

CableFAX Daily™

Tuesday — August 13, 2013

What the Industry Reads First

Volume 24 / No. 156

Week 2: With No Deal in Sight, Time for Intervention?

It was an awfully quiet weekend and Mon as **Time Warner Cable** and **CBS'** retrans spat entered the 2nd week. Neither side provided an update after putting out statements on **FCC** interim head *Mignon Clyburn's* comments Fri that suggest the FCC might intervene (**Cfax**, 8/9). So far, affected viewers missed some NFL preseason games and golf. Absent evidence that suggests an agreement is near, parties like **Mediacom** told the FCC it's time to stop its "Homer Simpson" approach on retrans disputes, which is to "hide under some coats and hope that, somehow, everything will work out." The FCC seems to be "doing nothing more than a jawboning" in the TWC/CBS dispute, which is "simply irrelevant when it comes to dealing with the main problems of blackouts and escalating prices," **Mediacom** said in a filing with the Commission Mon. To stop retrans disputes and blackouts, the MSO urged the Commission to "embrace the interpretation of its authority." There's nothing to lose if the agency's actions are overturned by the court and much to gain if its authority is confirmed, the company said. Of course, the agency might not have a specific plan, an attorney representing operators told us. Clyburn's comments appeared to be a "non-specific expression of concern or warning" that there could be longer-term consequences if the blackout continues, he said, and it will be hard for the FCC to intervene if no one accuses the other party of a violation of rules. Add to that the fact that a rulemaking on retrans reform during Clyburn's interim tenure is unlikely. TWC laid out 2 possible paths to address disputes earlier: a deregulatory approach to ensure "genuine market-based negotiations" or an update to the rules that would curb the use of threatened and actual use of blackouts in negotiations. Despite the disruptions and increasing attention that TWC/CBS dispute is getting, there's nothing unique about the spat, noted *Craig Moffett* with **Moffett Research**. "Give the TWC/CBS blackout extra style points for occurring in New York—the news media naturally tends to gaze at its own navel—but still we're talking a relatively run-of-the-mill occurrence," he said. The only interesting part of the battle is the fight over digital rights, he said. His prediction: TWC will only be able to hold out until football season begins. There are some unique dynamics in the NY market this time, but "we're still talking about a relatively run of the mill battle for leverage where the broadcaster ultimately has the upper hand," he said. **BTIG Research** analysts agreed that TWC's negotiating position will weaken "dramatically" in mid-Sept, when the

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CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Sales Mgr: Susan Kim, 301.354.2010, skim@accessintel.com ● Dir of Market Dev: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Prod: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group ● Group Subs: Amy Russell, 301.354.1599, arussell@accessintel.com ● Subscription Questions, contact Client Services: 301.354.2101, clientservices@accessintel.com
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NFL returns to CBS and the fall TV schedule starts. "Time is of the essence for the FCC to act," they said. But if the FCC fails to act, BTIG suggested Congress intervene regardless of "threats made to their individual political futures." Meanwhile, **DISH** and **Raycom** ended their dispute late Fri, 8 days after the satellite provider lost access to 53 stations in 36 markets. One deal is done, another one is coming: The **DISH/Disney** contract expires Sept 30.

Fox Sports 1: It appears that **Fox Sports 1** is still working on carriage deals with **Time Warner Cable**, **DirectTV**, **DISH** and **Bright House**, 5 days before it's scheduled launch. Fox said it planned to launch the new sports net in 90mln homes when it announced the news earlier this year. *Sports Business Daily* reported the new already scored deals with **Comcast**, **Cablevision**, **Charter**, **Cox**, **Verizon** and **Suddenlink**, accounting for around 45mln subs. On the programming front, FS1 lined up football experts for its year-round weekday football show "Fox Football Daily" premiering Mon and 1-hour Sun morning pregame program "Fox NFL Kickoff" premiering Sept 8. Providing commentary for both programs are 4 ex-NFL: 5-time Pro Bowl defensive back and Tampa Bay Buccaneers, *Ronde Barber*; former New Orleans Saints Super Bowl champion linebacker and defensive captain, *Scott Fujita*; NFL record-holding wide receiver *Randy Moss* and recently-retired Chicago Bears linebacker and 8-time Pro Bowler *Brian Urlacher*. During a conference call Mon, Fox Sports exec producer *Bill Richards* said the net will use game sites that Fox is broadcasting. One unique aspect of "Fox Football Daily": The analysts will comment on both pro and college topic. But "viewers can expect the same mix of news, analysis, information and entertainment" as Fox NFL Sunday, he said. Meanwhile, the net also announced that **Ford**, **Geico** and **Yum!** brands will be the major advertisers in the automotive, insurance and quick service restaurants categories upon launch. **Samsung Mobile** leads the electronics category. FS1 also scored deals with several movie studios. In addition to **FOX Sports**, FS1 and **FOX Sports 2** events and programs, major advertiser agreements cover placement on other FOX Sports channels and platforms, including **FOX Deportes** and FOXSports.com.

Carriage: A week before the scheduled launch on Aug, *Al Jazeera America* still hasn't secured a carriage deal with **Time Warner Cable**, which covers the 2 biggest media markets in NYC and L.A. However, the upcoming net has already signed deals with major distributors like **AT&T U-Verse**, **Comcast**, **DirectTV**, **DISH** and **Verizon FiOS**. TWC confirmed that talks continue...

At the Portals: The **Media Bureau** granted **TiVo** a waiver of the agency's analog tuner requirement, enabling the company to sell all-digital video recording products without analog tuners. The company must inform consumers of the changes. "We find good cause to grant TiVo's request for waiver subject to TiVo's continued commitment to consumer education about the capabilities and limitations of TiVo's devices," the bureau said. "Waiving the analog tuner requirements will have a de minimis effect on consumers because the television sets to which TiVo's products connect are required under Commission rules to have analog tuners that TiVo customers can use to receive any analog broadcast or cable channels that they wish to receive."

On the Hill: It's actually off the Hill... **Senate Commerce** on Mon will host in Little Rock, AR, a field hearing on "Connecting Urban and Rural America." Testimony will focus on the state of communications in the state as well as how broadband can improve consumer welfare by expanding opportunity and access to services like telemedicine, education and business development.

Go Orange: Cable nets are joining forces to end childhood hunger, with many turning their logos orange on Sept 8 to support the Hunger Awareness Month. The "Go Orange" campaign seeks to make ending childhood hunger a national priority. Several nets will also run public service announcements and share information on their Websites and social media platforms to educate viewers about the problem of childhood hunger and what can be done to help. Participating nets include: **A+E Networks (A&E, Bio, History, H2, Lifetime & Military History)**, **AMC Networks (IFC, Sundance Channel, WEtv)**, **BET**, **Bravo Media**, **Discovery Fit, FX, The Hub, Nick, Scripps Networks Interactive (Cooking Channel, DIY, Food Network, HGTV, GAC & Travel Channel)**, **Style Media, TBS, TLC, TNT, TVGN, USA Network** and **The Weather Channel**.

Apps: Second screen app **Viggle** launched **Viggle Audience Network**, enabling advertisers to access an expanded audience of nearly 10mln users, including more than 3mln Viggle registered users, the company said. Viggle users

BUSINESS & FINANCE

include companies across the TV and mobile entertainment industry. Initial launch partners include **Boxfish, BuddyTV, and Dijit Media's** NextGuide. The new platform seeks to enable Viggle to sell advertising across partner properties in various ad formats, including video pre-rolls and takeovers, mobile display banners, and IAB mobile-optimized units.

Ratings: **AMC** net scored solid ratings over the weekend. Season 6 premiere of "Breaking Bad" Sun night bagged 5.9mln viewers, up 102% over the season 5 premiere last summer. It earned a 4.2HH rating. After "Breaking Bad," new drama series "Low Winter Sun" attracted 2.5mln viewers. On Sat night, the 2-hour "Hell on Wheels" season 3 premiere attracted 2.5mln viewers, up 2% from the season 2 premiere.

Programming: Investigation Discovery's long-form journalism franchise, "On the Case with Paula Zahn" airs its 100th ep on Sun, making it the 1st ID program to hit this benchmark.

People: A&E Networks upped 4 programming execs: *Elaine Bryant* to svp, development and programming, **History**; *Paul Cabana* to svp, head of programming, **H2**; *Mary Donahue* to svp, non-fiction programming, **Lifetime**; and *Gena McCarthy* to svp, programming at **Bio**. The new appointments are effective Sept 3.

CableFAX Daily Stockwatch

Company	08/12 Close	1-Day Ch	Company	08/12 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
DIRECTV:	62.10	(0.19)	GOOGLE:	885.51	(4.9)			
DISH:	45.76	0.12	HARMONIC:	7.98	0.09			
DISNEY:	63.93	(0.8)	INTEL:	22.64	0.13			
GE:	24.27	0.02	JDSU:	14.80	0.13			
NEWS CORP:	32.66	(0.11)	LEVEL 3:	22.49	(0.23)			
MSOS								
CABLEVISION:	19.79	0.18	MICROSOFT:	32.87	0.17			
CHARTER:	126.56	(1.71)	RENTRAK:	24.93	0.35			
COMCAST:	44.78	0.16	SEACHANGE:	11.48	0.04			
COMCAST SPCL:	43.11	0.09	SONY:	20.00	(0.15)			
GCI:	9.55	(0.02)	SPRINT NEXTEL:	7.11	(0.14)			
LIBERTY GLOBAL:	77.86	(1.29)	TIVO:	10.96	0.04			
LIBERTY INT:	23.52	(0.05)	UNIVERSAL ELEC:	34.16	1.64			
SHAW COMM:	24.80	(0.27)	VONAGE:	3.26	0.01			
TIME WARNER CABLE:	113.25	(1.75)	YAHOO:	28.35	0.67			
WASH POST:	585.00	0.03	TELCOS					
PROGRAMMING								
AMC NETWORKS:	67.67	2.19	AT&T:	34.92	0.12			
CBS:	53.68	0.13	VERIZON:	49.65	0.33			
CROWN:	3.02	(0.03)	MARKET INDICES					
DISCOVERY:	82.84	(0.29)	DOW:	15419.68	(5.83)			
GRUPO TELEVISA:	28.71	(0.1)	NASDAQ:	3669.95	9.84			
HSN:	60.64	0.16	S&P 500:	1689.47	(1.95)			
INTERACTIVE CORP:	50.16	(0.24)	TECHNOLOGY					
LIONSGATE:	33.27	(0.66)	ADDVANTAGE:	2.56	0.01			
SCRIPPS INT:	75.76	0.41	ALCATEL LUCENT:	2.66	(0.04)			
STARZ:	24.80	0.48	AMDOCS:	38.34	0.19			
TIME WARNER:	63.33	(0.07)	AMPHENOL:	77.49	(0.08)			
VALUEVISION:	6.13	0.20	AOL:	37.41	(0.12)			
VIACOM:	80.03	(0.41)	APPLE:	467.36	12.91			
WWE:	10.27	0.07	ARRIS GROUP:	16.97	0.50			
TECHNOLOGY								
ADDVANTAGE:	2.56	0.01	AVID TECH:	5.79	0.03			
ALCATEL LUCENT:	2.66	(0.04)	BLNDR TONGUE:	1.02	(0.02)			
AMDOCS:	38.34	0.19	BROADCOM:	26.06	UNCH			
AMPHENOL:	77.49	(0.08)	CISCO:	26.34	0.29			
AOL:	37.41	(0.12)	CONCURRENT:	8.07	0.26			
APPLE:	467.36	12.91	CONVERGYS:	19.39	(0.03)			
ARRIS GROUP:	16.97	0.50	CSG SYSTEMS:	25.17	(0.16)			
AVID TECH:	5.79	0.03	ECHOSTAR:	43.80	0.09			
BLNDR TONGUE:	1.02	(0.02)						
BROADCOM:	26.06	UNCH						
CISCO:	26.34	0.29						
CONCURRENT:	8.07	0.26						
CONVERGYS:	19.39	(0.03)						
CSG SYSTEMS:	25.17	(0.16)						
ECHOSTAR:	43.80	0.09						

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As cable operators continue to incorporate WiFi into their quad-play strategies, the **FCC's** action last week to modify rules governing unlicensed equipment in the 57-64 GHz band could help open up the landscape considerably. According to the agency, its goal is to promote the use of unlicensed spectrum as "a relatively low-cost, high-capacity short-range backhaul alternative" for wireless broadband. These modifications could provide wireless connectivity over distances up to a mile at data rates of 7 Gbps using the recently IEEE-approved 802.11ad standard. **ABI Research** predicts that the 1st 802.11ad-capable products will likely enter the market by year-end. Meanwhile, rules for indoor unlicensed equipment, including services and products delivering uncompressed video to TV receivers and video displays, remain unchanged. The FCC also upped the power permitted for outdoor operations between fixed points using highly directional antennas, and tied the maximum power permitted to the precision of the antenna beam to other users. That would allow outdoor devices to offer high-capacity communications over longer distances, improving the use of unlicensed 57-64 GHz band for broadband. Meanwhile, consumers continue to flock to WiFi, with ABI reporting that customer premises equipment shipments surpassed 43.3mln units by the end of 1Q, a nearly 17% increase over the same Q in '12. And while 802.11n-based devices still make up 2/3 of the market, ABI said the new 802.11ac standard—enabling speeds up to 1.3Gbps, as well as better coverage—"is starting to gain traction," with 200K consumer 802.11ac devices shipped in 1Q and an expected 1mln to ship by year-end. In terms of manufacturers targeting the SOHO/consumer market, ABI reported that **TP-LINK** maintains the dominant market share with 15%, followed by **Netgear** and **D-Link** with 12% and 11% respectively.

Keeping Pace: Alaska cable operator **GCI** took the plunge Mon to become the first to deploy **Pace's** XG1 Multi-Tuner Video Gateway with **TiVo's** Advanced User Interface plat-

form in a move aimed at creating a more seamless 2nd-screen experience. "The Pace/TiVo solution offers our subscribers TiVo's award winning user interface to access and discover VOD and linear TV content, together with personalized recommendations and powerful search and discovery capabilities," said GCI, noting "total platform flexibility for software development and service enhancements" from Pace. GCI execs had been anxious to meld TiVo's existing interface to Pace's next-gen platform, which hinges on the ability to stream video to multiple connected devices within the home via DOCSIS 3.0-enabled equipment.

Tech Emmys: Time Warner Cable, TiVo and Cablevision are among the companies that won Emmy Awards for Technology and Engineering. TWC notched 2 in the network DVR and VOD dynamic ad insertion categories while TiVo received the award for personalized recommendation engines for video discovery. Cablevision was also recognized in the network DVR category. The awards will be presented during the International **Consumer Electronics Show** in Las Vegas on Jan 9.

People: Nice get for TV tech firm **Ensequence**, which named **Disney/ESPN** vet **Gary Perrelli** svp, interactive sales as the company continues to pitch programmers on its advanced TV wares. Perrelli, who has also held executive positions at **AT&T** and **Cox**, will report to Ensequence COO **David Kline**. At Disney, Perrelli negotiated multi-year affiliate agreements with MVPDs including network placement, rates, marketing support, advertising guidelines, technical specifications and reporting requirements.

Honors: Just another shout out for **Stephanie Mitchko-Beale**, **Cablevision's** svp of video infrastructure and software, who last week was announced as the recipient of the 2013 Women in Technology Award, bestowed by **WICT**, **SCTE** and **CableFAX**. She'll be honored during SCTE Expo (Oct 21-24, Atlanta). The award, sponsored by **Bright House**, was created in 1995 to recognize leading technology professionals. Past winners include **Jennifer Yohe Wagner**, **Susan Adams**, **Leslie Ellis** and **Nomi Bergman**.

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