhealthy amount of uncertainty in the industry—uncertainty that harms innovation and competition as well as settled consumer expectations." TiVo's pretty active on the FCC petition front. One it filed in Feb seeks a waiver of the digital cable ready certification and marketing rules so that it could bring all-digital, cable-only DVRs to retail (**Samsung** filed a similar petition in May for its "Smart Media Player") TiVo also filed a petition in May asking the FCC Media Bureau to reconsider its order granting **Charter** a 2-year waiver to the set-top integration ban out of concern it could release the MSO from providing CableCARDS to subs using retail devices.

In the Courts: No one was shocked by this one, but it gave **Aereo** another day of free publicity. The 2nd Circuit Court of Appeals denied broadcasters' request to rehear their appeal for a preliminary injunction for the online TV service. That was expected, and it means Aereo can continue to offer its services as the broadcasters' lawsuit over copyright continues its way through the courts. It's currently available in Boston, NY and Atlanta, but plans launches in DC, Philly, Dallas and other cities. Fox and other broadcasters could appeal to the US Supreme Court, but **Stifel Nicolaus** analysts believe they'd have "an uphill battle... If the broadcasters are unable to turn the tide in the Aereo litigation, we believe they will be tempted to seek a congressional fix, which we further believe would spark a broader battle over broadcast retransmission fees and video policy," said a Stifel research report. "The situation could be further inflamed if cable companies or other multichannel-TV providers were to launch an Aereo-like service in order to bypass broadcasters' retransmission fees." **Wells Fargo's Marci Ryvicker** believes the Supremes will ultimately decide Aereo's fate, with the case possibly dragging out into '15.

Net Trafficking: The blowup a few years ago between **Level 3** and **Comcast** appears to be officially over. The 2 said Tues that they have resolved their interconnect dispute on "mutually satisfactory terms," declining to provide any details. This harkens back to Nov '10 when Level 3 complained that the MSO was demanding recurring fees for transmission of **Netflix** content, and suggested it threatened the openness of the Internet.

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Broadband: Cablevision is upping its broadband game with what it says is “the most widespread broadband speed increase” in its history. The new service includes basic tier Optimum Online with speeds up to 15 Mbps down and 5 Mbps up, aimed at subs with 2 or 3 devices online at once. At \$39.95 a month, the tier includes automatic sign-in for 5 mobile devices to connect to Optimum WiFi. For \$4.95 more, subs get Optimum Online Ultra 50, which triples the basic tier speeds with up to 50 Mbps down and 25 Mbps up. This tier, which allows subs to auto-authenticate 10 mobile devices to WiFi, is good for HHs with 4 to 10 devices online at once, Cablevision said. The highest tier, Optimum Online Ultra 101, offers speeds of up to 101 Mbps down and 35 Mbps up, allowing subs to stream multiple programs all at once, while also using the Optimum App and playing online games. It enables subs to auto-authenticate 15 devices on Optimum WiFi.

Ratings: The *George Zimmerman* verdict failed to make it into last week’s list of top 10 cable programs. **Fox News’** “Gerald at Large” scored the most total viewers for trial coverage, 3.68mln, good enough for 12th place. The week’s #1 show belonged to **TNT**, with “Rizzoli & Isles” outperforming Sprint Cup racing on the net (5.58mln total viewers vs 4.9mln). **USA** kept its usual perch as the most-watched cable net in prime, while **Nick** had an ever so slight edge over **Disney** in total day (1.87mln viewers vs 1.86mln). -- The ‘13 Chevrolet Home Run Derby on **ESPN** scored a 5.0 overnight rating, up 6% YOY. It marks the highest-rated Home Run Derby since ‘09. -- **HBO** had a solid Sun night. The 2nd season premiere of its “The Newsroom” scored 2.2mln viewers, up 4% over last year’s series premiere, while “True Blood” drew 4.5mln viewers.

Hopper: DISH opened its 3rd-party application programming interface to allow developers to access DISH Explorer mobile app on its Hopper Whole-Home HD DVR. With the DISH APIs, developers can “offer new ways for customers to discover shows that are available on the program guide, recorded to the DVR and accessible on demand,” DISH said. Their apps will also be able to control the Hopper by changing channels, setting recordings and playing back DVR and on-demand content. DISH already has its own mobile apps that work with the Hopper, but “we want to see what other experiences trusted partners might create if given the opportunity,” said *Vivek Khemka*, svp, product management.

WiFi: Cable WiFi is getting into NYC’s parks, thanks to **Time Warner Cable** and **Cablevision’s** franchise agreement renewals with the city. As expected, the MSOs and NYC officials announced the launch of public WiFi in 32 parks across the city Tues. The service, free at all times to qualified subs from TWC, Cablevision, **Comcast**, **Cox** and **Bright House**, is open to non-subs for up to 30 minutes each month for free and for 99 cents a day. Additional WiFi park locations across the city will be launched on a rolling basis. The initiative, NYC Parks WiFi, will be maintained through July ‘20. In addition to paying the city a franchise fee of 5% of the revenues generated from cable TV services as part of the franchise agreement renewals, TWC and Cablevision also agreed to various technology improvements to public parks, community centers and groups, commercial centers and the city’s telecom infrastructure valued at more than \$60mln.

Carriage: MAVTV said it’s on track to hit 30mln subs by year-end. The net scored a distribution deal with **DirecTV** in June. -- **DOGTV**, a \$4.99/month television service for dogs, will launch on DirecTV channel 354 on Aug 1.

On the Hill: The **House Communications** subcmte, headed by *Greg Walden* (R-OR), is set to review the progress of the broadcast spectrum incentive auction during a hearing Tues. Witnesses include *Gary Epstein*, chair of the **FCC’s** incentive auction task force, **NAB’s** evp *Rick Kaplan*, **Public Knowledge’s** svp *Harold Feld*, as well as **AT&T** and **T-Mobile** execs.

Programming: **Showtime** ordered a 2nd season of its drama series “Ray Donovan,” which will debut next year.

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WHAT THE INDUSTRY
READS FIRST.



BUSINESS & FINANCE

-- TBS picked up Fox's animated series "American Dad" to add to its primetime lineup in late '14, starting with the show's 11th season. Sister net **Adult Swim** will air encores of each ep after initial airing on TBS.

On the Circuit: ESPN said \$1.15mln in net proceeds was raised at the ESPY Celebrity Golf Classic for **The V Foundation for Cancer Research**. -- **NAMIC** is accepting nominations for its Executive Leadership Development Program, presented in partnership with the Univ of VA Darden School of Business. Submit noms at namic.com by Aug 9.

People: NBCU has a new evp, gen counsel with **Davis Polk & Wardwell's Kimberley Harris** getting the nod. She succeeds NBC vet *Rick Cotton*, who announced his intention to step down in May '12. Cotton will now assume the post of sr counselor for IP protection. Harris spent '10-'12 in the White House Counsel's Office, most recently as deputy counsel and deputy asst to the president. -- **MPAA** hired former Hill staffer *Shanna Winters* as svp, global policy. Most recently, she served as Democratic chief counsel for the House Committee on Foreign Relations. -- **Nickelodeon Group** upped 3 creative and operations execs, including *Matt Duntemann*, svp, brand design; *Pete Johnson*, svp, creative advertising; and *Eric Squires*, svp, creative operations.

CableFAX Daily Stockwatch

Company	07/16 Close	1-Day Ch	Company	07/16 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
DIRECTV:	65.04	(0.21)	GOOGLE:	919.61	(5.08)			
DISH:	44.64	0.19	HARMONIC:	7.06	0.06			
DISNEY:	65.03	(0.9)	INTEL:	24.25	0.31			
GE:	23.43	(0.2)	JDSU:	14.90	(0.09)			
NEWS CORP:	30.22	0.22	LEVEL 3:	21.80	UNCH			
MSOS								
CABLEVISION:	18.58	(0.35)	MICROSOFT:	36.27	0.10			
CHARTER:	123.82	(0.76)	RENTRAK:	21.23	0.11			
COMCAST:	43.99	(0.16)	SEACHANGE:	12.50	0.23			
COMCAST SPCL:	42.13	(0.26)	SONY:	21.96	(0.28)			
GCI:	9.22	(0.03)	SPRINT NEXTEL:	6.48	(0.24)			
LIBERTY GLOBAL:	79.76	(0.02)	TIVO:	11.65	(0.03)			
LIBERTY INT:	24.49	0.09	UNIVERSAL ELEC:	30.13	(0.46)			
SHAW COMM:	24.59	(0.01)	VONAGE:	3.21	0.02			
TIME WARNER CABLE:	113.38	(1.51)	YAHOO:	26.88	(0.46)			
WASH POST:	516.85	(1.59)	TELCOS					
PROGRAMMING								
AMC NETWORKS:	68.04	(0.55)	AT&T:	35.88	0.33			
CBS:	52.68	(0.45)	VERIZON:	50.28	0.32			
CROWN:	2.50	0.01	MARKET INDICES					
DISCOVERY:	84.33	(0.11)	DOW:	15451.85	(32.41)			
GRUPO TELEVISIA:	25.14	(0.31)	NASDAQ:	3598.50	(8.99)			
HSN:	57.71	(0.24)	S&P 500:	1676.26	(6.24)			
INTERACTIVE CORP:	50.84	(0.48)	TECHNOLOGY					
LIONSGATE:	31.94	(0.82)	ADDVANTAGE:	2.32	(0.03)			
SCRIPPS INT:	72.52	(0.54)	ALCATEL LUCENT:	1.90	(0.03)			
STARZ:	23.65	(0.46)	AMDOCS:	38.17	0.02			
TIME WARNER:	61.29	(0.13)	AMPHENOL:	84.28	(0.64)			
VALUEVISION:	5.76	0.16	AOL:	37.41	(0.89)			
VIACOM:	72.33	(0.42)	APPLE:	430.19	2.75			
WWE:	11.21	0.05	ARRIS GROUP:	15.31	(0.18)			
TECHNOLOGY								
ADDVANTAGE:	2.32	(0.03)	AVID TECH:	6.17	(0.06)			
ALCATEL LUCENT:	1.90	(0.03)	BLNDER TONGUE:	0.99	(0.01)			
AMDOCS:	38.17	0.02	BROADCOM:	34.84	0.40			
AMPHENOL:	84.28	(0.64)	CISCO:	25.71	(0.22)			
AOL:	37.41	(0.89)	CONCURRENT:	7.70	(0.15)			
APPLE:	430.19	2.75	CONVERGYS:	19.13	UNCH			
ARRIS GROUP:	15.31	(0.18)	CSG SYSTEMS:	23.42	(0.22)			
AVID TECH:	6.17	(0.06)	ECHOSTAR:	41.02	0.01			
BLNDER TONGUE:	0.99	(0.01)						
BROADCOM:	34.84	0.40						
CISCO:	25.71	(0.22)						
CONCURRENT:	7.70	(0.15)						
CONVERGYS:	19.13	UNCH						
CSG SYSTEMS:	23.42	(0.22)						
ECHOSTAR:	41.02	0.01						

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